

**OFFERING MEMORANDUM**



**Itaú Unibanco Holding S.A.**

*a sociedade por ações incorporated in the Federative Republic of Brazil  
acting through its head office or its Grand Cayman Branch*

**US\$100,000,000,000**

**Global Medium-Term Note Programme**

Under the global medium-term note programme (the “**Programme**”), Itaú Unibanco Holding S.A. (acting through its head office or its Grand Cayman Branch) (the “**Issuer**”) may from time to time issue medium-term notes denominated in U.S. dollars or in such other currencies as may be agreed with the Dealers (as defined below). Such notes will be either unsecured and unsubordinated obligations of the Issuer ranking equally in right of payment with its other present and future unsecured and unsubordinated indebtedness (the “**Senior Notes**”), unsecured and subordinated obligations of the Issuer subordinated in right of payment to its present and future Senior to Tier 1 Liabilities (as defined in “Terms and Conditions of Tier 1 Subordinated Notes”) (the “**Tier 1 Subordinated Notes**”) or unsecured and subordinated obligations of the Issuer subordinated in right of payment to its present and future Senior to Tier 2 Liabilities (as defined in “Terms and Conditions of Tier 2 Subordinated Notes”) (the “**Tier 2 Subordinated Notes**”) and, together with the Tier 1 Subordinated Notes, the “**Subordinated Notes**,” and the Subordinated Notes, together with the Senior Notes, the “**Notes**”) as described herein. The Notes will have maturities from 30 days in the case of Senior Notes and five years in the case of Tier 2 Subordinated Notes from the date of issue (except as set out herein). Any Tier 1 Subordinated Notes will be perpetual securities with no final maturity date. The Notes may bear interest on a fixed or floating rate basis, or be issued on a fully discounted basis and not bear interest. The maximum aggregate nominal amount of all Notes issued and outstanding under the Programme will not exceed US\$100,000,000,000 (or its equivalent in other currencies at the time of agreement to issue), subject to any duly authorized increase as further described herein. Notes will be issued in one or more series (each a “**Series**”) having one or more issue dates and the same maturity date, bearing interest on the same basis and at the same rate, and on terms otherwise identical (except in relation to interest commencement dates and matters related thereto). Each Series may be issued in one or more tranches (each a “**Tranche**”) on different issue dates. Each Series of the Senior Notes will be all in bearer form or all in registered form, and each Series of the Subordinated Notes will be all in registered form. Details applicable to each Tranche will be specified in final terms issued in respect of such Tranche (the relevant “**Final Terms**”).

Payment of principal on the Subordinated Notes may be accelerated only in the case of certain events involving our bankruptcy, dissolution, suspension of payment on or failure or inability to pay all or a material part of (or of a particular type of) our debts generally as they become due or similar events. We will only be required to make payment on acceleration after we have been declared bankrupt, have been dissolved or suspend payment on or fail or are unable to pay all or a material part of (or of a particular type of) our debts generally as they become due. There will be no right of acceleration in the case of default in the performance of any of our covenants, including the payment of principal or interest in respect of the Subordinated Notes.

**Prospective investors should consider the factors described in this Offering Memorandum under “Risk Factors” starting on page 25 hereto.**

Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme for the period of 12 months from the date of this Offering Memorandum to be listed on the official list of the Luxembourg Stock Exchange (the “**Official List**”) and to be admitted to trading on the Euro MTF Market of that exchange (the “**Euro MTF Market**”). The Euro MTF Market is not a regulated market for the purposes of Directive 2014/65/EU (as amended, “**MIIFID II**”). References in this Offering Memorandum to Notes being “listed” (and all related references) mean that such Notes have been admitted to the Official List and admitted to trading on the Euro MTF Market. However, Notes may be issued under the Programme that will not be listed on the Official List and admitted to trading on the Euro MTF Market (or any other stock exchange), and the Final Terms applicable to a Series will specify whether or not the Notes of such Series will be listed on the Euro MTF Market or any other stock exchange. With respect to the Programme and any listed Note issued under the Programme, there can be no assurance that a listing on the Euro MTF Market or any other stock exchange will be achieved prior to the launch date of the Programme or the issue date of any Notes or otherwise. This Offering Memorandum constitutes a base prospectus for the purpose of the Luxembourg law of 10 July 2005 on prospectuses for securities, as amended, and may be used in connection with listings on the official list of the Luxembourg Stock Exchange for a period of one year from the date hereof. This Offering Memorandum replaces the offering memorandum dated March 5, 2018 in relation to the Programme.

**WE HAVE NOT REGISTERED AND WILL NOT REGISTER THE NOTES UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. ACCORDINGLY, THE NOTES ARE BEING OFFERED AND SOLD ONLY (I) IN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS (“QIBs”) AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”) AND (II) OUTSIDE THE UNITED STATES IN OFFSHORE TRANSACTIONS TO NON-U.S. PERSONS IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”). BECAUSE THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED, THEY ARE SUBJECT TO RESTRICTIONS ON REALES AND TRANSFERS DESCRIBED UNDER “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS.”**

The Notes may be offered by us through one or more dealers appointed from time to time by us (each a “**Dealer**” and together the “**Dealers**”) on a continuous basis or through syndicated placements. The applicable Final Terms will specify the Dealer, Dealers or syndicate of Dealers through which the Notes of a particular Series will be offered. Notes may also be sold to a Dealer or Dealers as principal, at negotiated discounts or otherwise, and Notes may be sold to or through syndicates of financial institutions for which a Dealer will act as lead manager. We may also offer Notes directly to purchasers.

**This Offering Memorandum should be read together with the applicable Final Terms, any supplemental information and any documents incorporated herein by reference.**

**Arrangers and Dealers**

**Goldman Sachs & Co. LLC**

**Itaú BBA**

**Morgan Stanley**

The date of this Offering Memorandum is March 12, 2019.

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In this Offering Memorandum, except where otherwise specified or the context otherwise requires, all references to “we,” “us,” “our” or “ourselves” are references to Itaú Unibanco Holding S.A. (“**Itaú Unibanco Holding**”) and its subsidiaries, except where otherwise specified or the context otherwise requires. The “**Issuer**” refers to Itaú Unibanco Holding, or any successor thereof, whether acting through its head office or its Grand Cayman Branch, except where otherwise specified or the context otherwise requires. The business of Itaú Unibanco Holding is described in this Offering Memorandum on a consolidated basis, except where otherwise specified or where the context otherwise requires. The term “**Brazil**” refers to the Federative Republic of Brazil. The phrase “**Brazilian government**” refers to the federal government of Brazil. The term “**Central Bank**” means the Central Bank of Brazil, and the term “**CMN**” means the Brazilian National Monetary Council (*Conselho Monetário Nacional*).

Itaú Unibanco Holding is the parent of two main operating subsidiaries: Itaú Unibanco S.A. (“**Itaú Unibanco**”) and Banco Itaú BBA S.A. (“**Itaú BBA**”). Together with its subsidiaries and affiliates, Itaú Unibanco Holding is referred to in this Offering Memorandum as the “**Itaú Unibanco Group**.” Itaú Unibanco carries on our commercial banking, consumer credit and other financial activities. Itaú BBA carries on our corporate and investment banking activities.

Prospective purchasers of the Notes should be aware that the Notes are not guaranteed by, nor do they constitute, an obligation of Itaú Unibanco or any other subsidiary of Itaú Unibanco Holding.

Having made all reasonable enquiries, the Issuer confirms that this Offering Memorandum, when taken together with the relevant Final Terms, will contain all information with respect to the Issuer, its subsidiaries and affiliates taken as a whole and the Programme and the Notes to be issued under the Programme which is material in the context of the issue and offering of the Notes, that such information contained in this Offering Memorandum is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Memorandum are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, and that there are no other facts the omission of which would, in the context of the offering and issue of the Notes hereunder, make any statement in this Offering Memorandum, when taken together with the relevant Final Terms as a whole, misleading in any material respect. The Issuer accepts responsibility accordingly. No representation or warranty, express or implied, is made by the Dealers as to the accuracy or completeness of any of the information set out in this Offering Memorandum, and nothing contained herein is or shall be relied upon as a promise or representation by the Dealers, whether as to the past or to the future.

This Offering Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any of the Notes offered hereby by any person in any jurisdiction in which it is unlawful for such person to make an offer or solicitation. The distribution of this Offering Memorandum and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Memorandum comes are required by the Issuer, the Dealers and the Trustee (as defined hereinafter) to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Memorandum, see “Subscription and Sale.”

This Offering Memorandum should be read in conjunction with any supplement hereto and with any other documents incorporated herein by reference (See “Documents Incorporated by Reference”). Full information on the Issuer and any Notes issued under the Programme is only available on the basis of a combination of this Offering Memorandum (including any supplement and any document incorporated by reference herein) and the relevant Final Terms. You should rely only on the information contained in or incorporated into this Offering Memorandum. No person is authorized to give any information or to make any representation not contained in or incorporated into this Offering Memorandum and any information or representation not so contained or incorporated must not be relied upon as having been authorized by or on behalf of the Issuer, any of the Dealers or the Trustee. The information contained in this Offering Memorandum is accurate only as of the date of this Offering Memorandum and information incorporated by reference is accurate only as of the date of the document in which it is contained. The delivery of this Offering Memorandum at any time does not imply that the information contained in or incorporated into it is correct as at any time subsequent to its date, regardless of such time of delivery of this Offering Memorandum or of any sale of Notes.

This Offering Memorandum contains summaries intended to be accurate with respect to certain terms of certain documents, but reference is made to the actual document, all of which will be made available to you upon request to

us when available, for complete information with respect thereto, and all such summaries are qualified in their entirety by such reference.

In receiving this Offering Memorandum and any supplement (including any relevant Final Terms), you hereby acknowledge that (i) you have been afforded an opportunity to request from us and to review, and have received, all additional public information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained or incorporated by reference herein; (ii) you have had the opportunity to review all of the documents described or incorporated by reference herein; (iii) you have not relied on the Dealers or any person affiliated with the Dealers in connection with any investigation of the accuracy of such information or the investment decision and (iv) no person has been authorized to give any information or to make any representation concerning us or the Notes (other than as contained or incorporated by reference herein) and, if given or made, you should not rely upon any such other information or representation as having been authorized by us or the Dealers.

**IN MAKING AN INVESTMENT DECISION, YOU MUST RELY ON YOUR OWN EXAMINATION OF OUR BUSINESS AND THE TERMS OF THE SECURITIES OFFERED BY THIS OFFERING MEMORANDUM, INCLUDING THE MERITS AND RISKS INVOLVED. THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (“SEC”), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OF AMERICA (THE “UNITED STATES”) OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR THE ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S). THIS OFFERING MEMORANDUM HAS BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S AND WITHIN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” IN RELIANCE ON RULE 144A AND FOR LISTING OF THE NOTES ON THE EURO MTF MARKET OF THE LUXEMBOURG STOCK EXCHANGE. THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. AS A PROSPECTIVE PURCHASER, YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE NOTES AND DISTRIBUTION OF THIS OFFERING MEMORANDUM, SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS.”**

The Notes have not been, and will not be, registered with the Brazilian Securities Commission (*Comissão de Valores Mobiliários* or “CVM”). Any public offering or distribution, as defined under Brazilian laws and regulations, of the Notes in Brazil is not legal without prior registration under Law No. 6,385, enacted on December 7, 1976, as amended, and Instruction No. 400, issued by the CVM on December 29, 2003, as amended. Documents relating to an offering of Notes by this Offering Memorandum, as well as information contained therein, may not be supplied to the public in Brazil (as an offering of Notes by this Offering Memorandum is not a public offering of the Notes in Brazil), nor be used in connection with any offer for subscription or sale of the Notes to the public in Brazil. The Dealers have agreed not to offer or sell the Notes in Brazil, except in circumstances which do not constitute a public offering or distribution of securities under applicable Brazilian laws and regulations.

This Offering Memorandum has been prepared on the basis that, except to the extent sub paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area (“EEA”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Member State, from the requirement to

publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Member State of Notes which are the subject of an offering contemplated in this Offering Memorandum as completed by Final Terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by Final Terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Securities in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

For the purposes of this provision, the expression “an offer of Notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “**Prospectus Directive**” means Directive 2003/71/EC (as amended or superseded), and includes any relevant implementing measure in the Member State concerned.

**IMPORTANT – EEA RETAIL INVESTORS.** If the Final Terms in respect of any Notes includes a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in in any member state of the “**EEA**”. For these purposes, a “retail investor” means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**MIFID II PRODUCT GOVERNANCE / TARGET MARKET.** The relevant Final Terms in respect of any Notes may include a legend titled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue of Notes about whether, for the purpose of the MiFID product governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purposes of the MiFID Product Governance Rules.

This Offering Memorandum is for distribution only to persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investment falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “**Order**”) or (iii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any securities may otherwise lawfully be communicated (all such persons together being referred to as “relevant persons”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons.

This Offering Memorandum constitutes a “prospectus” for the purposes of the admission to listing on the Official List of the Luxembourg Stock Exchange and to trading of the Notes on the Euro MTF in accordance with the rules and regulations of the Luxembourg Stock Exchange (the “**Rules**”). The Euro MTF is not a “regulated market” pursuant to Article 44 of MiFID II. The Euro MTF falls within the scope of Regulation (EU) No 596/2014 on market abuse and the related Directive 2014/57/EU on criminal sanctions for market abuse. This Offering Memorandum therefore does not comprise a base prospectus for the purposes of Article 5(4) of the Prospectus Directive.

**SINGAPORE SFA PRODUCT CLASSIFICATION** – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes to be issued under the Programme are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

No invitation whether directly or indirectly may be made to members of the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange.

Neither this Offering Memorandum nor any other material relating to the Notes will be offered, sold, distributed or otherwise made available in the Grand Duchy of Luxembourg other than in compliance with the Law of 10 July 2005 on prospectuses for securities.

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Each prospective purchaser of the Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the Notes and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and neither we nor any Dealer shall have any responsibility therefor.

We have prepared this Offering Memorandum solely for use in connection with the offer and sale of the Notes in the United States to QIBs as defined in Rule 144A and outside the United States to non-U.S. persons in accordance with Regulation S. You agree that you will hold the information contained in this Offering Memorandum and the transaction contemplated hereby in confidence. You may not distribute this Offering Memorandum to any person, other than a person retained to advise you in connection with the purchase of the Notes. Notwithstanding anything to the contrary contained herein, each prospective investor (and each employee, representative or other agent of each prospective investor) may disclose to any and all persons, without limitation of any kind, the U.S. federal income tax treatment and U.S. federal income tax structure (as such terms are used in Sections 6011, 6111 and 6112 of the U.S. Internal Revenue Code of 1986, as amended; (the “**Code**”) and the Treasury Regulations promulgated thereunder) of an offering of the Notes pursuant to this Offering Memorandum and all materials of any kind (including opinions or other tax analyses) that are provided relating to such tax treatment and tax structure.

Certain amounts included in this Offering Memorandum have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetical aggregation of the figures preceding them.

References herein to “**US\$**,” “**\$**,” “**U.S. dollars**” or “**dollars**” are to United States dollars, references to “**real**,” “**reais**” or “**R\$**” are to Brazilian *reais*, the official currency of Brazil since July 1, 1994, references to “**CI\$**” are to Cayman Islands dollars, references to “**Euro**” and “**€**” are to the currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the treaty, as amended, establishing the European Community, references to “**Yen**” are to the Japanese Yen, the official currency of Japan, and references to “**Sterling**” are to Pounds Sterling. References to “**billions**” are to thousands of millions.

Our operations are based primarily in Brazil and the financial statements contained in this Offering Memorandum are expressed in *reais*. The selling rate of *reais* for U.S. dollars on March 8, 2019 was R\$3.868 per US\$1.00. Further information regarding the exchange rate system in Brazil is given under “Exchange Rates.”

See “Risk Factors” in this Offering Memorandum for a description of certain factors relating to an investment in the Notes, including information about our business. None of us, the Dealers and any of our or their respective representatives is making any representation to you regarding the legality of an investment by you under applicable legal investment or similar laws, nor is providing any business, legal, financial or accounting advice. You should consult with your own advisers as to legal, tax, business, financial and related aspects of a purchase of the Notes.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as stabilizing manager(s) (the “**Stabilizing Manager(s)**”) (or persons acting on their behalf) may over-allot Notes (provided that, in the case of any offering of Notes to be admitted to trading on an EEA trading venue as defined in Regulation (EU) No 596/2014 (as amended, the “**Market Abuse Regulation**”), the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the Notes subject to the offering, or 115 per cent. of such amount where Article 8 of Commission Delegated Regulation (EU) 2016/1052 applies and there is a “greenshoe option” as defined in that Regulation) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or persons acting on their behalf) in accordance with all applicable laws and rules and will be undertaken at the offices of the Stabilizing Manager(s) (or persons acting on their behalf) and on the Euro MTF Market.

In connection with the Programme, the Dealers are not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the Programme or any offering of Notes thereunder.

## ENFORCEABILITY OF JUDGMENTS

### Cayman Islands

We have been advised by Maples and Calder, our Cayman Islands legal counsel, that although there is no statutory enforcement in the Cayman Islands of judgments obtained in England, New York or Brazil, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment: (i) is given by a foreign court of competent jurisdiction; (ii) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given; (iii) is final; (iv) is not in respect of taxes, a fine or a penalty; and (v) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

### Brazil

A final conclusive judgment for the payment of money rendered by any English court or any New York state or federal court sitting in New York City in respect of the Notes would be recognized in the courts of Brazil (to the extent that Brazilian courts may have jurisdiction), and such courts would enforce such judgment without any retrial or re-examination of the merits of the original action only if such judgment has been previously recognized by Brazil's Superior Court of Justice (*Superior Tribunal de Justiça* or the "Superior Court of Justice"), such ratification being available only if:

- The judgment fulfills all formalities required for its enforceability under the laws of England or of the State of New York and the United States;
- The judgment contemplates an order to pay a determined sum of money;
- The judgment is issued by a competent court after proper service of process on the parties, which service must comply with Brazilian law if made in Brazil or, after sufficient evidence of the parties' absence has been given, as established pursuant to applicable law;
- The judgment is not subject to appeal and is not against Brazilian *res judicata*;
- The judgment is apostilled by a competent authority of the State from which the document emanates according to the Hague Convention of October 5, 1961 Abolishing the Requirement of Legalisation for Foreign Public Documents or authenticated by the Brazilian consulate in England or in the State of New York, as applicable, and is accompanied by a sworn translation into Portuguese; and
- The judgment is not against Brazilian public policy, good morals, dignity of the human beings or national sovereignty.

Notwithstanding the foregoing, no assurance can be given that such recognition would be obtained, that the process described above could be conducted in a timely manner or that a Brazilian court would enforce a monetary judgment for violation of English or U.S. securities laws with respect to the Notes.

Further, we note that:

- Civil actions may be brought before Brazilian courts in connection with the offer and sale of Notes under the Programme based solely on the securities laws of England or the federal securities laws of the United States and that Brazilian courts may enforce such liabilities in such actions against us (provided that the provisions of such laws do not contravene Brazilian public policy, good morals or national sovereignty and provided further that Brazilian courts can assert jurisdiction over the particular action);
- The ability of a judgment creditor to satisfy a judgment by attaching certain of our assets is limited by provisions of Brazilian law;
- Pursuant to Article 83 of the Brazilian Code of Civil Procedure, a plaintiff, whether Brazilian or non-Brazilian, who resides outside Brazil or is outside Brazil during the course of the litigation in Brazil and who does not own real property in Brazil, must post a bond to secure the payment of the defendant's legal fees and court expenses. The bond must have a value sufficient to satisfy the



payment of court fees and the defendant's attorney fees, as determined by a Brazilian judge. This requirement does not apply pursuant to Article 83, First Paragraph, II and III, of the Brazilian Code of Civil Procedure, (i) in case of collection claims based on an instrument (which does not include the Notes issued hereunder) that may be enforced in Brazilian courts without the review of its merit (*título executivo extrajudicial*) or counterclaims (*reconvenções*); and (ii) to the enforcement of foreign judgments which have been duly confirmed by the Superior Court of Justice (*cumprimento de sentença*);

- Urgent provisional measures can be rendered by the Superior Court of Justice during the course of the recognition proceedings;
- As a rule, interlocutory decisions ordering measures over the course of a procedure also need to be recognized by the Superior Court of Justice. These measures will be accomplished by a letter rogatory, and interested parties may challenge compliance by means of motions; and
- In addition to the recognition of a final decision, Brazilian law requires due process to obtain a writ of execution in order to enforce such decision. Such due process consists of certain enforcement proceedings to be carried out before federal courts pursuant to the Brazilian Code of Civil Procedure. No assurance can be given that such writ of execution would be obtained in a timely manner.

Notwithstanding the foregoing, no assurance can be given that the process described above can be conducted in a timely manner.

## DOCUMENTS INCORPORATED BY REFERENCE

We incorporate by reference in this Offering Memorandum the documents described below, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this Offering Memorandum, even though it is not repeated in this Offering Memorandum.

We incorporate by reference the following documents:

1. the Itaú Unibanco Holding annual report on Form 20-F for the year ended December 31, 2017 filed with the SEC on April 20, 2018, except for any financial statement as of and for periods ended prior to December 31, 2016 (the “**2017 Form 20-F**”);
2. the Itaú Unibanco Holding report on Form 6-K/A furnished to the SEC on February 20, 2019, containing the consolidated financial statements of Itaú Unibanco Holding prepared in accordance with IFRS as issued by IASB, as of December 31, 2018 and 2017;
3. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on February 5, 2019, announcing the approval of payment of certain earnings to stockholders;
4. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on February 1, 2019, related to the election of Geraldo José Carbone to the compensation committee, the creation of the social responsibility committee and the election of Alfredo Egydio Setubal and Ana Lúcia de Mattos Barretto Villela to the social responsibility committee;
5. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on January 22, 2019, announcing the issuance of subordinated financial bills in the total amount of R\$3.05 billion in private negotiations with professional investors;
6. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on November 30, 2018, related to, among others, the election of Milton Maluhy Filho as executive vice president and the election of Caio Ibrahim David as general manager;
7. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on October 26, 2018, related to, among others, the election of Adriano Cabral Volpini as officer;
8. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on October 15, 2018, announcing our indirect acquisition of 10,651,555,020 shares of Itaú CorpBanca for the amount of CLP65,685,716,525.82;
9. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on September 28, 2018, ratifying the removal of Matias Granata from the position of officer;
10. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on September 28, 2018, announcing changes to the executive committee due to the fact that Eduardo Vassimon reached the age limit for holding the position of general director;
11. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on September 5, 2018, announcing our entrance into a strategic partnership with Edenred Participações S.A. in the employee benefits market;
12. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on August 15, 2018, announcing the August 13, 2018 decision on the matter of tax assessment notices from the Brazilian Federal Revenue Service collecting income tax and social contribution on net income arising from certain corporate operations;
13. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on August 10, 2018, announcing the approval of the Central Bank to carry out the investment in XP Investimentos S.A.;
14. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on August 7, 2018, related to the approval of the permanent installment of the Fiscal Council and the 50% stock split and matters related to the 50% stock split, including the resulting amendments to the Bylaws;

15. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on July 18, 2018, announcing Credicard's launch of a card machine family ("*maquininha*");
16. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on June 7, 2018, related to the news article titled "Itaú is sentenced to pay R\$7.6 billion in a lawsuit for undue collection;"
17. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on April 27, 2018, electing Board of Director co-chairmen, officers and Board of Directors' committee members;
18. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on April 27, 2018, announcing the composition of the Audit Committee for the next annual term of office;
19. the Itaú Unibanco Holding report on Form 6-K furnished to the SEC on April 26, 2018, announcing the results of the annual and extraordinary general stockholders' meeting of April 25, 2018, where, among others, the 2017 financial statements and the allocation of net income for the year were approved, the members of the Board of Directors and the Fiscal Council were elected, management compensation was determined and the Bylaws were amended; and
20. any future filings of Itaú Unibanco Holding on Form 20-F made with the SEC after the date of this Offering Memorandum and prior to the termination of this Programme, except for any financial statement as of and for periods ended more than three years prior to December 31 of the year for which such Form 20-F relates, and any future reports of Itaú Unibanco Holding on Form 6-K furnished to the SEC during that period that are identified in those forms as being incorporated by reference into this Offering Memorandum.

References to this Offering Memorandum shall mean this document and all documents from time to time incorporated herein by reference.

We will, at the specified office of our Listing Agent (as hereinafter defined), provide, without charge, a copy of this Offering Memorandum and a copy of any or all of the documents incorporated herein by reference, where such documents will be available free of charge to any interested person. Such documents will also be available on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)). We have agreed to furnish to the Luxembourg Stock Exchange all such information as required by the rules of the Luxembourg Stock Exchange in connection with the listing on the Luxembourg Stock Exchange of the Notes. We shall, during the continuance of the Programme, prepare a supplement to this information memorandum whenever required by the rules of the Luxembourg Stock Exchange. Documents incorporated by reference after the date of this Offering Memorandum will not be published on the Luxembourg Stock Exchange website.

The information contained in or accessible through the websites mentioned in this Offering Memorandum or in the documents incorporated by reference herein is not part of this Offering Memorandum or incorporated by reference herein and are for information purposes only.

## CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains statements that are or may constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends affecting our business. These forward-looking statements are subject to risks, uncertainties and assumptions including, among other risks:

- general economic, political and business conditions in Brazil and variations in inflation indexes, interest rates, foreign exchange rates, and the performance of financial markets;
- general economic and political conditions abroad and in particular in the countries where we operate;
- government regulations and tax laws and respective amendments;
- disruptions and volatility in the global financial markets;
- increases in compulsory deposits and reserve requirements;
- regulation and liquidation of our business on a consolidated basis;
- obstacles for holders of our shares and ADSs to receive dividends;
- failure or hacking of our security and operational infrastructure or systems;
- our ability to protect personal data;
- strengthening of the competition and industry consolidation;
- changes in our loan portfolio and changes in the value of our securities and derivatives;
- losses associated with counterparty exposure;
- our exposure to the Brazilian public debt;
- incorrect pricing methodologies for insurance, pension plan and premium bond products and
- inadequate reserves;
- the effectiveness of our risk management policy;
- damage to our reputation;
- the capacity of our controlling stockholder to conduct our business;
- difficulties during the integration of acquired or merged businesses; and
- effects from socio-environmental issues.

The words “believe”, “may”, “will”, “estimate”, “continue”, “anticipate”, “intend”, “expect” and similar words are intended to identify forward-looking statements, but are not the exclusive means of identifying such statements. Our actual results and performance could differ substantially from those anticipated in such forward-looking statements. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions, including risk factors as set forth under “Risk Factors” in this Offering Memorandum, which may cause the Issuer’s actual results, performance or achievements, or industry results, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Issuer’s present and future business strategies and the environment in which the Issuer expects to operate in the future.

Forward-looking statements speak only as of the date of this Offering Memorandum and the Issuer expressly disclaims any obligation or undertaking to publicly update or revise any forward-looking statements in this Offering Memorandum to reflect any change in the Issuer’s expectations or any change in events, conditions or circumstances on which these forward-looking statements are based. Given the uncertainties of forward looking statements, the Issuer cannot assure you that projected results or events will be achieved and the Issuer cautions you not to place undue reliance on these statements.

## **PRESENTATION OF FINANCIAL AND CERTAIN OTHER INFORMATION**

The financial data set out in this Offering Memorandum is derived from and should be read in conjunction with the audited consolidated financial statements of Itaú Unibanco Holding prepared in accordance with IFRS as issued by IASB, as of December 31, 2018 and 2017 and for the three years ended December 31, 2018 which are included as exhibit to our report on Form 6-K furnished to the SEC on February 5, 2019 and to the 2017 Form 20-F, both incorporated by reference in this Offering Memorandum. These audited consolidated financial statements are referred to as our complete financial statements (the “complete financial statements”).

For information on the presentation of financial and certain other information, see “Context—Context of this Report—About our financial information” and “Performance—Financial Performance—Accounting Practices Adopted in Brazil” in our 2017 Form 20-F.

## SUMMARY

This summary highlights, and is qualified in its entirety by, information contained elsewhere or incorporated by reference into this Offering Memorandum. This summary does not contain all the information that may be important to prospective investors. Prospective investors should read this entire Offering Memorandum carefully, including the “Presentation of Financial and Certain Other Information,” “Risk Factors” and “Selected Financial Information” sections included in this Offering Memorandum, as well as the documents incorporated by reference, including our 2017 Form 20-F and our report on Form 6-K furnished to the SEC on February 5, 2019 and our complete financial statements and related notes included therein.

### Overview

We report the following segments: (i) Retail Banking, (ii) Wholesale Banking, and (iii) Activities with the Market and Corporation. Through these operational segments, we provide a broad range of banking services to a diverse client base that includes individuals and corporate clients, on an integrated basis as follows:

The **Retail Banking** segment offers services to a diversified base of account holders and non-account holders, individuals and companies in Brazil. The segment includes retail customers, high-net worth clients (Itaú Uniclass and Personalité) and very small and small companies. Our offering of products and services in this segment includes: personal loans, credit cards, payroll loans, vehicle financing, mortgage loans, insurance, pension plan and premium bond products, and acquiring services, among others. The Retail Banking segment represents an important funding source for our operations and generates significant financial income and banking fees.

The **Wholesale Banking** segment is responsible for our private banking clients, the activities of our Latin America units, our middle-market banking business, asset management, capital market solutions, corporate and investment banking activities. Our wholesale banking management model is based on building close relationships with our clients by obtaining an in-depth understanding of our clients’ needs and offering customized solutions. Corporate activities include providing banking services to large corporations and investment banking activities include offering funding resources to the corporate sector, including fixed and variable income instruments.

The **Activities with the Market and Corporation** segment manages interest income associated with our capital surplus, subordinated debt surplus and the net balance of tax credits and debits. This segment also manages net interest income from the trading of financial instruments through proprietary positions, currency interest rate gaps and other risk factors, arbitrage opportunities in the foreign and Brazilian domestic markets, and mark-to-market of financial instruments. It also includes our interest in Porto Seguro

### Our Ownership Structure

We are controlled by Itaú Unibanco Participações S.A., which is jointly controlled by Itaú Investimentos S.A. (“**Itaúsa**”) and Cia. E. Johnston de Participações (“**E. Johnston**”). Itaúsa is controlled by members of the Egydio de Souza Aranha family, and Cia. E. Johnston is controlled by members of the Moreira Salles family. As of December 31, 2018, Itaúsa directly owned 39.21% of the shares of our common stock.

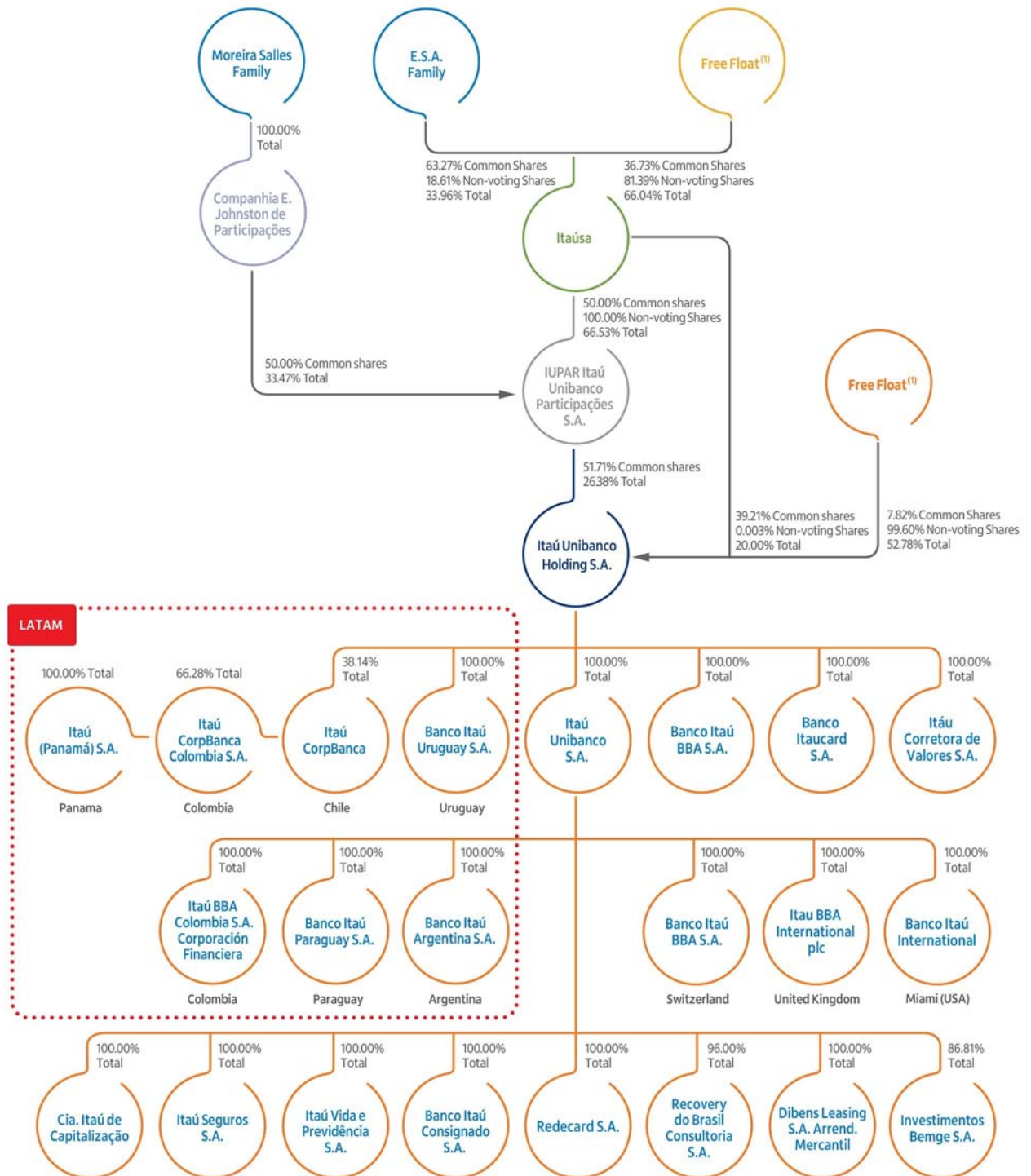
### History

Our history begins back in 1924, when Casa Moreira Salles, founded by João Moreira Salles in Poços de Caldas, Minas Gerais, received the letter patent issued by the national Government, which allowed it to operate as a banking section, i.e., as a correspondent of the state mainstream banks. This entity eventually became Unibanco.

Since the establishment of the first branch in Minas Gerais, Brazil, in 1943, when the oldest institutions that make up the Itaú Unibanco Group were incorporated, until the association between Itaú Holding Financeira S.A. and Unibanco – União de Bancos Brasileiros S.A. in 2008, nine decades of growth and development led us to our current valuable brand position in the Brazilian market and to be the largest financial institution in Brazil in terms of market capitalization as of December 31, 2018.

### Organization of the Itaú Unibanco Group

The following chart is an overview of the ownership structure of the Itaú Unibanco group as of December 31, 2018, which includes our controlling shareholders and some of our main subsidiaries.



(1) Excludes shares held in treasury and by our controlling shareholders.

Ownership percentages above refer to the total of direct and indirect ownership. All of the above companies were organized and have their operations in Brazil, except Banco Itaú Chile S.A. (Chile), Banco Itaú Uruguay S.A. (Uruguay), Banco Itaú Paraguay S.A. (Paraguay), Itau BBA International plc (United Kingdom), Banco Itaú Argentina S.A. (Argentina), Banco Itaú Suisse S.A. (Switzerland), and Itaú BBA Colombia S.A. Corporación Financiera (Colombia). For further information with respect to our significant subsidiaries, see Note 2.4(a) of our complete financial statements.

### **Business Strategy**

Our strategic objectives fall within two groups: Transformational (which we believe requires the actual transformation of the Itaú Unibanco Group) and Continuous Improvement (which includes issues widely disseminated within the Itaú Unibanco Group, but which require effort for further enhancement). Within the Transformational group, our strategic objectives are customer satisfaction, digital transformation and people management. Within the Continuous Improvement group, our strategic objectives are risk management, sustainable profitability and internationalization.

### ***Customer Satisfaction***

Our customers' demands are constantly evolving. This presents us with the challenge of serving them well, respecting their characteristics and preferences. We aim to be the benchmark in customer satisfaction for both business and individual customers. To do this, we focus on the project rather than the product, noting how we provide solutions and how we relate to customers on a continuous basis.

To transform our customers' experience, we seek inspiration from companies that are leaders in customer satisfaction, regardless of their geographic reach, aiming to "change leagues" and raise our customer satisfaction levels. We undertake to "change leagues" as we are already a leader in customer satisfaction among our Brazilian peers, ending 2018 and 2017 in sixth place for the lowest number of complaints, according to the Central Bank.

### ***Digital Transformation***

We use the Itaú Unibanco Group's intellectual capacity to help people "live the power of digital" by saving time and generating value. Digital products are developed with the customer in mind. We believe that technology is more valuable when used to satisfy our customers. We provide a simple and convenient end-to-end process to meet customers' expectations, from contact with the customer, to transaction processing, customer service and after sales. In 2018, we saw overall growth of 35% and 26% in the number of individual and business customers, respectively, accessing our digital channels on a daily basis.

As evidence of our digital transformation, in 2018 we had more than 11 million individual customers using our digital channels, over 22,000 hours of cloud-based training logged by over 800 employees and 318 upgrades in our applications (with an average of two updates per month per application). In addition, in 2018 we added over 40 new functionalities in our mobile channels.

### ***People Management***

In order to "change leagues" in terms of customer satisfaction, we depend on our employees. To this end, we have taken several steps to transform and improve our employees' experience through their careers within the Itaú Unibanco Group. We believe it is our role to value people as they are, their experiences, characteristics and mindsets, eliminating barriers so that all employees can develop their potential. To afford greater autonomy and comfort in the work space, in addition to encouraging diversity of styles without the Itaú Unibanco Group, we have developed a campaign entitled "Go as I Am," based on a flexible dress code, while still highlighting the importance of common sense and respect for the context and the day's business engagements. We also strive to propose new ways of working, such as the home office model, in order to offer greater convenience and flexibility, enhancing efficiency and improving our employees' quality of life.

In recognition of our efforts, we are the only bank listed in GPTW/Época magazine's 2018 edition of the "20 Best Companies to Work For." In addition, for the tenth consecutive year, in 2018, we were listed as one of young people's "dream companies," according to the Dream Career survey. Furthermore, in 2018, we were listed in LinkedIn's "TOP Companies" ranking.

### ***Risk Management***



Managing risks is the essence of our business and a responsibility of all employees. We understand that risk management has to incorporate more than its traditional concepts (market risk, credit risk and operational risk), which we closely monitor. Transformations in our business environment demand that we monitor and take a pro-active approach to other types of risk, such as new technologies with disruptive potential, obsolescence of legacy systems, data and models, new entrants and traditional competition, changes in customers' habits, new business models, changes in laws and rules, fostering competition and innovation, new regulations, attracting and retaining talent and new work methods.

### ***Sustainable Profitability***

We strive to continuously enhance the efficiency of our operations, identifying opportunities for reducing costs, managing our investments to make us more agile and increased efficiency in the management of capital allocations using the appropriate cost of capital. We have undertaken initiatives ranging from the reduction of waste and structural reviews, to projects for enhancing productivity and digitalization. In this way, we hope to expand economies of scale while ensuring synergies for the business.

### ***Internationalization***

As of December 31, 2018, we operate in 19 countries, with 512 branches and 13.5 thousand employees. Internationalization allows us to access new markets and increase in scale. Our internationalization strategy involves two distinct models:

- in the Northern Hemisphere, the service units are seeking to strengthen our operations and expand the range of products, optimize and simplify structures and processes and innovate the technology platform.
- in the Southern Cone and at Itaú Corpbanca, we have adopted the universal bank model, operating predominately in Latin America. The aim is to accelerate development and optimize our investments. Our strategy in the Latin American countries provides for attaining the same management standard that we enjoy in Brazil by standardizing practices and creating conditions for us to assume additional positions of leadership.

### ***Competition***

The last several years have been characterized by increased competition and consolidation in the financial services industry in Brazil. According to the Central Bank, as of September 30, 2018, there were 135 conglomerates, commercial banks and multiple-service banks, development banks and Caixa Econômica Federal, among a total of 1,360 institutions in Brazil.

We, together with Banco Bradesco S.A. and Banco Santander Brasil S.A., are the leaders in the privately-owned multiple-services banking sector. According to the Central Bank, as of September 30, 2018, these banks accounted for 37.7% of the Brazilian banking sector's total assets. We also face competition from state-owned banks. According to the Central Bank, as of September 30, 2018, Banco do Brasil S.A., Caixa Econômica Federal, and Banco Nacional de Desenvolvimento Econômico e Social (BNDES) accounted for 40.2% of the banking system's total assets.

The following table sets for the total assets of the 10 main banks in Brazil, classified according to their interest in the total assets of the Brazilian banking sector.

(In billions of R\$)

Position	Banks by total assets <sup>(1)</sup>	Control Type	As of September 30	
			2018	% of Total
1 <sup>st</sup>	Banco do Brasil S.A.(2)	state-owned	1.469,3	16,7
2 <sup>nd</sup>	Itaú Unibanco Holding S.A.	privately-owned	1.448,3	16,4
3 <sup>rd</sup>	Caixa Econômica Federal	state-owned	1.282,6	14,6
4 <sup>th</sup>	Banco Bradesco S.A.	privately-owned	1.118,9	12,7
5 <sup>th</sup>	Banco Nacional de Desenvolvimento Econômico e Social	state-owned	789,7	9,0
6 <sup>th</sup>	Banco Santander Brasil S.A.	privately-owned	757,1	8,6
7 <sup>th</sup>	Banco BTGPactual S.A.	privately-owned	183,8	2,1
8 <sup>th</sup>	Banco Safra S.A.	privately-owned	176,7	2,0
9 <sup>th</sup>	Banco Citibank S.A.	privately-owned	82,3	0,9
10 <sup>th</sup>	Banco do Estado do Rio Grande do Sul S.A. (Banrisul)	state-owned	75,3	0,9
n.a.	Others	n.a.	1.424,9	16,2
	<b>Total <sup>(4)</sup></b>		<b>8.808,9</b>	<b>100,0</b>

(1) Based on banking services, except insurance and pension funds.

(2) Includes the consolidation of 50.0% do Banco Votorantim S.A. based on Banco do Brasil's shareholding stake and excludes these 50.0% of National Financial System.

(3) Excludes Payments Institutions

Source: Central Bank (IF.data).

## THE OFFERING OF THE SENIOR NOTES

The following is a brief summary of the terms and conditions of the Senior Notes and is subject to and qualified in its entirety by the section “Terms and Conditions of the Senior Notes” in this Offering Memorandum and the amended and restated Trust Deed between Itaú Unibanco Holding and the Trustee dated March 17, 2011, as supplemented by a first supplemental trust deed dated August 4, 2016 (as further amended and/or supplemented from time to time, the “**Trust Deed**”) relating thereto. Terms which are defined in other sections of the Offering Memorandum or in the section “Terms and Conditions of the Senior Notes” have the same meaning when used in this summary.

<b>Issuer</b> .....	Itaú Unibanco Holding S.A., acting through its head office or its Grand Cayman Branch.
<b>Description</b> .....	Global Medium-Term Note Programme.
<b>Arrangers</b> .....	Itau BBA International plc (formerly Itau BBA International Limited), Itaú BBA USA Securities, Inc., Goldman, Sachs & Co., and Morgan Stanley & Co. LLC. Itau BBA International plc and Itaú BBA USA Securities, Inc. are affiliates of the Issuer.
<b>Dealers</b> .....	Itau BBA International plc (formerly Itau BBA International Limited), Itaú BBA USA Securities, Inc., Goldman, Sachs & Co., and Morgan Stanley & Co. LLC. Itau BBA International plc and Itaú BBA USA Securities, Inc. are affiliates of the Issuer.  The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
<b>Trustee</b> .....	The Bank of New York Mellon, acting through its New York branch.
<b>London Paying Agent</b> .....	The Bank of New York Mellon, acting through its London branch.
<b>Principal Paying Agent</b> .....	The Bank of New York Mellon, acting through its London branch, or such other Principal Paying Agent as specified in the relevant Final Terms.
<b>Paying Agents</b> .....	The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, acting through its London branch and The Bank of New York Mellon, acting through its New York office and any other Paying Agent as specified in the relevant Final Terms.
<b>Registrar</b> .....	The Bank of New York Mellon.
<b>Transfer Agents</b> .....	The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, acting through its London branch and The Bank of New York Mellon, acting through its New York branch.
<b>Calculation Agent</b> .....	The Bank of New York Mellon, acting through its London branch.
<b>Listing Agent</b> .....	The Bank of New York Mellon (Luxembourg) S.A.
<b>Offering</b> .....	The Senior Notes have not been and will not be registered under the Securities Act. The Senior Notes will be offered outside the United States in offshore transactions to non-U.S. persons in accordance with Regulation S and inside the United States to QIBs in accordance with Rule 144A. See “Subscription and Sale.”
<b>Final Terms</b> .....	The issue price, issue date, maturity date, nominal amount, interest rate (if any) applicable to any Senior Notes and any other relevant provisions of such Senior Notes will be agreed between the Issuer and the relevant Dealer(s) at the time of agreement to issue such Senior Notes and will be specified in the relevant Final Terms. Such information may differ from that set forth herein and, in all cases, shall supplement and, to the extent

	inconsistent herewith, supersede the information herein.
<b>Currency</b> .....	Subject to compliance with all relevant laws, regulations and directives, any currency as may be agreed between the Issuer and the relevant Dealer(s).
<b>Amount</b> .....	Up to US\$100,000,000,000 (or its equivalent in other currencies calculated as set out herein) aggregate nominal amount of the Senior Notes. Under the amended and restated Dealer Agreement dated August 4, 2016, among Itaú Unibanco Holding and the Dealers (as further amended and/or supplemented from time to time, the “ <b>Dealer Agreement</b> ”), the nominal amount of the Senior Notes which may be issued under the Programme may be increased, subject to the satisfaction of certain conditions set out therein. For the purpose of calculating the aggregate nominal amount of Senior Notes outstanding, Senior Notes issued at a discount shall be treated as having been issued at their accrued original issue discount calculated by reference to the amortization yield formula as specified in the relevant Final Terms or, if none is specified in the relevant Final Terms, their face amount and Senior Notes issued at a premium shall be treated as having been issued at the amount of their net proceeds received by the Issuer.
<b>Maturities</b> .....	Subject to compliance with all relevant laws, regulations and directives, any maturity from 30 days or such other minimum maturity and any maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body (however called)) or any laws or regulations applicable to the relevant currency or currencies.
<b>Issue Price</b> .....	The Senior Notes may be issued at their nominal amount or at a discount to or premium over their nominal amount.
<b>Method of Issue</b> .....	The Senior Notes will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the issue date, the date on which interest commences to accrue and related matters), the Senior Notes of each Series being intended to be interchangeable with all other Senior Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche will be set out in the relevant Final Terms.
<b>Form of the Senior Notes</b> .....	<p>The Senior Notes may be in bearer form (“<b>Bearer Notes</b>” comprising a “<b>Bearer Series</b>”) or registered form (“<b>Registered Notes</b>” comprising a “<b>Registered Series</b>”).</p> <p>Subject as provided below, each Bearer Series will be represented on issue by a temporary global Note (a “<b>Temporary Global Note</b>”) if (i) definitive Senior Notes are to be made available to holders of the Senior Notes following expiration of the period that is 40 days after the later of the commencement of offering of the relevant Tranche and the relevant closing date (the “<b>Distribution Compliance Period</b>”) or (ii) such Senior Notes are being issued in compliance with the D Rules (as defined in “<b>Selling Restrictions</b>”), otherwise such Series will be represented by a permanent global Note (“<b>Permanent Global Note</b>”).</p> <p>Each Registered Series will be represented on issue by a definitive global unrestricted Registered Note (each an “<b>Unrestricted Global Note</b>”) or a definitive global restricted Registered Note (each a “<b>Restricted Global Note</b>”). See “<b>Form of the Notes; Book Entry and Transfer.</b>”</p>
<b>Clearing Systems</b> .....	Clearstream Banking, société anonyme (“ <b>Clearstream</b> ”) and Euroclear Bank S.A./N.V. (“ <b>Euroclear</b> ”) for Bearer Notes; Euroclear, Clearstream

	and The Depository Trust Company (“DTC”) for Registered Notes.
<b>Initial Delivery of the Senior Notes</b> .....	On or before the issue date for each Tranche, the Temporary Global Note or Permanent Global Note representing Bearer Notes may be deposited with a common depository for Euroclear and Clearstream or the Unrestricted Global Note or Restricted Global Note representing Registered Notes may be registered in the name of and deposited with a common nominee for Euroclear and Clearstream or a nominee of DTC. The Senior Notes may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
<b>Denomination</b> .....	The Senior Notes will be issued in such denominations as may be specified in the applicable Final Terms and, in all cases, Senior Notes shall be issued in such other minimum denominations as may be allowed or required from time to time by the relevant central bank or equivalent regulatory authority in the relevant jurisdiction, or any laws or regulations applicable to the Issuer or the relevant specified currency, as the case may be, subject in all cases to changes in applicable legal or regulatory requirements. In the case of any Senior Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be at least €100,000 and integral multiples of €1,000 thereafter (or its equivalent in any other currency as at the date of issue of the relevant Senior Notes). Registered Notes resold pursuant to Rule 144A shall be in denominations of at least US\$200,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)) and integral multiples of US\$1,000 thereafter.
<b>Fixed Rate Notes</b> .....	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
<b>Floating Rate Notes</b> .....	Floating rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"> <li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant specified currency governed by an agreement incorporating the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. (the “<b>ISDA Definitions</b>”); or</li> <li>(ii) by reference to London Interbank Offered Rate (“<b>LIBOR</b>”), London Interbank Bid Rate (“<b>LIBID</b>”), London Interbank Mean Rate (“<b>LIMEAN</b>”) or Euro Interbank Offer Rate (“<b>EURIBOR</b>”) (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.</li> </ul> <p>Floating rate Notes may have a maximum interest rate, a minimum interest rate or both.</p>
<b>Zero Coupon Notes</b> .....	Zero coupon Notes do not bear interest but will ordinarily be issued at a discount to their nominal amount. The amount payable on early redemption of a zero coupon Note will be specified in the relevant Final Terms.
<b>Dual Currency Notes</b> .....	Payments (whether in respect of principal or interest and whether at

	maturity or otherwise) in respect of dual currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.
<b>Index Linked Notes</b> .....	Payments of principal or of interest in respect of index linked Notes will be calculated by reference to such index or formula as may be specified in the relevant Final Terms.
<b>Interest Periods and Interest Rates</b> .....	The length of the interest periods for the Senior Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. The Senior Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Senior Notes to bear interest at different rates in the same interest period. All such information will be specified in the relevant Final Terms.
<b>Use of Proceeds</b> .....	The net proceeds of any issue of Senior Notes will be used by us for general corporate purposes unless otherwise specified in the relevant Final Terms.
<b>Consolidation, Merger or Sales of Assets</b> .....	The Issuer may consolidate with or merge into any other corporation or convey or transfer (including in connection with a spin-off), in one transaction or a series of transactions, all or substantially all of its properties or assets to any other person if it complies with specified requirements.
<b>Redemption</b> .....	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then-current laws and regulations, any Senior Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, must have a minimum redemption amount of at least €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Senior Notes).
<b>Other Notes</b> .....	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, partly paid Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be specified in the relevant Final Terms.
<b>Optional Redemption</b> .....	The Final Terms issued in respect of each issue of Senior Notes will state whether such Senior Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) or the holders of the Senior Notes, and if so, the terms applicable to such redemption.
<b>Early Redemption</b> .....	Except as provided in “Optional Redemption” above, the Senior Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Senior Notes—Redemption and Purchase.”
<b>Status of the Senior Notes</b> .....	The Senior Notes issued under the Programme will constitute direct, unsecured and unsubordinated obligations of the Issuer ranking at all times <i>pari passu</i> and without any preference among themselves.
<b>Negative Pledge</b> .....	Subject to certain exceptions described in “Terms and Conditions of the Senior Notes,” so long as any Senior Note remains outstanding, the Issuer will not create or permit to subsist any Security (other than any Permitted Security) upon the whole or any part of the Issuer’s assets, present or future, to secure any of the Issuer’s Public External Indebtedness or any of

the Issuer's Affected Guarantees without, at the same time or prior thereto and for so long as such other obligation is so secured, securing the Senior Notes equally and ratably therewith or providing such other security for the Senior Notes as shall be not materially less beneficial to holders of the Senior Notes at the Issuer's determination or as shall be approved by an Extraordinary Resolution of the holders of the Senior Notes.

The terms "**Security**," "**Permitted Security**," "**Public External Indebtedness**," "**Affected Guarantee**" and "**Extraordinary Resolution**" are defined in "Terms and Conditions of the Senior Notes."

**Covenant Defeasance**..... Upon satisfaction of the conditions set forth in Condition 11(c) in "Terms and Conditions of the Senior Notes," the Issuer at any time may terminate its obligations under certain covenants, including the covenant described in Condition 5 (Negative Pledge) and the limitations described in Condition 19 (Consolidation, Merger and Sales of Assets) and the occurrence of a Default specified in Condition 10(b) (Events of Default—Breach of other obligations) or Condition 10(c) (Events of Default—Cross default) shall be deemed not to be or result in an Event of Default.

**Withholding Tax**..... All payments by or on behalf of the Issuer in respect of the Senior Notes and the coupons will be made without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges (together, "**Taxes**") of whatever nature imposed, levied, collected, withheld or assessed by Brazil or any authority therein or thereof having power to tax in the case of Senior Notes issued by Itaú Unibanco Holding through its head office, or by Brazil or the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax in the case of Senior Notes issued by Itaú Unibanco Holding S.A., Grand Cayman Branch (the "**Grand Cayman Branch**"), unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the holders of Senior Notes or, as the case may be, the couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in "Terms and Conditions of the Senior Notes—Taxation."

The Issuer, and any other person to or through which any payment with respect to the Senior Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Senior Notes amounts required to be withheld or deducted under or in connection with FATCA, and, subject to certain exceptions as described in "Terms and Conditions of the Senior Notes", holders and beneficial owners of Senior Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction. The term "**FATCA**" is defined in "Terms and Conditions of the Senior Notes."

**Further Issuances** ..... The Issuer reserves the right, with respect to any Series of Notes, from time to time without the consent of the holders of the Notes of such series, to issue additional Notes of such Series so that the same shall be consolidated with, form a single issue with, and increase the aggregate nominal amount of, such Series of Notes.

**Substitution** ..... The Issuer may, with respect to any Series of Senior Notes issued by it (the "**Relevant Senior Notes**"), without the consent of any holder, substitute for itself any other entity organized in any country in the world as the debtor in respect of the Senior Notes and the Trust Deed (the "**Substituted Debtor**") if it complies with specified requirements. In connection with such substitution, the Issuer will, at its option, either continue to be an

obligor on the Relevant Senior Notes together with the Substituted Debtor or be released from its obligations as obligor as long as it has agreed to guarantee the obligations of the Substituted Debtor in relation to outstanding Relevant Senior Notes.

**Governing Law** .....

English.

**Listing** .....

Application has been made for Senior Notes issued under the Programme to be listed on the Euro MTF Market of the Luxembourg Stock Exchange. The relevant Final Terms will specify whether or not the Senior Notes of the relevant Series will be listed on the Euro MTF Market (or any other stock exchange).

**Selling Restrictions** .....

United States, European Economic Area, United Kingdom, Brazil, Cayman Islands, Hong Kong, Singapore, Japan, Colombia, Chile, Peru and Canada. See “Subscription and Sale.”

Each Bearer Series will be issued in compliance with U.S. Treasury Regulation § 1.163-5(c)(2)(i)(D) (the “**D Rules**”) unless (i) the relevant Final Terms state that Senior Notes are issued in compliance with U.S. Treasury Regulation § 1.163-5(c)(2)(i)(C) (the “**C Rules**”) or (ii) the Senior Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Senior Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“**TEFRA**”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

**Transfer Restrictions**.....

There are restrictions on the transfer of the Senior Notes. See “Transfer Restrictions.”

**ERISA Considerations** .....

The Senior Notes may not be acquired by (i) an “employee benefit plan” within the meaning of Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), that is subject to Title I of ERISA, (ii) a “plan” within the meaning of and subject to Section 4975 of the Code or (iii) a person or entity whose assets are treated as “plan assets” within the meaning of the U.S. Department of Labor (the “**DOL**”) regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the “**Plan Assets Regulation**”), of such a plan described in (i) or (ii) for purposes of Title I of ERISA or Section 4975 of the Code, unless such purchase and holding of the Notes will not result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code. Each purchaser or holder of Notes and each transferee thereof will be deemed to have made certain representations as to its status under ERISA and the Code. Potential purchasers should read the sections entitled “Certain ERISA and Other Considerations” and “Transfer Restrictions.”



## THE OFFERING OF THE TIER 1 SUBORDINATED NOTES

The following is a brief summary of the terms and conditions of the Tier 1 Subordinated Notes and is subject to and qualified in its entirety by the section “Terms and Conditions of the Tier 1 Subordinated Notes” in this Offering Memorandum and the Trust Deed relating thereto. Terms which are defined in other sections of the Offering Memorandum or in the section “Terms and Conditions of the Tier 1 Subordinated Notes” have the same meaning when used in this summary.

<b>Issuer</b> .....	Itaú Unibanco Holding S.A., acting through its head office or its Grand Cayman Branch.
<b>Description</b> .....	Global Medium-Term Note Programme.
<b>Arrangers</b> .....	Itau BBA International plc (formerly Itau BBA International Limited), Itau BBA USA Securities, Inc., Goldman, Sachs & Co., and Morgan Stanley & Co. LLC. Itau BBA International plc and Itaú BBA USA Securities, Inc. are affiliates of the Issuer.
<b>Dealers</b> .....	Itau BBA International plc (formerly Itau BBA International Limited), Itau BBA USA Securities, Inc., Goldman, Sachs & Co., and Morgan Stanley & Co. LLC. Itau BBA International plc and Itaú BBA USA Securities, Inc. are affiliates of the Issuer.
	The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
<b>Trustee</b> .....	The Bank of New York Mellon, acting through its New York branch.
<b>London Paying Agent</b> .....	The Bank of New York Mellon, acting through its London branch.
<b>Principal Paying Agent</b> .....	The Bank of New York Mellon, acting through its London branch, or such other Principal Paying Agent as specified in the relevant Final Terms.
<b>Paying Agents</b> .....	The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, acting through its London branch and The Bank of New York Mellon, acting through its New York office and any other Paying Agent as specified in the relevant Final Terms.
<b>Registrar</b> .....	The Bank of New York Mellon.
<b>Transfer Agents</b> .....	The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, acting through its London branch and The Bank of New York Mellon, acting through its New York branch.
<b>Calculation Agent</b> .....	The Bank of New York Mellon, acting through its London branch.
<b>Listing Agent</b> .....	The Bank of New York Mellon (Luxembourg) S.A.
<b>Offering</b> .....	The Tier 1 Subordinated Notes have not been and will not be registered under the Securities Act. The Tier 1 Subordinated Notes will be offered outside the United States in offshore transactions to non-U.S. persons in accordance with Regulation S and inside the United States to QIBs in accordance with Rule 144A. See “Subscription and Sale.”

<b>Final Terms</b> .....	The issue price, issue date, nominal amount, interest rate (if any) applicable to any Tier 1 Subordinated Notes and any other relevant provisions of such Tier 1 Subordinated Notes will be agreed between the Issuer and the relevant Dealer(s) at the time of agreement to issue such Tier 1 Subordinated Notes and will be specified in the relevant Final Terms, to which the relevant subordination nucleus prepared in accordance with Resolution 4,192 will be annexed. Such information may differ from that set forth herein and, in all cases, shall supplement and, to the extent inconsistent herewith, supersede the information herein. The term “ <b>Resolution 4,192</b> ” is defined in “Terms and Conditions of the Tier 1 Subordinated Notes.”
<b>Currency</b> .....	Subject to compliance with all relevant laws, regulations and directives, any currency as may be agreed between the Issuer and the relevant Dealer(s).
<b>Amount</b> .....	Up to US\$100,000,000,000 (or its equivalent in other currencies calculated as set out herein) aggregate nominal amount of the Tier 1 Subordinated Notes. Under the Dealer Agreement, the nominal amount of the Tier 1 Subordinated Notes which may be issued under the Programme may be increased, subject to the satisfaction of certain conditions set out therein. For the purpose of calculating the aggregate nominal amount of the Tier 1 Subordinated Notes outstanding, the Tier 1 Subordinated Notes issued at a discount shall be treated as having been issued at their accrued original issue discount calculated by reference to the amortization yield formula as specified in the relevant Final Terms or, if none is specified in the relevant Final Terms, their face amount and the Tier 1 Subordinated Notes issued at a premium shall be treated as having been issued at the amount of their net proceeds received by the Issuer.
<b>Perpetual Nature</b> .....	The Tier 1 Subordinated Notes are perpetual securities and have no fixed maturity date.
<b>Issue Price</b> .....	The Tier 1 Subordinated Notes may be issued at their nominal amount or at a discount to or premium over their nominal amount.
<b>Method of Issue</b> .....	The Tier 1 Subordinated Notes will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the issue date, the date on which interest commences to accrue and related matters), the Tier 1 Subordinated Notes of each Series being intended to be interchangeable with all other Tier 1 Subordinated Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche will be specified in the relevant Final Terms.
<b>Form of the Subordinated Notes</b> .....	The Tier 1 Subordinated Notes will be Registered Notes. Each Series will be represented on issue by an Unrestricted Global Note or a Restricted Global Note. See “Form of the Notes; Book Entry and Transfer.”
<b>Clearing Systems</b> .....	Euroclear, Clearstream and DTC.
<b>Initial Delivery of the Subordinated Notes</b> .....	On or before the issue date for each Tranche, the Unrestricted Global Note or Restricted Global Note may be registered in the name of and deposited with a common nominee for Euroclear and Clearstream or a nominee of DTC. The Tier 1 Subordinated Notes may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the

	name of nominees or a common nominee for such clearing systems.
<b>Denomination</b> .....	The Tier 1 Subordinated Notes will be issued in such denominations as may be specified in the applicable Final Terms and, in all cases, Tier 1 Subordinated Notes shall be issued in such other minimum denominations as may be allowed or required from time to time by the relevant central bank or equivalent regulatory authority in the relevant jurisdiction, or any laws or regulations applicable to the Issuer or the relevant specified currency, as the case may be, subject in all cases to changes in applicable legal or regulatory requirements. In the case of any Tier 1 Subordinated Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be at least €100,000 and integral multiples of €1,000 thereafter (or its equivalent in any other currency as at the date of issue of the relevant Subordinated Notes). Registered Notes resold pursuant to Rule 144A shall be in denominations of at least US\$200,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)) and integral multiples of US\$1,000 thereafter.
<b>Fixed Rate Notes</b> .....	Fixed interest will be payable in arrear at the rate and on the date or dates in each year specified in the relevant Final Terms, provided that such rate will be reset on the relevant Benchmark Reset Date at the rate equal to the Benchmark Reset Rate plus the Credit Spread. The terms “ <b>Benchmark Reset Date</b> ,” “ <b>Benchmark Reset Rate</b> ” and “ <b>Credit Spread</b> ” are defined in “Terms and Conditions of the Tier 1 Subordinated Notes.”
<b>Floating Rate Notes</b> .....	Floating rate Notes will bear interest determined separately for each Series by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.
<b>Dual Currency Notes</b> .....	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of dual currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.
<b>Index Linked Notes</b> .....	Payments of principal or of interest in respect of index linked Notes will be calculated by reference to such index or formula as may be specified in the relevant Final Terms.
<b>Interest Periods and Interest Rates</b> ..	The length of the interest periods for the Tier 1 Subordinated Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. All such information will be specified in the relevant Final Terms.
<b>Payments</b> .....	The payment of interest amounts due with respect to the Tier 1 Subordinated Notes shall be made solely with funds from profits and profit reserves available for distribution as of the latest date of determination, in accordance with Brazilian Corporate Law. Any interest amounts not paid as a result of the foregoing shall not accrue and shall not be deemed due and payable and shall not constitute a Payment Default. The term “ <b>Payment Default</b> ” is defined in “Terms and Conditions of the Tier 1 Subordinated Notes.”

<b>Suspension and Cancellation of Payments</b> .....	Payments of interest amounts due with respect to the Tier 1 Subordinated Notes shall be suspended or cancelled upon the occurrence of the events set out in Condition 17(c)(ii) of “Terms and Conditions of the Tier 1 Subordinated Notes.”
<b>Write-off</b> .....	Any payment on the Tier 1 Subordinated Notes will be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 1 Capital, upon the occurrence of the events set out in Condition 17(d) of “Terms and Conditions of the Tier 1 Subordinated Notes,” or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority. The terms “ <b>Tier 1 Capital</b> ,” “ <b>Central Bank</b> ” and “ <b>Brazilian Governmental Authority</b> ” are defined in “Terms and Conditions of the Tier 1 Subordinated Notes.” For further information, see Condition 17 of “Terms and Conditions of the Tier 1 Subordinated Notes.”
<b>Use of Proceeds</b> .....	The net proceeds of any issue of the Tier 1 Subordinated Notes will be used by us for general corporate purposes unless otherwise specified in the relevant Final Terms.
<b>Consolidation, Merger or Sales of Assets</b> .....	The Issuer may without the consent of the holders consolidate with or merge into any other corporation or convey or transfer (including in connection with a spin-off), in one transaction or a series of transactions, all or substantially all of its properties or assets to any other person if it complies with specified requirements set forth in condition 18 of the “Terms and Conditions of the Tier 1 Subordinated Notes.”
<b>Optional Redemption</b> .....	The Final Terms issued in respect of the relevant Tier 1 Subordinated Notes will state whether such Tier 1 Subordinated Notes may be redeemed at the option of the Issuer (either in whole or in part) on or after the fifth anniversary of the issuance of the relevant Tier 1 Subordinated Notes and subject to the prior approval of the Central Bank, and if so, the terms applicable to such redemption.
<b>Early Redemption</b> .....	On or after the fifth anniversary of the issuance of the relevant Tier 1 Subordinated Notes and subject to the prior approval of the Central Bank, such Tier 1 Subordinated Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See “Terms and Conditions of the Tier 1 Subordinated Notes—Redemption and Purchase.”
<b>Redemption for Regulatory Reasons</b>	Subject to the prior approval of the Central Bank, the Tier 1 Subordinated Notes will be redeemable at the option of the Issuer prior to maturity if, subsequent to the time that the Tier 1 Subordinated Notes initially qualify as Tier 1 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Tier 1 Subordinated Notes will no longer be included in the consolidated Tier 1 Capital of the Issuer or will be included in such consolidated Tier 1 Capital in a lower proportion than set forth by the regulation in force at the time of issuance of the Tier 1 Subordinated Notes.
<b>Payment Default</b> .....	Any failure by the Issuer to (i) pay the amount due to satisfy payment on the Tier 1 Subordinated Notes when due and payable and such failure continues after expiration of the Grace Period, unless such payment is suspended as described in Condition 17(c) of the “Terms and Conditions of the Tier 1 Subordinated Notes” or written-off as described in Condition 17(d) of the “Terms and Conditions of the Tier 1 Subordinated Notes,” or (ii) pay the Optional Redemption Amount or the Early Redemption Amount, as the case may be, on a Redemption Date. If a Payment Default

occurs and is continuing, the Trustee may, according to Condition 9(b) of the “Terms and Conditions of the Tier 1 Subordinated Notes,” institute judicial proceedings against the Issuer in any court, but may not declare the principal Amount of any outstanding Tier 1 Subordinated Notes to be due and payable or pursue any other legal remedy, including commencing a judicial proceeding for the collection of the sums due and unpaid. The terms “**Payment Default**,” “**Grace Period**,” “**Optional Redemption Amount**,” “**Early Redemption Amount**” and “**Redemption Date**” are defined in “Terms and Conditions of the Tier 1 Subordinated Notes.” See “Terms and Conditions of the Tier 1 Subordinated Notes—Payment Default.”

**Acceleration for Bankruptcy Event .**

Payment of principal of the Tier 1 Subordinated Notes will be automatically accelerated and become due and payable in the case of certain events involving our bankruptcy, liquidation, dissolution or similar proceedings in Brazil, to the extent required under the Brazilian subordination rules. The acceleration of the outstanding nominal amount of the Tier 1 Subordinated Notes in this case does not constitute a Payment Default and shall not result in the acceleration of any debt or financial instrument to which the Issuer is a party. See “Terms and Conditions of the Tier 1 Subordinated Notes—Payment Default.”

**Amendments to the Terms and Conditions of the Tier 1 Subordinated Notes; Modification by the Issuer .....**

We expect to qualify each Series of Tier 1 Subordinated Notes as Tier 1 Capital subject to Central Bank’s approval. In relation to a Series of Tier 1 Subordinated Notes, the Central Bank may require us to amend certain terms and conditions of such Tier 1 Subordinated Notes as a condition to granting such approval. In relation to any Series of Tier 1 Subordinated Notes, the Issuer may (once per Series) and the Trustee shall, if requested by the Issuer acting in compliance with Condition 11(c) of the Terms and Conditions of the Tier 1 Subordinated Notes, without the consent of the holders, modify the terms and conditions of such Tier 1 Subordinated Notes solely to comply with the requirements of the Central Bank in order to qualify such Tier 1 Subordinated Notes as Tier 1 Capital pursuant to Resolution 4,192. The Issuer will not be permitted to make any modifications without holders’ consent if such modification would affect in any way the interest rate of such Tier 1 Subordinated Notes, the cumulative nature of any interest payment due on amounts in arrears, the outstanding principal amount of such Tier 1 Subordinated Notes, the dates of payments or the ranking of those Tier 1 Subordinated Notes. The term “**Resolution 4,192**” is defined in “Terms and Conditions of the Tier 1 Subordinated Notes.”

Other amendments to the terms and conditions of any Series of Tier 1 Subordinated Notes (other than in respect of minor amendments required to cure inconsistencies, defects, ambiguities and similar matters) are subject to the prior consent of the holders as set out in Condition 11 in “Terms and Conditions of the Tier 1 Subordinated Notes.”

**Status of Subordinated Notes .....**

The Tier 1 Subordinated Notes will be direct, unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer and shall rank *pari passu* and without preference among themselves with the rights and claims of holders of Tier 1 Parity Liabilities in accordance with Condition 17 in “Terms and Conditions of the Tier 1 Subordinated Notes.” The term “**Senior to Tier 1 Liabilities**” is defined in “Terms and Conditions of the Tier 1 Subordinated Notes.”

**Withholding Tax.....**

All payments by or on behalf of the Issuer in respect of the Tier 1

Subordinated Notes will be made without withholding or deduction for, or on account of, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by Brazil or any authority therein or thereof having power to tax in the case of the Tier 1 Subordinated Notes issued by Itaú Unibanco Holding S.A. through its head office, or by Brazil or the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax in the case of the Tier 1 Subordinated Notes issued by the Issuer acting through its Grand Cayman Branch unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the holders of the Tier 1 Subordinated Notes of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in “Terms and Conditions of the Tier 1 Subordinated Notes—Taxation.”

The Issuer, and any other person to or through which any payment with respect to the Tier 1 Subordinated Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Tier 1 Subordinated Notes amounts required to be withheld or deducted under or in connection with FATCA, and holders and beneficial owners of Tier 1 Subordinated Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction. The term “**FATCA**” is defined in “Terms and Conditions of the Tier 1 Subordinated Notes.”

**Further Issuances** ..... The Issuer reserves the right, with respect to any Series of Notes, from time to time without the consent of the holders of the Notes of such series, to issue additional Notes of such Series so that the same shall be consolidated with, form a single issue with, and increase the aggregate nominal amount of, such Series of Notes.

**Substitution** ..... The Issuer may, with respect to any Series of Tier 1 Subordinated Notes issued by it (the “**Relevant Tier 1 Subordinated Notes**”), without the consent of any holder, substitute for itself the Substituted Debtor if it complies with specified requirements. In connection with such substitution, the Issuer will, at its option, either continue to be an obligor on the Relevant Tier 1 Subordinated Notes together with the Substituted Debtor or be released from its obligations as obligor as long as it has agreed to guarantee the obligations of the Substituted Debtor in relation to outstanding Relevant Tier 1 Subordinated Notes, in either case as approved by the Central Bank or any other applicable Brazilian Governmental Authority. The term “**Substituted Debtor**” is defined in “Terms and Conditions of the Tier 1 Subordinated Notes.”

**Governing Law** ..... The Trust Deed, the Tier 1 Subordinated Notes, the Final Terms (including the summary of the Final Terms set out in section 5 of the subordination nucleus) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, provided that the provisions contained in Condition 17 of the Terms and Conditions of the Tier 1 Subordinated Notes, as amended by the subordination nucleus, imposed on the Issuer in order for the Tier 1 Subordinated Notes to qualify as Tier 1 Capital under Resolution 4,192, will be governed by and construed in accordance with the laws of Brazil.

**Listing** ..... Application has been made for the Tier 1 Subordinated Notes issued under the Programme to be listed on the Euro MTF Market of the Luxembourg Stock Exchange (or any other stock exchange). The relevant Final Terms

	will specify whether or not the Tier 1 Subordinated Notes of the relevant Series will be listed on the Euro MTF Market (or any other stock exchange).
<b>Selling Restrictions</b> .....	United States, European Economic Area, United Kingdom, Brazil, Cayman Islands, Hong Kong, Singapore, Japan, Colombia, Chile, Peru and Canada. See “Subscription and Sale.”
<b>Transfer Restrictions</b> .....	There are restrictions on the transfer of the Subordinated Notes. See “Transfer Restrictions.”
<b>ERISA Considerations</b> .....	The Tier 1 Subordinated Notes may not be acquired by (i) an “employee benefit plan” within the meaning of Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a “plan” within the meaning of and subject to Section 4975 of the Code or (iii) a person or entity whose assets are treated as “plan assets” within the meaning of the Plan Assets Regulation of such a plan described in (i) or (ii) for purposes of Title I of ERISA or Section 4975 of the Code, unless such purchase and holding of the Notes will not result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code. Each purchaser or holder of the Tier 1 Subordinated Notes and each transferee thereof will be deemed to have made certain representations as to its status under ERISA and the Code. Potential purchasers should read the sections entitled “Certain ERISA and Other Considerations” and “Transfer Restrictions.”

## THE OFFERING OF THE TIER 2 SUBORDINATED NOTES

The following is a brief summary of the terms and conditions of the Tier 2 Subordinated Notes and is subject to and qualified in its entirety by the section “Terms and Conditions of the Tier 2 Subordinated Notes” in this Offering Memorandum and the Trust Deed relating thereto. Terms which are defined in other sections of the Offering Memorandum or in the section “Terms and Conditions of the Tier 2 Subordinated Notes” have the same meaning when used in this summary.

<b>Issuer</b> .....	Itaú Unibanco Holding S.A., acting through its head office or its Grand Cayman Branch.
<b>Description</b> .....	Global Medium-Term Note Programme.
<b>Arrangers</b> .....	Itau BBA International plc (formerly Itau BBA International Limited), Itaú BBA USA Securities, Inc., Goldman, Sachs & Co., and Morgan Stanley & Co. LLC. Itau BBA International plc and Itaú BBA USA Securities, Inc. are affiliates of the Issuer.
<b>Dealers</b> .....	Itau BBA International plc (formerly Itau BBA International Limited), Itaú BBA USA Securities, Inc., Goldman, Sachs & Co., and Morgan Stanley & Co. LLC. Itau BBA International plc and Itaú BBA USA Securities, Inc. are affiliates of the Issuer.
	The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
<b>Trustee</b> .....	The Bank of New York Mellon, acting through its New York branch.
<b>London Paying Agent</b> .....	The Bank of New York Mellon, acting through its London branch.
<b>Principal Paying Agent</b> .....	The Bank of New York Mellon, acting through its London branch, or such other Principal Paying Agent as specified in the relevant Final Terms.
<b>Paying Agents</b> .....	The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, acting through its London branch and The Bank of New York Mellon, acting through its New York office and any other Paying Agent as specified in the relevant Final Terms.
<b>Registrar</b> .....	The Bank of New York Mellon.
<b>Transfer Agents</b> .....	The Bank of New York Mellon (Luxembourg) S.A., The Bank of New York Mellon, acting through its London branch and The Bank of New York Mellon, acting through its New York branch.
<b>Calculation Agent</b> .....	The Bank of New York Mellon, acting through its London branch.
<b>Listing Agent</b> .....	The Bank of New York Mellon (Luxembourg) S.A.
<b>Offering</b> .....	The Tier 2 Subordinated Notes have not been and will not be registered under the Securities Act. The Tier 2 Subordinated Notes will be offered outside the United States in offshore transactions to non-U.S. persons in accordance with Regulation S and inside the United States to QIBs in accordance with Rule 144A. See “Subscription and Sale.”



<b>Final Terms</b> .....	The issue price, issue date, maturity date, nominal amount, interest rate (if any) applicable to any Tier 2 Subordinated Notes and any other relevant provisions of such Tier 2 Subordinated Notes will be agreed between the Issuer and the relevant Dealer(s) at the time of agreement to issue such Tier 2 Subordinated Notes and will be specified in the relevant Final Terms, to which the relevant subordination nucleus prepared in accordance with Resolution 4,192 will be annexed. Such information may differ from that set forth herein and, in all cases, shall supplement and, to the extent inconsistent herewith, supersede the information herein. The term “ <b>Resolution 4,192</b> ” is defined in “Terms and Conditions of the Tier 2 Subordinated Notes.”
<b>Currency</b> .....	Subject to compliance with all relevant laws, regulations and directives, any currency as may be agreed between the Issuer and the relevant Dealer(s).
<b>Amount</b> .....	Up to US\$100,000,000,000 (or its equivalent in other currencies calculated as set out herein) aggregate nominal amount of the Tier 2 Subordinated Notes. Under the Dealer Agreement, the nominal amount of the Tier 2 Subordinated Notes which may be issued under the Programme may be increased, subject to the satisfaction of certain conditions set out therein. For the purpose of calculating the aggregate nominal amount of the Tier 2 Subordinated Notes outstanding, the Tier 2 Subordinated Notes issued at a discount shall be treated as having been issued at their accrued original issue discount calculated by reference to the amortization yield formula as specified in the relevant Final Terms or, if none is specified in the relevant Final Terms, their face amount and the Tier 2 Subordinated Notes issued at a premium shall be treated as having been issued at the amount of their net proceeds received by the Issuer.
<b>Maturities</b> .....	Subject to compliance with all relevant laws, regulations and directives, any maturity from five years or such other minimum maturity and any maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant currency or currencies.
<b>Issue Price</b> .....	The Tier 2 Subordinated Notes may be issued at their nominal amount or at a discount to or premium over their nominal amount.
<b>Method of Issue</b> .....	The Tier 2 Subordinated Notes will be issued in Series having one or more issue dates and on terms otherwise identical (or identical other than in respect of the issue date, the date on which interest commences to accrue and related matters), the Tier 2 Subordinated Notes of each Series being intended to be interchangeable with all other Tier 2 Subordinated Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche will be specified in the relevant Final Terms.
<b>Form of the Subordinated Notes</b> .....	The Tier 2 Subordinated Notes will be Registered Notes. Each Series will be represented on issue by an Unrestricted Global Note or a Restricted Global Note. See “Form of the Notes; Book Entry and Transfer.”
<b>Clearing Systems</b> .....	Euroclear, Clearstream and DTC.
<b>Initial Delivery of the Subordinated Notes</b> .....	On or before the issue date for each Tranche, the Unrestricted Global Note or Restricted Global Note may be registered in the name of and deposited with a common nominee for Euroclear and Clearstream or a nominee of DTC. The Tier 2 Subordinated Notes may also be deposited with any other clearing system or may be delivered outside any clearing system,

provided that the method of such delivery has been agreed in advance by the Issuer, the Trustee and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

<b>Denomination</b> .....	The Tier 2 Subordinated Notes will be issued in such denominations as may be specified in the applicable Final Terms and, in all cases, Tier 2 Subordinated Notes shall be issued in such other minimum denominations as may be allowed or required from time to time by the relevant central bank or equivalent regulatory authority in the relevant jurisdiction, or any laws or regulations applicable to the Issuer or the relevant specified currency, as the case may be, subject in all cases to changes in applicable legal or regulatory requirements. In the case of any Tier 2 Subordinated Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be at least €100,000 and integral multiples of €1,000 thereafter (or its equivalent in any other currency as at the date of issue of the relevant Subordinated Notes). Registered Notes resold pursuant to Rule 144A shall be in denominations of at least US\$200,000 (or its equivalent rounded upwards as agreed between the Issuer and the relevant Dealer(s)) and integral multiples of US\$1,000 thereafter.
<b>Fixed Rate Notes</b> .....	Fixed interest will be payable in arrear at the rate and on the date or dates in each year specified in the relevant Final Terms, provided that when applicable such rate may reset on the relevant Benchmark Reset Date at the rate equal to the Benchmark Reset Rate plus the Credit Spread. The terms “ <b>Benchmark Reset Date</b> ,” “ <b>Benchmark Reset Rate</b> ” and “ <b>Credit Spread</b> ” are defined in “Terms and Conditions of the Tier 2 Subordinated Notes.”
<b>Floating Rate Notes</b> .....	Floating rate Notes will bear interest determined separately for each Series as follows:  (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant specified currency governed by an agreement incorporating the ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc.; or  (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin.
<b>Dual Currency Notes</b> .....	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of dual currency Notes will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.
<b>Index Linked Notes</b> .....	Payments of principal or of interest in respect of index linked Notes will be calculated by reference to such index or formula as may be specified in the relevant Final Terms.
<b>Interest Periods and Interest Rates</b> ..	The length of the interest periods for the Tier 2 Subordinated Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. All such information will be specified in the relevant Final Terms.

<b>Write-off</b> .....	Any payment on the Tier 2 Subordinated Notes will be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 2 Capital, upon the occurrence of the events set out in Condition 17(c)(i) of “Terms and Conditions of the Tier 2 Subordinated Notes,” or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority. The terms “ <b>Tier 2 Capital</b> ” and “ <b>Brazilian Governmental Authority</b> ” are defined in “Terms and Conditions of the Tier 2 Subordinated Notes. For further information, see Condition 17 of “Terms and Conditions of the Tier 2 Subordinated Notes.”
<b>Use of Proceeds</b> .....	The net proceeds of any issue of the Tier 2 Subordinated Notes will be used by us for general corporate purposes unless otherwise specified in the relevant Final Terms.
<b>Consolidation, Merger or Sales of Assets</b> .....	The Issuer may consolidate with or merge into any other corporation or convey or transfer (including in connection with a spin-off), in one transaction or a series of transactions, all or substantially all of its properties or assets to any other person if it complies with specified requirements set forth in condition 18 of the “Terms and Conditions of the Tier 2 Subordinated Notes.”
<b>Redemption</b> .....	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then-current laws and regulations, any Tier 2 Subordinated Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, must have a minimum redemption amount of at least €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Subordinated Notes).
<b>Optional Redemption</b> .....	The Final Terms issued in respect of the relevant Tier 2 Subordinated Notes will state whether such Tier 2 Subordinated Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) on or after the fifth anniversary of the issuance of the relevant Tier 2 Subordinated Notes and subject to the prior approval of the Central Bank, and if so, the terms applicable to such redemption.
<b>Early Redemption</b> .....	On and after the fifth anniversary of the issuance of the relevant Tier 2 Subordinated Notes and subject to the prior approval of the Central Bank, such Tier 2 Subordinated Notes will be redeemable at the option of the Issuer prior to maturity for tax reasons. See “Terms and Conditions of the Tier 2 Subordinated Notes—Redemption and Purchase.”
<b>Redemption for Regulatory Reasons</b>	Subject to the prior approval of the Central Bank, the Tier 2 Subordinated Notes will be redeemable at the option of the Issuer prior to maturity if, subsequent to the time that the Tier 2 Subordinated Notes initially qualify as Tier 2 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Tier 2 Subordinated Notes will no longer be included in the consolidated Tier 2 Capital of the Issuer or will be included in such consolidated Tier 2 Capital in a lower proportion than set forth by the regulation in force at the time of issuance of the Tier 2 Subordinated Notes.
<b>Events of Default</b> .....	The “Terms and Conditions of the Tier 2 Subordinated Notes” contain limited events of default. Payment of principal of the Tier 2 Subordinated Notes may be accelerated only in the case of certain events involving our

bankruptcy, dissolution, suspension of payment on or failure or inability to pay all or a material part of (or of a particular type of) our debts generally as they become due or similar events. We will only be required to make payment on acceleration after we have been declared bankrupt, have been dissolved or suspend payment on or fail or are unable to pay all or a material part of (or of a particular type of) our debts generally as they become due.

**Amendments to the Terms and Conditions of the Tier 2 Subordinated Notes; Modification by the Issuer .....**

We expect to qualify each Series of Tier 2 Subordinated Notes as Tier 2 Capital subject to Central Bank's approval. In relation to a Series of Tier 2 Subordinated Notes, the Central Bank may require us to amend certain terms and conditions of such Tier 2 Subordinated Notes as a condition to granting such approval. In relation to any Series of Tier 2 Subordinated Notes, the Issuer may (once per Series) and the Trustee shall, if requested by the Issuer acting in compliance with Condition 11(c) of the Terms and Conditions of the Tier 2 Subordinated Notes, without the consent of the holders, modify the terms and conditions of such Tier 2 Subordinated Notes solely to comply with the requirements of the Central Bank in order to qualify such Tier 2 Subordinated Notes as Tier 2 Capital pursuant to Resolution 4,192. The Issuer will not be permitted to make any modifications without holders' consent if such modification would affect in any way the interest rate of such Subordinated Notes, the cumulative nature of any interest payment due on amounts in arrears, the outstanding principal amount of such Subordinated Notes, the ranking of those Tier 2 Subordinated Notes or the original maturity date of such Subordinated Notes.

Other amendments to the terms and conditions of any Series of Notes (other than in respect of minor amendments required to cure inconsistencies, defects, ambiguities and similar matters) are subject to the prior consent of the holders as set out in Condition 11 in "Terms and Conditions of the Tier 2 Subordinated Notes."

**Status of Subordinated Notes .....**

The Tier 2 Subordinated Notes will be direct, unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer and shall rank *pari passu* and without preference among themselves with the rights and claims of holders of Tier 2 Parity Liabilities in accordance with Condition 17 in "Terms and Conditions of the Tier 2 Subordinated Notes." The terms "**Senior to Tier 2 Liabilities**" and "**Tier 2 Parity Liabilities**" are defined in "Terms and Conditions of the Tier 2 Subordinated Notes."

**Withholding Tax .....**

All payments by or on behalf of the Issuer in respect of the Tier 2 Subordinated Notes will be made without withholding or deduction for, or on account of, any Taxes of whatever nature imposed, levied, collected, withheld or assessed by Brazil or any authority therein or thereof having power to tax in the case of the Tier 2 Subordinated Notes issued by Itaú Unibanco Holding S.A. through its head office, or by Brazil or the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax in the case of the Tier 2 Subordinated Notes issued by the Grand Cayman Branch unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the holders of the Tier 2 Subordinated Notes of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in "Terms and Conditions of the Tier 2 Subordinated Notes — Taxation."

The Issuer, and any other person to or through which any payment with respect to the Tier 2 Subordinated Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Tier 2 Subordinated Notes amounts required to be withheld or deducted under or in connection with FATCA, and, subject to certain exceptions as described in “Terms and Conditions of the Tier 2 Subordinated Notes,” holders and beneficial owners of Tier 2 Subordinated Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction. The term “**FATCA**” is defined in “Terms and Conditions of the Tier 2 Subordinated Notes.”

<b>Further Issuances</b> .....	The Issuer reserves the right, with respect to any Series of Notes, from time to time without the consent of the holders of the Tier 2 Subordinated Notes of such series, to issue additional Tier 2 Subordinated Notes of such Series so that the same shall be consolidated with, form a single issue with, and increase the aggregate nominal amount of, such Series of Notes.
<b>Substitution</b> .....	The Issuer may, with respect to any Series of Tier 2 Subordinated Notes issued by it (the “ <b>Relevant Tier 2 Subordinated Notes</b> ”), without the consent of any holder, substitute for itself the Substituted Debtor if it complies with specified requirements. In connection with such substitution, the Issuer will, at its option, either continue to be an obligor on the Relevant Tier 2 Subordinated Notes together with the Substituted Debtor or be released from its obligations as obligor as long as it has agreed to guarantee the obligations of the Substituted Debtor in relation to outstanding Relevant Tier 2 Subordinated Notes, in either case as approved by the Central Bank or any other applicable Brazilian Governmental Authority.
<b>Governing Law</b> .....	The Trust Deed, the Subordinated Notes, the Final Terms (including the summary of the Final Terms set out in section 5 of the subordination nucleus) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, provided that the provisions contained in Condition 17 of the Terms and Conditions of the Tier 2 Subordinated Notes, as amended by the subordination nucleus, imposed on the Issuer in order for the Tier 2 Subordinated Notes to qualify as Tier 2 Capital under Resolution 4,192, will be governed by and construed in accordance with the laws of Brazil.
<b>Listing</b> .....	Application has been made for the Tier 2 Subordinated Notes issued under the Programme to be listed on the Euro MTF Market of the Luxembourg Stock Exchange (or any other stock exchange). The relevant Final Terms will specify whether or not the Tier 2 Subordinated Notes of the relevant Series will be listed on the Euro MTF Market (or any other stock exchange).
<b>Selling Restrictions</b> .....	United States, European Economic Area, United Kingdom, Brazil, Cayman Islands, Hong Kong, Singapore, Japan, Colombia, Chile, Peru and Canada. See “Subscription and Sale.”
<b>Transfer Restrictions</b> .....	There are restrictions on the transfer of the Subordinated Notes. See “Transfer Restrictions.”
<b>ERISA Considerations</b> .....	The Tier 2 Subordinated Notes may not be acquired by (i) an “employee benefit plan” within the meaning of Section 3(3) of ERISA that is subject to Title I of ERISA, (ii) a “plan” within the meaning of and subject to Section 4975 of the Code or (iii) a person or entity whose assets are treated as “plan assets” within the meaning of the Plan Assets Regulation

of such a plan described in (i) or (ii) for purposes of Title I of ERISA or Section 4975 of the Code, unless such purchase and holding of the Notes will not result in a non-exempt prohibited transaction under Title I of ERISA or Section 4975 of the Code. Each purchaser or holder of the Tier 2 Subordinated Notes and each transferee thereof will be deemed to have made certain representations as to its status under ERISA and the Code. Potential purchasers should read the sections entitled “Certain ERISA and Other Considerations” and “Transfer Restrictions.”

## RISK FACTORS

The following section does not describe all the risks of an investment in the Notes. Prospective investors should carefully read this Offering Memorandum, our 2017 Form 20-F and the other documents incorporated by reference in this Offering Memorandum, and consider, among other things, the risk factors with respect to Itaú Unibanco Holding, to Brazilian financial institutions and to Brazil not normally associated with investments in securities of United States, European and other similar issuers, including those risk factors set out below. Our business, results of operations, financial condition or prospects could be negatively affected if any of such risks occurs, and as a result, the trading price of the Notes could decline and you could lose all or part of your investment.

Prospective investors should further note that the risk factors described below, in our 2017 Form 20-F are not the only risks we face or that relate to an investment in the Notes. Prospective investors should carefully consider these risks and uncertainties and the ones set forth below, as well as the other information in this offering memorandum, before making an investment in the Notes. These are the risks we consider material as of the date of this Offering Memorandum. There may be additional risks that we currently consider immaterial or of which we are currently unaware, and any of these risks could have similar effects to those set forth below.

Capitalised terms used in this section and not otherwise defined herein have the meanings ascribed to them in the Terms and Conditions of the Senior Notes, the Terms and Conditions of the Tier 1 Subordinated Notes or the Terms and Conditions of the Tier 2 Subordinated Notes, as applicable.

### Risks Relating to the Notes

#### *Obligations under the Notes may be subordinated to certain statutory liabilities.*

Under Brazilian law, our obligations under the Notes will be subordinated to certain statutory preferences. In the event of our liquidation, certain claims, such as claims for salaries, wages, social security, taxes and court fees and expenses will have preference over any other claim, including the Notes. See “Our Risk Management—Regulatory Environment—Bank Insolvency—Payment of Creditors in Liquidation” of our 2017 Form 20-F for a discussion of the legal regime affecting the priority of repayment of creditors.

#### *The Subordinated Notes are subordinated obligations of the Issuer.*

Upon the occurrence of a Bankruptcy Event, Tier 1 Subordinated Notes will be subordinated in right of payment to all present and future Senior to Tier 1 Liabilities and Tier 2 Subordinated Notes will be subordinated in right of payment to all present and future Senior to Tier 2 Liabilities, in accordance with Condition 17 in Terms and Conditions of Tier 1 Subordinated Notes and Terms and Conditions of Tier 2 Subordinated Notes, respectively. There is a significant risk that an investor in Tier 1 Subordinated Notes or Tier 2 Subordinated Notes will lose all or some of such investor’s investment in the event of the Issuer’s winding-up, bankruptcy, liquidation, dissolution or similar proceeding.

#### *The Subordinated Notes may be cancelled, and you may lose all or part of the value of your investment in the Subordinated Notes.*

In accordance with Resolution 4,192 and the terms and conditions of the Subordinated Notes, the outstanding principal, interest and all other amounts due with respect to the Subordinated Notes may be permanently written-off by the Issuer in a minimum amount equal to: (a) the amount allocated to the Tier 1 Capital of the Issuer with respect to the Tier 1 Subordinated Notes, or (b) the amount allocated to the Tier 2 Capital of the Issuer with respect to the Tier 2 Subordinated Notes, in accordance with the applicable Central Bank procedures. The occurrence of a write-off is inherently unpredictable and depends on a number of factors. A write-off may occur in the following events:

- If we disclose that our Common Equity Tier 1 Capital is below 5.125% of our RWA, in the case of Tier 1 Subordinated Notes, or below 4.5% of our RWA, in the case of Tier 2 Subordinated Notes, determined in accordance with Resolution 4,193;
- If an agreement for capital contribution is executed pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, dated May 4, 2000, which prohibits that public funds be used to bail out financial institutions, unless a specific law is enacted in this regard;
- If the Central Bank decrees a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or

- If the Central Bank determines, based on criteria established by the National Monetary Council, a write-off of the Tier 1 Subordinated Notes and / or of the Tier 2 Subordinated Notes, as the case may be.

Neither the write-off of any amount due under the Subordinated Notes nor the occurrence of any of the events described above shall (i) be deemed to be an event of default with respect to the Subordinated Notes in question, (ii) accelerate the maturity of any other obligations of the Issuer, or (iii) provide any right of acceleration of any payment with respect to the Subordinated Notes.

Fluctuations in our Common Equity Tier 1 Capital may be affected by changes in applicable capital adequacy standards and guidelines of the Central Bank or other applicable Brazilian Governmental Authorities. Fluctuations in our risk-weighted assets may be caused by changes in the total risk exposure. In addition, because the Central Bank or any other applicable Brazilian Governmental Authority may require our Common Equity Tier 1 Capital and risk-weighted assets to be calculated as of any date, a write-off could occur at any time.

Calculation of our Common Equity Tier 1 Capital and risk-weighted assets could be affected by, among other things, the growth of our business, including through acquisitions, and our earnings and dividend payments. It may also be impacted by our ability to reduce risk exposure in businesses that we may seek to exit or losses in our business.

In addition, the calculation of our Common Equity Tier 1 Capital and risk-weighted assets may be affected by changes in applicable accounting rules. Accounting changes may have a material adverse impact on our reported financial position. We may apply our accounting policies based on applicable rules and regulations, including the exercise of any discretion that may be permitted from time to time by such rules and regulations, notwithstanding any potential adverse impact this may have on the position of holders of the Subordinated Notes.

By the acquisition of the Subordinated Notes, holders will be bound by the exercise of any power by the Central Bank or other relevant regulatory authority that may result in the cancellation of all, or a portion, of any amounts due with respect to the Subordinated Notes, and the rights of holders under the Subordinated Notes are subject to any decision of the Central Bank or other relevant regulatory authority that may result in you and other holders losing the value of all or a part of your investment in the Subordinated Notes. The Central Bank regulations that require the write-off are new and have not been tested. Accordingly, the market value of the Notes may not necessarily follow other types of subordinated securities. Any such write-off could materially adversely affect the rights of holders to receive principal and interest with respect to the Subordinated Notes, the price or value of their investment in the Subordinated Notes and/or the ability of the Issuer to satisfy its obligations under any Subordinated Notes. Any indication that our Common Equity Tier 1 Capital level is trending towards a level below 5.125%, in the case of the Tier 1 Subordinated Notes, or 4.5%, in the case of the Tier 2 Subordinated Notes, of our risk-weighted assets, can be expected to have a material adverse effect on the market price of the Subordinated Notes. Therefore, investors may not be able to sell their Subordinated Notes easily or at prices that will provide them with a yield comparable to more conventional investments.

***We may not pay interest on the Tier 1 Subordinated Notes in certain circumstances, and those amounts need not be subsequently paid to the holders.***

Pursuant to Resolution 4,192, payment of interest on the Tier 1 Subordinated Notes will be made solely with profits and profit reserves available for distribution as of the latest date of determination, will not be due and payable and will not accrue or accumulate, in the following events:

- if amounts due exceed the funds available for such purpose;
- if the Central Bank or any applicable Brazilian Governmental Authority imposes any restriction on the payment of dividends or other distributions with respect to shares eligible for treatment as Common Equity Tier 1 Capital, then the amounts due will be reduced proportionally to the amounts of such restrictions; or
- if the Issuer has insufficient Additional Core Capital or the payment would result in the Issuer being in noncompliance with the minimum ratio requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital, we will be required to withhold amounts to be paid or distributed following the percentages set forth in article 9, paragraph 4, of Resolution 4,193, and interest on the Tier 1 Subordinated Notes will be reduced proportionally to the amounts withheld.



There can be no assurance interest payments on the Tier 1 Subordinated Notes will not be suspended and cancelled in the future. In the event of a cancellation of an interest payment on the Tier 1 Subordinated Notes, as described above, such interest shall not accrue or accumulate and shall not be deemed due and payable under the terms of the Tier 1 Subordinated Notes, shall be deemed extinguished, and such failure to pay an interest amount will not constitute a Payment Default. There can be no assurance that interest payments with respect to the Tier 1 Subordinated Notes will not be suspended in the future. Holders will bear the risk of any such non-payment of interest.

***Our interests and the regulatory authorities' interests may not be aligned with those of the holders.***

Our Common Equity Tier 1 Capital will depend in part on decisions made by us relating to our business and operations, as well as the management of our capital position. We will have no obligation to consider the interest of holders in connection with our strategic decisions, including in respect of capital management. Holders will not have any claim against us relating to decisions that affect our capital position, regardless of whether they result in the occurrence of a write-off. Such decisions could cause holders to lose the amount of their investment in the Subordinated Notes.

***Other regulatory capital instruments may not be subject to a write-off at the same time as the Subordinated Notes or at all.***

The terms and conditions of other financial instruments issued or to be issued after the date hereof by us and subject to Brazilian capital requirements may vary. Accordingly, such instruments may not be written-off at the same time, or to the same extent, as the Subordinated Notes, or at all. In addition, according to Resolution 4,192, the Central Bank requires the write-off of our Additional Tier 1 Capital, including the Tier 1 Subordinated Notes, before it determines write-offs of financial instruments qualifying as Tier 2 Capital.

***If we do not satisfy our obligations under the Subordinated Notes, your remedies will be limited.***

Payment of principal of the Subordinated Notes may be accelerated only in the case of certain events involving our bankruptcy, dissolution, winding up, or similar events, as applicable. There will be no right of acceleration in the case of a default in the performance of any of our covenants, including the payment of principal or interest in respect of the Subordinated Notes.

Even if the payment of principal of the Subordinated Notes is accelerated, our assets will be available to pay those amounts only after:

- all of our Senior to Tier 1 Liabilities, in respect of Tier 1 Subordinated Notes, and Senior to Tier 2 Liabilities, in respect of Tier 2 Subordinated Notes, have been paid in full, as described above in “—The Subordinated Notes are subordinated obligations of the Issuer”; and
- we have been declared bankrupt, have been dissolved or have been subject to winding up.

If, after these conditions are met, we make any payment from Brazil, we may be required to obtain the approval of the Central Bank for the remittance of funds outside Brazil. See “—We may not be able to obtain necessary governmental authorizations.”

***No assurance can be given that the Subordinated Notes will qualify as Tier 1 Capital or Tier 2 Capital, as applicable, or that the Central Bank will not amend the existing regulations or change its interpretation of regulations applicable to Tier 1 Capital or Tier 2 Capital.***

We anticipate that the Subordinated Notes will initially meet the requirements of Tier 1 Capital or Tier 2 Capital in accordance with Resolution 4,192, as applicable. The applicable requirements of Resolution 4,192 for qualification as Tier 1 Capital and Tier 2 Capital have not been subject to significant regulatory interpretation by the Central Bank or other Brazilian Governmental Authorities. The Central Bank's approval for the Subordinated Notes to be classified as Tier 1 Capital or Tier 2 Capital has not yet been requested and the Issuer cannot give any assurance that the Subordinated Notes will qualify as Tier 1 Capital or Tier 2 Capital. Alternatively, the Central Bank may require the Issuer to amend certain terms and conditions of the Subordinated Notes as a condition to granting any such approval.

Furthermore, no assurance can be given that the applicable requirements for Tier 1 Capital or Tier 2 Capital will not change in the future. Even if the Subordinated Notes meet the requirements of Tier 1 Capital or Tier 2 Capital as of their respective Issue Dates under the current regulations, if current regulations change in the future, the

Subordinated Notes may no longer be eligible to be included in our Tier 1 Capital or Tier 2 Capital, as applicable, or may be included in such Tier 1 Capital or Tier 2 Capital in a lower proportion than set forth by the regulation in force on the Issue Date of such Subordinated Notes. Changes to the capital treatment of the Subordinated Notes could have a material adverse effect on our capital structure.

In addition, any such changes could result in a Tier 1 Regulatory Event or a Tier 2 Regulatory Event, as the case may be, and, subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority (if such approval is then required), we would have the right to redeem the Subordinated Notes.

***We may amend certain terms and conditions of the Subordinated Notes without your prior consent to comply with Central Bank requirements to qualify the Subordinated Notes as Tier 1 or Tier 2 Capital, as applicable.***

We may, without the consent of holders, modify certain terms and conditions of the Subordinated Notes solely to the extent necessary to comply with the requirements of the Central Bank to qualify, or maintain the qualification of, such Subordinated Notes as Tier 1 Capital or Tier 2 Capital, as the case may be. However, we will not be permitted to make amendments without holders' consent if such amendment would affect in any way the interest rate of such Subordinated Notes, the cumulative nature of any interest payment due on amounts in arrears (except with respect to the suspension and cancellation of interest on Tier 1 Subordinated Notes as set forth in Resolution 4,192), the dates of any payments, the outstanding principal amount of such Subordinated Notes or the ranking of such Subordinated Notes. Any amendment to the Subordinated Notes may adversely impact your rights as a holder and may adversely impact the market value of the Subordinated Notes.

***The Tier 1 Subordinated Notes have no maturity date and are not redeemable at the holder's option at any time. The Tier 2 Subordinated have a fixed maturity and are not redeemable at the holder's option at any time.***

The Tier 1 Subordinated Notes are perpetual, have no fixed maturity or mandatory redemption date, and are not redeemable at the holder's option at any time. As a result, holders will be entitled to receive a return of the Principal Amount of the investment only if we (i) elect to exercise the Call Option in relation to the Tier 1 Subordinated Notes, which may only happen on or after the fifth anniversary of the Issue Date of such Tier 1 Subordinated Notes, or (ii) redeem the Tier 1 Subordinated Notes for taxation reasons or following a Tier 1 Regulatory Event, and provided that we are in compliance with the applicable risk based capital requirements and receive the prior authorization of the Central Bank. Therefore, holders should be aware that they will be required to bear the financial risks of an investment in the Tier 1 Subordinated Notes for an indefinite period of time.

With regards to Tier 2 Subordinated Notes holders will be entitled to receive a return of the Principal Amount of the investment if we (i) elect to exercise the Call Option, if so specified in the relevant Final Terms, which may only happen on or after the fifth anniversary of the Issue Date of such Tier 2 Subordinated Notes (ii) redeem the Tier 2 Subordinated Notes for taxation reasons or following a Tier 2 Regulatory Event, and provided that we are in compliance with the applicable risk based capital requirements and receive the prior authorization of the Central Bank or (iii) at the Maturity Date. Therefore, holders should be aware that they will be required to bear the financial risks of an investment in the Tier 2 Subordinated Notes until the Maturity Date.

***We may redeem the Notes at our own option or for taxation reasons, or redeem the Subordinated Notes upon the occurrence of a Tier 1 Regulatory Event or Tier 2 Regulatory Event, as applicable.***

If so specified in the relevant Final Terms, we may at our own option redeem any Series of Notes, in whole or in part. In the case of a Series of Subordinated Notes, such redemption (i) is subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority (if such approval is then required), and (ii) will only be permitted (x) on or after the relevant Series' fifth anniversary and (y) if we are in compliance with the minimum requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfy the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits.

We may also redeem any Series of Notes in whole, but not in part, for taxation reasons. In the case of Subordinated Notes, such redemption will be subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority (if such approval is then required) and may only happen on or after the relevant Series' fifth anniversary.

Additionally, subject to the approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), we may at any time redeem any Series of

Subordinated Notes in whole, but not in part, following the occurrence of a Tier 1 Regulatory Event or Tier 2 Regulatory Event, as applicable.

***We can issue further debt or other instruments which may rank senior to or pari passu with the Notes.***

There are no restrictions on our ability to incur additional indebtedness that is senior to, or *pari passu* with, any Series of Notes. The issuance of any such instruments may reduce the amount recoverable by holders upon any bankruptcy, insolvency or similar events.

***Investors will be deemed to have waived all rights of set-off.***

Subject to applicable law, holders may not exercise or claim any right of set-off in respect of any amount we owe arising under or in connection with the Notes, and the holders will be deemed to have waived all such rights of set-off.

***The Notes will be unsecured and effectively subordinated to the rights of our existing and future secured creditors.***

The Notes are unsecured and therefore do not have the benefit of any collateral. Accordingly, the Notes will be effectively subordinated to our secured indebtedness to the extent of the value of the assets securing such indebtedness, other than Public External Indebtedness, if any, with respect to which we are required to secure the Senior Notes equally and ratably pursuant to the negative pledge covenant applicable to the Senior Notes. This covenant is subject to important exceptions and permits us to incur a significant amount of secured indebtedness. Secured creditors will have a prior right to collateral securing their indebtedness in case of an event of default under our secured indebtedness and that of our subsidiaries, to the exclusion of the holders of the Notes, even if we are in default under the Notes. In that event, such collateral would first be used to repay in full all indebtedness and other obligations secured by such secured creditors, resulting in all or a portion of the collateral being unavailable to satisfy the claims of the holders of the Notes and other unsecured indebtedness. Therefore, in the event of any distribution or payment to secured creditors of us or our subsidiaries of collateral in any foreclosure, dissolution, winding-up, liquidation, reorganization, or other bankruptcy proceeding, holders of Notes would have rights with respect to our remaining assets ratably with all holders of our unsecured indebtedness that are deemed to be of the same class as such Notes, and potentially with all other general creditors, based upon the respective amounts owed to each holder or creditor. In any of the foregoing events, holders of Notes should expect to receive less, ratably, than holders of secured indebtedness.

***The Central Bank or Brazilian courts may, in certain circumstances including a liquidation of or intervention at Itaú Unibanco Holding or one or more of its subsidiaries, treat Itaú Unibanco Holding as a co-obligor of the debt of our subsidiaries.***

Under Brazilian law, the Central Bank or Brazilian courts may, in certain circumstances including a liquidation of or intervention at Itaú Unibanco Holding or one or more of its subsidiaries, disregard the ownership structure of our subsidiaries and treat Itaú Unibanco Holding and its subsidiaries as jointly liable for the subsidiaries' debts. In this event, creditors of our subsidiaries may have claims against assets of Itaú Unibanco Holding that they would not have had in the absence of such action and such creditors' claims may rank equally in right of payment with Itaú Unibanco Holding's creditors.

***We may not be able to obtain necessary governmental authorizations.***

Under Brazilian law, the issue of Notes through our Grand Cayman Branch is not subject to approval by or registration with the Central Bank. In the event we are required to pay any amount due in respect of the Notes through remittances from Brazil, we would need the specific approval of the Central Bank. Any specific approval from the Central Bank may only be requested at such time as we remit the payment outside of Brazil, and would be granted by the Central Bank on a case-by-case basis. It is not certain whether we would be able to obtain any such approval on a timely basis or at all at a future date.

In addition, where we are acting through our head office or the proceeds of the Notes are transferred to such head office, the issue of Notes is subject to certain registrations with the Central Bank, namely (i) prior registration of the financial terms of each transaction under the Electronic Declaratory Registry—Registry of Financial Transactions (*Registro Declaratório Eletrônico—Registro de Operações Financeiras* or “**ROF**”) with the Central Bank through the SISBACEN; (ii) registration with the Central Bank of the schedule of payments under the respective ROF in respect of each Tranche issued under the Programme, as soon as practicable after the effective

inflow of funds; (iii) further authorization from the Central Bank to make payments outside Brazil in a specified currency other than scheduled payments of principal, interest, commissions, fees and expenses as contemplated by the ROF; and (iv) prior authorization to be granted by the Central Bank regarding the classification of Subordinated Notes as Tier 1 Capital or Tier 2 Capital, as the case may be.

***Judgments of Brazilian courts enforcing our obligations under any Notes would be payable only in reais.***

If proceedings were brought in Brazil seeking to enforce our obligations under the Notes, we would not be required to discharge our obligations in a currency other than *reais*. Under Brazilian exchange control limitations, an obligation to pay amounts denominated in a currency other than Brazilian currency, which is payable in Brazil, may only be satisfied in Brazilian currency at the rate of exchange, as determined by the Central Bank, in effect on the date of payment. Any such amount payable in *reais* may not be able to generate the applicable amount of non-Brazilian currency based on exchange rates in effect when the judgment amount, if any, is obtained.

***Exchange rates and exchange controls may affect the value of, or return on, the Notes.***

Notes involving one or more foreign currencies are subject to general exchange rate and exchange control risks. An investment in Notes that are denominated or payable in, or the payment of which is linked to the value of, currencies (including *reais*) other than U.S. dollars or Euros entails significant risks. These risks include the possibility of significant changes in rates of exchange between the U.S. dollar or Euro and the relevant currencies and the possibility of the imposition or modification of exchange controls by governments. These risks generally depend on economic and political events over which we have no control.

In recent years, rates of exchange between some currencies have been highly volatile and this volatility may continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur during the term of any of the Notes. Depending on the specific terms of currency-linked Notes, depreciation against the U.S. dollar or Euro of the currency in which Notes are payable or to which payment on such Notes is linked, or changes in exchange rates between currencies, could result in a decrease in the effective yield of the Notes and could result in a loss of all or a substantial portion of the value of those Notes.

Exchange rates can either float or be fixed by governments. Exchange rates of most economically developed nations are permitted to fluctuate in value relative to the U.S. dollar and Euro and to each other. However, from time to time governments may use a variety of techniques, such as intervention by a country's central bank or the imposition of regulatory controls or taxes, to influence the exchange rates with respect to their currencies. Governments may also issue a new currency to replace an existing currency or alter the exchange rate or relative exchange characteristics by a devaluation or revaluation of a currency. These governmental actions could change or interfere with currency valuations and currency fluctuations that would otherwise occur in response to economic forces, as well as in response to the movement of currencies across borders. As a consequence, these government actions could adversely affect the U.S. dollar or Euro-equivalent yields or payouts for Notes denominated or payable in currencies other than the U.S. dollar or Euro and currency-linked Notes.

Except to the extent, if any, set forth in the applicable Final Terms, we will not make any adjustment or change to the terms of Notes in the event that applicable exchange rates should become fixed, or in the event of any devaluation or revaluation or imposition of exchange or other regulatory controls or taxes, or in the event of other developments affecting any relevant currency.

From time to time, governments have imposed, and may in the future impose, exchange controls that could affect the availability of a specific currency. Even if there are no actual exchange controls, it is possible that the currency in which Notes are payable will not be available when payments on such Notes are due.

***The amount of interest payable on any floating rate notes is set periodically based on the relevant benchmark on the interest determination date, which rate may fluctuate substantially.***

In the case of Notes specified as being "floating rate notes" in the applicable Final Terms, you should note that historical levels, fluctuations and trends of the relevant benchmark are not necessarily indicative of future levels. Any historical upward or downward trend in the relevant benchmark is not an indication that the relevant benchmark is more or less likely to increase or decrease at any time during a floating interest rate period, and you should not take the historical levels of relevant benchmark as an indication of its future performance. You should further note that although the actual relevant benchmark on an interest payment date or at other times during an interest period

may be higher than the relevant benchmark on the applicable interest determination date, you will not benefit from the relevant benchmark at any time other than the interest determination date for such period. As a result, changes in the relevant benchmark may not result in a comparable change in the market value of the Notes.

In addition, you will be exposed to risks not associated with a conventional fixed-rate debt instrument. These risks include fluctuation of the relevant benchmark (and hence, the interest rate) and the possibility that for any given interest payment period you may receive a lesser amount of interest than for one or more other interest payment periods. The Bank does not have control over a number of factors that may affect market interest rates, including geopolitical conditions and economic, financial, political, regulatory, agricultural, judicial or other events that affect the markets generally and that are important in determining the existence, magnitude, and longevity of these risks and their results. Also, the floating interest rate for any floating rate notes may be less than the floating rate payable on a similar debt instrument of the same maturity issued by an issuer of comparable creditworthiness.

*Notes linked to currency prices, commodity prices, single securities, baskets of securities or indices entail significant risks.*

In addition to potential currency risks as described above, an investment in currency-linked Notes and Notes linked to commodity prices, single securities, baskets of securities or indices presents certain significant risks not associated with other types of securities. Currency-linked Notes and Notes linked to commodity prices, single securities, baskets of securities or indices may present a high level of risk, and holders of Notes may lose their entire investment if they have purchased such Notes.

The principal amount of currency-linked Notes and Notes linked to commodity prices, single securities, baskets of securities or indices payable at maturity, and the amount of interest payable on an interest payment date may be determined by reference to one or more of the following (each, an “**index**”):

- Currencies, including baskets of currencies;
- Commodities, including baskets of commodities;
- Securities, including baskets of securities; or
- Any other index.

The direction and magnitude of the change in the value of the relevant index will determine either or both the principal amount of Notes linked to such index payable at maturity or the amount of interest payable on an interest payment date. The terms of particular Notes may not include a guaranteed return of a percentage of the face amount at maturity or a minimum interest rate. Accordingly, holders of Notes linked to an index may lose all or a portion of the principal invested in such Notes and may receive no interest on such Notes.

Volatility may affect the value of or return on Notes linked to indices. Certain indices are highly volatile. The expected principal amount payable at maturity of, or the interest rate on, Notes based on a volatile index may vary substantially from time to time. Because the principal amount payable at the maturity of, or interest payable on, Notes linked to an index is generally calculated based on the value of the relevant index on a specified date or over a limited period of time, volatility in the index increases the risk that the return on such Notes may be adversely affected by a fluctuation in the level of the relevant index.

The volatility of an index may be affected by, among other things, political or economic events, including governmental actions, or by the activities of participants in the relevant markets. Any of these could adversely affect the value of or return on Notes linked to such index.

The availability and composition of certain indexes may affect the value of or return on Notes linked to indexes. Certain indexes reference several different currencies, commodities, securities or other financial instruments. The compiler of such an index typically reserves the right to alter the composition of the index and the manner in which the value of the index is calculated. Such an alteration may result in a decrease in the value of or return on Notes which are linked to such index.

An index may become unavailable due to such factors as war, natural disasters, cessation of publication of the index, or suspension of or disruption in trading in the currency or currencies, commodity or commodities, security or securities or other financial instrument or instruments comprising or underlying such index. If an index becomes unavailable, the determination of principal of or interest on Notes linked to that index may be delayed or an

alternative method may be used to determine the value of the unavailable index. Alternative methods of valuation are generally intended to produce a value similar to the value resulting from reference to the relevant index. However, it is unlikely that such alternative methods of valuation will produce values identical to those that would be produced were the relevant index to be used. An alternative method of valuation may result in a decrease in the value of or return on Notes linked to an index. Certain Notes may be linked to indexes that are not commonly utilized or have been recently developed. The lack of a trading history may make it difficult to anticipate the volatility or other risks to which such Notes are subject. In addition, there may be less trading in such indices or instruments underlying such indices, which could increase the volatility of such indices and decrease the value of or return on Notes relating thereto.

***An active trading market for the Notes may not develop.***

There is currently no market for new Notes to be issued under the Programme. Application has been made for the Notes to be issued under the Programme to be admitted for listing on the Official List and to be admitted to trading on the Euro MTF Market. Even if the Notes are listed, we may delist the Notes. A trading market for the Notes may not develop, or if a market for the Notes were to develop, the Notes may trade at a discount from their initial offering price, depending on many factors including prevailing interest rates, the market for similar securities, general economic conditions and our financial condition. The Dealers are not under any obligation to make a market with respect to the Notes and we cannot assure you that trading markets will develop or be maintained. Accordingly, we cannot assure you as to the development or liquidity of any trading market for the Notes. If an active market for the Notes does not develop or is interrupted, the market price and liquidity of the Notes may be materially and adversely affected.

***The prescription period of the Notes may not be respected by Brazilian courts.***

The terms and conditions of the Notes provide that claims in respect of principal and interest will not be required to be made unless made within a period of ten years, in respect of principal, and five years, in the case of interest, while the Brazilian Civil Code provides that the times for prescription of principal and interest are five and three years, respectively. In the event enforcement proceedings are initiated in Brazil in connection with the Notes or a foreign judgment is brought for enforcement in Brazil after the prescription periods provided in the Brazilian Civil Code, there can be no assurance that a Brazilian court will respect the prescription periods provided in the terms of the Notes.

***Credit ratings may not reflect all risks.***

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

We cannot assure the investors that any rating assigned to the Notes will remain for any given period of time or that the rating will not be lowered or withdrawn including by reason of rating agencies changing their methodologies for rating securities with features similar to the Notes in the future.

***Legal investment considerations may restrict certain investments.***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

**Risks Relating to foreign countries where we operate**

***Changes or uncertainty in respect of LIBOR and/or EURIBOR and/or any other relevant benchmark may affect the value or payment of interest under the Notes.***

Various interest rates and other indices which are deemed to be "benchmarks" (including LIBOR and EURIBOR) are the subject of recent national, international and other regulatory guidance and proposals for reform.

Some of these reforms are already effective whilst others are still to be implemented, including the majority of the provisions of the EU Benchmark Regulation (Regulation (EU) 2016/1011) (the “**Benchmarks Regulation**”).

The sustainability of LIBOR has been questioned by the U.K. Financial Conduct Authority (the “**FCA**”) as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms) for market participants to continue contributing to such benchmarks. Additionally, in March 2017, the European Money Markets Institute (formerly Euribor-EBF) (the “**EMMI**”) published a position paper setting out the legal grounds for the proposed reforms to EURIBOR, which aims to clarify the EURIBOR specification, to continue to work towards a transaction-based methodology for EURIBOR and to align the methodology with the Benchmarks Regulation, the IOSCO Principles for Financial Benchmarks and other regulatory recommendations. The EMMI has since indicated that there has been a “change in market activity as a result of the current regulatory requirements and a negative interest rate environment” and “under the current market conditions it will not be feasible to evolve the current EURIBOR methodology to a fully transaction-based methodology following a seamless transition path”. EMMI’s current intention is to develop a hybrid methodology.

On July 27, 2017, the Chief Executive of FCA announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. Uncertainty as to (i) the extent, manner and timing of the continued implementation of the Wheatley Review recommendations or (ii) the Chief Executive’s recently announced policy may adversely affect the trading market for LIBOR-based securities and the value of any LIBOR based Collateralized Notes PEFCO may issue. Furthermore, the U.S. Federal Reserve, in conjunction with the Alternative Reference Rates Committee, a steering committee comprised of large U.S. financial institutions, is considering replacing U.S. dollar LIBOR with a new index calculated based on short-term repurchase agreements, backed by Treasury securities called the Secured Overnight Financing Rate (“**SOFR**”). The first publication of SOFR was released in April 2018. On July 26, 2018, Fannie Mae issued the first floating rate notes benchmarked against SOFR; however, whether or not SOFR attains market traction as a LIBOR replacement mechanism remains in question and the future of LIBOR at this time is uncertain.

These reforms and other pressures may cause such benchmarks to disappear entirely, to perform differently than in the past (as a result of a change in methodology or otherwise), create disincentives for market participants to continue to administer or contribute to certain benchmarks or have other consequences which cannot be predicted.

The Benchmarks Regulation was published in the Official Journal of the EU on June 29, 2016. Most of the provisions of the Benchmarks Regulation are being applied since January 1, 2018 with the exception of certain provisions, mainly on critical benchmarks, that applied from June 30, 2016. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU and will, among other things, (i) require benchmark administrators to be authorised or registered (or, if non-EU based, to be subject to an equivalent regime or otherwise recognised or endorsed) and to comply with extensive requirements in relation to the administration of “benchmarks” and (ii) prevent certain uses by EU supervised entities of “benchmarks” of administrators that are not authorised/registered (or, if non-EU based, deemed equivalent or recognised or endorsed). The scope of the Benchmarks Regulation is wide and, in addition to so called “critical benchmark” indices, such as LIBOR or EURIBOR, applies to many interest rates, foreign exchange rate indices and other indices where used to determine the amount payable under or the value or performance of certain financial instruments traded on a trading venue (EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF)) or via a systematic internaliser, certain financial contracts and investment funds.

Based on the foregoing, investors should be aware that:

(a) any of the reforms or pressures described above or any other changes to a relevant interest rate benchmark (including LIBOR and EURIBOR) could affect the level of the published rate, including to cause it to be lower and/or more volatile than it would otherwise be; and

(b) if LIBOR, EURIBOR or the relevant benchmark rate is discontinued, then the rate of interest on the Notes will be determined for a period by the fall-back provisions provided for under the Terms and Conditions of the Notes, although such provisions may not operate as intended depending on market circumstances and the availability of rate information at the relevant time and may in certain circumstances result in the effective application of a fixed rate based on the rate which applied in the previous period when such rate was available.

We will continue to monitor the developments under this topic closely and take appropriate actions as necessary.

## **USE OF PROCEEDS**

The net proceeds of any issue of Notes under the Programme are to be used by us for general corporate purposes, unless otherwise specified in the relevant Final Terms.



## CAPITALIZATION

The table below presents our capitalization at December 31, 2018. The information described below is derived from our consolidated financial statements at December 31, 2018. Except as otherwise disclosed in this Offering Memorandum, there has been no material change to our capitalization since December 31, 2018.

You should read this table together with the sections “Presentation of Financial and Other Information,” “Selected Financial and Operating Information” included elsewhere in this Offering Memorandum and our complete financial statements and related notes thereto included in our 2017 Form 20-F and our report on Form 6-K furnished to the SEC on February 5, 2019, each incorporated by reference in this Offering Memorandum.

Capitalization	As of December 31, 2018	
	R\$	US\$ <sup>(1)</sup>
	<i>(In millions of R\$, except percentages)</i>	
<b>Current liabilities</b>		
Deposits	307.832	79.445
Securities sold under repurchase agreements	271.521	70.074
Financial liabilities designated at fair value through profit or loss	37	10
Derivatives	10.053	2.594
Interbank market debt	73.176	18.885
Institutional market debt	8.524	2.200
Other financial liabilities	95.639	24.682
Reserves for insurance and private pension	3.702	955
Provisions	4.940	1.275
Tax liabilities	2.058	531
Other liabilities	24.931	6.434
<b>Total</b>	<b>802.413</b>	<b>207.085</b>
<b>Long-term liabilities</b>		
Deposits	155.592	40.155
Securities sold under repurchase agreements	58.716	15.153
Financial liabilities designated at fair value through profit or loss	155	40
Derivatives	17.466	4.508
Interbank market debt	61.494	15.870
Institutional market debt	85.450	22.053
Other financial liabilities	1.790	462
Reserves for insurance and private pension	197.485	50.967
Provision for Expected Loss	3.792	979
Provisions	13.673	3.529
Tax liabilities	2.779	717
Other liabilities	1.079	278
<b>Total</b>	<b>599.471</b>	<b>154.710</b>
<b>Income tax and social contribution - deferred</b>	<b>447</b>	<b>115</b>
<b>Non-controlling interests</b>	<b>13.684</b>	<b>3.532</b>
<b>Stockholders' equity attributed to the owners of the parent company <sup>(2)</sup></b>	<b>136.782</b>	<b>35.300</b>
<b>Total capitalization <sup>(3)</sup></b>	<b>1.552.797</b>	<b>400.742</b>
<b>BIS ratio <sup>(4)</sup></b>	<b>18,0%</b>	

(1) Convenience translation at 3.8748 reais per U.S. dollar, the exchange rate in effect on December 31, 2018.

(2) Itaú Unibanco Holding's authorized and outstanding share capital consists of 4,958,290,359 common shares and 4,762,230,563 preferred shares, all of which are fully paid. For more information regarding our share capital see Note 19 to our consolidated financial statements as of and for the period ended December 31, 2018.

(3) Total capitalization corresponds to the sum of total current liabilities, long-term liabilities, deferred income, minority interest in subsidiaries and stockholders' equity.

(4) Calculated by dividing total regulatory capital by risk weight assets.

## EXCHANGE RATES

The Brazilian foreign exchange system allows for the purchase and sale of foreign currency and the international transfer of *reais* by any person or legal entity, regardless of the amount, subject to certain regulatory procedures. Since 1999, the Central Bank has allowed the *real*/U.S. dollar exchange rate to float freely and during this period, the *real*/U.S. dollar exchange rate has experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. Between 2000 and 2002, the *real* depreciated significantly against the U.S. dollar, reaching an exchange rate of R\$3.5333 per US\$1.00 at the end of 2002. Between 2003 and mid-2008, the *real* appreciated significantly against the U.S. dollar due to the stabilization of the Brazilian macroeconomic environment and a substantial increase in foreign investment in Brazil, with the *real* appreciating to R\$1.6344 per US\$1.00 in August 2008. Particularly as a result of the crisis in the global financial markets from mid-2008, the *real* depreciated by 24.2% against the U.S. dollar during 2008 and closed the year at R\$2.3370 per US\$1.00. As of December 31, 2014, 2015 and 2016, the exchange rate was R\$2.6562 per US\$1.00, R\$3.9048 per US\$1.00 (representing a cumulative devaluation of 32.0% in 2015) and R\$3.2591 per US\$1.00, respectively. As of December 31, 2017 the exchange rate was R\$3.3079 per US\$1.00. As of December 31, 2018, the exchange rate was R\$3.8748 per U.S. \$1.00, reflecting a 1.1% devaluation against the U.S. dollar as compared to December 31, 2017.

In the past, the Brazilian government has implemented various economic plans and utilized a number of exchange rate policies, including sudden devaluation, periodic mini devaluation during which the frequency of adjustments ranged from daily to monthly, floating exchange rates, exchange controls and dual exchange rate markets. We cannot predict whether the Central Bank or the Brazilian government will continue to let the *real* float freely or intervene in the exchange rate market by returning to a currency band system or otherwise. The *real* may depreciate or appreciate substantially against the U.S. dollar. Furthermore, Brazilian law provides that, whenever there is a serious imbalance in Brazil's balance of payments or there are substantial reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot assure you that such measures will not be taken by the Brazilian government in the future. See "Risk Factors — *Brazilian authorities exercise influence on the Brazilian economy. Changes in fiscal, monetary and foreign exchange policies as well as deterioration of government fiscal accounts, may adversely affect us*" of our 2017 20-F.

The following tables set forth the selling rate, expressed in *reais* per U.S. dollar (R\$/US\$) for the periods indicated, as reported by the Central Bank:

Year ended	Closing Selling Rates of R\$ per US\$1.00			
	Low	High	Average <sup>(1)</sup>	Period end
December 31, 2013 .....	1.9528	2.4457	2.1605	2.3426
December 31, 2014 .....	2.1974	2.7403	2.3547	2.6562
December 31, 2015 .....	2.5754	4.1949	3.3387	3.9048
December 31, 2016 .....	3.1193	4.1558	3.4833	3.2591
December 31, 2017 .....	3.0510	3.3807	3.1925	3.3080
December 31, 2018 .....	3.1391	4.1879	3.6557	3.8748
Month ended	Low	High	Average <sup>(2)</sup>	Period end
January 2019 .....	3.6519	3.8595	3.7417	3.6519
February 2019 .....	3.6694	3.7756	3.7236	3.7385
March (through March, 8).....	3.7832	3.8678	3.8352	3.8461

(1) Represents the average of exchange rates on each day of each respective month during the periods indicated.

(2) Represents the average of the daily exchange rates during each day of each month.

## SELECTED FINANCIAL AND OTHER INFORMATION

The tables below set forth certain of our selected financial data that have been derived from our complete financial statements for the years presented, which have been prepared in accordance with IFRS as issued by IASB, unless otherwise indicated. You should read the information below in conjunction with our complete financial statements and related notes and the sections “Presentation of Financial and Other Information.”

The following selected financial data has been derived from our: (i) audited consolidated financial statements prepared in accordance with IFRS as issued by IASB, as of December 31, 2018 and 2017, and (ii) audited consolidated financial statements prepared in accordance with IFRS as issued by IASB for the three years ended December 31, 2018, which are included as exhibit to our report on Form 6-K furnished to the SEC on February 5, 2019 and to our 2017 Form 20-F, both incorporated by reference in this Offering Memorandum.

### Selected Balance Sheet

Assets	As of December 31,		As of January 1		Variation		
	2018	2017	2017	2018-2017	%	12/31/2017 - 01/01/2017	%
<i>(In millions of RS, except percentages)</i>							
Cash	37,159	18,749	18,542	18,410	98.2	207	1.1
Financial Assets	1,424,876	1,330,251	1,246,833	94,625	7.1	83,418	6.7
Compulsory deposits in the Central Bank of Brazil	94,148	98,837	85,700	(4,689)	(4.7)	13,137	15.3
At Amortized Cost	994,759	905,729	902,289	89,030	9.8	3,440	0.4
Interbank deposits	26,420	29,048	22,688	(2,628)	(9.0)	6,360	28.0
Securities purchased under agreements to resell	280,136	244,707	265,050	35,429	14.5	(20,343)	(7.7)
Securities	110,395	111,424	102,568	(1,029)	(0.9)	8,856	8.6
Loan operations and lease operations portfolio	536,091	497,719	494,851	38,372	7.7	2,868	0.6
Other financial assets	75,090	59,568	53,895	15,522	26.1	5,673	10.5
(-) Provision for Expected Loss	(33,373)	(36,737)	(36,763)	3,364	(9.2)	26	(0.1)
At Fair Value Through Other Comprehensive Income	49,323	52,149	40,039	(2,826)	(5.4)	12,110	30.2
Securities	49,323	52,149	40,039	(2,826)	(5.4)	12,110	30.2
At Fair Value Through Profit or Loss	286,646	273,536	218,805	13,110	4.8	54,731	25.0
Securities	263,180	250,693	194,574	12,487	5.0	56,119	28.8
Derivatives	23,466	22,843	24,231	623	2.7	(1,388)	(5.7)
Investments in associates and jointly controlling entities	12,019	5,055	5,073	6,964	137.8	(18)	(0.4)
Fixed assets, net	7,302	7,359	8,042	(57)	(0.8)	(683)	(8.5)
Goodwill and Intangible assets, net	19,329	19,383	17,056	(54)	(0.3)	2,327	13.6
Tax assets	42,830	44,249	45,081	(1,419)	(3.2)	(832)	(1.8)
Income tax and social contribution - current	2,831	2,336	2,703	495	21.2	(367)	(13.6)
Income tax and social contribution - deferred	32,781	35,869	38,202	(3,088)	(8.6)	(2,333)	(6.1)
Other	7,218	6,044	4,176	1,174	19.4	1,868	44.7
Other assets	9,282	11,193	10,687	(1,911)	(17.1)	506	4.7
<b>Total assets</b>	<b>1,552,797</b>	<b>1,436,239</b>	<b>1,351,314</b>	<b>116,558</b>	<b>8.1</b>	<b>84,925</b>	<b>6.3</b>

Liabilities and stockholders' equity	As of December 31,		As of January 1		Variation			
	2018	2017	2017	2018-2017	%	12/31/2017 - 01/01/2017	%	
	<i>(In millions of RS, except percentages)</i>							
Financial Liabilities	1,151,237	1,056,717	1,012,075	94,520	8.9	44,642	4.4	
At Amortized Cost	1,119,734	1,024,584	982,116	95,150	9.3	42,468	4.3	
Deposits	463,424	402,938	329,414	60,486	15.0	73,524	22.3	
Securities sold under repurchase agreements	330,237	312,634	349,164	17,603	5.6	(36,530)	(10.5)	
Interbank market debt	134,670	124,587	129,648	10,083	8.1	(5,061)	(3.9)	
Institutional market debt	93,974	98,482	96,239	(4,508)	(4.6)	2,243	2.3	
Other financial liabilities	97,429	85,943	77,651	11,486	13.4	8,292	10.7	
At Fair Value Through Profit or Loss	27,711	27,211	25,217	500	1.8	1,994	7.9	
Derivatives	27,519	26,746	24,698	773	2.9	2,048	8.3	
Structured notes	192	465	519	(273)	(58.7)	(54)	(10.4)	
Provision for Expected Loss	3,792	4,922	4,742	(1,130)	(23.0)	180	3.8	
Loan Commitments	2,601	3,015	2,761	(414)	(13.7)	254	9.2	
Financial Guarantees	1,191	1,907	1,981	(716)	(37.5)	(74)	(3.7)	
Reserves for insurance and private pension	201,187	181,232	154,076	19,955	11.0	27,156	17.6	
Provisions	18,613	19,736	20,909	(1,123)	(5.7)	(1,173)	(5.6)	
Tax liabilities	5,284	7,836	4,950	(2,552)	(32.6)	2,886	58.3	
Income tax and social contribution - current	2,058	3,175	1,741	(1,117)	(35.2)	1,434	82.4	
Income tax and social contribution - deferred	447	391	(289)	56	14.3	680	(235.3)	
Other	2,779	4,270	3,498	(1,491)	(34.9)	772	22.1	
Other liabilities	26,010	26,362	26,920	(352)	(1.3)	(558)	(2.1)	
<b>Total liabilities</b>	<b>1,402,331</b>	<b>1,291,883</b>	<b>1,218,930</b>	<b>110,448</b>	<b>8.5</b>	<b>72,953</b>	<b>6.0</b>	
Capital	97,148	97,148	97,148	0	0.0	0	0.0	
Treasury shares	(1,820)	(2,743)	(1,882)	923	(33.6)	(861)	45.7	
Additional paid-in capital	2,120	1,930	1,785	190	9.8	145	8.1	
Appropriated reserves	13,480	12,499	3,443	981	7.8	9,056	263.0	
Unappropriated reserves	29,666	26,030	23,740	3,636	14.0	2,290	9.6	
Cumulative other comprehensive income	(3,812)	(3,486)	(4,139)	(326)	9.4	653	(15.8)	
<b>Total stockholders' equity attributed to the owners of the parent company</b>	<b>136,782</b>	<b>131,378</b>	<b>120,095</b>	<b>5,404</b>	<b>4.1</b>	<b>11,283</b>	<b>9.4</b>	
Non-controlling interests	13,684	12,978	12,289	706	5.4	689	5.6	
<b>Total stockholders' equity</b>	<b>150,466</b>	<b>144,356</b>	<b>132,384</b>	<b>6,110</b>	<b>4.2</b>	<b>11,972</b>	<b>9.0</b>	
<b>Total liabilities and stockholders' equity</b>	<b>1,552,797</b>	<b>1,436,239</b>	<b>1,351,314</b>	<b>116,558</b>	<b>8.1</b>	<b>84,925</b>	<b>6.3</b>	

## Statement of Income

Statement of Income	For the Ended December 31,			Variation				
	2018	2017	2016	2018-2017	%	2017-2016	%	
	<i>(In millions of RS, except percentages)</i>							
Banking Product	104,200	111,523	118,422	(7,323)	(6.6)	(6,899)	(5.8)	
Expected Loss from Financial Assets and Claims	(10,182)	(20,966)	(24,355)	10,784	(51.4)	3,389	(13.9)	
<b>Net Banking Product of Expected Losses from Financial Assets and Claims</b>	<b>94,018</b>	<b>90,557</b>	<b>94,067</b>	<b>3,461</b>	<b>3.8</b>	<b>(3,510)</b>	<b>(3.7)</b>	
General and Administrative Expenses	(57,538)	(53,494)	(50,905)	(4,044)	7.6	(2,589)	5.1	
Tax Expenses	(6,619)	(7,031)	(8,011)	412	(5.9)	980	(12.2)	
Share of profit or (loss) in associates and jointly controlling entities	747	550	528	197	35.8	22	4.2	
Current Income Tax and Social Contribution	(2,564)	(4,539)	(3,898)	1,975	(43.5)	(641)	16.4	
Deferred Income Tax and Social Contribution	(2,405)	(2,818)	(9,765)	413	(14.7)	6,947	(71.1)	
<b>Net Income</b>	<b>25,639</b>	<b>23,225</b>	<b>22,016</b>	<b>2,414</b>	<b>10.4</b>	<b>1,209</b>	<b>5.5</b>	
Net Income Attributable to Owners of the Parent Company	24,907	23,193	21,627	1,714	7.4	1,566	7.2	
<b>Net Income Attributable to Non-Controlling Interests</b>	<b>732</b>	<b>32</b>	<b>389</b>	<b>700</b>	<b>2,187.5</b>	<b>(357)</b>	<b>(91.8)</b>	

## Liquidity and Capital

Liquidity and Capital	As of the Year Ended December 31,		As of January 1,
	2018	2017	2017
		(%)	
Loans and leases as a percentage of total deposits <sup>(1)</sup>	115.7	123.5	150.2
Total stockholders' equity as a percentage of total assets <sup>(2)</sup>	9.7	10.1	9.8

(1) Loans and leases operations as of year-end divided by total deposits as of year-end.

(2) Total stockholders' equity as of year-end divided by total assets as of year-end.

## Earnings per Share

Earnings per Share	For the Year Ended December 31,		
	2018	2017	2016
			(In R\$, except number of shares)
Earnings per share - basic <sup>(1) (2)</sup>			
Common	2.56	2.38	2.21
Preferred	2.56	2.38	2.21
Earnings per share - diluted <sup>(1) (2)</sup>			
Common	2.55	2.36	2.20
Preferred	2.55	2.36	2.20
Weighted average number of shares outstanding - basic <sup>(1)</sup>			
Common	4,958,290,359	5,021,834,934	5,027,611,714
Preferred	4,759,872,085	4,734,030,111	4,756,823,490
Weighted average number of shares outstanding - diluted <sup>(1)</sup>			
Common	4,958,290,359	5,021,834,934	5,027,611,714
Preferred	4,815,473,777	4,796,645,028	4,821,864,280

(1) The Extraordinary Stockholders' Meeting – ESM held on July 27, 2018 approved the split in 50% the Company's shares of capital stock, and the process was approved by BACEN on October 31, 2018. The new shares were included in the share position on November 26, 2018. Thus, for better comparability, the number of shares presented in this item are affected by the split effect.

(2) Earnings per share have been computed following the "two class method" set forth by IAS 33 Earnings Per Share. Please refer to section Our Profile, item Our shares, Information for the Investor, Stockholders' Payment for further details of our two classes of stock. Please refer to section Performance, item Consolidated Financial Statements (IFRS), Note 25 - Earnings per Share for further details of calculation of earnings per share.

## DESCRIPTION OF THE GRAND CAYMAN BRANCH

The Grand Cayman Branch was authorized by the Central Bank to operate on December 3, 2004, and is mainly engaged in (but not limited to) obtaining short- to medium-term funding used for general corporate purposes. The Grand Cayman Branch's registered office is Cainvest Bank and Trust Limited, at PO Box 1353, 5th Floor, 103 South Church Street – George Town, Grand Cayman, Cayman Islands.

The Grand Cayman Branch was registered under Part IX of the Companies Law (2018 Revision) of the Cayman Islands as a foreign company on July 18, 2003 (and received a certificate of registration on change of name dated March 18, 2010) and holds an unrestricted Class B banking license issued on March 31, 2005 to operate in the Cayman Islands under the Banks and Trust Companies Law (2018 Revision) (“**Banks and Trust Companies Law**”). This license allows the Grand Cayman Branch to conduct most types of banking business within and outside the Cayman Islands, but does not allow it to take deposits from residents of the Cayman Islands or to invest in any asset representing a claim on any person resident in the Cayman Islands, subject to certain exceptions in respect of, *inter alia*, exempted or ordinary non-resident companies and other licensees.

The Grand Cayman Branch is a vehicle for the sourcing of funds in the international debt capital markets. Its results of operations are consolidated in our complete financial statements. As of December 31, 2018, the allocated capital of the Grand Cayman Branch was US\$50.0 million and it had total assets of US\$17.2 billion. Since its inception, the Grand Cayman Branch has invested all of its capital and funding in deposits with Itaú Unibanco S.A., Grand Cayman Branch (formerly Banco Itaú S.A., Grand Cayman Branch), and has not engaged in any other business.

The liabilities of the Grand Cayman Branch are first covered by its own resources, but under Brazilian law, Itau Unibanco Holding is ultimately responsible for all obligations of the Grand Cayman Branch. It is a part of Itau Unibanco Holding and has no separate legal status or existence. The CMN has issued regulations with respect to the operating and maintaining of offshore branches by Brazilian financial institutions as prescribed by CMN Resolution No. 2,723, of May 31, 2000, as amended from time to time. See “Performance—Financial Performance—Regulation Applicable to the Presentation of the Financial Statements” in our 2017 Form 20-F.

The Grand Cayman Branch does not maintain management separate from Itau Unibanco Holding. The operations of the Grand Cayman Branch are controlled by our board of executive officers, who maintain its corporate authority over the Grand Cayman Branch.

## **THE CAYMAN ISLANDS REGULATORY SYSTEM**

Banks and trust companies wishing to carry on business from within the Cayman Islands must be licensed by the Cayman Islands Monetary Authority (“CIMA”) under the Banks and Trust Companies Law, whether or not such business is actually to be carried on in the Cayman Islands.

Under the Banks and Trust Companies Law, there are two main categories of banking licenses: a category “A” license, which permits unrestricted domestic and offshore business, and a category “B” license, which permits only offshore business. According to the official website of CIMA ([www.cimoney.com.ky](http://www.cimoney.com.ky)), as of December 2018, there were 6 retail and 5 non-retail holding category “A” licenses and 122 banks holding category “B” licenses. The holder of a category “B” license may have an office in the Cayman Islands and conduct business with other licensees and offshore companies, but, except in limited circumstances, may not conduct business locally with the public or residents in the Cayman Islands.

There are no specific ratio or liquidity requirements under the Banks and Trust Companies Law for holders of a bank license which are not incorporated in the Cayman Islands, but CIMA expects observance of prudent banking practices and the Banks and Trust Companies Law imposes a minimum net worth requirement on the holder of a bank license (other than a restricted category “B” license) of an amount of not less than CI\$400,000 or, in the case of licensees holding a restricted category “B” or a restricted trust license, CI\$20,000.

## TERMS AND CONDITIONS OF THE SENIOR NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, will apply to the Senior Notes referred to in such Final Terms.

The Senior Notes are constituted by an amended and restated Trust Deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated March 17, 2011 and made between Itaú Unibanco Holding S.A. (the “**Bank**”) and The Bank of New York Mellon (the “**Trustee**” which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders, as supplemented by a supplemental trust deed dated August 4, 2016. In these terms and conditions, the “**Issuer**” means the Bank, or any successor thereto, acting through its head office or through its Grand Cayman Branch, as specified in the Senior Notes. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Senior Notes and the related Coupons (where applicable in the case of interest-bearing Senior Notes in bearer form) relating to them (the “**Coupons**”). Copies of the Trust Deed and of the Agency Agreement (as amended from time to time, the “**Agency Agreement**”) dated March 29, 2010 and made among the Issuer, the Trustee and the Agents, as supplemented by a supplemental agency agreement dated August 4, 2016, are available for inspection during usual business hours at the specified offices of each of the Trustee and the principal paying agent, the paying agent in London, the other paying agents, the calculation agent, the registrar, the replacement agent and the transfer agents for the time being. Such persons are referred to below respectively as the “**Principal Paying Agent**,” the “**London Paying Agent**,” the “**Paying Agents**” (which expression shall include the London Paying Agent but shall not include the Principal Paying Agent), the “**Calculation Agent**,” the “**Registrar**,” the “**Replacement Agent**” and the “**Transfer Agents**” and together as the “**Agents**.” The Noteholders and the Holders of the Coupons (if any) (the “**Couponholders**”) and, where applicable in the case of interest-bearing Senior Notes in bearer form, talons for further Coupons (the “**Talons**”) are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of the Trust Deed and of the relevant Final Terms and are deemed to have notice of those applicable to them of the Agency Agreement. The expression “**Coupons**” shall, where the context so requires, include Talons. References in these Terms and Conditions to Senior Notes are to Senior Notes of the relevant Series and references to Coupons are to Coupons relating to the Senior Notes of the relevant Series. References in these Terms and Conditions to the Final Terms are to the Final Terms as prepared in relation to the Senior Notes of the relevant Tranche or Series. The Final Terms in relation to any Senior Notes may specify other terms and conditions which shall, to the extent specified or to the extent inconsistent with the following Terms and Conditions, replace the following Terms and Conditions for the purposes of such Senior Notes.

### 1. Form, Denomination, Title, Specified Currency and Final Terms

(a) *Form*: The Senior Notes of the Series of which the Senior Note to which these Terms and Conditions are attached are issued either in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) and as senior notes (the “**Senior Notes**”), and Senior Notes comprising each such Series will be issued in each case in the nominal amount of a Specified Denomination. These Terms and Conditions must be read accordingly. The Specified Denomination of each Senior Note is specified in the relevant Final Terms.

A definitive Senior Note will be issued to each Holder of Registered Note(s) in respect of its registered holding or holdings (each a “**Definitive Registered Note**”). Each Definitive Registered Note will be numbered serially with an identifying number which will be recorded in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar.

Any Senior Note, the principal amount of which is repayable in instalments (an “**Instalment Note**”), will have endorsed thereon a grid for recording the repayment of principal.

Bearer Notes which bear interest are issued with Coupons and, where appropriate, Talons attached.

(b) *Denomination*: “**Specified Denomination**” means the denomination or denominations specified in the relevant Final Terms. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination (if any). Specified Denominations for Registered Notes will be the minimum denomination specified in the relevant Final Terms or integral multiples thereof.

(c) *Title*: Title to Bearer Notes, the Coupons relating thereto and, where applicable, the Talons relating thereto shall pass by delivery. Title to Registered Notes shall pass by registration in the Register. Except as



ordered by a court of competent jurisdiction or as required by law, the Holder of any Senior Note, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Senior Note, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Senior Note, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Terms and Conditions, “**Noteholder**” and, in relation to a Senior Note, Coupon or Talon, “**Holder**,” means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be), “**Series**” means Senior Notes which have identical terms and conditions, other than in respect of the Issue Date, the date on which interest commences to accrue and related matters, and “**Tranche**” means, in relation to a Series, those Senior Notes of such Series which have the same Issue Date.

(d) *Specified Currency*: The Specified Currency of any Senior Note and, if different, any Specified Principal Payment Currency or Specified Interest Payment Currency, are as specified in the relevant Final Terms. All payments of principal in respect of a Senior Note shall be made in the Specified Currency or, if applicable, the Specified Principal Payment Currency and all payments of interest in respect of a Senior Note shall be made in the Specified Currency or, if applicable, the Specified Interest Payment Currency.

(e) *Final Terms and Additional Terms: References* in these Terms and Conditions to terms specified on a Senior Note shall be deemed to include references to terms specified in the relevant Final Terms issued in respect of a Tranche which includes such Senior Note (each the “**Final Terms**”).

(f) *Interpretation*: Capitalised terms used in these *Terms* and Conditions in respect of a Senior Note, and not specifically defined in these Terms and Conditions, have the meaning given to them specified on the Senior Note or in the relevant Final Terms issued in respect of a Tranche which includes such Senior Note. Additional provisions relating to the Senior Notes may be contained in the Final Terms or specified on the Senior Note and will take effect as if originally specified in these Terms and Conditions. The Final Terms in respect of index linked interest Senior Notes, Instalment Notes, dual currency Senior Notes and other types of Senior Notes the terms of which are not specifically provided for herein, shall set out in full all terms applicable to such Senior Note.

## 2. Definitions

“**Accounting Principles**” means, at the election of the Issuer, (a) accounting principles generally accepted by the accounting profession in Brazil at such time or (b) International Financial Reporting Standards and applicable accounting requirements published by the International Accounting Standards Board, as in effect from time to time.

“**Affected Guarantee**” means any obligation of a person which by its terms guarantees for the benefit of all current and future Holders of any series or tranche of Public External Indebtedness of any other person the payment of such Public External Indebtedness, including, without limitation, an obligation to pay or purchase such Public External Indebtedness, an obligation to lend money or to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Public External Indebtedness; *provided* that any such obligation by its terms is traded with such Public External Indebtedness upon any trade of such Public External Indebtedness.

“**Alternative Payment Mechanism**” has the meaning given to it in the relevant Final Terms.

“**Amortisation Yield**” has the meaning given to it in the relevant Final Terms.

“**Amortised Face Amount**” has the meaning given to it in Condition 7(d)(i)(B).

“**Arrears Rate**” has the meaning given to it in the relevant Final Terms.

“**Bearer Notes**” has the meaning given to it in Condition 1(a).

“**Benchmark**” has the meaning given to it in Condition 6(II)(b).

“**Brazil**” means the Federative Republic of Brazil.

“**Brazilian Currency**” means lawful currency of Brazil.

“**Brazilian Governmental Authority**” means, as applicable, the government of Brazil, or any political subdivision thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body,

court, central bank or other person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government over the Issuer.

“**Broken Amount**” has the meaning given to it in the relevant Final Terms.

“**Business Centre**” has the meaning given to it in the relevant Final Terms.

“**business day**” has the meaning given to it in Condition 8(a)(iii).

“**Business Day Convention**,” in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates, and, in this context, the following expressions shall have the following meanings:

(a) the “**Floating Rate Business Day Convention**,” in which case interest on a Senior Note shall be payable on each Specified Interest Payment Date which numerically corresponds to its Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date in the calendar month which is the Interest Period specified in the relevant Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred, *provided* that:

(i) if there is no such numerically corresponding day in the calendar month in which a Specified Interest Payment Date should occur, then the relevant Specified Interest Payment Date will be the last day which is a Relevant Business Day in that calendar month;

(ii) if a Specified Interest Payment Date would otherwise fall on a day which is not a Relevant Business Day, then the relevant Specified Interest Payment Date will be the first following day which is a Relevant Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Relevant Business Day; and

(iii) if such Interest Commencement Date or the preceding Specified Interest Payment Date occurred on the last day in a calendar month which was a Relevant Business Day, then all subsequent Specified Interest Payment Dates in respect of such Senior Note will be the last day which is a Relevant Business Day in the calendar month which is the Interest Period specified in the relevant Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred; or

(b) the “**Modified Following Business Day Convention**,” in which case interest on a Senior Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first following day which is a Relevant Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date or Specified Interest Payment Date will be the first preceding day which is a Relevant Business Day; or

(c) the “**Following Business Day Convention**,” in which case interest on a Senior Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first following day which is a Relevant Business Day; or

(d) the “**Preceding Business Day Convention**,” in which case interest on a Senior Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first preceding day which is a Relevant Business Day; or

(e) such other Business Day Convention as may be specified in the relevant Final Terms.

“**Calculation Agent**” has the meaning given to it in the relevant Final Terms, *provided* that for the purposes of Condition 6(II)(b)(iv), it has the meaning given to it in the ISDA Definitions.

“**Central Bank**” means the Central Bank of Brazil or any Brazilian Governmental Authority that replaces the Central Bank of Brazil in its current functions applicable to these Terms and Conditions.

“**Clearstream, Luxembourg**” means Clearstream Banking, *société anonyme*.

“**Covenant Defeasance**” has the meaning given to it in Condition 11(b).

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Senior Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

(a) if “**Actual/365**” or “**Actual/Actual — ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(c) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(d) if “**30/360**,” “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(e) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

(f) if “**Actual/Actual — ISMA**” is specified in the relevant Final Terms, (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (B) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(g) if “**Bus/252**” is specified in the relevant Final Terms, the number of Relevant Business Days in the Calculation Period divided by 252.

“**Defeased Notes**” has the meaning given to it in Condition 11(a).

“**Definitive Registered Note**” has the meaning given to it in Condition 1(a).

“**Designated Maturity**” has the meaning given to it in the relevant Final Terms and, for the purposes of Condition 6(II)(b)(iv), the meaning given to it in the ISDA Definitions.

“**Determination Date**” means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“**Documents**” has the meaning given to it in Condition 13(c)(ii).

“**DTC**” has the meaning given to it in Condition 8(b)(iii).

“**DTC business day**” has the meaning given to it in Condition 8(b)(i).

“**Early Redemption Amount**” has the meaning given to it in the relevant Final Terms.

“**Euro**” means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty.

“**Euroclear**” means Euroclear Bank S.A./N.V.

“**Euro Exchange Date**” has the meaning given to it in Condition 21(c)(ii)(x).

“**Euro Exchange Notice**” has the meaning given to it in Condition 21(c)(ii)(x).

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.

“**Event of Default**” has the meaning given to it in Condition 10.

“**Exchange**” has the meaning given to it in Condition 6(II)(f).

“**Exchange Act**” has the meaning given to it in Condition 20(b).

“**Exchange Date**” has the meaning given to it in Condition 3(e).

“**External Indebtedness**” means Indebtedness which by its terms is payable (or at the option of the Holder thereof may be paid) (i) in a currency other than the lawful currency of the Federative Republic of Brazil (“**Brazil**”) and (ii) outside of Brazil.

“**Extraordinary Resolution**” has the meaning given to it in Condition 13(a).

“**FATCA**” has the meaning given to it in Condition 9.

“**Final Instalment Amount**” has the meaning given to it in the relevant Final Terms.

“**Final Redemption Amount**” has the meaning given to it in Condition 7(a).

“**Final Terms**” has the meaning given to it in Condition 1(e).

“**Fixed Coupon Amount**” or “**Fixed Coupon Amounts**” has the meaning given to it in the relevant Final Terms.

“**Fixed Rate Note**” has the meaning given to it in Condition 6(I).

“**Floating Rate**” has the meaning given to it in the relevant Final Terms and, for the purposes of Condition 6(II)(b)(iv), the meaning given to it in the ISDA Definitions.

“**Floating Rate Note**” has the meaning given to it in Condition 6(II).

“**Floating Rate Note Provisions**” has the meaning given to it in the relevant Final Terms.

“**Floating Rate Option**” has the meaning given to such term in the ISDA Definitions.

“**Government Obligation**” means (x) any security that is (i) a direct obligation of the United States of America or any country in the Euro-zone for the payment of which the full faith and credit of the United States of America or any country in the Euro-zone, as the case may be, is pledged or (ii) an obligation of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America or any country in the Euro-zone the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or any country in the Euro-zone, as the case may be, which, in either case under the preceding clause (i) or (ii) is not callable or redeemable at the option of the issuer thereof, and (y) any depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act) as custodian with respect to any Government Obligation that is specified in clause (x) above and held by such bank for the account of the holder of such depositary receipt, or with respect to any specific payment of principal of or interest on any Government Obligation that is so specified and held, *provided* that (except as required by law) such custodian is not authorised to make any deduction from the

amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of principal or interest evidenced by such depositary receipt.

“**Holder**” has the meaning given to it in Condition 1(c).

“**Indebtedness**” of a person means any obligation (whether present or future, actual or contingent) for the payment or repayment of money which has been borrowed or raised by such person (including money raised by acceptances and leasing); *provided, however*, that Indebtedness shall not include (a) any Indebtedness owed by the Issuer or any Subsidiary to any other Subsidiary or the Issuer or (b) any sale of assets by the Issuer or any Subsidiary where such sale is subject to an obligation by, or an option of, the Issuer or any Subsidiary to repurchase such assets at a future date.

“**Instalment Amount**” has the meaning given to it in Condition 7(a).

“**Instalment Note**” has the meaning given to it in Condition 1(a).

“**Interest Amount**” has the meaning given to it in Condition 6(II)(d).

“**Interest Commencement Date**” means, in the case of the first issue of a Senior Note or Senior Notes of a Series, the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

“**Interest Determination Date**” means, in respect of any Interest Period, the date which falls that number of days specified in the relevant Final Terms on which banks and foreign exchange markets are open for business in the Relevant Banking Centre prior to the first day of such Interest Period or, if none is so specified, the day falling two Relevant Business Days prior to the first day of such Interest Period.

“**Interest Payment Date**” has the meaning given to it in the relevant Final Terms.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date to (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date to (but excluding) the next succeeding Specified Interest Payment Date.

“**ISDA Definitions**” means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

“**ISDA Determination**” has the meaning given to it in the relevant Final Terms.

“**ISDA Rate**” has the meaning given to it in Condition 6(II)(b)(iv).

“**Issue Date**” means, in respect of any Senior Note or Senior Notes, the date of issue of such Senior Note or Senior Notes.

“**Issuer Request**” means a written request signed in the name of the Issuer by an authorised officer of the Issuer.

“**Long Maturity Note**” has the meaning given to it in Condition 8(g)(i).

“**Margin**” means the percentage rate per annum specified in the relevant Final Terms.

“**Maturity Date**” has the meaning given to it in the relevant Final Terms.

“**Maximum Rate of Interest**” has the meaning given to it in the relevant Final Terms.

“**Minimum Rate of Interest**” has the meaning given to it in the relevant Final Terms.

“**New Jurisdiction**” has the meaning given to it in Condition 19.

“**New Residence**” has the meaning given to it in Condition 13(c)(iii).

“**Noteholder**” has the meaning given to it in Condition 1(c).

“**Opinion of Counsel**” means a written opinion of counsel from any person which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer, in all cases in form and substance reasonably acceptable to the Trustee.

“**Optional Redemption Amount**” has the meaning given to it in the relevant Final Terms.

“**Optional Redemption Date**” has the meaning given to it in the relevant Final Terms.

“**Original Withholding Level**” has the meaning given to it in the relevant Final Terms.

“**Participating Member State**” has the meaning given to it in Condition 21(b).

“**Permitted Security**” means:

(a) any Security in existence on the date of the Trust Deed and any extension, renewal or replacement thereof; *provided* that the aggregate amount of Indebtedness permitted to be secured under this clause (a) shall not exceed the amount so secured on the date of the Trust Deed;

(b) any Security granted in connection with the securitisation of, or other financing related to, (x) any payment rights or other receivables, including but not limited to receivables related to real estate and leasing activities, or (y) amounts paid or payable pursuant to payment instructions (including inter-bank payment instructions or advice of payment) received or to be received;

(c) any Security granted in connection with the incurrence of, or granted by means of any payment made to a trustee of amounts due in respect of, any Indebtedness which has the benefit of an insurance policy (or other arrangement having similar effect, including, without limitation, any Security granted in connection with a letter of credit) to provide for payments to Holders of such Indebtedness during any period in respect of which such trustee must wait before making a claim and receiving payment in respect thereof under any such insurance policy (or other arrangement having similar effect) in circumstances where the obligor on such Indebtedness is subject to restrictions on its ability to convert Brazilian Currency into the currency specified for scheduled payments on such Indebtedness or to use, transfer, control or access funds designated for such scheduled payments due to actions or measures taken or approved (or the failure to take or approve actions or measures) by the government of Brazil;

(d) any Security granted in connection with any equity-linked notes or deposits or credit-linked notes or deposits received by the Issuer or any subsidiary of the Issuer, but only to the extent that such Security is limited to the equity security or credit obligation to which such equity-linked notes or deposits or credit-linked notes or deposits are linked, as the case may be (and to the proceeds thereof);

(e) any Security (i) existing on any property or assets at the time of their acquisition by the Issuer or any Subsidiary, (ii) existing on any property or assets of a person at the time such person is acquired by the Issuer or any Subsidiary or is merged into or consolidated with the Issuer or any Subsidiary or (iii) granted upon or with respect to any property or assets hereafter acquired to secure the purchase price of such property or assets or to secure Indebtedness incurred solely for the purpose of financing all or any part of cost of the acquisition of such property or assets, and, in the case of each of the foregoing clauses (i), (ii) and (iii), any extension, renewal or replacement of such Security which is limited to the original property or assets (plus improvements, accessions, proceeds or dividends or distributions in respect thereof) covered thereby and which secures any extension, renewal or replacement of the original secured financing; *provided, however*, that, in the case of (iii) above, the maximum sum secured by such Security shall not exceed the purchase price of such property or assets or the Indebtedness incurred solely for the purpose of financing the acquisition of such property or assets;

(f) any Security arising by operation of law; any Security for taxes, assessments or other governmental charges; or merchants', carriers', mechanics' or other similar Security arising in the ordinary course of business;

(g) any Security in respect of Indebtedness incurred in connection with any sale and leaseback of any property or assets in an aggregate principal amount at any time outstanding not exceeding US\$150.0 million; *provided* that such sale and leaseback is effected at fair value, as determined by the Issuer;

(h) any Security created solely in favour of or granted to the Central Bank or the central bank of any country, or any person acting on behalf of or for the account of the Central Bank or such other central bank;

(i) any Security created in connection with the banking business of the Issuer or any Subsidiary for the export or import of goods and services, whether in the primary or secondary markets, and in connection with the financing thereof (including to secure foreign trade lines extended to the Issuer or any Subsidiary);

(j) any Security in the form of assignments to third parties, with recourse, of amounts due in respect of pre-export finance, bankers acceptances, discounts and other similar facilities provided in the ordinary course of business;

(k) any Security created in favour of or granted to any multinational monetary agency, clearinghouse, stock exchange, brokerage firm or correspondent bank in connection with the trading activities of the Issuer or any of its subsidiaries, and not intended as securing Indebtedness independent of trading activities;

(l) any Security created to secure or pre-fund any amount payable, other than principal, on subordinated Public External Indebtedness that is intended to qualify as regulatory capital;

(m) any Security created to secure a variation in the amount payable under any Public External Indebtedness from the time of issuance of such Public External Indebtedness which amount is linked to a price, rate or index, other than an interest rate, inflation index or foreign exchange rate;

(n) any Security created in connection with or necessary to implement, with respect to any Indebtedness, defeasance pursuant to the terms of such Indebtedness, or to implement any equivalent mechanism under applicable law;

(o) any Security created in connection with any non-deposit, recourse debt instrument, or covered bond, that is secured directly or indirectly by perfected security interests under applicable law on assets held or owned by the issuer thereof consisting of, among other things, eligible mortgage loans, vehicle loans, public-sector debt, leasing receivables, credit card receivables, payroll loans and rural loans (*crédito rural*), and which debt instrument may permit substitution of cash or United States Treasury or agency securities or other investment-grade collateral for the initial collateral as necessary to manage the cover pool; or

(p) any other Security securing Public External Indebtedness in an aggregate principal amount at any time outstanding not exceeding an amount in Brazilian Currency equal to 1.0% of the total consolidated assets of the Issuer reflected in the consolidated financial statements of the Issuer prepared in accordance with Accounting Principles as at the end of the most recently ended fiscal quarter of the Issuer for which such a balance sheet is available.

For purposes of determining compliance with the limitation set forth in clause (g) above with respect to Indebtedness denominated in a currency other than U.S. dollars, the U.S. dollar-equivalent principal amount measured of such Indebtedness shall be calculated based on the relevant currency exchange rate in effect on the date that such Indebtedness was incurred, *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than the U.S. dollar (or in a different currency from such Indebtedness so being refinanced), and such refinancing would cause the U.S. dollar-denominated limitation in clause (g) above to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated limitation shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the outstanding principal amount of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

For purposes of determining compliance with the limitation described in clause (p) above with respect to Indebtedness denominated in a currency other than Brazilian Currency, the Brazilian Currency-equivalent principal amount of such Indebtedness shall be calculated based on the relevant currency exchange rate in effect on the date that such Indebtedness was incurred, *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a currency other than Brazilian Currency (or in a different currency from such Indebtedness so being refinanced), and such refinancing would cause the Brazilian Currency limitation described in clause (p) above to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (i) the outstanding principal amount of such Indebtedness being refinanced plus (ii) the aggregate amount of fees, underwriting discounts, premiums and other costs and expenses incurred in connection with such refinancing. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if created in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

“**person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having a separate legal personality.

“**Potential Event of Default**” means an event or circumstance which would, with the giving of notice, lapse of time, issue of a certificate or fulfillment of any other requirement provided for in Condition 10, become an Event of Default.

“**Primary Source**” has the meaning given to it in the relevant Final Terms.

“**Private Placement Legend**” has the meaning given to it in Condition 3(f).

“**Proceedings**” has the meaning given to it in Condition 23(b).

“**Public External Indebtedness**” means any External Indebtedness consisting of bonds, debentures, notes or other similar debt securities that are or are intended to be quoted or listed, or are ordinarily quoted or listed, on any stock exchange, automated trading system, over-the-counter or other organized securities market; *provided, however*, that Public External Indebtedness shall not include (i) any privately negotiated derivatives transactions, such as an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, forward foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, cross-currency rate swap agreement, swaption, currency option, credit default swap or any other similar agreement (including any option to enter into any of the foregoing), including, but not limited to, all transactions privately negotiated and entered into under the terms and conditions of the ISDA<sup>®</sup> Master Agreement (and any Schedule, Confirmation, Credit Support Annex and other documents related thereto) as published by the International Swap Dealer Association, Inc. or any substitute entity thereof; (ii) sale of securities subject to repurchase agreement or option to repurchase such securities, including, but not limited to, other transactions privately negotiated and entered into under the terms and conditions of the TBMA/ISMA<sup>®</sup> Global Master Repurchase Agreement (and any annex, confirmation, credit support document and other documents related thereto) as published by the International Securities Market Association and the Bond Market Association or any substitute entity thereof; and (iii) any transactions involving derivatives that at the time of entering into such transaction are quoted, listed or ordinarily traded on any stock exchange, automated trading system, over-the-counter or other organized securities market.

“**Rate Multiplier**” means the percentage rate or number applied to the relevant Rate of Interest, as specified in the relevant Final Terms.

“**Rate of Interest**” has the meaning given to it in the relevant Final Terms.

“**Record Date**” has the meaning given to it in Condition 8(b)(i).

“**Redemption Notice**” has the meaning given to it in Condition 7(f).

“**Redenomination Date**” has the meaning given to it in Condition 21(b).

“**Reference Banks**” has the meaning given to it in the relevant Final Terms.

“**Reference Price**” has the meaning given to it in the relevant Final Terms.

“**Reference Rate**” means, for any Senior Note, the bid, offered or mean of bid and offered rate, as specified in the relevant Final Terms, for the floating rate specified in the relevant Final Terms.

“**Register**” has the meaning given to it in Condition 1(a).

“**Registered Notes**” has the meaning given to it in Condition 1(a).

“**Relevant Banking Centre**” means, for any Senior Note, the Relevant Banking Centre specified in the relevant Final Terms or, if none is so specified, the banking centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR shall be Europe) or, if none is so connected, London.

“**Relevant Business Day**” means:

i. in the case of a currency other than Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the Relevant Financial Centre; or

i. in the case of Euro, a TARGET Business Day; and



ii. in the case of any currency, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the Business Centre(s) specified in the relevant Final Terms.

“**Relevant Date**” has the meaning given to it in Condition 9.

“**Relevant Financial Centre**” means the principal financial centre for the relevant currency (which in the case of Euro shall be Europe), as specified in the relevant Final Terms.

“**Relevant Notes**” has the meaning given to it in Condition 13(c).

“**Relevant Time**” means the local time in the Relevant Banking Centre at which it is customary to determine bid, mean and offered rates in respect of deposits in that currency in the interbank market in that Relevant Banking Centre or, if no such customary local time exists, 11.00 A.M. in the Relevant Banking Centre and for this purpose “local time” means, with respect to Europe as a Relevant Banking Centre, Brussels time.

“**Reset Date**” has the meaning given to it in the relevant Final Terms and, for the purposes of Condition 6(II)(b)(iv), has the meaning given to such term in the ISDA Definitions.

“**Screen Rate Determination**” has the meaning given to it in the relevant Final Terms.

“**Securities Act**” has the meaning given to it in Condition 3(f).

“**Security**” means any mortgage, pledge, lien, hypothecation, security interest, sale-leaseback arrangement or other charge or encumbrance including, without limitation, any equivalent created or arising under the laws of Brazil.

“**Senior Notes**” has the meaning given to it in Condition 1(a).

“**Series**” has the meaning given to it in Condition 1(c).

“**Significant Subsidiary**” means any Subsidiary of the Issuer in which the value of the Issuer and its other Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) thereof exceeded 10% of the total consolidated assets of the Issuer as reflected in the consolidated financial statements of the Issuer prepared in accordance with Accounting Principles at the end of the most recent fiscal year of the Issuer for which a balance sheet is available.

“**Specified Currency**” has the meaning given to it in the relevant Final Terms.

“**Specified Denomination**” has the meaning given to it in Condition 1(b).

“**Specified Interest Payment Currency**” has the meaning given to it in the relevant Final Terms.

“**Specified Interest Payment Date**” means each date which falls on the last day of the Interest Period specified in the relevant Final Terms after the preceding Specified Interest Payment Date or, in the case of the first Specified Interest Payment Date, after the Interest Commencement Date or as is otherwise specified as such on the relevant Senior Note, in each case as adjusted by the Business Day Convention specified in the relevant Final Terms.

“**Specified Principal Payment Currency**” has the meaning given to it in the relevant Final Terms.

“**Subsidiary**” means in relation to a company or corporation, a company or corporation which is controlled, directly or indirectly, by the first mentioned company or corporation. For this purpose, a company or corporation shall be treated as being controlled by another if; (i) more than half of the voting shares of such company or corporation is owned, directly or indirectly, by the first mentioned company or corporation; and (ii) the composition of the majority of the board of the directors (in the absence of a board of directors, the majority of the executive officers) of such company or corporation is determined by the first mentioned company or corporation.

“**Substituted Debtor**” has the meaning given to it in Condition 13(c).

“**Successor Corporation**” has the meaning given to it in Condition 19(a).

“**Swap Transaction**” for the purposes of Condition 6(II)(b)(iv), has the meaning given to such term in the ISDA Definitions.

“**TARGET Business Day**” means a day on which the TARGET System is operating.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System, which was launched on November 19, 2007 or any successor thereto.

“**Taxes**” has the meaning given to it in Condition 9.

“**Terms and Conditions**” means these terms and conditions as amended and supplemented by the relevant Final Terms in relation to a Series of Senior Notes.

“**Tranche**” has the meaning given to it in Condition 1(c).

“**Treaty**” means the treaty establishing the European Community, as amended.

“**Zero Coupon Note**” has the meaning given to it in Condition 6(III).

“**Zero Coupon Note Provisions**” has the meaning given to it in the relevant Final Terms.

### 3. **Transfers of Registered Notes, Issue of Definitive Registered Notes and Exchange of Bearer Notes**

(a) *Transfer of Registered Notes*: A Registered Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part in a Specified Denomination upon the surrender of the Definitive Registered Note issued in respect of the Registered Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Registered Note, a new Definitive Registered Note in respect of the balance not transferred will be issued to the transferor. Each new Definitive Registered Note to be issued to the transferee upon transfer of such Registered Note will, within three Relevant Business Days of receipt of such form of transfer, be mailed at the risk of the Holder entitled to the new Definitive Registered Note to such address as may be specified in such form of transfer.

(b) *Transfer Free of Charge*: Registration of transfer or exchange will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(c) *Closed Periods*: No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal (being, for the purposes of these Terms and Conditions, unless the context otherwise requires, the amount payable on redemption of a Senior Note) of that Senior Note, (ii) during the period of 60 days prior to any date on which Senior Notes of the relevant Series may be redeemed by the Issuer at its option pursuant to Condition 7(e) or (iii) after notice has been delivered for redemption in whole or in part of any Registered Note in accordance with Condition 7.

(d) *Regulations*: All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder of a Registered Note upon request.

(e) *Exchange of Bearer Notes for Registered Notes*: If so specified in the relevant Final Terms, the Holder of any Bearer Notes may exchange some or all of such Bearer Notes for an aggregate principal amount of Registered Notes equal to the aggregate principal amount of Bearer Notes being so exchanged upon the terms and subject to the conditions set forth in the Agency Agreement. In order to exchange a Bearer Note for a Registered Note, the Holder thereof shall surrender such Bearer Note at the specified office outside the United States of any Transfer Agent together with a written request for the exchange. Each Bearer Note so surrendered must be accompanied by all unmatured Coupons and any Talon appertaining thereto, other than the Coupon in respect of the next payment of interest falling due after the date the relevant Bearer Note has been surrendered for exchange (the “**Exchange Date**”) where the Exchange Date is after the Record Date for such payment of interest and is on or before the date on which such payment of interest falls due. A Definitive Registered Note will be issued upon the exchange of a Bearer Note for a Registered Note and will, within three Relevant Business Days of receipt of such written request for exchange, be mailed at the risk of the Holder entitled to the Definitive Registered Note to such address as may be specified in such written request for exchange.

(f) *Private Placement Legend*: Upon the transfer, exchange or replacement of Registered Notes bearing the private placement legend (the “**Private Placement Legend**”) for the purpose of Rule 144A under the Securities Act of 1933, as amended (the “**Securities Act**”), set forth in the form of a Registered Note scheduled to the Agency Agreement, the Registrar shall deliver only Registered Notes that also bear such legend, unless the Issuer otherwise determines in compliance with applicable law.

#### 4. Status

The Senior Notes (which will specify their status in the relevant Final Terms as senior) and Coupons of all Series comprising Senior Notes constitute direct, unsecured (subject to Condition 5) and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Senior Notes and the Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 5, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

#### 5. Negative Pledge

So long as any Senior Note or Coupon remains outstanding (as defined in the Trust Deed), the Issuer will not create or permit to subsist any Security (other than any Permitted Security) upon the whole or any part of the Issuer's assets, present or future, to secure (i) any of the Issuer's Public External Indebtedness or (ii) any of the Issuer's Affected Guarantees without, at the same time or prior thereto and for so long as such other obligation is so secured, securing the Senior Notes equally and ratably therewith or providing such other security for the Senior Notes as shall be not materially less beneficial to Holders of the Senior Notes at the Issuer's determination or as shall be approved by an Extraordinary Resolution of Holders of Senior Notes. Nothing contained herein shall prevent or inhibit the granting of unsecured sureties or guarantees of any description, including performance bonds at the request of and for account of customers in favour of third parties in the ordinary course of business.

#### 6. Interest

One or more of the following provisions apply to each Senior Note, as specified in the relevant Final Terms.

##### (I)

##### Fixed Rate Notes

This Condition 6(I) applies to a Senior Note in respect of which the Fixed Rate Note provisions are specified in the relevant Final Terms as being applicable (a "**Fixed Rate Note**").

(a) *Interest Rate and Accrual*: Each Senior Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date in respect thereof at the rate per annum (expressed as a percentage) equal to the Rate of Interest specified in the relevant Final Terms. Such interest is payable in arrears on each Interest Payment Date in each year and on the Maturity Date specified in the relevant Final Terms if that date does not fall on an Interest Payment Date. The amount(s) of interest payable in respect of such Senior Note may be specified in the relevant Final Terms as the Fixed Coupon Amount(s) or, if so specified, the Broken Amount. If the Senior Notes are in more than one Specified Denomination, the amount of interest payable in respect of each Senior Note for any Interest Period shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

The first payment of interest on a Senior Note will be made on the Interest Payment Date next following the relevant Interest Commencement Date. If the period between the Interest Commencement Date and the first Interest Payment Date is different from the period between Interest Payment Dates, the first payment of interest on a Senior Note will be the amount specified in the relevant Final Terms as being the initial Broken Amount. If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or from (and including) the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will be the amount specified in the relevant Final Terms as being the final Broken Amount.

Interest will cease to accrue on each Senior Note on the due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation or surrender, payment of principal is improperly withheld or refused by the Issuer. In such event, interest will continue to accrue, both before and after judgment, in the manner provided in this Condition 6(I) and at the rate equal to the sum of the rate provided in this Condition 6(I) plus the Arrears Rate until the Relevant Date (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions). Interest on any overdue interest will accrue (to the extent permitted by applicable law) at the rate equal to the sum of the rate provided in this Condition 6(I) plus the Arrears Rate.

(b) *Calculations*: Interest in respect of a period of less than the period between Interest Payment Dates (or, in the case of the first Interest Period, the period between the Interest Commencement Date and the first Interest Payment Date) or, in the case of the final Interest Period, the period between the final Interest Payment Date and the Maturity Date) will be calculated using the applicable Day Count Fraction.

## (II) Floating Rate Notes

This Condition 6(II) applies to a Senior Note in respect of which the Floating Rate Note provisions are specified in the relevant Final Terms as being applicable (a “**Floating Rate Note**”).

(a) *Specified Interest Payment Dates*: Each Senior Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date in respect thereof and such interest will be payable in arrears on each Specified Interest Payment Date.

(b) *Rate of Interest*: Each Senior Note bears interest at a floating rate which may be based on one or more interest rate or exchange rate indices or as otherwise specified in the relevant Final Terms (each a “**Benchmark**”). The dates on which interest shall be payable on a Senior Note, the Benchmark and the basis for calculation of each amount of interest payable in respect of such Senior Note on each such date and on any other date on which interest becomes payable in respect of such Senior Note, and the rate (or the basis of calculation of such rate) at which interest will accrue in respect of any amount due but unpaid in respect of such Senior Note shall be as set out below, unless otherwise specified in the relevant Final Terms. Subject to Condition 6(II)(c), the Rate of Interest payable from time to time will, unless otherwise specified in the relevant Final Terms, be determined by the Calculation Agent on the basis of the following provisions:

i. At or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, the Calculation Agent will:

(A) in the case of a Senior Note which specifies that the Primary Source for the Floating Rate shall be derived from a specified page, section or other part of a particular information service (each as specified in the relevant Final Terms), determine the Rate of Interest for such Interest Period which shall, subject as provided below, be (x) the Reference Rate so appearing in or on that page, section or other part of such information service (where such Reference Rate is a composite quotation or interest rate per annum or is customarily supplied by one person) or (y) the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of the Reference Rates of the persons at that time whose Reference Rates so appear in or on that page, section or other part of such information service, in any such case in respect of deposits in the relevant Specified Currency made with or by such person or persons for a period equal to the duration of such Interest Period; and

(B) in the case of a Senior Note that specifies that the Primary Source for the Floating Rate shall be the Reference Banks specified in the relevant Final Terms and in the case of a Senior Note falling within Condition 6(II)(b)(i)(A) but in respect of which (x) no Reference Rate appears at or about such Relevant Time or (y) the Rate of Interest is to be determined by reference to the arithmetic mean of quotations of persons appearing in or on the relevant page, section or other part of such information service as provided in Condition 6(II)(b)(i)(A)(y) but in respect of which less than two Reference Rates appear at or about such Relevant Time, request the principal offices in the Relevant Banking Centre of each of the Reference Banks specified in the relevant Final Terms (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to Condition 6(II)(b)(i)) to provide the Calculation Agent with its Reference Rate quoted to leading banks for deposits in an amount that is representative in the relevant Specified Currency for a period equivalent to the duration of such Interest Period. Where this Condition 6(II)(b)(i)(B) applies, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of such Reference Rates as calculated by the Calculation Agent.

ii. If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest is to be determined pursuant to Condition 6(II)(b)(i)(B) in respect of a Senior Note, more than one but not all of such Reference Banks provide such relevant quotations, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be determined in accordance with Condition 6(II)(b)(i)(B) on the basis of the Reference Rates quoted by those Reference Banks.

iii. If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest is to be determined pursuant to Condition 6(II)(b)(i)(B), only one or none of such Reference Banks provide such Reference Rates, the Rate of Interest for the relevant Interest Period shall be the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of the Reference Rates in respect of the relevant currency

which banks in the Relevant Financial Centre for such Specified Currency or, if the Specified Currency is Euro, in Europe as selected by the Calculation Agent (after consultation with the Issuer) are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to such Interest Period to leading banks carrying on business in that Relevant Financial Centre or, if the Specified Currency is Euro, in Europe, *provided* that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Rate of Interest shall, subject as provided below, be the Rate of Interest in effect for the last preceding Interest Period to which Condition 6(II)(b)(i)(A) or (B) or Condition 6(II)(b)(ii) applied.

iv. In the case of a Senior Note which specifies that the manner in which the Rate of Interest is to be determined shall be ISDA Determination, the Rate of Interest for each Interest Period shall, subject as provided below, be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (iv), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the relevant Final Terms;

(B) the Designated Maturity is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date is the first day of that Interest Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (iv), “**Floating Rate**,” “**Calculation Agent**,” “**Floating Rate Option**,” “**Designated Maturity**,” “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(c) *Minimum/Maximum Rates*: If a Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest applicable to that Senior Note shall in no event be less than it and if a Maximum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest applicable to that Senior Note shall in no event exceed it.

(d) *Determination of Rate of Interest and Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest in the manner provided for in this Condition 6(II) and calculate the amount of interest payable (the “**Interest Amount**”) in respect of each Specified Denomination of the relevant Senior Notes (in the case of Bearer Notes) and the minimum Specified Denomination (in the case of Registered Notes) for the relevant Interest Period. The Interest Amount shall be calculated by applying the Rate of Interest adjusted, if necessary, by any Margin or Rate Multiplier to each Specified Denomination (in the case of Bearer Notes) and the minimum Specified Denomination (in the case of Registered Notes), and multiplying such product by the applicable Day Count Fraction and rounding, if necessary, the resultant figure to the nearest sub-unit of the relevant currency. The determination of the Rate of Interest and the Interest Amount by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Calculation Agent shall have no liability whatsoever in connection with the exercise of its powers and duties hereunder or otherwise in connection with the Senior Notes, absent gross negligence or willful misconduct. For this purpose a “sub-unit” means, in the case of any currency other than dollar, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of dollar, means one cent.

(e) *Calculation of Other Amounts*: If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, promptly after the time or times at which any such amount is to be determined or calculated, notify the relevant amount to the Issuer and the Noteholders. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(f) *Notification of Rate of Interest and Interest Amount*: The Calculation Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Specified Interest Payment Date and any other amount required to be determined by it to be notified to the Trustee, the Issuer, each of the Agents, the Noteholders (in accordance with Condition 20(a)) and if the relevant Senior Notes are for the time being listed on any stock exchange (each an “**Exchange**”), the Exchange, as soon as possible after their determination but in no event later than three Relevant Business Days after their determination. The Interest Amount and the Specified Interest Payment Date so notified may subsequently be amended by the Calculation Agent (or appropriate

alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(g) *Interest Accrual*: Interest will cease to accrue on each Senior Note on the due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation or surrender, payment of principal is improperly withheld or refused by the Issuer. In such event interest will continue to accrue, both before and after judgment, in the manner provided in this Condition 6(II) (both before and after judgment) and at the rate equal to the sum of the rate provided in this Condition 6(II) plus the Arrears Rate until the Relevant Date (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions). Interest on any overdue interest will accrue (to the extent permitted by applicable law) at the rate equal to the sum of the rate provided in this Condition 6(II) plus the Arrears Rate.

(h) *Calculation Agent and Reference Banks*: The Issuer will procure that, so long as any Senior Note to which this Condition 6(II) applies remains outstanding, there shall at all times be a Calculation Agent for such Senior Note and, so long as the Primary Source for Floating Rate for such Senior Note is Reference Banks, there shall at all times be four Reference Banks with offices in the Relevant Banking Centre. The Issuer will also ensure that, in the case of any Senior Note the determination of interest for which falls within Condition 6(II)(b)(i)(A) and in respect of which no Reference Rate appears at or about the Relevant Time, or in respect of which less than two Reference Rates appear at or about the Relevant Time, there shall be four Reference Banks appointed for such Senior Note with offices in the Relevant Banking Centre. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank then the Issuer will appoint another Reference Bank with an office in the Relevant Banking Centre to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amount or any other amount to be calculated by the Calculation Agent pursuant to the relevant Final Terms, the Issuer will appoint the London office of a leading bank engaged in the London and international interbank markets to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

### **(III) Zero Coupon**

This Condition 6(III) applies to a Senior Note in respect of which the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable (a “**Zero Coupon Note**”).

References to the amount of interest payable (other than as provided below), Coupons and Talons in these Terms and Conditions are not applicable. Where a Senior Note becomes repayable prior to its Maturity Date and is not paid when due, (x) the amount due and payable in respect of such Senior Note shall be the Amortised Face Amount of such Senior Note as determined in accordance with Condition 7(d)(i)(B) and (y) interest will accrue on such Amortised Face Amount at the rate per annum equal to the sum of the Amortization Yield as specified in the relevant Final Terms (or, if no such amount is specified, the amount equal to the aggregate amortisation of the difference between the Reference Price and the nominal amount of such Senior Note from the Issue Date to the date on which the Senior Note becomes due and payable calculated at a rate per annum (expressed as a percentage)) plus the Arrears Rate. Where a Senior Note is to be redeemed on its Maturity Date, any overdue principal of such Senior Note shall bear interest at a rate per annum (expressed as a percentage) equal to the sum of (a) the Amortisation Yield specified in the relevant Final Terms (or, if no such amount is specified, the amount equal to the aggregate amortisation of the difference between the Reference Price and the nominal amount of such Senior Note from the Issue Date to the date on which the Senior Note becomes due and payable calculated at a rate per annum (expressed as a percentage)) plus the Arrears Rate. In each case, such interest shall continue to accrue (on the same basis as referred to in Condition 6(I)) (both before and after judgment) to the Relevant Date.

## **7. Redemption and Purchase**

(a) *Final Redemption*: Unless previously redeemed or purchased and cancelled, each Senior Note will be redeemed at its redemption amount (“**Final Redemption Amount**”), being its nominal amount or such other amount as is specified in the relevant Final Terms or, in the case of Instalment Notes, in such number of instalments and in such amounts (“**Instalment Amount**”) as may be specified in the relevant Final Terms, on the applicable Maturity Date specified in the relevant Final Terms.

(b) *Purchases*: The Issuer and any of its Subsidiaries may at any time purchase some or all Senior Notes of a Series at any price (*provided* that in the case of Bearer Notes they are purchased together with all unmatured Coupons and unexchanged Talons relating to them) in the open market or otherwise. The Senior Notes so purchased, while held by or on behalf of the Issuer or any of its Subsidiaries, shall not entitle the Holder thereof to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 10, 13 and 14, except that Senior Notes so held which have been pledged in good faith may be regarded as outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right to so act with respect to such Senior Notes and that the pledgee is not the Issuer or any Subsidiary, or any other obligor upon the Senior Notes or any Subsidiary of such other obligor. Senior Notes so purchased or acquired by the Issuer or any Subsidiary in the ordinary course of its business as a dealer in securities may be reissued or resold, together with such unmatured Coupons and unexchanged Talons, and Senior Notes so reissued or resold shall, for all purposes, be deemed to form part of the original Series of Senior Notes in which they were issued.

(c) *Redemption of Senior Notes for Taxation Reasons*: Any Series of Senior Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Senior Notes the interest basis for which is specified in the relevant Final Terms as Fixed Rate or Zero Coupon Notes) or on any Specified Interest Payment Date (in the case of Senior Notes the interest basis for which is specified in the relevant Final Terms as Floating Rate), on giving not less than 30 days nor more than 45 days notice to the Noteholders in accordance with Condition 20(a) (which notice shall be irrevocable), at their Early Redemption Amount or, if none is so specified, at the nominal amount specified in the relevant Final Terms (in each case together with interest accrued to, but excluding, the date fixed for redemption) or (in the case of Senior Notes the interest basis for which is specified in the relevant Final Terms as Zero Coupon) at their Amortised Face Amount (as determined in accordance with Condition 7(d)(i)(C)), if (a) there is more than an insubstantial risk that the Issuer has or will become obligated to pay additional amounts (such additional amounts to be determined in accordance with Condition 9) in excess of the additional amounts which would be payable in respect of deductions or withholdings made at the rate of the Original Withholding Level, if any, specified in the relevant Final Terms as a result of any change in, or amendment to, the laws or regulations of Brazil or the Cayman Islands or any political subdivision or authority in or of Brazil or the Cayman Islands having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment is adopted or enacted or becomes effective on or after the Issue Date in respect of the relevant Series and (b) such obligation cannot be avoided by the Issuer taking ministerial measures available to it, *provided* that no such notice of redemption shall be given earlier than 90 days (or such other period specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obligated to pay such additional amounts were a payment in respect of such Senior Notes then due (or in the case of Senior Notes which bear interest at a Floating Rate, a number of days which is equal to the aggregate of the number of days falling within the current Interest Period applicable to the Senior Notes plus 75 days). Prior to the publication of any notice of redemption pursuant to this Condition 7(c), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the obligation referred to in (a) above cannot be avoided by the Issuer taking ministerial measures available to it and the Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (b) above, in which event it shall be conclusive and binding on the Noteholders.

(d) *Early Redemption of Senior Notes*:

i. *Zero Coupon Notes*: This Condition 7(d)(i) applies to a Zero Coupon Note that is a Senior Note.

(A) The amount payable in respect of any Senior Note upon redemption of such Senior Note pursuant to Condition 7(c), (e) or (f), if applicable, or upon it becoming due and payable as provided in Condition 10, shall be the Amortised Face Amount (calculated as provided below) of such Senior Note unless otherwise specified in the relevant Final Terms.

(B) Subject to Condition 7(d)(i)(C), the “**Amortised Face Amount**” of any Senior Note shall be the sum of (A) the Reference Price specified in the relevant Final Terms and (B) the aggregate amortisation of the difference between the Reference Price and the nominal amount of such Senior Note from the Issue Date to the date on which the Senior Note becomes due and payable calculated at a rate per annum (expressed as a percentage) equal to the Amortisation Yield specified in the relevant Final Terms applied to the Reference Price in the manner specified in the relevant Final Terms. Where such calculation is to be

made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purpose of this Condition 7(d) or, if none is so specified, a Day Count Fraction of 30/360.

(C) If the amount payable in respect of any Senior Note upon redemption of such Senior Note pursuant to Condition 7(c), (e) or (f), if applicable, or upon it becoming due and payable as provided in Condition 10, is not paid when due, the amount due and payable in respect of such Senior Note shall be the Amortised Face Amount of such Senior Note, except that Condition 8 shall have effect as though the reference therein to the date on which the Senior Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 7(d)(i)(C) will continue to be made (both before and after judgment) until the Relevant Date unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the nominal amount of such Senior Note together with any interest which may accrue on such Senior Note in accordance with Condition 6(III).

ii. *Other Senior Notes*: The Early Redemption Amount payable in respect of any Senior Note (other than Senior Notes described in Condition 7(d)(i) above), upon redemption of such Senior Note pursuant to Condition 7(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount together with accrued interest to, but excluding, the date fixed for redemption, unless otherwise specified in the relevant Final Terms.

(e) *Redemption of Senior Notes at the Option of the Issuer (Call Option)*: If so specified in the relevant Final Terms, the Issuer may, on giving to the Holder of such Senior Note irrevocable notice in accordance with Condition 20(a) of not less than 30 days nor more than 45 days (or such other notice period as specified in the relevant Final Terms), redeem or (at the option of the Issuer) procure the purchase of all or, if so specified in the relevant Final Terms, some of the Senior Note of the relevant Series, on the Optional Redemption Date(s) specified in the relevant Final Terms (which shall, in the case of Senior Notes that at the time of redemption or purchase have an interest basis which is specified in the relevant Final Terms as Floating Rate, be a Specified Interest Payment Date) at the amount specified in the relevant Final Terms as the Optional Redemption Amount (Call) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to, but excluding, the date fixed for redemption or purchase. All Senior Notes in respect of which any such notice is given shall be redeemed or purchased on the Optional Redemption Date(s) specified in such notice in accordance with this Condition 7(e). If the Senior Notes are to be redeemed in part only: (i) in the case of Bearer Notes, the Senior Notes to be redeemed or purchased shall be selected by the drawing of lots in such European city as the Trustee approves and in such manner as the Trustee considers appropriate and (ii) in the case of Registered Notes, the Senior Notes shall be redeemed or purchased pro rata to their principal amounts, *provided* that the amount redeemed or purchased in respect of each Registered Note shall be equal to the Specified Denomination, and in each case subject to compliance with the applicable rules of each clearing system, listing authority and Exchange and the notice to Noteholders referred to herein shall specify the serial numbers and nominal amounts of the Senior Notes to be so redeemed or purchased. In case of the redemption or purchase of part only of a Registered Note, a new Registered Note in respect of the remaining balance shall be issued in accordance with Condition 3.

(f) *Redemption of Senior Notes at the Option of Noteholders (Put Option)*: If so specified in the relevant Final Terms, the Issuer shall, at the option of the Holder of such Senior Note of the relevant Series, redeem or (at the option of the Issuer) procure the purchase of such Senior Note on the Optional Redemption Date(s) specified in the relevant Final Terms (which shall, in the case of Senior Notes at the time of redemption or purchase have an interest basis which is specified in the relevant Final Terms as Floating Rate, be a Specified Interest Payment Date) at the amount specified in the relevant Final Terms as the Optional Redemption Amount (Put) less, in the case of any Instalment Note, the aggregate amount of all instalments that shall have become due and payable under any other Condition (which amount, if and to the extent not then paid, remains due and payable), together with interest accrued to, but excluding, the date fixed for redemption or purchase. To exercise such option the Holder must deposit such Senior Note (in the case of an interest-bearing Senior Note in bearer form, together with all unmatured Coupons other than any Coupon maturing on or before the date of redemption) with any Paying Agent (in the case of Bearer Notes) or the Registrar or any Transfer Agent (in the case of Registered Notes) at their respective specified offices during normal business hours, together with a duly completed irrevocable notice



of redemption (“**Redemption Notice**”) specifying, in case of a Registered Note, the aggregate principal amount in respect of which such option is exercised (which must be the Specified Denomination), in the form obtainable from any Agent not more than 60 nor less than 46 days (or such other deposit period as may be specified in the relevant Final Terms) prior to the relevant date for redemption. No Senior Note (or Redemption Notice) so deposited may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Notice of not more nor less than the number of days specified in the relevant Final Terms of the commencement of any period for the deposit of Senior Notes for redemption pursuant to this Condition 7(f) shall be given by the Issuer to Noteholders in accordance with Condition 20(a).

(g) *Cancellation*: All Senior Notes redeemed in accordance with this Condition 7, and any unmatured Coupons or Talons attached to them, will be cancelled promptly. Any Senior Notes purchased in accordance with this Condition 7, and any unmatured Coupons or Talons purchased with them, may at the option of the Issuer be cancelled or may be resold. Senior Notes which are cancelled following any redemption or purchase made in accordance with this Condition 7 may at the option of the Issuer be re-issued together with any unmatured Coupons or Talons.

(h) *Purchase or Redemption by Issuer*: For purposes of paragraphs (b), (c), (e) and (f) with respect to a purchase or redemption, as the case may be, that may be made by the Issuer, references to the Issuer shall include the Bank, or any successor thereto, acting through its head office or any branch office.

## 8. Payments

### (a) *Bearer Notes*:

#### i. *Payments of Principal and Interest*

Payments of principal and interest in respect of Bearer Notes will, subject to Condition 8(a)(ii), be made against presentation and surrender (*provided* the payment is payment of the Final Instalment Amount) of the relevant Bearer Notes or Coupons, as the case may be, at the specified office of any Paying Agent outside the United States:

(A) in respect of payments denominated in a Specified Currency (or, if different, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be) other than U.S. dollars, at the option of the Holder either by a cheque drawn in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, or by transfer to an account in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, maintained by the payee with a bank in the Relevant Financial Centre of such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, or in the case of Euro, in a city in which banks have access to the TARGET System; or

(B) in respect of payments denominated in U.S. dollars, subject to Condition 8(a)(ii), at the option of the Holder either by a U.S. dollar cheque drawn on a bank in New York City or by transfer to a U.S. dollar account maintained by the payee with a bank outside the United States; or

(C) as may otherwise be specified in the relevant Final Terms as an Alternative Payment Mechanism.

Subject to Condition 8(a)(ii), no payment of principal or interest in respect of Bearer Notes shall be made by cheque mailed to any address in the United States or by transfer to an account maintained with a bank located in the United States.

#### ii. *Payments in the United States*

Notwithstanding the foregoing, payments in respect of Bearer Notes denominated in U.S. dollars may be made at the specified office of any Paying Agent in New York City in the same manner as Condition 8(a)(i)(B) if (a) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Bearer Notes in the manner provided under Condition 8(a)(i)(B) when due, (b) payment in full of such amounts at all offices of such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (c) such payment is then permitted by United States law. For the purposes of these Terms and Conditions, the “United States” means the United States of America (including the States thereof and the District of Columbia) and its possessions

(including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands).

iii. *Payments on Business Days*

Subject as provided on a Senior Note, if any date for payment in respect of any Bearer Note or Coupon comprising all or part of a Tranche is not a business day, the Holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 8(a), “**business day**” means a day on which commercial banks are open for business and for dealings in foreign currencies in the Relevant Financial Centre of the Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, and:

(A) in the case of payment in Euro, a day which is a TARGET Business Day; and

(B) in the case of Bearer Notes in definitive form, a day on which commercial banks are open for business and for dealings in foreign currencies in the relevant place of presentation.

If the due date for redemption or repayment of any Bearer Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note. Interest accrued on a Bearer Note the interest basis for which is specified in the relevant Final Terms as Zero Coupon from its Maturity Date shall be payable on repayment of such Bearer Note against presentation thereof.

(b) *Registered Notes:*

i. *Payments of Principal and Interest*

Payments of principal and interest in respect of Registered Notes will be made or procured to be made by the Principal Paying Agent on the due date for payment to the person shown on the Register (or, in case of joint Holders, the first named) (i) at the close of business (local time in the place of the specified office of the Principal Paying Agent) on the fifteenth DTC business day before the due date for payment thereof in the case of a Registered Note registered in the name of, or the name of a nominee for, DTC, or (ii) in the case of a Registered Note deposited with the common depository for, and registered in the name of a common nominee of Euroclear or Clearstream, Luxembourg, as the case may be, on the business day before the due date for payment thereof, or (iii) in the case of a Registered Note which is represented by a Definitive Note, on the fifteenth business day before the due date for payment thereof (the “**Record Date**”):

(A) by cheque drawn on, or by transfer to an account in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, maintained by the payee with, a bank in the Relevant Financial Centre of such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, or, in the case of Euro, in a city in which banks have access to the TARGET System; or

(B) as may otherwise be specified in the relevant Final Terms as an Alternative Payment Mechanism, subject in each case to Condition 8(b)(iii). For the purposes of this Condition 8(b), “**DTC business day**” means any day on which DTC is open for business.

Payments of principal in respect of Registered Notes will only be made against (except for, in the case of an Instalment Note, payment of any instalment other than the final instalment) surrender of the relevant Definitive Registered Note at the specified office of any Transfer Agent. Upon application by the Holder to the specified office of any Transfer Agent not less than 15 days before the due date for any payment in respect of a Registered Note, such payment will be made by transfer to an account maintained by the payee with a bank in the Relevant Financial Centre or, in the case of Euro, in a city in which banks have access to the TARGET System. Details of the account to which a registered Holder’s payments will be made should be notified by the Holder to the specified office of the Principal Paying Agent before the Record Date preceding the relevant payment date. If the amount of principal being paid is less than the nominal amount of the relevant Definitive Registered Note, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Definitive Registered Note with a nominal amount equal to the remaining unpaid nominal amount.

ii. *Payment Initiation*

Where payment is to be made by transfer to an account in the relevant Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, payment instructions (for value the due date, or if that is not a Relevant Business Day, for value the first following day which is a Relevant Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed (at the risk of the Holder of such Senior Note) on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Definitive Registered Note has not been surrendered at the specified office of any Transfer Agent, on a day on which the Principal Paying Agent is open for business and on which the relevant Definitive Registered Note is surrendered.

iii. *Payments Through The Depository Trust Company*

Registered Notes, if so specified on them, will be issued in the form of one or more Definitive Registered Notes registered in the name of, or the name of a nominee for, The Depository Trust Company (“DTC”). Payments of principal and interest in respect of Registered Notes denominated in U.S. dollars will be made in accordance with Conditions 8(b)(i) and (ii). Payments of principal and interest in respect of Registered Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency or in respect of which payments are to be made in a Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, other than U.S. dollars will be made or procured to be made by the Principal Paying Agent in the relevant Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, in accordance with the following provisions. The amounts in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, payable by the Principal Paying Agent or its agent to DTC with respect to Registered Notes held by DTC or its nominee will be received from the Issuer by the Principal Paying Agent who will make payments in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, by wire transfer of same day funds to the designated bank account in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, of the DTC participants entitled to receive the relevant payment.

(c) *Delay in Payment.* Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Senior Note if the due date is not a Relevant Business Day, if the Noteholder is late in surrendering or cannot surrender its Definitive Registered Note (if required to do so) or if a cheque mailed in accordance with Condition 8(b)(ii) arrives after the due date for payment.

(d) *Payment Not Made in Full:* If the amount of principal or interest which is due on any Bearer or Registered Note, as the case may be, is not paid in full, the Registrar will annotate the Register with a record of, or the Paying Agent will endorse on the Bearer Note or Coupon a statement indicating, the amount of principal or interest, if any, in fact paid on such Bearer or Registered Note, as the case may be.

(e) *Payments Subject to Law, etc.:* All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 10. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(f) *Appointment of Agents:* The Principal Paying Agent, the Paying Agents, the Registrar, the Calculation Agent, the Replacement Agent and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed in the Agency Agreement. The Issuer reserves the right at any time, with the prior approval of the Trustee which shall not be unreasonably withheld, to vary or terminate the appointment of any Agent, to appoint another Registrar, Replacement Agent or Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, *provided* that the Issuer will at all times maintain (i) a Principal Paying Agent in respect of each Series of Senior Notes, (ii) a London Paying Agent, (iii) a Registrar and a Transfer Agent in New York City, (iv) a Paying Agent and a Transfer Agent having a specified office in a European city which, so long as the Exchange on which the Senior Notes are listed is the Luxembourg Stock Exchange shall be Luxembourg, (v) a Calculation Agent and (vi) a Replacement Agent. In addition, the Issuer shall promptly appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 8(a)(ii). Notice of any such change or any change in the specified office of any Agent will promptly be given to the Noteholders in accordance with Condition 20(a).

(g) *Unmatured Coupons and Unexchanged Talons:*

i. Bearer Notes the interest basis for which is specified in the relevant Final Terms as being Fixed Rate, other than Senior Notes which are specified to be long maturity notes (being Senior Notes whose nominal amount is less than the aggregate interest payable thereon on the relevant dates for payment of interest under Condition 6(I)(a), each such Senior Note being a “**Long Maturity Note**”), should be surrendered for payment of principal together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment on such Senior Note. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 12). If the date for payment of principal is any date other than a date for payment of interest, the accrued interest on such principal shall be paid only upon presentation of the relevant Senior Note.

ii. If so specified on a Bearer Note, upon the due date for redemption of any Bearer Note either the interest basis for which is specified in the relevant Final Terms as being Floating Rate at any time or which is a Long Maturity Note, unexpired Coupons relating to such Senior Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

iii. Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Senior Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

iv. Where any Bearer Note either the interest basis for which is specified in the relevant Final Terms as being Floating Rate at any time or which is a Long Maturity Note, is presented for redemption without all unexpired Coupons relating to it, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption of such Bearer Note shall be made only against the provisions of such indemnity by the Noteholder as the Issuer may require.

(h) *Talons:* Except where such Talon has become void pursuant to Condition 8(g)(iii), on or after the Interest Payment Date or, as the case may be, the Specified Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Senior Note, the Talon forming part of such Coupon sheet may be surrendered at the specified *office* of the London Paying Agent in exchange for a further Coupon sheet (but excluding any Coupons which may have become void pursuant to Condition 12 or the due date for the payment of which would fall after the due date for the redemption of the relevant Senior Note). Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the due date for the payment of interest on which the final Coupon comprised in the relative Coupon sheet matures.

(i) *Satisfaction of Obligations:* Every payment of any sum due in respect of Senior Notes or Coupons made to the Principal Paying Agent as provided for herein shall, to such extent, be a good discharge to the Issuer. In the event there is a default by *the* Principal Paying Agent in any payment to any Paying Agent or by any Paying Agent in any payment on the Senior Notes to any Holder in accordance with these Terms and Conditions, the Issuer shall pay such additional amounts as will result in receipt by such Holder of such amount as would have been received by it had no such default occurred.

## 9. Taxation

All payments by or on behalf of the Issuer in respect of the Senior Notes and the Coupons will be made without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges (together, “**Taxes**”) of whatever nature imposed, levied, collected, withheld or assessed by Brazil or any authority therein or thereof having power to tax in the case of Senior Notes issued by the Issuer acting through its head office, or by Brazil or the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax in the case of Senior Notes issued by the Issuer acting through its Grand Cayman Branch, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders or, as the case may be, the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note or Coupon:

(a) where such withholding or deduction is imposed by reason of the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Note or Coupon having some connection with Brazil, the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax, other than the mere holding of such Note or Coupon; or

(b) where such withholding or deduction could have been lawfully avoided if the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Note or Coupon had complied with a request addressed to such Holder or beneficial owner (or third party) to provide certification, identification or information reporting concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Holder or beneficial owner (or third party); *provided* that the Issuer shall be deemed to have given adequate notice if it complies with the general notice provision provided in Condition 20(a); or

(c) in respect of any Tax which is payable otherwise than by withholding or deduction; or

(d) in respect of any inheritance, gift, estate, personal property, sales or transfer Tax; or

(e) surrendered or presented for payment more than 30 days after the Relevant Date except to the extent that the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Note or Coupon would have been entitled to additional amounts on surrendering or presenting the same for payment on the last day of such period of 30 days.

As used in these Terms and Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if the full amount of the money payable has not been received by the Trustee or the Principal Paying Agent on or prior to such due date) the date on which notice is duly given to the Noteholders in accordance with Condition 20(a) that such moneys have been so received and are available for payment. References in these Terms and Conditions to “principal” shall be deemed to include “Amortised Face Amount,” “Final Redemption Amount,” “Optional Redemption Amount” and “Early Redemption Amount” and any premium payable in respect of the Senior Notes and any reference to “principal” or “interest” shall be deemed to include any additional amounts which may be payable under this Condition 9 or any undertaking given in addition to or in substitution for it under the Trust Deed.

The Issuer, and any other person to or through which any payment with respect to the Senior Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Senior Notes amounts required to be withheld or deducted under or in connection with FATCA, and, notwithstanding anything herein, Holders and beneficial owners of Senior Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction. “**FATCA**” means sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any regulations or official interpretations issued, agreements or non-U.S. laws entered into or enacted, with respect thereto).

## **10. Events of Default**

If any of the following events (each an “**Event of Default**”), as modified by, or such other events as may be specified in, the Final Terms occurs and is continuing, the Trustee if instructed in writing by Holders of at least one third in nominal amount of the Senior Notes of such Series then outstanding or if so directed by an Extraordinary Resolution of Noteholders of such Series shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that the Senior Notes of such Series are, and they shall immediately become, due and payable at the Early Redemption Amount specified in the relevant Final Terms or, if none is so specified, at the nominal amount specified in the relevant Final Terms together with accrued interest to the date of redemption or, in relation to Zero Coupon Notes, the Amortised Face Amount of such Senior Notes:

(a) *Non-payment*: The Issuer fails to pay any principal or interest (if any) in respect of any of the Senior Notes of such Series on the date when due and, with respect to principal, such failure continues for a period of three days and, with respect to interest, such failure continues for a period of ten days; or

(b) *Breach of other obligations*: The Issuer fails to perform or comply with any one or more of its other material obligations under the Senior Notes of such Series or the Trust Deed and such failure continues for a period of 30 days after written notice of such default shall has been given to the Issuer by the Trustee; or

(c) *Cross default*: (i) acceleration of any Indebtedness of the Issuer or any Significant Subsidiary if such acceleration has been effective for at least two Relevant Business Days, or (ii) any Indebtedness of the Issuer is not paid when due or, as the case may be, within any applicable grace period and such non-payment has continued for at least two Relevant Business Days since the later of the date on which such payment was due and the expiry of any applicable grace period, *provided* that the aggregate amount of such Indebtedness in respect of which one or more of the events mentioned above in this Condition 10 have occurred equals or exceeds an amount equal to 0.8% of the regulatory capital of the Issuer as at the end of the most recently ended fiscal quarter of the Issuer as set forth in the relevant report to the Central Bank for such period by the Issuer. For purposes of determining compliance with the limitation described in this paragraph (c), the Brazilian Currency-equivalent principal amount of such Indebtedness shall be calculated based on the relevant currency exchange rate in effect on the end of the most recently ended fiscal quarter of the Issuer for which a balance sheet is available; or

(d) *Dissolution and insolvency*: The Issuer (a) is dissolved other than in connection with a consolidation, merger or reorganization not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Senior Notes are assumed by the successor entity, (b) suspends payment on or fails or is unable to pay all or a material part of (or of a particular type of) its debts generally as they become due, (c) commences a voluntary case in bankruptcy or any other action or proceeding for any other relief under any law affecting creditors' rights that is similar to a bankruptcy law or (d) consents to the commencement against it of an involuntary case in bankruptcy or any other action or proceeding, or a proceeding is commenced in an involuntary case in bankruptcy if such proceeding is not dismissed on or before the 60th day after the entry thereof or if any such dismissal or stay ceases to be in effect; or

(e) *Analogous events*: Any event occurs which under the laws of Brazil has an analogous effect to any of the events referred to in paragraph (d).

Such acceleration is subject to the condition that any time after the principal of the Senior Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered, the Holders of at least two thirds in the nominal amount of the Senior Notes of the affected Series then outstanding by written notice to the Issuer and the Trustee may rescind and annul such declaration and its consequences solely with respect to such Senior Notes, subject to certain conditions, but no such rescission and annulment shall affect any subsequent default or shall impair any right consequent thereon.

## 11. Covenant Defeasance

(a) The Issuer may at its option, at any time, elect to have terminated the obligations of the Issuer with respect to outstanding Senior Notes of a Series as set forth in this Condition 11 and elect to have Condition 11(b) be applied to all of the outstanding Senior Notes of such Series (the "**Defeased Notes**"), upon compliance with the conditions set forth below in Condition 11(c), Condition 11(b) may be applied to the Defeased Notes to the Maturity Date or relevant Optional Redemption Date.

(b) Upon the Issuer's exercise of the option under Condition 11(a), (i) the Issuer shall be released from its obligations under any covenant or provision contained in Condition 5 and the provisions of Condition 19 shall not apply, and (ii) the occurrence of any event specified in Condition 10(b) or (c) shall be deemed not to be or result in an Event of Default, in each case with respect to the Defeased Notes on and after the date the conditions set forth below are satisfied (hereinafter, "**Covenant Defeasance**"), and the Senior Notes shall thereafter be deemed not to be outstanding for the purposes of any direction, waiver, consent or declaration or act of Noteholders (and the consequences of any thereof) in connection with such covenants or provisions, but shall continue to be deemed outstanding for all other purposes hereunder. For this purpose, such Covenant Defeasance means that, with respect to the Defeased Notes, the Issuer may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant or provision, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or provision or by reason of any reference in any such covenant or provision to any other provision herein or in any other document and such omission to comply shall not constitute a Potential Event of Default or an Event of Default, but, except as specified above, the remainder of these Terms and Conditions and the Trust Deed shall be unaffected thereby.

(c) The following shall be the conditions to application of Condition 11(b) to the outstanding Senior Notes:

i. The Issuer shall have irrevocably deposited or caused to be deposited with the Trustee, in trust, money or Government Obligations, or a combination thereof, in amounts as will be sufficient (without reinvestment),

to pay and discharge the principal of, and premium, if any, and interest, if any, on the Defeased Notes to the Maturity Date or relevant Optional Redemption Date in accordance with these Terms and Conditions and the Trust Deed;

ii. No Event of Default specified in Condition 10(a) shall have occurred and be continuing on the date of such deposit;

iii. Such deposit shall not result in a breach or violation of, or constitute an Event of Default under, these Terms and Conditions or the Trust Deed;

iv. The Issuer either: (i) shall have delivered to the Trustee an Opinion of Counsel to the effect that the Holders of the Defeased Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such Covenant Defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred or (ii) shall indemnify each beneficial owner of a Defeased Note against any additional U.S. federal income tax thereafter imposed on such beneficial owner (net of any U.S. federal income tax savings) as a consequence of such Covenant Defeasance; and

v. The Issuer shall have delivered to the Trustee a certificate signed by two authorised officers and an Opinion of Counsel, each to the effect that all conditions precedent provided for in this Condition 11(c) relating to the Covenant Defeasance have been complied with. In rendering such Opinion of Counsel, counsel may rely on a certificate signed by two authorised officers as to compliance with the foregoing paragraphs (i), (ii) and (iii) of this Condition 11(c) or as to any matters of fact.

(d) Subject to the provisions of Condition 11(e), all money and Government Obligations (including the proceeds thereof) deposited with the Trustee (or such other person that would qualify to act as successor trustee under the Agency Agreement, collectively and solely for purposes of this Condition 11(d), the “Trustee”) pursuant to Condition 11(c)(i) in respect of the Defeased Notes shall be held in trust and applied by the Trustee in accordance with the provisions of such Senior Notes and these Terms and Conditions and the Trust Deed to the payment, either directly or through any Paying Agent as the Trustee may determine, to the Noteholders of all sums due and to become due thereon in respect of principal, premium, if any, and interest, if any, but such money need not be segregated from other funds except as requested by the Issuer or to the extent required by law.

The Issuer shall pay and indemnify the Trustee and its agents and hold them harmless against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to Condition 11(c)(i), or the principal, premium, if any, and interest, if any, received in respect thereof, other than any such tax, fee or other charge that by law is for the account of the Holders of the Defeased Notes.

Anything in this Condition 11 to the contrary notwithstanding, the Trustee shall deliver to the Issuer, any money or Government Obligations held by it as provided in Condition 11(c)(i) in respect of which:

i. it receives an Issuer Request; and

ii. after consultation with a nationally recognized accounting or investment banking firm, it is informed in a written certification from such firm that such money or Government Obligations are in excess of the amount that would then be required to be deposited to effect an equivalent Covenant Defeasance,

*provided* that, no liability, whatsoever, shall attach to the Trustee and it shall be fully protected and have no liability in relying on such written certification.

(e) If the Trustee or Paying Agent is unable to apply any money or Government Obligations in accordance with Condition 11(b), as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the obligations of the Issuer under these Terms and Conditions and the Trust Deed shall be revived and reinstated as though no deposit had occurred pursuant to Condition 11(b), until such time as the Trustee or Paying Agent is permitted to apply all such money and Government Obligations in accordance with Condition 11(b); *provided, however*, that if the Issuer makes any payment of principal, premium, if any, or interest, if any, on any Senior Note following the reinstatement of its obligations, the Issuer shall be subrogated to the rights of the Holders of such Senior Notes to receive such payment from the money and Government Obligations held by the Trustee or Paying Agent.

(f) The Trustee shall pay to the Issuer upon Issuer Request any money held by it for the payment of principal, premium, if any, or interest, if any, that remains unclaimed for two years after the Maturity Date or the relevant Optional Redemption Date, as the case may be. After payment to the Issuer, Noteholders entitled to money must look to the Issuer for payment as unsecured general creditors unless an applicable abandoned property law designates another person. No liability whatsoever shall be owed by the Trustee or Paying Agent to the Issuer or the Noteholders with respect to such money, absent gross negligence or willful misconduct.

## 12. Prescription

Claims against the Issuer for payment in respect of the Senior Notes and Coupons (which, for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## 13. Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Meetings of Noteholders*: The Trust Deed contains provisions (which shall have the effect as if incorporated herein) for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Senior Notes of such Series (including these Terms and Conditions insofar as the same may apply to such Senior Notes). Such a meeting may be convened by the Issuer or the Trustee, and the Trustee (subject to being indemnified to its satisfaction against all costs and expenses thereby occasioned) shall convene such a meeting upon written request of Noteholders holding not less than 20% in nominal amount of the Senior Notes of the relevant Series for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more persons holding or representing in aggregate more than 50% in nominal amount of the Senior Notes of the relevant Series for the time being outstanding, or at any adjourned meeting two or more persons holding or representing Holders of Senior Notes of the relevant Series whatever the nominal amount of the Senior Notes of the relevant Series held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Senior Notes of any Series or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount, Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount (if any) of the Senior Notes of any Series, (iii) to reduce the rate or rates of interest in respect of the Senior Notes of any Series or to vary the method or basis of calculating the rate or rates or amount of interest, (iv) if there is specified in the relevant Final Terms of any Series a Minimum Rate of Interest or a Maximum Rate of Interest, to reduce such Minimum Rate of Interest or such Maximum Rate of Interest, (v) to change the method of calculating the Amortised Face Amount (if any) of any Series, (vi) to change the currency or currencies of payment of the Senior Notes of any Series or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders of any Series or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75%, or at any adjourned meeting not less than 25%, in nominal amount of the Senior Notes of the relevant Series for the time being outstanding. An “**Extraordinary Resolution**” is defined in the Trust Deed to mean a resolution passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Trust Deed by a majority of at least 75% of the votes cast. A written resolution of Holders of not less than 75% in nominal amount of the Senior Notes of the relevant Series for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes. Any Extraordinary Resolution duly passed shall be binding on all Holders of Senior Notes of the relevant Series (whether or not they were present or represented at the meeting at which such resolution was passed) and on all Couponholders (if any).

(b) *Modification, Waiver and Determination*: The Trustee and the Issuer may, without the consent of the Noteholders or Couponholders, agree to any modification of any of the provisions of the Trust Deed, the Final Terms of any Series of Senior Notes and the Senior Notes of any Series (i) which is of a formal, minor or technical nature or is made to correct a manifest error, (ii) to cure any ambiguity or inconsistency, (iii) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power conferred upon the Issuer, (iv) to add guarantees with respect to the Senior Notes, (v) to secure the Senior Notes, (vi) to provide for any assumption by an Successor Corporation under Condition 19 and (vii) to make any other modification that does not materially affect the rights of Noteholders under the Senior Notes or the Trust Deed. For the purposes of the foregoing, the Trustee shall be entitled to request and to rely on such Opinions of Counsel and advice as it deems necessary and shall not be responsible to anyone for any loss occasioned by so acting. The Trustee shall (x) agree to any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed, the Final Terms and the Senior Notes, in each case, in respect of any Series of Senior Notes or (y) determine that



any Event of Default or Potential Event of Default in respect of any Series of Senior Notes will not be treated as such if, in each case, instructed in writing by Noteholders of at least 25% of the nominal amount of the Senior Notes then outstanding of such Series. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, if the Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 20(a) as soon as practicable.

(c) *Substitution*: The Issuer may, with respect to any Series of Senior Notes issued by it (the “**Relevant Notes**”), without the consent of any Holder, substitute for itself any other entity organized in any country in the world as the debtor in respect of the Senior Notes and the Trust Deed (the “**Substituted Debtor**”) upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 20(a), *provided that*:

- i. the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;
- ii. the Issuer and the Substituted Debtor have entered into such documents (the “**Documents**”) as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of the Relevant Notes to be bound by these Terms and Conditions, and the provisions of the Trust Deed and the Agency Agreement as the debtor in respect of such Relevant Notes in place of the Issuer (or any previous substitute under this Condition 13(c));
- iii. if the Substituted Debtor is resident for tax purposes in a country (the “**New Residence**”) other than Brazil, the Documents contain an undertaking or such other provisions as may be necessary to ensure that each Holder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 9 with, where applicable, the substitution of references to Brazil with references to the New Residence;
- iv. unless the Substituted Debtor is the Issuer’s successor (A) the Issuer guarantees the obligations of the Substituted Debtor in relation to outstanding Relevant Notes or (B) the Issuer remains a co-obligor on the Relevant Notes;
- v. the Substituted Debtor and the Issuer have obtained all material governmental approvals and consents required by applicable law for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance of the Issuer of its obligations under the guarantee or co-obligation referred to above (if any) as they relate to the obligations of the Substituted Debtor under the Documents;
- vi. each applicable listing authority or Exchange shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be admitted to listing or trading by the applicable listing authority and Exchange; and
- vii. if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Notes and any related Coupons.

Upon such substitution, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Relevant Notes and the Trust Deed with the same effect as if the Substituted Debtor had been named as the Issuer therein, and the Issuer shall be released from its obligations under the Relevant Notes and under the Trust Deed, unless the Issuer remains a co-obligor on the Relevant Notes pursuant to paragraph (c)(iv)(B) of this Condition 13.

After a substitution pursuant to this Condition 13(c), the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified above shall apply to effect the further substitution. After a substitution pursuant to the above, any Substituted Debtor may, without the consent of any Holder, reverse the substitution.

(d) *Entitlement of the Trustee*: In connection with the exercise of its functions (including but not limited to those referred to in this Condition 13), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders, or the Noteholders or Couponholders in respect of Senior Notes of any particular Tranche or Series, and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer any indemnification or payment, whatsoever, and including in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

#### **14. Enforcement**

At any time after the Senior Notes of any Series become due and payable, the Trustee shall, if instructed in writing by the Holders of at least one-third in nominal amount of the Senior Notes of such Series then outstanding or if directed by an Extraordinary Resolution of Noteholders of such Series and on such terms and conditions (if any) as shall be specified in such instructions or direction, institute such proceedings against the Issuer to enforce the terms of the Trust Deed, the Senior Notes and the Coupons, *provided* that the Trustee shall have been indemnified to its satisfaction. No Noteholder or Couponholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

#### **15. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee, for its relief from responsibility and for the limitation of its duties and powers thereunder. The Trustee and its parent, subsidiaries and affiliates are entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

#### **16. Replacement of Bearer Notes, Coupons, Talons and Definitive Registered Notes**

If any Bearer Note, Coupon, Talon or Definitive Registered Note is lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the London Paying Agent (in the case of Bearer Notes, Coupons and Talons) or a Transfer Agent (in the case of Registered Notes) (each, in such capacity, the “**Replacement Agent**”) subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the taxes and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Replacement Agent may require (*provided* that the requirement, in the case of the Issuer only, is reasonable in the light of prevailing market practice). Any replacement Senior Note will bear a notation stating the serial number of the Senior Note which it replaces or is deemed to replace and, in the case of an Instalment Note, a record of the amount and date of each payment made prior to the date of the replacement in respect of the Instalment Note to be replaced (as evidenced by the notations on the schedule of payments endorsed on the Instalment Note to be replaced or, if such Instalment Note, has been lost, stolen or destroyed, the payment records of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes) will be noted by or on behalf of the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) issuing such replacement Senior Note on the schedule of payments endorsed thereon. Mutilated or defaced Senior Notes, Coupons, Talons or Definitive Registered Notes must be surrendered before replacements will be issued.

#### **17. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities having the same terms and conditions as the Senior Notes of any Series in all respects (or in all respects except for the Issue Date, the date on which interest commences to accrue and related matters) so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Senior Notes of any Series). References in these Terms and Conditions to the Senior Notes of any Series include (unless the context requires otherwise) any other securities issued pursuant to this Condition 17 and forming a single series with the Senior Notes of such Series. Any further securities forming a single series with the outstanding securities of any series (including the Senior Notes of any Series) shall be constituted under the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders of a Series and the Holders of securities of other series (including the Senior Notes of any other Series) where the Trustee so decides.

#### **18. Agents**

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation, liability or relationship of agency or trust for or with any Holder.

#### **19. Consolidation, Merger or Sales of Assets**

The Issuer may, without the consent of the Holders of any Series of Senior Notes, consolidate with or merge into any other corporation or convey or transfer (including in connection with a *cisão*), in one transaction or a series of transactions, all or substantially all of its properties or assets to any other person, *provided* that:

(a) the corporation formed by such consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer (including in connection with a *cisão*) all or substantially all of the properties and assets of the Issuer (the “**Successor Corporation**”) shall be obliged to assume the due and punctual payment of the principal of and interest on all the Senior Notes and all other obligations of the Issuer under the Trust Deed, the Agency Agreement and the Senior Notes;

(b) immediately after giving effect to such transaction, no Event of Default with respect to any Senior Note shall have occurred and be continuing; and

(c) after any public announcement of, but in any event prior to the completion of any such consolidation, merger, conveyance or transfer, the Issuer has delivered to the Trustee (i) a certificate signed by two authorised officers of the Issuer stating that such consolidation, merger, conveyance or transfer complies with this Condition 19 and that all conditions precedent herein provided for relating to such transaction (other than the condition precedent set out in (b) above) have been complied with and (ii) an opinion of independent counsel of recognised standing to the effect that the Successor Corporation has validly assumed the obligations to be assumed by it pursuant to clause (a) above and that the Trust Deed, the Agency Agreement and the Senior Notes constitute legal, valid and binding obligations of the Successor Corporation, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganisation or other laws of general applicability relating to or affecting the enforcement of creditor’s rights and to general principles of equity; *provided* that in giving such Opinion of Counsel may rely on a certificate signed by an authorised officer of the Issuer.

No Successor Corporation shall have the right to redeem the Senior Notes unless the Issuer would have been entitled to redeem the Senior Notes in similar circumstances.

Upon the consolidation, merger, conveyance or transfer (including in connection with a *cisão*) in accordance with this Condition 19, the Successor Corporation shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Senior Notes with the same effect as if the Successor Corporation had been named as the issuer of the Senior Notes herein and the Issuer will automatically be released and discharged from all obligations and covenants under the Trust Deed, the Agency Agreement and the Senior Notes.

Upon (i) any consolidation, merger, conveyance or transfer (including in connection with a *cisão*) in accordance with this Condition 18, if the Successor Corporation is resident for tax purposes in a country other than Brazil or the Cayman Islands (the “**New Jurisdiction**”), or (ii) any substitution in accordance with Condition 13(c), if the New Residence of the Substituted Debtor is a country other than Brazil or the Cayman Islands, all references in each of Condition 9 and in Condition 7(c) to “Brazil” and the “Cayman Islands” shall be substituted with references to the New Jurisdiction or to the New Residence, as the case may be, and the reference in Condition 7(c) to “Issue Date” shall be substituted with a reference to the “relevant date of consolidation, merger, conveyance, transfer or substitution, as the case may be.

## **20. Notices and Provision of Information**

(a) *Notices*: Notices to Holders of Registered Notes will be mailed to them at their respective addresses in the Register (or in the case of joint Holders, to the address of the first-named in the Register) and shall be published (so long as the Senior Notes are listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange designated for such purposes pursuant to the rules of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the Holders of Bearer Notes will be valid if published in a daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if any such publication is not practicable, in another leading daily English language newspaper having general circulation in Europe, and (so long as the Senior Notes are listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange designated for such purposes or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). Notices will, if published more than once in the same manner, be deemed to have been given on the date of the first publication in both such newspapers as provided above and will, if published more than once on different dates or in a different manner, be deemed to have been given on the date of the last publication in both such newspapers as provided above.

So long as Bearer Notes are represented by a global note and such global note is held on behalf of a clearing system, notices required to be given to holders of such Bearer Notes may be given by delivery of the relevant notice to that clearing system rather than by publication as required above, except that, so long as the relevant Bearer Notes are listed on the Luxembourg Stock Exchange, notices shall be published on the website of the Luxembourg Stock Exchange designated for such purposes.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the Holders of Bearer Notes in accordance with this Condition 20(a).

(b) *Provision of Information:* For so long as any of its Senior Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, the Issuer undertakes that it will, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish on request to any Holder of such restricted securities, or to any prospective purchaser thereof, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such restricted securities.

## 21. Redenomination, Renominalisation and Reconventioning

(a) This Condition 21 is applicable to the Senior Notes only if it is specified in the relevant Final Terms as being applicable.

(b) If the country of the Specified Currency becomes or announces its intention to become a member state of the European Community adopting the Euro as its lawful currency in accordance with the Treaty (a “**Participating Member State**”), the Issuer may, without the consent of the Noteholders, on giving at least 30 days’ prior notice to the Noteholders and the Paying Agents, designate a date for redenomination (the “**Redenomination Date**”), being an Interest Payment Date under the Senior Notes falling on or after the date on which such country becomes a Participating Member State.

(c) Notwithstanding the other provisions of these Terms and Conditions, with effect from the Redenomination Date:

i. the Senior Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Senior Note equal to the principal amount of that Senior Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided, however*, that, if the Issuer determines, with the agreement of the Principal Paying Agent or, in the case of Registered Notes, the Registrar, that then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each stock exchange (if any) on which the Senior Notes are then listed and the Paying Agents of such deemed amendments;

ii. if Senior Notes have been issued in definitive form:

(x) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Senior Notes) will become void with effect from the date (the “**Euro Exchange Date**”) on which the Issuer gives notice (the “**Euro Exchange Notice**”) to the Noteholders that replacement Senior Notes and Coupons denominated in Euro are available for exchange (*provided* that such Senior Notes and Coupons are available) and no payments will be made in respect thereof;

(y) the payment obligations contained in all Senior Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Senior Notes in accordance with this Condition 21) shall remain in full force and effect; and

(z) new Senior Notes and Coupons denominated in Euro will be issued in exchange for Senior Notes and Coupons denominated in the Specified Currency in such manner as the Principal Paying Agent or, in the case of Registered Notes, the Registrar, may specify and as shall be notified to the Noteholders in the Euro Exchange Notice; and

iii. all payments in respect of the Senior Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Community.

(d) Following redenomination of the Senior Notes pursuant to this Condition 21, where Senior Notes have been issued in definitive form, the amount of interest due in respect of the Senior Notes will be calculated by reference to the aggregate principal amount of the Senior Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Holder.

(e) If the Floating Rate Notes provisions for Floating Rate Notes specified in Condition 6(II) are specified in the relevant Final Terms as being applicable and the Primary Source for the Floating Rate is as specified in Condition 6(II)(b)(i)(A) as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second Relevant Business Day before the first day of the relevant Interest Period.

## **22. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Senior Notes under the Contracts (Rights of Third Parties) Act 1999.

## **23. Governing Law and Jurisdiction**

(a) *Governing Law*: The Trust Deed, the Senior Notes, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) *Jurisdiction*: The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Senior Notes, the Coupons, the Talons or the Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with the Senior Notes, the Coupons, the Talons or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Senior Notes, the Coupons, the Talons or the Trust Deed (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts.

(c) *Agent for Service of Process*: The Issuer has in the Trust Deed appointed an agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## TERMS AND CONDITIONS OF THE TIER 1 SUBORDINATED NOTES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, will apply to the Tier 1 Subordinated Notes referred to in such Final Terms.*

The Tier 1 Subordinated Notes are constituted by an amended and restated Trust Deed (as amended and/or supplemented from time to time, the “**Trust Deed**”) dated March 17, 2011 and made between Itaú Unibanco Holding S.A. (the “**Bank**”) and The Bank of New York Mellon (the “**Trustee**” which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders. In these terms and conditions the “**Issuer**” means the Bank, or any successor thereto, acting through its head office or through its Grand Cayman Branch, as specified in the Tier 1 Subordinated Notes. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Tier 1 Subordinated Notes. Copies of the Trust Deed and the Agency Agreement dated March 29, 2010, as supplemented by a First Supplemental Agency Agreement dated August 4, 2016 (as further amended and/or supplemented from time to time, the “**Agency Agreement**”) and made among the Issuer, the Trustee and the Agents are available for inspection during usual business hours at the specified offices of each of the Trustee and the principal paying agent, the paying agent in London, the other paying agents, the calculation agent, the registrar, the replacement agent and the transfer agents for the time being. Such persons are referred to below respectively as the “**Principal Paying Agent**,” the “**London Paying Agent**,” the “**Paying Agents**” (which expression shall include the London Paying Agent but shall not include the Principal Paying Agent), the “**Calculation Agent**,” the “**Registrar**,” the “**Replacement Agent**” and the “**Transfer Agents**” and together as the “**Agents**.” The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of the Trust Deed and of the relevant Final Terms and are deemed to have notice of those applicable to them of the Agency Agreement. References in these Terms and Conditions to Tier 1 Subordinated Notes are to Tier 1 Subordinated Notes of the relevant Series. References in these Terms and Conditions to the Final Terms are to the Final Terms as prepared in relation to the Tier 1 Subordinated Notes of the relevant Tranche or Series. The Final Terms in relation to any Tier 1 Subordinated Notes may specify other terms and conditions which shall, to the extent specified or to the extent inconsistent with the following Terms and Conditions, replace the following Terms and Conditions for the purposes of such Tier 1 Subordinated Notes.

### 1. Form, Denomination, Title, Specified Currency and Final Terms

(a) *Form:* Each Series of Tier 1 Subordinated Notes of which the Tier 1 Subordinated Note to which these Terms and Conditions are attached forms part is issued in registered form and as Tier 1 Subordinated Notes in accordance with these Terms and Conditions and Resolution 4,192 (the “**Tier 1 Subordinated Notes**”), and Tier 1 Subordinated Notes comprising each such Series will be issued in each case in the nominal amount of a Specified Denomination. These Terms and Conditions must be read accordingly. The Specified Denomination of each Note is specified in the relevant Final Terms.

Notes in definitive form will be issued to each Holder of Tier 1 Subordinated Note(s) in respect of its registered holding or holdings (each a “**Definitive Note**”). Each Definitive Note will be numbered serially with an identifying number which will be recorded in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar.

(b) *Denomination:* “**Specified Denominations**” will be the *minimum* denomination specified in the relevant Final Terms or integral multiples thereof.

(c) *Title:* Title to Tier 1 Subordinated Notes shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as *required* by law, the Holder of any Tier 1 Subordinated Note shall be deemed to be and may be treated as the absolute owner of such Tier 1 Subordinated Note for the purpose of receiving payment thereof or on account *thereof* and for all other purposes, whether or not such Tier 1 Subordinated Note shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Terms and Conditions, each of “**Noteholder**” and “**Holder**” means the person in whose name a Tier 1 Subordinated Note is registered, “**Series**” means Tier 1 Subordinated Notes which have identical terms and conditions, other than in respect of the Issue Date, the date on which interest commences to accrue and related matters, and “**Tranche**” means, in relation to a Series, those Tier 1 Subordinated Notes of such Series which have the same Issue Date.

(d) *Specified Currency*: The Specified Currency of any Tier 1 Subordinated Note and, if different, any Specified Principal Payment Currency or Specified Interest Payment Currency, are as specified in the relevant Final Terms. All payments of principal in respect of a Tier 1 Subordinated Note shall be made in the Specified Currency or, if applicable, the Specified Principal Payment Currency and all payments of interest in respect of a Tier 1 Subordinated Note shall be made in the Specified Currency or, if applicable, the Specified Interest Payment Currency.

(e) *Final Terms and Additional Terms*: References in these Terms and Conditions to terms applicable to a Tier 1 Subordinated Note are specified in the applicable Final Terms issued in respect of each Tranche of such Tier 1 Subordinated Notes specifying the relevant issue details in relation thereto (each, a “**Final Terms**”), which include the Subordination Nucleus as Exhibit A.

(f) *Interpretation*: Capitalised terms used in these Terms and Conditions in respect of a Tier 1 Subordinated Note, and not specifically defined in these Terms and Conditions, have the meaning given to them specified on the Tier 1 Subordinated Note or in the relevant Final Terms issued in respect of a Tranche which includes such Tier 1 Subordinated Note. Additional provisions relating to the Tier 1 Subordinated Notes may be contained in the Final Terms or specified on the Tier 1 Subordinated Note and will take effect as if originally specified in these Terms and Conditions. The Final Terms in respect of index linked interest Tier 1 Subordinated Notes, dual currency Tier 1 Subordinated Notes and other types of Tier 1 Subordinated Notes the terms of which are not specifically provided for herein, shall set out in full all terms applicable to such Tier 1 Subordinated Notes.

## 2. Definitions

“**Additional Core Capital**” means the *adicional de capital principal* or the additional core capital required pursuant to Resolution 4,193.

“**Additional Tier 1 Capital**” means the *capital complementar* or any additional capital determined pursuant to article 6 of Resolution 4,192, which has been authorized or will become authorized by the Central Bank to be eligible as Tier 1 Capital of the Regulatory Capital.

“**Affiliate**” means any legal entity related to the Issuer within the same financial conglomerate or any non-financial entity controlled by the Issuer.

“**Bankruptcy Event**” has the meaning given to it in Condition 17(b)(ii).

“**Benchmark**” has the meaning given to it in Condition 5(II)(b).

“**Benchmark Reset Date**” has the meaning given to it in the relevant Final Terms.

“**Benchmark Reset Rate**” has the meaning given to it in the relevant Final Terms.

“**Brazil**” means the Federative Republic of Brazil.

“**Brazilian Corporate Law**” means the Brazilian Federal Law No. 6,404, as of December 15, 1976, as amended from time to time.

“**Brazilian Governmental Authority**” means, as applicable, the government of Brazil, or any political subdivision thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body,

court, central bank or other person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government over the Issuer.

“**Broken Amount**” has the meaning given to it in the relevant Final Terms.

“**Business Centre**” has the meaning given to it in the relevant Final Terms.

“**Business Day Convention**,” in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates, and, in this context, the following expressions shall have the following meanings:

(a) the “**Floating Rate Business Day Convention**,” in which case interest on a Tier 1 Subordinated Note shall be payable on each Specified Interest Payment Date which numerically corresponds to its Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date in the calendar month which is the Interest Period specified in the relevant Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred, *provided* that:

(b) if there is no such numerically corresponding day in the calendar month in which a Specified Interest Payment Date should occur, then the relevant Specified Interest Payment Date will be the last day which is a Relevant Business Day in that calendar month;

(i) if a Specified Interest Payment Date would otherwise fall on a day which is not a Relevant Business Day, then the relevant Specified Interest Payment Date will be the first following day which is a Relevant Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Relevant Business Day; and

(ii) if such Interest Commencement Date or the preceding Specified Interest Payment Date occurred on the last day in a calendar month which was a Relevant Business Day, then all subsequent Specified Interest Payment Dates in respect of such Tier 1 Subordinated Note will be the last day which is a Relevant Business Day in the calendar month which is the Interest Period specified in the relevant Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred; or

(c) the “**Modified Following Business Day Convention**,” in which case interest on a Tier 1 Subordinated Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first following day which is a Relevant Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date or Specified Interest Payment Date will be the first preceding day which is a Relevant Business Day; or

(d) the “**Following Business Day Convention**,” in which case interest on a Tier 1 Subordinated Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first following day which is a Relevant Business Day; or

(e) the “**Preceding Business Day Convention**,” in which case interest on a Tier 1 Subordinated Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first preceding day which is a Relevant Business Day; or

(f) such other Business Day Convention as may be specified in the relevant Final Terms.



“**Calculation Agent**” has the meaning given to it in the relevant Final Terms.

“**Central Bank**” means the Central Bank of Brazil or any Brazilian Governmental Authority that replaces the Central Bank of Brazil in its current functions applicable to these Terms and Conditions.

“**Common Equity Tier 1 Capital**” means the *capital principal* or any capital determined pursuant to article 4 *et seq.* of Resolution 4,192 and included as part of the Tier 1 Capital of the Regulatory Capital.

“**Credit Spread**” has the meaning given to it in the relevant Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Tier 1 Subordinated Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

(a) if “**Actual/365**” or “**Actual/Actual - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(c) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(d) if “**30/360**,” “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(e) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Redemption Date, the Redemption Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

(f) if “**Actual/Actual - ISMA**” is specified in the relevant Final Terms, (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(g) if “**Bus/252**” is specified in the relevant Final Terms, the number of Relevant Business Days in the Calculation Period divided by 252.

**“Dealer Agreement”** means the amended and restated dealer agreement dated August 4, 2016 (as further supplemented and/or amended from time to time) between the Issuer, Itau BBA International plc, Goldman, Sachs and Co. and Morgan Stanley & Co. Incorporated and includes any agreement by which any additional dealers accede to such dealer agreement.

**“Definitive Note”** has the meaning given to it in Condition 1(a).

**“Determination Date”** means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

**“Determination Period”** means the period from and including a Determination Date in any year to but excluding the next Determination Date.

**“Documents”** has the meaning given to it in Condition 11(d)(ii).

**“DTC”** has the meaning given to it in Condition 7(c).

**“DTC business day”** has the meaning given to it in Condition 7(a)(ii).

**“Early Redemption Amount”** has the meaning given to it in the relevant Final Terms.

**“Euro”** means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty.

**“Euro Exchange Date”** has the meaning given to it in Condition 20(c)(ii)(x).

**“Euro Exchange Notice”** has the meaning given to it in Condition 20(c)(ii)(x).

**“Euro-zone”** means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.

**“Exchange”** has the meaning given to it in Condition 5(II)(e).

**“Exchange Act”** has the meaning given to it in Condition 19(b).

**“Extraordinary Resolution”** has the meaning given to it in Condition 11(a).

**“FATCA”** means sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any regulations or official interpretations issued, agreements or non-U.S. laws entered into or enacted, with respect thereto).

**“Final Terms”** has the meaning given to it in Condition 1(e).

**“Fixed Coupon Amount”** or **“Fixed Coupon Amounts”** has the meaning given to it in the relevant Final Terms.

**“Fixed Rate Note”** has the meaning given to it in Condition 5(I).

**“Floating Rate”** has the meaning given to it in the relevant Final Terms.

**“Floating Rate Note”** has the meaning given to it in Condition 5(II).

**“Floating Rate Note Provisions”** has the meaning given to it in the relevant Final Terms.

**“Grace Period”** means the period of 15 days from the due date for any payment of interest, or any additional amounts due on any Tier 1 Subordinated Note from the due date or from any other date on which the payment of interest, or additional amounts is required to be paid in accordance with the terms of the Notes and the Trust Deed before any such unpaid amount constitutes a Payment Default.

**“Holder”** has the meaning given to it in Condition 1(c).

**“Interest Amount”** has the meaning given to it in Condition 5(II)(c).

**“Interest Commencement Date”** means, in the case of the first issue of a Tier 1 Subordinated Note or Tier 1 Subordinated Notes of a Series, the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

**“Interest Determination Date”** means, in respect of any Interest Period, the date which falls that number of days specified in the relevant Final Terms on which banks and foreign exchange markets are open for business in the Relevant Banking Centre prior to the first day of such Interest Period or, if none is so specified, the day falling two Relevant Business Days prior to the first day of such Interest Period.

**“Interest Payment Date”** has the meaning given to it in the relevant Final Terms.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date to (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date to (but excluding) the next succeeding Specified Interest Payment Date.

**“ISDA Definitions”** means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

**“Issue Date”** means, in respect of any Tier 1 Subordinated Note, the date of issue of such Tier 1 Subordinated Note as specified in the relevant Final Terms.

**“Issuer Request”** means a written request signed in the name of the Issuer by an authorised officer of the Issuer.

**“Margin”** means the percentage rate per annum specified in the relevant Final Terms.

**“New Residence”** has the meaning given to it in Condition 11(d)(iii).

**“Noteholder”** has the meaning given to it in Condition 1(c).

**“Opinion of Counsel”** means a written opinion of counsel from any person which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer, in all cases in form and substance reasonably acceptable to the Trustee.

**“Optional Redemption Amount”** has the meaning given to it in the relevant Final Terms.

**“Optional Redemption Date”** has the meaning given to it in the relevant Final Terms.

**“Original Withholding Level”** has the meaning given to it in the relevant Final Terms.

**“Participating Member State”** has the meaning given to it in Condition 20(b).

**“Payment Default”** means any failure by the Issuer to (i) pay or set aside for payment the amount due to satisfy payment on the Tier 1 Subordinated Notes when due and payable in accordance with the Terms and Conditions whether on a Redemption Date or otherwise, and such failure continues for a period of 15 days, or (ii) pay the Early Redemption Amount or the Optional Redemption Amount.

“**person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having a separate legal personality.

“**Primary Source**” has the meaning given to it in the relevant Final Terms.

“**Private Placement Legend**” has the meaning given to it in Condition 3(e).

“**Proceedings**” has the meaning given to it in Condition 22(b).

“**Rate Multiplier**” means the percentage rate or number applied to the relevant Rate of Interest, as specified in the relevant Final Terms.

“**Rate of Interest**” has the meaning given to it in the relevant Final Terms.

“**Record Date**” has the meaning given to it in Condition 7(a).

“**Redemption Date**” means the date of redemption specified by the Issuer in its notice of redemption delivered pursuant to the Terms and Conditions of the Tier 1 Subordinated Notes.

“**Redenomination Date**” has the meaning given to it in Condition 20(b).

“**Reference Banks**” has the meaning given to it in the relevant Final Terms.

“**Reference Rate**” means, for any Tier 1 Subordinated Note, the bid, offered or mean of bid and offered rate, as specified in the relevant Final Terms, for the floating rate specified in the relevant Final Terms.

“**Register**” has the meaning given to it in Condition 1(a).

“**Regulatory Capital**” means the *patrimônio de referência* or the sum of Tier 1 Capital and Tier 2 Capital, as determined in accordance with the calculation methodology set out in Resolution 4,192 and any other applicable regulations.

“**Relevant Banking Centre**” means, for any Tier 1 Subordinated Note, the Relevant Banking Centre specified in the relevant Final Terms or, if none is so specified, the banking centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR shall be Europe) or, if none is so connected, London.

“**Relevant Business Day**” means:

(a) in the case of a currency other than Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the Relevant Financial Centre; or

(b) in the case of Euro, a TARGET Business Day; and

(c) in the case of any currency, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the Business Centre(s) specified in the relevant Final Terms.

“**Relevant Date**” has the meaning given to it in Condition 8.

“**Relevant Financial Centre**” means the principal financial centre for the relevant currency (which in the case of the Euro shall be Europe).

“**Relevant Notes**” has the meaning given to it in Condition 11(d).

“**Relevant Time**” means the local time in the Relevant Banking Centre at which it is customary to determine bid, mean and offered rates in respect of deposits in that currency in the interbank market in that Relevant Banking Centre or, if no such customary local time exists, 11.00 A.M. in the Relevant Banking Centre and for this purpose “local time” means, with respect to Europe as a Relevant Banking Centre, Brussels time.

“**Reset Date**” has the meaning given to it in the relevant Final Terms.

“**Resolution 4,192**” means Resolution 4,192 of March 1, 2013 issued by the *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**Resolution 4,193**” means Resolution 4,193 of March 1, 2013 issued by *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**RWA**” means the risk weighted assets of the Issuer.

“**Screen Rate Determination**” has the meaning given to it in the relevant Final Terms.

“**Securities Act**” has the meaning given to it in Condition 3(e).

“**Senior to Tier 1 Liabilities**” means all liabilities of the Issuer other than the Tier 1 Parity Liabilities and for items that would constitute the Common Equity Tier 1 Capital upon dissolution of the Issuer.

“**Series**” has the meaning given to it in Condition 1(c).

“**Specified Currency**” has the meaning given to it in the relevant Final Terms.

“**Specified Denomination**” has the meaning given to it in Condition 1(b).

“**Specified Interest Payment Currency**” has the meaning given to it in the relevant Final Terms.

“**Specified Interest Payment Date**” means each date which falls on the last day of the Interest Period specified in the relevant Final Terms after the preceding Specified Interest Payment Date or, in the case of the first Specified Interest Payment Date, after the Interest Commencement Date or as is otherwise specified as such on the relevant Tier 1 Subordinated Note, in each case as adjusted by the Business Day Convention specified in the relevant Final Terms.

“**Specified Principal Payment Currency**” has the meaning given to it in the relevant Final Terms.

“**Subordination Nucleus**” means the subordination nucleus prepared in accordance with Resolution 4,192, as annexed to the relevant Final Terms.

“**Substituted Debtor**” has the meaning given to it in Condition 11(d).

“**Successor Corporation**” has the meaning given to it in Condition 18(a).

“**TARGET Business Day**” means a day on which the TARGET System is operating.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System, which was launched on November 19, 2007 or any successor thereto.

“**Taxes**” has the meaning given to it in Condition 8.

“**Terms and Conditions**” means these terms and conditions as amended and supplemented by the relevant Final Terms in relation to a Series of Tier 1 Subordinated Notes.

“**Tier 1 Capital**” means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 1 Capital of the Issuer and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

“**Tier 1 Parity Liabilities**” means, with respect to the Issuer, any securities or liabilities that have been or will be deemed part of the Issuer’s Additional Tier 1 Capital in accordance with and determined pursuant to Resolution 4,192.

“**Tier 1 Regulatory Event**” means, subsequent to the time that the Tier 1 Subordinated Notes initially qualify as Tier 1 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Tier 1 Subordinated Notes will no longer be included in the consolidated Tier 1 Capital of the Issuer or will be included in such consolidated Tier 1 Capital in a lower proportion than set forth by the regulation in force at the time of issuance of the Tier 1 Subordinated Notes.

“**Tier 1 Subordinated Notes**” has the meaning given to it in Condition 1(a).

“**Tier 1 Write-Off Event**” has the meaning given to it in Condition 17(d)(i).

“**Tier 2 Capital**” means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 2 Capital of the Issuer and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

“**Tranche**” has the meaning given to it in Condition 1(c).

“**Transaction Documents**” means the Trust Deed, the Agency Agreement, the Dealer Agreement and the relevant Final Terms.

“**Treaty**” means the treaty establishing the European Community, as amended.

### **3. Transfers of Tier 1 Subordinated Notes and Issue of Definitive Tier 1 Subordinated Notes**

(a) *Transfer of Tier 1 Subordinated Notes:* A Tier 1 Subordinated Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part in a Specified Denomination upon the surrender of the Definitive Note issued in respect of the Tier 1 Subordinated Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Tier 1 Subordinated Note a new Definitive Note in respect of the balance not transferred will be issued to the transferor. Each new Definitive Note to be issued to the transferee upon transfer of such Tier 1 Subordinated Note will, within three Relevant Business Days of receipt of such form of transfer, be mailed at the risk of the Holder entitled to the new Definitive Note to such address as may be specified in such form of transfer.

(b) *Transfer Free of Charge:* Registration of transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(c) *Closed Periods:* No Noteholder may require the transfer of a Tier 1 Subordinated Note to be registered (i) during the period of 15 days ending on the due date for any payment of *principal* (being, for the purposes of these Terms and Conditions, unless the context otherwise requires, the amount payable on redemption of a Tier 1 Subordinated Note) of that Tier 1 Subordinated Note, (ii) during the period of 60 days prior to any date on which Tier 1 Subordinated Notes of the relevant Series may be redeemed by the Issuer at its option pursuant to Condition 17(e)(iii) or (iv) after any notice has been delivered for redemption in whole or in part of any Tier 1 Subordinated Note in accordance with Condition 17(e).

(d) *Regulations:* All transfers of Tier 1 Subordinated Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Tier 1 Subordinated Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder of a Tier 1 Subordinated Note upon request.

(e) *Private Placement Legend:* Upon the transfer, exchange or replacement of Tier 1 Subordinated Notes bearing the private placement legend (the “**Private Placement Legend**”) for the purpose of Rule 144A under the Securities Act of 1933, as amended (the “**Securities Act**”), set forth in the form of a Tier 1 Subordinated Note scheduled to the Agency Agreement, the Registrar shall deliver only Tier 1 Subordinated Notes that also bear such legend, unless the Issuer otherwise determines in compliance with applicable law.

#### **4. Status**

The Tier 1 Subordinated Notes (being those Notes that specify their status in the relevant Final Terms as subordinated) constitute direct, unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer in accordance with the provisions of Condition 17. The Tier 1 Subordinated Notes shall rank *pari passu* and without preference among themselves and the rights and claims of Noteholders under the Tier 1 Subordinated Notes shall rank *pari passu* with the rights and claims of holders of the Tier 1 Parity Liabilities.

#### **5. Interest**

Subject to the Suspension and Cancellation of Payment as set forth in Condition 17(c)(ii), interest in respect of each Tier 1 Subordinated Note will accrue pursuant to one or more of the following provisions, as specified in the relevant Final Terms.

##### **(I) Fixed Rate Notes**

This Condition 5(I) applies to a Tier 1 Subordinated Note in respect of which the Fixed Rate Note provisions are specified in the relevant Final Terms as being applicable (a “**Fixed Rate Note**”).

(a) *Interest Rate and Accrual:* Each Tier 1 Subordinated Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date in respect thereof at the rate per annum (expressed as a percentage) equal to the Rate of Interest specified in the relevant Final Terms, provided that, such Rate of Interest will be reset on the relevant Benchmark Reset Date at the rate equal to the Benchmark Reset Rate plus the Credit Spread. Such interest is payable in arrears on each Interest Payment Date in each year and on the Redemption Date. The amount(s) of interest payable in respect of such Tier 1 Subordinated Note may be specified in the relevant Final Terms as the Fixed Coupon Amount(s) or, if so specified, the Broken Amount. If the Tier 1 Subordinated Notes are in more than one Specified Denomination, the amount of interest payable in respect of each Tier 1 Subordinated Note for any Interest Period shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

The first payment of interest on a Tier 1 Subordinated Note will be made on the Interest Payment Date next following the relevant Interest Commencement Date. If the period between the Interest Commencement Date and the first Interest Payment Date is different from the period between Interest Payment Dates, the first payment of interest on a Tier 1 Subordinated Note will be the amount specified in the relevant Final Terms as being the initial Broken Amount. If the Redemption Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or from (and including) the Interest Commencement Date, as the case may be) to (but excluding) the Redemption Date will be the amount specified in the relevant Final Terms as being the final Broken Amount.

Interest will cease to accrue on each Tier 1 Subordinated Note on the due date for redemption unless, upon due presentation or surrender, payment of principal is improperly withheld or refused by the Issuer. In such event interest will continue to accrue, both before and after judgment, in the manner provided in this Condition 5(I)

and at the rate equal to the rate provided in this Condition 5(I) until the Relevant Date (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions). Interest on any overdue interest will accrue (to the extent permitted by applicable law) at the rate equal to the rate provided in this Condition 5(I).

(b) *Calculations*: Interest in respect of a period of less than the period between Interest Payment Dates (or, in the case of the first Interest Period, the period between the Interest Commencement Date and the first Interest Payment Date) or, in the case of the final Interest Period, the period *between* the final Interest Payment Date and the Redemption Date) will be calculated using the applicable Day Count Fraction.

## (II) Floating Rate Notes

This Condition 5(II) applies to a Tier 1 Subordinated Note in respect of which the Floating Rate Note provisions are specified in the relevant Final Terms as being applicable (a “**Floating Rate Note**”).

(a) *Specified Interest Payment Dates*: Each Tier 1 Subordinated Note bears interest on its outstanding nominal amount from (and including) the *Interest Commencement* Date in respect thereof and such interest will be payable in arrears on each Specified Interest Payment Date.

(b) *Rate of Interest*: Each Tier 1 Subordinated Note bears interest at a floating rate which may be based on one or more interest rate or exchange rate indices or as otherwise specified in the relevant Final Terms (each a “**Benchmark**”). The dates on which interest shall be payable on a Tier 1 Subordinated Note, the Benchmark and the basis for calculation of each *amount* of interest payable in respect of such Tier 1 Subordinated Note on each such date and on any other date on which interest becomes payable in respect of such Tier 1 Subordinated Note, and the rate (or the basis of calculation of such rate) at which interest will accrue in respect of any amount due but unpaid in respect of such Tier 1 Subordinated Note shall be as set out below, unless otherwise specified in the relevant Final Terms. Subject to *Condition 5(II)(c)*, the Rate of Interest payable from time to time will, unless otherwise specified in the relevant Final Terms, be determined by the Calculation Agent on the basis of the following provisions:

(i) At or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, the Calculation Agent will:

(A) in the case of a Tier 1 Subordinated Note which specifies that the Primary Source for the Floating Rate shall be derived from a specified page, section or other part of a particular information service (each as specified in the relevant Final Terms), determine the Rate of Interest for such Interest Period which shall, subject as provided below, be (x) the Reference Rate so appearing in or on that page, section or other part of such information service (where such Reference Rate is a composite quotation or interest rate per annum or is customarily supplied by one person) or (y) the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of the Reference Rates of the persons at that time whose Reference Rates so appear in or on that page, section or other part of such information service, in any such case in respect of deposits in the relevant Specified Currency made with or by such person or persons for a period equal to the duration of such Interest Period; and

(B) in the case of a Tier 1 Subordinated Note that specifies that the Primary Source for the Floating Rate shall be the Reference Banks specified in the relevant Final Terms and in the case of a Tier 1 Subordinated Note falling within Condition 5(II)(b)(i)(A) but in respect of which (x) no Reference Rate appears at or about such Relevant Time or (y) the Rate of Interest is to be determined by reference to the arithmetic mean of quotations of persons appearing in or on the relevant page, section or other part of such information service as provided in Condition 5(II)(b)(i)(A)(y) but in respect of which less than two Reference Rates appear at or about such Relevant Time, request the principal offices in the Relevant Banking Centre of each of the Reference Banks specified in the relevant Final Terms (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to Condition 5(II)(b)(i) to provide the



Calculation Agent with its Reference Rate quoted to leading banks for deposits in an amount that is representative in the relevant Specified Currency for a period equivalent to the duration of such Interest Period. Where this Condition 5(II)(b)(i)(B) applies, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of such Reference Rates as calculated by the Calculation Agent.

(ii) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest is to be determined pursuant to Condition 5(II)(b)(i)(B) in respect of a Tier 1 Subordinated Note, more than one but not all of such Reference Banks provide such relevant quotations, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be determined in accordance with Condition 5(II)(b)(i)(B) on the basis of the Reference Rates quoted by those Reference Banks.

(iii) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest is to be determined pursuant to Condition 5(II)(b)(i)(B), only one or none of such Reference Banks provide such Reference Rates, the Rate of Interest for the relevant Interest Period shall be the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of the Reference Rates in respect of the relevant currency which banks in the Relevant Financial Centre for such Specified Currency or, if the Specified Currency is Euro, in Europe as selected by the Calculation Agent (after consultation with the Issuer) are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to such Interest Period to leading banks carrying on business in that Relevant Financial Centre or, if the Specified Currency is Euro, in Europe, *provided* that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Rate of Interest shall, subject as provided below, be the Rate of Interest in effect for the last preceding Interest Period to which Condition 5(II)(b)(i)(A) or (B) or Condition 5(II)(b)(ii) applied.

(c) *Determination of Rate of Interest and Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest in the manner provided for in this Condition 5(II) and calculate the amount of interest payable (the “**Interest Amount**”) in respect of the minimum Specified Denomination for the relevant Interest Period. The Interest Amount shall be calculated by applying the Rate of *Interest* adjusted, if necessary, by any Margin or Rate Multiplier to the minimum Specified Denomination, and *multiplying* such product by the applicable Day Count Fraction and rounding, if necessary, the resultant figure to the nearest sub-unit of the relevant currency. The determination of the Rate of Interest and the Interest Amount by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Calculation Agent shall have no liability whatsoever in connection with the exercise of its powers and duties hereunder or otherwise in connection with the Tier 1 Subordinated Notes, absent gross negligence or willful misconduct. For this purpose a “sub-unit” means, in the case of any currency other than dollar, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of dollar, means one cent.

(d) *Calculation of Other Amounts.* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, promptly after the time or times at which any such amount is to be *determined* or calculated, notify *the* relevant amount to the Issuer and the Noteholders. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(e) *Notification of Rate of Interest and Interest Amount:* The Calculation Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Specified Interest Payment Date and any other amount required to be determined by it to be notified to the Trustee, the Issuer, each of the Agents, the Noteholders (in accordance with Condition 19(a)) and if the relevant Tier 1 Subordinated Notes are for the time being listed on any stock exchange (each an “**Exchange**”), the Exchange, as soon as possible after their determination but in no event later than three Relevant Business Days after their determination. The Interest Amount and the Specified Interest Payment Date so notified may subsequently be amended by the Calculation

Agent (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(f) *Interest Accrual:* Interest will cease to accrue on each Tier 1 Subordinated Note on the due date for redemption unless, upon due presentation or surrender, payment of principal is improperly withheld or refused by the Issuer. In such event interest will continue to accrue, both before and after judgment, in the manner provided in this Condition 5(II) and at the rate equal to the rate provided in this Condition 5(II) until the Relevant Date (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions). Interest on any overdue interest will accrue (to the extent permitted by applicable law) at the rate equal to the rate provided in this Condition 5(II).

(g) *Calculation Agent and Reference Banks:* The Issuer will procure that, so long as any Tier 1 Subordinated Note to which this Condition 5(II) applies remains outstanding, there shall at all times be a Calculation Agent for such Tier 1 Subordinated Note and, so long as the Primary Source for Floating Rate for such Tier 1 Subordinated Note is Reference Banks, there shall at all times be four Reference Banks with offices in the Relevant Banking Centre. The Issuer will also ensure that, in the case of any Tier 1 Subordinated Note the determination of interest for which falls within Condition 5(II)(b)(i)(A) and in respect of which no Reference Rate appears at or about the Relevant Time, or in respect of which less than two Reference Rates appear at or about the Relevant Time, there shall be four Reference Banks appointed for such Tier 1 Subordinated Note with offices in the Relevant Banking Centre. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank then the Issuer will appoint another Reference Bank with an office in the Relevant Banking Centre to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amount or any other amount to be calculated by the Calculation Agent pursuant to the relevant Final Terms, the Issuer will appoint the London office of a leading bank engaged in the London and international interbank markets to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

### **(III) Write-off of Tier 1 Subordinated Notes**

Tier 1 Subordinated Notes, whether such Tier 1 Subordinated Notes are Fixed Rate Notes or Floating Rate Notes, shall be subject to the provisions relating to write-off set forth in Condition 17.

## **6. Redemption and Purchase**

(a) *Repurchases:* The Issuer and any of its Affiliates may repurchase Tier 1 Subordinated Notes in the open market or otherwise only in accordance with the provisions set forth in Condition 17. Tier 1 Subordinated Notes so repurchased by the Issuer or any Affiliate shall not be deemed to be outstanding for the purposes of Conditions 9, 11 or 12. For purposes of paragraphs (e) (i), (ii), (iii) and (iv) of Condition 17 with respect to a repurchase or redemption, as the case may be, that may be made by the Issuer, references to the Issuer shall include the Bank, or any successor thereto, acting through its head office or any branch office.

(b) *Redemption of Tier 1 Subordinated Notes:* Tier 1 Subordinated Notes may be redeemed at the option of the Issuer only in accordance with the provisions set forth in Condition 17. Tier 1 Subordinated Notes may not be redeemed at the option of Noteholders of Tier 1 Subordinated Notes.

(c) *Write-off of Tier 1 Subordinated Notes:* Tier 1 Subordinated Notes shall be subject to the provisions relating to write-off set forth in Condition 17(d).

(d) *Cancellation:* All Tier 1 Subordinated Notes redeemed will be cancelled promptly. Any Tier 1 Subordinated Notes purchased in accordance with Condition 17(e) subject as otherwise specified in the relevant Final Terms, may at the option of the Issuer, be cancelled or may be resold. Tier 1 Subordinated Notes which are cancelled following any redemption or purchase made in accordance with Condition 17(e), subject as otherwise specified in the relevant Final Terms, may at the option of the Issuer be re-issued.

## 7. Payments

(a) *Payments of Principal and Interest:* Payments of principal and interest in respect of Tier 1 Subordinated Notes will be made or procured to be made by the Principal Paying Agent on the due date for payment to the person shown on the Register (or, in case of joint Holders, the first named) (i) at the close of business (local time in the place of the specified office of the Principal Paying Agent) on the fifteenth DTC business day before the due date for payment thereof in the case of a Registered Note registered in the name of, or the name of a nominee for, DTC, or (ii) in the case of a Registered Note deposited with the common depository for, and registered in the name of a common nominee of Euroclear or Clearstream, Luxembourg, as the case may be, on the business day before the due date for payment thereof, or (iii) in the case of a Registered Note which is represented by a Definitive Note, on the fifteenth business day before the due date for payment thereof (the “**Record Date**”):

(i) by cheque drawn on, or by transfer to an account in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, maintained by the payee with, a bank in the Relevant Financial Centre of such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, or, in the case of Euro, in a city in which banks have access to the TARGET System; or

(ii) as may otherwise be specified in the relevant Final Terms as an Alternative Payment Mechanism, subject in each case to Condition 7(c). For the purposes of this Condition 7, “**DTC business day**” means any day on which DTC is open for business.

Payments of interest and principal in respect to Tier 1 Subordinated Notes are subject to suspension and write-off as set forth in Condition 17(c) and (d), respectively.

Payments of principal in respect of Tier 1 Subordinated Notes will only be made against surrender of the relevant Definitive Note at the specified office of any Transfer Agent. Upon application by the Holder to the specified office of any Transfer Agent not less than 15 days before the due date for any payment in respect of a Tier 1 Subordinated Note, such payment will be made by transfer to an account maintained by the payee with a bank in the Relevant Financial Centre or, in the case of Euro, in a city in which banks have access to the TARGET System. Details of the account to which a registered Holder’s payments will be made should be notified by the Holder to the specified office of the Principal Paying Agent before the Record Date preceding the relevant payment date. If the amount of principal being paid is less than the nominal amount of the relevant Definitive Note, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Definitive Note with a nominal amount equal to the remaining unpaid nominal amount.

(b) *Payment Initiation:* Where payment is to be made by transfer to an account in the relevant Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, payment instructions (for value the due date, or if that is not a Relevant Business Day, for value the first following day which is a Relevant Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed (at the risk of the Holder of such Tier 1 Subordinated Note) on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Definitive Note has not been surrendered at the specified office of any Transfer Agent, on a day on which the Principal Paying Agent is open for business and on which the relevant Definitive Note is surrendered.

(c) *Payments Through The Depository Trust Company:* Tier 1 Subordinated Notes, if so specified on them, will be issued in the form of one or more Definitive Notes registered in the name of, or the name of a nominee for, The Depository Trust Company (“**DTC**”). Payments of principal and interest in respect of Tier 1 Subordinated Notes denominated in U.S. dollars will be made in accordance with Conditions 7(a) and (b). Payments of principal and interest in respect of Tier 1 Subordinated Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency or in respect of which payments are to be made in a Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, other than U.S. dollars will be made or procured to be made by the Principal Paying Agent in the relevant Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, in accordance with the following

provisions. The amounts in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, payable by the Principal Paying Agent or its agent to DTC with respect to Tier 1 Subordinated Notes held by DTC or its nominee will be received from the Issuer by the Principal Paying Agent who will make payments in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, by wire transfer of same day funds to the designated bank account in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, of the DTC participants entitled to receive the relevant payment.

(d) *Delay in Payment:* Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Tier 1 Subordinated Note if the due date is not a Relevant Business Day, if the Noteholder is late in surrendering or cannot surrender its Definitive Note (if required to do so) or if a cheque mailed in accordance with Condition 7(b) arrives after the due date for payment.

(e) *Payment Not Made in Full:* If the amount of principal or interest which is due on any Tier 1 Subordinated Note is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest, if any, in fact paid on such Note.

(f) *Payments Subject to Law, etc.:* All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(g) *Appointment of Agents:* The Principal Paying Agent, the Paying Agents, the Registrar, the Calculation Agent, the Replacement Agent and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed in the Agency Agreement. The Issuer reserves the right at any time, with the prior approval of the Trustee, which shall not be unreasonably withheld, to vary or terminate the appointment of any Agent, to appoint another Registrar, Replacement Agent or Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) a Principal Paying Agent in respect of each Series of Tier 1 Subordinated Notes, (ii) a London Paying Agent, (iii) a Registrar and a Transfer Agent in New York City, (iv) a Paying Agent and a Transfer Agent having a specified office in a European city which, so long as the Exchange on which the Tier 1 Subordinated Notes are listed is the Luxembourg Stock Exchange, shall be Luxembourg, (v) a Calculation Agent and (vi) a Replacement Agent. Notice of any such change or any change in the specified office of any Agent will promptly be given to the Noteholders in accordance with Condition 19(a).

(h) *Satisfaction of Obligations:* Every payment of any sum due in respect of Tier 1 Subordinated Notes made to the Principal Paying Agent as provided for herein shall, to such extent, be a good discharge to the Issuer. In the event there is a default by the Principal Paying Agent in any payment to any Paying Agent or by any Paying Agent in any payment on the Tier 1 Subordinated Notes to any Holder in accordance with these Terms and Conditions, the Issuer shall pay such additional amounts as will result in receipt by such Holder of such amount as would have been received by it had no such default occurred.

## **8. Taxation**

All payments by or on behalf of the Issuer in respect of the Tier 1 Subordinated Notes will be made without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges (together, "Taxes") of whatever nature imposed, levied, collected, withheld or assessed by Brazil or any authority therein or thereof having power to tax in the case of Tier 1 Subordinated Notes issued by the Issuer acting through its head office, or by Brazil or the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax in the case of Tier 1 Subordinated Notes issued by the Issuer acting through its Grand Cayman Branch, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Tier 1 Subordinated Note:

(a) where such withholding or deduction is imposed by reason of the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Tier 1 Subordinated Note having some connection with Brazil, the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax, other than the mere holding of such Tier 1 Subordinated Note; or

(b) where such withholding or deduction could have been lawfully avoided if the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Tier 1 Subordinated Note had complied with a request addressed to such Holder or beneficial owner (or third party) to provide certification, identification or information reporting concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Holder or beneficial owner (or third party); *provided* that the Issuer shall be deemed to have given adequate notice if it complies with the general notice provision provided in Condition 19(a); or

(c) in respect of any Tax which is payable otherwise than by withholding or deduction; or

(d) in respect of any inheritance, gift, estate, personal property, sales or transfer Tax; or

(e) surrendered or presented for payment more than 30 days after the Relevant Date except to the extent that the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Tier 1 Subordinated Note would have been entitled to additional amounts on surrendering or presenting the same for payment on the last day of such period of 30 days.

As used in these Terms and Conditions, “**Relevant Date**” in respect of any Tier 1 Subordinated Note means the date on which payment in respect thereof first becomes due or (if the full amount of the money payable has not been received by the Trustee or the Principal Paying Agent on or prior to such due date) the date on which notice is duly given to the Noteholders in accordance with Condition 19(a) that such moneys have been so received and are available for payment. References in these Terms and Conditions to “principal” shall be deemed to include “Optional Redemption Amount” and “Early Redemption Amount” and any premium payable in respect of the Tier 1 Subordinated Notes and any reference to “principal” or “interest” shall be deemed to include any additional amounts which may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

The Issuer, and any other person to or through which any payment with respect to the Tier 1 Subordinated Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Tier 1 Subordinated Notes amounts required to be withheld or deducted under or in connection with FATCA, and, notwithstanding anything herein, Holders and beneficial owners of Tier 1 Subordinated Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction.

## **9. Payment Default**

(a) *Failure to Pay*: If a Payment Default occurs in the event that the Issuer: (i) fails to pay the amount due to satisfy any payment on the Tier 1 Subordinated Notes when due and payable and such failure continues after expiration of the Grace Period, unless such payment is suspended as described in *Condition 17(c)* or written-off as described in *Condition 17(d)*; or (ii) fails to pay the Optional Redemption Amount or the Early Redemption Amount, as the case may be, on a Redemption Date.

(b) *Limitation on Remedies*: If a Payment Default occurs and is continuing, the Trustee may, and if directed by at least one third of the holders of the Notes outstanding, subject to being indemnified and/or secured and/or prefunded to its satisfaction shall to the fullest extent permitted by applicable law, institute judicial proceedings against the Issuer in any court, but may not declare the Principal Amount of any outstanding Tier 1 Subordinated Notes to be due and payable or pursue any other legal remedy, including commencing a judicial proceeding for the collection of the sums due and unpaid.

(c) *Acceleration for Bankruptcy Event*: The outstanding nominal amount of the Tier 1 Subordinated Notes will be automatically accelerated and become due and payable upon a Bankruptcy Event to the extent required under the Brazilian subordination rules described in *Condition 17(b)(ii)* to allow Noteholders to participate in bankruptcy,

liquidation, dissolution, winding up or similar legal procedures in Brazil relating to such Bankruptcy Event. For the avoidance of doubt, the acceleration of the outstanding nominal amount of the Tier 1 Subordinated Notes in this case does not constitute a Payment Default and shall not result in the acceleration of any other debt or financial instrument to which the Issuer is a party.

## 10. Prescription

Claims against the Issuer for payment in respect of the Tier 1 Subordinated Notes shall be prescribed and become void unless made within 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## 11. Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Meetings of Noteholders:* The Trust Deed contains provisions (which shall have the effect as if incorporated herein) for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Tier 1 Subordinated Notes of such Series (including these Terms and Conditions insofar as the same may apply to such Tier 1 Subordinated Notes). Such a meeting may be convened by the Issuer or the Trustee, and the Trustee (subject to being indemnified to its satisfaction against all costs and expenses thereby occasioned) shall convene such a meeting upon written request of Noteholders holding not less than 20% in nominal amount of the Tier 1 Subordinated Notes of the relevant Series for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more persons holding or representing in aggregate more than 50% in nominal amount of the Tier 1 Subordinated Notes of the relevant Series for the time being outstanding, or at any adjourned meeting two or more persons holding or representing Holders of Tier 1 Subordinated Notes of the relevant Series whatever the nominal amount of the Tier 1 Subordinated Notes of the relevant Series held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of redemption of the Tier 1 Subordinated Notes of any Series or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount, the Optional Redemption Amount or the Early Redemption Amount of the Tier 1 Subordinated Notes of any Series, (iii) to reduce the rate or rates of interest in respect of the Tier 1 Subordinated Notes of any Series or to vary the method or basis of calculating the rate or rates or amount of interest, (iv) to change the currency or currencies of payment of the Tier 1 Subordinated Notes of any Series or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders of any Series or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75%, or at any adjourned meeting not less than 25%, in nominal amount of the Tier 1 Subordinated Notes of the relevant Series for the time being outstanding. An “**Extraordinary Resolution**” is defined in the Trust Deed to mean a resolution passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Trust Deed by a majority of at least 75% of the votes cast. A written resolution of Holders of not less than 75% in nominal amount of the Tier 1 Subordinated Notes of the relevant Series for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes. Any Extraordinary Resolution duly passed shall be binding on all Holders of Tier 1 Subordinated Notes of the relevant Series (whether or not they were present or represented at the meeting at which such resolution was passed).

(b) *Modification, Waiver and Determination:* The Trustee and the Issuer may, without the consent of the Noteholders, agree to any modification of any of the provisions of the Trust Deed, the Final Terms of any Series of Tier 1 Subordinated Notes and the Tier 1 Subordinated Notes of any Series (i) which is of a formal, minor or technical nature or is made to correct a manifest error, (ii) to cure any ambiguity or inconsistency, (iii) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power conferred upon the Issuer, (iv) to provide for any assumption by an Successor Corporation under Condition 18 and (v) to make any other modification that does not materially affect the rights of Noteholders under the Tier 1 Subordinated Notes or the Trust Deed. For the purposes of the foregoing, the Trustee shall be entitled to request and to rely on such Opinions of Counsel and advice as it deems necessary and shall not be responsible to anyone for any loss occasioned by so acting. The Trustee shall (x) agree to any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed, the Final Terms and the Tier 1 Subordinated Notes, in each case, in respect of any Series of Tier 1 Subordinated Notes or (y) determine that any Payment Default in respect of any Series of Tier 1 Subordinated Notes will not be treated as such if, in each case, instructed in writing by Noteholders of at least 75%

of the nominal amount of the Tier 1 Subordinated Notes then outstanding of such Series. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders in accordance with Condition 19(a) as soon as practicable.

(c) *Modification by the Issuer:* In relation to a series of Tier 1 Subordinated Notes, the Issuer may (once per Series) and the Trustee shall, if requested by the Issuer acting in compliance with the remainder of this Condition 11(c), without the consent of the Noteholders, modify the terms and conditions of such Tier 1 Subordinated Notes solely to comply with the requirements of the Central Bank in order to qualify such Tier 1 Subordinated Notes as Tier 1 Capital pursuant to Resolution 4,192. The Issuer will not be permitted to make any modifications without Noteholders' consent if such modification would affect in any way the interest rate of such Tier 1 Subordinated Notes, the dates of payments, the outstanding principal amount of such Tier 1 Subordinated Notes or the ranking of those Tier 1 Subordinated Notes. The Trustee shall agree to any modification of the terms and conditions of any Tier 1 Subordinated Notes which two authorized officers or attorneys of the Issuer shall have certified in writing to the Trustee is permitted in accordance with the provisions of this Condition 11(c), *provided* that the Trustee shall not be bound to assent to or to execute any modification to any Tier 1 Subordinated Note which would have the effect of (i) changing, increasing or adding to the obligations or duties of the Trustee or (ii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed or the terms and conditions of the Tier 1 Subordinated Notes. The Trustee may rely absolutely on any such certificate and shall not be bound to make any further enquiries and shall have no liability whatsoever to any Noteholder for so doing.

(d) *Substitution:* The Issuer may, with respect to any Series of Tier 1 Subordinated Notes issued by it (the "**Relevant Notes**"), without the consent of any Holder, substitute for itself any other entity organized in any country in the world as the debtor in respect of the Tier 1 Subordinated Notes and the Trust Deed (the "**Substituted Debtor**") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 19(a) *provided* that:

(i) the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;

(ii) the Issuer and the Substituted Debtor have entered into such documents (the "**Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of the Relevant Notes to be bound by these Terms and Conditions and the provisions of the Trust Deed and the Agency Agreement as the debtor in respect of such Relevant Notes in place of the Issuer (or any previous substitute under this Condition 11(d);

(iii) if the Substituted Debtor is resident for tax purposes in a country (the "**New Residence**") other than Brazil, the Documents contain an undertaking or such other provisions as may be necessary to ensure that each Holder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 8 with, where applicable, the substitution of references to Brazil with references to the New Residence;

(iv) unless the Substituted Debtor is the Issuer's successor, (A) the Issuer guarantees the obligations of the Substituted Debtor in relation to outstanding Relevant Notes or (B) the Issuer remains a co-obligor on the Relevant Notes, in either case as approved by the Central Bank or any other applicable Brazilian Governmental Authority;

(v) the Substituted Debtor and the Issuer have obtained all material governmental approvals and consents required by applicable law for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance of the Issuer of its obligations under the guarantee or co-obligation referred to above (if any) as they relate to the obligations of the Substituted Debtor under the Documents;

(vi) each applicable listing authority or Exchange shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be admitted to listing and/or trading by the applicable listing authority and Exchange; and

(vii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Notes.

Upon such substitution, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Relevant Notes and the Trust Deed with the same effect as if the Substituted Debtor had been named as the Issuer therein, and the Issuer shall be released from its obligations under the Relevant Notes and under the Trust Deed, unless the Issuer remains a co-obligor on the Relevant Notes pursuant to paragraph (d)(iv)(B) of this Condition 11.

After a substitution pursuant to this Condition 11(d), the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified above shall apply to effect the further substitution. After a substitution pursuant to the above, any Substituted Debtor may, without the consent of any Holder, reverse the substitution.

(e) *Entitlement of the Trustee:* In connection with the exercise of its functions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Noteholders as a class *and* shall not have regard to the consequences of such exercise for individual Noteholders or the Noteholders in respect of Tier 1 Subordinated Notes of any particular Tranche or Series, and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment, whatsoever, and including in respect of any tax consequences of any such exercise upon individual Noteholders.

## **12. Enforcement**

At any time after the Tier 1 Subordinated Notes of any Series become due and payable, the Trustee shall, if instructed in writing by the Holders of at least one-third in nominal amount of the Tier 1 Subordinated Notes of such Series then outstanding or if directed by an Extraordinary Resolution of Noteholders of such Series and on such terms and conditions (if any) as shall be specified in such instructions or direction, institute such Proceedings against the Issuer to enforce the terms of the Trust Deed, the Notes, and the Coupons, *provided* that the Trustee shall have been indemnified to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **13. Indemnification of the Trustee and Amendments to Resolution 4,192**

### *(a) Indemnification of the Trustee*

The Trust Deed contains provisions for the indemnification of the Trustee for its relief from responsibility and for the limitation of its duties and powers thereunder. The Trustee and its parent, subsidiaries and affiliates are entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

### *(b) Amendments to Resolution 4,192*

The Issuer shall notify the Trustee promptly in writing if the *Conselho Monetário Nacional* (National Monetary Council of Brazil) or the Central Bank (i) effects and publishes in the *Diário Oficial* (Official Gazette) any amendment to Resolution 4,192; or (ii) publishes any notice on the website of the Central Bank setting out a proposed change to Resolution 4,192. Upon receipt of a written notice from the Issuer of a proposed change or an actual change to Resolution 4,192 in accordance with the foregoing, neither the Trustee nor any Paying Agent shall be required to take any action or to refrain from taking any action that may cause it to incur, in its sole discretion, any loss, liability, damage or expense, provided that under no circumstances shall this provision affect a Paying Agent's obligation to make payments to Noteholders of interest or principal that are due and payable if such payments have been made by the Issuer to a Paying Agent. To the extent that the consent or authorization of the Central Bank or any other Brazilian Governmental Authority is required for the Issuer's, the Trustee's or an Agent's performance under the Tier 1 Subordinated Notes, the Trust Deed or the Agency Agreement, neither the Trustee nor any Agent shall have any duty or obligation to determine



whether such approval, consent or authorization is required or have any duty or obligation to obtain such consent. The Issuer shall notify the Trustee and the Agents, as applicable, in writing, if the approval, consent or authorization of the Central Bank or such other Brazilian Governmental Authority, as applicable, is required for the Issuer's or the Trustee's performance under the Tier 1 Subordinated Notes, the Trust Deed or the Agency Agreement and whether or not such consent has been obtained by the Issuer.

#### **14. Replacement of Definitive Notes**

If any Definitive Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Transfer Agent (in such capacity, the "**Replacement Agent**") subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the taxes and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Replacement Agent may require (*provided* that the requirement, in the case of the Issuer only, is reasonable in the light of prevailing market practice). Any replacement Definitive Note will bear a notation stating the serial number of the Definitive Note which it replaces or is deemed to replace. Mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

#### **15. Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further securities having the same terms and conditions as the Tier 1 Subordinated Notes of any Series in all respects (or in all respects except for the issue date, first payment of interest on them or the Specified Denomination thereof) so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Tier 1 Subordinated Notes of any Series). References in these Terms and Conditions to the Tier 1 Subordinated Notes of any Series include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Tier 1 Subordinated Notes of such Series. Any further securities forming a single series with the outstanding securities of any series (including the Tier 1 Subordinated Notes of any Series) constituted under the Trust Deed or any deed supplemental to it shall be constituted under a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders of a Series and the Holders of securities of other series (including the Tier 1 Subordinated Notes of any other Series) where the Trustee so decides.

#### **16. Agents**

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation, liability or relationship of agency or trust for or with any Holder.

#### **17. Terms of Subordination**

(a) Form, Subscription in Cash and Maturity

(i) *Form*: Tier 1 Subordinated Notes will be issued as registered notes.

(ii) *Subscription and payment in cash*: Tier 1 Subordinated Notes may be issued in one or more Series or Tranches, consideration for which shall be paid to the Issuer in cash at the date of issue thereof.

(iii) *Perpetual Notes*: The Tier 1 Subordinated Notes are perpetual securities and have no fixed maturity date.

(b) Status; Subordination Provisions

(i) *Status*: The Tier 1 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer.

(ii) *Subordination*: The Tier 1 Subordinated Notes are subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer in accordance with this Condition 17(b).

Subject to applicable law (A) the rights and claims of Noteholders are and will be subordinated and, accordingly, subject in right of payment to prior payment in full of all principal, premium, if any, interest and any other amounts due or to become due on all Senior to Tier 1 Liabilities upon the Issuer's winding-up, bankruptcy, liquidation, dissolution or similar proceedings (each, a "**Bankruptcy Event**"), except for obligations with respect to the Issuer's Common Equity Tier 1 Capital, and (B)(i) Tier 1 Subordinated Notes shall rank *pari passu* with respect to each other without any preference among themselves and (ii) the rights and claims of Noteholders under the Tier 1 Subordinated Notes shall rank *pari passu* with the rights and claims of holders of the Tier 1 Parity Liabilities, subject to the terms and conditions applicable to each Tier 1 Parity Liability; *provided* that the consolidation of the Issuer with, or the merger of the Issuer into any other corporation or the liquidation or dissolution of the Issuer following the conveyance or transfer (including in connection with a *cisão*) of its properties, assets and liabilities substantially as an entirety to another corporation in accordance with Condition 18 shall not be deemed a Bankruptcy Event for the purposes of this Condition 17 if the Central Bank has approved such consolidation, merger, transfer or conveyance. Thereafter, the Issuer shall be automatically released and discharged from all obligations and covenants under the Trust Deed and the Tier 1 Subordinated Notes, and the Tier 1 Subordinated Notes will continue to be outstanding and will be treated as subordinated debt of such Successor Corporation pursuant to the terms of Resolution 4,192.

(c) Payments and Suspension and Cancellation of Payments

(i) *Payments*: The payment of interest amounts due with respect to the Tier 1 Subordinated Notes shall be *made* solely with funds from profits and profit reserves available for distribution as of the latest date of determination, in accordance with Brazilian Corporate Law. Any interest amounts not paid as a result of the foregoing shall not accrue and shall not be deemed due and payable and shall not constitute a Payment Default.

(ii) *Suspension and Cancellation of Payments*: Payments of interest amounts due with respect to the Tier 1 Subordinated Notes shall be suspended (i) if the amounts due exceed the funds available for such purpose, (ii) in the same proportion as any restriction imposed by the Central Bank on the payment of dividends or other results with respect to shares or quotas eligible for treatment as Common Equity Tier 1 Capital; and (iii) at the same percentage of retention of any payment or distribution as set forth under article 9, paragraph 4, of Resolution 4,193, if the Issuer has insufficient Additional Core Capital or the payment would result in noncompliance with respect to the minimum ratio requirements for *Common* Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital. Any amounts not paid as a result of the foregoing shall not accrue and shall not be deemed due and payable and shall not constitute a Payment Default. The cancellation or suspension of the payment of any interest amounts due with respect to the Tier 1 Subordinated Notes as a result of (i) an insufficiency of funds from profits and profit reserves available for distribution as of the latest date of determination; (ii) insufficiency of funds available for payment of the amounts due; (iii) any restriction imposed by the Central Bank with respect to the payment of dividends or other distribution with respect to the shares or quotas eligible for treatment as Common Equity Tier 1 Capital; and (iv) an insufficiency of Additional Core Capital of the Issuer or the payment would result in noncompliance with respect to the minimum ratio requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital in each case such amounts shall not accrue or accumulate and shall not be deemed due and payable under the Tier 1 Subordinated Notes and such cancellation or suspension of payment (i) shall not constitute a Payment Default and (ii) shall not be deemed an event of default and shall not accelerate the maturity of any other debts to which the Issuer is a party. The Issuer shall notify the Noteholders within 14 Business Days, in accordance with Condition 19(a), in the event that any payment of interest is suspended and cancelled pursuant to this subparagraph (ii).

(d) Write-off

(i) Amounts payable by the Issuer under the Tier 1 Subordinated Notes shall be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 1 Capital, upon the

occurrence of the following events, or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority (each, a “**Tier 1 Write-off Event**”):

(A) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 5.125% of its RWA determined in accordance with Resolution 4,193;

(B) execution of an agreement for capital contribution pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, as of May 4, 2000;

(C) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or

(D) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 1 Subordinated Notes.

(ii) The above-mentioned Tier 1 Write-off Events shall not occur in the event of any revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and RWA, as determined in clause (A) above.

(iii) The occurrence of any Tier 1 Write-off Event, as well as the revision or republication set forth in the paragraph above, or of other events that may be determined by the Central Bank or by any competent Brazilian Governmental Authority, shall not be deemed to be an event of default and shall not accelerate the maturity of any obligations of the Issuer.

(iv) If amounts payable by the Issuer under the Tier 1 Subordinated Notes are written-off as a result of the occurrence of a Tier 1 Write-off Event, the Issuer shall notify the Noteholders in writing about the existence of such Tier 1 Write-off Event. Such notice shall be sent to Noteholders (with a copy to the Trustee and the Paying Agent) within 14 Business Days from the date of determination of such Tier 1 Write-off Event.

(e) Redemption, Repurchase and Guaranty or Insurance

(i) *Repurchases*: Subject to the prior approval of the Central Bank (in accordance with article 17, IX of Resolution 4,192) or any other applicable Brazilian Governmental Authority (if such approval is then required), the Issuer or any Affiliate may, at any time, repurchase Tier 1 Subordinated Notes in the open market or otherwise in any manner and at any price. Tier 1 Subordinated Notes so repurchased, while held by or on behalf of the Issuer or any of its Affiliates, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders.

(ii) *Optional Redemption for Taxation Reasons*: Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, on or after the fifth anniversary of the issuance of such Tier 1 Subordinated Notes, redeem or procure the purchase of any Series of Tier 1 Subordinated Notes at its option in whole, but not in part, on giving not less than 30 days nor more than 45 days’ notice to the Noteholders in accordance with Condition 19(a) (which notice shall be irrevocable), at their Early Redemption Amount or if none is so specified, at the nominal amount specified in the relevant Final Terms (in each case together with interest accrued to, but excluding, the date fixed for redemption) if (i) there is more than an insubstantial risk that the Issuer has or will become obligated to pay additional amounts (such additional amounts to be determined in accordance with Condition 8) in excess of the additional amounts which would be payable in respect of deductions or withholdings made at the rate of the Original Withholding Level, if any, specified in the relevant Final Terms as a result of any change in, or amendment to, the laws or regulations of Brazil or the Cayman Islands, or any political subdivision or authority in or of Brazil or the Cayman Islands having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment is adopted or enacted or becomes effective on or after the Issue Date in respect of the relevant Series, and (ii) such obligation cannot be avoided by the Issuer taking

ministerial measures available to it, provided that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obligated to pay such additional amounts were a payment in respect of such Tier 1 Subordinated Notes then due (or in the case of Tier 1 Subordinated Notes which bear interest at the Floating Rate, a number of days which is equal to the aggregate number of days falling within the current Interest Period applicable to the Tier 1 Subordinated Notes plus 75 days). Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(e)(ii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking ministerial measures available to it and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, which shall be conclusive and binding on the Noteholders.

(iii) *Optional Redemption due to a Tier 1 Regulatory Event*: Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may redeem or procure the purchase of any Series of Tier 1 Subordinated Notes, in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 19(a) (which notice shall be irrevocable), at the Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if the Issuer certifies to the Trustee immediately prior to the giving of such notice that a Tier 1 Regulatory Event has occurred, provided, however, that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Tier 1 Regulatory Event is or is reasonably expected to be effective. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(e)(iii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the Issuer is entitled to effect such a redemption or to cause such purchase in lieu of redemption pursuant to this Condition 17(e)(iii), and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption. Concurrently, the Issuer will deliver to the Trustee a written Opinion of Counsel stating, among other things, that a Tier 1 Regulatory Event has occurred and that all governmental approvals necessary for the Issuer to effect such redemption or purchase in lieu of redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

(iv) *Redemption of Tier 1 Subordinated Notes at the Option of the Issuer (Call Option)*: In accordance with art. 18 of Resolution 4,192, if so provided in the relevant Final Terms, the Issuer may, on or after the fifth anniversary of the issuance of such Tier 1 Subordinated Notes and subject to the prior approval of the Central Bank, on giving to the Noteholder of such Tier 1 Subordinated Note irrevocable notice of not less than 30 nor more than 45 days in accordance with Condition 19(a) (or such other notice period as specified in the relevant Final Terms) redeem or procure the purchase of all or, if so specified in the relevant Final Terms, some of the Series of Tier 1 Subordinated Notes of which such Tier 1 Subordinated Note forms part, on the Optional Redemption Date(s) specified in the relevant Final Terms (which shall, in the case of Tier 1 Subordinated Notes which at the time of redemption or purchase have an interest basis which is specified in the relevant Final Terms as Floating Rate, be a Specified Interest Payment Date) at the amount specified in the relevant Final Terms as the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption or purchase, provided that the Issuer is then and, on a pro forma basis following such purchase, will remain in compliance with the minimum ratio requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfies the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits. All Tier 1 Subordinated Notes in respect of which any such notice is given shall be redeemed or purchased on the Optional Redemption Date(s) specified in such notice in accordance with this Condition 17(e)(iv). If only some of the Tier 1 Subordinated Notes of a Series are to be redeemed or purchased at any time, the Tier 1 Subordinated Notes to be redeemed or purchased shall be redeemed or purchased pro rata to their principal amounts, provided always that the amount redeemed or purchased in respect of each Tier 1 Subordinated Note shall be equal to the Specified Denomination, and in each case subject to compliance with the applicable rules of each clearing system, listing authority and Exchange and the notice to Noteholders referred to herein shall specify the serial numbers and nominal amounts of the Tier 1 Subordinated Notes to be so redeemed or purchased.

(v) *Redemption at the Issuer's Option*: The Tier 1 Subordinated Notes may only be redeemed at the Issuer's option and the Noteholders shall have no right to request that the Issuer redeem the Tier 1 Subordinated Notes in whole or in part.

(vi) *No Guarantee or Insurance*: The Tier 1 Subordinated Notes are unsecured and subordinated obligations of the Issuer and do not benefit from any guarantee or insurance issued pursuant to any insurance policy or similar structure that may compromise the subordination of the Tier 1 Subordinated Notes and/or require or allow payments or transfers of funds to the Noteholders, directly or indirectly, by the Issuer or any Affiliates.

(f) Conflict of Provisions, Amendments, No Change in Remuneration, No Financing and No Reduction

(i) *Conflict of Provisions and Amendments*

(A) *Conflicts*: In the event of conflict between the provisions of this Condition 17 and any other provision set forth in any Transaction Document with respect to any Series of Tier 1 Subordinated Notes, the provisions of this Condition 17, as amended by the Subordination Nucleus, shall prevail, as per art. 14, II, of Resolution 4,192 and any such conflicting provision shall be null and void.

(B) *Amendments*: In accordance with art. 14, III of Resolution 4,192, the execution of any amendment, change or revocation of any provision of this Condition 17 is subject to the prior consent of the Central Bank, if required pursuant to applicable regulations then in effect.

(ii) *No Change to Terms or Conditions for Payment of Remuneration*: The payment terms and conditions of the Tier 1 Subordinated Notes set forth in the Final Terms shall not be subject to *amendment* after the Issue Date, including as a result of a change in the credit quality of the Issuer.

(iii) *No Financing*: The Issuer shall not, directly or indirectly, finance the purchase of the Tier 1 Subordinated Notes, as set forth in Resolution 4,192.

(iv) *No Reduction*: The original principal amount of Tier 1 Subordinated Notes issued on the Issue Date shall not be modified, directly or indirectly, including by means of agreements that establish the *Issuer's* obligation to compensate the Noteholders if a new note with better remuneration conditions is issued, except pursuant to any repurchase or redemption authorized under Resolution 4,192.

## 18. Consolidation, Merger or Sales of Assets

The Issuer may, without the consent of the Holders of any Series of Tier 1 Subordinated Notes, consolidate with or merge into any other corporation or convey or transfer (including in connection with a *cisão*), in one transaction or a series of transactions, all or substantially all of its properties or assets to any other person, *provided* that:

(a) the corporation formed by such consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer (including in connection with a *cisão*) all or substantially all of the properties and assets of the Issuer (the "**Successor Corporation**") shall be obliged to assume the due and punctual payment of the principal of and interest on all the Tier 1 Subordinated Notes and all other obligations of the Issuer under the Trust Deed, the Agency Agreement and the Tier 1 Subordinated Notes;

(b) immediately after giving effect to such transaction, no Payment Default with respect to any Tier 1 Subordinated Note shall have occurred and be continuing; and

(c) after any public announcement of, but in any event prior to the completion of any such consolidation, merger, conveyance or transfer, the Issuer has delivered to the Trustee (i) a certificate signed by two authorised officers of the Issuer stating that such consolidation, merger, conveyance or transfer complies with this Condition 18 and that all conditions precedent herein provided for relating to such transaction (other than the condition precedent

set out in (b) above) have been complied with and (ii) an opinion of independent counsel of recognised standing to the effect that the Successor Corporation has validly assumed the obligations to be assumed by it pursuant to clause (a) above and that the Trust Deed, the Agency Agreement and the Tier 1 Subordinated Notes constitute legal, valid and binding obligations of the Successor Corporation, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganisation or other laws of general applicability relating to or affecting the enforcement of creditor's rights and to general principles of equity; *provided* that in giving such Opinion of Counsel may rely on a certificate signed by an authorised officer of the Issuer.

No Successor Corporation shall have the right to redeem the Tier 1 Subordinated Notes unless the Issuer would have been entitled to redeem the Tier 1 Subordinated Notes in similar circumstances.

Upon the consolidation, merger, conveyance or transfer (including in connection with a *cisão*) in accordance with this Condition 18, the Successor Corporation shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Tier 1 Subordinated Notes with the same effect as if the Successor Corporation had been named as the issuer of the Tier 1 Subordinated Notes herein and the Issuer will automatically be released and discharged from all obligations and covenants under the Trust Deed, the Agency Agreement and the Tier 1 Subordinated Notes.

Upon (i) any consolidation, merger, conveyance or transfer (including in connection with a *cisão*) in accordance with this Condition 18, if the Successor Corporation is resident for tax purposes in a country other than Brazil or the Cayman Islands (the “**New Jurisdiction**”), or (ii) any substitution in accordance with Condition 11(d), if the New Residence of the Substituted Debtor is a country other than Brazil or the Cayman Islands, all references in each of Condition 8 and in Condition 17(e)(ii) to “Brazil” and the “Cayman Islands” shall be substituted with references to the New Jurisdiction or to the New Residence, as the case may be, and the reference in Condition 17(e)(ii) to “Issue Date” shall be substituted with a reference to the “relevant date of consolidation, merger, conveyance, transfer or substitution, as the case may be.”

## **19. Notices and Provision of Information**

(a) *Notices.* Notices to Holders of Tier 1 Subordinated Notes will be mailed to them at their respective addresses in the Register (or in the case of joint Holders, to the address of the first-named in the Register) and shall be published (so long as the Tier 1 Subordinated Notes are listed on the Luxembourg Stock Exchange) on the website of the Luxembourg Stock Exchange designated for such purposes pursuant to the rules of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*). Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

(b) *Provision of Information.* For so long as any of its Tier 1 Subordinated Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act the Issuer undertakes that it will, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish on request to any Holder of such restricted securities, or to any prospective purchaser thereof, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such restricted securities.

## **20. Redenomination, Renominalisation and Reconventioning**

(a) This Condition 20 is applicable to the Tier 1 Subordinated Notes only if it is specified in the relevant Final Terms as being applicable.

(b) If the country of the Specified Currency becomes or, announces its intention to become a member state of the European Community adopting the Euro as its lawful currency in accordance with the Treaty (a “**Participating Member State**”), the Issuer may, without the consent of the Holders of Tier 1 Subordinated Notes, on giving at least 30 days’ prior notice to the Holders of Tier 1 Subordinated Notes and the Paying Agents, designate

a date for redenomination (the “**Redenomination Date**”), being an Interest Payment Date under the Tier 1 Subordinated Notes falling on or after the date on which such country becomes a Participating Member State.

(c) Notwithstanding the other provisions of these Terms and Conditions, with effect from the Redenomination Date:

(i) the Tier 1 Subordinated Notes shall be deemed to be redenominated into Euro in the *denomination* of Euro 0.01 with a principal amount for each Tier 1 Subordinated Note equal to the principal amount of that Tier 1 Subordinated Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided*, however, that, if the Issuer determines, with the agreement of the Registrar then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders of Tier 1 Subordinated Notes, each stock exchange (if any) on which the Tier 1 Subordinated Notes are then listed and the Paying Agents of such deemed amendments;

(ii) if Tier 1 *Subordinated* Notes have been issued in definitive form:

(x) the payment obligations contained in all Tier 1 Subordinated Notes denominated in the Specified Currency will become void on the date (the “**Euro Exchange Date**”) on which the Issuer gives notice (the “**Euro Exchange Notice**”) to the Holders of Tier 1 Subordinated Notes that replacement Tier 1 Subordinated Notes denominated in Euro are available for exchange (*provided* that such Tier 1 Subordinated Notes are available) and no payments will be made in respect thereof, but all other obligations of the Issuer thereunder (including the obligation to exchange such Tier 1 Subordinated Notes in accordance with this Condition 20) shall remain in full force and effect; and

(y) new Tier 1 Subordinated Notes denominated in Euro will be issued in exchange for Tier 1 Subordinated Notes denominated in the Specified Currency in such manner as the Registrar, may specify and as shall be notified to the Holders of Tier 1 Subordinated Notes in the Euro Exchange Notice; and

(iii) all payments in respect of the Tier 1 Subordinated Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the *Euro*, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Community.

(d) Following redenomination of the Tier 1 Subordinated Notes pursuant to this Condition 20, where Tier 1 Subordinated Notes have been issued in definitive form, the amount of interest due in respect of the Tier 1 Subordinated Notes will be calculated by reference to the aggregate principal amount of the Tier 1 Subordinated Notes presented for payment by the relevant Holder.

(e) If the Floating Rate Notes provisions for Floating Rate Notes specified in Condition 5(II) are specified in the relevant Final Terms as being applicable and the Primary Source for the Floating Rate is as specified in Condition 5(II)(b)(i)(A) as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second Relevant Business Day before the first day of the relevant Interest Period.

## **21. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Tier 1 Subordinated Notes under the Contracts (Rights of Third Parties) Act 1999.

## 22. Governing Law and Jurisdiction

(a) *Governing Law:* The Trust Deed, the Tier 1 Subordinated Notes, the Final Terms (including the summary of the Final Terms set out in section 5 of the Subordination Nucleus) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, *provided* that the provisions contained in Condition 17, as amended by the Subordination Nucleus, imposed on the Issuer in order for the Tier 1 Subordinated Notes to qualify as Tier 1 Capital under Resolution 4,192 shall be governed by, and construed in accordance with, the laws of Brazil.

(b) *Jurisdiction:* The courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts.

(c) *Agent for Service of Process:* The Issuer has in the Trust Deed appointed an agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.



## TERMS AND CONDITIONS OF THE TIER 2 SUBORDINATED NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, will apply to the Tier 2 Subordinated Notes referred to in such Final Terms.

The Tier 2 Subordinated Notes are constituted by a Trust Deed dated March 29, 2010, as supplemented by a First Supplemental Trust Deed dated August 4, 2016 (as further amended and/or supplemented from time to time, the “**Trust Deed**”) and made between Itaú Unibanco Holding S.A. (the “**Bank**”) and The Bank of New York Mellon (the “**Trustee**” which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders. In these terms and conditions the “**Issuer**” means the Bank, or any successor thereto, acting through its head office or through its Grand Cayman Branch, as specified in the Tier 2 Subordinated Notes. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Tier 2 Subordinated Notes. Copies of the Trust Deed and the Agency Agreement dated March 29, 2010, as supplemented by a First Supplemental Agency Agreement dated August 4, 2016 (as further amended and/or supplemented from time to time, the “**Agency Agreement**”) and made among the Issuer, the Trustee and the Agents are available for inspection during usual business hours at the specified offices of each of the Trustee and the principal paying agent, the paying agent in London, the other paying agents, the calculation agent, the registrar, the replacement agent and the transfer agents for the time being. Such persons are referred to below respectively as the “**Principal Paying Agent**,” the “**London Paying Agent**,” the “**Paying Agents**” (which expression shall include the London Paying Agent but shall not include the Principal Paying Agent), the “**Calculation Agent**,” the “**Registrar**,” the “**Replacement Agent**” and the “**Transfer Agents**” and together as the “**Agents**.” The Noteholders are entitled to the benefit of, are bound by and are deemed to have notice of all of the provisions of the Trust Deed and of the relevant Final Terms and are deemed to have notice of those applicable to them of the Agency Agreement. References in these Terms and Conditions to Tier 2 Subordinated Notes are to Tier 2 Subordinated Notes of the relevant Series. References in these Terms and Conditions to the Final Terms are to the Final Terms as prepared in relation to the Tier 2 Subordinated Notes of the relevant Tranche or Series. The Final Terms in relation to any Tier 2 Subordinated Notes may specify other terms and conditions which shall, to the extent specified or to the extent inconsistent with the following Terms and Conditions, replace the following Terms and Conditions for the purposes of such Tier 2 Subordinated Notes.

### 1. Form, Denomination, Title, Specified Currency and Final Terms

(a) *Form:* Each Series of Tier 2 Subordinated Notes of which the Tier 2 Subordinated Note to which these Terms and Conditions are attached forms part is issued in registered form and as Tier 2 Subordinated Notes in accordance with these Terms and Conditions and Resolution 4,192 (the “**Tier 2 Subordinated Notes**”), and Tier 2 Subordinated Notes comprising each such Series will be issued in each case in the nominal amount of a Specified Denomination. These Terms and Conditions must be read accordingly. The Specified Denomination of each Tier 2 Subordinated Note is specified in the relevant Final Terms.

Notes in definitive form will be issued to each Holder of Tier 2 Subordinated Note(s) in respect of its registered holding or holdings (each a “**Definitive Note**”). Each Definitive Note will be numbered serially with an identifying number which will be recorded in the register (the “**Register**”) which the Issuer shall procure to be kept by the Registrar.

Any Note, the principal amount of which is repayable in instalments (an “**Instalment Note**”), will have endorsed thereon a grid for recording the repayment of principal.

(b) *Denomination:* “**Specified Denominations**” will be the minimum denomination specified in the relevant Final Terms or integral multiples thereof.

(c) *Title:* Title to Tier 2 Subordinated Notes shall pass by registration in the Register. Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any Tier 2 Subordinated Note shall be deemed to be and may be treated as the absolute owner of such Tier 2 Subordinated Note for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Tier 2 Subordinated Note shall

be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Terms and Conditions, each of “**Noteholder**” and “**Holder**” means the person in whose name a Tier 2 Subordinated Note is registered, “**Series**” means Tier 2 Subordinated Notes which have identical terms and conditions, other than in respect of the Issue Date, the date on which interest commences to accrue and related matters, and “**Tranche**” means, in relation to a Series, those Tier 2 Subordinated Notes of such Series which have the same Issue Date.

(d) *Specified Currency*: The Specified Currency of any Tier 2 Subordinated Note and, if different, any Specified Principal Payment Currency or Specified Interest Payment Currency, are as specified in the relevant Final Terms. All payments of principal in respect of a Tier 2 Subordinated Note shall be made in the Specified Currency or, if applicable, the Specified Principal Payment Currency and all payments of interest in respect of a Tier 2 Subordinated Note shall be made in the Specified Currency or, if applicable, the Specified Interest Payment Currency.

(e) *Final Terms and Additional Terms*: References in these Terms and Conditions to terms applicable to a Tier 2 Subordinated Note are specified in the applicable Final Terms issued in respect of each Tranche of such Tier 2 Subordinated Notes specifying the relevant issue details in relation thereto (each, a “**Final Terms**”), which include the Subordination Nucleus as Exhibit A.

(f) *Interpretation*: Capitalised terms used in these Terms and Conditions in respect of a Tier 2 Subordinated Note, and not specifically defined in these Terms and Conditions, have the meaning given to them specified on the Tier 2 Subordinated Note or in the relevant Final Terms issued in respect of a Tranche which includes such Tier 2 Subordinated Note. Additional provisions relating to the Tier 2 Subordinated Notes may be contained in the Final Terms or specified on the Tier 2 Subordinated Note and will take effect as if originally specified in these Terms and Conditions. The Final Terms in respect of index linked interest Tier 2 Subordinated Notes, Instalment Notes, dual currency Tier 2 Subordinated Notes and other types of Tier 2 Subordinated Notes the terms of which are not specifically provided for herein, shall set out in full all terms applicable to such Tier 2 Subordinated Notes.

## 2. Definitions

“**Additional Core Capital**” means the *adicional de capital principal* or the additional core capital required pursuant to Resolution 4,193.

“**Additional Tier 1 Capital**” means the *capital complementar* or any additional capital determined pursuant to article 6 of Resolution 4,192, which has been authorized or will become authorized by the Central Bank to be eligible as Tier 1 Capital of the Regulatory Capital.

“**Affiliate**” means any legal entity related to the Issuer within the same financial conglomerate or any non-financial entity controlled by the Issuer.

“**Alternative Payment Mechanism**” has the meaning given to it in the relevant Final Terms.

“**Bankruptcy Event**” has the meaning given to it in Condition 17(b)(ii).

“**Benchmark**” has the meaning given to it in Condition 5(II)(b).

“**Benchmark Reset Date**” has the meaning given to it in the relevant Final Terms.

“**Benchmark Reset Rate**” has the meaning given to it in the relevant Final Terms.

“**Brazil**” means the Federative Republic of Brazil.

“**Brazilian Governmental Authority**” means, as applicable, the government of Brazil, or any political subdivision thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government over the Issuer.

“**Broken Amount**” has the meaning given to it in the relevant Final Terms.

“**Business Centre**” has the meaning given to it in the relevant Final Terms.

“**Business Day Convention**,” in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates, and, in this context, the following expressions shall have the following meanings:

(a) the “**Floating Rate Business Day Convention**,” in which case interest on a Tier 2 Subordinated Note shall be payable on each Specified Interest Payment Date which numerically corresponds to its Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date in the calendar month which is the Interest Period specified in the relevant Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred, *provided* that:

(i) if there is no such numerically corresponding day in the calendar month in which a Specified Interest Payment Date should occur, then the relevant Specified Interest Payment Date will be the last day which is a Relevant Business Day in that calendar month;

(ii) if a Specified Interest Payment Date would otherwise fall on a day which is not a Relevant Business Day, then the relevant Specified Interest Payment Date will be the first following day which is a Relevant Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Relevant Business Day; and

(iii) if such Interest Commencement Date or the preceding Specified Interest Payment Date occurred on the last day in a calendar month which was a Relevant Business Day, then all subsequent Specified Interest Payment Dates in respect of such Tier 2 Subordinated Note will be the last day which is a Relevant Business Day in the calendar month which is the Interest Period specified in the relevant Final Terms after the calendar month in which such Interest Commencement Date or, as the case may be, the preceding Specified Interest Payment Date occurred; or

(b) the “**Modified Following Business Day Convention**,” in which case interest on a Tier 2 Subordinated Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first following day which is a Relevant Business Day unless that day falls in the next calendar month, in which case the relevant Interest Payment Date or Specified Interest Payment Date will be the first preceding day which is a Relevant Business Day; or

(c) the “**Following Business Day Convention**,” in which case interest on a Tier 2 Subordinated Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first following day which is a Relevant Business Day; or

(d) the “**Preceding Business Day Convention**,” in which case interest on a Tier 2 Subordinated Note shall be payable on such Interest Payment Dates or Specified Interest Payment Dates as may be specified in the relevant Final Terms, *provided* that, if any Interest Payment Date or Specified Interest Payment Date would otherwise fall on a date which is not a Relevant Business Day, the relevant Interest Payment Date or Specified Interest Payment Date will be the first preceding day which is a Relevant Business Day; or

(e) such other Business Day Convention as may be specified in the relevant Final Terms.

“**Calculation Agent**” has the meaning given to it in the relevant Final Terms, *provided* that for the purposes of Condition 5(II)(b)(iv), it has the meaning given to it in the ISDA Definitions.

“**Central Bank**” means the Central Bank of Brazil or any Brazilian Governmental Authority that replaces the Central Bank of Brazil in its current functions applicable to these Terms and Conditions.

“**Common Equity Tier 1 Capital**” means the *capital principal* or any capital determined pursuant to article 4 *et seq.* of Resolution 4,192 and included as part of the Tier 1 Capital of the Regulatory Capital.

“**Credit Spread**” has the meaning given to it in the relevant Final Terms.

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Tier 2 Subordinated Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “**Calculation Period**”):

(a) if “**Actual/365**” or “**Actual/Actual - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(c) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(d) if “**30/360**,” “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month));

(e) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of a Calculation Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

(f) if “**Actual/Actual - ISMA**” is specified in the relevant Final Terms, (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and (b) if the Calculation Period is longer than one Determination Period, the sum of: (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(g) if “**Bus/252**” is specified in the relevant Final Terms, the number of Relevant Business Days in the Calculation Period divided by 252.

“**Dealer Agreement**” means the amended and restated dealer agreement dated August 4, 2016 (as further supplemented and/or amended from time to time) between the Issuer, Itau BBA International plc, Goldman, Sachs and Co. and Morgan Stanley & Co. Incorporated and includes any agreement by which any additional dealers accede to such dealer agreement.

“**Definitive Note**” has the meaning given to it in Condition 1(a).

“**Designated Maturity**” has the meaning given to it in the relevant Final Terms and, for the purposes of Condition 5(II)(b)(iv), the meaning given to it in the ISDA Definitions.

“**Determination Date**” means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“**Documents**” has the meaning given to it in Condition 11(d)(ii).

“**DTC**” has the meaning given to it in Condition 7(c).

“**DTC business day**” has the meaning given to it in Condition 7(a)(ii).

“**Early Redemption Amount**” has the meaning given to it in the relevant Final Terms.

“**Euro**” means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty.

“**Euro Exchange Date**” has the meaning given to it in Condition 20(c)(ii)(x).

“**Euro Exchange Notice**” has the meaning given to it in Condition 20(c)(ii)(x).

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty.

“**Event of Default**” has the meaning given to it in Condition 9.

“**Exchange**” has the meaning given to it in Condition 5(II)(e).

“**Exchange Act**” has the meaning given to it in Condition 19(b).

“**Extraordinary Resolution**” has the meaning given to it in Condition 11(a).

“**FATCA**” means sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (including any regulations or official interpretations issued, agreements or non-U.S. laws entered into or enacted, with respect thereto).

“**Final Redemption Amount**” has the meaning given to it in Condition 6(a).

“**Final Terms**” has the meaning given to it in Condition 1(e).

“**Fixed Coupon Amount**” or “**Fixed Coupon Amounts**” has the meaning given to it in the relevant Final Terms.

“**Fixed Rate Note**” has the meaning given to it in Condition 5(I).

“**Floating Rate**” has the meaning given to it in the relevant Final Terms and, for the purposes of Condition 5(II)(b)(iv), the meaning given to it in the ISDA Definitions.

“**Floating Rate Note**” has the meaning given to it in Condition 5(II).

“**Floating Rate Note Provisions**” has the meaning given to it in the relevant Final Terms.

“**Floating Rate Option**” has the meaning given to such term in the ISDA Definitions.

“**Holder**” has the meaning given to it in Condition 1(c).

“**Instalment Amount**” has the meaning given to it in Condition 6(a).

“**Instalment Note**” has the meaning given to it in Condition 1(a).

“**Interest Amount**” has the meaning given to it in Condition 5(II)(c).

“**Interest Commencement Date**” means, in the case of the first issue of a Tier 2 Subordinated Note or Tier 2 Subordinated Notes of a Series, the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

**“Interest Determination Date”** means, in respect of any Interest Period, the date which falls that number of days specified in the relevant Final Terms on which banks and foreign exchange markets are open for business in the Relevant Banking Centre prior to the first day of such Interest Period or, if none is so specified, the day falling two Relevant Business Days prior to the first day of such Interest Period.

**“Interest Payment Date”** has the meaning given to it in the relevant Final Terms.

**“Interest Period”** means the period beginning on (and including) the Interest Commencement Date to (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date to (but excluding) the next succeeding Specified Interest Payment Date.

**“ISDA Definitions”** means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms.

**“ISDA Determination”** has the meaning given to it in the relevant Final Terms.

**“ISDA Rate”** has the meaning given to it in Condition 5(II)(b)(iv).

**“Issue Date”** means, in respect of any Tier 2 Subordinated Note or Tier 2 Subordinated Notes, the date of issue of such Tier 2 Subordinated Note as specified in the relevant Final Terms.

**“Issuer Request”** means a written request signed in the name of the Issuer by an authorised officer of the Issuer.

**“Margin”** means the percentage rate per annum specified in the relevant Final Terms.

**“Maturity Date”** has the meaning given to it in the relevant Final Terms.

**“New Residence”** has the meaning given to it in Condition 11(d)(iii).

**“Noteholder”** has the meaning given to it in Condition 1(c).

**“Opinion of Counsel”** means a written opinion of counsel from any person which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer, in all cases in form and substance reasonably acceptable to the Trustee.

**“Optional Redemption Amount”** has the meaning given to it in the relevant Final Terms.

**“Optional Redemption Date”** has the meaning given to it in the relevant Final Terms.

**“Original Withholding Level”** has the meaning given to it in the relevant Final Terms.

**“Participating Member State”** has the meaning given to it in Condition 20(b).

**“person”** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having a separate legal personality.

**“Potential Event of Default”** means an event or circumstance which would with the giving of notice, lapse of time, issue of a certificate or fulfillment of any other requirement provided for in Condition 9 become an Event of Default.

**“Primary Source”** has the meaning given to it in the relevant Final Terms.

**“Private Placement Legend”** has the meaning given to it in Condition 3(e).

**“Proceedings”** has the meaning given to it in Condition 22(b).

**“Rate Multiplier”** means the percentage rate or number applied to the relevant Rate of Interest, as specified in the relevant Final Terms.

**“Rate of Interest”** has the meaning given to it in the relevant Final Terms.

**“Record Date”** has the meaning given to it in Condition 7(a).

**“Redenomination Date”** has the meaning given to it in Condition 20(b).

**“Reference Banks”** has the meaning given to it in the relevant Final Terms.

“**Reference Rate**” means, for any Tier 2 Subordinated Note, the bid, offered or mean of bid and offered rate, as specified in the relevant Final Terms, for the floating rate specified in the relevant Final Terms.

“**Register**” has the meaning given to it in Condition 1(a).

“**Regulatory Capital**” means the *patrimônio de referência* or the sum of all Tier 1 Capital and Tier 2 Capital, as determined in accordance with the calculation methodology set out in Resolution 4,192 and any other applicable regulations.

“**Relevant Banking Centre**” means, for any Tier 2 Subordinated Note, the Relevant Banking Centre specified in the relevant Final Terms or, if none is so specified, the banking centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR shall be Europe) or, if none is so connected, London.

“**Relevant Business Day**” means:

(a) in the case of a currency other than Euro, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the Relevant Financial Centre; or

(b) in the case of Euro, a TARGET Business Day; and

(c) in the case of any currency, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in the Business Centre(s) specified in the relevant Final Terms.

“**Relevant Date**” has the meaning given to it in Condition 8.

“**Relevant Financial Centre**” means the principal financial centre for the relevant currency (which in the case of the Euro shall be Europe).

“**Relevant Notes**” has the meaning given to it in Condition 11(d).

“**Relevant Time**” means the local time in the Relevant Banking Centre at which it is customary to determine bid, mean and offered rates in respect of deposits in that currency in the interbank market in that Relevant Banking Centre or, if no such customary local time exists, 11.00 A.M. in the Relevant Banking Centre and for this purpose “local time” means, with respect to Europe as a Relevant Banking Centre, Brussels time.

“**Reset Date**” has the meaning given to it in the relevant Final Terms and, for the purposes of Condition 5(II)(b)(iv), has the meaning given to such term in the ISDA Definitions.

“**Resolution 4,192**” means Resolution 4,192 of March 1, 2013 issued by the *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**Resolution 4,193**” means Resolution 4,193 of March 1, 2013 issued by *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**RWA**” means the risk weighted assets of the Issuer.

“**Screen Rate Determination**” has the meaning given to it in the relevant Final Terms.

“**Second Priority Liabilities**” means all instruments included in the Issuer’s Tier 1 Capital.

“**Securities Act**” has the meaning given to it in Condition 3(e).

“**Senior to Tier 2 Liabilities**” means all liabilities of the Issuer, except for the Tier 2 Parity Liabilities and the Second Priority Liabilities.

“**Series**” has the meaning given to it in Condition 1(c).

“**Specified Currency**” has the meaning given to it in the relevant Final Terms.

“**Specified Denomination**” has the meaning given to it in Condition 1(b).

“**Specified Interest Payment Currency**” has the meaning given to it in the relevant Final Terms.

“**Specified Interest Payment Date**” means each date which falls on the last day of the Interest Period specified in the relevant Final Terms after the preceding Specified Interest Payment Date or, in the case of the first

Specified Interest Payment Date, after the Interest Commencement Date or as is otherwise specified as such on the relevant Tier 2 Subordinated Note, in each case as adjusted by the Business Day Convention specified in the relevant Final Terms.

“**Specified Principal Payment Currency**” has the meaning given to it in the relevant Final Terms.

“**Subordination Nucleus**” means the subordination nucleus prepared in accordance with Resolution 4,192, as annexed to the relevant Final Terms.

“**Substituted Debtor**” has the meaning given to it in Condition 11(d).

“**Successor Corporation**” has the meaning given to it in Condition 18(a).

“**Swap Transaction**,” for the purposes of Condition 5(II)(b)(iv), has the meaning given to such term in the ISDA Definitions.

“**TARGET Business Day**” means a day on which the TARGET System is operating.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System, which was launched on November 19, 2007 or any successor thereto.

“**Taxes**” has the meaning given to it in Condition 8.

“**Terms and Conditions**” means these terms and conditions as amended and supplemented by the relevant Final Terms in relation to a Series of Tier 2 Subordinated Notes.

“**Tier 1 Capital**” means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 1 Capital of the Issuer and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

“**Tier 2 Capital**” means any capital of the Issuer or any of Affiliates that was or will be authorized by the Central Bank as Tier 2 Capital of the Issuer and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

“**Tier 2 Parity Liabilities**” means, with respect to the Issuer, any securities or liabilities that have been or will be deemed part of the Issuer’s Tier 2 Capital in accordance with and determined pursuant to Resolution 4,192.

“**Tier 2 Regulatory Event**” means, subsequent to the time that the Tier 2 Subordinated Notes initially qualify as Tier 2 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Tier 2 Subordinated Notes will no longer be included in the consolidated Tier 2 Capital of the Issuer or will be included in such consolidated Tier 2 Capital in a lower proportion than set forth by the regulation in force at the time of issuance of the Tier 2 Subordinated Notes.

“**Tier 2 Subordinated Notes**” has the meaning given to it in Condition 1(a).

“**Tier 2 Write-Off Event**” has the meaning given to it in Condition 17(c)(i).

“**Tranche**” has the meaning given to it in Condition 1(c).

“**Transaction Documents**” means the Trust Deed, the Agency Agreement, the Dealer Agreement and the relevant Final Terms.

“**Treaty**” means the treaty establishing the European Community, as amended.

## **2. Transfers of Tier 2 Subordinated Notes and Issue of Definitive Tier 2 Subordinated Notes**

(a) *Transfer of Tier 2 Subordinated Notes:* A Tier 2 Subordinated Note may, upon the terms and subject to the conditions set forth in the Agency Agreement, be transferred in whole or in part in a Specified Denomination upon the surrender of the Definitive Note issued in respect of the Tier 2 Subordinated Note to be transferred, together with the form of transfer endorsed on it duly completed and executed, at the specified office of the Registrar or any Transfer Agent. In the case of a transfer of part only of a Tier 2 Subordinated Note a new Definitive Note in respect of the balance not transferred will be issued to the transferor. Each new Definitive Note to be issued to the transferee upon transfer of such Tier 2 Subordinated Note will, within three Relevant Business Days of receipt of such form of transfer, be mailed at the risk of the Holder entitled to the new Definitive Note to such address as may be specified in such form of transfer.



(b) *Transfer Free of Charge*: Registration of transfer will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require) in respect of any tax or other governmental charges which may be imposed in relation to it.

(c) *Closed Periods*: No Noteholder may require the transfer of a Tier 2 Subordinated Note to be registered (i) during the period of 15 days ending on the due date for any payment of principal (being, for the purposes of these Terms and Conditions, unless the context otherwise requires, the amount payable on redemption of a Tier 2 Subordinated Note) of that Tier 2 Subordinated Note, (ii) during the period of 60 days prior to any date on which Tier 2 Subordinated Notes of the relevant Series may be redeemed by the Issuer at its option pursuant to Condition 17(d)(iv) and (v) after any notice has been delivered for redemption in whole or in part of any Tier 2 Subordinated Note in accordance with Condition 17(d).

(d) *Regulations*: All transfers of Tier 2 Subordinated Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Tier 2 Subordinated Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Trustee and the Registrar. A copy of the current regulations will be made available by the Registrar to any Holder of a Tier 2 Subordinated Note upon request.

(e) *Private Placement Legend*: Upon the transfer, exchange or replacement of Tier 2 Subordinated Notes bearing the private placement legend (the “**Private Placement Legend**”) for the purpose of Rule 144A under the Securities Act of 1933, as amended (the “**Securities Act**”), set forth in the form of a Tier 2 Subordinated Note scheduled to the Agency Agreement, the Registrar shall deliver only Tier 2 Subordinated Notes that also bear such legend, unless the Issuer otherwise determines in compliance with applicable law.

### 3. Status

The Tier 2 Subordinated Notes (being those Notes that specify their status in the relevant Final Terms as subordinated) constitute direct, unsecured and subordinated obligations of the Issuer and shall be subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer in accordance with the provisions of Condition 17. The Tier 2 Subordinated Notes shall rank *pari passu* and without preference among themselves and the rights and claims of Noteholders under the Tier 2 Subordinated Notes shall rank *pari passu* with the rights and claims of holders of the Tier 2 Parity Liabilities, subject to the terms and conditions applicable to each Tier 2 Parity Liability.

### 4. Interest

One or more of the following provisions apply to each Tier 2 Subordinated Note, as specified in the relevant Final Terms.

#### (I) Fixed Rate Notes

This Condition 5(I) applies to a Tier 2 Subordinated Note in respect of which the Fixed Rate Note provisions are specified in the relevant Final Terms as being applicable (a “**Fixed Rate Note**”).

(a) *Interest Rate and Accrual*: Each Tier 2 Subordinated Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date in respect thereof at the rate per annum (expressed as a percentage) equal to the Rate of Interest specified in the relevant Final Terms, provided that, such Rate of Interest will be reset on the relevant Benchmark Reset Date at the rate equal to the Benchmark Reset Rate plus the Credit Spread. Such interest is payable in arrears on each Interest Payment Date in each year and on the Maturity Date specified in the relevant Final Terms if that date does not fall on an Interest Payment Date. The amount(s) of interest payable in respect of such Tier 2 Subordinated Note may be specified in the relevant Final Terms as the Fixed Coupon Amount(s) or, if so specified, the Broken Amount. If the Tier 2 Subordinated Notes are in more than one Specified Denomination, the amount of interest payable in respect of each Tier 2 Subordinated Note for any Interest Period shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

The first payment of interest on a Tier 2 Subordinated Note will be made on the Interest Payment Date next following the relevant Interest Commencement Date. If the period between the Interest Commencement Date and

the first Interest Payment Date is different from the period between Interest Payment Dates, the first payment of interest on a Tier 2 Subordinated Note will be the amount specified in the relevant Final Terms as being the initial Broken Amount. If the Maturity Date is not an Interest Payment Date, interest from (and including) the preceding Interest Payment Date (or from (and including) the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will be the amount specified in the relevant Final Terms as being the final Broken Amount.

Interest will cease to accrue on each Tier 2 Subordinated Note on the due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation or surrender, payment of principal is improperly withheld or refused by the Issuer. In such event interest will continue to accrue, both before and after judgment, in the manner provided in this Condition 5(I) and at the rate equal to the sum of the rate provided in this Condition 5(I) until the Relevant Date (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions). Interest on any overdue interest will accrue (to the extent permitted by applicable law) at the rate equal to the sum of the rate provided in this Condition 5(I).

(b) *Calculations:* Interest in respect of a period of less than the period between Interest Payment Dates (or, in the case of the first Interest Period, the period between the Interest Commencement Date and the first Interest Payment Date) or, in the case of the final Interest Period, the period between the final Interest Payment Date and the Maturity Date) will be calculated using the applicable Day Count Fraction.

## (II) Floating Rate Notes

This Condition 5(II) applies to a Tier 2 Subordinated Note in respect of which the Floating Rate Note provisions are specified in the relevant Final Terms as being applicable (a “**Floating Rate Note**”).

(a) *Specified Interest Payment Dates:* Each Tier 2 Subordinated Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date in respect thereof and such interest will be payable in arrears on each Specified Interest Payment Date.

(b) *Rate of Interest:* Each Tier 2 Subordinated Note bears interest at a floating rate which may be based on one or more interest rate or exchange rate indices or as otherwise specified in the relevant Final Terms (each a “**Benchmark**”). The dates on which interest shall be payable on a Tier 2 Subordinated Note, the Benchmark and the basis for calculation of each amount of interest payable in respect of such Tier 2 Subordinated Note on each such date and on any other date on which interest becomes payable in respect of such Tier 2 Subordinated Note, and the rate (or the basis of calculation of such rate) at which interest will accrue in respect of any amount due but unpaid in respect of such Tier 2 Subordinated Note shall be as set out below, unless otherwise specified in the relevant Final Terms. Subject to Condition 5(II)(c), the Rate of Interest payable from time to time will, unless otherwise specified in the relevant Final Terms, be determined by the Calculation Agent on the basis of the following provisions:

(i) At or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, the Calculation Agent will:

(A) in the case of a Tier 2 Subordinated Note which specifies that the Primary Source for the Floating Rate shall be derived from a specified page, section or other part of a particular information service (each as specified in the relevant Final Terms), determine the Rate of Interest for such Interest Period which shall, subject as provided below, be (x) the Reference Rate so appearing in or on that page, section or other part of such information service (where such Reference Rate is a composite quotation or interest rate per annum or is customarily supplied by one person) or (y) the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of the Reference Rates of the persons at that time whose Reference Rates so appear in or on that page, section or other part of such information service, in any such case in respect of deposits in the relevant Specified Currency made with or by such person or persons for a period equal to the duration of such Interest Period; and

(B) in the case of a Tier 2 Subordinated Note that specifies that the Primary Source for the Floating Rate shall be the Reference Banks specified in the relevant Final Terms and in the case of a Tier 2 Subordinated Note falling within Condition 5(II)(b)(i)(A) but in respect of which (x) no Reference Rate appears at or about such Relevant Time or (y) the Rate of Interest is to be determined by reference to the arithmetic mean of quotations of persons appearing in or on the relevant page, section or other part of such information service as provided in Condition 5(II)(b)(i)(A)(y) but in respect of which less than two Reference Rates appear at or about such Relevant Time, request the principal offices in the Relevant Banking Centre of each of the Reference Banks specified in the relevant Final Terms (or, as the case may be, any substitute Reference Bank appointed from time to time pursuant to Condition 5(II)(b)(i) to provide the Calculation Agent with its Reference Rate quoted to leading banks for deposits in an amount that is representative in the relevant Specified Currency for a period equivalent to the duration of such Interest Period. Where this Condition 5(II)(b)(i)(B) applies, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of such Reference Rates as calculated by the Calculation Agent.

(ii) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest is to be determined pursuant to Condition 5(II)(b)(i)(B) in respect of a Tier 2 Subordinated Note, more than one but not all of such Reference Banks provide such relevant quotations, the Rate of Interest for the relevant Interest Period shall, subject as provided below, be determined in accordance with Condition 5(II)(b)(i)(B) on the basis of the Reference Rates quoted by those Reference Banks.

(iii) If at or about the Relevant Time on any Interest Determination Date where the Rate of Interest is to be determined pursuant to Condition 5(II)(b)(i)(B), only one or none of such Reference Banks provide such Reference Rates, the Rate of Interest for the relevant Interest Period shall be the rate per annum (expressed as a percentage) which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to the next one-hundred thousandth of a percentage point) of the Reference Rates in respect of the relevant currency which banks in the Relevant Financial Centre for such Specified Currency or, if the Specified Currency is Euro, in Europe as selected by the Calculation Agent (after consultation with the Issuer) are quoting at or about the Relevant Time on the relevant Interest Determination Date for a period equivalent to such Interest Period to leading banks carrying on business in that Relevant Financial Centre or, if the Specified Currency is Euro, in Europe, *provided* that, if the banks so selected by the Calculation Agent are not quoting as aforesaid, the Rate of Interest shall, subject as provided below, be the Rate of Interest in effect for the last preceding Interest Period to which Condition 5(II)(b)(i)(A) or (B) or Condition 5(II)(b)(ii) applied.

(iv) In the case of a Tier 2 Subordinated Note which specifies that the manner in which the Rate of Interest is to be determined shall be ISDA Determination, the Rate of Interest for each Interest Period shall, subject as provided below, be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (iv), “**ISDA Rate**” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the relevant Final Terms;

(B) the Designated Maturity is a period specified in the relevant Final Terms; and

(C) the relevant Reset Date is the first day of that Interest Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (iv), “**Floating Rate**,” “**Calculation Agent**,” “**Floating Rate Option**,” “**Designated Maturity**,” “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(c) *Determination of Rate of Interest and Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date, determine the Rate of Interest in the manner provided for in this Condition 5(II) and calculate the amount of interest payable (the “**Interest**”

**Amount**”) in respect of the minimum Specified Denomination for the relevant Interest Period. The Interest Amount shall be calculated by applying the Rate of Interest adjusted, if necessary, by any Margin or Rate Multiplier to the minimum Specified Denomination, and multiplying such product by the applicable Day Count Fraction and rounding, if necessary, the resultant figure to the nearest sub-unit of the relevant currency. The determination of the Rate of Interest and the Interest Amount by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Calculation Agent shall have no liability whatsoever in connection with the exercise of its powers and duties hereunder or otherwise in connection with the Tier 2 Subordinated Notes, absent gross negligence or willful misconduct. For this purpose a “sub-unit” means, in the case of any currency other than dollar, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of dollar, means one cent.

(d) *Calculation of Other Amounts.* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, promptly after the time or times at which any such amount is to be determined or calculated, notify the relevant amount to the Issuer and the Noteholders. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.

(e) *Notification of Rate of Interest and Interest Amount:* The Calculation Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Specified Interest Payment Date and any other amount required to be determined by it to be notified to the Trustee, the Issuer, each of the Agents, the Noteholders (in accordance with Condition 19(a)) and if the relevant Tier 2 Subordinated Notes are for the time being listed on any stock exchange (each an “**Exchange**”), the Exchange, as soon as possible after their determination but in no event later than three Relevant Business Days after their determination. The Interest Amount and the Specified Interest Payment Date so notified may subsequently be amended by the Calculation Agent (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

(f) *Interest Accrual:* Interest will cease to accrue on each Tier 2 Subordinated Note on the due date for redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless, upon due presentation or surrender, payment of principal is improperly withheld or refused by the Issuer. In such event interest will continue to accrue, both before and after judgment, in the manner provided in this Condition 5(II) and at the rate equal to the sum of the rate provided in this Condition 5(II) until the Relevant Date (except to the extent that there is failure in the subsequent payment to the relevant Holders under these Terms and Conditions). Interest on any overdue interest will accrue (to the extent permitted by applicable law) at the rate equal to the sum of the rate provided in this Condition 5(II).

(g) *Calculation Agent and Reference Banks:* The Issuer will procure that, so long as any Tier 2 Subordinated Note to which this Condition 5(II) applies remains outstanding, there shall at all times be a Calculation Agent for such Tier 2 Subordinated Note and, so long as the Primary Source for Floating Rate for such Tier 2 Subordinated Note is Reference Banks, there shall at all times be four Reference Banks with offices in the Relevant Banking Centre. The Issuer will also ensure that, in the case of any Tier 2 Subordinated Note the determination of interest for which falls within Condition 5(II)(b)(i)(A) and in respect of which no Reference Rate appears at or about the Relevant Time, or in respect of which less than two Reference Rates appear at or about the Relevant Time, there shall be four Reference Banks appointed for such Tier 2 Subordinated Note with offices in the Relevant Banking Centre. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank then the Issuer will appoint another Reference Bank with an office in the Relevant Banking Centre to act as such in its place. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amount or any other amount to be calculated by the Calculation Agent pursuant to the relevant Final Terms, the Issuer will appoint the London office of a leading bank engaged in the London and international interbank markets to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

### **(III) Write-off of Tier 2 Subordinated Notes**

Tier 2 Subordinated Notes, whether such Tier 2 Subordinated Notes are Fixed Rate Notes or Floating Rate Notes, shall be subject to the provisions relating to write-off set forth in Condition 17.

## 5. Redemption and Purchase

(a) *Final Redemption*: Unless previously redeemed or purchased and cancelled, and subject as provided in Condition 6(d), each Tier 2 Subordinated Note will be redeemed at its redemption amount (“**Final Redemption Amount**”) being its nominal amount or such other amount as is specified in the relevant Final Terms or, in the case of Instalment Notes, in such number of instalments and in such amounts (“**Instalment Amount**”) as may be specified in the relevant Final Terms, on the applicable Maturity Date specified in the relevant Final Terms.

(b) *Repurchases*: The Issuer and any of its Affiliates may repurchase Tier 2 Subordinated Notes in the open market or otherwise only in accordance with the provisions set forth in Condition 17. Tier 2 Subordinated Notes so repurchased by the Issuer or any Affiliate shall not be deemed to be outstanding for the purposes of Conditions 9, 11 or 12. For purposes of paragraphs (d) (i), (ii), (iii) and (iv) of Condition 17 with respect to a repurchase or redemption, as the case may be, that may be made by the Issuer, references to the Issuer shall include the Bank, or any successor thereto, acting through its head office or any branch office.

(c) *Redemption of Tier 2 Subordinated Notes*: Tier 2 Subordinated Notes may be redeemed at the option of the Issuer only in accordance with the provisions set forth in Condition 17. Tier 2 Subordinated Notes may not be redeemed at the option of Noteholders of Tier 2 Subordinated Notes.

(d) *Write-off of Tier 2 Subordinated Notes*: Tier 2 Subordinated Notes shall be subject to the provisions relating to write-off set forth in Condition 17(c).

(e) *Cancellation*: All Tier 2 Subordinated Notes redeemed will be cancelled promptly. Any Tier 2 Subordinated Notes purchased in accordance with Condition 17(d) subject as otherwise specified in the relevant Final Terms, may at the option of the Issuer, be cancelled or may be resold. Tier 2 Subordinated Notes which are cancelled following any redemption or purchase made in accordance with Condition 17(d), subject as otherwise specified in the relevant Final Terms, may at the option of the Issuer be re-issued.

## 6. Payments

(a) *Payments of Principal and Interest*: Payments of principal and interest in respect of Tier 2 Subordinated Notes will be made or procured to be made by the Principal Paying Agent on the due date for payment to the person shown on the Register (or, in case of joint Holders, the first named) (i) at the close of business (local time in the place of the specified office of the Principal Paying Agent) on the fifteenth DTC business day before the due date for payment thereof in the case of a Registered Note registered in the name of, or the name of a nominee for, DTC, or (ii) in the case of a Registered Note deposited with the common depositary for, and registered in the name of a common nominee of Euroclear or Clearstream, Luxembourg, as the case may be, on the business day before the due date for payment thereof, or (iii) in the case of a Registered Note which is represented by a Definitive Note on the fifteenth business day before the due date for payment thereof (the “**Record Date**”):

(i) by cheque drawn on, or by transfer to an account in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, maintained by the payee with, a bank in the Relevant Financial Centre of such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, or, in the case of Euro, in a city in which banks have access to the TARGET System; or

(ii) as may otherwise be specified in the relevant Final Terms as an Alternative Payment Mechanism, subject in each case to Condition 7(c). For the purposes of this Condition 7, “**DTC business day**” means any day on which DTC is open for business.

Payments of principal and interest in respect to Tier 2 Subordinated Notes are subject to write-off as set forth in Condition 17(c).

Payments of principal in respect of Tier 2 Subordinated Notes will only be made against (except for, in the case of an Instalment Note, payment of any instalment other than the final instalment) surrender of the relevant

Definitive Note at the specified office of any Transfer Agent. Upon application by the Holder to the specified office of any Transfer Agent not less than 15 days before the due date for any payment in respect of a Tier 2 Subordinated Note, such payment will be made by transfer to an account maintained by the payee with a bank in the Relevant Financial Centre or, in the case of Euro, in a city in which banks have access to the TARGET System. Details of the account to which a registered Holder's payments will be made should be notified by the Holder to the specified office of the Principal Paying Agent before the Record Date preceding the relevant payment date. If the amount of principal being paid is less than the nominal amount of the relevant Definitive Note, the Registrar will annotate the Register with the amount of principal so paid and will (if so requested by the Issuer or a Noteholder) issue a new Definitive Note with a nominal amount equal to the remaining unpaid nominal amount.

(b) *Payment Initiation:* Where payment is to be made by transfer to an account in the relevant Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, payment instructions (for value the due date, or if that is not a Relevant Business Day, for value the first following day which is a Relevant Business Day) will be initiated, and, where payment is to be made by cheque, the cheque will be mailed (at the risk of the Holder of such Tier 2 Subordinated Note) on the last day on which the Principal Paying Agent is open for business preceding the due date for payment or, in the case of payments of principal where the relevant Definitive Note has not been surrendered at the specified office of any Transfer Agent, on a day on which the Principal Paying Agent is open for business and on which the relevant Definitive Note is surrendered.

(c) *Payments Through The Depository Trust Company:* Tier 2 Subordinated Notes, if so specified on them, will be issued in the form of one or more Definitive Notes registered in the name of, or the name of a nominee for, The Depository Trust Company ("DTC"). Payments of principal and interest in respect of Tier 2 Subordinated Notes denominated in U.S. dollars will be made in accordance with Conditions 7(a) and (b). Payments of principal and interest in respect of Tier 2 Subordinated Notes registered in the name of, or in the name of a nominee for, DTC and denominated in a Specified Currency or in respect of which payments are to be made in a Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, other than U.S. dollars will be made or procured to be made by the Principal Paying Agent in the relevant Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, in accordance with the following provisions. The amounts in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, payable by the Principal Paying Agent or its agent to DTC with respect to Tier 2 Subordinated Notes held by DTC or its nominee will be received from the Issuer by the Principal Paying Agent who will make payments in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, by wire transfer of same day funds to the designated bank account in such Specified Currency, Specified Principal Payment Currency or Specified Interest Payment Currency, as the case may be, of the DTC participants entitled to receive the relevant payment.

(d) *Delay in Payment:* Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due on a Tier 2 Subordinated Note if the due date is not a Relevant Business Day, if the Noteholder is late in surrendering or cannot surrender its Definitive Note (if required to do so) or if a cheque mailed in accordance with Condition 7(b) arrives after the due date for payment.

(e) *Payment Not Made in Full:* If the amount of principal or interest which is due on any Tier 2 Subordinated Note is not paid in full, the Registrar will annotate the Register with a record of the amount of principal or interest, if any, in fact paid on such Note.

(f) *Payments Subject to Law, etc.:* All payments are subject in all cases to any applicable laws, regulations and directives in the place of payment, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(g) *Appointment of Agents:* The Principal Paying Agent, the Paying Agents, the Registrar, the Calculation Agent, the Replacement Agent and the Transfer Agents initially appointed by the Issuer and their respective specified offices are listed in the Agency Agreement. The Issuer reserves the right at any time, with the prior approval of the Trustee, which shall not be unreasonably withheld, to vary or terminate the appointment of any Agent, to appoint another Registrar, Replacement Agent or Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, *provided* that the Issuer will at all times maintain (i) a Principal Paying Agent in

respect of each Series of Tier 2 Subordinated Notes, (ii) a London Paying Agent, (iii) a Registrar and a Transfer Agent in New York City, (iv) a Paying Agent and a Transfer Agent having a specified office in a European city which, so long as the Exchange on which the Tier 2 Subordinated Notes are listed is the Luxembourg Stock Exchange, shall be Luxembourg, (v) a Calculation Agent and (vi) a Replacement Agent. Notice of any such change or any change in the specified office of any Agent will promptly be given to the Noteholders in accordance with Condition 19(a).

(h) *Satisfaction of Obligations*: Every payment of any sum due in respect of Tier 2 Subordinated Notes made to the Principal Paying Agent as provided for herein shall, to such extent, be a good discharge to the Issuer. In the event there is a default by the Principal Paying Agent in any payment to any Paying Agent or by any Paying Agent in any payment on the Tier 2 Subordinated Notes to any Holder in accordance with these Terms and Conditions, the Issuer shall pay such additional amounts as will result in receipt by such Holder of such amount as would have been received by it had no such default occurred.

## 7. Taxation

All payments by or on behalf of the Issuer in respect of the Tier 2 Subordinated Notes will be made without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges (together, “**Taxes**”) of whatever nature imposed, levied, collected, withheld or assessed by Brazil or any authority therein or thereof having power to tax in the case of Tier 2 Subordinated Notes issued by the Issuer acting through its head office, or by Brazil or the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax in the case of Tier 2 Subordinated Notes issued by the Issuer acting through its Grand Cayman Branch, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Tier 2 Subordinated Note:

(a) where such withholding or deduction is imposed by reason of the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Tier 2 Subordinated Note having some connection with Brazil, the Cayman Islands or any authority in or of Brazil or the Cayman Islands having the power to tax, other than the mere holding of such Tier 2 Subordinated Note; or

(b) where such withholding or deduction could have been lawfully avoided if the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Tier 2 Subordinated Note had complied with a request addressed to such Holder or beneficial owner (or third party) to provide certification, identification or information reporting concerning the nationality, residence, identity or connection with the taxing jurisdiction of such Holder or beneficial owner (or third party); *provided* that the Issuer shall be deemed to have given adequate notice if it complies with the general notice provision provided in Condition 19(a); or

(c) in respect of any Tax which is payable otherwise than by withholding or deduction; or

(d) in respect of any inheritance, gift, estate, personal property, sales or transfer Tax; or

(e) surrendered or presented for payment more than 30 days after the Relevant Date except to the extent that the Holder or beneficial owner (or a third party on behalf of the Holder or beneficial owner) of such Tier 2 Subordinated Note would have been entitled to additional amounts on surrendering or presenting the same for payment on the last day of such period of 30 days.

As used in these Terms and Conditions, “**Relevant Date**” in respect of any Tier 2 Subordinated Note means the date on which payment in respect thereof first becomes due or (if the full amount of the money payable has not been received by the Trustee or the Principal Paying Agent on or prior to such due date) the date on which notice is duly given to the Noteholders in accordance with Condition 19(a) that such moneys have been so received and are available for payment. References in these Terms and Conditions to “principal” shall be deemed to include “Final Redemption Amount,” “Optional Redemption Amount” and “Early Redemption Amount” and any premium payable in respect of the Tier 2 Subordinated Notes and any reference to “principal” or “interest” shall be deemed to include

any additional amounts which may be payable under this Condition 8 or any undertaking given in addition to or in substitution for it under the Trust Deed.

The Issuer, and any other person to or through which any payment with respect to the Tier 2 Subordinated Notes may be made, will be entitled to withhold or deduct from any payments made with respect to the Tier 2 Subordinated Notes amounts required to be withheld or deducted under or in connection with FATCA, and, notwithstanding anything herein, Holders and beneficial owners of Tier 2 Subordinated Notes will not be entitled to receive any gross up or other additional amounts on account of any such withholding or deduction.

## **8. Events of Default**

If an Event of Default described in paragraphs (b) and (c) below, as modified by, or such other events as may be specified in, the Final Terms occurs and is continuing, the Trustee if instructed in writing by Holders of at least one third in nominal amount of the Tier 2 Subordinated Notes of such Series then outstanding or if so directed by an Extraordinary Resolution of Noteholders of such Series shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that the Tier 2 Subordinated Notes of such Series are, and they shall immediately become, due and payable at the Early Redemption Amount specified in the relevant Final Terms or, if none is so specified, at the nominal amount specified in the relevant Final Terms together with accrued interest to the date of redemption of such Tier 2 Subordinated Notes. However, the Issuer will only be required to make payment on acceleration after it has been declared bankrupt, has been dissolved or suspends payment on or fails or is unable to pay all or a material part of (or of a particular type of) its debts generally as they become due, and those payments will be subject to the subordination provisions set forth in Condition 17.

Such acceleration is subject to the condition that any time after the principal of the Tier 2 Subordinated Notes shall have been so declared due and payable, and before any judgment or decree for the payment of the monies due shall have been obtained or entered, the Holders of at least two thirds in the nominal amount of the Tier 2 Subordinated Notes of the affected Series then outstanding by written notice to the Issuer and the Trustee may rescind and annul such declaration and its consequences solely with respect to such Tier 2 Subordinated Notes, subject to certain conditions, but no such rescission and annulment shall affect any subsequent default or shall impair any right consequent thereon.

There is no right of acceleration in the case of default in the payment of principal of or interest on the Tier 2 Subordinated Notes, as described in Condition 9(a). Notwithstanding the foregoing or any other provision of these Terms and Conditions or the Trust Deed, in the event of the Issuer's failure to pay any principal or interest on the Tier 2 Subordinated Notes when it becomes due and payable, the Noteholders will have the right to institute a suit, including a summary proceeding for the enforcement of such payment.

Any of the following events shall be an "**Event of Default**":

(a) *Non-Payment*: Subject to Condition 17, the Issuer fails to pay any principal or interest (if any) in respect of any of the Tier 2 Subordinated Notes of such Series on the date when due and, with respect to principal, such failure continues for a period of three days and, with respect to interest, such failure continues for a period of fifteen days; or

(b) *Dissolution and insolvency*: The Issuer (a) is dissolved other than in connection with a consolidation, merger or reorganization not involving a bankruptcy or insolvency where the obligations of the Issuer in relation to the outstanding Tier 2 Subordinated Notes are assumed by the successor entity, (b) suspends payment on or fails or is unable to pay all or a material part of (or of a particular type of) its debts generally as they become due, (c) commences a voluntary case in bankruptcy or any other action or proceeding for any other relief under any law affecting creditors' rights that is similar to a bankruptcy law or (d) consents to the commencement against it of an involuntary case in bankruptcy or any other action or proceeding, or a proceeding is commenced in an involuntary case in bankruptcy if such proceeding is not dismissed on or before the 60th day after the entry thereof or if any such dismissal or stay ceases to be in effect; or



(c) *Analogous events:* Any event occurs which under the laws of Brazil has an analogous effect to any of the events referred to in paragraph (b).

## 9. Prescription

Claims against the Issuer for payment in respect of the Tier 2 Subordinated Notes shall be prescribed and become void unless made within 10 years (in the case of principal) and 5 years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## 10. Meetings of Noteholders, Modification, Waiver and Substitution

(a) *Meetings of Noteholders:* The Trust Deed contains provisions (which shall have the effect as if incorporated herein) for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Tier 2 Subordinated Notes of such Series (including these Terms and Conditions insofar as the same may apply to such Tier 2 Subordinated Notes). Such a meeting may be convened by the Issuer or the Trustee, and the Trustee (subject to being indemnified to its satisfaction against all costs and expenses thereby occasioned) shall convene such a meeting upon written request of Noteholders holding not less than 20% in nominal amount of the Tier 2 Subordinated Notes of the relevant Series for the time being outstanding. The quorum for any meeting to consider an Extraordinary Resolution will be two or more persons holding or representing in aggregate more than 50% in nominal amount of the Tier 2 Subordinated Notes of the relevant Series for the time being outstanding, or at any adjourned meeting two or more persons holding or representing Holders of Tier 2 Subordinated Notes of the relevant Series whatever the nominal amount of the Tier 2 Subordinated Notes of the relevant Series held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Tier 2 Subordinated Notes of any Series or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount, Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount (if any) of the Tier 2 Subordinated Notes of any Series, (iii) to reduce the rate or rates of interest in respect of the Tier 2 Subordinated Notes of any Series or to vary the method or basis of calculating the rate or rates or amount of interest, (iv) to change the currency or currencies of payment of the Tier 2 Subordinated Notes of any Series or (v) to modify the provisions concerning the quorum required at any meeting of Noteholders of any Series or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than 75%, or at any adjourned meeting not less than 25%, in nominal amount of the Tier 2 Subordinated Notes of the relevant Series for the time being outstanding. An “**Extraordinary Resolution**” is defined in the Trust Deed to mean a resolution passed at a meeting of Noteholders duly convened and held in accordance with the provisions of the Trust Deed by a majority of at least 75% of the votes cast. A written resolution of Holders of not less than 75% in nominal amount of the Tier 2 Subordinated Notes of the relevant Series for the time being outstanding shall take effect as an Extraordinary Resolution for all purposes. Any Extraordinary Resolution duly passed shall be binding on all Holders of Tier 2 Subordinated Notes of the relevant Series (whether or not they were present or represented at the meeting at which such resolution was passed).

(b) *Modification, Waiver and Determination:* The Trustee and the Issuer may, without the consent of the Noteholders, agree to any modification of any of the provisions of the Trust Deed, the Final Terms of any Series of Tier 2 Subordinated Notes and the Tier 2 Subordinated Notes of any Series (i) which is of a formal, minor or technical nature or is made to correct a manifest error, (ii) to cure any ambiguity or inconsistency, (iii) to add to the covenants of the Issuer for the benefit of the Noteholders or to surrender any right or power conferred upon the Issuer, (iv) to provide for any assumption by a Successor Corporation under Condition 18 and (v) to make any other modification that does not materially affect the rights of Noteholders under the Tier 2 Subordinated Notes or the Trust Deed. For the purposes of the foregoing, the Trustee shall be entitled to request and to rely on such Opinions of Counsel and advice as it deems necessary and shall not be responsible to anyone for any loss occasioned by so acting. The Trustee shall (x) agree to any waiver or authorisation of any breach or proposed breach of any of the provisions of the Trust Deed, the Final Terms and the Tier 2 Subordinated Notes, in each case, in respect of any Series of Tier 2 Subordinated Notes or (y) determine that any Event of Default or Potential Event of Default in respect of any Series of Tier 2 Subordinated Notes will not be treated as such if, in each case, instructed in writing by Noteholders of at least 75% of the nominal amount of the Tier 2 Subordinated Notes then outstanding of such Series. Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so

requires, such modification shall be notified to the Noteholders in accordance with Condition 19(a) as soon as practicable.

(c) *Modification by the Issuer:* In relation to a series of Tier 2 Subordinated Notes, the Issuer may (once per Series) and the Trustee shall, if requested by the Issuer acting in compliance with the remainder of this Condition 11(c), without the consent of the Noteholders, modify the terms and conditions of such Tier 2 Subordinated Notes solely to comply with the requirements of the Central Bank in order to qualify such Tier 2 Subordinated Notes as Tier 2 Capital pursuant to Resolution 4,192. The Issuer will not be permitted to make any modifications without Noteholders' consent if such modification would affect in any way the interest rate of such Tier 2 Subordinated Notes, the dates of any payments, the outstanding principal amount of such Tier 2 Subordinated Notes, the ranking of those Tier 2 Subordinated Notes or the original maturity date of such Tier 2 Subordinated Notes. The Trustee shall agree to any modification of the terms and conditions of any Tier 2 Subordinated Notes which two authorized officers or attorneys of the Issuer shall have certified in writing to the Trustee is permitted in accordance with the provisions of this Condition 11(c), *provided* that the Trustee shall not be bound to assent to or to execute any modification to any Tier 2 Subordinated Note which would have the effect of (i) changing, increasing or adding to the obligations or duties of the Trustee or (ii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed or the terms and conditions of the Tier 2 Subordinated Notes. The Trustee may rely absolutely on any such certificate and shall not be bound to make any further enquiries and shall have no liability whatsoever to any Noteholder for so doing.

(d) *Substitution:* The Issuer may, with respect to any Series of Tier 2 Subordinated Notes issued by it (the "**Relevant Notes**"), without the consent of any Holder, substitute for itself any other entity organized in any country in the world as the debtor in respect of the Tier 2 Subordinated Notes and the Trust Deed (the "**Substituted Debtor**") upon notice by the Issuer and the Substituted Debtor to be given in accordance with Condition 19(a) *provided* that:

(i) the Issuer is not in default in respect of any amount payable under any of the Relevant Notes;

(ii) the Issuer and the Substituted Debtor have entered into such documents (the "**Documents**") as are necessary to give effect to the substitution and in which the Substituted Debtor has undertaken in favour of each Holder of the Relevant Notes to be bound by these Terms and Conditions and the provisions of the Trust Deed and the Agency Agreement as the debtor in respect of such Relevant Notes in place of the Issuer (or any previous substitute under this Condition 11(d);

(iii) if the Substituted Debtor is resident for tax purposes in a country (the "**New Residence**") other than Brazil, the Documents contain an undertaking or such other provisions as may be necessary to ensure that each Holder of the Relevant Notes has the benefit of an undertaking in terms corresponding to the provisions of Condition 8 with, where applicable, the substitution of references to Brazil with references to the New Residence;

(iv) unless the Substituted Debtor is the Issuer's successor, (A) the Issuer guarantees the obligations of the Substituted Debtor in relation to outstanding Relevant Notes or (B) the Issuer remains a co-obligor on the Relevant Notes, in either case as approved by the Central Bank or any other applicable Brazilian Governmental Authority;

(v) the Substituted Debtor and the Issuer have obtained all material governmental approvals and consents required by applicable law for such substitution and for the performance by the Substituted Debtor of its obligations under the Documents and for the performance of the Issuer of its obligations under the guarantee or co-obligation referred to above (if any) as they relate to the obligations of the Substituted Debtor under the Documents;

(vi) each applicable listing authority or Exchange shall have confirmed that, following the proposed substitution of the Substituted Debtor, the Relevant Notes will continue to be admitted to listing and/or trading by the applicable listing authority and Exchange; and

(vii) if applicable, the Substituted Debtor has appointed a process agent as its agent in England to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Relevant Notes.

Upon such substitution, the Substituted Debtor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Relevant Notes and the Trust Deed with the same effect as if the Substituted Debtor had been named as the Issuer therein, and the Issuer shall be released from its obligations under the Relevant Notes and under the Trust Deed, unless the Issuer remains a co-obligor on the Relevant Notes pursuant to paragraph (d)(iv)(B) of this Condition 11.

After a substitution pursuant to this Condition 11(d), the Substituted Debtor may, without the consent of any Holder, effect a further substitution. All the provisions specified above shall apply to effect the further substitution. After a substitution pursuant to the above, any Substituted Debtor may, without the consent of any Holder, reverse the substitution.

(e) *Entitlement of the Trustee:* In connection with the exercise of its functions (including but not limited to those referred to in this Condition 11), the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or the Noteholders in respect of Tier 2 Subordinated Notes of any particular Tranche or Series, and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment, whatsoever, and including in respect of any tax consequences of any such exercise upon individual Noteholders.

## **11. Enforcement**

At any time after the Tier 2 Subordinated Notes of any Series become due and payable, the Trustee shall, if instructed in writing by the Holders of at least one-third in nominal amount of the Tier 2 Subordinated Notes of such Series then outstanding or if directed by an Extraordinary Resolution of Noteholders of such Series and on such terms and conditions (if any) as shall be specified in such instructions or direction, institute such Proceedings against the Issuer to enforce the terms of the Trust Deed, the Notes, and the Coupons, *provided* that the Trustee shall have been indemnified to its satisfaction. No Noteholder may proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable time and such failure is continuing.

## **12. Indemnification of the Trustee and Amendments to Resolution 4,192**

### **(a) Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee for its relief from responsibility and for the limitation of its duties and powers thereunder. The Trustee and its parent, subsidiaries and affiliates are entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

### **(b) Amendments to Resolution 4,192**

The Issuer shall notify the Trustee promptly in writing if the Conselho Monetário Nacional (National Monetary Council of Brazil) or the Central Bank (i) effects and publishes in the Diário Oficial (Official Gazette) any amendment to Resolution 4,192; or (ii) publishes any notice on the website of the Central Bank setting out a proposed change to Resolution 4,192. Upon receipt of a written notice from the Issuer of a proposed change or an actual change to Resolution 4,192 in accordance with the foregoing, neither the Trustee nor any Paying Agent shall be required to take any action or to refrain from taking any action that may cause it to incur, in its sole discretion, any loss, liability, damage or expense, provided that under no circumstances shall this provision affect a Paying Agent's obligation to make payments to Noteholders of interest or principal that are due and payable if such payments have been made by the Issuer to a Paying Agent. To the extent that the consent or authorization of the Central Bank or any other Brazilian Governmental Authority is required for the Issuer's, the Trustee's or an Agent's performance under the Tier 2 Subordinated Notes, the Trust Deed or the Agency Agreement, neither the Trustee nor any Agent shall have any duty or obligation to determine

whether such approval, consent or authorization is required or have any duty or obligation to obtain such consent. The Issuer shall notify the Trustee and the Agents, as applicable, in writing, if the approval, consent or authorization of the Central Bank or such other Brazilian Governmental Authority, as applicable, is required for the Issuer's or the Trustee's performance under the Tier 2 Subordinated Notes, the Trust Deed or the Agency Agreement and whether or not such consent has been obtained by the Issuer.

### **13. Replacement of Definitive Notes**

If any Definitive Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Transfer Agent (in such capacity, the "**Replacement Agent**") subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the taxes and expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer or the Replacement Agent may require (*provided* that the requirement, in the case of the Issuer only, is reasonable in the light of prevailing market practice). Any replacement Definitive Note will bear a notation stating the serial number of the Definitive Note which it replaces or is deemed to replace and, in the case of an Instalment Note, a record of the amount and date of each payment made prior to the date of the replacement in respect of the Instalment Note to be replaced (as evidenced by the notations on the schedule of payments endorsed on the Instalment Note to be replaced or, if such Instalment Note, has been lost, stolen or destroyed, the payment records of the Registrar will be noted by or on behalf of the Registrar issuing such replacement Instalment Note on the schedule of payments endorsed thereon. Mutilated or defaced Definitive Notes must be surrendered before replacements will be issued.

### **14. Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further securities having the same terms and conditions as the Tier 2 Subordinated Notes of any Series in all respects (or in all respects except for the issue date, first payment of interest on them or the Specified Denomination thereof) so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Tier 2 Subordinated Notes of any Series). References in these Terms and Conditions to the Tier 2 Subordinated Notes of any Series include (unless the context requires otherwise) any other securities issued pursuant to this Condition 15 and forming a single series with the Tier 2 Subordinated Notes of such Series. Any further securities forming a single series with the outstanding securities of any series (including the Tier 2 Subordinated Notes of any Series) constituted under the Trust Deed or any deed supplemental to it shall be constituted under a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders of a Series and the Holders of securities of other series (including the Tier 2 Subordinated Notes of any other Series) where the Trustee so decides.

### **15. Agents**

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation, liability or relationship of agency or trust for or with any Holder.

### **16. Terms of Subordination**

#### (a) Form, Subscription in Cash and Maturity

(i) *Form*: Tier 2 Subordinated Notes will be issued as registered notes.

(ii) *Subscription and payment in cash*: Tier 2 Subordinated Notes may be issued in one or more Series or Tranches, consideration for which shall be paid to the Issuer in cash at the date of issue thereof.

(iii) *Maturity*: The Tier 2 Subordinated Notes shall not have a maturity date or begin to be amortized prior to five (5) years from their issuance date.

#### (b) Status; Subordination Provisions

(i) *Status:* The Tier 2 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer.

(ii) *Subordination:* The Tier 2 Subordinated Notes are subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer in accordance with this Condition 17(b).

Subject to applicable law (A) the rights and claims of Noteholders are and will be subordinated and, accordingly, subject in right of payment to prior payment in full of all principal, premium, if any, interest and any other amounts due or to become due on all Senior to Tier 2 Liabilities upon the Issuer's winding-up, bankruptcy, liquidation, dissolution or similar proceedings (each, a "**Bankruptcy Event**"), except for obligations with respect to Second Priority Liabilities, and (B)(i) Tier 2 Subordinated Notes shall rank *pari passu* with respect to each other without any preference among themselves, and (ii) the rights and claims of Noteholders under the Tier 2 Subordinated Notes shall rank *pari passu* with the rights and claims of holders of the Tier 2 Parity Liabilities, subject to the terms and conditions applicable to each Tier 2 Parity Liability; provided that the consolidation of the Issuer with, or the merger of the Issuer into any other corporation or the liquidation or dissolution of the Issuer following the conveyance or transfer (including in connection with a *cisão*) of its properties, assets and liabilities substantially as an entirety to another corporation in accordance with Condition 18 shall not be deemed a Bankruptcy Event for the purposes of this Condition 17 if the Central Bank has approved such consolidation, merger, transfer or conveyance. Thereafter, the Issuer shall be automatically released and discharged from all obligations and covenants under the Trust Deed and the Tier 2 Subordinated Notes, and the Tier 2 Subordinated Notes will continue to be outstanding and will be treated as subordinated debt of such Successor Corporation pursuant to the terms of Resolution 4,192.

(c) Write-off

(i) The amounts payable by the Issuer under the Tier 2 Subordinated Notes shall be written-off on a permanent *basis*, in a minimum amount corresponding to the balance allocated to the Tier 2 Subordinated Notes that are afforded Tier 2 Capital treatment, upon the occurrence of the following events, or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority (each, a "**Tier 2 Write-off Event**"):

(A) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 4.5% of its RWA determined in accordance with Resolution 4,193;

(B) execution of an agreement for capital contribution pursuant to the exception set forth in the recital to article 28 of Supplementary Law n° 101, as of May 4, 2000;

(C) decree, by the Central Bank, of a temporary special administration regime (Regime de Administração Especial Temporária) or an intervention in the business of the Issuer; or

(D) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 2 Subordinated Notes.

(ii) The above-mentioned Tier 2 Write-off Event shall not occur in the event of any revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and RWA as determined in clause (A) above.

(iii) The occurrence of any Tier 2 Write-off Event, as well as the revision or republication set forth in the paragraph above, or of other events that may be determined by the Central Bank or by any competent Brazilian Governmental Authority, shall not be deemed to be an event of default and shall not accelerate the maturity of any obligations of the Issuer.

(iv) If the amounts payable by the Issuer under the Tier 2 Subordinated Notes are written-off as a result of the occurrence of a Tier 2 Write-off Event, the Issuer shall notify the Noteholders in writing about the

existence of such Tier 2 Write-off Event. Such notice shall be sent to Noteholders (with a copy to the Trustee and the Paying Agent) within 14 Business Days from the date of determination of such Tier 2 Write-off Event.

(d) Redemption, Repurchase and Guaranty or Insurance

(i) *Repurchases*: Subject to the prior approval of the Central Bank (in accordance with article 20, V of Resolution 4,192) or any other applicable Brazilian Governmental Authority (if such approval is then required), the Issuer or any Affiliate may, at any time, repurchase Tier 2 Subordinated Notes in the open market or otherwise in any manner and at any price. Tier 2 Subordinated Notes so repurchased, while held by or on behalf of the Issuer or any of its Affiliates, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders.

(ii) *Optional Redemption for Taxation Reasons*: Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, on or after the fifth anniversary of the issuance of such Tier 2 Subordinated Notes, redeem or procure the purchase of any Series of Tier 2 *Subordinated* Notes at its option in whole, but not in part, on giving not less than 30 days nor more than 45 days' notice to the Noteholders in accordance with Condition 19(a) (which notice shall be irrevocable), at their Early Redemption Amount or if none is so specified, at the nominal amount specified in the relevant Final Terms (in each case together with interest accrued to, but excluding, the date fixed for redemption) if (i) there is more than an insubstantial risk that the Issuer has or will become obligated to pay additional amounts (such additional amounts to be determined in accordance with Condition 8) in excess of the additional amounts which would be payable in respect of deductions or withholdings made at the rate of the Original Withholding Level, if any, specified in the relevant Final Terms as a result of any change in, or amendment to, the laws or regulations of Brazil or the Cayman Islands, or any political subdivision or authority in or of Brazil or the Cayman Islands having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment is adopted or enacted or becomes effective on or after the Issue Date in respect of the relevant Series, and (ii) such obligation cannot be avoided by the Issuer taking ministerial measures available to it, provided that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obligated to pay such additional amounts were a payment in respect of such Tier 2 Subordinated Notes then due (or in the case of Tier 2 Subordinated Notes which bear interest at the Floating Rate, a number of days which is equal to the aggregate number of days falling within the current Interest Period applicable to the Tier 2 Subordinated Notes plus 75 days). Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(d)(ii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking ministerial measures available to it and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, which shall be conclusive and binding on the Noteholders.

(iii) *Optional Redemption due to a Tier 2 Regulatory Event*: Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, redeem or procure the purchase of any Series of Tier 2 Subordinated Notes, in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 19(a) (which notice shall be irrevocable), at the Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if the Issuer certifies to the Trustee immediately prior to the giving of such notice that a Tier 2 Regulatory Event has occurred, provided, however, that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Tier 2 Regulatory Event is or is reasonably expected to be effective. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this Condition 17(d)(iii), the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the Issuer is entitled to effect such a redemption or to cause such purchase in lieu of redemption pursuant to this Condition 17(d)(iii), and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption. Concurrently, the Issuer will deliver to the Trustee a written Opinion of Counsel stating, among other things,

that a Tier 2 Regulatory Event has occurred and that all governmental approvals necessary for the Issuer to effect such redemption or purchase in lieu of redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

(iv) *Redemption of Tier 2 Subordinated Notes at the Option of the Issuer (Call Option)*: In accordance with art. 21 of Resolution 4,192, if so provided in the relevant Final Terms, the Issuer may, on or after the fifth anniversary of the issuance of such Tier 2 Subordinated Notes and subject to the prior approval of the Central Bank, on giving to the Noteholder of such Tier 2 Subordinated Note irrevocable notice of not less than 30 nor more than 45 days in accordance with Condition 19(a) (or such other notice period as specified in the relevant Final Terms) redeem or procure the purchase of all or, if so specified in the relevant Final Terms, some of the Series of Tier 2 Subordinated Notes of which such Tier 2 Subordinated Note forms part, on the Optional Redemption Date(s) specified in the relevant Final Terms (which shall, in the case of Tier 2 Subordinated Notes which at the time of redemption or purchase have an interest basis which is specified in the relevant Final Terms as Floating Rate, be a Specified Interest Payment Date) at the amount specified in the relevant Final Terms as the Optional Redemption Amount less, in the case of any Instalment Note, the aggregate amount of instalments that shall have become due and payable under any other Conditions (which amount, if to the extent not then paid, remains due and payable) together with interest accrued to (but excluding) the date fixed for redemption or purchase, provided that the Issuer is then and, on a pro forma basis following such purchase, will remain in compliance with the minimum ratio requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfies the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits. All Tier 2 Subordinated Notes in respect of which any such notice is given shall be redeemed or purchased on the Optional Redemption Date(s) specified in such notice in accordance with this Condition 17(d)(iv). If only some of the Tier 2 Subordinated Notes of a Series are to be redeemed or purchased at any time, the Tier 2 Subordinated Notes to be redeemed or purchased shall be redeemed or purchased pro rata to their principal amounts, provided always that the amount redeemed or purchased in respect of each Tier 2 Subordinated Note shall be equal to the Specified Denomination, and in each case subject to compliance with the applicable rules of each clearing system, listing authority and Exchange and the notice to Noteholders referred to herein shall specify the serial numbers and nominal amounts of the Tier 2 Subordinated Notes to be so redeemed or purchased.

(v) *Redemption at the Issuer's Option*: The Tier 2 Subordinated Notes may only be *redeemed* at the Issuer's option and the Noteholders shall have no right to request that the Issuer redeem the Tier 2 Subordinated Notes in whole or in part.

(vi) *No Guarantee or Insurance*: The Tier 2 Subordinated Notes are unsecured and *subordinated* obligations of the Issuer and do not benefit from any guarantee or insurance issued pursuant to any insurance policy or similar structure that may compromise the subordination of the Tier 2 Subordinated Notes and/or require or allow payments or transfers of funds to the Noteholders, directly or indirectly, by the Issuer or any Affiliates.

(e) Conflict of Provisions, Amendments, No Change in Remuneration and no Financing

(i) *Conflicts*: In the event of conflict between the provisions of this Condition 17 and any other provision set forth in any Transaction Document with respect to any Series of Tier 2 Subordinated Notes, the provisions of this Condition 17, as amended by the *Subordination* Nucleus, shall prevail, as per art. 14, II, of Resolution 4,192 and any such conflicting provision shall be null and void.

(ii) *Amendments*: In accordance with art. 14, III of Resolution 4,192, the execution of any amendment, change or revocation of any provision of this Condition 17 is subject to the prior *consent* of the Central Bank, if required pursuant to applicable regulations then in effect.

(iii) *No Change to Terms or Conditions for Payment of Remuneration*: The payment terms and *conditions* of the Tier 2 Subordinated Notes set forth in the Final Terms shall not be subject to amendment after the Issue Date, including as a result of a change in the credit quality of the Issuer.

(iv) *No Financing*: The Issuer shall not, directly or indirectly, finance the purchase of the Tier 2 *Subordinated* Notes, as set forth in Resolution 4,192.

## 17. Consolidation, Merger or Sales of Assets

The Issuer may, without the consent of the Holders of any Series of Tier 2 *Subordinated* Notes, consolidate with or merge into any other corporation or convey or transfer (including in connection with a *cisão*), in one transaction or a series of transactions, all or substantially all of its properties or assets to any other person, *provided* that:

(a) the corporation formed by such consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer (including in connection with a *cisão*) all or substantially all of the properties and assets of the Issuer (the “**Successor Corporation**”) shall be obliged to assume the due and punctual payment of the principal of and interest on all the Tier 2 *Subordinated* Notes and all other obligations of the Issuer under the Trust Deed, the Agency Agreement and the Tier 2 *Subordinated* Notes;

(b) immediately after giving effect to such transaction, no Event of Default with respect to any Tier 2 *Subordinated* Note shall have occurred and be continuing; and

(c) after any public announcement of, but in any event prior to the completion of any such consolidation, merger, conveyance or transfer, the Issuer has delivered to the Trustee (i) a certificate signed by two authorised officers of the Issuer stating that such consolidation, merger, conveyance or transfer complies with this Condition 18 and that all conditions precedent herein provided for relating to such transaction (other than the condition precedent set out in (b) above) have been complied with and (ii) an opinion of independent counsel of recognised standing to the effect that the Successor Corporation has validly assumed the obligations to be assumed by it pursuant to clause (a) above and that the Trust Deed, the Agency Agreement and the Tier 2 *Subordinated* Notes constitute legal, valid and binding obligations of the Successor Corporation, enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganisation or other laws of general applicability relating to or affecting the enforcement of creditor’s rights and to general principles of equity; *provided* that in giving such Opinion of Counsel may rely on a certificate signed by an authorised officer of the Issuer.

No Successor Corporation shall have the right to redeem the Tier 2 *Subordinated* Notes unless the Issuer would have been entitled to redeem the Tier 2 *Subordinated* Notes in similar circumstances.

Upon the consolidation, merger, conveyance or transfer (including in connection with a *cisão*) in accordance with this Condition 18, the Successor Corporation shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under the Tier 2 *Subordinated* Notes with the same effect as if the Successor Corporation had been named as the issuer of the Tier 2 *Subordinated* Notes herein and the Issuer will automatically be released and discharged from all obligations and covenants under the Trust Deed, the Agency Agreement and the Tier 2 *Subordinated* Notes.

Upon (i) any consolidation, merger, conveyance or transfer (including in connection with a *cisão*) in accordance with this Condition 18, if the Successor Corporation is resident for tax purposes in a country other than Brazil or the Cayman Islands (the “**New Jurisdiction**”), or (ii) any substitution in accordance with Condition 11(d), if the New Residence of the Substituted Debtor is a country other than Brazil or the Cayman Islands, all references in each of Condition 8 and in Condition 17(d)(ii) to “Brazil” and the “Cayman Islands” shall be substituted with references to the New Jurisdiction or to the New Residence, as the case may be, and the reference in Condition 17(d)(ii) to “Issue Date” shall be substituted with a reference to the “relevant date of consolidation, merger, conveyance, transfer or substitution, as the case may be.”

## 18. Notices and Provision of Information

(a) *Notices*. Notices to Holders of Tier 2 *Subordinated* Notes will be mailed to them at their respective addresses in the Register (or in the case of joint Holders, to the address of the first-named in the Register) and shall be published (so long as the Tier 2 *Subordinated* Notes are listed on the Luxembourg Stock Exchange) on the



website of the Luxembourg Stock Exchange designated for such purposes pursuant to the rules of the Luxembourg Stock Exchange or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxembourg Wort*). Any such notice shall be deemed to have been given on the later of the date of such publication and the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

(b) *Provision of Information.* For so long as any of its Tier 2 Subordinated Notes remain outstanding and are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act the Issuer undertakes that it will, during any period in which it is not subject to Section 13 or 15(d) under the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, furnish on request to any Holder of such restricted securities, or to any prospective purchaser thereof, such information as is required to be provided pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with the resale of such restricted securities.

## 19. Redenomination, Renominalisation and Reconventioning

(a) This Condition 20 is applicable to the Tier 2 Subordinated Notes only if it is specified in the relevant Final Terms as being applicable.

(b) If the country of the Specified Currency becomes or, announces its intention to become a member state of the European Community adopting the Euro as its lawful currency in accordance with the Treaty (a “**Participating Member State**”), the Issuer may, without the consent of the Holders of Tier 2 Subordinated Notes, on giving at least 30 days’ prior notice to the Holders of Tier 2 Subordinated Notes and the Paying Agents, designate a date for redenomination (the “**Redenomination Date**”), being an Interest Payment Date under the Tier 2 Subordinated Notes falling on or after the date on which such country becomes a Participating Member State.

(c) Notwithstanding the other provisions of these Terms and Conditions, with effect from the Redenomination Date:

(i) the Tier 2 Subordinated Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Tier 2 Subordinated Note equal to the principal amount of that Tier 2 Subordinated Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided*, however, that, if the Issuer determines, with the agreement of the Registrar then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders of Tier 2 Subordinated Notes, each stock exchange (if any) on which the Tier 2 Subordinated Notes are then listed and the Paying Agents of such deemed amendments;

(ii) if Tier 2 Subordinated Notes have been issued in definitive form:

(x) the payment obligations contained in all Tier 2 Subordinated Notes denominated in the Specified Currency will become void on the date (the “**Euro Exchange Date**”) on which the Issuer gives notice (the “**Euro Exchange Notice**”) to the Holders of Tier 2 Subordinated Notes that replacement Tier 2 Subordinated Notes denominated in Euro are available for exchange (*provided* that such Tier 2 Subordinated Notes are available) and no payments will be made in respect thereof, but all other obligations of the Issuer thereunder (including the obligation to exchange such Tier 2 Subordinated Notes in accordance with this Condition 20) shall remain in full force and effect; and

(y) new Tier 2 Subordinated Notes denominated in Euro will be issued in exchange for Tier 2 Subordinated Notes denominated in the Specified Currency in such manner as the Registrar, may specify and as shall be notified to the Holders of Tier 2 Subordinated Notes in the Euro Exchange Notice; and

(iii) all payments in respect of the Tier 2 Subordinated Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub division of the Euro, payments of

interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by cheque drawn on, or by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any member state of the European Community.

(d) Following redenomination of the Tier 2 Subordinated Notes pursuant to this Condition 20, where Tier 2 Subordinated Notes have been issued in definitive form, the amount of interest due in respect of the Tier 2 Subordinated Notes will be calculated by reference to the aggregate principal amount of the Tier 2 Subordinated Notes presented for payment by the relevant Holder.

(e) If the Floating Rate Notes provisions for Floating Rate Notes specified in Condition 5(II) are specified in the relevant Final Terms as being applicable and the Primary Source for the Floating Rate is as specified in Condition 5(II)(b)(i)(A) as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second Relevant Business Day before the first day of the relevant Interest Period.

## **20. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Tier 2 Subordinated Notes under the Contracts (Rights of Third Parties) Act 1999.

## **21. Governing Law and Jurisdiction**

(a) *Governing Law:* The Trust Deed, the Tier 2 Subordinated Notes, the Final Terms (including the summary of the Final Terms set out in section 5 of the Subordination Nucleus) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, *provided* that the provisions contained in Condition 17, as amended by the Subordination Nucleus, imposed on the Issuer in order for the Tier 2 Subordinated Notes to qualify as Tier 2 Capital under Resolution 4,192 shall be governed by, and construed in accordance with, the laws of Brazil.

(b) *Jurisdiction:* The courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed (“**Proceedings**”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts.

(c) *Agent for Service of Process:* The Issuer has in the Trust Deed appointed an agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

## FORM OF THE NOTES; BOOK ENTRY AND TRANSFER

### Bearer Notes

Bearer Notes of each Tranche of a Series of the Senior Notes will initially be represented by a Temporary Global Note or by a Permanent Global Note (together, the “**Global Notes**”), each without coupons, which will be deposited with a common depository on behalf of Clearstream and Euroclear on the relevant issue date. Interests in the Temporary Global Note will be exchanged in whole or in part for interests in a Permanent Global Note representing Bearer Notes of the relevant Tranche, not earlier than the expiration of the Distribution Compliance Period, and upon certification as to non-U.S. beneficial ownership.

Each Temporary Global Note, Permanent Global Note and any definitive Senior Note, talon and coupon will bear the following legend:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE.”

The sections of the Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain, realised on any sale, exchange or redemption of Bearer Notes or any related coupons.

#### *Summary of Provisions Relating to Bearer Notes while in Global Form*

Each Permanent Global Note will contain provisions which apply to the Bearer Notes while they are in global form, some of which modify the effect of the terms and conditions of the Senior Notes set out in this document. The following is a summary of certain such provisions:

(a) *Noteholders*: So long as the common depository is the bearer of a Global Note, the common depository for Euroclear and Clearstream will be considered the sole holder of the Senior Notes represented by such Global Note for all purposes under the Trust Deed, the Agency Agreement among Itaú Unibanco Holding, the Trustee and Paying Agents (the “**Agency Agreement**”), and such Senior Notes. Owners of beneficial interests in a Global Note will not be considered the holders of such Global Note (or any Senior Notes represented thereby).

(b) *Exchange*: A Temporary Global Note is exchangeable in whole or in part (free of charge to the holder) for interests in the Permanent Global Note representing Bearer Notes not earlier than the expiration of the Distribution Compliance Period, and upon certification as to non-U.S. beneficial ownership in the form set out in the Temporary Global Note. A Permanent Global Note is exchangeable (in the case of clause (iii), at the option of the issuer) in whole, but not in part (free of charge to the holder), for definitive Bearer Notes if (i) the Permanent Global Note is held on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by such holder giving notice to the London Paying Agent; (ii) the Trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of the holders of the Notes represented by such Permanent Global Note and the Trustee has been advised by counsel that in connection with such proceeding, it is necessary or appropriate for the Trustee to obtain possession of such Notes; or (iii) the Issuer is obligated to pay additional amounts as provided or referred to in the Terms and Conditions of the Senior Notes as a result of any change in, or amendment to, the laws or regulations of Brazil or the Cayman Islands or any political subdivision or authority in or of Brazil or the Cayman Islands having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment is adopted or enacted or becomes effective on or after the applicable issue date. If so specified in the relevant Final Terms, a Temporary Global Note or a Permanent Global Note is exchangeable in whole or in part for Registered Notes in accordance with its terms.

On or after any Exchange Date (as defined below), the holder of the Permanent Global Note may surrender the Permanent Global Note to, or to the order of, the London Paying Agent. In exchange for the Permanent Global Note, the relevant Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated definitive Bearer Notes (having attached to them all coupons and talons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in, or substantially in, the form set out in Schedule 1 to the Trust Deed or (if

so specified in the relevant Final Terms) Registered Notes. On exchange in full of the Permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder.

“**Exchange Date**” means a day falling not less than 40 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Principal Paying Agent is located and in which the relevant clearing system is located.

(c) *Payments*: No payments will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal, premium (if any) and interest in respect of Bearer Notes represented by the Permanent Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Bearer Notes, surrender of the Permanent Global Note to or to the order of the London Paying Agent, Principal Paying Agent or such other Paying Agent as shall have been notified to the holders of the Senior Notes for such purpose. A record of each payment so made will be endorsed in the appropriate exhibit to the Permanent Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Bearer Notes. Payments will be made to the common depository for Euroclear and Clearstream and, upon receipt of any such payment of a Global Note held by a common depository, it is expected that Euroclear and Clearstream will credit participants’ accounts with payment in amounts proportionate to their beneficial interests in the principal amount of such Global Notes as shown on the records of Euroclear or Clearstream, as the case may be.

(d) *Prescription*: Claims against the Issuer in respect of principal and interest in respect of a Global Note will be prescribed and become void unless such Global Note is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in “Terms and Conditions of the Senior Notes”).

(e) *Meetings*: The holder of a Global Note will be treated as being two persons for the purposes of any quorum requirements of a meeting of holders of the Senior Notes and, at any such meeting, as having one vote in respect of each minimum Specified Denomination of Bearer Notes for which such Global Note may be exchanged.

(f) *Purchase and cancellation*: Cancellation of any Bearer Note permitted under “Terms and Conditions of the Senior Notes” to be cancelled following its purchase will be effected by reduction in the nominal amount of the relevant Global Note and evidenced by the appropriate notation in the relevant exhibit to such Global Note.

(g) *Call option*: The Issuer’s call option in Condition 7(e) in “Terms and Conditions for the Senior Notes” may be exercised by the Issuer giving notice to the holders of the Senior Notes in accordance with Condition 7(e) and such notice shall be required to contain the certificate numbers of Senior Notes drawn for redemption in the case of a partial redemption of Senior Notes.

(h) *Put option*: The put option of the holders of the Senior Notes in Condition 7(f) in “Terms and Conditions for the Senior Notes” may be exercised by the holder of a Global Note giving notice to the London Paying Agent of the nominal amount of Bearer Notes in respect of which the option is exercised and presenting the Global Note for endorsement of exercise within the time limits specified in Condition 7(f).

## **Registered Notes**

Registered Notes of each Tranche of a Series that are sold in an “offshore transaction” within the meaning of Regulation S will initially be represented by interests in either a European unrestricted global Note or a DTC unrestricted global Note, each without coupons; and (i) in the case of a European unrestricted global Note, deposited with a common depository for, and registered in the name of a common nominee of, Clearstream and Euroclear on its issue date (each a “**European Unrestricted Global Note**”); or (ii) in the case of a DTC unrestricted global Note, deposited with a custodian for, and registered in the name of a nominee of, DTC on its issue date (each a “**DTC Unrestricted Global Note**”). We refer to the DTC Unrestricted Global Notes together with the European Global Notes as Unrestricted Global Notes.

Registered Notes of each Tranche of a Series that are sold to QIBs pursuant to Rule 144A (“**Restricted Notes**”) will initially be represented by a Restricted Global Note without interest coupons and (i) in the case of a European Restricted Global Note, deposited with a common depository for, and registered in the name of a common nominee of, Clearstream and Euroclear on its issue date (each a “**European Restricted Global Note**” and, together with any European Unrestricted Global Note, the “**European Global Notes**”); or (ii) in the case of a DTC Restricted Global Note, deposited with a custodian for, and registered in the name of a nominee of, DTC on its issue date (each a “**DTC Restricted Global Note**” and, together with any DTC Unrestricted Global Note, the “**DTC Global Notes**”).

We refer to the DTC Restricted Global Notes together with the European Global Notes as Restricted Global Notes. Beneficial interests in a European Restricted Global Note will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear or Clearstream. Beneficial interests in a DTC Restricted Global Note will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. Individual definitive Registered Notes will only be available in certain limited circumstances as described herein. Any Restricted Global Note will bear a legend applicable to purchasers who purchase the Registered Notes pursuant to Rule 144A as described under “Transfer Restrictions.”

## **Book-Entry Ownership**

### ***Bearer Notes***

The Issuer will make applications to Clearstream and Euroclear for acceptance in their respective book-entry systems in respect of any Bearer Series. In respect of Bearer Notes, a Temporary Global Note or a Permanent Global Note in bearer form without coupons will be deposited with a common depository for Clearstream and Euroclear. Each Temporary Global Note or Permanent Global Note will have an ISIN number and a Common Code. Transfers of interests in a Temporary Global Note or a Permanent Global Note will be made in accordance with the normal Euromarket debt securities operating procedures of Clearstream and Euroclear.

### ***Registered Notes***

The Issuer will make applications to Clearstream and Euroclear for acceptance in their respective book-entry systems in respect of the Notes to be represented by a European Unrestricted Global Note or a European Restricted Global Note. Each European Global Note will have an ISIN number and a Common Code.

The Issuer and the Dealer(s) with respect to a Tranche of Notes will make application to DTC for acceptance in its book entry settlement system of the Notes represented by each DTC Restricted Global Note or DTC Unrestricted Global Note. Each DTC Global Note will have a CUSIP number and an ISIN number.

Each DTC Restricted Global Note and each European Restricted Global Note will be subject to restrictions on transfer contained in a legend appearing on the front of each such Note, as set out under “Transfer Restrictions.” In certain circumstances, as described below in “— Transfers of Registered Notes,” transfers of interests in a DTC Restricted Global Note or a European Restricted Global Note may be made such that the legend is no longer applicable.

The custodian with whom the DTC Restricted Global Note or DTC Unrestricted Global Note is deposited (the “**Custodian**”) and DTC will electronically record the nominal amount of the Notes held within the DTC system. In the case of Notes represented by a DTC Unrestricted Global Note, until the expiration of the Distribution Compliance Period, investors in Notes of such Series may hold their interests in a DTC Unrestricted Global Note only through Clearstream or Euroclear. Thereafter, investors may additionally hold such interests directly through DTC, if they are participants in such system, or indirectly through organisations which are participants in DTC. Clearstream and Euroclear will hold interests in a DTC Unrestricted Global Note on behalf of their accountholders through customers’ securities accounts in Clearstream’s or Euroclear’s respective names on the books of their respective depositories, which in turn will hold such interests in a DTC Unrestricted Global Note in customers’ securities accounts in the depositories’ names on the books of DTC. The Bank of New York Mellon will initially act as depository for each of Euroclear and Clearstream. Investors may hold their interests in a DTC Restricted Global Note directly through DTC, if they are participants in the DTC system, or indirectly through organisations which are participants in such system. Investors in Notes represented by a European Restricted Global Note or a European Unrestricted Global Note may hold their interests in such Note only through Clearstream or Euroclear.

Payments of the principal of, and interest on, each DTC Restricted Global Note or DTC Unrestricted Global Note registered in the name of DTC’s nominee will be to, or to the order of, its nominee as the registered owner of such DTC Restricted Global Note or DTC Unrestricted Global Note. The Issuer expects that the nominee, upon receipt of any such payment, will immediately credit DTC participants’ accounts with payments in amounts proportionate to their respective beneficial interests in the nominal amount of the relevant DTC Restricted Global Note or DTC Unrestricted Global Note as shown on the records of DTC or the nominee. The Issuer also expects that payments by DTC participants to owners of beneficial interests in such DTC Global Notes held through such DTC participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such DTC participants. None of the Issuer, the Trustee or any Agent will have any

responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any DTC Restricted Global Note or DTC Unrestricted Global Note or for maintaining, supervising or reviewing any records relating to such ownership interests.

All Registered Notes will initially be in the form of: (i) a DTC Restricted Global Note and either a DTC Unrestricted Global Note or a European Unrestricted Global Note; or (ii) a European Restricted Global Note and a European Unrestricted Global Note. Individual definitive Registered Notes will only be available (a) in the case of Registered Notes sold under Regulation S (“**Unrestricted Notes**”), in amounts specified in the applicable Final Terms (*provided* that, in the case of any Notes to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, Unrestricted Notes will only be available in amounts of €100,000 (or its equivalent in any other currency as at the date of issue of the relevant Senior Notes) and integral multiples of €1,000 thereafter; and (b) in the case of Restricted Notes, in amounts of US\$200,000 (or its equivalent in other currencies) rounded upwards as agreed between the Issuer and the relevant Dealer(s), and integral multiples of US\$1,000 thereafter, in certain limited circumstances described below.

### **Individual Definitive Registered Notes**

Registration of title to Registered Notes in a name other than a depository or its nominee for Clearstream and Euroclear or for DTC will not be permitted unless: (i) in the case of DTC Restricted Global Notes and DTC Unrestricted Global Notes, DTC notifies the Issuer that it is no longer willing or able to properly discharge its responsibilities as depository with respect to the DTC Restricted Global Note and DTC Unrestricted Global Notes, or ceases to be a “clearing agency” registered under the Exchange Act, or is at any time no longer eligible to act as such and the Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC; (ii) in the case of European Unrestricted Global Notes and European Restricted Global Notes, Clearstream or Euroclear is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; (iii) the Trustee has instituted or has been directed to institute any judicial proceeding in a court to enforce the rights of the holders of the Notes under the Notes and the Trustee has been advised by counsel that in connection with such proceeding, it is necessary or appropriate for the Trustee to obtain possession of the Notes; or (iv) the Issuer is obligated to pay additional amounts as provided or referred to in the Terms and Conditions of the Senior Notes or the Terms and Conditions of the Subordinated Notes as a result of any change in, or amendment to, the laws or regulations of Brazil or the Cayman Islands or any political subdivision or authority in or of Brazil or the Cayman Islands having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment is adopted or enacted or becomes effective on or after the applicable issue date. In such circumstances (and in the case of clause (iv), at the option of the Issuer), the Issuer will cause sufficient individual definitive Registered Notes to be executed and delivered to the Registrar for completion, authentication and despatch to the relevant holder(s) of the Notes. A person having an interest in a DTC Global Note or a European Global Note must provide the Registrar with:

A written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Registered Notes; and

In the case of a DTC Restricted Global Note or a European Restricted Global Note only, a fully completed and signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange, or in the case of a simultaneous resale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the provisions of Rule 144A. Individual definitive Registered Notes issued pursuant to this paragraph shall bear the legends applicable to transfers pursuant to Rule 144A.

### **Transfers of Registered Notes**

Transfers of interests in DTC Global Notes or European Global Notes within DTC, Clearstream or Euroclear will be in accordance with the usual rules and operating procedures of the relevant clearing system. The laws of some states in the United States require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a DTC Restricted Global Note to such persons may be limited. Because DTC can only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a DTC Restricted Global Note or DTC Unrestricted Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by the lack of a physical certificate in respect of such interest.

Until the expiration of the Distribution Compliance Period, beneficial interests in a DTC Unrestricted Global Note for such Series may be held only through Clearstream or Euroclear. Transfers may be made at any time by a holder of an interest in a DTC Unrestricted Global Note to a transferee who wishes to take delivery of such interest through a DTC Restricted Global Note or a European Restricted Global Note (as the case may be); *provided* that any such transfer made on or prior to the expiration of the Distribution Compliance Period relating to the Notes represented by such DTC Unrestricted Global Note will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from the transferor of such interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Thereafter, the Registrar will make appropriate entries in the Register. Transfers at any time by a holder of any interest in the DTC Restricted Global Note to a transferee who takes delivery of such interest through a DTC Unrestricted Global Note or a European Unrestricted Global Note will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S and giving details of the account at Euroclear, Clearstream, as the case may be, and DTC to be credited and debited, respectively, with an interest in the relevant DTC Global Notes.

Beneficial interests in a European Unrestricted Global Note may be held only through Clearstream or Euroclear. Transfers may be made at any time by a holder of an interest in a DTC Unrestricted Global Note or a European Unrestricted Global Note to a transferee who wishes to take delivery of such interest through the DTC Restricted Global Note or the European Restricted Global Note (as the case may be) for the same Series of Notes; *provided* that any such transfer made on or prior to the expiration of the Distribution Compliance Period relating to the Notes represented by such European Unrestricted Global Note will only be made upon receipt by the Registrar or any Transfer Agent of a written certificate from the transferor of such interest to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities law of any state of the United States or any other jurisdiction. Any such transfer made thereafter of the Notes represented by such DTC Unrestricted Global Note or European Unrestricted Global Note (as the case may be) will only be made upon request through (i) Clearstream or Euroclear by the holder of an interest in the European Unrestricted Global Note or (ii) through DTC by the holder of an interest in the DTC Unrestricted Global Note, to the Principal Paying Agent and receipt by the Principal Paying Agent of details of that account at DTC to be credited with the relevant interest in the DTC Restricted Global Note or details of the account at Euroclear or Clearstream to be credited with the relevant interest in the European Restricted Global Note, as the case may be. Transfers at any time by a holder of any interest in the DTC Restricted Global Note or a European Restricted Global Note to a transferee who takes delivery of such interest through a DTC Unrestricted Global Note or a European Unrestricted Global Note will only be made upon delivery to the Registrar or any Transfer Agent of a certificate setting forth compliance with the provisions of Regulation S or Rule 144A and giving details of the account at DTC, Euroclear or Clearstream, as the case may be, to be credited and debited, respectively, with an interest in the relevant global Registered Notes.

In addition, subject to compliance with the transfer restrictions applicable to the Registered Notes described above and under "Transfer Restrictions," cross market transfers between DTC and directly or indirectly through Clearstream or Euroclear accountholders will be effected by the relevant clearing system in accordance with its rules and through action taken by the Custodian, the Registrar and the Principal Paying Agent.

On or after the issue date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross market transfers between accountholders in Clearstream or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant global Registered Notes will be effected through the Principal Paying Agent, the Custodian and the Registrar receiving instructions (and where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. Transfers will be effected on the later of: (i) three business days after the trade date for the disposal of the interest in the relevant global Registered Note resulting in such transfer; and (ii) two business days after receipt by the Principal Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer. In the case of cross market transfers, settlement between Euroclear or Clearstream accountholders and DTC participants cannot be made on a delivery versus

payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

For a further description of restrictions on transfer of Registered Notes, see “Transfer Restrictions.”

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the presentation of DTC Restricted Global Notes and DTC Unrestricted Global Notes for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in DTC Restricted Global Notes or DTC Unrestricted Global Notes are credited and only in respect of such portion of the aggregate nominal amount of the relevant DTC Restricted Global Note or DTC Unrestricted Global Note, as to which such participant or participants has or have given such direction. However, in the circumstances described above, DTC will surrender the relevant DTC Restricted Global Note or DTC Unrestricted Global Note for exchange for individual definitive Registered Notes (which will, in the case of Restricted Notes, bear the legend applicable to transfers pursuant to Rule 144A).

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a “banking organisation” under the laws of the State of New York, a member of the U.S. Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between participants through electronic computerised book entry changes in accounts of its participants, thereby eliminating the need for physical movement of certificates. Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies that clear through or maintain a custodial relationship with a DTC direct participant, either directly or indirectly.

Although DTC, Clearstream and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in the global Registered Notes among participants and accountholders of DTC, Clearstream and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time. None of the Issuer, the Trustee or any Agent will have any responsibility for the performance by DTC, Clearstream or Euroclear, or their respective direct or indirect participants or accountholders, of their respective obligations under the rules and procedures governing their operations.

While a DTC Restricted Global Note or DTC Unrestricted Global Note is lodged with DTC or the Custodian, Restricted Notes represented by individual definitive Registered Notes will not be eligible for clearing or settlement through DTC, Clearstream or Euroclear.

### **Pre-Issue Trades Settlement**

It is expected that delivery of Notes will be made against payment therefor on the relevant issue date, which could be more than three business days following the date of pricing. Under Rule 15c61 of the U.S. Securities and Exchange Commission under the Exchange Act, trades in the United States secondary market generally are required to settle within three business days (T+3), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business days until the relevant issue date will be required, by virtue of the fact the Notes initially will settle beyond T+3, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries will vary. Purchasers of Notes may be affected by such local settlement practices and purchasers of Notes who wish to trade Notes between the date of pricing and the relevant issue date should consult their own adviser.

### **U.S. Dollar Equivalent**

For the purpose of calculating the U.S. dollar equivalent of the nominal amount of Notes outstanding under the Programme from time to time, the U.S. dollar equivalent of Notes denominated in another currency shall be determined, at the discretion of the Issuer, either as of the date of agreement to issue such Notes (the “**Agreement Date**”) or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in either case, on the basis of the Exchange Rate on the relevant date of calculation applied to the aggregate nominal amount of such Notes. As used herein, the “**Exchange Rate**” means the spot rate for the sale of U.S. dollars against the purchase of such other relevant currency in the London foreign exchange market as quoted by any



leading bank selected by the relevant Issuer at its discretion on the Agreement Date or on the preceding day on which commercial banks and foreign exchange markets are open for business in London.

The U.S. dollar equivalent of any zero coupon Note and any other Note issued at a discount shall be calculated, in relation to the specified currency, in the manner specified above and with the Exchange Rate so determined to apply in respect of any other U.S. dollar equivalent determination for the same Notes and, in relation to the nominal amount, by reference to the amortisation yield formula as specified in “Terms and Conditions of the Senior Notes” and “Terms and Conditions of the Subordinated Notes” as of the same dates as specified in the preceding paragraph or, if no formula is so specified, the nominal amount of such Notes. The U.S. dollar equivalent of a Note issued at a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer from the relevant issue of Notes.

## TAXATION

PROSPECTIVE PURCHASERS OF THE NOTES OR COUPONS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE CONSEQUENCES OF PURCHASING THE NOTES, INCLUDING, WITHOUT LIMITATION, THE CONSEQUENCES OF THE RECEIPT OF INTEREST AND THE SALE, REDEMPTION OR REPAYMENT OF THE NOTES OR COUPONS.

### Brazil

The following is a general description of certain Brazilian tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of the Notes should consult their tax advisers as to the consequences under the tax laws of the country of which they are resident for tax purposes and the tax laws of Brazil of acquiring, holding and disposing of Notes and receiving payments of interest, principal or other amounts under the Notes. This summary is based upon the law as in effect on the date of this Offering Memorandum and is subject to any change in law that may take effect after such date.

Individuals resident in Brazil and Brazilian companies are taxed in Brazil on the basis of their worldwide income (which includes earnings of Brazilian companies' foreign subsidiaries, branches and affiliates). The earnings of branches of foreign companies domiciled in Brazil are generally taxed in Brazil in the same manner as Brazilian companies, and non-residents of Brazil in general are taxed in Brazil only when income is derived from Brazilian sources or gains are realized on the disposal of assets located within Brazil.

Interest, fees, commissions (including any original issue discount and any redemption premium) and any other income payable by a Brazilian obligor to an investor (individual, entity, trust or organization) not resident or domiciled in Brazil in respect of debt obligations derived from the issuance by a Brazilian issuer of international debt securities previously registered with the Central Bank, such as the Notes, generally are subject to Brazilian withholding tax. The rate of withholding tax with respect to such debt obligations is generally 15.0%. Such rate would be increased to 25% in case the beneficiary of the payments abroad is deemed to be located in a jurisdiction viewed as a tax haven by the Brazilian regulations, pursuant to Normative Ruling No. 1.037, of June 4, 2010. According to Brazilian legislation, a "tax haven" is considered to be the jurisdiction in which there is no income taxation or where the local income tax rate is generally applied at rates under 20%. Ordinance 488 dated December 12, 2014, provided for the possibility of that 20% threshold being reduced to 17%, if the corresponding jurisdictions are aligned with international standards of fiscal transparency in accordance with rules to be established by the Brazilian tax authorities, or where local legislation imposes restrictions on disclosure regarding shareholder composition or investment ownership.

However, if a payment of interest is made by the Issuer with respect to Notes issued by the Grand Cayman Branch to a holder that is a non-resident of Brazil, based on the fact that the Issuer is considered to be domiciled outside of Brazil for tax purposes, such payment 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 payment is made with resources held by us outside of Brazil. Notwithstanding this, considering the general and ambiguous scope of this legislation and the absence of judicial guidance in respect thereof, we cannot assure prospective investors that such interpretation of this law will prevail in the courts of Brazil.

Brazil and Japan are signatories to a treaty (the "**Japan Treaty**") for the avoidance of double taxation. Under the Japan Treaty, payments of interest to entities incorporated in Japan (or a branch thereof) or other types of income deemed similar to income from borrowed funds under Brazilian tax law will be subject to a Brazilian withholding tax rate of 12.5%. As long as such payments are made by the Issuer to a beneficiary that is a tax resident of Japan and is qualified for the Japan Treaty benefits under the Notes, such payments will be subject to the 12.5% rate of Brazilian withholding tax. The Issuer will make payments to the Principal Paying Agent pursuant to the "Terms and Conditions of the Senior Notes" and to the "Terms and Conditions of the Subordinated Notes." If such Principal Paying Agent is a tax resident of Japan and qualified for the Japan Treaty benefits, such payments may qualify for the 12.5% rate of Brazilian withholding tax under the Japan Treaty, although this is not certain. If the Issuer is not able to rely on the Japan Treaty with respect to such payments, and in relation to payments being made by the Issuer to a beneficiary that is not a tax resident of Japan, any such payments will be subject to Brazilian withholding tax at the rate indicated above.

In accordance with the "Terms and Conditions of the Senior Notes" and to the "Terms and Conditions of the Subordinated Notes," the Issuer is required to pay such additional amounts as will result in the receipt by a holder of

the Notes of such amounts as would have been received by such holders of the Notes had no such withholding or deduction been required, subject to certain limitations. Brazilian tax laws authorize the paying source to pay the income or earnings net of taxes and, therefore, to assume the cost of the applicable tax.

Gains on the sale or disposal of the Notes generated outside Brazil by a non-resident or non-domiciliary of Brazil, other than a branch, subsidiary or an affiliated company of a Brazilian as defined under Brazilian tax law, to another non-resident or non-domiciliary of Brazil should not be subject to Brazilian taxes. Pursuant to Law No. 10,833, of December 29, 2003, as amended, capital gains realized on the disposal of assets located in Brazil by non-residents or non-domiciliaries of Brazil, whether to other non-resident or non-domiciliaries of Brazil or Brazilian residents and whether made outside or within Brazil, are subject to Brazilian withholding income tax at progressive rates, as provided for by Law No. 13,259, applicable as from January 1st, 2017, that may vary from 15% to 22.5% depending on the amount of the gain: (i) 15% for the part of the gains up to R\$5 million, (ii) 17.5% for the part of the gain that exceeds R\$5 million but does not exceed R\$ 10 million, (iii) 20% for the part of the gain that exceeds R\$ 10 million but does not exceed R\$ 30 million, and (iv) 22.5% for the part of the gain that exceeds R\$ 30 million (a 25.0% rate may apply if the foreign beneficiary is located in a jurisdiction deemed to be a tax haven for Brazilian tax purposes, as defined above). Although the scope of Law No. 10,833 is yet unclear, the Issuer believes that the Notes will be treated as located outside of Brazil and will not fall within such provision. However, Brazilian tax authorities may determine that the gains generated abroad on the sale or disposal of the Notes by non-residents of Brazil should be taxable in Brazil.

A jurisdiction will be considered a privileged tax regime pursuant to Law No. 11,727, of June 23, 2008, as amended, if it (i) does not tax income or taxes income at a maximum rate lower than 20%, or 17% if certain requirements are met; (ii) grants tax advantages to a non-resident entity or individual (a) without the need to carry out substantial economic activity in the country or said territory or (b) conditioned upon the non-exercise of substantial economic activity in the country or said territory; (iii) does not tax proceeds generated abroad or taxes such proceeds at a maximum rate lower than 20%, or 17% if certain requirements are met; or (iv) restricts the ownership disclosure of assets and ownership rights or restricts disclosure about economic transactions carried out. The concept of “privileged tax regime” should apply only for the purposes of Brazilian transfer pricing rules and thin capitalization rules, and does not imply in a higher rate of withholding tax on income and capital gains earned by non-Brazilian holders. Please note that the entities currently deemed as privileged tax regimes by the Brazilian tax authorities are listed on the applicable tax regulation.

Foreign exchange transactions are subject to the IOF/FX. Under the IOF regulations currently in force, the President is empowered to establish the applicable IOF/FX rate. Such IOF/FX rate can be increased at any time up to a rate of 25.0%. Decree No. 6,306, of December 14, 2007, sets forth that the current general IOF/FX rate is 0.38%, although there are some exceptions, such as the inflow of proceeds into Brazil in connection with foreign financing or loans with a minimum average term longer than 180 days, which is subject to a 0.0% IOF/FX rate. However, the inflow of proceeds into Brazil derived from or destined to loans with minimum average terms of less than 180 days is subject to a 6.0% IOF/FX rate.

Generally, there are no stamp, transfer or other similar taxes in Brazil with respect to the transfer, assignment or sale of the Notes outside Brazil; nor any inheritance, gift or succession tax applicable to the ownership, transfer or disposition of the Notes outside Brazil (as noted above, the Issuer believes that the Notes will be treated as located outside of Brazil), except for gift and inheritance taxes imposed by some Brazilian states on gifts and bequests by individuals or entities not domiciled or residing in Brazil to individuals or entities domiciled or residing within such states.

The table below is a summary of the income taxation relating to the Notes, as described above. It does not purport to be a complete analysis of all tax considerations.

**Rate for**

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<b>Payment Type</b>	<b>Foreign Investor Located in a Non-Tax Haven Jurisdiction</b>	<b>Foreign Investor Located in a Tax Haven Jurisdiction</b>	<b>Foreign Investor Located in a Country with which Brazil Has Signed a Treaty<sup>(1)</sup></b>
Interest on notes issued to foreign investors by a Brazilian company	15.0%	25.0%	15.0%
		(pursuant to Normative Ruling No. 1,455)	(or at a reduced rate pursuant to such Treaty)
Interest on notes issued to foreign investors by a Brazilian company through a branch or subsidiary located outside Brazil (e.g., Grand Cayman Branch)	NA	NA	NA

<sup>(1)</sup> As an exception to the 15% rate, one should note that, under the Japan Treaty, payments of interest to entities incorporated in Japan (or a branch thereof) or other types of income deemed similar to income from borrowed funds under Brazilian tax law will be subject to a Brazilian withholding tax rate of 12.5%.

### **Cayman Islands**

The following summary is a general description of certain Cayman Islands tax aspects of the Notes and does not purport to be a comprehensive description of the tax aspects of the Notes. This summary is based upon the tax laws of the Cayman Islands as in effect on the date of this Offering Memorandum and is subject to any prospective or retroactive change in Cayman Islands law that may come into effect after such date. Prospective purchasers should consult their tax advisers as to the tax laws and specific tax consequences of acquiring, holding and disposing of the Notes.

Under existing Cayman Islands laws, payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax. No stamp duty is payable in respect of the issue of the Notes. An instrument of transfer in respect of a Note is stampable if executed in or brought into the Cayman Islands as is an original Bearer Note if brought into the Cayman Islands (to the extent that any Notes are issued in bearer form).

### **The proposed financial transactions tax**

On February 14, 2013, the European Commission published a proposal (the “**Commission’s Proposal**”) for a Directive for a common financial transactions tax (the “**FTT**”) in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

## **U.S. Foreign Account Tax Compliance Act Considerations**

Pursuant to U.S. Foreign Account Tax Compliance Act Considerations (“**FATCA**”), the Issuer or any other financial institution to or through which any payment with respect to the Notes is made may be required, pursuant to an agreement entered into by such financial institution with the U.S., an agreement entered into by a relevant jurisdiction with the U.S. (an “**IGA**”) or under applicable law, to (i) request certain information from holders or beneficial owners of Notes, which information may be provided to the U.S. Internal Revenue Service; and (ii) withhold U.S. federal tax at a 30% rate on some portion or all of the payments considered “passthru payments” made no earlier than two years after issuance of final regulations defining the term “foreign passthru payment,” with respect to the Notes if either (x) such information is not duly provided by such a holder or beneficial owner (referred to under FATCA as a “recalcitrant account holder”) or (y) such payments are made to a foreign financial institution (as defined under FATCA) that has not entered into a similar agreement with the U.S. (and is not otherwise required to comply with FATCA under applicable law or an IGA). If the Issuer or any other person is required to withhold amounts under or in connection with FATCA from any payments made in respect of the Notes, holders and beneficial owners of Notes will not be entitled to receive any gross up or other additional amounts to compensate them for such withholding.

This description is based on guidance issued to date by the U.S. Treasury Department, including final regulations. Future guidance may affect the application of FATCA to the Notes. Also, the governments of Brazil and the United States entered into a Model 1 IGA on September 23, 2014, which became effective in Brazil on August 24, 2015.

**FATCA IS COMPLEX AND PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE APPLICATION OF FATCA TO THE NOTES.**

## **U.S. Federal Income Taxation**

The following is a general discussion of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the Notes by U.S. Holders (as defined below) that purchase the Notes in an offering of Notes at their issue price (determined as set forth below) and hold such Notes as capital assets within the meaning of section 1221 of the Code. This discussion does not address all of the U.S. federal income tax considerations that may be relevant to U.S. Holders in light of their particular circumstances or to U.S. Holders subject to special treatment under U.S. federal income tax laws, such as financial institutions, banks, insurance companies, retirement plans, regulated investment companies, real estate investment trusts, dealers in securities or foreign currencies, brokers, tax-exempt entities, certain former citizens or residents of the United States, U.S. Holders that hold the Notes as part of a “straddle,” “hedging,” “conversion” or other integrated transaction, U.S. Holders that mark their securities to market for U.S. federal income tax purposes, U.S. Holders that have a functional currency other than U.S. dollar or U.S. Holders subject to special tax accounting rules as a result of any item of gross income with respect to the notes being taken into account in an “applicable financial statement” (as defined in section 451 of the Code). In addition, this discussion does not address the effect of any U.S. state, local or non-U.S. tax considerations, any U.S. estate, gift or alternative minimum tax considerations or the Medicare tax on certain net investment income.

This discussion is based on the Code, the Treasury Regulations promulgated thereunder and administrative and judicial pronouncements; all as in effect on the date hereof, and all of which are subject to change, possibly with retroactive effect, or differing interpretation. This discussion does not address the U.S. federal income tax considerations relating to the purchase, ownership or disposition of (i) Bearer Notes; (ii) credit linked Notes; (iii) index linked interest Notes; (iv) dual currency Notes; (v) Notes with a maturity later than 30 years from the date of issuance; (vi) Notes that do not unconditionally require payments at least equal in the aggregate to their issue price (as determined below); (vii) Notes that are treated as “contingent payment debt instruments” (under applicable Treasury Regulations); or (viii) certain variable rate debt instruments (as described under applicable Treasury Regulations). A general discussion of any materially different U.S. federal income tax considerations relating to any such Notes described in the immediately preceding sentence will be included in the applicable Final Terms if such Notes are offered to U.S. Holders.

For purposes of this discussion, the term “**U.S. Holder**” means a beneficial owner of a Note that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation (or entity treated as a corporation) created or organized in or under the laws of the United States or of any state thereof or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust with respect to which a court within the United States is able to exercise primary

supervision over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If an entity or arrangement treated as a partnership for U.S. federal income tax purposes invests in a Note, the U.S. federal income tax considerations relating to such investment generally will depend in part upon the status and activities of such entity or arrangement and their partners. Any such entity or arrangement and its partners should consult their own tax advisers regarding the U.S. federal income tax considerations applicable to them relating to the purchase, ownership and disposition of such Note, especially in light of recent changes to U.S. tax law.

The determination of whether a particular Series of the Subordinated Notes should be classified as indebtedness or equity for U.S. federal income tax purposes depends on the terms of the Subordinated Notes of such Series. The Issuer intends to treat the Subordinated Notes as indebtedness for U.S. federal income tax purposes. The Issuer's treatment will be binding on all U.S. Holders, except a U.S. Holder that discloses its differing treatment on its U.S. federal income tax return. However, the Issuer's treatment is not binding on the U.S. Internal Revenue Service ("IRS"), and it is possible that the IRS could attempt to treat a particular Series of the Subordinated Notes as equity for U.S. federal income tax purposes. If a particular Series of the Subordinated Notes were so treated as equity, the U.S. federal income tax considerations relating to the purchase, ownership and disposition of the Subordinated Notes of such Series could differ from those described below with respect to timing and character. The remainder of this discussion assumes that all of the Notes will be treated as indebtedness for U.S. federal income tax purposes.

PROSPECTIVE INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISERS AS TO THE U.S. FEDERAL INCOME AND OTHER TAX CONSIDERATIONS RELATING TO THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR NON-U.S. TAX LAWS.

#### ***Interest and Original Issue Discount***

Each U.S. Holder of a Note must include in income payments of "qualified stated interest" (as defined below) in respect of such Note in accordance with such U.S. Holder's method of accounting for U.S. federal income tax purposes as ordinary interest income. In general, if the issue price of a Note, determined by the first price at which a substantial amount of the Notes of a particular issue is sold (ignoring sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers), is less than the "stated redemption price at maturity" (as defined below) of such Note by an amount that is equal to or more than a *de minimis* amount, a U.S. Holder will be considered to have purchased such Note with original issue discount ("OID"). In general, the *de minimis* amount is equal to one quarter ( $\frac{1}{4}$ ) of one percent of the stated redemption price at maturity of a Note multiplied by the number of complete years to maturity (or, in the case of a Note providing for the payment of any amount other than qualified stated interest (as defined below) prior to maturity, multiplied by the weighted average maturity of the Note). If a U.S. Holder acquires a Note with OID, then regardless of such U.S. Holder's method of accounting for U.S. federal income tax purposes, such U.S. Holder will be required to accrue its *pro rata* share of OID on such Note on a constant-yield basis and include such accruals in gross income, whether or not such U.S. Holder will have received any cash payment on the Note. Any amount not treated as OID because it is *de minimis* generally must be included in income (generally as gain from the sale of Notes) as principal payments are received in the proportion that each such payment bears to the original principal amount of the Note. Special rules apply to Notes with a fixed maturity of one year or less. See below under "— Short-Term Notes."

"**Stated redemption price at maturity**" generally means the sum of all payments to be made on a Note other than payments of "qualified stated interest." "**Qualified stated interest**" generally means stated interest that is unconditionally payable at least annually at a single fixed rate, or in the case of a variable rate debt instrument (as defined below), at a single qualified floating rate or single objective rate (as such terms are defined below). If a Note is a variable rate debt instrument but interest is payable at a rate other than a single qualified floating rate or a single objective rate, the special rules that apply will be described in the applicable Final Terms.

In the case of a Note that is a variable rate debt instrument, the amount of qualified stated interest and the amount of OID, if any, that accrues during an accrual period is generally determined by assuming that the variable rate is a fixed rate equal to: (i) in the case of a qualified floating rate or qualified inverse floating rate (each as defined below), the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate; or (ii) in the case of an objective rate (as defined below, and other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the debt instrument, and the qualified stated interest (or, if there is no qualified stated interest, OID) allocable to an accrual period is increased (or decreased) if the interest actually

paid during an accrual period exceeds (or is less than) the interest assumed to be paid during the accrual period pursuant to clause (i) or (ii), as applicable. Special rules that apply to a variable rate debt instrument that provides for stated interest at a fixed rate under certain circumstances will be described in the applicable Final Terms.

A “**variable rate debt instrument**” is a debt instrument that; (i) has an issue price that does not exceed the total noncontingent principal payments by more than an amount equal to the lesser of (a) 0.015 multiplied by the product of such total noncontingent principal payments and the number of complete years to maturity of the instrument (or, in the case of a Note providing for the payment of any amount other than qualified stated interest prior to maturity, multiplied by the weighted average maturity of the Note) or (b) 15 percent of the total noncontingent principal payments; (ii) provides for stated interest (compounded or paid at least annually) at the current value of (A) one or more qualified floating rates; (B) a single fixed rate and one or more qualified floating rates; (C) a single objective rate or (D) a single fixed rate and a single objective rate that is a qualified inverse floating rate; and (iii) does not provide for any principal payments that are contingent. The current value of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

A “**qualified floating rate**” is generally a floating rate under which variations in the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which a debt instrument is denominated. A multiple of a qualified floating rate is not a qualified floating rate unless the relevant multiplier is (i) fixed at a number that is greater than 0.65 but not more than 1.35 or (ii) fixed at a number that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate. A variable rate is not considered a qualified floating rate if the variable rate is subject to a cap, floor, governor (*i.e.*, a restriction on the amount of increase or decrease in the stated interest rate) or similar restriction that is reasonably expected as of the issue date to cause the yield on the Note to be significantly more or less than the expected yield determined without the restriction (other than a cap, floor, governor or similar restriction that is fixed throughout the term of the Note).

An “**objective rate**” is a rate (other than a qualified floating rate) that is determined using a single fixed formula and that is based on objective financial or economic information. However, an objective rate does not include a rate based on information that is within the control of the Issuer (or certain related parties of the Issuer) or that is unique to the circumstances of the Issuer (or certain related parties of the Issuer), such as dividends, profits or the value of the Issuer’s stock. A “**qualified inverse floating rate**” is an objective rate (i) that is equal to a fixed rate minus a qualified floating rate and (ii) the variations in which can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate (disregarding any caps, floors, governors or similar restrictions that would not, as described above, cause a rate to fail to be a qualified floating rate). Notwithstanding the first sentence of this paragraph, a rate is not an objective rate if it is reasonably expected that the average value of the rate during the first half of the Note’s term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Note’s term. The IRS may designate rates other than those specified above that will be treated as objective rates. As of the date of this Offering Memorandum, no other rates have been designated.

If (i) interest on a Note is stated at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and (ii) the value of the variable rate on the issue date is intended to approximate the fixed rate, the fixed rate and the variable rate together constitute a single qualified floating rate or objective rate. A fixed rate and a variable rate will be conclusively presumed to meet the requirements of the preceding sentence if the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 0.25 percentage points (25 basis points).

If a floating rate Note does not qualify as a variable rate debt instrument or otherwise provides for contingent payments, or if a fixed rate Note provides for contingent payments, such Note may constitute a “contingent payment debt instrument.” Interest payable on a contingent payment debt instrument is not treated as qualified stated interest. Special rules applicable to contingent payment debt instruments offered to U.S. Holders will be described in the applicable Final Terms.

In general, the following rules apply if (i) a Note provides for one or more alternative payment schedules applicable upon the occurrence of a contingency or contingencies and the timing and amounts of the payments that comprise each payment schedule are known as of the issue date and (ii) either a single payment schedule is significantly more likely than not to occur or the Note provides the Issuer or a U.S. Holder with an unconditional option or options exercisable on one or more dates during the term of the Note. If based on all the facts and circumstances as of the issue date a single payment schedule for a debt instrument, including the stated payment

schedule, is significantly more likely than not to occur, then, in general, the yield and maturity of the Note are computed based on this payment schedule. If the Issuer or a U.S. Holder has an unconditional option or options that, if exercised, would require payments to be made on the Note under an alternative payment schedule or schedules, then (i) in the case of an option or options exercisable by the Issuer, the Issuer will be deemed to exercise or not exercise an option or combination of options in a manner that minimizes the yield on the Note and (ii) in the case of an option or options of the U.S. Holder, the U.S. Holder will be deemed to exercise or not exercise an option or combination of options in a manner that maximizes the yield on the Note. Notes subject to the above rules will not be treated as contingent payment debt instruments as a result of the contingencies described above. If a contingency (including the exercise of an option) actually occurs or does not occur contrary to an assumption made according to the above rules (a “**Change in Circumstances**”), then, except to the extent that a portion of the Note is repaid as a result of a Change in Circumstances and solely for purposes of the accrual of OID, the Note is treated as retired and then reissued on the date of the Change in Circumstances for an amount equal to the Note’s adjusted issue price on that date.

A U.S. Holder may elect to treat all interest on any Note as OID and calculate the amount includible in gross income under the constant yield method. For purposes of this election, interest includes stated interest, acquisition discount, OID, de minimis OID, market discount, de minimis market discount, and unstated interest, as adjusted by any amortizable bond premium or acquisition premium. The election must be made for the taxable year in which a U.S. Holder acquires a Note, and may not be revoked without the consent of the IRS.

#### ***Premium***

If the amount paid by a U.S. Holder for a Note exceeds the stated redemption price at maturity of such Note, such U.S. Holder generally will be considered to have purchased such Note at a premium equal in amount to such excess. In this event, such U.S. Holder generally may elect to amortize such premium, based generally on a constant-yield basis, as an offset to interest income over the remaining term of such Note. In the case of a Note that may be redeemed prior to maturity, the premium amortization and redemption date are calculated assuming that the Issuer and the U.S. Holder will exercise or not exercise redemption rights in a manner that maximizes the U.S. Holder’s yield. It is unclear how premium amortization is calculated when the redemption date or the amount of any redemption premium is uncertain. A U.S. Holder that elects to amortize bond premium must reduce its tax basis in a Note by the amount of the aggregate deductions allowable for the amortized bond premium. The amount amortized in any year will be treated as a reduction of interest income from such Note. Bond premium on a Note held by a U.S. Holder that does not make such an election will decrease the gain or increase the loss otherwise recognized on the sale, exchange or redemption of such Note. The election to amortize bond premium, once made, will apply to all debt obligations held or subsequently acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies, and may not be revoked without the consent of the IRS.

#### ***Short-Term Notes***

Notes that have a fixed maturity of one year or less (“**Short-Term Notes**”) will be treated as issued with OID. In general, an individual or other U.S. Holder that uses the cash method of accounting is not required to accrue such OID unless such U.S. Holder elects to do so. If such an election is not made, any gain recognized by such U.S. Holder on the sale, exchange, retirement or other disposition of a Short-Term Note will be ordinary income to the extent of the OID accrued on a straight line basis, or upon such U.S. Holder’s election under the constant yield method (based on daily compounding), through the date of sale, exchange, retirement or other disposition, and a portion of the deduction otherwise allowable to such U.S. Holder for interest on borrowings allocable to the Short-Term Note will be deferred until a corresponding amount of income on such Short-Term Note is realized. U.S. Holders that report income for U.S. federal income tax purposes under the accrual method of accounting and certain other holders are required to accrue OID related to a Short-Term Note as ordinary income on a straight-line basis unless an election is made to accrue the OID under a constant yield method (based on daily compounding).

For purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note’s stated redemption price at maturity.

#### ***Sale, Exchange, Retirement or Other Disposition of Notes***

In general, a U.S. Holder of a Note will have a tax basis in such Note equal to the cost of such Note to such U.S. Holder, increased by any amount includible in income by such U.S. Holder as OID and reduced by any amortized premium and any payments received with respect to the Note other than payments of qualified stated interest. Upon a sale, exchange, retirement or other disposition of a Note, a U.S. Holder will generally recognize gain or loss equal



to the difference between the amount realized on the sale, exchange, retirement or other disposition (less any amount that is attributable to accrued but unpaid qualified stated interest, which will constitute ordinary interest income if not previously included in income) and such U.S. Holder's tax basis in such Note. Subject to the rules described below under "— Foreign Currency Notes," such gain or loss generally will be long-term capital gain or loss if such U.S. Holder will have held such Note for more than one year at the time of disposition. Certain non-corporate U.S. Holders are entitled to preferential treatment for net long-term capital gains. The ability of a U.S. Holder to deduct capital losses is subject to limitations under the Code.

### ***Foreign Currency Notes***

The following discussion generally describes special rules that apply, in addition to the rules described above, to Notes that are denominated in, or provide for payments determined by reference to, a currency other than the U.S. dollar ("**Foreign Currency Notes**"). The amount of qualified stated interest paid with respect to a Foreign Currency Note that is includible in income by a U.S. Holder that uses the cash method of accounting for U.S. federal income tax purposes is the U.S. dollar value of the amount paid, as determined on the date of actual or constructive receipt by such U.S. Holder, using the spot rate of exchange on such date. In the case of qualified stated interest on a Foreign Currency Note held by a U.S. Holder that uses the accrual method of accounting, and in the case of OID (other than OID on a Short-Term Note that is not required to be accrued) for every U.S. Holder, such U.S. Holder is required to include the U.S. dollar value of the amount of such interest income or OID (which is determined in the foreign currency) that accrued during the accrual period. The U.S. dollar value of such accrued interest income or OID generally is determined by translating such income at the average rate of exchange for the accrual period (or, with respect to an accrual period that spans two taxable years, at the average spot rate of exchange for the partial period within the taxable year). Alternatively, such U.S. Holder may elect to translate such income at the spot rate of exchange on the last day of the accrual period (or, with respect to an accrual period that spans two taxable years, at the spot rate of exchange in effect on the last day of the taxable year). If the last day of the accrual period is within five business days of the date of receipt of the accrued interest, a U.S. Holder that has made such election may translate accrued interest using the spot rate of exchange in effect on the date of receipt. The above election will apply to all debt obligations held by such U.S. Holder and may not be changed without the consent of the IRS. The U.S. Holder will recognize, as ordinary income or loss, foreign currency exchange gain or loss with respect to such accrued interest income or OID on the date the interest or OID is actually or constructively received, reflecting fluctuations in currency exchange rates between the spot rate of exchange used to determine the accrued interest income or OID for the relevant accrual period and the spot rate of exchange on the date such interest or OID is actually or constructively received.

A U.S. Holder will calculate the amortization of any bond premium for a Foreign Currency Note in the applicable foreign currency. Amortization deductions attributable to a period will reduce interest payments in respect of that period, and therefore are translated into U.S. dollars at the spot rate of exchange used for those interest payments. Foreign currency exchange gain or loss will be realized with respect to amortized premium on a Foreign Currency Note based on the difference between the spot rate of the exchange at which the amortization deductions were translated into U.S. dollars and the spot rate of exchange on the date such U.S. Holder acquired the Foreign Currency Note.

The amount realized with respect to a sale, exchange, retirement or other disposition of a Foreign Currency Note generally will be the U.S. dollar value of the payment received, determined on the date of disposition of such Foreign Currency Note (using the spot rate of exchange on such date). However, with respect to Foreign Currency Notes that are treated as traded on an established securities market, such amount realized will be determined using the spot rate of exchange on the settlement date in the case of (i) a U.S. Holder that is a cash method taxpayer or (ii) a U.S. Holder that is an accrual method taxpayer that elects such treatment. This election may not be changed without the consent of the IRS. Gain or loss that is recognized generally will be ordinary income or loss to the extent it is attributable to fluctuations in currency exchange rates between the date of purchase and the date of sale, exchange, retirement or other disposition. Such foreign currency exchange gain (or loss), together with any foreign currency exchange gain (or loss) realized on such disposition in respect of accrued interest or OID, generally will be recognized only to the extent of the total gain (or loss) realized by such U.S. Holder on the sale, exchange, retirement or other disposition of the Foreign Currency Note. Any such total gain (or loss) realized by a U.S. Holder not treated as foreign currency exchange gain (or loss) generally will be capital gain (or loss) (subject to the discussion above regarding Short-Term Notes).

A U.S. Holder that determines its amount realized in connection with the sale, exchange, retirement or other disposition of a Foreign Currency Note by reference to the spot rate of exchange on the date of such sale, exchange, retirement or other disposition (rather than on the settlement date) may recognize additional foreign currency exchange gain or loss upon receipt of non-U.S. currency from such sale, exchange, retirement or other disposition.

A U.S. Holder will recognize an amount of foreign currency exchange gain or loss on a sale or other disposition of any non-U.S. currency equal to the difference between (i) the amount of U.S. dollars, or the fair market value in U.S. dollars of any other property, received in such sale or other disposition and (ii) the tax basis of such non-U.S. currency. A U.S. Holder generally will have a tax basis in non-U.S. currency received from a sale, exchange, retirement or other disposition of a Foreign Currency Note equal to the U.S. dollar value of such non-U.S. currency on the date of receipt.

A Note that provides for payments in more than one currency generally will be treated as a “contingent payment debt instrument,” and the special rules applicable to such instruments will be described in the applicable Final Terms if the Notes are offered to U.S. Holders.

#### ***Foreign Tax Credit Considerations***

As discussed in “Taxation—Brazil,” under current law, payments of interest and original issue discount in respect of the Notes are subject to Brazilian withholding taxes (other than Notes issued by the Grand Cayman Branch, which may not be subject to such Brazilian withholding taxes). A U.S. Holder will be required for U.S. federal income tax purposes to include in gross income as interest any such Brazilian withholding taxes. Thus, a U.S. Holder may be required to report income for such purposes in an amount greater than the actual amount such U.S. Holder receives in cash. Interest on, and any OID accrued with respect to, a Note generally will constitute income from sources outside the United States, and generally will be categorized for U.S. foreign tax credit purposes as “passive category income” or, in the case of some U.S. Holders, as “general category income.” Subject to applicable limitations and holding period requirements, a U.S. Holder may be eligible to elect to claim a credit against its U.S. federal income tax liability for any such Brazilian withholding taxes. As discussed in “Taxation — Brazil,” under current law, gain resulting from a sale or other disposal of a Note may be subject to Brazilian income or withholding taxes. A U.S. Holder’s use of a foreign tax credit with respect to any such Brazilian income or withholding taxes may be limited, as such gain generally will constitute income from sources within the United States.

A U.S. Holder that does not claim a U.S. foreign tax credit generally may instead claim a deduction for any such Brazilian taxes, but only for any taxable year in which such U.S. Holder elects to do so with respect to all non-U.S. income taxes paid or accrued by such U.S. Holder in such taxable year. Foreign currency exchange gain or loss generally will constitute income from sources within the United States.

The rules relating to foreign tax credits are complex, and each U.S. Holder should consult its own tax advisers regarding the application of such rules.

#### ***Aggregation Rules***

The Treasury Regulations relating to OID contain special aggregation rules that, in general, and subject to certain exceptions, provide that debt instruments issued in the same transaction or related transactions to a single purchaser may be treated as a single debt instrument with a single issue price, maturity date, yield to maturity and stated redemption price at maturity for purposes of the OID rules. Under certain circumstances, these provisions could apply to a U.S. Holder that purchases Notes from more than one Series of Notes.

#### ***Substitution of the Issuer***

If with respect to any Series of Notes the Issuer substitutes for itself any Substituted Debtor, such substitution could be treated for U.S. federal income tax purposes as a taxable exchange of (i) such Notes as in place prior to such substitution for (ii) such Notes as in place after such substitution. See “— Sale, Exchange, Retirement or Other Disposition of Notes.” U.S. Holders should consult their own tax advisers as to U.S. federal income tax considerations relating to such an event.

#### ***Backup Withholding and Information Reporting***

Payments of principal, premium, if any, and interest (including OID) on, and proceeds from the sale, retirement or other taxable disposition of the Notes may be subject to information reporting to the IRS and possibly backup withholding. Backup withholding of U.S. federal income tax at a current rate of 24% may apply to payments made in respect of the Notes to holders who fail to make any required certification or who are not exempt

recipients and who fail to provide certain identifying information (such as the holder's taxpayer identification number). Payments made in respect of the Notes to a U.S. holder may be reported to the IRS, unless the U.S. Holder is an exempt recipient or otherwise establishes an exemption. U.S. persons who are required to establish their exempt status, generally, must provide an IRS Form W-9.

Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder would be allowed as a credit or a refund against such U.S. Holder's U.S. federal income tax, provided that the required information is furnished to the IRS in a timely manner.

#### ***Disclosure Requirements for Specified Foreign Financial Assets***

U.S. Holders (including certain domestic corporations, partnerships, and trusts that are considered formed or availed of for the purpose of holding, directly or indirectly, "specified foreign financial assets," referred to as "specified domestic entities" in applicable United States Treasury Regulations) that, during any taxable year, hold any interest in any "specified foreign financial asset" generally will be required to file with their U.S. federal income tax returns certain information on IRS Form 8938 if the aggregate value of all such assets exceeds certain specified amounts. The term "**Specified foreign financial asset**" generally includes any financial account maintained with a non-U.S. financial institution, which may include the Notes if they are not held in an account maintained with a financial institution. Substantial penalties may be imposed, and the period of limitations on assessment and collection of U.S. federal income taxes may be extended, in the event of a failure to comply with this reporting and filing requirement. U.S. Holders should consult their own tax advisers as to the possible application to them of these requirements.

#### ***Disclosure Requirements for Certain U.S. Holders Recognizing Significant Losses***

A U.S. Holder that claims "significant losses" in respect of a Note for U.S. federal income tax purposes (generally (i) US\$10 million or more in a taxable year or US\$20 million or more in any combination of taxable years for corporations or partnerships all of whose partners are corporations; (ii) US\$2 million or more in a taxable year or US\$4 million or more in any combination of taxable years for all other taxpayers; or (iii) US\$50,000 or more in a taxable year for individuals or trusts with respect to a foreign currency transaction) may be required to file IRS Form 8886 for "reportable transactions." U.S. Holders should consult their own tax advisers concerning any possible obligation to file IRS Form 8886 with respect to the Notes.

#### **Automatic Exchange of Financial Account Information – Cayman Islands**

The Cayman Islands has signed two intergovernmental agreements to improve international tax compliance and the exchange of information - one with the United States and one with the United Kingdom (the "US IGA" and the "UK IGA," respectively). The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (the "CRS").

Cayman Islands regulations were issued to give effect to the US IGA, the UK IGA and the CRS (together, the "AEOI Regulations"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "TIA") has published guidance notes on the application of the US IGA, the UK IGA and CRS. It is anticipated that the UK IGA, related regulations and relevant provisions of the guidance notes will be phased out and replaced with CRS. All Cayman Islands "Financial Institutions" (in so far as the Issuer is a Cayman Island entity) will be required to comply with registration, due diligence and reporting requirements of the AEOI Regulations, unless the Issuer can rely on an exemption that permits it to be treated as a "Non-Reporting Cayman Islands Financial Institution" (as defined in the relevant AEOI Regulations) with respect one or more AEOI regimes, in which case only the registration requirement would apply under CRS. The Issuer does not propose to rely on any Non-Reporting Cayman Island Financial Institution exemption and will therefore comply with the registration, due diligence and reporting requirements of the AEOI Regulations as a "Reporting Financial Institution." As such, the Issuer is required to (i) register with the IRS to obtain a Global Intermediary Identification Number (for the purposes of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution," (iii) adopt and implement written policies and procedures setting and how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts," and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit such information to the IRS (for US Reportable Accounts), the HMRC (for UK Reportable Accounts) or other applicable overseas fiscal authorities as the case may be annually on an automatic basis. Under the terms of the US IGA, withholding will not be imposed on payments made to the Issuer unless the IRS has specifically listed the

Issuer as a non-participating financial institution, or on payments made by the Issuer to the holders of the Notes unless the Issuer has otherwise assumed responsibility for withholding under United States tax law.

For further information on any potential withholding tax that may be levied against the Issuer, see also disclosure in relation to US Withholding tax in the section “Taxation—U.S. Federal Income Taxation.”

## CERTAIN ERISA AND OTHER CONSIDERATIONS

ERISA imposes certain requirements on “employee benefit plans” within the meaning of Section 3(3) of ERISA that are subject to Title I of ERISA, including entities such as collective investment funds and separate accounts whose underlying assets include the assets of such employee benefit plans (collectively, “**ERISA Plans**”), and on those persons who are fiduciaries with respect to such ERISA Plans. ERISA also imposes limits on transactions between ERISA Plans and service providers and other parties in interest to such ERISA Plans.

Each ERISA Plan fiduciary should consider ERISA and the regulations and guidance thereunder when considering an investment in the Notes. Moreover, fiduciaries of ERISA Plans, as well as other “plans” within the meaning of and subject to Section 4975 of the Code, including individual retirement accounts, “Keogh” plans and entities whose underlying assets are treated as assets of such plans (together with ERISA Plans, “**Plans**”), should consider, among other items, the issues described below when deciding whether to acquire the Notes.

### **Fiduciary Duty of Investing ERISA Plans**

Under ERISA, any person who exercises discretionary authority or control respecting the management or disposition of the assets of an ERISA Plan is generally considered to be a fiduciary of such ERISA Plan. Investments by ERISA Plans are subject to ERISA’s general fiduciary requirements, including, but not limited to, the requirement of investment prudence and diversification and the requirement that a ERISA Plan’s investments be made in accordance with the documents governing the ERISA Plan. The prudence of a particular investment must be determined by the responsible fiduciary of an ERISA Plan, taking into account the ERISA Plan’s particular circumstances and all of the facts and circumstances of the investment.

When evaluating the prudence of an acquisition of the Notes, the ERISA Plan fiduciary should consider the DOL regulation on investment duties, which can be found at 29 C.F.R. § 2550.404a-1. ERISA requires the fiduciary of an ERISA Plan to maintain the indicia of ownership of the ERISA Plan’s assets within the jurisdiction of the U.S. district courts. An ERISA Plan fiduciary will also need to think about ERISA’s rules relating to delegation of control.

### **Prohibited Transactions**

Section 406 of ERISA and Section 4975 of the Code prohibit certain transactions involving the assets of Plans and certain persons (referred to as “parties in interest” or “disqualified persons” within the meaning of ERISA and Section 4975 of the Code respectively, and collectively, “**Parties In Interest**”) having certain relationships to such Plans, including fiduciaries and other service providers to the Plan and certain affiliates of those persons.

Whether or not the underlying assets of the Issuer are deemed to include assets of a Plan, an investment in the Notes by a Plan with respect to which any of the Issuer, the Dealers, any of their respective affiliates and any other party to the transactions referred to in this Offering Memorandum (each, a “**Transaction Party**”) is considered a Party In Interest may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless a statutory or administrative exemption is applicable to the transaction. A violation of these “prohibited transaction” rules may result in an excise tax or other penalties and liabilities under ERISA and the Code for such persons or the fiduciaries of the Plan.

Prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise, for example, if any Notes are acquired by a Plan with respect to which any of the Transaction Parties is a Party In Interest. The types of transactions between Plans and Parties In Interest that are prohibited include: (i) sales, exchanges or leases of property; (ii) loans or other extensions of credit; and (iii) the furnishing of goods and services. Certain Parties In Interest that participate in a non-exempt prohibited transaction may be subject to an excise tax under ERISA or the Code. In addition, the persons involved in the prohibited transaction may have to rescind the transaction and pay an amount to the Plan for any losses realized by the Plan or profits realized by such persons and certain other liabilities could result that have a significant adverse effect on such persons. However, certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire a Note and the circumstances under which such decision is made. These exemptions include (but are not limited to) Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to transactions between a person that is a Party In Interest solely by reason of providing services to the Plan (and neither it nor its affiliate has or exercises discretionary authority or control or renders investment advice with respect to assets involved in the transaction), *provided* that the Plan receives no less than and pays no more than adequate consideration for the transaction), Prohibited Transaction

Class Exemption (“PTCE”) 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a “qualified professional asset manager”), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). Prospective investors should consult with their advisers regarding the prohibited transaction rules and these exceptions. There can be no assurance that any of these class exemptions or any other exemption will be available with respect to any particular transaction involving the Notes or that, if an exemption is available, it will cover all aspects of any particular transaction.

### **The Plan Assets Regulation**

The DOL’s Plan Assets Regulation describes what constitutes the assets of a Plan with respect to the Plan’s investment in an entity for purposes of certain provisions of ERISA, including the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code. Under the Plan Assets Regulation, if a Plan invests in an “equity interest” of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act, the Plan’s assets include both the “equity interest” and an undivided interest in each of the entity’s underlying assets, unless one of the exceptions to such treatment described in the Plan Assets Regulation applies. Under the Plan Assets Regulation, a security which is in the form of debt may be considered an “equity interest” if it has substantial equity features. If the Issuer is deemed under the Plan Assets Regulation to hold “plan assets” by reason of a Plan’s investment in any of the Notes, such “plan assets” would include an undivided interest in the assets held by the Issuer and transactions by the Issuer would be subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code. The Plan Assets Regulation provides, however, that if equity participation in any entity by “Benefit Plan Investors” is not “significant,” then the “look-through” rule will not apply to such entity. The term “**Benefit Plan Investors**” is defined in the Plan Assets Regulation to include (1) any Plan and (2) any person or entity whose underlying assets include “plan assets” within the meaning of the Plan Assets Regulation by reason of such a Plan’s investment in the person or entity or otherwise for purposes of Title I of ERISA or Section 4975 of the Code. Equity participation by Benefit Plan Investors in any entity is “significant” if, immediately after the most recent acquisition of any “equity interest” in the entity, 25% or more of the value of any class of “equity interest” in the entity (excluding the value of any interests held by certain persons, other than Benefit Plan Investors, that have discretionary control over the assets of the entity or provide investment advice to the entity for a fee (direct or indirect) or certain “affiliates” within the meaning of paragraph (f)(3) of the Plan Assets Regulation of such persons) is held by Benefit Plan Investors.

### **Similar Plans**

Plans that are “governmental plans” within the meaning of Section 3(32) of ERISA, certain “church plans” within the meaning of Section 3(33) of ERISA with respect to which no election has been made under Section 410(d) of the Code, and foreign plans described in Section 4(b) of ERISA (such plans, “**Similar Plans**”), while not subject to the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to any U.S. federal, state, local, non-U.S. or other law that is substantially similar to the foregoing provisions of ERISA and the Code (such laws, “**Similar Laws**”). Fiduciaries of any such Similar Plans should consult with their counsel before purchasing any Notes.

### **Representations and Warranties**

By its purchase of any Notes, the purchaser or transferee thereof will be deemed to have represented and agreed either that: (i) it is not and for so long as it holds Notes will not be (and is not acquiring the Notes directly or indirectly with the assets of a person who is or while the Notes are held will be) a Benefit Plan Investor or a Similar Plan which is subject to any Similar Law; or (ii) its purchase and holding of the Notes will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a Similar Plan, a violation of any Similar Law).

In addition, each purchaser and transferee of any Notes or any interest therein that is a Benefit Plan Investor will be deemed to represent, warrant and agree that: (A) no Transaction Party (i) has provided any investment recommendation or investment advice to any fiduciary or other person investing the assets of the Benefit Plan Investor (a “**Plan Fiduciary**”) in the Notes or any interest therein and (ii) is acting as a “fiduciary” within the meaning of Section 3(21) of ERISA and the regulations promulgated thereunder or Section 4975(e)(3) of the Code to the Benefit Plan Investor or the Plan Fiduciary in connection with the Benefit Plan Investor’s acquisition, holding

or disposition of the Notes or any interest therein; and (B) the Plan Fiduciary is exercising its own independent judgment in evaluating the transaction.

The foregoing discussion is general in nature and not intended to be all-inclusive. Any Plan fiduciary who proposes to cause a Plan to purchase any Notes should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code (or in the case of Similar Plans not subject to Title I of ERISA or Section 4975 of the Code, any other applicable Similar Law) to such an investment, and to confirm that such investment will not constitute or result in a prohibited transaction or any other violation of an applicable requirement of Title I of ERISA or Section 4975 of the Code (or any Similar Law, as applicable).

The sale of Notes to a Plan is in no respect a representation by the Transaction Parties that such an investment meets all relevant requirements with respect to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

A PLAN FIDUCIARY CONSIDERING THE PURCHASE OF NOTES SHOULD CONSULT ITS LEGAL ADVISORS REGARDING WHETHER THE ASSETS OF THE ISSUER WOULD BE CONSIDERED PLAN ASSETS, THE POSSIBILITY OF EXEMPTIVE RELIEF FROM THE PROHIBITED TRANSACTION RULES AND OTHER ISSUES AND THEIR POTENTIAL CONSEQUENCES. THE SALE OF NOTES TO A PLAN IS IN NO RESPECT A REPRESENTATION BY THE ISSUER OR THE DEALERS THAT THIS INVESTMENT MEETS ALL RELEVANT REQUIREMENTS REGARDING INVESTMENTS BY PLANS GENERALLY OR ANY PARTICULAR PLAN OR THAT THIS INVESTMENT IS APPROPRIATE FOR PLANS GENERALLY OR ANY PARTICULAR PLAN.

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to or through any one or more of the Dealers. The arrangements under which the Notes may from time to time be agreed to be sold by the Issuer to or through the Dealers are set out in the Dealer Agreement and made between the Issuer and the Dealers. Any agreement for the sale of Notes will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, whether the placement of the Notes is underwritten or sold on an agency basis only, the price at which such Notes will be purchased by the Dealers, the commissions or other agreed deductibles (if any) which are payable or allowable by the Issuer in respect of such purchase and the form of any indemnity to the several Dealers against certain liabilities in connection with the offer and sale of the relevant Notes. The offering of the Notes by the Dealers is subject to receipt and acceptance of orders and subject to the Dealers' right to reject any order in whole or in part.

Itau BBA International plc (formerly Itau BBA International Limited) is not a broker-dealer registered with the SEC and therefore may not make sales of any Notes in the United States or to U.S. persons (as defined in Regulation S) except in compliance with applicable U.S. laws and regulations. To the extent that Itau BBA International plc intends to effect sales of the Notes in the United States, it will do so only through Itau BBA USA Securities, Inc., its selling agent, or one or more U.S. registered broker-dealers or otherwise as permitted by applicable U.S. law. Itau BBA International plc and Itau BBA USA Securities, Inc. are our affiliates.

The Dealers and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. In the ordinary course of their various business activities, the Dealers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuer. The Dealers and their affiliates may enter into derivative and structured transactions with clients, at their request, in connection with the Notes. The Dealers and their affiliates may also purchase some of the Notes to hedge their risk exposure in connection with such transactions. Also the Dealers and their affiliates may acquire the Notes for their own proprietary account. Such transactions may have an effect on demand, price and other terms of an offering of the Notes. The Dealers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

In connection with each offering, the Dealers may purchase and sell the Notes in the open market. These transactions may include short sales and purchases on the open market to cover positions created by short sales. Short sales involve the sale by the Dealers of a greater principal amount of Notes than they are required to purchase in the offering. The Dealers must close out any short position by purchasing Notes in the open market. A short position is more likely to be created if the Dealers are concerned that there may be downward pressure on the price of the Notes in the open market after pricing that could adversely affect investors who purchase in the offering.

Similar to other purchase transactions, Dealer purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of the Notes or preventing or retarding a decline in the market price of the Notes. As a result, the price of the Notes may be higher than the price that might otherwise exist in the open market.

It is intended that the Notes will normally be bought or traded by a limited number of investors who are particularly knowledgeable in investment matters.

Prior to the initial offering of the Notes under this Programme, there has been no established trading market for the Notes. The Issuer has applied to register the Programme on the Luxembourg Stock Exchange and the Notes may be listed on the Luxembourg Stock Exchange, or on another stock exchange or may be unlisted, as specified in the Final Terms.

### General

No action has been or will be taken in any jurisdiction by the Dealers or the Issuer that would permit a public offering of any of the Notes, or possession or distribution of this Offering Memorandum, or any part thereof including any Final Terms, or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply with all applicable laws and regulations in each



jurisdiction in which it acquires, offers, sells or delivers Notes or has in its possession or distributes this Offering Memorandum, or any part thereof including any Final Terms, or any such other material, in all cases at its own expense. Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions (except to the extent that such actions are the actions of the Issuer). The Issuer will have no responsibility for, and each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree, that it will obtain any consent, approval or permission required by it for the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it may make any acquisition, offer, sale or delivery.

No Dealer is authorized to make any representation or use any information in connection with the issue, offering and sale of the Notes other than as contained in this Offering Memorandum, including the applicable Final Terms and any other information or document supplied.

Each purchaser of Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this Offering Memorandum or any part of it and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales and neither the Issuer nor any Dealer shall have any responsibility therefor.

Selling restrictions may be modified by the agreement of the Issuer and the relevant Dealers. Any such modification will be set out in the Final Terms issued in respect of each Tranche to which it relates or in a supplement to this Offering Memorandum.

#### **United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until expiration of the period that is 40 days after the later of the commencement of the offering of the relevant Tranche and the relevant closing date (the “**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. The Dealer Agreement provides that the Dealers may directly or through their respective U.S. broker-dealer affiliates arrange for the offer and resale of Notes within the United States only to QIBs in reliance on Rule 144A.

In addition, until 40 days after the commencement of the offering of any Tranche, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A.

This Offering Memorandum has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States and for the listing of Notes on the Luxembourg Stock Exchange. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Memorandum does not constitute an offer to any person in the United States or to any U.S. person other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker-affiliate. Distribution of this Offering Memorandum by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States,

other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorized and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

### **European Economic Area**

#### *Prohibition of Sales to EEA Retail Investors:*

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Final Terms in relation thereto will not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

If the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive was implemented in that Member State (the “**Relevant Implementation Date**”), it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Memorandum as completed by the Final Terms in relation thereto to the public in that Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Member State:

(a) *Approved Prospectus*: if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, *provided* that any such prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided* that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement prospectus pursuant to Article 16 of the Prospectus Directive.

Unless the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each person in a Member State of the EEA who receives any communication in respect of, or who acquires any Notes under, the offers to the public contemplated in this Offering Memorandum, or to whom the Notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Dealer and the Issuer that (a) it and any person on whose behalf it acquires Notes is: (i) a “qualified investor” within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive; and (ii) not a “retail investor” (as defined above), and (b) in the case of any Notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (i) the Notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Dealer has been given to the offer or resale; or (ii) where Notes have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Notes to it is not treated under the Prospectus Directive as having been made to such persons.

If: (a) the Final Terms in respect of any Notes specifies the “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”; (b) the minimum denomination of the Notes subject to those Final Terms is less than EUR 100,000 ; and (c) the Notes subject to those Final Terms are not to be offered to retail investors (as defined above), each person in a Member State of the EEA who receives any communication in respect of, or who acquires any Notes under, the offers to the public contemplated in this Offering Memorandum, or to whom the Notes are otherwise made available, will be deemed to have represented, warranted, acknowledged and agreed to and with each Dealer and the Issuer that (a) it and any person on whose behalf it acquires Notes is a “qualified investor” within the meaning of the law in that Member State implementing Article 2(1)(e) of the Prospectus Directive, and (b) in the case of any Notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive: (i) the Notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Dealer has been given to the offer or resale; or (ii) where Notes have been acquired by it on behalf of persons in any Member State other than qualified investors, the offer of those Notes to it is not treated under the Prospectus Directive as having been made to such persons.

(e) For the purposes of this provision, the expression “an offer of Notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression “Prospectus Directive” means Directive 2003/71/EC (as amended , or superseded), and includes any relevant implementing measure in the Member State concerned.

## **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that: (i) in relation to any Notes which have a maturity of less than one year; (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer; (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and (iii) it has complied and will comply with all applicable provisions of the FSMA and the Financial Services Act 2012 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## **Brazil**

The Notes have not been and will not be issued, nor placed, distributed, offered or negotiated in the Brazilian capital markets. The issuance of the Notes has not been nor will be registered with the CVM. Any public offering or distribution, as defined under Brazilian laws and regulations, of the Notes in Brazil is not legal without prior registration under Law No. 6,385, as amended, and Instruction No. 400, issued by the CVM on December 29, 2003, as amended. Documents relating to the securities offered by this Offering Memorandum, as well as information contained therein, may not be supplied to the public in Brazil (as the securities offered by this Offering Memorandum is not a public offering of the Notes in Brazil), nor be used in connection with any offer for subscription or sale of the Notes to the public in Brazil. Therefore, each of the Dealers has represented, warranted and agreed that it has not offered or sold, and will not offer or sell, the Notes in Brazil, except in circumstances which do not constitute a public offering, placement, distribution or negotiation of securities in the Brazilian capital markets regulated by Brazilian legislation.

Persons wishing to offer or acquire the Notes within Brazil should consult with their own counsel as to the applicability of registration requirements or any exemption therefrom.

## **Cayman Islands**

No invitation whether directly or indirectly may be made to members of the public in the Cayman Islands to subscribe for the Notes unless the Issuer is listed on the Cayman Islands Stock Exchange. Notes may, however, be offered and sold to ordinary non-resident and exempted companies of the Cayman Islands.

## **Hong Kong**

The Notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

## **Singapore**

This Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor.

The securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- i. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- ii. where no consideration is or will be given for the transfer;
- iii. where the transfer is by operation of law;
- iv. as specified in Section 276(7) of the SFA; or
- v. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “FIEA”) and the Notes will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### **Colombia**

The Notes have not been offered or sold, and will not be offered or sold, in Colombia other than in compliance with applicable laws.

### **Chile**

Neither the Issuer nor the Notes are registered in the Securities Registry (*Registro de Valores*) or the Foreign Securities Registry (*Registro de Valores Extranjeros*) of the Chilean Securities and Insurance Commission (*Superintendencia de Valores y Seguros de Chile* or “SVS”), or subject to the control and supervision of the SVS. This Offering Memorandum does not constitute a public offer of, or an invitation to subscribe for or purchase, the Notes in the Republic of Chile, other than to individually identified purchasers pursuant to a private offering within the meaning of Article 4 of the Chilean Securities Market Act (*Ley de Mercado de Valores*) (an offer that is not “addressed to the public at large or to a certain sector or specific group of the public”).

*Ni el Emisor ni las Notas están registradas en el Registro de Valores o el Registro de Valores Extranjeros de la Superintendencia de Valores y Seguros de Chile o “SVS,” o están sujetas al control y supervisión de la SVS. Este Prospecto no constituye una oferta pública, o una invitación a suscribir o adquirir las Notas en la República de Chile, excepto para los compradores identificados individualmente de conformidad con una oferta privada de acuerdo a lo establecido en el artículo 4 de la Ley de Mercado de Valores de Chile (una oferta que no está “dirigida al público en general o a ciertos sectores o a grupos específicos de éste”).*

### **Peru**

The Notes and the information contained in this Offering Memorandum are not being publicly marketed or offered in Peru and will not be distributed or caused to be distributed to the general public in Peru. Peruvian securities laws and regulations on public offerings will not be applicable to the offering of the Notes and therefore, the disclosure obligations set forth therein will not be applicable to the issuer or the sellers of the Notes before or after their acquisition by prospective investors. The Notes and the information contained in this Offering Memorandum have not been and will not be reviewed, confirmed, approved or in any way submitted to the Peruvian National Supervisory Commission of Companies and Securities (*Comisión Nacional Supervisora de Empresas y Valores*) nor have they been registered under the Securities Market Law (*Ley del Mercado de Valores*) or any other

Peruvian regulations. Accordingly, the Notes cannot be offered or sold within Peruvian territory except to the extent any such offering or sale qualifies as a private offering under Peruvian regulations and complies with the provisions on private offerings set forth therein.

The Notes have been registered with the Superintendency of Banking, Insurance and Private Pension Funds (*Superintendencia de Bancos, Seguros y Administradoras Privadas de Fondos de Pensiones*) so that they could qualify as eligible instruments and be acquired by Peruvian Private Pension Funds Administrators.

#### **Canada**

Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor. Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("NI 33-105"), the dealers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with any offering of Notes.

## **TRANSFER RESTRICTIONS**

### **Rule 144A Notes**

Each purchaser of Restricted Notes pursuant to Rule 144A, by its acquisition of the Restricted Notes (or any interest therein), will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a QIB within the meaning of Rule 144A; (b) acquiring such Restricted Notes for its own account or for the account of a QIB; and (c) aware, and each beneficial owner of such Restricted Notes has been advised, that the sale of such Restricted Notes to it is being made in reliance on Rule 144A.

(2) It understands that the Restricted Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and may not be offered, sold, pledged or otherwise transferred except: (a) to the Issuer or any of its subsidiaries; (b) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB; (c) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or (d) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available); in each case in accordance with any other applicable securities laws.

(3) It represents by its purchase and holding that either: (a) it is not and for so long as it holds a Note (or any interest therein) will not be (i) a Benefit Plan Investor or (ii) a Similar Plan which is subject to any Similar Law; or (b) its purchase and holding of the Notes will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a Similar Plan, a violation of any Similar Law) for which an exemption is not available.

(4) It understands that such Restricted Notes, unless the Issuer determines otherwise in compliance with applicable law, will bear a legend to the following effect:

“THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT AND ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ONLY: (A) TO THE ISSUER OR ANY OF ITS SUBSIDIARIES; (B) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER; (C) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (D) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR REALES OF THIS NOTE.

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER: (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN “EMPLOYEE BENEFIT PLAN” WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT IS SUBJECT TO TITLE I OF ERISA; (II) A “PLAN” WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”); (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 4(32) OF ERISA, OF SUCH AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE (COLLECTIVELY, THE “BENEFIT PLAN INVESTORS”); OR (IV) A “GOVERNMENTAL PLAN” WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A CERTAIN TYPE OF “CHURCH PLAN” WITHIN THE MEANING OF SECTION 3(33) OF ERISA, A “NON-U.S. PLAN” DESCRIBED IN SECTION 4(B)(4) OF ERISA OR OTHER BENEFIT PLAN WHICH IS NOT A BENEFIT PLAN INVESTOR (SUCH PLANS, “SIMILAR PLANS”) BUT IS SUBJECT TO ANY U.S.

FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SUCH LAWS, "SIMILAR LAWS"); OR (B) ITS PURCHASE AND HOLDING OF THIS NOTE WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR PLAN, A VIOLATION OF ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE."

(5) The Issuer, the Registrar, the Dealers and their affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Restricted Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(6) It understands that the Restricted Notes offered in reliance on Rule 144A will be represented by a DTC Restricted Global Note or a European Restricted Global Note. Before any interest in the DTC Restricted Global Note or the European Restricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the DTC Unrestricted Global Note or the European Unrestricted Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

Prospective purchasers are hereby notified that sellers of the Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

#### **Regulation S Notes**

Each purchaser of Unrestricted Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Unrestricted Notes in resales prior to the expiration of the Distribution Compliance Period, by its acquisition of the Unrestricted Notes (or any interest therein), will be deemed to have represented, agreed and acknowledged that:

(1) It is, or at the time such Unrestricted Notes are purchased will be, the beneficial owner of such Unrestricted Notes and it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S).

(2) It understands that such Unrestricted Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and may not be offered, sold, pledged or otherwise transferred except (a) to the Issuer or any of its subsidiaries; (b) in the United States; (i) prior to the expiration of the Distribution Compliance Period, in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or the account of a QIB; and (ii) thereafter, pursuant to an exemption from registration under the Securities Act; or (c) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; in each case in accordance with any other applicable securities laws.

(3) It represents by its purchase and holding that either: (a) it is not and for so long as it holds a Note (or any interest therein) will not be (i) a Benefit Plan Investor or (ii) a Similar Plan which is subject to any Similar Law; or (b) its purchase and holding of the Notes will not result in a prohibited transaction under Section 406 of ERISA or Section 4975 of the Code (or, in the case of a Similar Plan, a violation of any Similar Law) for which an exemption is not available.

(4) It understands that such Unrestricted Notes, unless the Issuer otherwise determines in compliance with applicable law, will bear a legend to the following effect:—

"THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (A) TO THE ISSUER OR ANY OF ITS SUBSIDIARIES; (B) IN THE UNITED STATES; (I) PRIOR TO THE EXPIRATION OF THE DISTRIBUTION COMPLIANCE PERIOD (WITHIN THE MEANING OF REGULATION S), IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT IT AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER (WITHIN THE MEANING OF RULE 144A) PURCHASING FOR ITS OWN ACCOUNT OR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER AND; (II) THEREAFTER, PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT; OR (C) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR



RULE 904 OF REGULATION S; IN EACH CASE IN ACCORDANCE WITH ANY OTHER APPLICABLE SECURITIES LAWS.

BY ITS PURCHASE AND HOLDING OF THIS NOTE (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER: (A) IT IS NOT AND FOR SO LONG AS IT HOLDS THIS NOTE (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN "EMPLOYEE BENEFIT PLAN" WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), THAT IS SUBJECT TO TITLE I OF ERISA; (II) A "PLAN" WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"); (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE "PLAN ASSETS" WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OF SUCH AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE (COLLECTIVELY, THE "BENEFIT PLAN INVESTORS"); OR (IV) A "GOVERNMENTAL PLAN" WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A CERTAIN TYPE OF "CHURCH PLAN" WITHIN THE MEANING OF SECTION 3(33) OF ERISA, A "NON-U.S. PLAN" DESCRIBED IN SECTION 4(B)(4) OF ERISA OR OTHER BENEFIT PLAN WHICH IS NOT A BENEFIT PLAN INVESTOR (SUCH PLANS, "SIMILAR PLANS") BUT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SUCH LAWS, "SIMILAR LAWS"); OR (B) ITS PURCHASE AND HOLDING OF THIS NOTE WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR PLAN, A VIOLATION OF ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE."

(5) The Issuer, the Registrar, the Dealers and their affiliates, and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

(6) It understands that the Unrestricted Notes offered in reliance on Regulation S will be represented by a DTC Unrestricted Global Note or a European Unrestricted Global Note. Prior to the expiration of the Distribution Compliance Period, before any interest in the DTC Unrestricted Global Note or the European Unrestricted Global Note may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the DTC Restricted Global Note or the European Restricted Global Note, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

(7) Delivery of the Unrestricted Notes may be made against payment therefor on or about a date which will occur more than three business days after the date of pricing of the Unrestricted Notes. Pursuant to Rule 15c6-1 under the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Unrestricted Notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Unrestricted Notes may initially settle on or about a date which will occur more than three business days after the date of pricing of the Unrestricted Notes to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of Unrestricted Notes who wish to trade Unrestricted Notes on the date of pricing or the next succeeding business day should consult their own adviser.

## **INDEPENDENT AUDITORS**

Our complete financial statements prepared in accordance with IFRS as issued by IASB, as of December 31, 2018 and 2017 and for the three years ended December 31, 2018 incorporated by reference in this Offering Memorandum have been audited by PricewaterhouseCoopers Auditores Independentes, independent auditors, as stated in their reports appearing therein. PricewaterhouseCoopers Auditores Independentes is registered with the Regional Accounting Council of São Paulo under the number CRC 2SP000160/O-5.

## **LEGAL MATTERS**

The validity of the issuance of the Notes and certain other matters in connection with Brazilian law will be passed upon for the Issuer by its internal counsel. The validity of the Notes will be passed upon for the Issuer by Shearman & Sterling (London) LLP, English legal advisers to the Issuer and Shearman & Sterling LLP, special United States counsel to the Issuer. The validity of the Notes will also be passed upon for the Dealers by Clifford Chance, English legal advisers and special United States counsel to the Dealers. The validity of the issuance of the Notes and certain matters in connection with Brazilian law will be passed upon for the Dealers by Pinheiro Neto Advogados, the Dealers' Brazilian counsel. The validity of the issuance of the Notes and certain other matters in connection with Cayman Islands law will also be passed upon for the Issuer by Maples and Calder.

## GENERAL INFORMATION

1. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Euro MTF market. However, Notes may be issued under the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange, listing authority or quotation system or which will be listed on such stock exchange, listing authority or quotation system as the relevant Dealer(s) and ourselves may agree.
2. The Bearer Notes and Registered Notes represented by a DTC Unrestricted Global Note or a European Unrestricted Global Note are expected to be accepted for clearance through Euroclear and Clearstream. The Common Code and ISIN number for each Tranche of Bearer Notes and the CUSIP and ISIN number as well as the Common Code for each Tranche of Registered Notes will be contained in the Final Terms relating thereto. In addition, we will make an application with respect to any Restricted Notes of a Registered Series that they be accepted for trading in book-entry form by DTC. Acceptance by DTC of Restricted Notes of such Tranche of a Registered Series will be confirmed in the applicable Final Terms.
3. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
4. All consents, approvals, authorizations and other orders of all regulatory authorities under the laws of Brazil and the Cayman Islands have been given for the establishment of the Programme, the issue of Notes under the Programme and the execution of the Agency Agreement and Trust Deed and are in full force and effect, except for where we are acting through our head office or the proceeds of the Notes are transferred as deposits to be held at such head office (i) prior registration of the financial terms of each transaction under the ROF with the Central Bank through the SISBACEN; (ii) registration with the Central Bank of the schedule of payments under the respective ROF in respect of each Tranche issued under the Programme, as soon as practicable after the effective inflow of funds; (iii) further authorization from the Central Bank to make payments outside Brazil in a specified currency other than scheduled payments of principal, interest, commissions, fees and expenses as contemplated by the ROF; and (iv) authorization to be granted by the Central Bank regarding the classification of Subordinated Notes as Tier 2 of the regulatory capital (*patrimônio de referência*).
5. Except as disclosed herein, neither we nor any of our subsidiaries is involved in any governmental, legal or arbitration proceedings which may have, or have had in the recent past, any significant effect on our financial position or profitability nor, so far as we are aware, are any such governmental, legal or arbitration proceedings pending or threatened.
6. Save as disclosed herein, there has been no significant change in our financial or trading position or the financial or trading position of us and our subsidiaries and affiliates taken as a whole since December 31, 2018, being the date of our most recently published complete financial statements incorporated by reference in, and forming part of, this Offering Memorandum, and no material adverse change in our financial position or prospects or of the financial position or prospects of us and our subsidiaries and affiliates taken as a whole since December 31, 2018, being the date of our most recently published complete financial statements.
7. We are a corporation incorporated in Brazil on September 9, 1943. The business address of the members of our Board of Directors is Praça Alfredo Egydio de Souza Aranha, 100, 04344-902, São Paulo, SP, Brazil. None of our directors or executive officers is a resident of the United States, nor are we a resident of the United States, and all or a substantial portion of our assets and of such persons' are located outside the United States. It may not be possible for investors to effect service of process within the United States upon us or such persons, or to enforce against any of them in United States courts judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States.
8. Copies in English of our by-laws (*estatuto social*) and latest audited complete financial statements and unaudited complete interim financial statements, in each case being incorporated in and forming part of this Offering Memorandum, may be obtained and copies of the Agency Agreement, Trust Deed and Final Terms will be available at the specified offices of each of the Paying Agents during normal business hours, so long as any of the Notes are outstanding.

9. The registered office of Itaú Unibanco is Praça Alfredo Egydio de Souza Aranha, 100, 04344-902, São Paulo, São Paulo, Brazil. Itaú Unibanco Holding holds 100.0% of the capital stock of Itaú Unibanco. As of December 31, 2018, Itaú Unibanco's authorized and outstanding share capital consisted of 2,932,936,995 common shares and 2,840,549,071 preferred shares, and interest on stockholders' equity all of which are fully paid.
10. Itaú Unibanco Holding received approximately R\$4,429 million in dividends and interest on stockholders' equity from Itaú Unibanco in 2018.
11. The information contained in this Offering Memorandum is true and correct and we accept responsibility for such information.

## ANNEX A — FORM OF FINAL TERMS OF THE SENIOR NOTES

*The Final Terms in respect of each Tranche of Senior Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Senior Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Senior Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (“**IDD**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the “**Prospectus Directive**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Senior Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Senior Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>1</sup>

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET – *[appropriate target market legend to be included if necessary]*][Delete if no target market legend to be included]]

[SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Senior Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Senior Notes to be issued under the Programme are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

### FINAL TERMS

(IN CONNECTION WITH THE OFFERING MEMORANDUM DATED [ ])

Final Terms dated [date]

**Itaú Unibanco Holding S.A.**

**[acting through its Grand Cayman Branch]/[(a company incorporated under the laws of the Federative Republic of Brazil)]**

**US\$100,000,000,000**

**Global Medium-Term Note Programme**

**Series No: [ ]**

**[TITLE OF SENIOR NOTES] DUE [ ]**

**Issue price: [ ]**

**[DEALER NAME(S)]**

This document constitutes the Final Terms relating to the issue of Senior Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the “**Conditions**”) set forth in the Offering Memorandum dated [date] [and the supplemental Offering Memorandum dated [date]] (the “**Offering Memorandum**”). These Final Terms contain the final terms of the Senior Notes and must be read in conjunction with such Offering Memorandum [as so supplemented].

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<sup>1</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under Offering Memorandum with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Senior Notes (the “**Conditions**”) set forth in the Offering Memorandum dated [*original date*]. These Final Terms contain the final terms of the Senior Notes and must be read in conjunction with the Offering Memorandum dated [*current date*] [and the supplemental Offering Memorandum dated [*date*]], save in respect of the Conditions which are extracted from the Offering Memorandum dated [*original date*] and are attached hereto.]

**THE SENIOR NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND THE SENIOR NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SENIOR NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT). THESE FINAL TERMS AND THE OFFERING MEMORANDUM HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE SENIOR NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATIONS [AND WITHIN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)] [AND FOR LISTING OF THE SENIOR NOTES ON THE EURO MTF MARKET OF THE LUXEMBOURG STOCK EXCHANGE]. THE SENIOR NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. [PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE SENIOR NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.] AS A PROSPECTIVE PURCHASER, YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE SENIOR NOTES AND DISTRIBUTION OF THESE FINAL TERMS AND THE OFFERING MEMORANDUM, SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS” CONTAINED IN THE OFFERING MEMORANDUM.**

**BY ITS PURCHASE AND HOLDING OF SENIOR NOTES (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER: (A) IT IS NOT AND FOR SO LONG AS IT HOLDS SENIOR NOTES (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN “EMPLOYEE BENEFIT PLAN” WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT IS SUBJECT TO TITLE I OF ERISA; (II) A “PLAN” WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”); (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OF SUCH EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE (COLLECTIVELY, THE “BENEFIT PLAN INVESTORS”); OR (IV) A “GOVERNMENTAL PLAN” WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A CERTAIN TYPE OF “CHURCH PLAN” WITHIN THE MEANING OF SECTION 3(33) OF ERISA, A “NON-U.S. PLAN” DESCRIBED IN SECTION 4(B)(4) OF ERISA OR OTHER BENEFIT PLAN WHICH IS NOT A BENEFIT PLAN INVESTOR (SUCH PLANS, “SIMILAR PLANS”) BUT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (SUCH LAWS, “SIMILAR LAWS”); OR (B) ITS PURCHASE AND HOLDING OF SENIOR NOTES WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR PLAN, A VIOLATION OF ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

**THE SENIOR NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR THE ADEQUACY OF THESE FINAL TERMS OR THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

Include whichever of the following apply or specify as Not Applicable (N/A). Note that the numbering should remain as set out below, even if Not Applicable is indicated for individual paragraphs or sub- paragraphs. Italics denote directions for completing the Final Terms.

- |    |  |   |
|----|--|---|
| 1. | Issuer:  | Itaú Unibanco Holding S.A. [(acting through its Grand Cayman Branch)]   |
| 2. | [(i)] Series Number:   | [ ]   |
|    | [(ii)] Tranche Number:   | [ ]   |
|    | <i>(If fungible with an existing Series, details of that Series, including the date on which the Senior Notes become fungible).]</i> |   |
| 3. | (i) Specified Currency or Currencies (Condition 1(d)):   | [ ]   |
|    | (ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(d)):                                     | [ ]   |
|    | (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(d)):                                     | [ ]   |
| 4. | Aggregate Nominal Amount:  |   |
|    | (i) Series:  | [ ]   |
|    | (ii) Tranche:  | [ ]   |
| 5. | [(i)] Issue Price:   | [ ] % of the Aggregate Nominal Amount [plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)] |
|    | [(ii)] Gross proceeds:   | [ ]   |
|    | [(iii)] Net proceeds:  | [ ] (Required only for listed issues)   |
| 6. | Specified Denominations (Condition 1(b)):  | [ ] <sup>2</sup>  |
| 7. | (i) Issue Date:  | [ ]   |

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<sup>2</sup> Senior Notes (including Senior Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).



- (ii) Interest Commencement Date: [ ]
8. Maturity Date: [*specify date or (for Floating Rate Senior Notes) Specified Interest Payment Date falling in or nearest to the redemption month*]
9. Interest Basis (Condition 6): [Fixed Rate (Condition 6(I))]  
[Floating Rate (Condition 6(II))]  
[Zero Coupon (Condition 6(III))]  
[Index Linked Interest]  
[Other (*specify*)]  
(further particulars specified below)]
10. Redemption/Payment Basis (Condition 7(a)): [Redemption at par]  
[Index Linked Redemption (*specify*)]  
[Dual Currency (*specify*)]  
[Partly Paid (*specify*)]  
[Instalment (*specify*)]  
[Other (*specify*)]
11. Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Senior Notes into another interest or redemption/payment basis*]
12. Put/Call Option (Condition 7(e) and(f)): [Noteholder Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Status of the Notes (Condition 4): Senior
14. Listing and Trading: [Application [has been made] to list the Senior Notes on the Euro MTF market of the Luxembourg Stock Exchange. The first trading day on the Euro MTF market of the Luxembourg Stock Exchange is expected to be [date]/Other (*specify*)/None]
15. Method of distribution: [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
16. Fixed Rate Note Provisions (Condition 6(I)): [Applicable/Not Applicable]  
(*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Rate(s) of Interest: [ ]% per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [*adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Relevant Business Day"]/not adjusted*]
- (iii) Arrears Rate: [ ]%

- (iv) Fixed Coupon Amount(s):  per Senior Note of  Specified Denomination
- (v) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts]*
- (vi) Day Count Fraction:   
*(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise requested)*
- (vii) Determination Date(s):  in each year — *[insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon; only to be completed for an issue where day count fraction is Actual/Actual-ISMA]*
- (viii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other *(give details)*]
- (ix) Business Centre(s):
- (x) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- (xi) Final Instalment Amount:
17. Floating Rate Note Provisions (Condition 6(II)): [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (i) Interest Period(s)/Specified Interest Payment Dates:
- (ii) Day Count Fraction:   
*(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise requested)*
- (iii) Arrears Rate: %
- (iv) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other *(give details)*]
- (v) Business Centre(s):
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/Other *(give details)*]
- (vii) Calculation Agent responsible for calculating the principal and/or interest due:
- (viii) Screen Rate Determination (Condition 6(II)(b)(i)): [Applicable/Not Applicable]

- Interest Determination Date(s): [ ]
  - Primary Source for Floating Rate: [*Specify relevant screen page or “Reference Banks”*]
  - Reference Banks (if Primary Source is “Reference Banks” or if no Reference Rate appears at Relevant Time or less than two Reference Rates appear at Relevant Time): [Specify four]
  - Relevant Banking Centre: [Specify]
  - Benchmark and Reference Rate(s): [LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark and whether bid, offer or mean]
- (ix) ISDA Determination (Condition 6(II)(b)(iv)):
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - ISDA Definitions (if different from those set out in the Conditions): [Not Applicable/*specify*]
- (x) Margin(s): [+/-] [ ] % per annum
- (xi) Minimum Rate of Interest: [ ] % per annum
- (xii) Maximum Rate of Interest: [ ] % per annum
- (xiii) Day Count Fraction: [ ]
- (xiv) Rate Multiplier: [ ]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions (Condition 6(II)(b)):
- (xvi) Final Instalment Amount: [ ]
18. Zero Coupon Note Provisions (Conditions 6(III) and 7(d)):
- [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Amortisation Yield: [ ] % per annum
- (ii) Reference Price: [ ]
- (iii) Basis: [Straightline/Compounded at *specify* interval]
- (iv) Day Count Fraction: [ ]
- (v) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/Modified Following Business Day Convention/  
Preceding Business Day Convention/  
Other (*give details*)]
- (vi) Business Centre(s): [ ]
- (vii) Any other formula/basis of determining amount payable: [Not Applicable/*specify*]
- (viii) Final Instalment Amount: [ ]
- (ix) Arrears Rate: [ ]%

19. Index Linked Interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph — if applicable, complete terms MUST be set out in these Final Terms)*
- (i) Index/Formula: [Give or annex details]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [ ]
- (iv) Interest Period(s)/Specified Interest Payment Dates: [ ]
- (v) Arrears Rate: [ ]%
- (vi) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/Modified Following Business Day Convention/  
Preceding Business Day Convention/Other (give details)]
- (vii) Business Centre(s): [ ]
- (viii) Minimum Rate of Interest: [ ] % per annum
- (ix) Maximum Rate of Interest: [ ] % per annum
- (x) Day Count Fraction: [ ]
- (xi) Margin: [ ]
- (xii) Rate Multiplier: [ ]
- (xiii) Final Instalment Amount: [ ]
20. Dual Currency Note Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph — if applicable, complete terms MUST be set out in these Final Terms)*
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
- (iv) Business Day Convention: [Floating Rate Business Day Convention/  
Following Business Day Convention/  
Modified Following Business Day Convention/  
Preceding Business Day Convention/Other (give details)]
- (v) Business Centre(s): [ ]
- (vi) Day Count Fraction: [ ]

(vii)	Final Instalment Amount:	[ ]
<b>PROVISIONS RELATING TO REDEMPTION</b>		
21.	Call Option (Condition 7(e)):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s) of each Senior Note and method, if any, of calculation of such amount(s):	[ ] per Senior Note of [ ] Specified Denomination
(iii)	If redeemable in part:	[ ]
(a)	Minimum nominal amount to be redeemed:	[ ]
(b)	Maximum nominal amount to be redeemed:	[ ]
(iv)	Notice period*:	[ ]
22.	Put Option (Condition 7(f)):	[Applicable/Not Applicable] <i>(If not applicable, delete the remaining subparagraphs of this paragraph)</i>
(i)	Optional Redemption Date(s):	[ ]
(ii)	Optional Redemption Amount(s) of each Senior Note and method, if any, of calculation of such amount(s):	[ ] per Senior Note of [ ] Specified Denomination
(iii)	Description of any other Noteholders' option:	[ ]
(iv)	Deposit period (if other than as set out in the Conditions):	[ ]
(v)	Notice period:	[ ]
23.	Final Redemption Amount of each Senior Note:	[[ ] per Senior Note of [ ] Specified Denomination/Other/See Appendix]
(i)	Alternative Payment Mechanism (Condition 8(a) and(b)):	[ ]
(ii)	Long Maturity Note (Condition 8(g)):	[Applicable/Not Applicable]
24.	Early Redemption Amount:	
(i)	Early Redemption Amount(s) of each Senior Note payable on redemption for taxation reasons (Condition 7(c)) or on an Event of Default (Condition 10) and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[ ]
(ii)	Original Withholding Level (Condition 7(c)):	[ ]%
(iii)	Unmatured Coupons to become void (Condition 8(g)):	[Yes/No/Not Applicable]
<b>GENERAL PROVISIONS APPLICABLE TO THE SENIOR NOTES</b>		
25.	Form of Senior Notes:	[Bearer Notes/Registered Notes] <i>[delete as appropriate]</i>
(i)	Temporary or Permanent Global Note:	<b>Bearer Notes</b> [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Bearer Notes in the limited circumstances specified in the Permanent Global Note] [Permanent Global Note exchangeable for definitive Bearer Notes in the limited circumstances specified in the Permanent Global Note]

(ii)	Exchange Date in respect of Temporary Global Note:	[Not Applicable/ <i>specify date</i> ]
(iii)	Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable]
<b>Registered Notes</b>		
(iv)	DTC Global Notes, European Global Notes or individual Definitive Registered Notes:	[DTC Restricted Global Note or DTC Unrestricted Global Note available on Issue Date] [European Restricted Global Note or European Unrestricted Global Note available on Issue Date] [Individual Definitive Registered Notes available on Issue Date]
(v)	Exchange of Bearer Notes for Registered Notes (Condition 3(e)):	[Applicable/Not Applicable]
26.	Relevant Financial Centre(s) (Condition 8(a)(iii)) or other special provisions relating to payment dates:	[Not Applicable / <i>Give details. Note that this item relates to the date and place of payment, and not interest period end dates</i> ]
27.	Talons for future Coupons to be attached to definitive Bearer Notes (and dates on which such Talons mature):	[Yes/No/Not Applicable <i>If yes, give details</i> ]
28.	Details relating to Partly Paid Senior Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Senior Notes and interest due on late payment:	[Not Applicable / <i>give details</i> ] ( <i>If applicable, complete terms MUST be set out in these Final Terms</i> )
29.	Details relating to Instalment Notes:	[Not Applicable / <i>give details</i> ] ( <i>If applicable, complete terms MUST be set out in these Final Terms</i> )
30.	Redenomination, renominatisation and reconventioning provisions (Condition 21):	[Applicable/Not Applicable]
31.	Other terms or special conditions:	[Not Applicable / <i>give details</i> ]
<b>DISTRIBUTION</b>		
32.	(i) If syndicated, names of Managers:	[Not Applicable / <i>give details</i> ]
	(ii) Stabilising Manager (if any):	[Not Applicable / <i>give details</i> ]
	(iii) Commissions and Concessions:	[ ]
33.	If non-syndicated, name of Dealer(s):	[Not Applicable / <i>give details</i> ]
34.	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] ( <i>If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.</i> )
35.	Additional selling restrictions:	[Not Applicable / <i>give details</i> ]
<b>OPERATIONAL INFORMATION</b>		
36.	(i) ISIN:	[ ]
	(ii) CUSIP:	[ ]
	(iii) Other:	[ ]
37.	[Common Code]:	[ ]

- |     |   |  |
|-----|---|--|
| 38. | Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): | [Not Applicable/ <i>give name(s) and number(s)</i> ]   |
| 39. | Delivery:   | [Delivery [against/free of] payment]   |
| 40. | Principal Paying Agent:   | [The Bank of New York Mellon, acting through its [New York Branch][London Branch]/ <i>give details</i> ] |
| 41. | Registrar:  | [The Bank of New York Mellon, acting through its New York Branch/ <i>give details</i> ]                  |
| 42. | Calculation Agent:  | [The Bank of New York Mellon, acting through its London Branch/ <i>give details</i> ]                    |
| 43. | Trustee:  | [The Bank of New York Mellon, acting through its New York Branch/ <i>give details</i> ]                  |
| 44. | Additional Agent(s) (if any):   | [ ]  |
| 45. | [U.S. Tax:]   | [See “Certain U.S. Tax Considerations” below]  |

#### [LISTING APPLICATION]

These Final Terms comprise the final terms required to list the issue of Senior Notes described herein pursuant to the US\$100,000,000,000 Global Medium Term Note Programme of Itaú Unibanco Holding S.A., acting through its Grand Cayman Branch.]

#### [STABILISING]

In connection with the issue of the Senior Notes, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of the Stabilising Manager) may over-allot Senior Notes or effect transactions with a view to supporting the market price of the Senior Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Senior Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Senior Notes and 60 days after the date of the allotment of the Senior Notes. Any stabilisation action or over allotment shall be conducted in accordance with all applicable laws and rules.]

#### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Offering Memorandum (and the information incorporated by reference therein) referred to above, contain all information that is material to the offering of the Senior Notes contemplated hereby.

[ADDITIONAL RISK FACTOR] [ADDITIONAL ISSUER DISCLOSURE]

*Include disclosure of any material information to be conveyed that is not already in the Offering Memorandum.]*

#### [EXPECTED RATINGS OF SENIOR NOTES]

The Senior Notes are expected to be rated “[ ]” by [ ] and “[ ]” by [ ].

The Senior Notes ratings above are not a recommendation to buy, sell or hold the Senior Notes offered hereby. The ratings may be subject to revision or withdrawal at any time by [ ] and [ ]. Each of the Senior Notes ratings above should be evaluated independently of any other security rating.]

[CERTAIN U.S. TAX CONSIDERATIONS

*Include disclosure of any U.S. tax considerations to be conveyed that are not already in the Offering Memorandum.]*

GOVERNING LAW AND JURISDICTION

The Senior Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Senior Notes, the Coupons, the Talons or the Trust Deed and accordingly any legal action or proceedings arising out of or in connection with the Senior Notes, the Coupons, the Talons or the Trust Deed may be brought in such courts.

Signed on behalf of the Issuer:

By: \_\_\_\_\_  
Duly authorised signatory

By: \_\_\_\_\_  
Duly authorised signatory



## ANNEX B — FORM OF FINAL TERMS OF THE TIER 1 SUBORDINATED NOTES

*The Final Terms in respect of each Tranche of Tier 1 Subordinated Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Tier 1 Subordinated Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Tier 1 Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 ("IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Tier 1 Subordinated Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Tier 1 Subordinated Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>3</sup>

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET – [appropriate target market legend to be included if necessary][Delete if no target market legend to be included]]

[SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Tier 1 Subordinated Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Tier 1 Subordinated Notes to be issued under the Programme are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

**THE SUBORDINATION NUCLEUS SET OUT IN EXHIBIT A HERETO (THE "SUBORDINATION NUCLEUS") FORMS PART OF THESE FINAL TERMS. THE SUBORDINATION NUCLEUS WILL PREVAIL OVER ANY TERMS SET OUT IN THESE FINAL TERMS OR ANY OTHER TRANSACTION DOCUMENT (INCLUDING ANY DOCUMENT REFERRED TO IN THESE FINAL TERMS). FOR THE AVOIDANCE OF DOUBT, PARAGRAPH 5 OF THE SUBORDINATION NUCLEUS IS A SUMMARY OF THE TERMS AND CONDITIONS OF THIS SERIES OF TIER 1 SUBORDINATED NOTES.**

Final Terms dated [date]

**Itaú Unibanco Holding S.A.**

(company incorporated under the laws of the Federative Republic of Brazil)

**US\$100,000,000,000**

**Global Medium-Term Note Programme**

**Series No: [       ]**

**[TITLE OF TIER 1 SUBORDINATED NOTES]**

**Issue price: [       ]**

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<sup>3</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[DEALER NAME(S)]

This document constitutes the Final Terms relating to the issue of Tier 1 Subordinated Notes described herein and the Subordination Nucleus contained in Exhibit A is an integrate and inseparable part of these Final Terms. The subordination conditions contained in the Subordination Nucleus prevail over these Final Terms and over any other documents of the programme (including those referred to in these Final Terms), it being understood that section 5 of the Subordination Nucleus is a summary of the terms and conditions of the Tier 1 Subordinated Notes.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under Offering Memorandum with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 1 Subordinated Notes (the “**Conditions**”) set forth in the Offering Memorandum dated [*original date*]. These Final Terms contain the final terms of the Tier 1 Subordinated Notes and must be read in conjunction with the Offering Memorandum dated [current date] [and the supplemental Offering Memorandum dated [date]], save in respect of the Conditions which are extracted from the Offering Memorandum dated [original date] and are attached hereto.]

**THE TIER 1 SUBORDINATED NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND THE TIER 1 SUBORDINATED NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE TIER 1 SUBORDINATED NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). THESE FINAL TERMS HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE TIER 1 SUBORDINATED NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S [AND WITHIN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)] [AND FOR LISTING OF THE TIER 1 SUBORDINATED NOTES ON THE EURO MTF MARKET OF THE LUXEMBOURG STOCK EXCHANGE]. THE TIER 1 SUBORDINATED NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. [PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE TIER 1 SUBORDINATED NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.] AS A PROSPECTIVE PURCHASER, YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE TIER 1 SUBORDINATED NOTES AND DISTRIBUTION OF THESE FINAL TERMS AND THE OFFERING MEMORANDUM, SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS” CONTAINED IN THE OFFERING MEMORANDUM.**

**BY ITS PURCHASE AND HOLDING OF TIER 1 SUBORDINATED NOTES (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER: (A) IT IS NOT AND FOR SO LONG AS IT HOLDS TIER 1 SUBORDINATED NOTES (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN “EMPLOYEE BENEFIT PLAN” WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT IS SUBJECT TO TITLE I OF ERISA; (II) A “PLAN” WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”); (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OF SUCH AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE (COLLECTIVELY, THE “BENEFIT PLAN INVESTORS”); OR (IV) A “GOVERNMENTAL PLAN” WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A CERTAIN**

**TYPE OF “CHURCH PLAN” WITHIN THE MEANING OF SECTION 3(33) OF ERISA, A “NON-U.S. PLAN” DESCRIBED IN SECTION 4(B)(4) OF ERISA OR OTHER BENEFIT PLAN WHICH IS NOT A BENEFIT PLAN INVESTOR (SUCH PLANS, “SIMILAR PLANS”) BUT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SUCH LAWS, “SIMILAR LAWS”); OR (B) ITS PURCHASE AND HOLDING OF TIER 1 SUBORDINATED NOTES WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR PLAN, A VIOLATION OF ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

**THE TIER 1 SUBORDINATED NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR THE ADEQUACY OF THESE FINAL TERMS OR THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

*[Include whichever of the following apply or specify as Not Applicable (N/A). Note that the numbering should remain as set out below, even if Not Applicable is indicated for individual paragraphs or sub- paragraphs. Italics denote directions for completing the Final Terms.]*

1. Issuer: Itaú Unibanco Holding S.A. [(acting through its Cayman Islands Branch)]
  
2. [(i)] Series Number: [ ]  
[(ii)] Tranche Number: [ ]  
*(If fungible with an existing Series, details of that Series, including the date on which the Tier 1 Subordinated Notes become fungible).]*
  
3. (i) Specified Currency or Currencies (Condition 1(d)): [ ]  
(ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(d)): [ ]

- (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(d)): [ ]
4. Aggregate Nominal Amount:
- (i) Series: [ ]
- (ii) Tranche: [ ]
5. [(i)] Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (*in the case of fungible issues only, if applicable*)]
- [(ii)] Net proceeds: [ ] (*Required only for listed issues*)
6. Specified Denominations (Condition 1 (b)): [ ]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [ ]
8. Interest Basis (Condition 5): [Fixed Rate (Condition 5(I))]  
[Floating Rate (Condition 5(II))]  
[Index Linked Interest]  
[Other (*specify*)]  
(further particulars specified below)
9. Maturity Date: Perpetual securities with no fixed maturity date.
10. Redemption/Payment Basis (Condition 6(a)): [Redemption at par]  
[Index Linked Redemption (*specify*)]  
[Dual Currency (*specify*)]  
[Partly Paid (*specify*)]  
[Other (*specify*)]
11. Call Option (Condition 17(e)(iv)): [Issuer Call]  
[(further particulars specified below)]
12. Status of the Notes (Condition 4): Subordinated
13. Listing Application has been made to list the Tier 1 Subordinated Notes on the Euro MTF market of the Luxembourg Stock Exchange. The first trading day on the Euro MTF market of the Luxembourg Stock Exchange is expected to be [date]/Other (*specify*)/None]
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions (Condition 5(I)): [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year *[adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Relevant Business Day"]/not adjusted]*
- (iii) Fixed Coupon Amount(s): [ ] per Note of [ ] Specified Denomination
- (iv) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts]*
- (v) Day Count Fraction: [ ]  
*(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise requested)*
- (vi) Determination Date(s): [ ] in each year – *[insert regular interest payment dates, ignoring issue date or redemption date in the case of a long or short first or last coupon; only to be completed for an issue where day count fraction is Actual/Actual-ISMA]*
- (vii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/Other *(give details)*]
- (viii) Business Centre(s): [ ]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/*give details*]
- (x) Benchmark Reset Rate: *[insert the relevant Benchmark]*
- (xi) Credit Spread: [ ]
- (xii) Benchmark Reset Date: The Benchmark Reset Rate will be calculated on the [ ] Business Day preceding the applicable Benchmark Reset Date and will be reset on each successive [ ] anniversary of the Issue Date.
16. Floating Rate Note Provisions (Condition 5(II)): [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph.)*

- (i) Interest Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Day Count Fraction: [ ]
- (Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise requested)*
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/Other *(give details)*]
- (iv) Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/other *(give details)*]
- (vi) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
- (vii) Screen Rate Determination (Condition 5(II)(b)(i)): [Applicable/Not Applicable]
- Interest Determination Date(s): [ ]
- Primary Source for Floating Rate: [*Specify relevant screen page* or “Reference Banks”]
- Reference Banks (if Primary Source is “Reference Banks” or if no Reference Rate appears at Relevant Time or less than two Reference Rates appear at Relevant Time): [Specify four]
- Relevant Banking Centre: [Specify]
- Benchmark and Reference Rate(s): [LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark and whether bid, offer or mean]
- (viii) Margin(s): [+/-] [ ] per cent. per annum
- (ix) Day Count Fraction: [ ]
- (x) Rate Multiplier: [ ]
- (xi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions [ ]

(Condition 5(II)(b)):

17. Index Linked Interest Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph – if applicable, complete terms MUST be set out in these Final Terms)*
- (i) Index/Formula: [Give or annex details]
  - (ii) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
  - (iii) Provisions for determining Interest where calculation by reference to Index and/or Formula is impossible or impracticable: [ ]
  - (iv) Interest Period(s)/Specified Interest Payment Dates: [ ]
  - (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other *(give details)*]
  - (vi) Business Centre(s): [ ]
  - (vii) Day Count Fraction: [ ]
  - (viii) Margin: [ ]
  - (ix) Rate Multiplier: [ ]
18. Dual Currency Note Provisions: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph – if applicable, complete terms MUST be set out in these Final Terms)*
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
  - (ii) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
  - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
  - (iv) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day

Convention/other (give details)]

(v) Business Centre(s): [ ]

(vi) Day Count Fraction: [ ]

#### PROVISIONS RELATING TO REDEMPTION

19. Call Option (Condition 17(e)(iv)): [Applicable/Not Applicable]  
(If not applicable, delete the remaining subparagraphs of this paragraph)

(i) Optional Redemption Date(s): [ ]

(ii) Optional Redemption Amounts(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination

(iii) If redeemable in part:

(a) Minimum nominal amount to be redeemed: [ ]

(b) Maximum nominal amount to be redeemed: [ ]

(iv) Notice period\* [ ]

20. Early Redemption Amount:

(i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 17(e)(ii)) or the occurrence of a Tier 1 Regulatory Event (Condition 17(e)(iii)) or the method of calculating the same (if required or if different from that set out in the Conditions): [ ]

(ii) Original Withholding Level (Condition 17(e)(ii)): [ ]

#### GENERAL PROVISIONS APPLICABLE TO THE TIER 1 SUBORDINATED NOTES

21. Form of Tier 1 Subordinated Notes: Registered Notes

(i) DTC Global Notes, European Global Notes or individual Definitive [DTC Restricted Global Note or DTC Unrestricted Global Note available on Issue Date] [European

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\* If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example as between the issuer and the principal paying agent, or trustee.



Notes:	Restricted Global Note or European Unrestricted Global Note available or Issue Date]
	[Individual Definitive Notes available on Issue Date]
22.	<p>Details relating to Partly Paid Tier 1 Subordinated Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Tier 1 Subordinated Notes and interest due on late payment:</p>
	<p>[Not Applicable /give details]</p> <p><i>(If applicable, complete terms MUST be set out in these Final Terms)</i></p>
23.	<p>Redenomination, renominatisation and reconventioning provisions (Condition 20):</p>
	[Applicable/Not Applicable]
24.	<p>Other terms or special conditions:</p>
	<p>The Subordination Nucleus set out in Exhibit A hereto, which sets out the terms and conditions of subordination provided by Resolution 4,192.</p>

#### DISTRIBUTION

25.	<p>(i) If syndicated, names of Managers:</p>	[Not Applicable /give details]
	<p>(ii) Stabilising Manager (if any):</p>	[Not Applicable /give details]
	<p>(iii) Commissions and Concessions:</p>	[ ]
26.	<p>If non-syndicated, name of Dealer(s):</p>	[Not Applicable /give details]
27.	<p>Prohibition of Sales to EEA Retail Investors:</p>	<p>[Applicable/Not Applicable]</p> <p><i>(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the offer of the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)</i></p>
28.	<p>Additional selling restrictions:</p>	[Not Applicable /give details]

#### OPERATIONAL INFORMATION

29.	<p>(i) ISIN:</p>	[ ]
	<p>(ii) CUSIP:</p>	[ ]
	<p>(iii) Other:</p>	[ ]
30.	<p>Common Code:</p>	[ ]
31.	<p>Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s):</p>	[Not Applicable/give name(s) and number(s)]

- |     |                               |   |
|-----|-------------------------------|---|
| 32. | Delivery:                     | Delivery [against/free of] payment  |
| 33. | Principal Paying Agent:       | [The Bank of New York Mellon, acting through its New York Branch/ <i>give details</i> ] |
| 34. | Registrar:                    | [The Bank of New York Mellon, acting through its New York Branch/ <i>give details</i> ] |
| 35. | Calculation Agent:            | [The Bank of New York Mellon, acting through its London Branch/ <i>give details</i> ]   |
| 36. | Trustee:                      | [The Bank of New York Mellon, acting through its New York Branch/ <i>give details</i> ] |
| 37. | Additional Agent(s) (if any): | [ ]   |
| 38. | U.S. TAX                      | [ ]   |

#### **[LISTING APPLICATION]**

These Final Terms comprise the final terms required to list the issue of Tier 1 Subordinated Notes described herein pursuant to the US\$100,000,000,000 Global Medium Term Note Programme of Itaú Unibanco Holding S.A. [, acting through its Cayman Islands Branch].

#### **[STABILISING]**

In connection with the issue of the Tier 1 Subordinated Notes, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of the Stabilising Manager) may over-allot Tier 1 Subordinated Notes or effect transactions with a view to supporting the market price of the Tier 1 Subordinated Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Tier 1 Subordinated Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Tier 1 Subordinated Notes and 60 days after the date of the allotment of the Tier 1 Subordinated Notes. Any stabilisation action or over allotment shall be conducted in accordance with all applicable laws and rules.]

#### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Offering Memorandum (and the information incorporated by reference therein) referred to above, contain all information that is material in the context of the Tier 1 Subordinated Notes.

#### **[ADDITIONAL ISSUER DISCLOSURE]**

*Include disclosure of any material information to be conveyed that is not already in the Offering Memorandum.]*

#### **GOVERNING LAW AND JURISDICTION**

The Trust Deed, the Tier 1 Subordinated Notes, the Final Terms (including the summary of the Final Terms set out in section 5 of the Subordination Nucleus) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, **provided that** the provisions contained in the Subordination Nucleus set out in Exhibit A hereto, imposed on the Issuer in order for the Tier 1

Subordinated Notes to qualify as Tier 1 Capital under Resolution 4,192, shall be governed by, and construed in accordance with, the laws of Brazil.

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed (including the non-contractual obligations arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed may be brought in such courts. Under the Trust Deed, the Issuer irrevocably submits to the exclusive jurisdiction of the English courts

Signed on behalf of the Issuer:

By:  
Duly authorised signatory

**EXHIBIT A**  
**FORM OF SUBORDINATION NUCLEUS FOR TIER 1 SUBORDINATED NOTES**

**SUBORDINATION NUCLEUS**  
**(“Núcleo de subordinação”)**

This Subordination Nucleus (“*núcleo de subordinação*”) has been prepared for the purposes of article 14 and 24 of Resolution 4,192, issued by the National Monetary Council of Brazil (“CMN”) on March 1<sup>st</sup>, 2013, as amended (“**Resolution 4,192**”).

**1. Clauses showing compliance with all requirements of article 17 of Resolution 4,192:**

- (i) Pursuant to article 17, I, II and III, of Resolution 4,192, the Tier 1 Subordinated Notes shall be issued in registered form, fully-paid in cash and shall be perpetual in nature, as set forth below:

***Form, Subscription in Cash and Maturity***

- i. *Form: The Tier 1 Subordinated Notes will be issued as registered notes.*
- ii. *Subscription and payment in cash: The Tier 1 Subordinated Notes may be issued in one or more Series or Tranches, consideration for which shall be paid to the Issuer in cash at the date of issue thereof.*
- iii. *Perpetual Notes: The Tier 1 Subordinated Notes are perpetual securities and have no fixed maturity date.*
- (ii) Pursuant to article 17, IV, of Resolution 4,192, the payment of any amounts due and payable under the Tier 1 Subordinated Notes shall, in the case of the Issuer’s dissolution, be subordinated to the Issuer’s other obligations, except for obligations with respect to the Issuer’s Common Equity Tier 1 Capital, as set forth below:

***Status; Subordination Provisions***

- i. *Status: The Tier 1 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer.*
- ii. *Subordination: The Tier 1 Subordinated Notes are subordinated in right of payment to all existing and future Senior to Tier 1 Liabilities of the Issuer in accordance with this Subordination Nucleus.*

*Subject to applicable law (A) the rights and claims of Noteholders are and will be subordinated and accordingly subject in right of payment to prior payment in full of all principal, premium, if any, interest and any other amounts due or to become due on all Senior to Tier 1 Liabilities upon the Issuer’s winding-up, bankruptcy, liquidation, dissolution or similar proceedings (each a “**Bankruptcy Event**”), except for obligations with respect to the Issuer’s Common Equity Tier 1 Capital, and (B)(i) Tier 1 Subordinated Notes shall rank pari passu with respect to each other without any preference among themselves and (ii) the rights and claims of Noteholders under the Tier 1 Subordinated Notes shall rank pari passu with the rights and claims of holders of the Tier 1 Parity Liabilities; provided that the consolidation of the Issuer with, or the merger of the Issuer into any other corporation or the liquidation or dissolution of the Issuer following the conveyance or transfer (including in connection with a cisão) of its properties, assets and liabilities substantially as an entirety to another corporation shall not be deemed a Bankruptcy Event for the purposes of this clause if the Central Bank has approved such consolidation, merger, transfer or conveyance. Thereafter, the Issuer shall be automatically released and discharged from all obligations and covenants under the Trust Deed and the Tier 1 Subordinated Notes, and the Tier 1*

*Subordinated Notes will continue to be outstanding and will be treated as subordinated debt of such Successor Corporation pursuant to the terms of Resolution 4,192.*

- (iii) Pursuant to article 17, V and XVII of Resolution 4,192, the payment of amounts due with respect to the Tier 1 Subordinated Notes shall be made solely with funds from profits and profit reserves available for distribution as of the latest date of determination, and any remuneration not paid as a result of such limitation shall be deemed extinguished, as set forth below:

*Payment: The payment of amounts due with respect to the Tier 1 Subordinated Notes shall be made solely with funds from profits and profit reserves available for distribution as of the latest date of determination, in accordance with Brazilian Corporate Law. Any amounts not paid as a result of the foregoing shall not accrue and shall not be deemed due and payable and shall not constitute a Payment Default.*

- (iv) In accordance with article 17, VI, VII and VIII of Resolution 4,192, payments of amounts due to Noteholders shall be suspended (i) if amounts due exceeds the funds available for such purpose; (ii) in the same proportion as any restriction imposed by the Central Bank on the payment of dividends or other distributions with respect to shares or quotas eligible for treatment as Common Equity Tier 1 Capital; and (iii) at the same percentage of retention of payment or distribution as set forth under article 9, paragraph 4, of Resolution 4.193, if the Issuer has insufficient Additional Core Capital or the payment would result in noncompliance with respect to the minimum requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital; remuneration not paid as a result of any such suspension shall be deemed extinguished, as provided for article 17, XVII, of Resolution 4,192, as set forth below:

*Suspension and Cancellation of Payment: Payment of amounts due with respect to the Tier 1 Subordinated Notes shall be suspended (i) if the amounts due exceed the funds available for such purpose, (ii) in the same proportion as any restriction imposed by the Central Bank on the payment of dividends or other results with respect to shares or quotas eligible for treatment as Common Equity Tier 1 Capital; and (iii) at the same percentage of retention of any payment or distribution as set forth under article 9, paragraph 4, of Resolution 4,193, if the Issuer has insufficient Additional Core Capital or the payment would result in noncompliance with respect to the minimum requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital. Any amounts not paid as a result of the foregoing shall not accrue and shall not be deemed due and payable and shall not constitute a Payment Default.*

- (v) Pursuant to article 17, XVI, of Resolution 4,192, the occurrence of any of the events set forth in article 17, V, VI, VII and VIII, of Resolution 4,192, shall not be deemed an event of default and shall not accelerate the maturity of any obligations of the Issuer, as set forth below:

*The cancellation or suspension of the payment of any amounts due with respect to the Tier 1 Subordinated Notes as a result of (i) an insufficiency of funds from profits and profit reserves available for distribution as of the latest date of determination; (ii) insufficiency of funds available for payment of the amounts due; (iii) any restriction imposed by the Central Bank with respect to the payment of dividends or other distribution with respect to the shares or quotas eligible for treatment as Common Equity Tier 1 Capital; and (iv) an insufficiency of Additional Core Capital of the Issuer or the payment would result in noncompliance with respect to the minimum requirements for Common Equity Tier 1 Capital, Tier 1 Capital and Regulatory Capital in each case such amounts shall not accrue or accumulate and shall not be deemed due and payable under the Tier 1 Subordinated Notes and such cancellation or suspension of payment (i) shall not constitute a Payment Default and (ii) shall not be deemed an event of default and shall not accelerate the maturity of any other debts to which the Issuer is a party.*

- (vi) In accordance with article 17, IX, of Resolution 4,192, any repurchase or early redemption of the Subordinated Notes, directly or indirectly through an Affiliate is subject to prior approval of the Central Bank, as set forth below:

i. Repurchases: Subject to the prior approval of the Central Bank (in accordance with article 17, IX of Resolution 4,192) or any other applicable Brazilian Governmental Authority (if such approval is then required), the Issuer or any Affiliate may, at any time, repurchase Tier 1 Subordinated Notes in the open market or otherwise in any manner and at any price. Tier 1 Subordinated Notes so repurchased, while held by or on behalf of the Issuer or any of its Affiliates, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders.

ii. Optional Redemption for Taxation Reasons: Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, on or after the fifth anniversary of the issuance of such Tier 1 Subordinated Notes, redeem or procure the purchase of any Series of Tier 1 Subordinated Notes at its option in whole, but not in part, on giving not less than 30 days nor more than 45 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount or, if none is so specified, at the nominal amount specified in the relevant Final Terms (in each case together with interest accrued to, but excluding, the date fixed for redemption) if (i) there is more than an insubstantial risk that the Issuer has or will become obligated to pay additional amounts (such additional amounts to be determined in accordance with item 8 of the Terms and Conditions) in excess of the additional amounts which would be payable in respect of deductions or withholdings made at the rate of the Original Withholding Level, if any, specified in the relevant Final Terms as a result of any change in, or amendment to, the laws or regulations of Brazil or the Cayman Islands, or any political subdivision or authority in or of Brazil or the Cayman Islands having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment is adopted or enacted or becomes effective on or after the Issue Date in respect of the relevant Series, and (ii) such obligation cannot be avoided by the Issuer taking ministerial measures available to it, provided that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obligated to pay such additional amounts were a payment in respect of such Tier 1 Subordinated Notes then due (or in the case of Tier 1 Subordinated Notes which bear interest at the Floating Rate, a number of days which is equal to the aggregate number of days falling within the current Interest Period applicable to the Tier 1 Subordinated Notes plus 75 days). Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this clause 1(vi)(ii) of this Subordination Nucleus, the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking ministerial measures available to it and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, which shall be conclusive and binding on the Noteholders.

iii. Optional Redemption due to a Tier 1 Regulatory Event: Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, redeem or procure the purchase of any Series of Tier 1 Subordinated Notes, in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at the Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if the Issuer certifies to the Trustee immediately prior to the giving of such notice that a Tier 1 Regulatory Event has occurred, provided, however, that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Tier 1 Regulatory Event is or is reasonably expected to be effective. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this clause 1(vi)(iii) of this Subordination Nucleus, the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the Issuer is entitled to effect such a redemption or to cause such purchase in lieu of redemption pursuant to this clause 1(vi)(iii) of this Subordination Nucleus, and setting forth in reasonable detail a statement of the facts giving rise to

such right of redemption. Concurrently, the Issuer will deliver to the Trustee a written Opinion of Counsel stating, among other things, that a Tier 1 Regulatory Event has occurred and that all governmental approvals necessary for the Issuer to effect such redemption or purchase in lieu of redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

iv. Redemption of Tier 1 Subordinated Notes at the Option of the Issuer (Call Option): In accordance with art. 18 of Resolution 4,192, if so provided in the relevant Final Terms, the Issuer may, on or after the fifth anniversary of the issuance of such Tier 1 Subordinated Notes and subject to the prior approval of the Central Bank, on giving to the Noteholder of such Tier 1 Subordinated Note irrevocable notice of not less than 30 nor more than 45 days (or such other notice period as specified in the relevant Final Terms) redeem or procure the purchase of all or, if so specified in the relevant Final Terms, some of the Series of Tier 1 Subordinated Notes of which such Tier 1 Subordinated Note forms part, on the Optional Redemption Date(s) specified in the relevant Final Terms (which shall, in the case of Tier 1 Subordinated Notes which at the time of redemption or purchase have an interest basis which is specified in the relevant Final Terms as Floating Rate, be a Specified Interest Payment Date) at the amount specified in the relevant Final Terms as the Optional Redemption Amount together with interest accrued to (but excluding) the date fixed for redemption or purchase, provided that the Issuer is then and, on a pro forma basis following such purchase, will remain in compliance with the minimum requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfies the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits. All Tier 1 Subordinated Notes in respect of which any such notice is given shall be redeemed or purchased on the Optional Redemption Date(s) specified in such notice in accordance with this clause 1(vi)(iv) of this Subordination Nucleus. If only some of the Tier 1 Subordinated Notes of a Series are to be redeemed or purchased at any time, the Tier 1 Subordinated Notes to be redeemed or purchased shall be redeemed or purchased pro rata to their principal amounts, provided always that the amount redeemed or purchased in respect of each Tier 1 Subordinated Note shall be equal to the Specified Denomination, and in each case subject to compliance with the applicable rules of each clearing system, listing authority and Exchange and the notice to Noteholders referred to herein shall specify the serial numbers and nominal amounts of the Tier 1 Subordinated Notes to be so redeemed or purchased.

- (vii) Pursuant to article 17, X, of Resolution 4,192, the Tier 1 Subordinated Notes may only be redeemed at the Issuer's option, as set forth below:

Redemption at the Issuer's Option: The Tier 1 Subordinated Notes may only be redeemed at the Issuer's option and the Noteholders shall have no right to request that the Issuer redeem the Tier 1 Subordinated Notes in whole or in part.

- (viii) In accordance with article 17, XI, of Resolution 4,192, the Tier 1 Subordinated Notes shall be unsecured and shall not benefit from any insurance coverage or any other structure that may require or allow for the payments or transfer of funds, directly or indirectly to Noteholders, by the Issuer, any entity of the conglomerate or any controlled non-financial entity, as set forth below:

No Guarantee or Insurance: The Tier 1 Subordinated Notes are unsecured and subordinated obligations of the Issuer and do not benefit from any guarantee or insurance issued pursuant to any insurance policy or similar structure that may compromise the subordination of the Tier 1 Subordinated Notes and/or require or allow payments or transfers of funds to the Noteholders, directly or indirectly, by the Issuer or any Affiliates.

- (ix) In accordance with article 17, XII, of Resolution 4,192, the Tier 1 Subordinated Notes shall not contain any provision that, directly or indirectly, modifies the original principal amount of Tier 1 Subordinated Notes issued on the Issue Date, including by means of agreements that establish the Issuer's obligation to compensate the Noteholders if a new note with better remuneration

conditions is issued, except pursuant to any repurchase or redemption authorized under applicable regulation, as set forth below:

*No Reduction: The original principal amount of Tier 1 Subordinated Notes issued on the Issue Date shall not be modified, directly or indirectly, including by means of agreements that establish the Issuer's obligation to compensate the Noteholders if a new note with better remuneration conditions is issued, except pursuant to any repurchase or redemption authorized under Resolution 4,192.*

- (x) In accordance with article 17, XIII, of Resolution 4,192, the Tier 1 Subordinated Notes shall not provide for any amendment to the payment terms and conditions for payment of the remuneration after issuance of the Tier 1 Subordinated Notes, including as a result of a change in the credit quality of the Issuer, as set forth below:

*No Change to Terms or Conditions for Payment of Remuneration: The payment terms and conditions of the Tier 1 Subordinated Notes set forth in the Final Terms shall not be subject to amendment after the Issue Date, including as a result of a change in the credit quality of the Issuer.*

- (xi) In accordance with article 17, XIV, of Resolution 4,192, the Issuer shall not, directly or indirectly, finance the purchase of the Tier 1 Subordinated Notes, as set forth below:

*No Financing: The Issuer shall not, directly or indirectly, finance the purchase of the Tier 1 Subordinated Notes, as set forth in Resolution 4,192.*

- (xii) In accordance with article 17, XV, XVI and XVIII, of Resolution 4,192, the Tier 1 Subordinated Notes shall provide for the write-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 1 Capital, upon the occurrence of any of the following events:

- (a) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 5.125% of the RWA determined in accordance with Resolution 4,193;
- (b) execution of an agreement for capital contribution to the Issuer pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, as of May 4, 2000;
- (c) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or
- (d) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 1 Subordinated Notes.

The above-mentioned Tier 1 Write-off Event shall not occur in case of revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and the RWA, as determined pursuant to item (a) above.

The occurrence of any of the events described in items (a) through (d) above as well as in the above paragraph shall not be considered an event of default or accelerate the maturity of any obligations of the Issuer, as set forth below:

*Write-off: The Tier 1 Subordinated Notes shall be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 1 Capital, upon the occurrence of the following events, or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority (each, a "Tier 1 Write-off Event"):*



- (a) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below than 5.125% of the RWA determined in accordance with Resolution 4,193;
- (b) execution of an agreement for capital contribution pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, as of May 4, 2000;
- (c) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or
- (d) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 1 Subordinated Notes.

The above-mentioned Tier 1 Write-off Events shall not occur in case of revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and the RWA, as determined in item (a) above.

The occurrence of any Tier 1 Write-off Event, as well as the revision or republication set forth in the paragraph above, or of other events that may be determined by the Central Bank or by any competent Brazilian Governmental Authority, shall not be deemed an event of default and shall not accelerate the maturity of any obligations of the Issuer.

If the Tier 1 Subordinated Notes are written-off as a result of the occurrence of a Tier 1 Write-off Event, the Issuer shall notify the Noteholders in writing about the existence of such Tier 1 Write-off Event. Such notice shall be sent to Noteholders (with a copy to the Trustee) within 14 Business Days from the date of determination by the Central Bank of such Tier 1 Write-off Event.

- (xiii) Pursuant to paragraph one of article 17 of Resolution 4,192, the Trust Deed and the Tier 1 Subordinated Notes shall be governed by, and construed in accordance with, a specific governing law and jurisdiction:

*Governing Law:* The Trust Deed, the Tier 1 Subordinated Notes and any non-contractual obligations arising out of or in connection with them (including the summary of the Final Terms established in item 5 of this Subordination Nucleus) are governed by, and shall be construed in accordance with, English law, provided that the provisions contained in this Subordination Nucleus, imposed on the Issuer in order for the Tier 1 Subordinated Notes to qualify as Tier 1 Capital under Resolution No 4,192, shall be governed by, and construed in accordance with, the laws of Brazil.

*Jurisdiction:* The courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 1 Subordinated Notes or the Trust Deed (“Proceedings”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts.

- 2. **Clause providing that, pursuant to article 14, II, of Resolution 4,192, any provision, whether in the Trust Deed itself, in the Tier 1 Subordinated Notes or in another ancillary document, to the extent that they impair the fulfillment of, or conflict with, those requirements set out in article 17 of Resolution 4,192, is null and void, as set forth below:**

*Conflicts:* In the event of conflict between the provisions of this Subordination Nucleus and any other provision set forth in any Transaction Document with respect to any Series of Tier 1 Subordinated Notes,

*the provisions of this Subordination Nucleus shall prevail, as per art. 14, II, of Resolution 4,192 and any such conflicting provision shall be null and void.*

3. **Clause of each ancillary document providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:**

- (i) Clause of the Trust Deed providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Trust Deed that conflicts with the Subordination Nucleus with respect to any Series of Tier 1 Subordinated Notes shall be null and void.*

- (ii) Clause of the Tier 1 Subordinated Notes providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Tier 1 Subordinated Note that conflicts with the Subordination Nucleus with respect to any Series of Tier 1 Subordinated Notes shall be null and void.*

- (iii) Clause of the Agency Agreement providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Agency Agreement that conflicts with the Subordination Nucleus with respect to any Series of Tier 1 Subordinated Notes shall be null and void.*

- (iv) Clause of the Dealer Agreement providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Dealer Agreement that conflicts with the Subordination Nucleus with respect to any Series of Tier 1 Subordinated Notes shall be null and void.*

4. **Clause providing that, pursuant to article 14, III and sole paragraph, of Resolution 4,192, any amendment, change or revocation affecting the provisions of this Subordination Nucleus will be subject to prior authorization of the Central Bank, as set forth below:**

*The execution of any amendment, change or revocation of any provision of this Subordination Nucleus is subject to the prior consent of the Central Bank, if required pursuant to applicable regulations then in effect.*

5. **Summary of the transaction, pursuant to article 14, IV, of Resolution 4,192:**

- (a) *nature of the capital raise: general corporate purposes.*
- (b) *amount raised: US\$[●]*
- (c) *interest rate: [(i) for each Interest Period commencing on the Issue Date and ending prior to the [fifth] anniversary of the Issue Date, [●] per annum of the aggregate principal amount of the Tier 1 Subordinated Notes, payable [annually/semi-annually/quarterly] in arrears, and (ii) for each subsequent Interest Period, the interest rate, will be determined by reference to the Benchmark Reset Rate plus the Credit Spread (as defined in the Final Terms).]*

6. **Definitions:**

For the purposes hereof, capitalised terms and expressions used herein and not otherwise defined shall have the following meanings:

For the purposes of this Subordination Nucleus:

“**Additional Core Capital**” means the *adicional de capital principal* or the additional core capital required pursuant to Resolution 4,193.

“**Additional Tier 1 Capital**” means the *capital complementar* or any additional capital determined pursuant to article 6 of Resolution 4,192, which has been authorized or will become authorized by the Central Bank to be eligible as Tier 1 Capital of the Regulatory Capital.

“**Affiliate**” means any legal entity related to the Issuer within the same financial conglomerate or any non-financial entity controlled by the Issuer.

“**Agency Agreement**” means the agency agreement dated March 29, 2010 between the Issuer, the Trustee, and the agents as supplemented by supplemental agency agreement dated August 4, 2016 and as further amended and/or supplemented from time to time.

“**Benchmark Reset Rate**” has the meaning given to it in the relevant Final Terms.

“**Brazilian Corporate Law**” means the Brazilian Federal Law No. 6,404, as of December 15, 1976, as amended from time to time.

“**Brazilian Governmental Authority**” means, as applicable, the government of Brazil, or any political subdivision thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government over the Issuer.

“**Business Day Convention,**” in relation to any particular date, has the meaning given in the relevant Final Terms.

“**Central Bank**” means the Central Bank of Brazil or any Brazilian Governmental Authority that replaces the Central Bank of Brazil in its current functions applicable to this Subordination Nucleus.

“**Common Equity Tier 1 Capital**” means the *capital principal* or any capital determined pursuant to article 4 *et seq.* of Resolution 4,192 and included as part of the Tier 1 Capital of the Regulatory Capital.

“**Dealer Agreement**” means the amended and restated dealer agreement dated August 4, 2016 between the Issuer, Itau BBA International plc, Goldman, Sachs and Co. and Morgan Stanley & Co LLC. and includes any agreement by which any additional dealers accede to such dealer agreement, and as further amended and/or supplemented from time to time.

“**Determination Date**” means the date specified as such on the relevant Final Terms or, if none is so specified, the Interest Payment Date.

“**Early Redemption Amount**” has the meaning given to it in the relevant Final Terms.

“**Exchange**” means any stock exchange on which the relevant Tier 1 Subordinated Notes could be listed.

“**Final Terms**” means the final terms issued in respect of each Tranche of such Tier 1 Subordinated Notes specifying the relevant issue details in relation thereto, which include the Subordination Nucleus as an annex.

“**Floating Rate**” has the meaning given to it in the relevant Final Terms.

“**Interest Commencement Date**” means in the case of the first issue of a Tier 1 Subordinated Note or Tier 1 Subordinated Notes of a Series, the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

“**Interest Payment Date**” has the meaning given to it in the relevant Final Terms.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date to (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date to (but excluding) the next succeeding Specified Interest Payment Date.

“**Issue Date**” has the meaning given to it in the relevant Final Terms.

“**Issuer**” means Itaú Unibanco Holding S.A. or any successor thereto, acting through its head office or through its Grand Cayman Branch.

“**Noteholder**” means the person in whose name a Tier 1 Subordinated Note is registered.

“**Opinion of Counsel**” means a written opinion of counsel from any person which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer, in all cases in form and substance reasonably acceptable to the Trustee.

“**Optional Redemption Amount**” has the meaning given to it in the relevant Final Terms.

“**Optional Redemption Date**” has the meaning given to it in the relevant Final Terms.

“**Original Withholding Level**” has the meaning given to it in the relevant Final Terms.

“**Payment Default**” means any failure by the Issuer to (i) pay or set aside for payment the amount due to satisfy payment on the Tier 1 Subordinated Notes when due and payable in accordance with the Terms and Conditions whether on a Redemption Date or otherwise, and such failure continues for a period of 14 days, or (ii) pay the Early Redemption Amount or the Optional Redemption Amount.

“**Redemption Date**” means the date of redemption specified by the Issuer in its notice of redemption delivered pursuant to the Terms and Conditions of the Tier 1 Subordinated Notes.

“**Regulatory Capital**” means the *patrimônio de referência* or the sum of Tier 1 Capital and Tier 2 Capital, as determined in accordance with the calculation methodology set out in Resolution 4,192 and any other applicable regulations.

“**Relevant Financial Centre**” means the principal financial centre for the relevant currency (which in the case of Euro shall be Europe).

“**Resolution 4,192**” means Resolution 4,192 of March 1, 2013 issued by the *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**Resolution 4,193**” means Resolution 4193 of March 1, 2013 issued by *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**RWA**” means the risk weighted assets.

“**Senior to the Tier 1 Liabilities**” means all liabilities of the Issuer other than the Tier 1 Parity Liabilities and for items that would constitute the Common Equity Tier 1 Capital upon dissolution of the Issuer.

“**Series**” means Subordinated Notes of the Issuer issued in accordance with Resolution 4,192 which have identical terms and conditions, other than in respect of the Issue Date, the date on which interest commences to accrue and related matters.

“**Specified Denomination**” means the minimum denomination specified in the relevant Final Terms or integral multiples thereof.

“**Specified Interest Payment Date**” means each date which falls on the last day of the Interest Period specified in the relevant Final Terms after the preceding Specified Interest Payment Date or, in the case of the first Specified Interest Payment Date, after the Interest Commencement Date or as is otherwise specified as such on the relevant Subordinated Note, in each case as adjusted by the Business Day Convention specified in the relevant Final Terms.

“**Subordination Nucleus**” means this subordination nucleus prepared in accordance with Resolution 4,192.

“**Successor Corporation**” means the corporation formed by consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer (including in connection with a *cisão*) all or substantially all of the properties and assets of the Issuer.

“**Terms and Conditions**” means the terms and conditions of the Tier 1 Subordinated Notes as amended and supplemented by the relevant Final Terms in relation to a Series of Tier 1 Subordinated Notes.

“**Tier 1 Capital**” means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 1 Capital and which forms part of the Regulatory Capital, as set forth in Resolution 4,192.

“**Tier 1 Parity Liabilities**” means, with respect to the Issuer, any securities or liabilities that have been or will be deemed part of the Issuer’s Additional Tier 1 Capital in accordance with and determined pursuant to Resolution 4,192.

“**Tier 1 Regulatory Event**” means, subsequent to the time that the Tier 1 Subordinated Notes initially qualify as Tier 1 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Tier 1 Subordinated Notes will no longer be included in the consolidated Tier 1 Capital of the Issuer or will be included in such consolidated Tier 1 Capital in a lower proportion than set forth by the regulation in force the time of issuance of the Tier 1 Subordinated Notes.

“**Tier 1 Subordinated Notes**” means the securities issued by the Issuer in accordance with the Final Terms and Resolution 4,192.

“**Tier 1 Write-Off Event**” means each event that shall result in the write-off of the Tier 1 Subordinated Notes, including (a) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 5.125% of the RWA determined in accordance with Resolution 4,193; (b) execution of an agreement of capital contribution to the Issuer, pursuant to the exception set forth in the recital to article 28 of Supplementary Law n° 101, as of May 4, 2000; (c) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or (d) determination, by the Central Bank, based on criteria established by the National Monetary Council, requiring the write-off of the Tier 1 Subordinated Notes.

“**Tier 2 Capital**” means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 2 Capital and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

**“Tranche”** means, in relation to a Series, those Tier 1 Subordinated Notes of such Series which have the same Issue Date.

**“Transaction Documents”** means the Trust Deed, the Agency Agreement, the Dealer Agreement and the relevant Final Terms.

**“Trustee”** shall include all persons for the time being the trustee or trustees under the Trust Deed.

**“Trust Deed”** means the amended and restated trust deed dated March 17, 2011 between the Issuer and the Trustee, as supplemented by a supplemental trust deed dated August 4, 2016 and as further amended and/or supplemented from time to time.

## ANNEX C — FORM OF FINAL TERMS OF THE TIER 2 SUBORDINATED NOTES

*The Final Terms in respect of each Tranche of Tier 2 Subordinated Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Tier 2 Subordinated Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Tier 2 Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a "retail investor" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU ("MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 ("IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended or superseded, the "Prospectus Directive"). Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Tier 2 Subordinated Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Tier 2 Subordinated Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>4</sup>

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET – [appropriate target market legend to be included if necessary][Delete if no target market legend to be included]]

[SINGAPORE SFA PRODUCT CLASSIFICATION – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the "SFA") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "CMP Regulations 2018"), unless otherwise specified before an offer of Tier 2 Subordinated Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Tier 2 Subordinated Notes to be issued under the Programme are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

**THE SUBORDINATION NUCLEUS SET OUT IN EXHIBIT A HERETO (THE "SUBORDINATION NUCLEUS") FORMS PART OF THESE FINAL TERMS. THE SUBORDINATION NUCLEUS WILL PREVAIL OVER ANY TERMS SET OUT IN THESE FINAL TERMS OR ANY OTHER TRANSACTION DOCUMENT (INCLUDING ANY DOCUMENT REFERRED TO IN THESE FINAL TERMS). FOR THE AVOIDANCE OF DOUBT, PARAGRAPH 5 OF THE SUBORDINATION NUCLEUS IS A SUMMARY OF THE TERMS AND CONDITIONS OF THIS SERIES OF TIER 2 SUBORDINATED NOTES.**

Final Terms dated [date]

**Itaú Unibanco Holding S.A.**

(company incorporated under the laws of the Federative Republic of Brazil)

**US\$100,000,000,000**

**Global Medium-Term Note Programme**

Series No: [ ]

[TITLE OF TIER 2 SUBORDINATED NOTES] DUE [ ]

Issue price: [ ]

<sup>4</sup> Legend to be included on front of the Final Terms if the Notes potentially constitute "packaged" products and no key information document will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[DEALER NAME(S)]

This document constitutes the Final Terms relating to the issue of Tier 2 Subordinated Notes described herein and the Subordination Nucleus contained in Exhibit A is an integrate and inseparable part of these Final Terms. The subordination conditions contained in the Subordination Nucleus prevail over these Final Terms and over any other documents of the programme (including those referred to in these Final Terms), it being understood that section 5 of the Subordination Nucleus is a summary of the terms and conditions of the Tier 2 Subordinated Notes.

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under Offering Memorandum with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Tier 2 Subordinated Notes (the “**Conditions**”) set forth in the Offering Memorandum dated [*original date*]. These Final Terms contain the final terms of the Tier 2 Subordinated Notes and must be read in conjunction with the Offering Memorandum dated [current date] [and the supplemental Offering Memorandum dated [date]], save in respect of the Conditions which are extracted from the Offering Memorandum dated [original date] and are attached hereto.]

**THE TIER 2 SUBORDINATED NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR UNDER THE SECURITIES LAWS OF ANY STATE OR JURISDICTION OF THE UNITED STATES, AND THE TIER 2 SUBORDINATED NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE TIER 2 SUBORDINATED NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT). THESE FINAL TERMS HAVE BEEN PREPARED BY THE ISSUER FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE TIER 2 SUBORDINATED NOTES OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S [AND WITHIN THE UNITED STATES TO “QUALIFIED INSTITUTIONAL BUYERS” IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT (“RULE 144A”)] [AND FOR LISTING OF THE TIER 2 SUBORDINATED NOTES ON THE EURO MTF MARKET OF THE LUXEMBOURG STOCK EXCHANGE]. THE TIER 2 SUBORDINATED NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. [PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF THE TIER 2 SUBORDINATED NOTES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A.] AS A PROSPECTIVE PURCHASER, YOU SHOULD BE AWARE THAT YOU MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS AND SALES OF THE TIER 2 SUBORDINATED NOTES AND DISTRIBUTION OF THESE FINAL TERMS AND THE OFFERING MEMORANDUM, SEE “SUBSCRIPTION AND SALE” AND “TRANSFER RESTRICTIONS” CONTAINED IN THE OFFERING MEMORANDUM.**

**BY ITS PURCHASE AND HOLDING OF TIER 2 SUBORDINATED NOTES (OR ANY INTEREST THEREIN), THE PURCHASER OR HOLDER WILL BE DEEMED TO HAVE REPRESENTED AND AGREED THAT EITHER: (A) IT IS NOT AND FOR SO LONG AS IT HOLDS TIER 2 SUBORDINATED NOTES (OR ANY INTEREST HEREIN) WILL NOT BE (I) AN “EMPLOYEE BENEFIT PLAN” WITHIN THE MEANING OF SECTION 3(3) OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”), THAT IS SUBJECT TO TITLE I OF ERISA; (II) A “PLAN” WITHIN THE MEANING OF AND SUBJECT TO SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”); (III) A PERSON OR ENTITY WHOSE UNDERLYING ASSETS INCLUDE “PLAN ASSETS” WITHIN THE MEANING OF U.S. DEPARTMENT OF LABOR REGULATION AT 29 C.F.R. § 2510.3-101, AS MODIFIED BY SECTION 3(42) OF ERISA, OF SUCH AN EMPLOYEE BENEFIT PLAN SUBJECT TO TITLE I OF ERISA OR PLAN SUBJECT TO SECTION 4975 OF THE CODE (COLLECTIVELY, THE “BENEFIT PLAN INVESTORS”); OR (IV) A “GOVERNMENTAL PLAN” WITHIN THE MEANING OF SECTION 3(32) OF ERISA, A CERTAIN**



**TYPE OF “CHURCH PLAN” WITHIN THE MEANING OF SECTION 3(33) OF ERISA, A “NON-U.S. PLAN” DESCRIBED IN SECTION 4(B)(4) OF ERISA OR OTHER BENEFIT PLAN WHICH IS NOT A BENEFIT PLAN INVESTOR (SUCH PLANS, “SIMILAR PLANS”) BUT IS SUBJECT TO ANY U.S. FEDERAL, STATE, LOCAL, NON-U.S. OR OTHER LAW THAT IS SUBSTANTIALLY SIMILAR TO THE FIDUCIARY RESPONSIBILITY AND PROHIBITED TRANSACTION PROVISIONS OF TITLE I OF ERISA OR SECTION 4975 OF THE CODE (SUCH LAWS, “SIMILAR LAWS”); OR (B) ITS PURCHASE AND HOLDING OF TIER 2 SUBORDINATED NOTES WILL NOT RESULT IN A PROHIBITED TRANSACTION UNDER SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE (OR, IN THE CASE OF A SIMILAR PLAN, A VIOLATION OF ANY SIMILAR LAW) FOR WHICH AN EXEMPTION IS NOT AVAILABLE.**

**THE TIER 2 SUBORDINATED NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON THE ACCURACY OR THE ADEQUACY OF THESE FINAL TERMS OR THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**NOTICE TO NEW HAMPSHIRE RESIDENTS: NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ANNOTATED, 1955, AS AMENDED, WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.**

*[Include whichever of the following apply or specify as Not Applicable (N/A). Note that the numbering should remain as set out below, even if Not Applicable is indicated for individual paragraphs or sub- paragraphs. Italics denote directions for completing the Final Terms.]*

- |    |   |   |
|----|---|---|
| 1. | Issuer:   | Itaú Unibanco Holding S.A. [(acting through its Cayman Islands Branch)] |
| 2. | [(i) Series Number:   | [ ]   |
|    | [(ii) Tranche Number:   | [ ]   |
|    | <i>(If fungible with an existing Series, details of that Series, including the date on which the Tier 2 Subordinated Notes become fungible).]</i> |   |
| 3. | (i) Specified Currency or Currencies (Condition 1(d)):  | [ ]   |
|    | (ii) Specified Principal Payment Currency if different from Specified Currency (Condition 1(d)):  | [ ]   |

- (iii) Specified Interest Payment Currency if different from Specified Currency (Condition 1(d)): [ ]
4. Aggregate Nominal Amount:
- (i) Series: [ ]
- (ii) Tranche: [ ]
5. [(i)] Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (in the case of fungible issues only, if applicable)]
- [(ii)] Net proceeds: [ ] (Required only for listed issues)
6. Specified Denominations [ ]\*
- (Condition 1 (b)):
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [ ]
8. Maturity Date: *[specify date or (for Floating Rate Tier 2 Subordinated Notes) Specified Interest Payment Date falling in or nearest to the redemption month]*
9. Interest Basis (Condition 5):
- [Fixed Rate (Condition 5(I))]
- [Floating Rate (Condition 5(II))]
- [Index Linked Interest]
- [Other (*specify*)]
- (further particulars specified below)
10. Redemption/Payment Basis [Redemption at par]
- (Condition 6(a)):
- [Index Linked Redemption (*specify*)]
- [Dual Currency (*specify*)]
- [Partly Paid (*specify*)]
- [Instalment (*specify*)]

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\* Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

- [Other (*specify*)]
11. Call Option (Condition 17(d)(iv)): [Issuer Call]  
[(further particulars specified below)]
12. Status of the Notes (Condition 4): Subordinated
13. Listing Application has been made to list the Tier 2 Subordinated Notes on the Euro MTF market of the Luxembourg Stock Exchange. The first trading day on the Euro MTF market of the Luxembourg Stock Exchange is expected to be [date]/Other (*specify*)/None]
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
(Condition 5(I)): (*If not applicable, delete the remaining subparagraphs of this paragraph*)
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [ ] in each year [*adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Relevant Business Day"]/not adjusted*]
- (iii) Fixed Coupon Amount(s): [ ] per Note of [ ] Specified Denomination
- (iv) Broken Amount(s): [*Insert particulars of any initial or final broken interest amounts*]
- (v) Day Count Fraction: [ ]  
*(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise requested)*
- (vi) Determination Date(s): [ ] in each year – [*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon; only to be completed for an issue where day count fraction is Actual/Actual-ISMA*]
- (vii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/Other (*give details*)]

- (viii) Business Centre(s): [ ]
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- (x) Final Instalment Amount: [ ]
- (xi) Credit Spread: [ ]
- (xii) Benchmark Reset Date: The Benchmark Reset Rate will be calculated on the [ ] Business Day preceding the applicable Benchmark Reset Date and will be reset on each successive [ ] anniversary of the Issue Date.
- (xiii) Benchmark Reset Rate: [insert the relevant Benchmark]
16. Floating Rate Note Provisions (Condition 5(II)): [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (i) Interest Period(s)/Specified Interest Payment Dates: [ ]
- (ii) Day Count Fraction: [ ]  
*(Day count fraction should be Actual/Actual-ISMA for all fixed rate issues other than those denominated in U.S. dollars, unless otherwise requested)*
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/Other (give details)]
- (iv) Business Centre(s): [ ]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
- (vii) Screen Rate Determination (Condition 5(II)(b)(i)): [Applicable/Not Applicable]
- Interest Determination Date(s): [ ]
- Primary Source for Floating Rate: [Specify relevant screen page or "Reference Banks"]
- Reference Banks (if Primary Source is "Reference Banks" or if no Reference Rate appears at [Specify four]

	Relevant Time or less than two Reference Rates appear at Relevant Time):	
	Relevant Banking Centre:	[Specify]
	Benchmark and Reference Rate(s):	[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark and whether bid, offer or mean]
(viii)	ISDA Determination (Condition 5(II)(b)(iv)):	[Applicable/Not Applicable]
	Floating Rate Option:	[ ]
	Designated Maturity:	[ ]
	Reset Date:	[ ]
	ISDA Definitions (if different from those set out in the Conditions):	[ ]
(ix)	Margin(s):	[+/-] [ ] per cent. per annum
(x)	Day Count Fraction:	[ ]
(xi)	Rate Multiplier:	[ ]
(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions (Condition 5(II)(b)):	[ ]
(xiii)	Final Instalment Amount:	[ ]
17.	Index Linked Interest Note Provisions:	[Applicable/Not Applicable]
		<i>(If not applicable, delete the remaining subparagraphs of this paragraph – if applicable, complete terms MUST be set out in these Final Terms)</i>
(i)	Index/Formula:	[Give or annex details]
(ii)	Calculation Agent responsible for calculating the principal and/or interest due:	[ ]
(iii)	Provisions for determining Interest where calculation by reference to Index and/or Formula is impossible or impracticable:	[ ]

- (iv) Interest Period(s)/Specified Interest Payment Dates: [ ]
  - (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
  - (vi) Business Centre(s): [ ]
  - (vii) Day Count Fraction: [ ]
  - (viii) Margin: [ ]
  - (ix) Rate Multiplier: [ ]
  - (x) Final Instalment Amount: [ ]
18. Dual Currency Note Provisions: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph – if applicable, complete terms MUST be set out in these Final Terms)*
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [*Give details*]
  - (ii) Calculation Agent responsible for calculating the principal and/or interest due: [ ]
  - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
  - (iv) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/other (*give details*)]
  - (v) Business Centre(s): [ ]
  - (vi) Day Count Fraction: [ ]

**PROVISIONS RELATING TO REDEMPTION**

19. Call Option (Condition 17(d)(iv)): [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]

- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [ ] per Note of [ ] Specified Denomination
- (iii) If redeemable in part:
  - (a) Minimum nominal amount to be redeemed: [ ]
  - (b) Maximum nominal amount to be redeemed: [ ]
  - (iv) Notice period\* [ ]
- 20. Final Redemption Amount of each Note: [[ ] per Note of [ ] Specified Denomination/Other/See Appendix]
  - (i) Alternative Payment Mechanism (Condition 7(a): [ ]
- 21. Early Redemption Amount:
  - (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 17(d)(ii)), the occurrence of a Tier 2 Regulatory Event (Condition 17(d)(iii)) or on an Event of Default (Condition 9) or the method of calculating the same (if required or if different from that set out in the Conditions): [ ]
  - (ii) Original Withholding Level (Condition 17(d)(ii)): [ ]

**GENERAL PROVISIONS APPLICABLE TO THE TIER 2 SUBORDINATED NOTES**

- 22. Form of Tier 2 Subordinated Notes: Registered Notes
  - (i) DTC Global Notes, European Global Notes or individual Definitive Notes: [DTC Restricted Global Note or DTC Unrestricted Global Note available on Issue Date] [European Restricted Global Note or European Unrestricted Global Note available on Issue Date]  
[Individual Definitive Notes available on Issue Date]
- 23. Details relating to Partly Paid Tier 2 Subordinated Notes: amount of each payment [Not Applicable *give details*]

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\* *If setting notice periods which are different to those provided in the terms and conditions, issuers are advised to consider the practicalities of distribution of information through intermediaries, for example clearing systems and custodians, as well as any other notice requirements which may apply, for example as between the issuer and the principal paying agent, or trustee.*

- comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Tier 2 Subordinated Notes and interest due on late payment: *(If applicable, complete terms MUST be set out in these Final Terms)*
24. Redenomination, renominatisation and reconventioning provisions (Condition 20): [Applicable/Not Applicable]
25. Details relating to Instalment Notes: [Not Applicable */give details*]  
*(if applicable, complete terms MUST be set out in these Final Terms)*
26. Other terms or special conditions: The Subordination Nucleus set out in Exhibit A hereto, which sets out the terms and conditions of subordination provided by Resolution 4,192.

#### **DISTRIBUTION**

27. (i) If syndicated, names of Managers: [Not Applicable */give details*]  
(ii) Stabilising Manager (if any): [Not Applicable */give details*]  
(iii) Commissions and Concessions: [ ]
28. If non-syndicated, name of Dealer(s): [Not Applicable */give details*]
29. Additional selling restrictions: [Not Applicable */give details*]

#### **OPERATIONAL INFORMATION**

30. (i) ISIN: [ ]  
(ii) CUSIP: [ ]  
(iii) Other: [ ]
31. Common Code: [ ]
32. Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and DTC and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
33. Delivery: Delivery [against/free of] payment
34. Principal Paying Agent: [The Bank of New York Mellon, acting through its New York Branch/*give details*]
35. Registrar: [The Bank of New York Mellon, acting through its New York Branch/*give details*]
36. Calculation Agent: [The Bank of New York Mellon, acting through its



- |     |                               |   |
|-----|-------------------------------|---|
|     |                               | London Branch/ <i>give details</i> ]  |
| 37. | Trustee:                      | [The Bank of New York Mellon, acting through its New York Branch/ <i>give details</i> ] |
| 38. | Additional Agent(s) (if any): | [ ]   |
| 39. | U.S. TAX                      | [ ]   |

### **[LISTING APPLICATION**

These Final Terms comprise the final terms required to list the issue of Tier 2 Subordinated Notes described herein pursuant to the US\$100,000,000,000 Global Medium Term Note Programme of Itaú Unibanco Holding S.A. [acting through its Cayman Islands Branch].

### **[STABILISING**

In connection with the issue of the Tier 2 Subordinated Notes, [insert name of Stabilising Manager] (the “**Stabilising Manager**”) (or persons acting on behalf of the Stabilising Manager) may over-allot Tier 2 Subordinated Notes or effect transactions with a view to supporting the market price of the Tier 2 Subordinated Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Tier 2 Subordinated Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Tier 2 Subordinated Notes and 60 days after the date of the allotment of the Tier 2 Subordinated Notes. Any stabilisation action or over allotment shall be conducted in accordance with all applicable laws and rules.]

### **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Offering Memorandum (and the information incorporated by reference therein) referred to above, contain all information that is material in the context of the Tier 2 Subordinated Notes.

### **[ADDITIONAL ISSUER DISCLOSURE**

*Include disclosure of any material information to be conveyed that is not already in the Offering Memorandum.]*

### **GOVERNING LAW AND JURISDICTION**

The Trust Deed, the Tier 2 Subordinated Notes, the Final Terms (including the summary of the Final Terms set out in section 5 of the Subordination Nucleus) and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, **provided that** the provisions contained in the Subordination Nucleus set out in Exhibit A hereto, imposed on the Issuer in order for the Tier 2 Subordinated Notes to qualify as Tier 2 Capital under Resolution 4,192, shall be governed by, and construed in accordance with, the laws of Brazil.

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed (including the non-contractual obligations arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed may be brought in such courts. Under the Trust Deed, the Issuer irrevocably submits to the exclusive jurisdiction of the English courts

Signed on behalf of the Issuer:

By:  
Duly authorised signatory

**EXHIBIT A**  
**FORM OF SUBORDINATION NUCLEUS FOR TIER 2 SUBORDINATED NOTES**

**SUBORDINATION NUCLEUS**  
**(“Núcleo de subordinação”)**

This Subordination Nucleus (“*núcleo de subordinação*”) has been prepared for the purposes of article 14 and 24 of Resolution 4,192, issued by the National Monetary Council of Brazil (“CMN”) on March 1<sup>st</sup>, 2013, as amended (“**Resolution 4,192**”).

**1. Clauses showing compliance with all requirements of article 20 of Resolution 4,192:**

- (i) Pursuant to article 20, I, II and III of Resolution 4,192, the Subordinated Notes shall be issued in registered form, fully-paid in cash and may not have a maturity date, or be amortized prior to five years from the issuance date, as set forth below:

***Form, Subscription in Cash and Maturity***

- i. *Form: The Tier 2 Subordinated Notes will be issued as registered notes.*
- ii. *Subscription and payment in cash: The Tier 2 Subordinated Notes may be issued in one or more Series or Tranches, consideration for which shall be paid to the Issuer in cash at the date of issue thereof.*
- iii. *Maturity: The Tier 2 Subordinated Notes shall not have a maturity date or begin to be amortized prior to five (5) years from their issuance date.*
- (ii) Pursuant to article 20, IV, of Resolution 4,192, the payment of any amounts due and payable under the Tier 2 Subordinated Notes shall, in the case of the Issuer’s dissolution, be subordinated to the Issuer’s other obligations, except for obligations with respect to the Issuer’s Common Equity Tier 1 Capital and Additional Tier 1 Capital, as set forth below:

***Status; Subordination Provisions***

- i. *Status: The Tier 2 Subordinated Notes constitute unsecured and subordinated obligations of the Issuer.*
- ii. *Subordination: The Tier 2 Subordinated Notes are subordinated in right of payment to all existing and future Senior to Tier 2 Liabilities of the Issuer in accordance with this Subordination Nucleus.*

*Subject to applicable law (A) the rights and claims of Noteholders are and will be subordinated and accordingly subject in right of payment to prior payment in full of all principal, premium, if any, interest and any other amounts due or to become due on all Senior to Tier 2 Liabilities upon the Issuer’s winding-up, bankruptcy, liquidation, dissolution or similar proceedings (each a “**Bankruptcy Event**”), except for obligations with respect to the Issuer’s Common Equity Tier 1 Capital and Additional Tier 1 Capital, and (B)(i) Tier 2 Subordinated Notes shall rank pari passu with respect to each other without any preference among themselves, and (ii) the rights and claims of Noteholders under the Tier 2 Subordinated Notes shall rank pari passu with the rights and claims of holders of the Tier 2 Parity Liabilities, subject to the terms and conditions applicable to each Tier 2 Parity Liability; provided that the consolidation of the Issuer with, or the merger of the Issuer into any other corporation or the liquidation or dissolution of the Issuer following the conveyance or transfer (including in connection with a *cisão*) of its properties, assets and liabilities substantially as an entirety to another corporation shall not be deemed a Bankruptcy Event for the purposes of this clause if the Central Bank has approved such consolidation, merger,*

*transfer or conveyance. Thereafter, the Issuer shall be automatically released and discharged from all obligations and covenants under the Trust Deed and the Tier 2 Subordinated Notes, and the Tier 2 Subordinated Notes will continue to be outstanding and will be treated as subordinated debt of such Successor Corporation pursuant to the terms of Resolution 4,192.*

(iii) Pursuant to article 20, V of Resolution 4,192, the repurchase or early redemption of the Tier 2 Subordinated Notes, directly or indirectly through an Affiliate, is subject to the prior approval of the Central Bank, as set forth below:

i. Repurchases: *Subject to the prior approval of the Central Bank (in accordance with art. 20, V of Resolution 4,192) or any other applicable Brazilian Governmental Authority (if such approval is then required), the Issuer or any Affiliate may, at any time, repurchase Tier 2 Subordinated Notes in the open market or otherwise in any manner and at any price. Tier 2 Subordinated Notes so repurchased, while held by or on behalf of the Issuer or any of its Affiliates, shall not entitle the Noteholder to vote at any meetings of Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders.*

ii. Optional Redemption for Taxation Reasons: *Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, on or after the fifth anniversary of the issuance of such Tier 2 Subordinated Notes, redeem or procure the purchase of any Series of Tier 2 Subordinated Notes at its option in whole, but not in part, on giving not less than 30 days nor more than 45 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount or, if none is so specified, at the nominal amount specified in the relevant Final Terms (in each case together with interest accrued to, but excluding, the date fixed for redemption) if (i) there is more than an insubstantial risk that the Issuer has or will become obligated to pay additional amounts (such additional amounts to be determined in accordance with item 8 of the Terms and Conditions) in excess of the additional amounts which would be payable in respect of deductions or withholdings made at the rate of the Original Withholding Level, if any, specified in the relevant Final Terms as a result of any change in, or amendment to, the laws or regulations of Brazil or the Cayman Islands, or any political subdivision or authority in or of Brazil or the Cayman Islands having the power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment is adopted or enacted or becomes effective on or after the Issue Date in respect of the relevant Series, and (ii) such obligation cannot be avoided by the Issuer taking ministerial measures available to it, provided that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obligated to pay such additional amounts were a payment in respect of such Tier 2 Subordinated Notes then due (or in the case of Tier 2 Subordinated Notes which bear interest at the Floating Rate, a number of days which is equal to the aggregate number of days falling within the current Interest Period applicable to the Tier 2 Subordinated Notes plus 75 days). Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this clause 1(iii)(ii) of this Subordination Nucleus, the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the obligation referred to in (i) above cannot be avoided by the Issuer taking ministerial measures available to it and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in (ii) above, which shall be conclusive and binding on the Noteholders.*

iii. Optional Redemption due to a Tier 2 Regulatory Event: *Subject to the prior approval of the Central Bank or any other applicable Brazilian Governmental Authority for such redemption (if such approval is then required), the Issuer may, redeem or procure the purchase of any Series of Tier 2 Subordinated Notes, in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at the Early Redemption Amount (together with interest accrued to, but excluding, the date fixed for redemption) if the Issuer certifies to the Trustee immediately prior to the giving of such notice that*

a Tier 2 Regulatory Event has occurred, provided, however, that no such notice of redemption or purchase in lieu of redemption shall be given earlier than 90 days (or such other period as specified in the relevant Final Terms) prior to the earliest date on which the Tier 2 Regulatory Event is or is reasonably expected to be effective. Prior to the publication of any notice of redemption or purchase in lieu of redemption pursuant to this clause 1(iii)(iii) of this Subordination Nucleus, the Issuer shall deliver to the Trustee a certificate signed by two authorised officers or attorneys of the Issuer stating that the Issuer is entitled to effect such a redemption or to cause such purchase in lieu of redemption pursuant to this clause 1(iii)(iii) of this Subordination Nucleus, and setting forth in reasonable detail a statement of the facts giving rise to such right of redemption. Concurrently, the Issuer will deliver to the Trustee a written Opinion of Counsel stating, among other things, that a Tier 2 Regulatory Event has occurred and that all governmental approvals necessary for the Issuer to effect such redemption or purchase in lieu of redemption have been obtained and are in full force and effect or specifying any such necessary approvals that as of the date of such opinion have not been obtained.

iv. Redemption of Tier 2 Subordinated Notes at the Option of the Issuer (Call Option): In accordance with art. 21 of Resolution 4,192, if so provided in the relevant Final Terms, the Issuer may, on or after the fifth anniversary of the issuance of such Tier 2 Subordinated Notes and subject to the prior approval of the Central Bank, on giving to the Noteholder of such Tier 2 Subordinated Note irrevocable notice of not less than 30 nor more than 45 days (or such other notice period as specified in the relevant Final Terms) redeem or procure the purchase of all or, if so specified in the relevant Final Terms, some of the Series of Tier 2 Subordinated Notes of which such Tier 2 Subordinated Note forms part, on the Optional Redemption Date(s) specified in the relevant Final Terms (which shall, in the case of Tier 2 Subordinated Notes which at the time of redemption or purchase have an interest basis which is specified in the relevant Final Terms as Floating Rate, be a Specified Interest Payment Date) at the amount specified in the relevant Final Terms as the Optional Redemption Amount less, in the case of any Instalment Note, the aggregate amount of instalments that shall have become due and payable under any other Condition (which amount, if to the extent not then paid, remains due and payable) together with interest accrued to (but excluding) the date fixed for redemption or purchase, provided that the Issuer is then and, on a pro forma basis following such purchase, will remain in compliance with the minimum requirements for Common Equity Tier 1, Tier 1 Capital and Regulatory Capital, and satisfies the Additional Core Capital requirement set forth under Resolution 4,193 and other operational limits. All Tier 2 Subordinated Notes in respect of which any such notice is given shall be redeemed or purchased on the Optional Redemption Date(s) specified in such notice in accordance with this clause 1(iii) (iv) of this Subordination Nucleus. If only some of the Tier 2 Subordinated Notes of a Series are to be redeemed or purchased at any time, the Tier 2 Subordinated Notes to be redeemed or purchased shall be redeemed or purchased pro rata to their principal amounts, provided always that the amount redeemed or purchased in respect of each Tier 2 Subordinated Note shall be equal to the Specified Denomination, and in each case subject to compliance with the applicable rules of each clearing system, listing authority and Exchange and the notice to Noteholders referred to herein shall specify the serial numbers and nominal amounts of the Tier 2 Subordinated Notes to be so redeemed or purchased.

- (iv) In accordance with article 20, VI, of Resolution 4,192, the Tier 2 Subordinated Notes may only be redeemed at the Issuer's option, as set forth below:

Redemption at the Issuer's Option: The Tier 2 Subordinated Notes may only be redeemed at the Issuer's option and the Noteholders shall have no right to request that the Issuer redeem the Tier 2 Subordinated Notes in whole or in part.

- (v) Pursuant to article 20, VII, of Resolution 4,192, the Tier 2 Subordinated Notes shall be unsecured and shall not benefit from any insurance coverage or any other structure that may require or allow for the payments or transfer of funds, directly or indirectly, to Noteholders, by the Issuer, any entity of the conglomerate or any controlled non-financial entity, as set forth below:

*No Guarantee or Insurance: The Tier 2 Subordinated Notes are unsecured and subordinated obligations of the Issuer and do not benefit from any guarantee or insurance issued pursuant to any insurance policy or similar structure that may compromise the subordination of the Tier 2 Subordinated Notes and/or require or allow payments or transfers of funds to the Noteholders, directly or indirectly, by the Issuer or any Affiliate.*

- (vi) In accordance with article 20, VIII, of Resolution 4,192, the Tier 2 Subordinated Notes shall not provide for any amendment to the payment terms and conditions for payment of the remuneration between issuance and maturity of the Tier 2 Subordinated Notes, including as a result of a change in the credit quality of the Issuer, as set forth below:

*No Change to Terms or Conditions for Payment of Remuneration: The payment terms and conditions of the Tier 2 Subordinated Notes set forth in the Final Terms shall not be subject to amendment after the Issue Date, including as a result of a change in the credit quality of the Issuer.*

- (vii) Pursuant to article 20, IX, of Resolution 4,192, the Issuer shall not, directly or indirectly, finance the purchase of the Tier 2 Subordinated Notes, as set forth below:

*No Financing: The Issuer shall not, directly or indirectly, finance the purchase of the Tier 2 Subordinated Notes, as set forth in Resolution 4,192.*

- (viii) In accordance with article 20, X, XI and XII, of Resolution 4,192, the Tier 2 Subordinated Notes shall provide for the write-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 2 Capital, upon the occurrence of any of the following events:

- (a) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 4.5% of the RWA determined in accordance with Resolution 4,193;
- (b) execution of an agreement for capital contribution to the Issuer pursuant to the exception set forth in the recital to article 28 of Supplementary Law No. 101, as of May 4, 2000;
- (c) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or
- (d) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 2 Subordinated Notes.

The above-mentioned Tier 2 Write-off Event shall not occur in case of revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and the RWA, as determined pursuant to item (a) above.

The occurrence of any of the events described in items (a) through (d) above, as well as in the above paragraph shall not be considered an event of default or accelerate the maturity of any obligations of the Issuer, as set forth below:

*Write-off: The Tier 2 Subordinated Notes shall be written-off on a permanent basis, in a minimum amount corresponding to the balance allocated to the Tier 2 Capital, upon the occurrence of the following events, or other events as may be determined by the Central Bank or by any competent Brazilian Governmental Authority (each, a “Tier 2 Write-off Event”):*

- (a) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 4.5% of the RWA determined in accordance with Resolution 4,193;

- (b) execution of an agreement for capital contribution pursuant to the exception set forth in the recital to article 28 of Supplementary Law n° 101, as of May 4, 2000;
- (c) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or
- (d) determination, by the Central Bank, based on criteria established by the National Monetary Council, of a write-off of the Tier 2 Subordinated Notes.

The above-mentioned Tier 2 Write-off Event shall not occur in case of revision or republication of the documents used by the Issuer as the basis for disclosure of the ratio between the Common Equity Tier 1 Capital and the RWA as determined in item (a) above.

The occurrence of any Tier 2 Write-off Event, as well as the revision or republication set forth in the paragraph above, or of other events that may be determined by the Central Bank or by any competent Brazilian Governmental Authority, shall not be deemed an event of default and shall not accelerate the maturity of any obligations of the Issuer.

If the Tier 2 Subordinated Notes are written-off as a result of the occurrence of a Tier 2 Write-off Event, the Issuer shall notify the Noteholders in writing about the existence of such Tier 2 Write-off Event. Such notice shall be sent to Noteholders (with a copy to the Trustee) within 14 Business Days from the date of determination by the Central Bank of such Tier 2 Write-off Event.

- (ix) Pursuant to paragraph one of article 20 of Resolution 4,192, the Trust Deed and the Tier 2 Subordinated Notes shall be governed by, and construed in accordance with, a specific governing law and jurisdiction:

Governing Law: The Trust Deed, the Tier 2 Subordinated Notes and any non-contractual obligations arising out of or in connection with them (including the summary of the Final Terms established in item 5 of this Subordination Nucleus) are governed by, and shall be construed in accordance with, English law, provided that the provisions contained in this Subordination Nucleus, imposed on the Issuer in order for the Tier 2 Subordinated Notes to qualify as Tier 2 Capital under Resolution No 4,192, shall be governed by, and construed in accordance with, the laws of Brazil.

Jurisdiction: The courts of England have jurisdiction to settle any disputes which may arise out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed (including a dispute relating to any non-contractual obligations arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed) and accordingly any legal action or proceedings arising out of or in connection with the Tier 2 Subordinated Notes or the Trust Deed (“Proceedings”) may be brought in such courts. The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of the English courts.

- 2. **Clause providing that, pursuant to article 14, II, of Resolution 4,192, any provision, whether in the Trust Deed itself, in the Tier 2 Subordinated Notes or in another ancillary document, to the extent that they impair the fulfillment of, or conflict with, those requirements set out in article 20 of Resolution 4,192, is null and void, as set forth below:**

Conflicts: In the event of conflict between the provisions of this Subordination Nucleus and any other provision set forth in any Transaction Document with respect to any Series of Tier 2 Subordinated Notes, the provisions of this Subordination Nucleus shall prevail, as per art. 14, II, of Resolution 4,192 and any such conflicting provision shall be null and void.

- 3. **Clause of each ancillary document providing, pursuant to article 15 of Resolution 4192, the subordination of such document to this Subordination Nucleus:**

- (i) Clause of the Trust Deed providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Trust Deed that conflicts with the Subordination Nucleus with respect to any Series of Tier 2 Subordinated Notes shall be null and void.*

- (ii) Clause of the Tier 2 Subordinated Notes providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Tier 2 Subordinated Note that conflicts with the Subordination Nucleus with respect to any Series of Tier 2 Subordinated Notes shall be null and void.*

- (iii) Clause of the Agency Agreement providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Agency Agreement that conflicts with the Subordination Nucleus with respect to any Series of Tier 2 Subordinated Notes shall be null and void.*

- (iv) Clause of the Dealer Agreement providing, pursuant to article 15 of Resolution 4,192, the subordination of such document to this Subordination Nucleus:

*Pursuant to article 15 of Resolution 4,192, any provision of this Dealer Agreement that conflicts with the Subordination Nucleus with respect to any Series of Tier 2 Subordinated Notes shall be null and void.*

**4. Clause providing that, pursuant to article 14, III and sole paragraph, of Resolution 4,192, any amendment, change or revocation affecting the provisions of this Subordination Nucleus will be subject to prior authorization of the Central Bank, as set forth below:**

*The execution of any amendment, change or revocation of any provision of this Subordination Nucleus is subject to the prior consent of the Central Bank, if required pursuant to applicable regulations then in effect.*

**5. Summary of the transaction, pursuant to article 14, IV, of Resolution 4,192:**

- (a) *nature of the capital raise: general corporate purposes.*
- (b) *amount raised: US\$ [●]*
- (c) *interest rate: [(i) for each Interest Period commencing on the Issue Date and ending prior to the [fifth] anniversary of the Issue Date, [●] per annum of the aggregate principal amount of the Tier 1 Subordinated Notes, payable [annually/semi-annually/quarterly] in arrears, and (ii) for each subsequent Interest Period, the interest rate, will be determined by reference to the Benchmark Reset Rate plus the Credit Spread (as defined in the Final Terms)] .*

**6. Definitions:**

For the purposes hereof, capitalised terms and expressions used herein and not otherwise defined shall have the following meanings:

For the purposes of this Subordination Nucleus:



“**Additional Core Capital**” means the *adicional de capital principal* or the additional core capital required pursuant to Resolution 4,193.

“**Additional Tier 1 Capital**” means the *capital complementar* or any additional capital determined pursuant to article 6 of Resolution 4,192, which has been authorized or will become authorized by the Central Bank to be eligible as Tier 1 Capital of the Regulatory Capital.

“**Affiliate**” means any legal entity related to the Issuer within the same financial conglomerate or any non-financial entity controlled by the Issuer.

“**Agency Agreement**” means the agency agreement dated March 29, 2010 between the Issuer, the Trustee, and the agents, as supplemented by a supplemental agency agreement dated August 4, 2016 and as further amended and/or supplemented from time to time.

“**Benchmark Reset Rate**” has the meaning given to it in the relevant Final Terms.

“**Brazilian Governmental Authority**” means, as applicable, the government of Brazil, or any political subdivision thereof, whether federal, state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other person exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government over the Issuer.

“**Business Day Convention**,” in relation to any particular date, has the meaning given in the relevant Final Terms.

“**Central Bank**” means the Central Bank of Brazil or any Brazilian Governmental Authority that replaces the Central Bank of Brazil in its current functions applicable to this Subordination Nucleus.

“**Common Equity Tier 1 Capital**” means the *capital principal* or any capital determined pursuant to article 4 *et seq.* of Resolution 4,192 and included as part of the Tier 1 Capital of the Regulatory Capital.

“**Dealer Agreement**” means the amended and restated dealer agreement dated August 4, 2016 between the Issuer, Itau BBA International plc, Goldman, Sachs and Co. and Morgan Stanley & Co. LLC and includes any agreement by which any additional dealers accede to such dealer agreement, and as further amended and/or supplemented from time to time.

“**Determination Date**” means the date specified as such on the relevant Final Terms or, if none is so specified, the Interest Payment Date.

“**Early Redemption Amount**” has the meaning given to it in the relevant Final Terms.

“**Euro**” means the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty.

“**Exchange**” means any stock exchange on which the relevant Tier 2 Subordinated Notes could be listed.

“**Final Terms**” means the final terms issued in respect of each Tranche of such Tier 2 Subordinated Notes specifying the relevant issue details in relation thereto, which include the Subordination Nucleus as an annex.

“**Floating Rate**” has the meaning given to it in the relevant Final Terms.

“**Instalment Note**” means any Note, the principal amount of which is repayable by installments.

“**Interest Commencement Date**” means in the case of the first issue of a Subordinated Note or Tier 2 Subordinated Notes of a Series, the Issue Date or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms.

“**Interest Payment Date**” has the meaning given to it in the relevant Final Terms.

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date to (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date to (but excluding) the next succeeding Specified Interest Payment Date.

“**Issue Date**” has the meaning given to it in the relevant Final Terms.

“**Issuer**” means Itaú Unibanco Holding S.A. or any successor thereto, acting through its head office or through its Grand Cayman Branch.

“**Maturity Date**” has the meaning given to it in the relevant Final Terms.

“**Noteholder**” means the person in whose name a Tier 2 Subordinated Note is registered.

“**Opinion of Counsel**” means a written opinion of counsel from any person which may include, without limitation, counsel for the Issuer, whether or not such counsel is an employee of the Issuer, in all cases in form and substance reasonably acceptable to the Trustee.

“**Optional Redemption Amount**” has the meaning given to it in the relevant Final Terms.

“**Optional Redemption Date**” has the meaning given to it in the relevant Final Terms.

“**Original Withholding Level**” has the meaning given to it in the relevant Final Terms.

“**Regulatory Capital**” means the *patrimônio de referência* or the sum of all Tier 1 Capital and Tier 2 Capital, as determined in accordance with the calculation methodology set out in Resolution 4,192 and any other applicable regulations.

“**Relevant Financial Centre**” means the principal financial centre for the relevant currency (which in the case of Euro shall be Europe).

“**Resolution 4,192**” means Resolution 4,192 of March 1, 2013 issued by the *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**Resolution 4,193**” means Resolution 4193 of March 1, 2013 issued by *Conselho Monetário Nacional* (the National Monetary Council), as amended, modified, supplemented or superseded from time to time.

“**RWA**” means the risk weighted assets.

“**Second Priority Liabilities**” means all instruments included in Issuer’s Tier 1 Capital.

“**Senior to Tier 2 Liabilities**” means all liabilities of the Issuer except for the Parity Liabilities and the Second Priority Liabilities.

“**Series**” means Tier 2 Subordinated Notes of the Issuer issued in accordance with Resolution 4,192 which have identical terms and conditions, other than in respect of the Issue Date, the date on which interest commences to accrue and related matters.

“**Specified Denomination**” means the minimum denomination specified in the relevant Final Terms or integral multiples thereof.

“**Specified Interest Payment Date**” means each date which falls on the last day of the Interest Period specified in the relevant Final Terms after the preceding Specified Interest Payment Date or, in the case of the first Specified Interest Payment Date, after the Interest Commencement Date or as is otherwise specified as such on the relevant Tier 2 Subordinated Note, in each case as adjusted by the Business Day Convention specified in the relevant Final Terms.

“**Subordination Nucleus**” means this subordination nucleus prepared in accordance with Resolution 4,192.

“**Successor Corporation**” means the corporation formed by consolidation or into which the Issuer is merged or the person which acquires by conveyance or transfer (including in connection with a *cisão*) all or substantially all of the properties and assets of the Issuer.

“**Terms and Conditions**” means the terms and conditions of the Tier 2 Subordinated Notes as amended and supplemented by the relevant Final Terms in relation to a Series of Tier 2 Subordinated Notes.

“**Tier 1 Capital**” means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 1 Capital and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

“**Tier 2 Capital**” means any capital of the Issuer or any of its Affiliates that was or will be authorized by the Central Bank as Tier 2 Capital and which forms part of the Regulatory Capital of the Issuer, as set forth in Resolution 4,192.

“**Tier 2 Parity Liabilities**” means, with respect to the Issuer, any securities or liabilities that have been or will be deemed part of the Issuer’s Tier 2 Capital in accordance with and determined pursuant to Resolution 4,192.

“**Tier 2 Regulatory Event**” means, subsequent to the time that the Tier 2 Subordinated Notes initially qualify as Tier 2 Capital, the Central Bank or any other applicable Brazilian Governmental Authority provides written notice or enacts a law or regulation determining that the Tier 2 Subordinated Notes will no longer be included in the consolidated Tier 2 Capital of the Issuer or will be included in such consolidated Tier 2 Capital in a lower proportion than set forth by the regulation in force the time of the issuance of the Tier 2 Subordinated Notes.

“**Tier 2 Subordinated Notes**” means the Notes issued by the Issuer in accordance with the Final Terms and Resolution 4,192.

“**Tier 2 Write-Off Event**” means each event that shall result in the write-off of the Tier 2 Subordinated Notes, including (a) disclosure by the Issuer, in the manner set forth by the Central Bank, that its Common Equity Tier 1 Capital is below 4.5% of the RWA determined in accordance with Resolution 4,193; (b) execution of an agreement of capital contribution to the Issuer, pursuant to the exception set forth in the recital to article 28 of Supplementary Law No 101, as of May 4, 2000; (c) decree, by the Central Bank, of a temporary special administration regime (*Regime de Administração Especial Temporária*) or an intervention in the business of the Issuer; or (d) determination, by the Central Bank, based on criteria established by the National Monetary Council, requiring the write-off of the Tier 2 Subordinated Notes.

“**Tranche**” means, in relation to a Series, those Tier 2 Subordinated Notes of such Series which have the same Issue Date.

“**Transaction Documents**” means the Trust Deed, the Agency Agreement, the Dealer Agreement and the relevant Final Terms.

“**Treaty**” means the treaty establishing the European Community, as amended.

“**Trustee**” shall include all persons for the time being the trustee or trustees under the Trust Deed.

“**Trust Deed**” means the amended and restated trust deed dated March 17, 2011 between the Issuer and the Trustee, as supplemented by a supplemental trust deed dated August 4, 2016 and as further amended and/or supplemented from time to time.

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