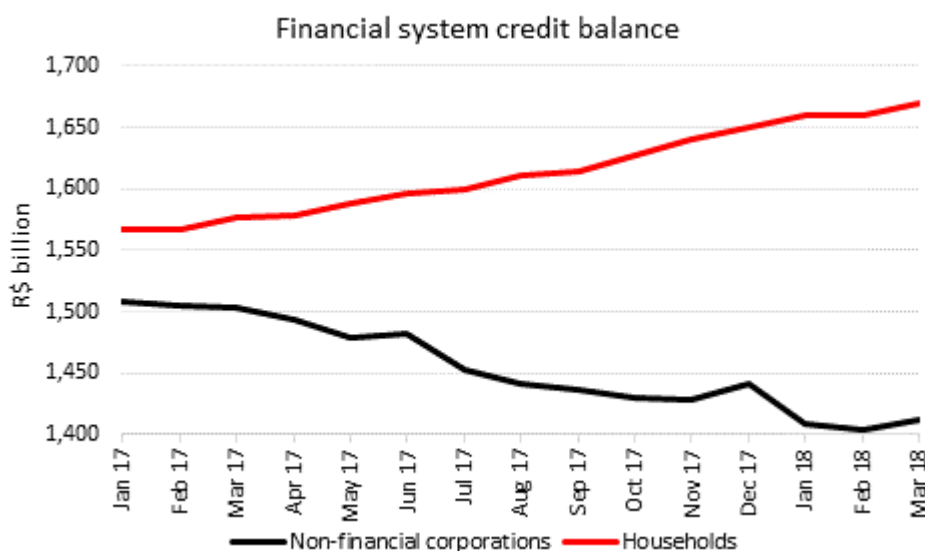


1. Financial system credit operations

The balance of financial system credit operations reached R\$3.1 trillion in March, up 0.6% in the month. The balance remained practically stable in the 12-month period, up 0.1%, reflecting opposite trajectories of household and corporate portfolios, the former growing by 5.9% and the latter decreasing by 6%. The credit/GDP ratio reached 46.6%.



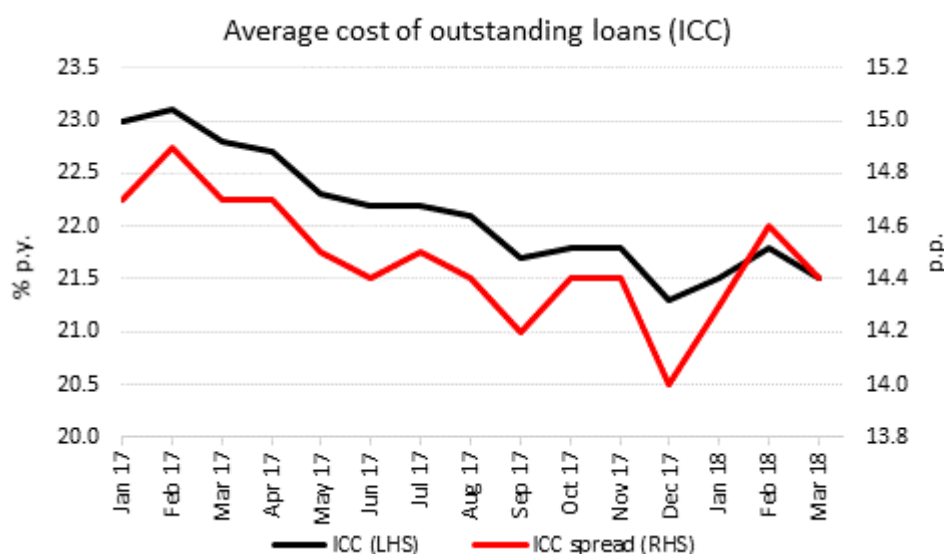
The balance of non earmarked credit operations grew 1.3% in March. The household portfolio increased by 0.7% in the month, due to increases in acquisition of vehicles, 1.2%, and in non-payroll-deducted loans, 1.3%. Corporate transactions grew by 2.1% in the month, driven by discounts of trade bills, 11.1%, export financing, 1.9%, and advances on exchange contracts, 8.6%.

Despite the stability of the earmarked credit portfolio observed in the month, BNDES' investment financing declined by 1.1%, maintaining the trend observed since December 2015.

Lending operations totaled R\$302 billion in March, increasing 14.3% in the month and 5.5% over the last twelve months. Average daily concessions in the month dropped 2% in relation to February,

considering that there were three additional business days in March. It is noteworthy the expansion of 18% in corporate lending, with increases in practically all modalities.

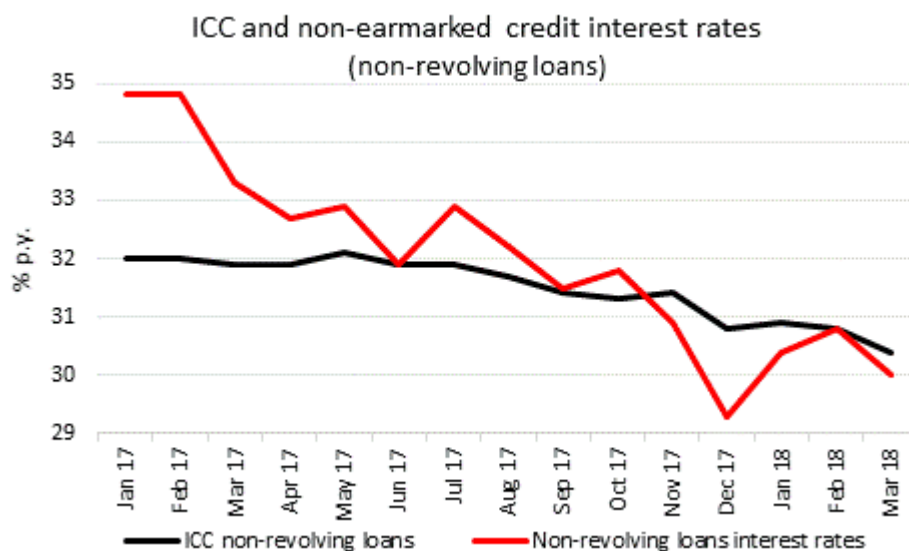
The Cost-of-Borrowing Indicator (ICC) reached 21.5% p.y. in March, decreases of 0.3 p.p. in the month and 1.3 p.p. over twelve months, highlighting the variation in operations with non earmarked resources, with a monthly decline of 0.7 p.p. to 34.6% p.y., especially in discount of trade bills, -1.1%, and in working capital operations, -0.3%. The ICC spread fell by 0.2 p.p. in the month to 14.4 p.p. In the non earmarked segment, the ICC spread reached 25.8 p.p. in March, with decreases of 0.5 p.p. in the month and 1.9 p.p. over twelve months.



The average interest rate of the operations contracted in March stood at 26.2% p.y., a decrease of 0.7 p.p. in the month, reversing the increase occurred in February. This variation reflected, in particular, the decline in the non earmarked interest rate from 0.8 p.p. to 41.4% p.y., reflecting decreases in both corporate, 1 p.p., and in household transactions, 0.5 p.p. In the corporate segment, it should be highlighted the decline in working capital, 1.2 p.p., and in discount of trade bills, 1.9 p.p.; while, in the household segment, emphasis was on non-payroll-deducted personal loans, 0.7 p.p., and acquisition of vehicles, 0.7 p.p.

As of this publication, the ICC and the average interest rates for total credit and for non earmarked credit are also disclosed, considering non-revolving credit operations. This new concept contributes to complementing the available information on the cost of credit. In March, the ICCI for non-revolving credit remained stable at 18.6%. The ICC for non earmarked non-revolving credit decreased 0.4 p.p. in

the month and 1.5 p.p. over twelve months, reaching 30.4%. Interest rates for non-revolving credit reached 19.2% p.y., with respective declines of 0.7 p.p. and 2 p.p. in the month and over twelve months. Likewise was the trend for nonearmarked non-revolving credit interest rates, reaching 30% p.y., with decreases of 0.8 p.p. in the month and 3.3 p.p. over twelve months.



Bank spreads declined in the month. The ICC spread reached 14.4 p.p., a decrease of 0.2 p.p., and the spread of interest rates reached 20 p.p., a decline of 0.4 p.p. Over the last twelve months, spreads declined in both concepts, reaching 0.3 p.p. and 3.8 p.p., respectively.

2. Monetary aggregates

In March, the monetary base reached R\$275.1 billion, increasing 4% in the month and 12.9% over twelve months. Bank reserves and currency issued varied by 29.3% and -0.4% in the month. The main factors that led to this expansion were operations with federal government securities, R\$14.3 billion (net purchases of R\$39.4 billion in the secondary market and net placements of R\$25.1 billion in the primary market), and foreign sector operations, R\$5.3 billion, with repurchases in the forward foreign exchange market.

In relation to the means of payment held by the non-issuing public, M1 (currency and demand deposits) reached R\$330.6 billion, an increase of 1.2% in the month, reflecting growth of 2.4% in demand deposits. M2 totaled R\$2.5 trillion, an expansion of 1.5%, influenced by the 1.9% increase in

securities, including net deposits of R\$25.9 billion in time deposits. The M3 concept reached R\$5.9 trillion and grew 1% in the month, highlighting the 1% increase in the balance of investment funds. The broader monetary aggregate, M4, reached R\$6.7 trillion, which represents an increase of 0.6% in February.

3. Changes introduced in this note

As of the release of the credit statistics for March 2018, the following tables will be included:

1. Total and nonearmarked interest rates, with respective spreads, for non-revolving credit operations;
2. ICC by modality of operations and ICC, total and nonearmarked, excluding revolving credit; and
3. Credit by size of company.

Credit statistics by economic activity were improved with a review of the sectors and greater segmentation of disclosed information.

The following tables will no longer be part of the Press Release; but related information will still be available at the Central Bank of Brazil website, in the Time Series section (<http://www.bcb.gov.br/en/#!/n/TIMESERIESEN>):

1. Interest rates per month for all corporate modalities and, in the case of the household segment, for earmarked credit;
2. Average terms of concession of portfolios (both by modality);
3. Delays of 15 to 90 days by modality;
4. Credit balance by regions;
5. Monetary Base - average working days;
6. Means of payment M1 - average working days; and
7. Compulsory reserves.