

(Convenience translation into English from the original previously issued in Portuguese)

SITAWI

Independent auditors' report

**Financial statements
As of December 31, 2015 and 2014**

SITAWI

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

To Management of
SITAWI
Rio de Janeiro - RJ

Introduction

We have audited the financial statements of **SITAWI** (“Entity”), which include the balance sheets as of December 31, 2015 and the related statements of activities, comprehensive income (loss), changes in net assets and cash flows for the year then ended, as well as a summary of the significant accounting practices and other notes.

Management’s responsibility for the financial statements

The Entity's management is responsible for the fair presentation and preparation of the financial statements in accordance with Brazilian accounting practices and for the internal controls considered necessary to allow the preparation of financial statements free of material misstatement, whether due to fraud or error.

Independent auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit, conducted in accordance with Brazilian and international auditing standards. These auditing standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit includes performing procedures to obtain evidence supporting the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the preparation and fair presentation of the Entity’s financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity’s internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion on the financial statements

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Entity as of December 31, 2015, the results of its operations and its cash flows for the year then ended in conformity with Brazilian accounting practices.

The accompanying financial statements have been translated into English for the convenience of readers outside Brazil.

Rio de Janeiro, October 20, 2016.



**BDO RCS Auditores Independentes SS
CRC 2 SP 013846/F-2**

A handwritten signature in black ink, appearing to read 'Julian Clemente'.

**Julian Clemente
Accountant CRC 1 SP 197232/O-6 - S - RJ**

SITAWI

Statements of financial position As at December 31, 2015 and 2014 (In Brazilian Reais)

Assets				Liabilities and net assets			
	Note	2015	2014		Note	2015	2014
Current				Current			
Cash and cash equivalents	3	2.056.901	1.200.453	Obligations with transfers	6	2.116.768	1.368.365
Environmental and social loans	5	763.392	225.222	Tax liabilities		7.662	20.528
Recoverable taxes and contributions		36.271	24.971	Labor liabilities	7	30.351	258
				Other accounts payable	8	67.468	7.352
		<u>2.856.564</u>	<u>1.450.646</u>			<u>2.222.249</u>	<u>1.396.503</u>
Noncurrent				Net assets	10		
Environmental and social loans	4	412.184	569.323	Social fund		1.059.629	422.044
Fixed assets	5	13.130	15197,0	Cummulative Surplus			216.619
		<u>425.314</u>	<u>584.520</u>			<u>1.059.629</u>	<u>638.663</u>
Total assets		<u><u>3.281.878</u></u>	<u><u>2.035.166</u></u>	Total liabilities and net assets		<u><u>3.281.878</u></u>	<u><u>2.035.166</u></u>

The accompanying notes are an integral part of these financial statements.

SITAWI

Statements of activities As at December 31, 2015 and 2014 (In Brazilian Reais)

	Note	2015	2014
Net operating revenue			
Net Revenues	11	1.509.776	1.272.243
		<u>1.509.776</u>	<u>1.272.243</u>
Operating revenues (expenses)			
Expenses on personnel	12	(442.472)	(442.819)
General and administrative expenses	13	(1.000.624)	(767.638)
Other operating revenues (expenses)	14	315.736	187131,0
		<u>(1.127.360)</u>	<u>(1.023.326)</u>
Financial income, net	15	68.030	53.077
		<u>68.030</u>	<u>53.077</u>
Surplus for the year		<u>450.446</u>	<u>301.994</u>

The accompanying notes are an integral part of these financial statements.

SITAWI

Statements of comprehensive income As of December 31, 2015 and 2014 (In Brazilian Reais)

	<u>2015</u>	<u>2014</u>
Surplus for the year	450.446	301.994
Other comprehensive income	-	-
Total comprehensive income for the year	<u>450.446</u>	<u>301.994</u>

The accompanying notes are an integral part of these financial statements.

SITAWI

Statements of changes in net assets As at December 31, 2015 and 2014 (In Brazilian Reais)

	<u>Social fund</u>	<u>Accumulated surplus</u>	<u>Total</u>
Balances as at December 31, 2013	422.044	(85.375)	336.669
Surplus for the year	-	301.994	301.994
Balances as at December 31, 2014	<u>422.044</u>	<u>216.619</u>	<u>638.663</u>
Surplus for the year	-	450.446	450.446
Others	-	(29.480)	(29.480)
Appropriation to net assets	637.585	(637.585)	-
Balances as at December 31, 2015	<u><u>1.059.629</u></u>	<u><u>-</u></u>	<u><u>1.059.629</u></u>

The accompanying notes are an integral part of these financial statements.

SITAWI

Statements of cash flows As at December 31, 2015 and 2014 (In Brazilian Reais)

	2015	2014
Cash flows from operating activities		
Surplus for the year	450.446	301.994
Adjustment to reconcile surplus of the year with cash from operating activities		
Depreciation	2.067	845
Others	(29.480)	
Adjusted surplus for the year	<u>423.033</u>	<u>302.839</u>
Changes in current and noncurrent operating assets		
Recoverable taxes	(11.300)	(9.755)
Accounts receivable		-
Others		-
Environmental and social loans	(381.031)	(365.893)
	<u>(392.331)</u>	<u>(375.648)</u>
Changes in operating liabilities		
Obligations with transfers	748.403	(107.340)
Tax liabilities	(12.866)	15.450
Payroll and social charges	30.093	(5.309)
Other liabilities	60.116	6.813
	<u>825.746</u>	<u>(90.386)</u>
Net cash from operating activities	856.448	(163.195)
Cash flows from investing activities		
Addition of fixed assets		(5.529)
Net cash from investing activities	-	<u>(5.529)</u>
Net increase in cash and cash equivalents	<u>856.448</u>	<u>(168.724)</u>
Cash and cash equivalents at beginning of year	1.200.453	1.369.177
Cash and cash equivalents at end of year	2.056.901	1.200.453
Net increase in cash and cash equivalents	<u>856.448</u>	<u>(168.724)</u>

The accompanying notes are an integral part of these financial statements.

**Notes to the financial statements
As at December 31, 2015 and 2014
(In Brazilian Reais)**

1. General information

SITAWI (“Entity”) is a nonprofit organization linked to no parties or religion, which has been working for 8 years in Brazil to develop financial solutions for social and environmental impact. Since 2010, the Entity has the certificate of Civil Society Organization in Public Interest (OSCIP).

The Entity’s work is developed in partnership with local organizations and groups, either profit or nonprofit, whose mission is to have great social and environmental impact.

The experience indicates that more capital, more types of capital and a greater efficiency in allocating and using capital transform more lives. Thus, SITAWI also works with families, financial institutions and companies, supporting their strategies of allocating charitable or investment funds.

The Entity’s purpose, according to its articles of organization, is to promote social-economic development by providing credit and technical and managing guidance to nonprofit organizations, micro and medium-sized companies, associations, cooperative companies and similar legal entities that intend to implement projects of significant environmental and social impact and that are excluded from the Brazilian financial system, considering their characteristics, size, credit risk and/or impossibility to offer guarantees.

2. Presentation of financial statements and main accounting practices

2.1. Presentation of the financial statements

The Entity’s financial statements are being presented according to the accounting standards adopted in Brazil, which include the Resolutions of the Federal Association of Accountants (CFC) and Pronouncements of the Accounting Pronouncements Committee (CPCs).

As the Entity is a non-profit organization, the financial statements were mainly prepared in accordance with ITG 2002 - Non-profit entity, approved by Decision No. 1.409 of September 21, 2012, by Technical Notice CTG 2000, approved by Decision No. 1.159 of February 13, 2009, of the CFC, and by NBC TG 1000 - Accounting for Small and Mid-sized entities, for the aspects not addressed by ITG 2002.

The financial statements were approved by the Administration on the October 20.th 2016.

2.2. Significant accounting practices adopted

The financial statements have been prepared in accordance with accounting practices adopted in Brazil, as follows:

a. Functional currency

The Entity's management established that its functional currency is the Brazilian Real, according to the provisions of CPC Technical Pronouncement No. 02 (effects on changes in exchange rates and translation of financial statements).

b. Cash and cash equivalents

These include bank demand deposits and financial investments realizable within ninety (90) days from investment date or considered of immediate liquidity or convertible into a known cash amount, subject to an insignificant risk of change in value. They are recorded at cost plus income earned up to balance sheet date, not exceeding their market or realization value.

c. Recognition of revenues and expenses

Expenses are recorded on the accrual basis and revenues from donations are recorded on cash basis, except for financial revenues, which are also recorded on the accrual basis. The surplus resulting from the Entity's activities is added to net assets only at the end of each fiscal year.

d. Fixed assets

These are stated at cost, less accumulated depreciation calculated using the straight-line method at annual rates that consider the useful economic lives of the assets.

Fixed assets, other non-current assets and material current assets are reviewed annually for impairment. Management tested its assets pursuant to CPC 01, approved by CVM Resolution No. 527/2007 and found no signs of impairment. The assets are realized within satisfactory periods.

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e. Other current and noncurrent assets and liabilities

They are stated at known or payable amounts, plus, when applicable, the respective charges and monetary variations.

f. Surplus for the year

It is added to net assets by the end of fiscal year.

g. Tax liabilities

As a not-for-profit entity, it is exempt from Income Tax (IRPJ) and Social Contribution Tax (CSLL) in accordance with article 15 of Law No. 9.532/97. It is also exempt from other federal taxes, such as COFINS and PIS (taxes on sales).

h. Financial instruments

Financial assets and liabilities are recorded at fair value plus, when applicable, transaction costs directly attributed to acquisition or to the issue of financial assets or liabilities. These are measured according to the classification of financial instruments in the following categories: financial assets measured at fair value through surplus (deficit), held-to-maturity investments and financial assets available for sale; and financial liabilities measured at fair through surplus (deficit) and other financial liabilities.

i. Accounting estimates

These are used to measure and recognize certain assets and liabilities of the Entity's financial statements. Experiences from past and current events, assumptions regarding future events and other objective and subjective factors were considered to determine those estimates. Transaction settlement involving those estimates may result in amounts significantly different from those recorded in the financial statements, due to the inherent inaccuracy of the estimates. The Entity reviews these estimates and assumptions once a year.

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Notes to the financial statements As at December 31, 2015 and 2014 (In Brazilian Reais)

3. Cash and cash equivalents

	<u>2015</u>	<u>2014</u>
Bank accounts	31,845	29,000
Highly-liquid financial investments	2,025,056	1,171,453
	<u>2,056,901</u>	<u>1,200,453</u>

The financial investments in local currency refer to shares of investment funds which have immediate liquidity and no loss of interest upon redemption. All the investments bear interest at Interbank Deposit Rates (CDI) variation.

4. Environmental and social loans

These refer to loans of funds for profit or nonprofit organizations which have social or environmental missions, for example, healthcare, shelter, education, gender, race and ethnic equality, or conservation of the ecosystem. Breakdown of loans as at December 31, 2015, is stated as follows:

	Rate p.a.	Due	2015		2014	
			Current	Noncurrent	Current	Noncurrent
Cooperativa Agroindustrial Solidarium	12.75	Jan/17	64,261	-	-	-
Inova Urbis	Variable	Ago/17	169,861	84,929	36,313	254,790
Peabiru	14.25	Jul/16	51,803	-	-	-
Ecoservice	11	Mar/16	20,990	-	39,357	15,743
Ebenezer	11	Fev/16	24,177	-	51,552	8,592
Flexmedical	variable	Dez/17	166,526	47,317	94,522	151,419
Allowance for doubtful accounts (PECLD*)	variable	Dez17	290,659	279,938	55,591	138,779
			(24,885)	-	(52,113)	-
			<u>763,392</u>	<u>412,184</u>	<u>225,222</u>	<u>569,323</u>

(*) PECLD is constituted with 2% of the value of each loan for parcels not received in less than 15 days

On June 01, 2015, an agreement between SITAWI and Cooperativa Agroindustrial 8 de Junho (Coperjunho) was entered into for the SITAWI to finance the activities of Coperjunho. The agreement was established in the amount of R\$ 75,000 to be paid in eighteen installments with the last installment maturing on January 05, 2017, and bearing annual interest of 12.75%.

On August 09, 2013, an agreement between the Entity and Solidarium Comércio de Artesanato Ético e Justo Ltda. was entered into for the Entity to finance the activities of Solidarium. The agreement was established in the amount of R\$ 64,735 to be paid in eight installments with the last installment maturing on March 10, 2014, and bearing annual interest of 8.5%. On December 21, 2012, another agreement between the SITAWI and Solidarium Comércio de Artesanato Ético e Justo Ltda. was entered into for the Entity to finance the activities of Solidarium. However, the disbursement only occurred on January 15, 2013. This agreement was established in the amount of R\$ 254,790, adjusted by Central Bank Overnight Rate (SELIC), and its amortization will occur as from 2016.

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On November 26, 2015, an agreement between the SITAWI and Inova Urbis Consultoria de Projetos Ltda. was entered into for the Entity to finance the activities of Inova Urbis. The agreement was established in the amount of R\$ 51,808 to be paid in eighteen installments with the last installment maturing on June 21, 2016, and bearing annual interest of 14.25%.

On September 11, 2014, an agreement between the Entity and Instituto Peabiru was entered into for the Entity to finance Instituto Peabiru' activities. The agreement was established in the amount of R\$ 55,100 to be paid in eighteen installments with the last installment maturing on March 21, 2016, and bearing annual interest of 11%.

On August 01, 2014, an agreement between the Entity and A3S-Aquecimento Solar e Soluções Sustentáveis Ltda. (Ecoservice) was entered into for the Entity to finance the activities of Ecoservice. The agreement was established in the amount of R\$ 64,440 to be paid in eighteen installments with the last installment maturing on February 21, 2016, and bearing annual interest of 11%.

On December 22, 2014, agreements between the Entity and Associação Beneficente Ebenezer (Ebenezer) and between the Entity and Fleximedical Indústria e Comércio de Equipamentos Médicas Ltda. (Fleximedical) were entered into for the Entity to finance both companies' activities. Until December 31, 2014, the amount of R\$ 245,945 was disbursed to Ebenezer and the amount of R\$ 194,370 was disbursed to Fleximedical. Until December 31, 2015, the amount of R\$ 570,000 was disbursed to Fleximedical. Both agreements are paid in 36 installments with the last installment maturing on December 21, 2017 in both cases. Interest corresponds to 11.75% p.a. with adjustments each six months according to SELIC rate.

5. Fixed assets

	Depreciation rate %	2014	Additions	Depreciation	2015
IT equipment	20	609	-	(332)	277
Machinery and equipment	10	13,991	-	(1,639)	12,352
Furniture and fixtures	10	597	-	(96)	501
		<u>15,197</u>	<u>-</u>	<u>(2,067)</u>	<u>13,130</u>

	Depreciation rate %	2014	Additions	Depreciation	2014
IT equipment	20	941	-	(332)	609
Machinery and equipment	10	8,879	5,529	(417)	13,991
Furniture and fixtures	10	693	-	(96)	597
		<u>10,513</u>	<u>5,529</u>	<u>(845)</u>	<u>15,197</u>

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6. Obligations with transfers

These refer to obligations to transfer funds to partners as agreed upon in the partnership agreements entered into between parties. The breakdown of these transfers is stated below:

	<u>2015</u>	<u>2014</u>
Família C	1,334,049	684,817
Da Pé	80,000	
Projeto Fundo Mais Unidos	599,981	614,003
Fundo Bonsucesso		147
Plataformas		39,373
Fundação BMW		25
Sou Minas - Projeto Mariana	102,738	
	<u>2,166,768</u>	<u>1,368,365</u>

The social fund Família C was created on December 06, 2012, and its established term is five years. The invested funds may be used for the realization of loan agreements, payment of expenses, acquisition and assignment of equipment, contracts of performance, consulting, and payment of allowances.

Dá Pé - Moved by the wish to reforest the country, the program “Um Pé de Quê?”, created and produced by Pindorama Filmes and Canal Futura, and hosted by Regina Casé, launched in partnership with SOS Mata Atlântica Foundation the crowdfunding “Dá Pé”. It aims to raise funds for planting 20 thousand seedlings, initially, of native trees of the Atlantic Forest, recovering 1.33 km of riparian forest along Rio Una, in the basin of Paraíba do Sul river, supplying the states of São Paulo, Rio de Janeiro and Minas Gerais.

The agreement with Fundo Mais Unidos is annually renewed with each member of the fund. The values received by SITAWI shall be used exclusively as transfers to programs defined by “Grupo + Unidos” and for own expenses, as defined by the Managing Committee. The program currently approved is “Unidos pela Amazônia”. The target for annual reversal for financial management support is 4.7% of funds received in the calendar year.

The Fund Plataformas was created on August 08, 2014. The purpose of the agreement is to support the project “Doe Mais Doe Melhor” and “Desafio Brasil de Crowdfunding” in the amount of R\$ 100,000.

The Fund FBMV was created on November 01, 2014. The agreement was established in the amount of R\$ 71,980 to exclusively invest in supporting the activities of Fundação BMW in Brazil in 2014.

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Notes to the financial statements As at December 31, 2015 and 2014 (In Brazilian Reais)

Sou Minas - In December 2015, artists such as Caetano Veloso, Criolo, Maria Gadú and Tulipa Ruiz performed in benefit concerts for the benefit of the families affected by the dam collapse in Mariana, state of Minas Gerais. The concerts gathered over 13 thousand supporters and the value collected through the tickets sales assigned to Fundo Filantrópico SouMinasGerais, managed by SITAWI Finanças do Bem. The amount of R\$ 450 thousand was collected and transferred to the project RiodeGente supporters, an independent research, coordinated by Greenpeace, to measure the impacts of the disaster and point solutions for rebuilding Rio Doce Basin in Minas Gerais.

7. Labor liabilities

	<u>2015</u>	<u>2014</u>
Self-employed worker payable	18,896	
Employers' trade association payable	93	107
Social security tax (INSS) payable	10,663	
FGTS		139
PIS on Payroll		12
Withholding income tax (IRRF) on management fees payable	99	
Salaries	2,600	
	<u>30,351</u>	<u>258</u>

8. Other accounts payable

	<u>2016</u>	<u>2015</u>
Customers' advances	66,868	4,6890
Reimbursement of expenses	610	2,239
Leonardo Letelier		148
Accounts payable		275
	<u>67,468</u>	<u>7,352</u>

9. Contingencies

In the ordinary course of conducting its business, the Entity is subject to labor, civil and tax actions. Management, relying on its legal counsel's opinion or that of other technical specialists, when applicable, evaluates the possible outcome of ongoing lawsuits, and the need for setting up provisions for contingencies arising from them.

10. Net assets

Net assets are made up of the funds totally paid in from the initial donation and the surpluses resulting from the Entity's activities, calculated at the end of each fiscal year.

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Notes to the financial statements As at December 31, 2015 and 2014 (In Brazilian Reais)

11. Private grants

These record donation funds received by SITAWI to realize its core expenses (donations) and supplemental expenses:

	<u>2015</u>	<u>2014</u>
Donations	1,253,847	989,989
Other Loans		56,822
Net revenues from loans	159,522	44,113
Reversal of funds	96,407	181,319
	<u>1,509,776</u>	<u>2,272,243</u>

The fund reversals refer to amounts that the Entity reverses to use in its finances arising from amounts received from the social funds. Taking into consideration the agreement entered into with each fund, these funds are used to maintain the Entity's operating activities.

12. Personnel expenses

	<u>2015</u>	<u>2014</u>
Year-end bonus	2,903	1,927
Health insurance	8,507	3,795
Aviso Prévio	-	1,675
Training	-	7,140
Interns	51,510	22,620
Vacation	2,580	1,353
Severance pay fund (FGTS)	2,047	3,215
Remuneration of self-employed workers	17,080	
Social Security Tax (INSS)	62,819	65,370
Social Contribution (PIS) on payroll	256	236
Management Compensation	263,726	294,404
Salaries	24,315	35,854
Insurance	151	283
Meal Plan	3,995	3,783
Transportation passes	2,583	1,164
	<u>442,472</u>	<u>442,819</u>

Notes to the financial statements
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13. Administrative expenses

	<u>2015</u>	<u>2014</u>
Rent - sundry	77,656	77,710
Rent and HOA fees	3,000	680
Electricity	4,895	2,900
Sundry expenses	911	2,188
Events and promotions	1,373	2,725
Communication expenses	7,297	5,645
Photocopies		810
Goods	9,122	118
Consultancy	12,667	20,319
Union Dues	645	6,559
Kitchen	975	2,988
Mail	2,079	723
IT Costs	5,012	6,157
Depreciation and amortization	2,667	845
Travel and lodging		465
Transportation	121,439	68,039
Gifts	90,460	499
Meals and snacks	22,428	40,420
Services rendered - Natural person	58,677	35,576
Services rendered - Legal entity	510,908	450,489
	8,596	8,914
Taxes on Revenues ISS	17,373	1,654
Taxes, fees and contributions	24,885	40,266
Losses on Credits	17,560	20,949
Other expenses		
Total	<u><u>1,000,624</u></u>	<u><u>767,638</u></u>

14. Other Operating Revenues

It mainly refers to revenues from advisory services rendered in 2015 in the amount of R\$ 315,736 (R\$ 187,131 in 2014).

15. Financial income (loss), net

	<u>2015</u>	<u>2014</u>
Financial revenues		
Interest gains	1,931	2,171
Discounts obtained		11
Return on financial investments	73,531	53,273
Financial expenses		
Interest losses	(256)	(340)
Discounts granted		(49)
Bank expenses	(1,350)	(1,319)
Income tax on financial investment		
Selling expenses		
Monetary losses	(4,284)	
IOF	(1,542)	(670)
	<u><u>68,030</u></u>	<u><u>53,077</u></u>

Notes to the financial statements
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16. IRPJ (Corporate Income Tax) exemption

The Entity, given its purpose and goals and pursuant to article 170 of the Income Tax Regulation (RIR), is not subject to the Corporate Income Tax. The Entity annually files the Legal Entity Income Tax Return (DIPJ) - Tax and Accounting Bookkeeping (ECF).

17. Equity Quotients

Quick Ratio		2015	2014
Cash and Cash Equivalents	2,056,901 =	0,93	0,86
Current Liabilities	2,222,249		
Current Ratio			
Current Assets	2,856,564 =	1,29	1,04
Current Liabilities	2,222,249		
General Liquidity			
Current + Non Current Assets	3,268,748 =	1,47	1,45
Current + Non Current Liabilities	2,222,249		
Fixed Assets to Net Worth Ratio			
Fixed Assets	13,1300 =	0,01	0,01
Net Assets	1,059,629		
Fixed Assets to Total Assets			
Fixed Assets	13,1300 =	0,004	0,007
Net Assets + Current Liabilities	3,281,878		

18. Financial instruments

The existing financial transactions involve usual assets and liabilities related to the Entity's business activity, especially short-term investments, accounts receivable and payable. These transactions are presented in the statements of financial position at cost plus related revenues and expenses which, in view of the nature of the transactions and maturities, approximate market values. During 2016 and 2015, the Entity did not conduct transactions with derivatives.

The Entity is exposed to the following risks resulting from the use of financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk.

18.1. Risk management structure

The Entity evaluates the risks of its financial instruments and defines which limits are appropriate and acceptable considering their operations and goals.

18.2. Credit risk

Credit risk is the risk of financial deficit of the Entity, if a counterparty, in any of the agreements, fails to fulfill its contractual obligations, which arise mainly from its receivables. Historically, the Entity has not incurred significant losses resulting from customers not meeting their financial obligations with their financing agents.

18.3. Liquidity risk

It results from the possibility of the Entity finding difficulties to comply with the obligations associated to its financial liabilities settled through payments in cash or through other financial assets. The Entity's approach in the management of this risk is to guarantee enough liquidity to meet its obligations at maturity, under regular or unusual conditions, with no unacceptable losses or risking the Entity's reputation.

18.4. Market risk

Market risk is the risk that market price changes, such as financial investment interest rates, affect the Entity's gains due to its portfolio or the amount of its interest in financial instruments. The Entity manages the market risks through financial investments in low risk market funds and with low financial leverage, always with top-tier financial institutions.

As at December 31, 2016, based on the opinion of its legal counselors, there are no ongoing lawsuits; therefore, no provision for amounts of such nature was made.

19. Insurance Coverage (not audited)

The entity does not have insurance on its fixed assets which is composed mainly from computer laptops. Given cash liquidity and insurance costs, the risks are considered low by the administrators.

The premises adopted for risks, given its nature, are not part of the scope of the auditing and was therefore not examined by the auditors of the entity.

20. Subsequent events

Until the present date, there were no events that may significantly affect the financial statements or the Entity's operations.