

Sustainability Report

2009 Results

Todo
seu



Unidade Relações com Investidores

It's Brazil being sustainable

It's Brazil working towards the country's development. It's Brazil working with social-environmental responsibility. It's Brazil having a Bank that has fostered the country's development for more than 200 years. In 2009, by showing will to dialogue, listen and learn from its stakeholders, Brazil promoted the first Panel of Stakeholders. At that occasion, employees, shareholders, customers, suppliers, sustainability experts - representatives from society (NGOs) and government evaluated the reporting practices of the company. Conducted by BSD Consulting, invited participants could analyze and criticize the 2008 Annual Report. Based on the findings of this panel, the 2009 Annual Report started to be prepared.

In order to talk about sustainability in BB, it is fundamental to know the company's Agenda 21, a document that contains a set of social-environmental commitments and sets forth an action plan with deadlines to be met, driving the sustainable activities of BB today and in the future. Used as a tool of social-environmental management since its first edition in 2005, the agenda is structured in three major areas: **Processes with Social-environmental Responsibility, Businesses with Focus on Sustainable Development and Private Social Investment.**

In the Agenda 21 of BB we highlight the Letter of Banco do Brasil's Principles of Socioenvironmental Responsibility which guides the administrative and business practices of the whole company. In the second half of 2009, the Management Board of the Bank reaffirmed, during the launch of the Sustainability Forum, all commitments included in such document.

The Sustainability Forum was created for executives from many areas of the Institution to discuss and prepare quarterly proposals and strategies for the Company's activities. It is the Sustainability Bank showing that this theme is increasingly present and cemented in top management.

Some changes in the organizational structure were made over the year. The Bank created a Sustainable Development Unit, responsible for the social-environmental management of the Company and the strategy for Sustainable Regional Development (DRS). With the

purpose of strengthen social-environmental responsibility policies and practices, the Bank linked the new unit to the Vice-presidency of People Management and Sustainable Development.

As a result of a management guided by corporate Agenda 21 in addition to adjustments made in our structure, we were once more included in the Index of Corporate Sustainability of Bovespa (ISE). The Bank strives to maintain the Organization's efforts with regard to good corporate governance practices and sustainability, based on the balance on economic, social and environmental dimensions.

Listed for the 5th consecutive year in the Bovespa Corporate Sustainability Index (ISE).

Based on the Organization positioning and vision of social-environmental responsibility: with ethics as commitment and respect as attitude in relation to its stakeholders, we report the main initiatives of Banco do Brasil in its relationship with its many publics:

The complete version of the initiatives, with the independent auditors' assurance report, is available at www.bb.com.br/ir, the Annual Report.

EMPLOYEES

With the merger of Banco Nossa Caixa, BB started to count on over 100 thousand people in its structure and be among one of the largest employers of the country. This acquisition represented, above all, the integration of different organizational cultures.

BB is one of the largest employers of the country

Reaffirming its commitment to employment generation, BB employed in 2009 14,999 collaborators.

At the end of March, it granted the extension of maternity leave to 180 days. This measure, which includes expecting and adoptive mothers, meets the policies on people management and social-environmental responsibility of BB.

The Education actions of Banco do Brasil are based on a Political and Educational Proposal of Universidade Corporativa Banco do Brasil that aims at guiding the qualification and development of employees. Permanent education, performance measurement and professional recruitment are the main areas of the proposal.

Universidade Corporativa BB counts on courses created internally and provided by external entities through onsite, onsite-distance and distance learning. In 2009, R\$ 96.8 millions were invested in the qualification of employees.

BB invested R\$ 96.8 million in training of its employees

In 2009, Banco do Brasil was one of the 23 Brazilian companies to get the Pró-equidade de Gênero seal, as recognition of its effort to implement practices of people management and organizational culture aimed at achieving genre equality in the corporate world.

The Professional Ascension Program in Branches Network is a process for identifying employees who, after approved, comprise a group of candidates with potential to assume administrative commissions through three stages: Certificate of Knowledge, Qualification and Commissioning. So the career management is shared between the employee and the Organization, having as assumption the following: democratization of opportunities, clarity and transparency, valuing competence, qualification, experience and merit.

Through the Internal Certification Program, which in 2009 was attended by 61,033 employees in the first half of the year and 59,720 in the second half, 72.6 thousand certifications were granted in ten areas of knowledge in connection with banking practices. BB, meeting its legal obligations, also encourages certification by external entities of its staff members' technical competencies. By late 2009, 51.9 thousand employees had been granted legal certifications in investments.

51.9 thousand employees with professional certification in investments

The Specialized Services in Engineering of Occupational Safety and Medicine of BB (Sesmt) carried out 255 ergonomics analysis, 1,224 safety inspection in buildings and 1,599 inspections according to the Program for Environmental Risk Prevention.

Since 2003, periodical medical examinations are made annually of all employees. The initiative goes beyond the effective legislation, which establishes an interval of two years.

In the last seven years, the number of smokers in BB has gradually decreased. The Company maintains a Program for Smoking Control, developed by the Quality of Life area of the Bank. While in the Brazilian population the percentage is 15.2%, in BB 8.26% of employees declare themselves smokers.

Banco do Brasil has a Program Program for Assistance for Victims of Assault and Kidnapping, which provides immediate medical, psychological, legal and security assistance to employees who were victims of attacks against the Bank's property.

The Program for Quality of Life at Work invested in 2009 R\$ 17.5 million to hire qualified professionals for conducting anti-stress practices in the work environment and hours in all units of the Bank.

In 2009, the 1st BB Cultural Festival was held to recognize and value the artistic talents of current and retired employees.

The Work Satisfaction Survey, held in 2009, found that 70% of employees are satisfied with working in Banco do Brasil.

In order to establish a direct channel of communication from employees, interns and apprentices to the management of the Company, Banco do Brasil maintains an Internal Ombudsman Service which purpose is strengthen the participative, democratic and transparent management.

In 2009, we registered 7,000 contacts (complaints, denouncements, compliments and other), guaranteeing confidentiality and secrecy to the source.

In order to consolidate educational and conflict mediation duties, the Ombudsman Service promoted events to qualify and raise awareness of employees. The Itinerant Ombudsman Project was taken to many Brazilian states where it discussed about themes regarding work relationship with the functional body; made the reporting of events systematic from the

From 2009 the reporting of events from the Internal Ombudsman Service to the top management of the Company

Ombudsman Service to the Management Board and Board of Directors of BB.

Permanent negotiation showed to be the strong point in the relationship between the Bank and trade association entities in 2009. Thematic tables, with the Company's representatives and employees, to debate about fundamental issues such as Health, Work Condition and Compensation, were preceded by monthly negotiation rounds providing solutions to conflicts and demands natural to the capital/labor relationship. In addition to visits to the country's unions and constant talks, the Company also tried to improve the internal communication process aimed at consolidating and disseminating a culture of dialogue. In order to provide more transparency to the negotiation process, BB made available on the internet the "Salary Agreement" site.

Banco do Brasil was one of the first companies to legitimate in its Collective Agreement the union representation at the ratio of 1 representative to 1 group of 80 employees. The initiative has provided solution of local conflicts, in a decentralized way.

Still in relation to compensation and other welfare, all employees of BB are benefited from collective bargaining. In addition to the benefits provided for in the legislation, Banco do Brasil sponsors private pension and health care entities, responsible for supplementing retirement and medical assistance benefits to its employees.

SHAREHOLDERS

In its relationship with shareholders, BB advocates fairness, transparency, and the provision of quality information. In 2009, the Bank held 21 meetings with shareholders, investors, and analysts, in addition to 6 conference calls. It has an Investor Relations site (www.bb.com.br/ir) and a Shareholders' Room with updated shareholder assistance information. Banco do Brasil also produces a number of reports on its activities: by Management, on Performance, on Sustainability, the Company, and the Annual Report.

In 2009 BB disclosed net profits of R\$ 10.1 billion, with a return on shareholders' equity of 30.7%, which is equal to R\$ 3.95 in earnings

per share. This performance permitted R\$ 4.1 billion to be set aside for the year as dividends and interest on capital (R\$ 1.58 per share). Please see the distribution of value added (DVA) in the Ibase table at the end of this Report.

In 2009, instruments and procedures for evaluating the performance of the Board of Directors, Audit Committee and Board of Officers were established. The initiative strengthens the corporate governance once it supports the performance of internal diagnostics and identification of actions to improve the Company's activities.

BB promotes a systematic assessment of performance of all its employees.

CUSTOMERS

Banco do Brasil goes a step further when meeting consumer needs, in order to keep up public expectations and respect the rights of consumers; encouraging customer communications with the Company; and providing clear, reliable, and timely guidance and information.

At the end of the fiscal year BB had 52.7 million customers, had grown 9.7% during the year, with 17.9 thousand points of sales in 3.6 thousand municipalities.

In addition to 4,897 branches across the whole country, the BB customer has channels that provide information on service processes, clarify doubts and receive complaints from consumption relationship. These channels are classed in two levels: SAC - Consumer Assistance Services, for primary problem solving, and the Ombudsman for all other cases.

BB customers have a direct communications channel with the Audit Committee

In 2009, the Ombudsman's office received 50.5 thousand contacts, allowing the Bank to make adjustments to its service model and acknowledge occasional customer needs that were not taken care in its products and banking services.

Over 1 million families assisted by DRS

Banco do Brasil takes opportunities, jobs, and business to every region in the country. The innovative Strategy for Sustainable Regional Development (DRS) drives sustainable development in Brazil's regions, considering their potentials, vocations, and local features, with a focus on sustainability.

By means of this strategy, Banco do Brasil is active not only as a financial institution, but also as a catalyst, encouraging, articulating, and mobilizing economic and social agents to structure productive activities - rural and urban - into sustainable business activities.

The innovative character in sustainable finance and the social-environmental extent of the initiative were attested by the United Nations University, which stated the following in its report: "In our knowledge, DRS is the first initiative promoted by a financial institution that includes sustainable development principles (economically feasible, socially fair and environmentally correct, in addition to preserving and promoting cultural diversity) as the basis of its methodology and practice of implementation, and follows them systematically."

In 2009 BB counted over 1 million beneficiaries assisted under the DRS strategy in over 4.7 thousand of the country's municipalities, with the involvement of 4,073 branches and over 4.5 thousand business plans, having granted R\$ 5.2 billion in loans intended for investments, current expenditures, and working capital.

In the case of more structured segments, the Bank provides Local Productive Arrangements (APL) with the aim of easing access to credit and of encouraging sustainable regional development. BB provides support to 184 APLs, involving over 16.4 thousand undertakings. In 2009 R\$ 1.4 billion were granted in loans to companies in the arrangements supported by BB.

Emphasizing its sustainability positioning, The Bank manages socially responsible investment funds that encourage a virtuous circle in the market. BB-ISE stands out among these investment funds, launched simultaneously with

BB-Ações ISE yielded return higher than Ibovespa in 2009

the Bovespa Corporate Sustainability Index, BB Referenciado DI Social 200, which directs 50% of its management fee in support of social actions, and Fundo Brasil Sustentabilidade, which concentrates on companies that create carbon credits. The equity of these funds totalled R\$ 77.1 million in 2009.

The Bank made available R\$ 7.8 billion to family farming businesses through Pronaf, a sum 25.9% above that in 2008, to the benefit of 897 thousand farmers.

Accessibility is another recurring subject in Banco do Brasil. Concerned with the extension and ease of access to its products and services, the Company makes available a number of options for handicapped persons. The hearing handicapped customers are provided with special access to BB's Customer Assistance, and visually handicapped persons have an Internet portal prepared to meet their needs.

The Financial Manager has topped the mark of 1.2 thousand customers

efficiently.

At the same time that it is concerned with Company sustainability, the Bank also concerns itself with its customers' sustainability. To this end, BB has an Personal Internet Financial Manager that allows individual and legal entity customers to plan their budgets responsibly and

SUPPLIERS

BB has relations with reputable service providers and suppliers, and employs impartial and transparent contracting procedures, governed by Law nº 8666/93. The Company complies with its social and environmental responsibilities, and includes specific clauses in its agreements on barring child and slave labor, preserving the commitment assumed when undersigning the Anti-Slave Labor Pact proposed by Instituto Ethos.

52.5 thousand public bids performed through electronic means

In addition, the Bank gives priority to the purchase of goods and services through electronic means, with a view to increase competition

in the public bid procedures. In 2009, 52.5 thousand public bids were performed through electronic means.

COMPETITORS

Banco do Brasil actively participates in thematic and sector forums related to the sustainability theme. Examples are its participation in the Commission on social responsibility and sustainability of the Brazilian Federation of Banks and Thematic Chamber of Sustainable Finance of the Brazilian Interprise Council for Sustainable Development - CEBDS, having assumed the Council's chair for 2009-2011.

GOVERNMENT

In the relationship with the government, BB is one of the main partners in the implementation of policies oriented at national development. In 2009 it upheld its role as the Federal Government's key partner in the execution of social policies and promoting the Brazilian economy, contributing to the productive inclusion process of those more socially vulnerable groups.

BB is present in reading and writing skills for young people and adults, in digital inclusion, in the strengthening of family farming businesses, in loans to exporters, in support to micro and small businesses, in improved living conditions in native communities, in increased access to reading and culture, and in the encouragement and support of volunteer actions.

Credit volume of Government programs implemented by BB

	2007	2008	2009
Pronaf	R\$ 5.3 billion	R\$ 6.2 billion	R\$ 7.8 billion
Proex	US\$ 331.6 million	US\$ 297.1 million	US\$ 278.3 million
FCO	R\$ 1.9 billion	R\$ 3.5 billion	R\$ 3.2 billion

COMMUNITY

As for community relations, BB respects cultural values and recognizes the importance of the communities for the Company's success, as well as the need to return to society a portion of the value added to its business. It supports development actions and participates in undertakings intended for improving the population's social conditions. Different actions have evidenced Banco do Brasil's activities with the communities in which it is present. Besides the DRS Strategy encouraging economic and social development, BB's investments in sports and culture create jobs and work towards social inclusion of the assisted communities.

Action	No. of Events	Temporary jobs	Ton of food received	Visitors	Children benefited (students)
Sports	513	24,982	138	1,030	51,746
Culture	955	8,974	176,159	4,085	294,516

In sporting events, Banco do Brasil also provides the logistics for the supply of meals and sporting workshops for lower income children. Since 2007, these events have offset greenhouse gas emissions. In 2009, in order to mitigate these impacts in beach volleyball sporting events, 3.4 thousand trees were planted.

Investments in culture take place in the cultural centers (CCBB) located in São Paulo, Rio de Janeiro, and Brasília.

Through Digital Station Program, of Fundação Banco do Brasil, it was trained 40 social educators in 263 communities and 20 digital stations were settled. The Community Tele-centers Programs, of Banco do Brasil, reached 291 tele-centers in 7 Brazilian states. The equipments used in this program came from the remodeling of the Bank's technology structure.

Concerned with the defense of the rights of children and teenagers, Banco do Brasil has made donations to Fundos da Infância e Adolescência (FIA), managed by Conselhos de Direito da Criança e do Adolescente. In

R\$ 8.7 million transferred to Fundo da Infância e Adolescência

2009, this sum reached the mark of R\$ 8.7 million.

Confirming its posture concerning social responsibility, in 2004 Banco do Brasil started to suspend new loans to customers included in a list published by the Ministry of Labor and Employment, of employers and landowners who submit their employees degrading forms of labor or who maintain them in conditions similar to slave labor.

The Bank sponsors social inclusion activities in its facilities by means of programs that assist young people in the community, such as Programa Aprendiz Adolescente. By 2009 22,898 young people had been benefited by BB's Learning Programs

BB encourages its employees' commitment in social activities such as teaching reading and writing to adults, donation campaigns, and others. In 2009 2,175 employees had been enrolled in the Bank's volunteer work programs. Over 5,845 trainings were carried out in the "Voluntary Action" courses made available by the Company.

In a partnership with Fundação Banco do Brasil, BB supports institutions and civil entities with employees volunteer work.

Fundação Banco do Brasil promoted actions in involving the creation of work and income, education, and in support of the disclosure of social technologies, being 2,225 units built. Among the programs sponsored by the Foundation, it is worth mentioning those directed at teaching young people and adults to read and write - BB Educar - and assistance to young people from lower income families in educational, cultural, and sporting activities by means of Programa Integração AABB Comunidade.

	BB Educar	AABB Comunidade
Participants	14,894	49,827
Investment R\$ thousand	2,626	15,839

The Foundation also grants awards to outstanding actions in the communities by means of Prêmio Fundação Banco do Brasil de Tecnologia Social, the purpose of which is to detect, disclose, and certify social technologies.

For further information, please access FBB website: www.fbb.org.br

ENVIRONMENT

Environmental preservation is the guideline for the Bank's managerial and business practices. Meeting the commitments assumed with the Equator Principles and Green Protocol, BB requires the environmental license as a condition to finance projects of investment in polluting or potentially polluting activities or even from those that use environmental resources in productive process; prohibits the carry out of operations aimed at financing activities or ventures that may exert a significant adverse environmental impact without the presentation of an environmental impact assessment study and the respective environmental license; maintains credit facilities specially created to support projects directly related to environmental preservation or social inclusion, such as BB-Biodiesel, BB-Florestal, BB Produção Orgânica among others; develops the structuring of solutions that make feasible projects with potential to reduce the emission of greenhouse gases and that may fit into the Clean Development Mechanism - CDM.

Projects examined in the light of the Ecuador Principles

Sectors	Risk Level	Amount Financed	No. of projects
Energy Alcohol Industry	High	R\$ 2.3 billion	2 Projects
-	Medium	-	-
-	Low	-	-

Strengthening the obligations assumed, the Bank adopts managerial practices focused on the environment. It has a Eco-efficiency Program

**Discarded
recyclable paper
is handed over to
gatherers'
cooperatives.**

directed at the conscientious use of water, energy, and paper, besides the selective gathering of solid residues (paper, plastics, metal, and glass), which are then handed over to gatherers' associations or cooperatives. The Bank also encourages electronic business, which reduces costs and risks with forwarding documents, improved file management, and greater security. A good example are foreign exchange contracts: 30% of these contracts are closed over the Internet with an electronic signature. Banco do Brasil was also the first

bank in the market to offer the Authorized Direct Debit - DDA to its clients in May 2009. In addition to convenience in the electronic generation of paying slips and information security, the new service contribute to reduce the volume of paper used by Banks in its charging transactions. In December 2009 the bank had 1.1 million customers registered in the service.

Attentive to the challenge from climate change, Banco do Brasil is a founding member of the Program on Greenhouse Gas Inventory and Management and the corporate platform Companies for Climate. It has also adhered to the commitment "Caring for Climate" of the United Nations Organization.

It contributed with suggestions to the National Plan on Climate Change and was one of the signatory companies of the position paper disclosed by CEBDS on the theme of Conference of the Parties on Climate Change - COP 15 - occurred in Copenhagen, Denmark, in December 2009.

In October 2009, BB divulged to the public its first inventory of greenhouse gases, base year 2008:

Scope 1 emissions Direct emissions (t CO2e)	Scope 2 emissions Indirect emissions - Electricity (t CO2e)	Scope 3 emissions Indirect emissions - Other (t CO2e)	Sources	TOTAL Scopes 1, 2 and 3	Status
4,289	33,107	12,310	Travels and service of employees of Banco do Brasil. Travel at service through land with own vehicles leased for use in the premises of Banco do Brasil. Electricity consumption	49,706	PRELIMINARY

Sustainability website: bb.com.br/sustentabilidade

Investor Relations website: bb.com.br/ir

Culture website: bb.com.br/cultura

Sports website: bb.com.br/esporte

Fundação Banco do Brasil website: www.fbb.org.br