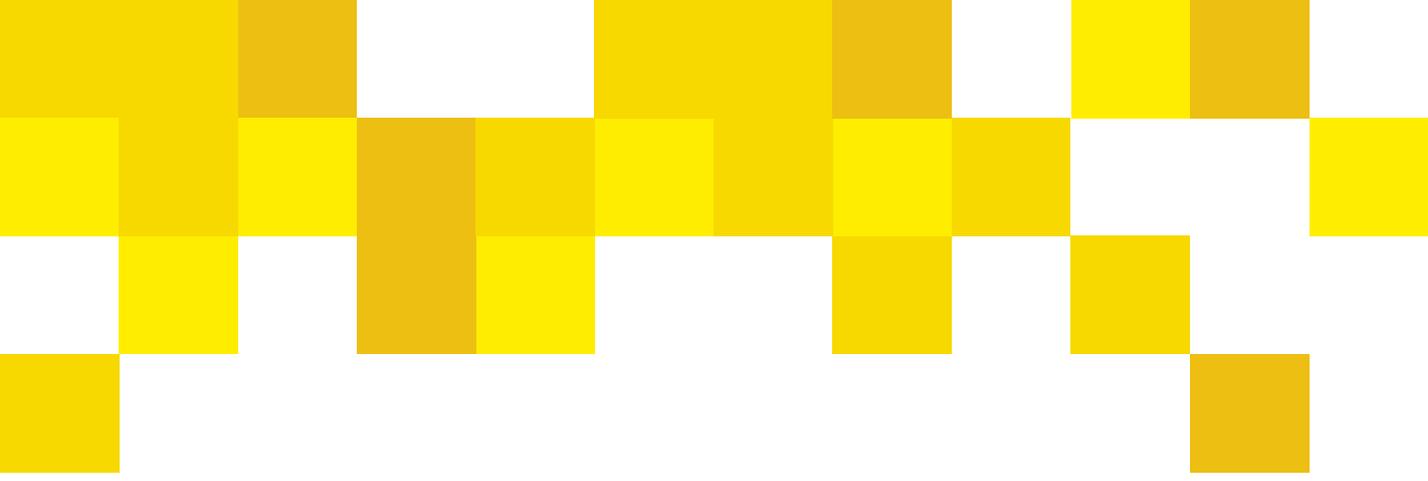


2014
Annual
Report





About this Report

[GRI G4-18](#) | [G4-19](#) | [G4-20](#) | [G4-21](#) | [G4-23](#) |
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Banco do Brasil (BB) is presenting its 2014 Annual Report showing the principal initiatives and results during the year. The purpose of this publication is to disclose how the Bank manages its business and the impacts within the economic, environmental and social spheres.

Available only in electronic format since 2010, this document abides by the principal Brazilian and international guidelines concerning sustainability and transparency of accountability. The publication has received annual assurance since 2008 from KPMG Auditores Independentes. [GRI G4-33](#)

The 2014 Annual Report follows the guidelines of the Brazilian Association of Public-Quoted Companies (ABRASCA) as well as those of the Global Reporting Initiative (GRI), including the financial sector supplement, with the option of the version 4 comprehensive agreement. The publication also meets the criteria of the Dow Jones Sustainability Index (DJSI) and the Corporate Sustainability Index of the (ISE) BM&FBOVES-PA as well as the ten principles of the United Nations Global Compact. Furthermore, this report complies with CMN Resolution No. 4,327/2014 dealing with the implementation of Socioenvironmental Responsibility Policies by financial institutions in Brazil. Any reformulation of information and the reasons for doing so are described throughout the report. [GRI G4-22](#) | [G4-32](#)

The economic and financial data referring to the Banco do Brasil Conglomerate comply with the provisions of Law No. 6,404/76 (Business Corporation Act) and the rules issued by the Brazilian Securities Commission (CVM) and by the Central Bank of Brazil (Bacen). The information involving social and environmental indicators only covers the Multiple Bank, which in 2014 accounted for 70.9% of the Conglomerate's operating result. [GRI G4-17](#) | [G4-32](#)

To define the relevant issues for management, in accordance with the GRI G4, the Bank undertook a series of analyses whose starting point was the process for updating the Sustainability Plan – BB Agenda 21. During 2014 the Bank brought together its technical teams, executives and stakeholder representatives to discuss the challenges in the Bank's sustainability and to define the actions for each of them (find out more on page 49). These forums served to prioritize the challenges according to the guidelines of the G4 version of the GRI, in order to obtain the materiality for the report. This process is proof of the alignment between accountability and management of the topic, which contributes to the engagement of the Senior Management's and stakeholders within the scope of sustainability.



On the path to integrated reporting

GRI G4-18 | G4-19 | G4-20 | G4-21 |
G4-23 | G4-26 | G4-27 | G4-28

With this Annual Report, Banco do Brasil is commencing the process of aligning its reporting on sustainability with the principles and elements proposed by the International Integrated Reporting Council (IIRC). Several examples of this progress are shown below.

- Materiality-oriented content through the multi-stakeholder process, based on the updated BB Agenda 21, presenting, whenever possible, comparative information with the history of the Bank and the market
- Emphasis on short, medium and long-term strategy and objectives, in addition to the main business levers, pointing out the important progress achieved during the reporting period
- Correlation of subject matters so as to reflect the interdependence between initiatives, areas and operating aspects
- Dealing with the business model, the relevance and the quality of stakeholder relations, as well as the internal and external factors affecting how BB operates
- Transparency in explaining the governance structure and guidelines, as well as risk management and opportunities

GRI G4-18 | G4-19 | G4-20 | G4-21 |
G4-23 | G4-26 | G4-27 | G4-28

The G4 version of the GRI guidelines stipulates the preparation of the materiality matrix on two fronts: the importance of the organization's economic, environmental and social impacts; and the influence of the theme in the stakeholders' evaluation and decision. The first axis was built based on five distinct analyses:

- Aligning the challenge with the regulations, laws and international or voluntary treaties
- The manner in which BB handles the challenge
- The impact of the challenge, bearing in mind its size and extent
- The urgency in addressing the challenge
- The pertinence within the context of the Bank's vision of the future

To that end, a series of documents and sectorial studies were analyzed, in addition to internal analyses. Thereafter, the challenges of the Agenda 21 were evaluated against the strategic planning. Lastly, the 20th Sustainability Forum enabled executives from the different areas of the Bank to prioritize the challenges by assessing their impacts.

The axis dealing with the influence of the topic in the stakeholders' evaluation and decision, in turn, was analyzed from three focal points:

- Highlight given to the challenge by Brazilian banks – Industry survey
- The ability of the topic to affect the company's image or reputation – Media analysis
- Evaluation by the stakeholders

In the first item, the relevance of each challenge for other Brazilian banks is evaluated. The media analysis took into account the possible impact on the Bank's image or reputation. Stakeholder evaluation took place on the BB 2014 Stakeholders Panel held in September in São Paulo. The event brought together employees, suppliers, customers, civil society, investors/shareholders and specialists in sustainability who, organized around tables, evaluated each of the challenges individually and in groups. The scores given by these stakeholders were subsequently weighted in accordance with the map of the Bank's priority stakeholders previously defined and approved by BB executives. [GRI G4-24 | G4-25](#)

Further information can be found on the Investor Relations (RI – www.bb.com.br/ri) and Sustainability sites of Banco do Brasil (www.bb.com.br/sustentabilidade) or with the BB teams (see contact details in Corporate Information). [GRI G4-31](#)



Priority challenges of Banco do Brasil according to their materiality

GRI G4-18 | G4-19 | G4-20 | G4-21 | G4-23 |
G4-26 | G4-27 | G4-28

To enhance the sustainability governance structure by involving Senior Management (Board of Directors, Board of Officers and the Executive Board) in order to strengthen the Bank's commitment to the topic. [GRI G4-EC6](#) | [FS9](#)

Improve the brand management process using clear monitoring metrics linked to risk management and financial returns. [GRI G4-EC1](#) | [G4-SO6](#) | [G4-PR3](#) | [G4-PR4](#) | [G4-PR5](#) | [G4-PR7](#) | [G4-PR8](#) | [G4-PR9](#) | [FS9](#) | [FS15](#) | [FS16](#)

Put in place mechanisms to strengthen employees' commitment to the Code of Ethics and the Standards of Behavior. [GRI G4-HR3](#) | [G4-HR4](#) | [G4-HR5](#) | [G4-HR6](#) | [G4-HR7](#) | [G4-HR12](#) | [G4-SO3](#) | [G4-SO4](#) | [G4-SO5](#) | [G4-SO6](#) | [G4-PR3](#) | [G4-PR4](#) | [G4-PR5](#) | [G4-PR7](#) | [G4-PR8](#) | [G4-PR9](#) | [FS15](#)

Enhance Customer Relationship Management and increase the satisfaction index. [GRI G4-PR1](#) | [G4-PR2](#) | [G4-PR3](#) | [G4-PR4](#) | [G4-PR5](#) | [G4-PR7](#) | [G4-PR8](#) | [G4-PR9](#) | [FS15](#)

Enhance and systematize the identification of business opportunities for developing products that meet the demands created by environmental matters (trends/new regulations on the use of natural resources) and climate change (demands for infrastructure financing in order to adapt to climate change). [GRI G4-EC2](#) | [G4-EN15](#) | [G4-EN16](#) | [G4-EN17](#) | [G4-EN18](#) | [G4-EN19](#) | [G4-EN20](#) | [G4-EN21](#) | [G4-EN27](#) | [FS1](#) | [FS2](#) | [FS3](#) | [FS5](#) | [FS6](#) | [FS8](#)

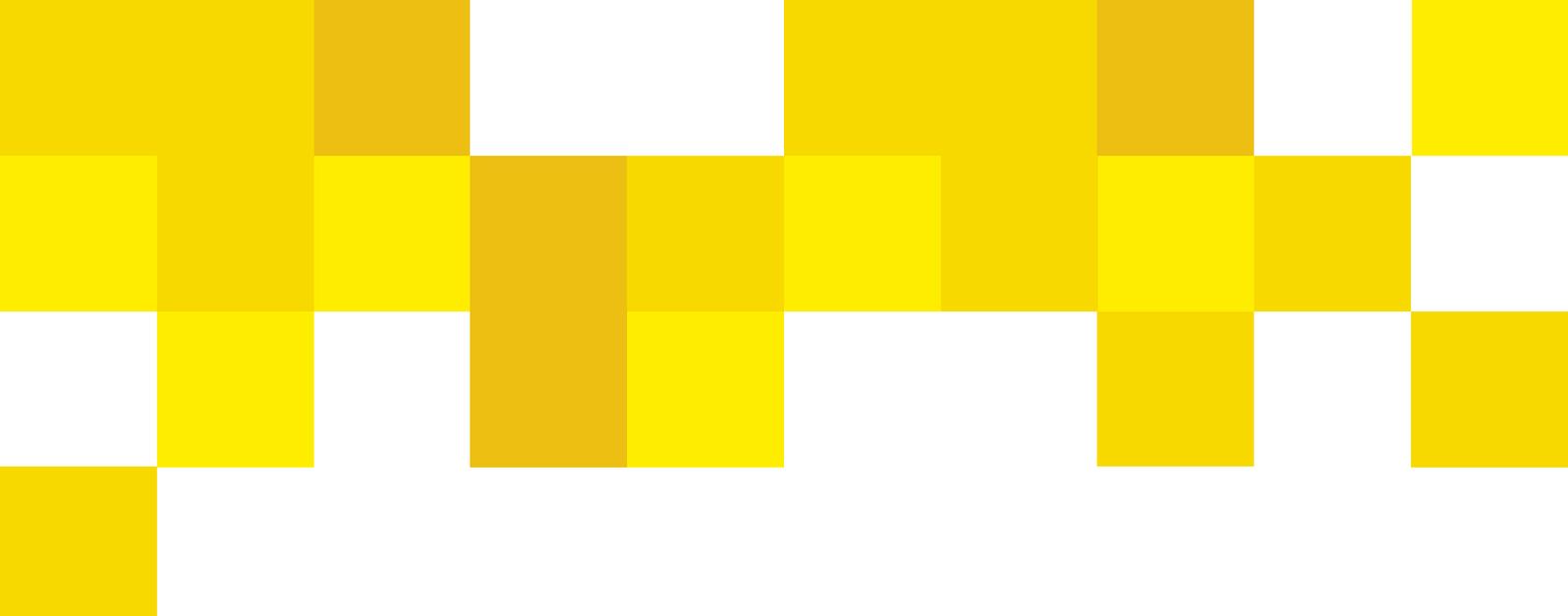
Enhance socioenvironmental risk management based on the provisions of CMN Resolution 4.327/2014. [GRI G4-EC2](#) | [G4-EN15](#) | [G4-EN16](#) | [G4-EN17](#) | [G4-EN18](#) | [G4-EN19](#) | [G4-EN20](#) | [G4-EN21](#) | [G4-EN27](#) | [FS1](#) | [FS2](#) | [FS3](#) | [FS5](#) | [FS6](#) | [FS9](#)

Enhance the relationship between Private Social Investment (ISP) and the business strategy. [GRI G4-EC4](#) | [G4-EC7](#) | [G4-EC8](#) | [G4-SO1](#)

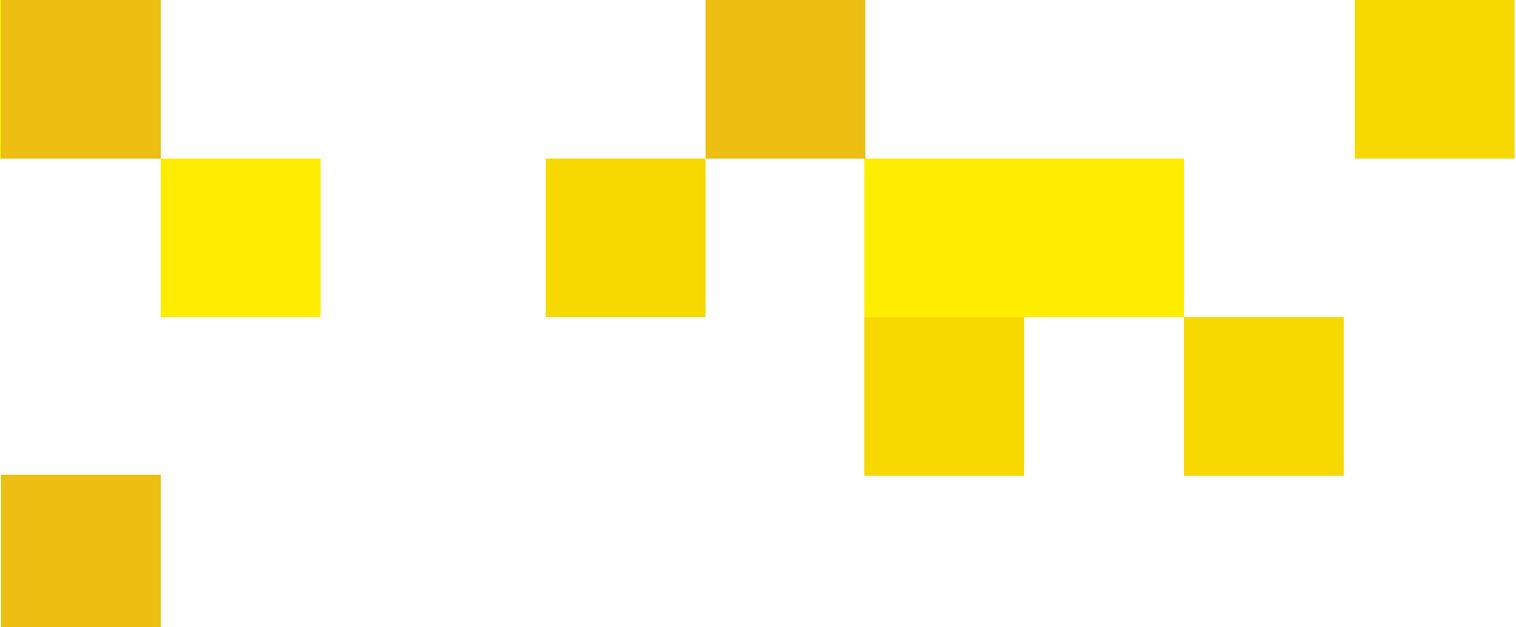
Enhance the employees' variable remuneration system, including that of Senior Management, taking into account individual performance. [GRI G4-EC5](#) | [G4-LA13](#)

Raise the employee satisfaction index. [GRI G4-EC3](#) | [G4-EC5](#) | [G4-EC6](#) | [G4-LA1](#) | [G4-LA2](#) | [G4-LA3](#) | [G4-LA4](#) | [G4-LA9](#) | [G4-LA10](#) | [G4-LA11](#)

Maintain and expand the Bank's role as a driver of sustainable development through financial inclusion and social businesses (Production Oriented Micro Credit – MPO, Student Financing Program – Fies, Minha Casa Minha Vida – MCMV Program and the BB Accessibility Credit and the National Program for Strengthening Family Farming – Pronaf, among others), so as to integrate with programs and public policies, partnerships with the private sector and the BB sustainable development strategies (Private Social Investment, volunteer work, digital inclusion, sustainable regional development and a model for integrated involvement in sustainable development, among others). [GRI G4-EC7](#) | [G4-EC8](#) | [G4-SO1](#) | [FS1](#) | [FS6](#) | [FS7](#) | [FS13](#) | [FS14](#) | [FS16](#)



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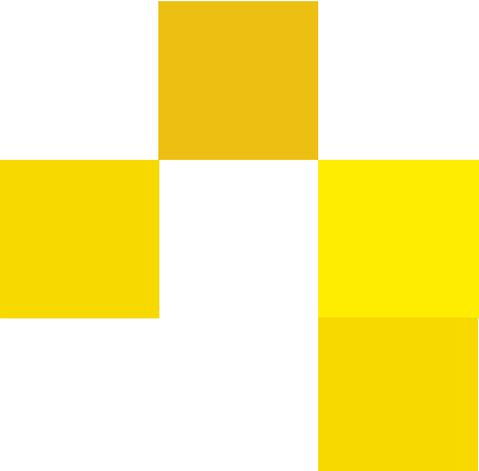
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Main Indicators

GRI G4-9

Market Share (%)	2012	2013	2014	13/14 Variance (p.p)
Assets	21.2	21.7	20.8	(0.9)
Deposits	27.9	27.1	24.9	(2.2)
Loans	20.3	21.1	21.0	(0.1)
Loans to Agribusiness	63.9	66.1	63.5	(2.6)
Asset Management ⁽¹⁾	20.0	20.9	21.7	0.8
Balance Sheet Items (R\$ millions)	2012	2013	2014	13/14 Variance (%)
Assets	1,149,308	1,303,915	1,437,486	10.2
Intangible Assets	13,351	12,128	11,249	(7.2)
Commercial Funding ⁽²⁾	515,714	607,215	634,627	4.5
Shareholders' Equity	61,499	72,225	80,613	11.6

GRI G4-9

Result for the Year (R\$ millions)	2012	2013	2014	13/14 Variance (%)
Net Income	12,205	15,758	11,246	(28.6)
Return on Shareholders' Equity (% ROE)	19.8	22.9	15.0	(7.9 p.p.)
Personnel Expenses	15,777	17,051	18,445	8.2
Other Administrative Expenses	12,417	13,098	13,845	5.7
Efficiency and Productivity (%)	2012	2013	2014	13/14 Variance (p.p)
Cost-to-Income Ratio ⁽³⁾	43.2	44.3	43.1	(1.2)
Coverage ratio ⁽⁴⁾	133.6	136.7	135.9	(0.8)
Structural Information	2012	2013	2014	13/14 Variance (%)
Service Network	64,192	67,629	69,135	2.2
Customers (thousands)	58,551	61,375	61,645	0.4
Employees	114,182	112,216	111,628	(0.5)
Breakdown of Loan Portfolio – Broad Definition (R\$ millions)⁽⁵⁾	2012	2013	2014	13/14 Variance (%)
Total	580,799	693,104	760,872	9.8
Individuals	152,011	168,207	179,722	6.8
Companies	270,574	322,265	354,104	9.9
Agribusiness	107,971	144,809	164,902	13.9
Overseas	50,243	57,823	62,144	7.5
Delinquency (NPL + 90 days – %)	2012	2013	2014	13/14 Variance (p.p)
BB	2.05	1.98	2.03	0.05
Brazilian Banking Industry (SFN)	3.70	3.00	2.90	(0.1)

GRI G4-9

Non-Financial Business (R\$ millions)	2012	2013	2014	13/14 Variance (p.p)
Cards – Total Turnover	168,216	205,935	238,308	15.7
Loans	99,359	121,742	140,017	15.0
Debit	68,857	84,193	98,291	16.7
Asset Management	444,023	493,746	554,724	12.4
Social Business – Portfolio Business (R\$ millions)	2012	2013	2014	13/14 Variance (%)
Total	32,356	47,713	63,615	33.3
Student Higher Education Financing Fund (Fies)	6,328	10,311	13,594	31.8
BB Accessibility Credit	15	73	119	62.2
Minha Casa Minha Vida Program (PMCMV) ⁽⁶⁾	1	3,941	10,662	170.5
Production-Oriented Micro Credit Program (MPO) ⁽⁶⁾	729	1,593	1,371	(14.0)
National Program for Strengthening Family Farming (Pronaf)	25,284	28,941	35,983	24.3
Natural Resources	2012	2013	2014	13/14 Variance (%)
Paper consumption (t)	8,737	8,644	8,516	(1.5)
Paper Consumption in the Offices ⁽⁷⁾	3,342	3,391	3,361	(0.9)
Paper Material Stocked in the Storeroom and at the Printing Company of BB ⁽⁸⁾	5,395	5,253	5,155	(1.9)
Energy consumption (TJ)	2,830	2,545	2,651	4.2
Water consumption (m ³)	2,853,212	2,371,408	1,913,768	(19.3)
CO₂ Emissions Inventory (tCO₂e)⁽⁹⁾	2012	2013	2014	13/14 Variance (%)
Scope 1	7,443	7,304	6,660	(9.7)
Scope 2	54,235	68,774	98,982	43.9
Scope 3	7,954	4,862	5,815	20.0
Distribution of Value Added (R\$ millions)	2012	2013	2014	13/14 Variance (%)
Total Distributed	40,225	49,051	43,798	(10.7)
Personnel	16,134	18,180	18,496	1.7
Fronts, fees and contributions	10,861	13,129	11,281	(14.1)
Remuneration of Third-party Capital	869	1,144	1,301	13.7
Remuneration of Own Capital	12,361	16,598	12,721	(23.4)

GRI G4-9

Other Relevant Indicators	2012	2013	2014	Variance 13/14
Basel Ratio	15.1%	14.5%	16.1%	1.6 p.p.
Ranking of Complaints to the Central Bank (Bacen)	3 rd	3 rd	8 th	-
Transfers to Fundação Banco do Brasil (R\$ million)	70.8	145.3	83.1	(42.9%)

- (1) Does not include assets managed by Banco Votorantim.
- (2) Includes Total Deposits, Agribusiness Letters of Credit (LCA), Real Estate Letters of Credit (LC) and private securities repo transactions.
- (3) Ratio of Administrative Expenses to Operating Revenues, based on the information from the Income Statement with Re-allocations.
- (4) Ratio of Fee Income to personnel expenses, based on the information from the Income Statement with Re-allocations.
- (5) Includes Private Securities and sureties provided.
- (6) Acquisition PF + Production PJ.
- (7) White and recycled A4-size, legal paper-size and letterhead.
- (8) ATM Envelopes, ATM rolls, boxes, envelopes, sundry files and cardboard boxes.
- (9) The other sources of GHG emissions within Scope 3 of the Bank's inventory are being ascertained in accordance with the Brazilian GHG Protocol program, and will be made available to the general public on the program site (www.registropublicodeemissões.com.br). Os The 2012 data were re-presented on account of the emissions inventory audit carried out after publication of the 2013 Annual Report of Banco do Brasil. The information shown in this table reflects the data published by the Bank in the Brazilian GHG Protocol Program.

Find out more about these indicators in the subsequent chapters of this publication:

Profile | Structural Information

Strategy | Intangible Assets

Business Performance | Market Share in Assets and Deposits | Balance Sheet Items | Result for the Period | Statement of Income and Reallocations | Breakdown of the Loan Portfolio – Broad Concept | Delinquency | Non-Financial Business | Social

Business – Portfolio Balance | Distribution of Value Added | BIS Ratio

Relationships with Stakeholders | Ranking of Complaints to the Central Bank | Transfers to Fundação Banco do Brasil

Relations with the Environment | Natural Resources | Inventory of CO₂ Emissions

Message from the Management

GRI G4-1

The international scenario remained complicated in 2014, with different dynamics among the major economies. Signs of growth in the USA were in stark contrast to the difficulties facing several European countries that experienced a combination of low economic dynamism and deflation risk. In Asia, the slowdown in the Chinese economy, albeit a smooth landing, is challenging the policies of easing, while adversely affecting the prices of the major commodities.

Even amidst the complexities of the international scenario, the Brazilian economy returned to modest growth in the second half of 2014, thanks to the favorable conditions of the labor market, where jobs continued to be created, the formalization process continued and salaries rose in real terms. The credit markets grew at a rate compatible with economic activity on the back of a sound financial system. Prior to the realignment of relative prices arising from the larger currency depreciation and the adjustments to government-controlled prices, the Central Bank had already resumed the cycle of increases in the benchmark interest rate.

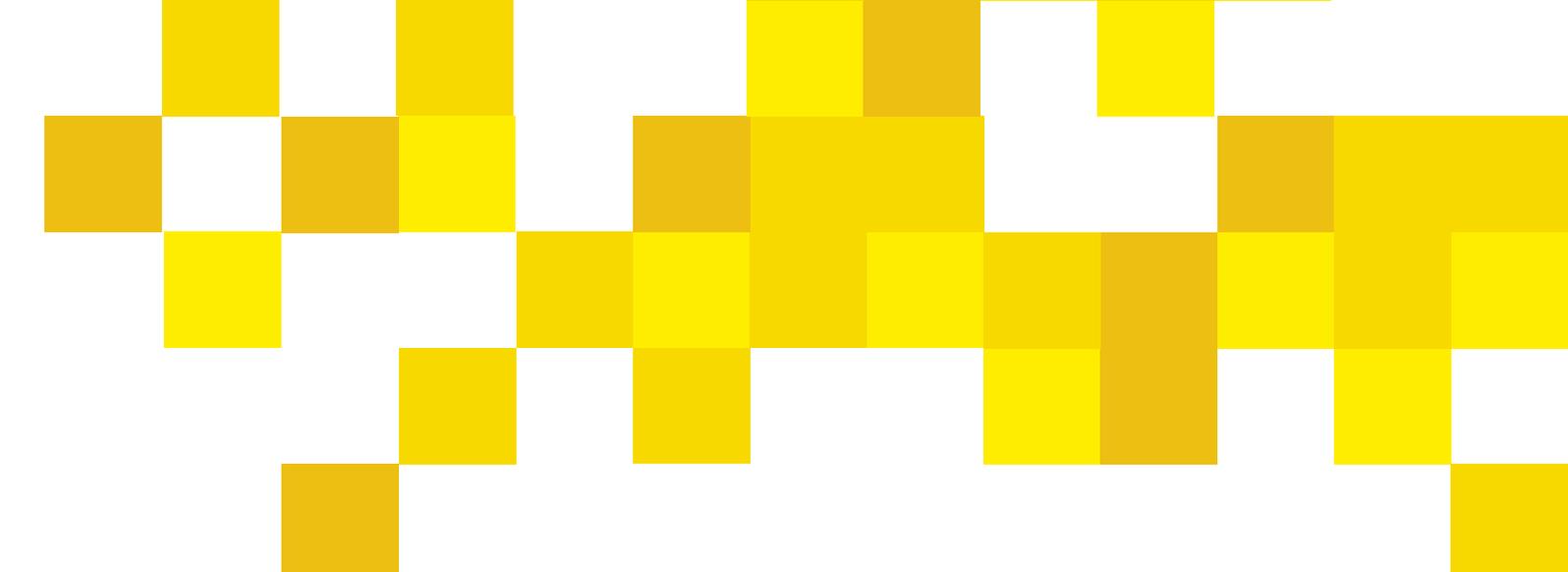
Amidst this scenario, Banco do Brasil (BB) achieved consistent results. Our adjusted net income was R\$11.3 billion, representing a Return on Shareholder' Equity (ROE) of 15.1% per annum. The Bank maintained the payout of 40%, allocating R\$4,525 million to shareholder remuneration for the year. We retained our leading position in assets among the financial in-

stitutions of Latin America, with a balance of R\$1.4 trillion, of which R\$760.9 billion refer to the Loan Portfolio – Broad Concept.

We consolidated our position as leaders in lending within the Brazilian Banking Industry (SFN), with a 21.0% market share, while keeping delinquency ratios under control and below the average of the SFN. Worthy of note is our role as the major partner of Brazilian agribusiness, where we achieved a 63.5% share of the National Rural Lending System (SNCR). In the asset management, we continued to lead the market with a 21.7% share, which makes BB DTVM Brazil's largest asset manager.

During 2014 we also proceeded with the biannual update of our Sustainability Plan – BB Agenda 21. Through a series of meetings with representatives of our stakeholders and between the Bank's employees and officers, we updated our challenges and defined the actions for period from 2015 to 2017. This process is also presented in this Annual Report, in addition to accountability for the initiatives in which we engaged in 2014 and the actions envisaged for the years ahead. Bringing sustainability management more in line with reporting, in this publication we focus on the challenges considered to be priorities.

Internally we undertook an extensive process of reviewing our essence and our corporate strategy, presented in the chapter on Strategy of this report.



GRI G4-1

With the involvement of different departments we reflected on our Mission, Vision and Values, positioning BB as a market bank with public spirit. This guiding principle reflects our vocation and evidences our daily, transversal challenge of reconciling public and private interests that produce sustainable results for the shareholders and benefits for all stakeholders with whom we relate.

Among the prospects for 2015, we foresee a scenario that will continue to challenge us, and we estimate that our main indicators will be in line with the results achieved in 2014. The year 2015 has begun with a slow recovery in Brazilian industry, but the challenge of holding inflation at appropriate levels, as well as the political and economic turbulence the country is currently experiencing, may affect economic activity and, consequently, our business. That is why we will continue to focus on operating efficiency and high levels of governance, as well as on ethics and strict management of security and risks to ensure the consistency and soundness that have made Banco do Brasil a respected and solid institution in the market.

The Bank's corporate strategy for the 2015-2019 period reemphasizes our commitment to the development of Brazil and the sectors of the economy essential for this growth. We will further deepen our alignment with public policies and our support for agribusiness, infrastructure, micro and small businesses and trade finance. In our constant search for operating efficiency and return on equity, we are striving to enhance our customers' satisfaction, investing in our human capital and engaging in sustainable relationships with all our stakeholders.

Evidencing the soundness and transparency of our management, we received several awards during the year. The Bank retained its listing, for the third consecutive year, on the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange, and for the tenth consecutive year, on the Corporate Sustainability Index (ISE) of the BM&FBOVESPA. We also reiterated our wholehearted commitment to the 10 principles of the UN Global Compact through a series of initiatives and by participating among the 30 companies comprising the Brazilian Committee of the UN Global Compact.

We wish to thank our more than 111,000 employees for their dedication and effort, without which it would not have been possible to achieve these results. We are also proud of the trust placed in us by our customers and investors, as well as the partnerships with our suppliers. Certain that these joint efforts will lead us to sustainable results, we will continue to pursue our path of growth, balancing our role in delivering competitive results, with our vocation for the development of Brazil.

ALEXANDRE CORRÊA ABREU

CEO of Banco do Brasil

TARCÍSIO JOSÉ MASSOTE DE GODOY

Chairman of the Board of Directors



Profile

GRI G4-7 | G4-8 | G4-9

Banco do Brasil S.A. (BB) is the largest financial institution in Latin America in terms of assets, which amount to over R\$1.4 trillion, and enjoys a high-profile position in several segments. BB has around 111,000 employees and over 61 million customers. In 2014 it posted net income of R\$11.2 billion and a 21.0% share in the Brazilian credit market, according to data from the Brazilian Banking Industry (SFN). **GRI G4-3**

The Bank has the largest service network in Brazil and abroad among Brazilian financial institutions. Present in 99.8% of Brazilian municipalities, it has over 69,100 service outlets across the country. Through its own network and arrangements with other institutions, it also provides a service in 135 other countries. Having been in the market for over 200 years, the Bank is a government-controlled (private) company and since 2006 it has been listed on the Novo Mercado segment of BM&FBOVESPA, the segment for companies with the best corporate governance principles.

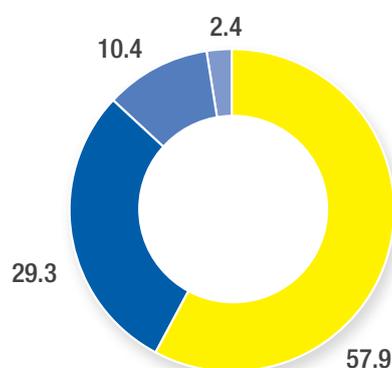
IN 2014 THE BANK UNDERTOOK AND EXTENSIVE PROCESS TO UPDATE ITS ESSENCE, MISSION, VISION AND CORPORATE STRATEGY, STRENGTHENING ITS COMMITMENT TO OPERATE AS A MARKET BANK WITH PUBLIC SPIRIT

(find out more on page 42)

One of the principal agents for economic and social development and public policies in Brazil, BB supports agribusiness, infrastructure, micro and small businesses and trade finance, with a responsible approach to fostering social inclusion by creating jobs and income.

GRI G4-EC4

Shareholder Breakdown as at 12/31/2014 (%)



» BUSINESS MODEL

Banco do Brasil is a financial conglomerate dedicated to producing sustainable results aligned with social values, in a competitive manner, while reconciling public and private interests to ensure growing returns for its shareholders and Brazil. Its activities are grouped into six segments described in page 18. To develop the appropriate value propositions for the different customer profiles in these segments the Bank uses service models, an extensive portfolio of products and services and different approaches to communication.

Business Model

Value Creation





Strategies

- Profitability and Capital Management
- Market Bank with a Public Spirit
- Support for Public Policies
- Customers' Experiences
- Capillarity and Distribution
- Economic Development Agent



Operations

- Financial Intermediation
- Investments
- Asset Management
- Insurance, Pension Funds and Savings Bonds
- Payment Methods
- Information Technology



Customers

- Products, Services and Convenience
- Financial Advisory
- Long-lasting relationships
- Solidity and Credibility



Regulators

- Regulations
- Control
- Oversight



Staff

- Organizational Culture
- Enablement and Training
- Development and Careers



Society

- Social inclusion
- Cultural Respect
- Environmental Care
- Creation of Jobs and Income
- Investment in Social Technologies



Government

- Dividends and Interest on Own capital
- Funds and Transfers
- Projects and Infrastructure
- Execution of Public Policies



Shareholders

- Dividends and Interest on Own Capital

Business Segments GRI G4-4

Banking | Includes deposits and loan transactions, among others, intended for the retail, wholesale and government segments. This accounts for a the most significant portion of the Bank's results.

Investments | Includes structuring transactions on the primary and secondary markets, in addition to equity interests and the provision of financial services through BB-BI.

Asset management | Transactions involving buying, selling and custody of securities, portfolio management and investment funds and clubs through BB DTVM.

Insurance, pension plans and savings bonds | Products and services involving personal and property insurance, in addition to supplementary pension plans and savings bonds through the insurance arm, BB Seguridade.

Payment methods | Services involving transmission, capture, processing and financial settlement of electronic transactions.

Other Segments | Credit recovery, information technology, operational support and purchasing pools.



Among other segments, BB operates in banking and investment transactions, in addition to asset management

» SERVICE NETWORK GRI G4-6 | FS13 | FS14 | G4-DMA Local Communities

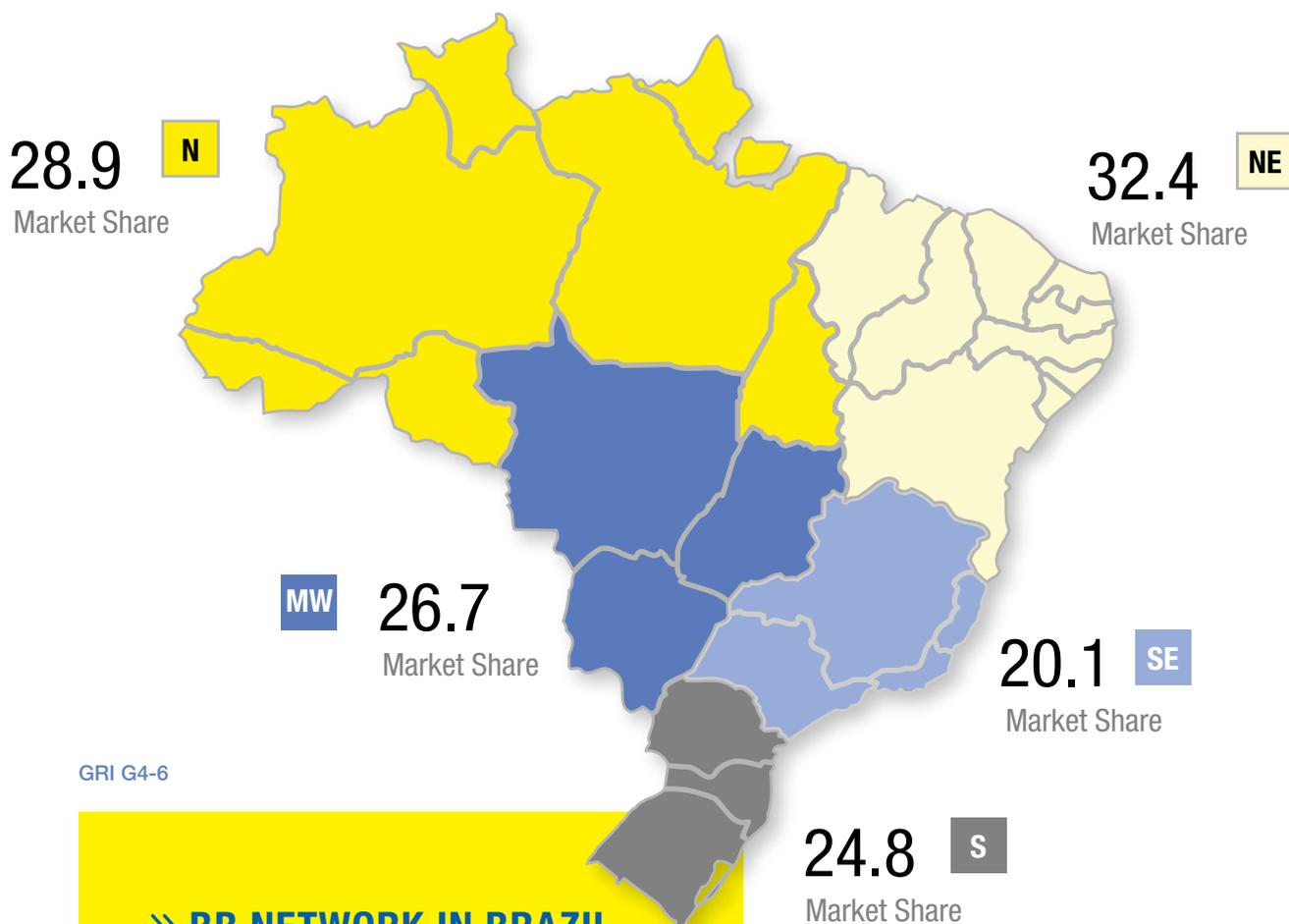
The Service network of Banco do Brasil is designed to service customers according to the needs of each profile. Around 69,100 BB service posts are distributed throughout Brazil, including the Bank's own network, the network of correspondents, Mais BB and posts shared with other financial institutions.

Service Solutions for Each Customer Profile	
Retail	5,405 branches, in addition to proprietary, correspondent and shared outlets BB self-service via the Internet and for smartphones BB Help Desk (telephone)
Wholesale	88 branches segmented for large corporate, corporate and business (middle market) On-line Financial Management tool, also for smartphones BB help Desk for Businesses (telephone)
Government	31 exclusive branches BB self-service for the Public sector via the Internet and for smartphones

The Bank's automated service channels are a strategic differential providing an extensive range of services and products for customers, quickly and with ease of access, in addition to contributing to operating efficiency. BB Mobile and Internet Banking last year accounted for 50% of total transactions done. In 2014, 75.4% of withdrawals and 96.3% of deposits were made at the Bank's own ATMs, of which there are more than 44,000.

WITH THE LARGEST SERVICE NETWORK IN BRAZIL, BB PROVIDES CUSTOMER SERVICE SOLUTIONS THAT ARE PLANNED TO TAKE INTO ACCOUNT EACH CUSTOMER'S PROFILE, THE HIGHLIGHT BEING THE SELF-SERVICE CHANNELS

BB market share in number of branches (%)



GRI G4-6

» **BB NETWORK IN BRAZIL**

5,524 branches

18,956 proprietary service posts

15,538 units comprising the Mais BB correspondent network

34,641 service posts on the shared network

99.8% of Brazilian municipalities served

Total

23,9

Market Share

Foreign Service Network GRI G4-6

The BB's presence overseas aims to ensure its benchmark position for Brazilian businesses and individuals on the international markets. At the close of 2014, the Bank had 45 proprietary units in 24 countries. Supplementing this, arrangements with other financial institutions enable services to be provided in 135 countries through 1,083 correspondent banks.

In Argentina, BB maintained its strategic position through Banco Patagonia, which ended 2014 with 195 service outlets and net income of R\$739.3 million. Banco do Brasil Américas, which operates in the United States through five units, had net income last year of R\$23.5 million. In Europe, BB is restructuring the technology and business platforms. In Asia, the highlight was the opening of the first branch of a Brazilian financial institution in China.

BB HAS THE MOST EXTENSIVE OVERSEAS SERVICE NETWORK AMONG BRAZILIAN FINANCIAL INSTITUTIONS, INCLUDING ITS OWN PREMISES IN 24 COUNTRIES



OVER 200 YEARS OF HISTORY

1808

Banco do Brasil is founded by prince regent D. João, when the country became the seat of the Portuguese Crown.

1821

Financing for creating the Rio de Janeiro Stock Exchange, strengthening the BB's links to the then-nascent Brazilian capital markets.

1854

Government interventions in the commercial business of BB comes to an end following successive changes.

1889

Fundamental role in economic development and in turning around the public finances following the Proclamation of the Republic.

1905

Amendment to the breakdown of the Bank's equity, with the Government becoming the controlling shareholder, the legal form that persists to this day.

1906

Public listing of Banco do Brasil shares on the stock exchanges.

1936

Creation of one of the most important tools for the Bank's economic activities: the Agricultural and Industrial Loan Portfolio.

1945

During the Second World War the BB was in charge of paying the Brazilian troops, transferring cash to Brazil and servicing the country's embassy and consulates.

1960

Transfer of the head office to Brasília on the day when Brazil's new capital city was inaugurated.

1985

Creation of Fundação Banco do Brasil (FBB) as an important instrument for transformation in education, culture and sport.

1986

The Brazilian government authorizes BB to operate in all market segments, initiating its advance to becoming a financial conglomerate.

1989

Inauguration of the first Banco do Brasil Center of Culture (CCBB), in Rio de Janeiro, within the context of the celebration of the Bank's 181st birthday.

2000

Banco do Brasil internet portal launched.

2001

Restructuring as a multiple bank, with the creation of a Board of Officers and committees, subcommittees and commissions.

2002

Adaptation of its bylaws to reflect greater transparency and the adoption of best practices.

2006

Joins the Novo Mercado segment of the São Paulo Stock Exchange.

2009

American Depositary Receipts (ADRs) Level I program commences on the New York Stock Exchange.

2010

BB becomes market leader in lending within the Brazilian Banking Industry.

2011

Conclusion of the takeover transaction involving Banco Patagonia, in Argentina, within the new model for overseas operations.

2012

Heads up the movement for a consistent decline in interest rates within the banking system, with the BOMPRATODOS program. That same year, Banco Postal joins the Mais BB network of correspondents.

2013

Conclusion of the initial public offering on the Novo Mercado segment of BB Seguridade S.A., which consolidates the insurance, supplementary pension fund, savings bond and similar business.

2014

Review of its mission, vision and values, as well as its corporate strategy, with the guiding principle of being a market bank with public spirit.



Corporate
Governance

Banco do Brasil (BB) adopts best practices in corporate governance that ensure transparency in management, equilibrium among shareholders' rights, accountability to investors and to society, ethics in dealing with different stakeholders and the sustainability of the business. The management's guidelines include the Code of Corporate Governance and the Code of Ethics, both available on the Investor Relations site (www.bb.com.br/ri). Governance is backed up by monitoring tools that align the behavior of the officers with the interests of the Bank's stakeholders and shareholders and society in general. **GRI G4-56**

The government is the largest shareholder of BB in accordance with provisions of Decree Law No. 200/67 for government controlled (private) companies. Since 2006, BB has been a member of the Novo Mercado segment of the BM&FBOVESPA, in addition to being listed on the Corporate Sustainability Index (ISE), the Carbon Efficient Index (ICO2), the Special Tag-Along Stock Index (Itag) and the Special Corporate Governance Stock Index (IGC). The Bank has also participated since 2012 on the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange. **GRI G4-7**

THE GOVERNANCE STRUCTURE ENSURES THAT SHAREHOLDER INTERESTS TIE IN WITH THOSE OF THE OTHER STAKEHOLDERS, AND STRUCTURES ARE IN PLACE TO ENSURE THAT DECISIONS ARE TAKEN ON A COLLECTIVE BASIS

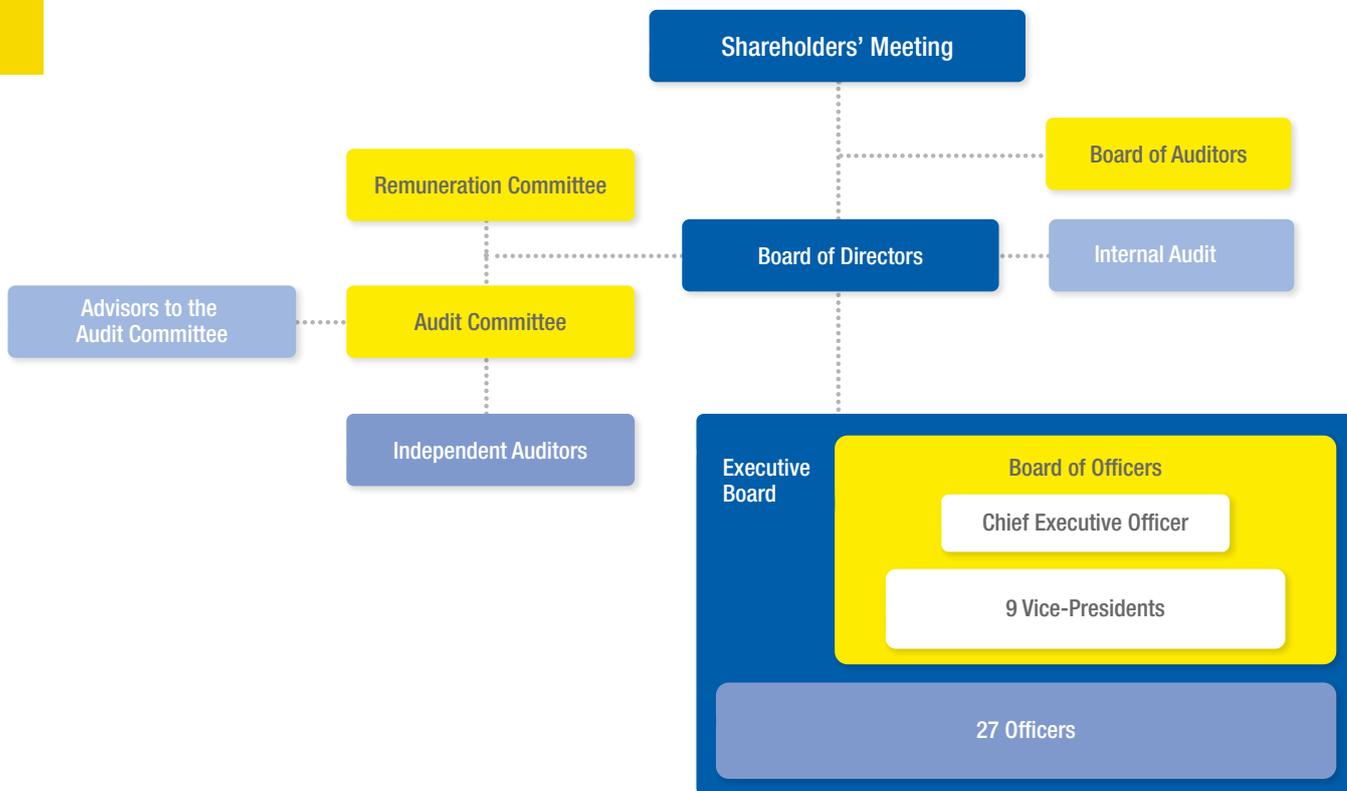
» GOVERNANCE STRUCTURE

GRI G4-34

The Bank's corporate governance structure guarantees the rights and interests of the shareholders, aligning these with the rights of customers, employees, suppliers, the government and society. The highest governance body, the Board of Directors is advised by the Audit and Remuneration Committees. Completing the governance structure are the permanent Board of Auditors and the Executive Board, which consists of the Board of Officers and Statutory Officers. In order for decisions to be taken in a collegiate manner, the decision-making process is continually supported by higher committees and executive committees.

Performance appraisal | Every year the members of the Board of Directors carry out a self-appraisal, and are responsible for carrying out the appraisal of the Executive Board, the advisory committees and, since 2014, the Internal Audit. These processes are intended for the overall performance of each body. Furthermore, BB has a specific instrument for appraising staff competencies. This individual appraisal involves competency criteria whose weight is stipulated by the Remuneration Committee, and is carried out by the statutory officer himself and by his immediate superior. **GRI G4-44**

Conflicts of interests | In compliance with Law No. 6,404/76, a shareholder must abstain from deliberations in which they stand to gain or have a conflict of interest with the Bank. Cases of conflicts are managed by the Chairman of the Board, on whom it is incumbent to override decisions taken. The bylaws of BB are also an instrument for avoiding occasional conflicts of interest. In accordance with section 14, members of the management bodies must abstain from subject matters involving transactions in which they are an interested party. In section 18, which deals with the composition of the Board of Directors, board members representing the employees are forbidden to take part in deliberations involving union relations, remuneration, benefits and advantages, including supplementary pension and assistance schemes. **GRI G4-41**



General Meeting [GRI G4-34](#)

Main attributions | The General Meeting deliberates on occasional changes to the Bank's capital stock through share subscriptions or issuances of any other securities; takeover opportunities; approval of the Financial Statements; election of board members; differentiated corporate governance practices; and the remuneration of the members of the management bodies. [GRI G4-53](#)

Frequency | Pursuant to Law No. 6,404/76, the General Meeting is held once a year by the end of the month of April. Special meetings may be convened should the Board of Directors choose to do so and to comply with the other conditions provided for in law.

Participation | All shareholders are entitled to vote, as the Bank only has common shares. Call notices abide by the provisions of the law and have been issued, on average, 30 days in advance since 2005, with rare exceptions.

Board of Directors

GRI G4-34 | G4-38 | G4-45 | G4-46

Main attributions | Among other functions the members of the Board of Directors approve the policies, the investment plan, the master plan, the general budget and the Corporate Strategy of Banco do Brasil (ECBB), which provides guidance on the decisions for a period of five years and sets out the actions and targets for the economic, social and environmental performance; set profitability targets that ensure proper remuneration of the own equity; monitor, on a monthly basis, the Bank’s economic and financial performance; and deliberate on the payouts and the Bank’s equity interests in businesses in Brazil and overseas. [GRI G4-42](#)

Composition | The Board of Directors consists of eight members, four of whom are chosen by the Minister of Finance, one by the Ministry of Planning, Budget and Management, two by the minority shareholders and one by the employees of BB.

Board members indicated by the Minister of Finance are responsible for choosing the Chairman and the Deputy Chairman of the Board, positions that must not be held by the Chief Executive Officer of the Bank. [GRI G4-39](#) | [G4-40](#) | [G4-EC6](#)

Contact channels | Shareholders can submit recommendations to members of the Board of Directors at the General Meeting. Employees’ demands are forwarded through their representative on the Board. Furthermore, the Ombudsman’s Department submits semi-annual reports to the Board of Directors with allegations, complaints and suggestions submitted by customers, proposing corrective measures. [GRI G4-37](#) | [G4-49](#) | [G4-50](#)

Remuneration | Fixed, pursuant to Law No. 9,292/96, and not linked to the Bank’s performance. [GRI G4-51](#) | [G4-52](#)

Advisory Committees to the Board of Directors			
Committee	Main Attributions	Composition	Term of Office
Audit	<p>Reviews the Financial Statements and assesses the effectiveness of the internal control systems and the Internal and Independent Audits</p> <p>Manages the Contact Channel to Audit Committee to receive allegations and information about non-compliance with provisions of the law and the rules and regulations applicable to the Bank; it is equipped with mechanisms for protecting the confidentiality and secrecy of the information provided and the identity of the whistleblower</p> <p>Oversees and evaluate the activities of the independent auditors whose members are chosen by the Board</p>	Four members chosen by the Board, two of whom are members of that board (one by the majority shareholder and the other from the minority shareholders)	One year, renewable for up to five years
Remuneration	Established and reviews the remuneration policy for the Bank’s managers	Four members chosen by the Board, one of whom is independent	One year, renewable for up to ten years

Internal Audit [GRI G4-34](#) | [G4-38](#) | [G4-45](#) | [G4-46](#)

Internal Audit, which reports directly to the Board of Directors, is responsible for adapting the internal control system after verifying the latter's quality, sufficiency, compliance and effectiveness. The departmental head is chosen from among the Bank's serving employees and is appointed and removed from office by the Board of Directors.

Board of Auditors [GRI G4-45](#) | [G4-46](#)

Main attributions | The Board of Auditors is permanent, and meets monthly to oversee what management is doing to protect the interests of the shareholders. This body is also responsible for issuing opinions about the management's report and for analyzing the quarterly financial statements and those for the business year.

Composition | It consists of five members and their respective substitutes defined by the Shareholders' Meeting, with a term of office of one year, and two of them are chosen by the minority shareholders.

Remuneration | Members' remuneration is fixed by the Shareholders' Meeting, in accordance with Law No. 6,404/76 (Business Corporation Act).

Board of Officers [GRI G4-45](#) | [G4-46](#)

Main attributions | The members of the Board of Officers are in charge of executing policies, the corporate strategy, the investments plan, the master plan and the general budget established by the Board of Directors; approving and executing the market plan and the labor agreement; and deciding on the Bank's internal organization, the administrative structure of the boards and the creation, extinguishment and functioning of the committees within the scope of the Executive Board. The body convenes at least once a week. [GRI G4-35](#) | [G4-36](#)

Composition | The Board of Officers is a collegiate body consisting of the Chief Executive Officer and Vice Presidents of the Bank. The Chief Executive Officer of BB is appointed by the President of the Republic. The Vice Presidents and Officers are elected by the Board of Directors on the indication of the Bank's CEO.

Executive Board [GRI G4-45](#) | [G4-46](#)

Main attributions | The members of the Executive Board ensure that the bylaws and the deliberations of the shareholders' meetings and the Board of Directors are complied, in addition to fulfilling the attributions allocated to them by the Board of Directors, with due regard at all times for sound banking techniques and good corporate governance practices. [GRI G4-35](#) | [G4-36](#)

Composition | The Executive Board consists of members of the Board of Officers and Statutory Officers. The Officers are serving employees of BB and have a three-year term of office, with re-election permitted. [GRI G4-45](#)

Remuneration | Officers' remuneration consists of a fixed portion, as well as a variable portion linked to the results for the period. Since 2012, the Management Variable Remuneration Program (RVA) has been enhanced in order to serve as an instrument of incentive, rewards and alignment with the Bank's short, medium and long-term objectives. The RVA complies with the guidelines of CMN Resolution No. 3,921/2012, taking into account, among other aspects, the corporate Management Discussion and Analysis (MD&A) and that of the units, as well as the minimum of 50% of variable remuneration payable in shares or share-based instruments. At least 40% of this amount must be deferred for future payment, and this portion may rise according to the manager's degree of responsibility. [GRI G4-51](#) | [G4-52](#)

Strategic Units

The Strategic Units take part in the deliberations of the Strategic Committees and are responsible for managing the processes and business support of Banco do Brasil.

CHALLENGE 23

Enhance the employees' variable remuneration system, including that of Senior Management, taking into account individual performance.

» SOCIOENVIRONMENTAL RESPONSIBILITY GOVERNANCE

GRI G4-2 | G4-43 | G4-45 | G4-46 | G4-47

CHALLENGE 1

To enhance the sustainability governance structure by involving Senior Management (Board of Directors, Board of Officers and the Executive Board) in order to strengthen the Bank's commitment to the topic.

Banco do Brasil considers socioenvironmental responsibility (SER) as a transversal aspect to managing the managing. Since 2003 this topic has been part of the Bank's strategic and operational decisions, which has made a significant contribution to improving its SER. For that reason BB is today a global benchmark in sustainability, being listed on internationally recognized indices such as the Dow Jones Sustainability Index (DJSI) and the Corporate Sustainability Index (ISE).

SER pervades the Bank's entire organizational structure and is expressed in its mission, values, policies, corporate strategies and in the various voluntary commitments assumed. The topic is taken into account in the decision-making process, which means designing processes, products and services around their social and environmental impacts. This is precisely what is envisaged in the Letter of Socioenvironmental Responsibility Principles approved by the Board of Officers in 2003.

In other words, the Bank believes in the viability of reconciling its shareholders' interests with the development of social and environmentally sustainable business, by establishing ethically responsible relations with its in-house and external stakeholders.

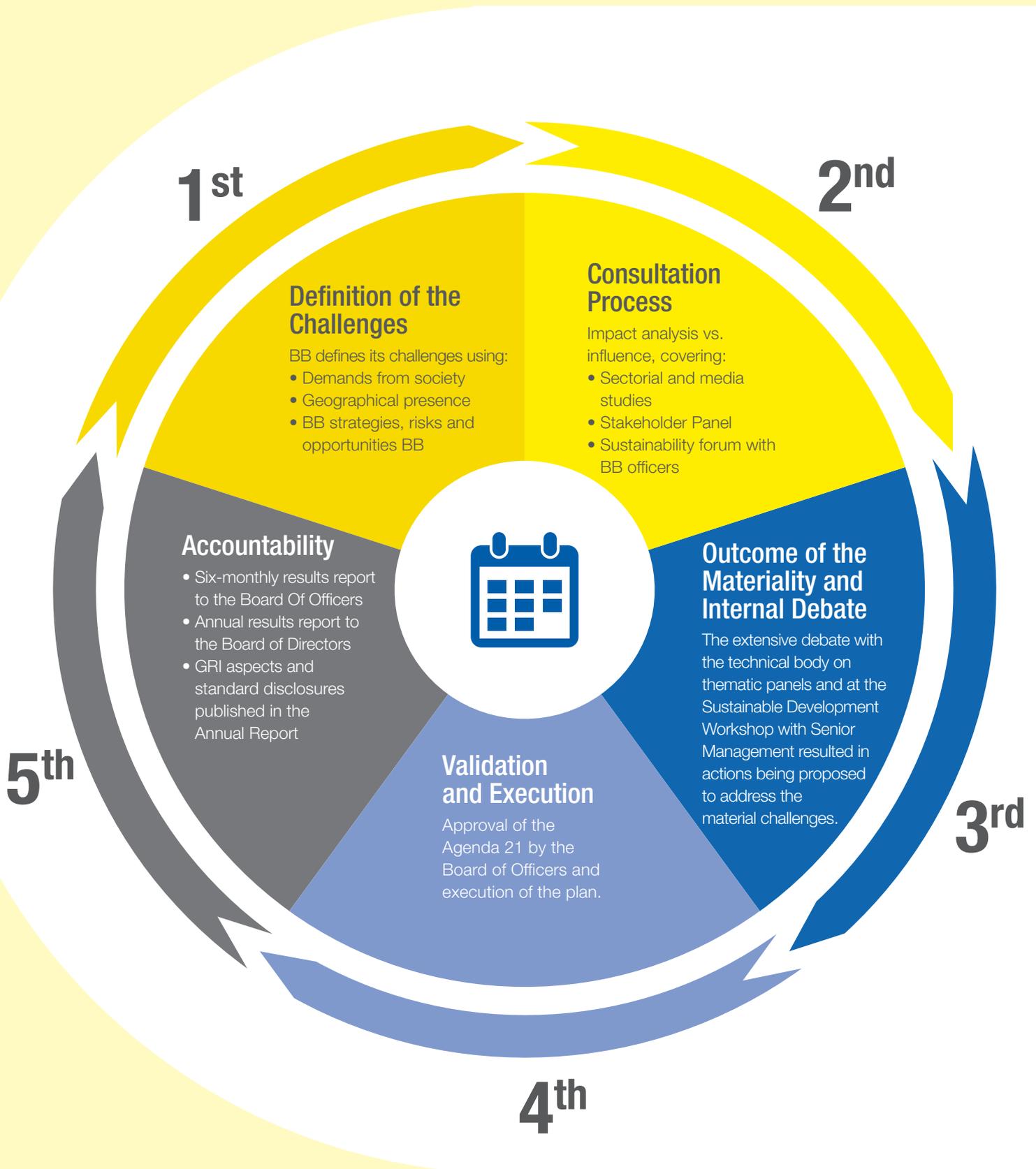
GRI G4-15 | G4-16

Principal compacts and voluntary commitments and initiatives assumed by Banco do Brasil

- OECD Guidelines for Multinational Enterprises (2014)
- Corporate Charter on Human Rights and Promoting Decent Work, of the Ethos Institute of Companies and Social Responsibility (2012)
- Corporate Compact for Honesty and Against Corruption, of the Ethos Institute of Companies and Social Responsibility with PATRI Government Relations and Public Policies (2012)
- Register of Pro-Ethics Companies of the Federal Comptroller-General's Office and the Ethos Institute of Business and Social Responsibility (2012)
- World Water Council (2011)
- Organizational Stakeholder GRI (2011)
- Women's Empowerment Principles (2010)
- Principles for Responsible Investment (2010)
- The CEO Water Mandate (2010)
- EPC Platform – Businesses for Climate (2009)
- The Global Compact – Caring for Climate (2009)
- Brazilian GHG Protocol Program (2008)
- Sustainable Amazon Forum (2008)
- Gender Pro-Equity Seal (2007)
- Global Reporting Initiative (2006)
- Compact Against Slave Labor (2005)
- Equator Principles (2005)
- Carbon Disclosure Project (2005)
- Millennium Objectives (2004)
- Agenda 21 BB (2004)
- Abring Foundation – Empresa Amiga da Criança (2004) (companies that work for the benefit of children and adolescents)
- Global Compact (2003)
- Ibase Social Balance Sheet (1997)
- Green Protocol (1995)

BB AGENDA 21

Biannual Updating Cycle



BB Agenda 21 Fronts:

1. Sustainable Businesses
2. Socioenvironmental Responsibility Processes and Management
3. Private Social Investment

Results of the Cycle

Dialog and engagement with stakeholders: employees, suppliers, customers, civil society, shareholders and sustainability specialists	Holding of thematic panels on risks and opportunities within the supply chain, private social investment, social businesses and the risks and opportunities of the strategy on climate	Definition of 28 challenges, 10 of them allocated priority through an extensive process of consultation and evaluation
Involvement of BB senior management – Board of Officers and Board of Directors	88 actions proposed for the 2015-2017 Sustainability Plan	Socioenvironmental responsibility permeating the entire organization
Enhancement of businesses and processes to align them with best global practices	Alignment with the Dow Jones Sustainability Index and the Corporate Sustainability index of BM&FBOVESPA	Application of the Principles and Elements of Integrated Reporting

Policies GRI FS1 | FS2 | FS3

The current general and specific policies comprise the governance architecture at BB and set behavioral standards for its officers and employees. They include a range of socioenvironmental aspects to be taken into account in business and administrative practices, such as loan and investment transactions and in the relationships with suppliers and employees. These guidelines are replicated in the Sustainability Directives for Loans (forests and biodiversity, water, climate change, agribusiness, electricity, civil construction, mining, oil & gas and transportation) and in the Sustainability Directives for Controversial Issues, for example. These directives are available in full at www.bb.com.br/sustentabilidade.

One advance in 2014 was the creation of a Working Group to develop a specific socioenvironmental responsibility policy (PRSA) so as to comply with CMN Resolution No. 4,327/2014, of April 25, 2014, and the Rule 14 of the Banking Self-Regulation System of the Brazilian Banks Federation (FEBRABAN) No. 14, dated August 28, 2014. The guidelines of this policy will strengthen the Bank's commitment to socioenvironmental responsibility and will permeate the strategies and other policies and rules governing work routines. The PRSA will be accompanied by an action plan, for which monitoring and accountability will be fully linked to the BB Agenda 21. Thereafter, instructions will be issued to the Entities Related to Banco do Brasil, so that they adhere to the PRSA approved by the BB or draw up their own policy.

Organizational Structure GRI G4-36 | G4-48

The institution has a structure dedicated to developing and disseminating the topic of sustainability internally. This is composed of the Vice Presidency of Human Resources and Sustainable Development and the Sustainable Development Unit, a strategic body that draws the road map for socioenvironmental responsibility and business support, with the emphasis on sustainable development for the Bank as a whole.

At the tactical and operational levels we have the Sustainable Development Market Segments existing within the State Superintendencies, as well as the Regional Human resources within the scope of the SER Processes and Management Front. There is also the Sustainability Forum, an entity consisting of 24 members of the Strategic Units, in addition to Fundação Banco do Brasil, which meets to align and disclose the concepts and practices of socioenvironmental responsibility within the scope of the Conglomerate.

Sustainability Plan – BB Agenda 21

GRI G4-43 | G4-48 | G4-49 | G4-50

In order to achieve the sustainability strategy, since 2005 BB has maintained its Sustainability Plan, BB Agenda 21, an instrument by which it enhances its business and processes, aligning with best global practices and enabling socioenvironmental responsibility to pervade the entire Conglomerate in the search to produce sustainable results. The performance of these initiatives is monitored on a quarterly basis by the BB Sustainability Forum and reaches the highest echelons of management.

To remain up to date and in line with stakeholder demands, the Sustainability Plan, although on a three-year cycle, is reviewed every two years. Updating and implementation of the actions contained in the BB Agenda 21 is a systematic process involving all areas of the Bank and representatives of its main stakeholders (employees, customers, suppliers, shareholders/investors, representatives of civil society and specialists in sustainable development).

The Board of Officers approves and monitors Action in progress using semi-annual accountability. The Board of Directors, in turn, monitors the Bank's socio-environmental performance and on-going initiatives by means of an annual report to the entity at the October general meeting, when the principal advances, challenges, opportunities and actions to be carried out are presented. In 2014 BB updated its BB Agenda 21 Sustainability Plan 2015-2017 (find out more on page 49). [GRI G4-43](#) | [G4-48](#) | [G4-49](#) | [G4-50](#)

Monitoring and Management

[GRI G4-51](#) | [G4-52](#) | [G4-53](#) | [G4-DMA Energy](#) | [G4-DMA Water](#)

The paths taken in sustainability are assessed using certain indicators of the Corporate Strategy, the Master Plan and the Markets Plan at the strategic level, and are broken down to the evaluation of the results in the operational plans of the Bank's different units, which has a direct effect on the variable remuneration of statutory managers and employees.

The results appraisal takes note of the financial and non-financial performance and, in addition to the economic result it includes the contribution to society, environmental concerns and organizational behavior.

The Managers' Variable Remuneration Program (RVA) conditions the distribution of any variable portion to the semi-annual performance of the targets of 11 indicators, including socioenvironmental policies. Employees variable remuneration is linked to the indicators of the Labor Agreement (BB and ATB Synergy), including the environmental and social modules (Society Index) involving, respectively, the efficient use of resources (water, energy, toner, paper and selective collection) and greater employee involvement in social and voluntary causes. The model measures the managerial performance of the units against established targets, and affects variable remuneration through the payment of statutory profit sharing (PLR), receipt of which is conditional on a minimum score within the Labor Agreement. [GRI FS4](#)



Socioenvironmental responsibility governance consists of policies, structures, the BB Agenda 21, as well as management practices and accountability

Accountability

In seeking to strengthen transparency in the accountability of its socioenvironmental performance to its stakeholders, BB produces and publishes this Annual Report covering the actions carried out by the different areas of the Bank, and assurance by KPMG Auditores Independentes.

Sustainability at the Entities Related to Banco do Brasil (ELBBs)

GRI FS12 | G4-DMA Active Ownership

The alignment of SER concepts and practices between the BB and its related entities is included in the actions of the BB Agenda 21. Since these organizations have their own legal personality and define their own business strategies through their own management bodies, activities with Banco do Brasil are technical and non-binding, seeking to exchange best practices. [GRI FS5](#)

Among the initiatives carried out last year, the highlights were the mapping of sustainability initiatives at the ELBBs using the Ethos indicator methodology, the involvement of these companies in updating the Sustainability Plan for the period 2015-2017 and participation by representatives of the Bank at the Sustainability Forum of BB Seguridade. Starting with these actions, the fostering of sustainability within the related entities should continue to improve. Some of the highlights of 2014 are presented below. [GRI FS5](#)

Banco Votorantim | Any subject regarding environmental issue to be analyzed by the Board of Directors or the Shareholders' Meeting is analyzed beforehand by the BB, which presents technical considerations to assist the board members. In 2014 this engagement took place in December when approving the Socio-environmental Responsibility Policy of Banco Votorantim.

Cielo S.A. | The payment capture and solutions company is listed on the ISE index of BM&FBOVESPA, and it has a Sustainability Committee that discloses the issue within the business processes. In June 2014, the Board of Directors of Cielo, of which BB is a shareholder, approved the review of the company's Code of Ethics in order to place greater emphasis on sustainability and corporate responsibility.

Elo Serviços S.A. | BB suggested preparing a Code of Ethics for the company, putting forward as benchmarks for this document the Global Compact, the DJSI and the BB's own Code of Ethics. In December, the Board of Directors approved the Mission, Vision and Values of Elo Serviço, thereby strengthening the commitment to sustainability.

BB-affiliated entities overseas | Discussions on socioenvironmental issues by the boards of directors and general meetings of related entities based outside Brazil are assessed beforehand by the Bank. Its instructions and suggestions are forwarded to the board members. This is the case, for example, of Banco do Brasil Americas (USA), BB AG (Austria), Banco Patagonia (Argentina) and the Brazilian American Merchant Bank – BAMB (Cayman Islands).

THE 2015-2017 BB AGENDA 21

also involved
entities related
to the Bank



» RISK MANAGEMENT

GRI G4-2 | G4-14 | G4-45 | G4-46 | G4-47

CHALLENGE 19

Improve socioenvironmental risk management, based on the provisions of CMN Resolution No. 4,327/2014.

BB invests in enhancing its governance and practices in risk management, so as to comply with international market standards and with the Basel III Framework. It is incumbent on the Board of Directors to approve the Risk and Capital Management Policies and the Statement of Appetite for and Tolerance of Risks. Based on these the Superior Global Risk Committee (CSRG) sets out the risk management strategies and the global exposure and capital allocation limits. The Executive Credit Risk, Market Risk and Liquidity Risk Committees are responsible for defining mechanisms and instruments in line with the provisions of the Superior Committee for each type of risk.

Monitoring takes place through the Risk Panel, a document that brings together the principal risk and capital management indicators which is monitored on a monthly basis by the Executive Committees and the CSRG, and quarterly by the Board of Officers and the Board of Directors. Other reports are sent directly to those managing the processes as inputs for their activities, contributing to speed of response in making this information available. The Investor Relations site makes available a quarterly report on the risk management policies and structures of the BB.

In 2014, BB adhered to CMN Resolution No. 4,327/2014, which sets out the guidelines for financial institutions in Brazil to implement a Socioenvironmental Responsibility Policy (for more, see the box).

The Socioenvironmental Responsibility Policy of BB

CMN Resolution No. 4,327/2014, published in April, created a working group that proposed the Socioenvironmental Responsibility Policy (PRSA) of BB, plan for adapting to the rules and an assessment of the impacts of these changes on other internal policies. The PRSA comes into effect in the first half of 2015 and covers the entire BB Conglomerate, strengthening the institution's commitment to socioenvironmental responsibility.

This change represents yet another important guideline for the socioenvironmental responsibility governance implemented more than a decade ago and which is being continually enhanced. The Letter of Socioenvironmental Responsibility Principles, approved in 2003, and the Sustainability Plan – BB Agenda 21 adopted since 2005, are examples of this progress.

Get to know the Socioenvironmental Responsibility Policy of the BB on the site www.bb.com.br/ri (corporate governance section).

Principal Risks GRI G4-2 | G4-14 | G4-46

The principal risks to which the Bank is exposed are presented below, as well as the means of preventing and mitigating them. For further information on this topic consult the Reference Form and the Risk Management Report, both of which are available at www.bb.com.br/ri.

Market risk | The possibility of losses occurring as a result of fluctuations in the market values of positions held by BB. It includes the risks on transactions subject to variances in exchange rates, interest rates and share and commodity prices. The BB's proprietary positions are segregated in the Trading and Non-Trading Portfolios defined by the CSRG. The main types of limits adopted are Value at Risk (VaR) and stress testing.

Liquidity risk | Refers to the occurrence of imbalances between tradable assets and enforceable liabilities that might affect the institution's ability to pay, taking into account the different currencies and settlement dates in which its rights and obligations are settled. BB maintains liquidity levels considered sufficient to cover its commitments in Brazil and offshore, thanks to its extensive and diversified depositor base, the quality of its assets, the capillarity of its offshore branch network and the access it enjoys to the international capital market.

Credit Risk | Involves incurring losses associated with the failure of a borrower or counterparty to meet their respective financial obligations on the terms agreed; the depreciation of the loan agreement arising from the deterioration in the borrower's risk rating; the reduction in earnings or remuneration; advantages granted in renegotiations and recovery costs. This risk is managed based on specific policies and strategies, using proprietary customer risk rating methodologies aligned with best market practices and the concepts of the Basel Accords.

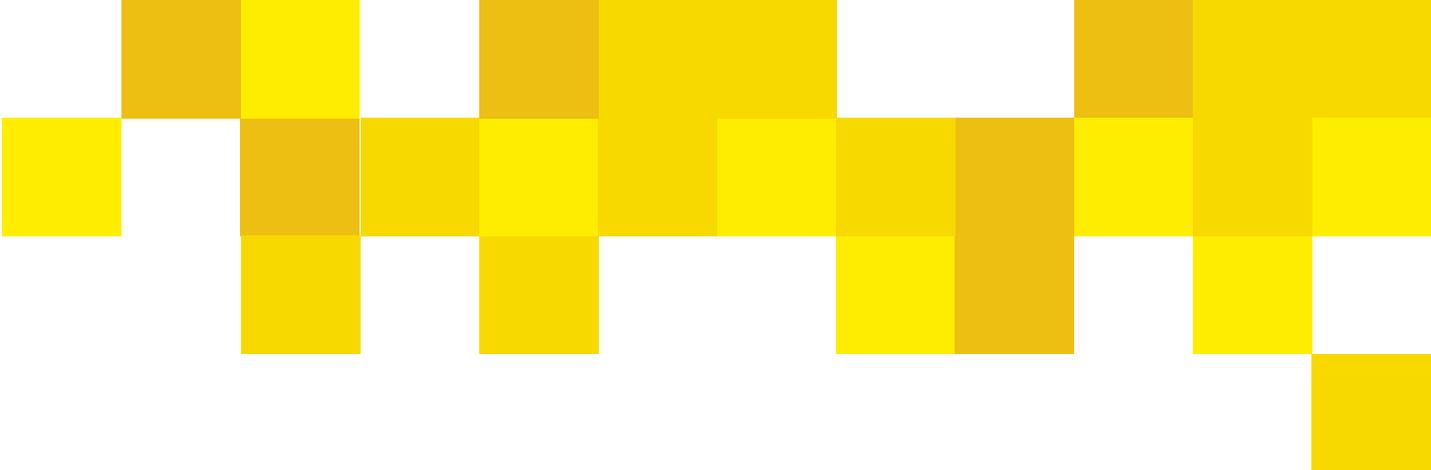
Operational risk | Arises from the possibility of losses occurring as a result of failures, deficiencies or shortcomings in internal processes, people and systems, or from external events. This definition also includes the possibility of incurring losses from legal risks. The current structure for managing this risk seeks to optimize management while complying with regulatory requirements for the BB's candidature for using in-house models that primarily cover integrated risk management and the segregation of the second layer of control.

Strategy risk | The possibility of losses arising from adverse changes in the business environment or from the use of inappropriate assumptions when taking decisions. Management of this risk involves three supplementary appraisals: the global strategy approved by the Board of Directors, the specific products and groups of customers in each business segment and possible acquisitions, partnerships, investments and entry into new markets.

Reputation risk | The possibility of negative perception of the institution by customers, counterparties, shareholders, investors, governmental agencies, the community of regulators that might adversely affect the sustainability of the business. Managing this risk involves assessing the impact on the BB brand, monitoring news in the media and accompanying the perception of investors and regulators.

Socioenvironmental risk | Involves the possibility of losses arising directly or indirectly from (i) adverse social and environmental impacts resulting from the Bank's administrative or business practices or those of the players within its operating environment; and (ii) adverse impacts on the Bank's operations arising from situational aspects involving the social and environmental unsustainability of current means of production and consumption patterns.

Other risks | BB manages its risks arising from exposures derived from equity interests, sponsored supplementary pension plan entities and employee private healthcare operators. The Risk Model is also monitored regarding the improper use of models on account of inaccuracy or insufficient data or incorrect formulation when building them.



» SECURITY MANAGEMENT

[GRI G4-DMA Anti-corruption](#) | [G4-DMA Customer health and safety](#) | [G4-DMA Customer privacy](#) | [G4-DMA Compliance](#)

Banco do Brasil relies on policies, systems and processes to ensure the security of its premises and the information it handles. The external environment and the possible causes related to security incidents are assessed so as to support decision making.

The Bank invests in employee training and in strengthening the institutional security culture by means of in-house events and campaigns. 2014 saw the Institutional Security Seminar dealing with issues such as information security, anti-kidnapping intelligence, anti-money laundering, anti-corruption, crisis management and business continuity. [GRI G4-SO4](#)

In the case of information security, the information technology systems, processes and platforms are continually upgraded to ensure data privacy, business continuity, traffic control and the availability of solutions on mobile platforms. A series of service audits and vulnerability analyses enables threats to information security to be corrected without jeopardizing the availability of the systems.

In this same vein, in 2014 a new corporate information classification methodology was launched with the aim of modernizing this process and adapting it to the precepts of Law No. 12,527/2011 (Access to Information Act). BB also adhered to the Foreign Account Tax Compliance Act (Fatca), a US federal law that requires foreign financial institutions to pro-

vide information about accounts held by US citizens outside the country or by entities in which those citizens have a significant equity interest. During the year, 35,400 employees received training on the course on the Fundamentals of Information Security. Launched in September 2013 and available in Portuguese, English and Spanish, the training course has so far been attended by 42,800 employees. Recently there have been no proven complaints about violations of privacy or loss of customer data. [GRI G4-PR8](#)

With the aim of mitigating physical security incidents – hold-ups, kidnapping, vandalizing of ATMs, etc. – in 2014 structures were created to enhance the investigation of vulnerabilities and incidents, improve relationships with internal and external entities and players and offer more agile service on the premises. Last year also saw the creation of the Institutional Security Monitoring Center (CEMSI) that centralizes notification of security incidents, monitoring on-going incidents and passing information to crisis management groups in real time. Another improvement, yet to be implemented, is the Operator Terminal, which will enable ATMS to be controlled, maintained and supplied without the employee having to deploy to the self-service lobby. This equipment, without equal in the market, will afford these processes greater agility and security. [GRI G4-PR1](#) | [G4-PR2](#)

The Business Continuity Management (GCN) process, in line with best international practices, strengthens the Bank's organizational resilience and image, enabling essential services to be maintained even in critical situations.

» ETHICS MANAGEMENT

GRI G4-56 | G4-57 | G4-58 | G4-SO3 | FS15 |

G4-DMA Non-discrimination | G4-DMA Anti-corruption

CHALLENGE 10

Establish mechanisms to strengthen employees' commitment to the Code of Ethics and the Standards of Behavior.

Commitment to ethical and responsible conduct is enshrined in the values of Banco do Brasil. To formalize these principles, the Code of Ethics and Standards of Behavior set out the moral guidelines and the behavior that the Bank expects from its employees. BB Managers are also subject to the definitions of the Code of Conduct for Senior Federal Government Officials.

The dissemination of ethical values among the entire staff focuses on awareness, on preventing deviations and in dealing with and notifying any incidents within the scope of the Corporate Ethics Management Program. In 2014, the strength of the management of this issue made BB the only Brazilian bank listed among the World's Most Ethical Companies, according to the Ethisphere Institute.



BB is the only Brazilian bank listed on the Ethisphere Institute's ranking of the World's Most Ethical Companies

GRI G4-56

And to strengthen the employees' commitment to the Bank's ethics, the internal campaign "Ser ético é BOMPRATODOS" (Being ethical is BOMPRATODOS (GOODFOREVERYONE)) highlighted practical situations of ethical dilemmas using videos, articles and discussion forums, so as to encourage employees to reflect on how they should react to day-to-day situations. Such was the effectiveness of this campaign that the material received over 500,000 views.

In February 2014 the Trilha Ética (Ethics Trail) was launched, consisting of self-instructional courses through the Portal of the Banco do Brasil Corporate University (UniBB Portal), and a prerequisite for registering for opportunities for professional advancement. By the end of the year around 34,000 employees had concluded "Trilha Ética", while an additional 76,000 were undergoing training (see further highlights in the box).

In regard to anti-corruption and anti-money laundering, the Code of Ethics repudiates crimes such as bribery, extortion, corruption and backhanders in all shapes and forms. Specific training sessions raise employee

awareness and prepare them for this. Several mechanisms are used to detect, analyze and notify suspicious situations, including at related entities in Brazil and overseas, and the automated systems involved are continually being upgraded. Furthermore, BB takes part in forums and establishes partnerships with bodies and entities seeking to enhance the system for combating this type of crime in Brazil. [GRI G4-57](#) | [G4-58](#)

» TRILHA ÉTICA (ETHICS TRAIL)

8 modules

34,667 employees trained in 2014

474,500 hours of training
per annum

GRI G4-SO4

Number of Participations in Live Anti-Corruption Training Courses	2012	2013	2014
Internal Certification in Internal Controls and Compliance	1,359	921	17,913
Anti-Money Laundering Synapse ⁽¹⁾	47,628	12,956	5,105
Under Control Course	5,219	2,622	1,671
Workshop on the Analysis of Signs of Money Laundering	1,569	1,293	2,187
Internal Anti-Money Laundering Certification	2,626	2,214	3,056
Total	58,401	20,006	29,932

(1) The drop in the number of participations in this course over the last two years is due to the large number of employees who took the training course in 2011 and 2012. Since the second semester of 2011, conclusion of the course is a pre-requisite for in-house opportunities.

Employees that Received Anti-Corruption Training by Functional Level in 2013										
	South		Southeast		Mid-west		North		Northeast	
	Total	%	Total	%	Total	%	Total	%	Total	%
Managerial	387	6.82	1,290	8.86	178	11.10	531	12.53	605	10.82
Technical	11	13.92	84	15.97	6	13.33	293	13.93	13	14.77
Operations	616	13.59	1,222	11.39	72	11.69	279	11.89	241	9.93
Advisory	215	13.71	713	13.52	64	18.03	694	12.27	258	21.29
Others	1,332	17.03	3,370	17.38	564	23.17	880	23.39	1,852	19.32

Employees that Received Anti-Corruption Training by Functional Level in 2014										
	South		Southeast		Mid-west		North		Northeast	
	Total	%	Total	%	Total	%	Total	%	Total	%
Managerial	288	4.39	1,006	5.87	99	5.36	240	5.01	389	6.14
Technical	14	2.90	50	3.05	12	7.89	77	2.82	38	8.56
Operations	159	3.48	975	8.95	48	8.45	173	8.79	180	7.38
Advisory	10	2.76	70	3.79	6	18.75	229	4.76	8	4.42
Others	676	9.03	1,589	8.46	349	14.04	462	12.93	823	8.71

GRI G4-56

Live training at the Workshop on Analyzing Indications of Money Laundering increased during the year, especially for branch network employees, leading to an increase of 69.1% in the number of those trained over 2013. During this period, the overseas branches were assessed with regard to the risks of corruption. Furthermore, the Bank joined the working group of the Brazilian Banks Federation (FEBRABAN) regarding the impacts of Law No. 12,846/2013, which deals with holding accountable legal entities for acts committed against the government, supplementing the individual sanctions on those engaging in this type of crime. BB also participated in developing proposals for the National Anti-Corruption and Anti-Money Laundering Strategy (ENCCLA 2014), an event that brought together over 60 public and private bodies and entities. At the same forum BB was publicly acknowledged in the XXII Plenary Session for its significant contribution on the issue.

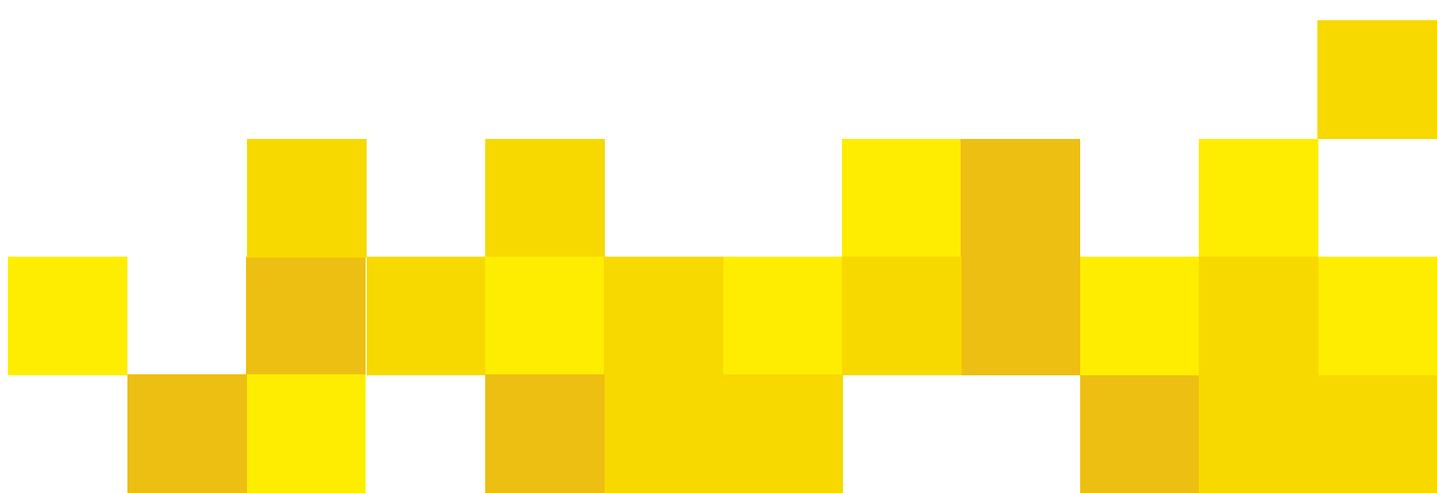
Non-compliance with the guidelines of the BB Code of Ethics and the Standards of Behavior may result in sanctions, depending on the severity of the incident, its circumstances and the degree of participation of each person involved, ranging from an instrument of awareness, to dismissal with cause. When any indications of corruption of any nature are detected, the competent authorities are notified, in addition to a disciplinary assessment. In 2014, seven administrative proceedings were concluded regarding corruption, leading to disciplinary sanctions against those directly and indirectly involve. [GRI G4-S05](#)

» INTERNAL CONTROLS AND AUDITS

Internal control mechanisms are required so that Banco do Brasil can achieve its strategic objectives and meet the expectations of regulatory bodies, customers, employees, investors and society. Internal control priorities are defined based on aspects such as financial relevance and losses incurred, as well as on reports by regulatory bodies and internal and external audits.

The instruments used include assessments of the effectiveness of the controls and unstructured data; validation of risk models; operational compliance at strategic units and premises, self-assessment of internal controls and compliance; and electronic compliance monitoring.

Also, the BB Internal Audit team carries out annual assessments of the entire risk process, which is also subject to external audits and inspections by the Central Bank. The Bank's financial statements are verified by independent auditors, with due regard for the period of five years for substituting those technically responsible for this process and the other obligations set out in CMN Resolution No. 3,606/2008, as amended.





Strategy

CHALLENGE 26

Maintain and expand the Bank's role as a driver of sustainable development through financial inclusion and social businesses (Production Oriented Micro Credit – MPO, Student Financing Program – Fies, Minha Casa Minha Vida – MCMV Program, the BB Accessibility Credit and the National Program for Strengthening Family Farming - Pronaf, among others), so as to integrate with programs and public policies, partnerships with the private sector and the BB sustainable development strategies (Private Social Investment, volunteer work, digital inclusion, sustainable regional development and a model for integrated involvement in sustainable development, among others).

For the 2015 to 2019 cycle, BB has defined five highly relevant challenges to the sustainability of its operations: Profitability and Capital Management; Organizational Culture; Management of People and Knowledge; Design (Businesses, Processes and Organization); and Customer Experience and Relationship with the Eco System¹. Thus the Bank's emphasis is on enhancing the experience of customers, shareholders and society by developing long-lasting relationships. With the principles of sustainability as the driving force, it will continue allocating priority to increasing efficiency, productivity, profitability and revenues from services.

These priorities are the outcome of the review process of the BB's Corporate Strategy, carried out during 2014, with the support of strategic studies covering macro environment trends, medium and long-term economic scenarios, initiatives and prospects for the competition and customer satisfaction surveys. The Bank's capabilities, competencies and recent performance were also analyzed, as well as forecasts of results. Once the strategic pointers and objectives of BB have been defined, a series of actions fosters disclosure and internal alignment, such as workshops, mobilization events, intranet disclosures, training and endomarketing campaigns. **GRI G4-PR5**

Given the current context, characterized by complex and interdependent relations between the Bank and its stakeholders, 2014 saw the beginning of the development of a management model for the Banco do Brasil brand, which is now seen as a strategic asset capable of creating differentiation and value for the business. This process defined the essence of the brand, which expresses the Bank's *raison d'être*, and is evidenced by its Belief, Mission, Vision and Values.

(1) Involves all stakeholders of Banco do Brasil.

The essence of the Banco do Brasil brand

GRI G4-56

Belief | A better world for everyone requires public spirit from each of us.

Mission | A market bank with public spirit – being a competitive and profitable bank, showing public spirit in each of its actions with society as a whole.

Vision of the Future | To be the most important and reliable bank in the lives of customers, employees, shareholders and for the development of Brazil.

Values

- **Public spirit** – We simultaneously take into account the whole and the parts in everything we do, so as to estimate the risks, generate results and create value.
- **Ethics** – Our conduct is based on moral principles and values, with responsibility and transparency.
- **Uniqueness** – Our identity unites us, sets us apart and makes us proud: we are Banco do Brasil.
- **Competence** – We tirelessly search for the competence needed to resolve the challenges arising from our Belief and our Mission.
- **Innovation** – We embrace a culture of innovation so as to ensure our perpetuity.
- **Human Potential** – We believe in people's potential and their ability to achieve and contribute to the progress of society.
- **Sustainability** – We are leading players in disseminating and making possible a lifestyle based on the principles of sustainability.
- **Efficiency** – We are permanently optimizing the resources available to create value for all our stakeholders.
- **Agility** – We are simple and assertive to have the agility required to compete and enchant customers.

The BB's new mission reflected a new dynamic for formulating and breaking down the strategy so as to ensure greater alignment between discourse and practice. The assumptions of the review process of BB's corporate strategy included participative construction, strengthening the focus on customers and the integration of performance inducement processes whose main objective is to transform strategy into an effective management instrument.

The proposed challenges, movements and strategic objectives were discussed in working groups with the Board of Directors, the Board of Officers and the Executive Board. The strategic guidelines were broken down into specific strategies for the retail, private banking, wholesale and public sector markets, referred to as market plans, establishing priorities in terms of objectives, targets, initiatives, indicators and products. Drawing up these plans also involved the departments that manage products, networks, channels and corporate functions.

» STRENGTHS

GRI G4-DMA Local Communities

In line with its mission of being a market bank with public spirit, the BB's strategy includes the commitment to drive public policies and foster the development of the nation. At the same time it continues in the incessant search for sustainable results. A series of competitive advantages, shown below, contribute to the benchmark position of BB in the market.

Leadership

The Bank's high-profile position in several segments reflects its capillarity, the diversity of its business and the huge volume of funds handled. BB is the largest financial institution in Latin America in assets, which amount to around R\$1.4 trillion. It is also the top lender in the Brazilian Banking Industry (SFN), with a share of 21.0%, the highlight being loans to Agribusiness, with a 63.5% market share.

In the Government market, BB is the financial agent of the National Treasury, looking after the government's sole account and in charge of transferring funds to other components of the Federation.

This status affords the BB three main competitive gains. The huge dimension of the business contributes to economies of scale and to enhancing operational efficiency. The extensive customer base is strategic for offering new products and services. Acknowledgement as the industry benchmark enables a positive image and solid reputation to be maintained, further enhancing relations with the various stakeholders.

Capillarity **GRI FS13**

BB has the largest service network in Brazil and abroad among Brazilian financial institutions. Present in 99.8% of the country, the Bank fosters bankarization, enabling the inclusion of thousands of people within the banking system, while fostering local production chains. Indirectly, this pioneering effort also boosts the institution's reputation, while enhancing links with local communities. The geographical distribution means the Bank can take advantage of the business opportunities arising from social mobility in Brazil.

Brand Management

Managing the Banco do Brasil brand involves seeking out opportunities for exposure and assimilation of positive perceptions. This process also involves controlling how the brands are utilized in Brazil and overseas, with each of the Conglomerate's stakeholders. This process also involves the search for opportunities for positive exposure and assimilation of positive perceptions of the brand. Thus the Bank defines policies, architecture and names for products and services, monitors how visual identities are used, ensures legal protection for institutional trademarks and products and assesses the possibilities for licensing and association of brands.

In 2014, the BB brand appraisal process, carried out with the support of specialist consultants, established the intangible value of the Banco do Brasil brand, reflecting its contribution to generating new business

and the price definition strategy. This process also enabled the updating of the indicators used for monitoring, the enhancement of the specialization of the in-house process agents and the comparison of the Bank's brand with those of its main competitors.

In the financial industry, the Banco do Brasil brand enjoys the third-largest financial value (R\$18.8 billion, according to the ranking of The Banker 2014 magazine, the first that comes to mind among the population, according to the Top of Mind of the Datafolha Institute and the largest in percentage of equity value, 29%, according to an in-house study based on public data. The Bank also holds 4th place among The Most Valuable Brazilian Brands (Interbrand) and 2nd place in the Banks category of The Most Prestigious Companies ranking (*Época Negócios* magazine) and Brazil's Favorite Companies 2014 (*Consumidor Moderno* magazine). The improvement in the perception of the BB brands can be attributed to the activities of the Banco do Brasil Cultural Centers (CCBBs), the role of Fundação Banco do Brasil and the institutional sponsorship of sport (for more, see page 137).

The Bank has its own methodology for managing image risk, which is being revised on account of Central Bank Circular No. 3,457/2011, which incorporates the attitude to reputation risk.

CHALLENGE 4

Improve the brand management process using clear monitoring metrics linked to risk management and financial returns.

New BB sponsorships in 2014

Allianz Parque Arena | A multi-use arena in São Paulo (SP), with covered seating for approximately 45,000, 160 VIP boxes, an amphitheater, restaurants, a convention center, stores and a theme memorial among other facilities. The sponsorship provides for use of the boxes for customer relationships, exclusive affiliation in all commercial establishments within the arena, exclusive benefits for Ourocard credit/debit card customers at shows, games and other events, as well as space for showing off the brand.

Bourbon Street Music Club | A nightclub in São Paulo (SP) inspired by the typical music and décor of New Orleans, inaugurated in 1993 in the presence of B.B. King. The partnership includes exclusive discounts and pre-sales for the Bank's customers, preference in taking out insurance with companies of the Conglomerate, allocation of space for VIP boxes and closed events, brand visibility on the premises and its media plan.

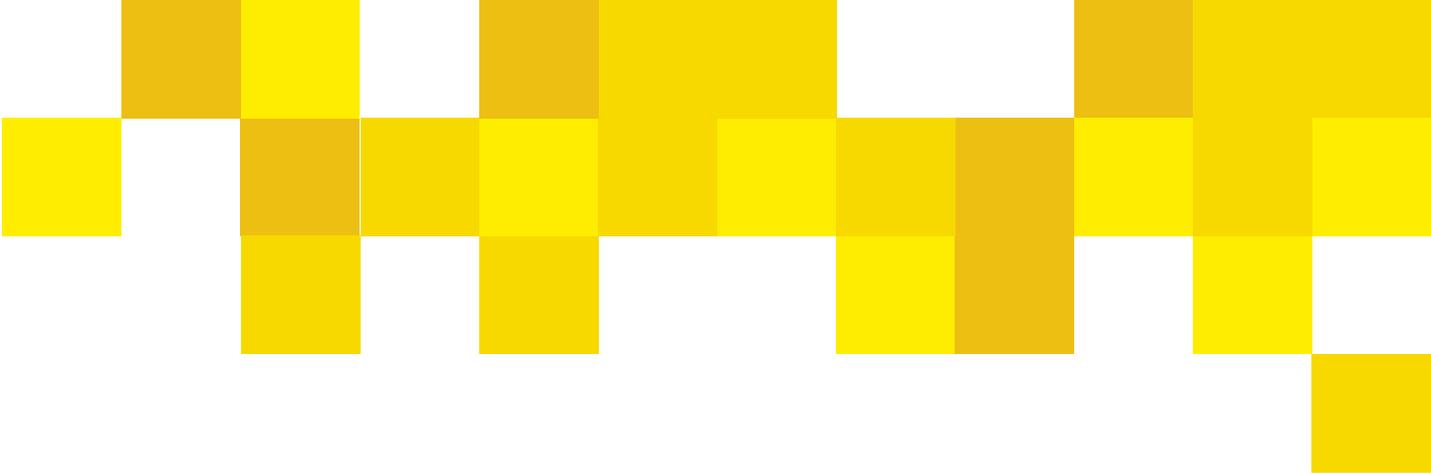
Sauber – Fórmula 1 Team | Sponsorship of the team of driver Felipe Nasr, announced at the end of the year, expands the BB's presence in motor sport.

Sponsorships [GRI G4-EC7](#) | [G4-EC8](#)

In 2014 BB invested around R\$200 million in sponsorships totaling 778 projects. Around 21% of this was channeled to the Superintendencies in each State, thus contributing to regionalizing the Bank's efforts while energizing the economies of several municipalities. This total also includes the 404 projects selected by means of public tender within the Banco do Brasil Sponsorships Program. The year was notable for new sponsorships (see box) and the progress of the traditional platforms on which BB operates.

2014 Banco do Brasil Circuit [GRI G4-EC7](#) | The 2014 season took in four Brazilian capitals (Belo Horizonte, Brasília, São Paulo and Rio de Janeiro) with events involving culture, entertainment and sport. Each edition had a 10-hour schedule. In all, over 100,000 people turned up. The contest for bands, VOZPRATODOS, saw more than a thousand bands registered, while the Brazilian Vertical Skate and Street Skate Championships attracted more than 50 skateboarders and distributed R\$180,000 in prizes.

Sports [GRI G4-EC7](#) | Total investment by BB in sports stood at R\$108.6 million in 2014, of which R\$11.7 million came from the Sports Incentive Act. This involvement seeks to disclose the brand and enable it to be associated with positive attributes, in addition to creating opportunities to network with customers. Sponsorship focuses on sportsmen and modalities that evoke national identity, the highlights being the Brazilian Volleyball and Handball Confederations, the Williams F1 team and the BMW Team Brasil (GT Series), the Sports Ambassadors Project, yachtsmen Robert Scheidt and Bruno Prada and tennis players Beatriz Haddad Maia and Thiago Monteiro. In December, the office of the Federal Controller-General (CGU) published an audit report pointing out weaknesses and discrepancies in the management of the Brazilian Volleyball Confederation. In the light of this, BB immediately froze the sponsorship, the resumption of which will depend on compliance with the recommendations of the CGU. In 2014, the Bank was



awarded the Friend of Sport Business Award, with 1st and 3rd places in investments in the states of Sergipe and São Paulo, respectively, and 2nd place as the Best Friend of Participative Sport.

Banco do Brasil Cultural Centers (CCBBs) GRI G4-EC7 | More than 5.3 million people visited the CCBBs in Belo Horizonte, Brasília, São Paulo and Rio de Janeiro in 2014. These centers hosted 106 projects during the year, of which 18 exhibitions accounted for over half of the visitors and the largest share of the return from spontaneous media. Among these, worthy of note are Salvador Dalí (RJ), Sebastião Salgado Genesis (DF), Yayoi Kusama: infinite obsession (RJ and DF) Ciclo (Cycle) (SP and MG) and the Ludwig Collection (SP, RJ and MG). Total investment during this period was R\$49.3 million, of which 94% from the Rouanet Act on tax incentives. The quality, free entrance and regularity of the schedules of the CCBBs led in 2014 to the Bank receiving dozens of nominations and two awards from the São Paulo Association of Art Critics. Once again the Centers occupied top positions in the rankings of the publication The Art Newspaper, which covers museums and the world's most prestigious exhibitions.

To enhance the movie theater infrastructure at the Cultural Centers BB is acquiring new digital movie projection equipment as part of a 4K Digital Cinema park. This improvement will make it easier to run seasons, by substituting the current model of rented equipment, while mitigating the risks in transporting and storing rare film collections. The transition from analogue cinema (film) to digital is already a global reality: it is estimated that 2015 will be the last year when movies will be distributed on film, while several festivals such as Cannes and Rio de Janeiro only show content in official digital format. Furthermore, this standard is required for showing 3D movies.

FOCUSING ON CULTURE AND SPORT, BB'S INVESTMENTS IN SPONSORSHIP AMOUNTED TO R\$200 MILLION IN 2014, COVERING 778 PROJECTS

Benchmark in Sustainability

The Sustainability Plan – BB Agenda 21 ensures that this topic receives a transversal approach throughout the Bank. Besides structured practices, BB fosters an internal culture of sustainability, which also entails establishing socioenvironmental targets from the strategic level to unit and branch level, involving employee performance, among other factors. This attitude sets BB apart from other financial institutions and produces a positive impact on the institutional reputation and in the relationships with stakeholders. Furthermore, it reiterates the public spirit of BB, insofar as economic, social and environmental aspects are taken into account when making decisions, so as to reconcile public and private interests and contribute the nation's development.

Since 2006 the Bank has been listed on the Novo Mercado segment of BM&FBOVESPA, which hosts companies with the highest level of governance. Within the scope of sustainability, BB has been listed on the Corporate Sustainability Index (ISE) of BM&FBOVESPA for a decade, since it was created, and has also been listed over the last three years on the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange. Since 2012 BB has been among the winners of the Época Magazine Green Company Award (Globo Publishers).

Information Technology

Investments in information technology reduce costs, improve controls and information security and free up employees so that they can deal with customers and strategic problems, while they also reduce the environmental impact of the Bank's activities. The total amount invested by BB in information technology stood at R\$3.2 billion, R\$2.8 billion and R\$3.4 billion in 2012, 2013 and 2014, respectively.

An integrated series of Green IT actions means efficient use of resources along the entire chain, involving, for example, socioenvironmental requisites when acquiring equipment and services. The institution was the first in the retail segment in the Americas and in the Southern Hemisphere, as well as the tenth worldwide, to be awarded ISO 20000 certification in technology, according to IT Service Management Forum.

Among last year's initiatives, worthy of mention is the Technological Transformation Program that aims to advance the Bank's technology structure in order to achieve higher levels of speed of response and efficiency. In line with expectations surrounding convenience for customers and employees, BB has invested heavily in mobility to make mobile phones the primary channel for doing transactions, contributing to customer satisfaction, cost reductions and greater

agility in corporate processes. The telecommunications infrastructure of BB also came in for attention during the year, its quality and capacity having been augmented to benefit all premises.

Human Capital GRI G4-DMA Training and education

BB fosters people management in response to good market practices, respecting aspects of its nature as a government controlled (private) entity, including selection through public examination. Highly-qualified staff in the financial and banking areas means better service for customers, proper progress of projects and continuous improvement in processes. Investments in employee training in 2012, 2013 and 2014 amounted, respectively, to R\$55.3 million, R\$58.6 million and R\$74.7 million.

In 2014 BB featured for the second consecutive year in the *Guia Você S/A* – ranking of The Best Companies to Work For (Abril Publishers), received a certificate from the Top Employer Institute as one of Brazil's top five employers, and was listed among the 150 Best Companies in People Management Practices (*Gestão RH* magazine).

**IN 2014, BB INVESTED
R\$3.4 BILLION IN
INFORMATION TECHNOLOGY AND
R\$74.7 MILLION IN EMPLOYEE
TRAINING, EXCEEDING
THE PREVIOUS YEAR'S
AMOUNTS BY 19.0% AND
27.6%, RESPECTIVELY**

» SUSTAINABILITY PLAN – BB AGENDA 21 GRI G4-14

The Sustainability Plan – BB Agenda 21 personifies the Bank's sustainability strategy (for details about governance, see page 29). This is a pioneering initiative on the Brazilian business scene, inspired in the principal commitments given at the United Nations (UNO) Rio-92 Conference that encouraged governments, businesses and civil society organizations to search for solutions for socioenvironmental problems. It is through it that BB aligns management of the topic with accountability to society, disseminates through the entire Conglomerate the sustainability strategy and ensures that business processes are coherent with its principles in order to deliver on the actions established beforehand for each three-year period.

The Plan is drawn up from the public commitments given by BB, references originating in entities that foster the corporate socioenvironmental responsibility movement at national and international level – such as the Dow Jones Sustainability Index (DJSI), the Corporate Sustainability Index (ISE) and the Brazilian Consumer Protection Institute (IDEC) – and from its own biannual updating process involving all areas of the Bank and representatives of its major stakeholders. It is structured on three fronts on which a series of actions is defined with a three-year time horizon, so as to ensure that the guidelines filter down to the operations areas (see the box).

In 2014 BB once again updated its Agenda 21 Sustainability Plan. The process involved several phases of internal discussion and stakeholder consultations as shown in the diagram below. As a result, 28 challenges were listed in the economic, social and environmental dimension, giving rise to 88 actions comprising the Sustainability Plan – The 2015-2017 BB Agenda 21.

Fronts of the BB Agenda 21

Sustainable Business I Executing actions in support of sustainable development, financing activities that generate jobs, income and social inclusion, in addition to using environmentally appropriate technologies to see these actions through.

SER Processes and Management I Spreading principles that bolster the culture of SER with its stakeholders by ensuring that administrative and business processes are coherent with these principles.

Private Social Investment I Improving the quality of life of the Brazilian population with initiatives that involve support for environmental awareness and conservation programs or those concerning protection for human rights, raising funds for supporting social development and for encouraging voluntary work among employees.

UPDATING OF THE BB AGENDA 21 IN 2014

GRI G4-14

AUGUST

14

During a visit by executives from the United Nations Environment Program (UNEP) and Febraban to Banco do Brasil, discussions were held about BB's collaboration in sustainable development, the highlight being the Low Carbon Agriculture Program, the Water Brazil Program and the social technologies of Fundação Banco do Brasil. The meeting is part of the UNEP global program to identify initiatives and opportunities for accelerating investment and financing for the green economy, to which Febraban is contributing by carrying out studies into the Brazilian Banking Industry (SFN).

28

Consultation held with the people management network for suggestions as to actions for meeting the challenge of strengthening in-house programs on education and awareness regarding sustainability.

SEPTEMBER

04

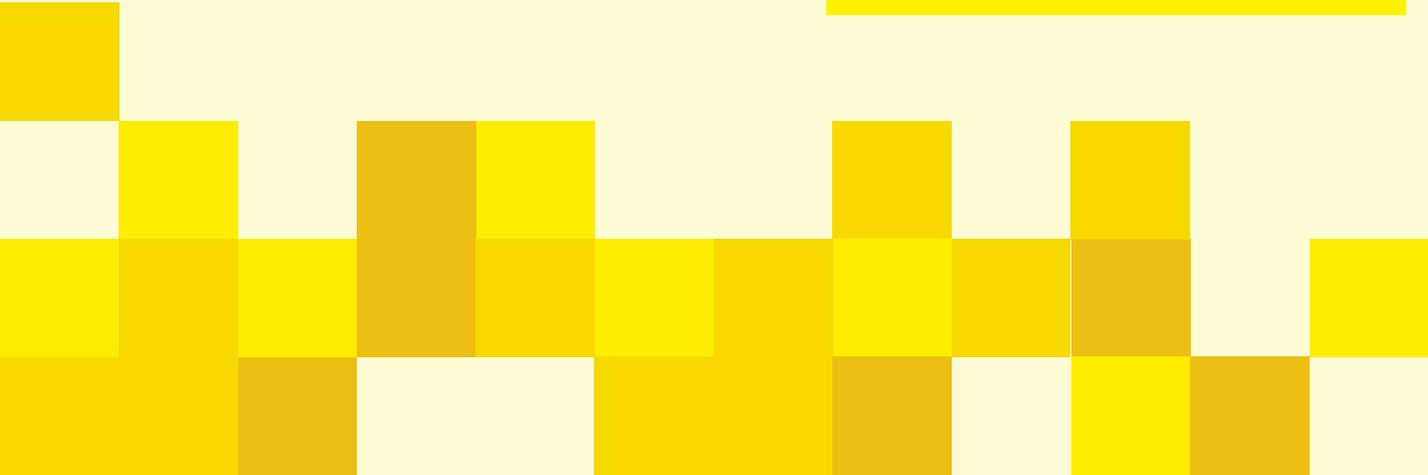
The Superintendencies of the Bank were consulted about suggestions for actions contributing to the Bank's role as an inducer of sustainable development through financial inclusion and social businesses.

16

The 2014 Stakeholders' Panel enables the stakeholders to prioritize the topics and challenges of the Sustainability Plan – BB Agenda 21 for the 2015-2017 period. The event also contributed to preparing the materiality matrix for the 2014 Annual Report.

18

In the thematic panel on Private Social Investment and Social Businesses, FBB and the Bank's Strategic Unit for Sustainable Development debated the challenges within the Social Dimension of the BB Agenda 21 for the next three years.



OCTOBER

09

BB executives gathered at the 20th Sustainability Forum to establish the order of priority for the topics and challenges of the Sustainability Plan – BB Agenda 21 for the 2015-2017 period. The event also contributed to preparing the materiality matrix for the 2014 Annual Report.

27

The thematic panel on Risks and Opportunities within the Supply Chain and Sustainable Procurement enabled the Bank to provide employees training on this topic in the light of Law No. 8,666/93 (the Tenders Act), and on the challenges emphasized by the sustainability indices of the capital markets. At the meeting solutions were also presented for the BB Agenda 21.

NOVEMBER

06

Together with WWF Brasil, BB held the Workshop for the Financial Industry on ESG (Environmental, Social and Corporate Governance), with the aim of discussing key sustainability issues for the industry while assisting participants to identify risks and opportunities in their portfolios. The backdrop to the debate was the Environmental, Social and Governance – ESG Manual developed by the WWF International, with support and guidance from Credit Suisse.

07

Within the scope of the Brazil Water Program, the thematic panel on Climate Strategy introduced the Bank's in-house stakeholders to a scenario on climate change, its major impacts and the role of banks in this process. The event contributed to proposing actions on this topic for the 2015-2017 period of the Sustainability Plan – BB Agenda 21.

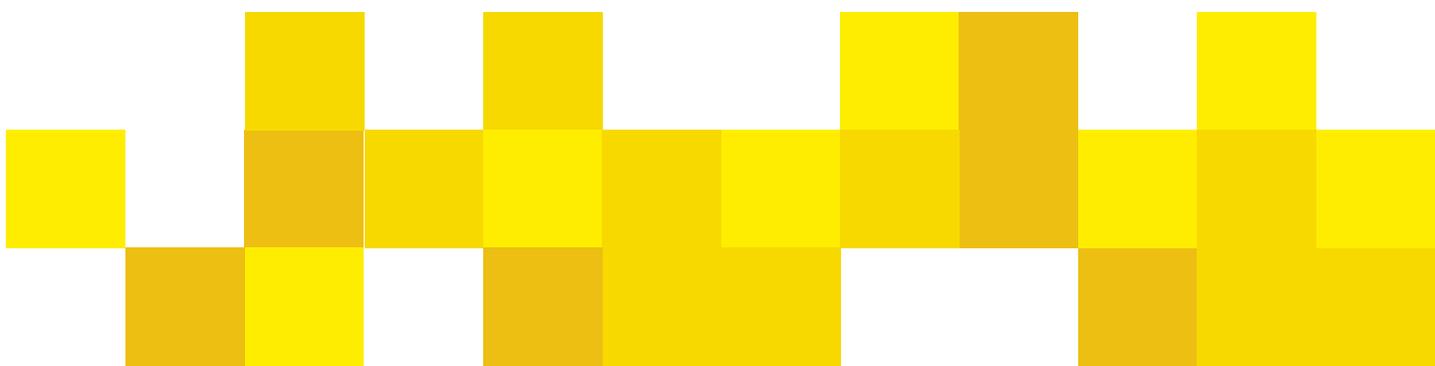
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At the V Sustainable Development Workshop, the senior management of BB met with executives of related entities, state superintendencies, people management network managers, specialists and partners to discuss the BB Agenda 21 actions for the 2015-2017 period based on the allocation of priorities at the previous events.

Challenges Proposed for 2015-2017 GRI G4-2 | G4-DMA Water | G4-DMA Effluents and waste

Challenge	Action	Deadline	See how the Bank is Dealing with this Topic
1. Enhance the sustainability governance structure by involving Senior Management (Board of Directors, Board of Officers and the Executive Board) in order to strengthen the Bank's commitment to the topic.	Develop and implement training programs in socioenvironmental responsibility for the Board of Directors, the Board of Officers and the Executive Board.	December 2015	Page 29
	Assess the viability of creating an advisory committee to the Board of Directors for the purpose of assisting this body to monitor and evaluate the Socioenvironmental Responsibility Policy.	December 2015	
4. Improve the brand management process using clear monitoring metrics linked to risk management and financial returns.	Analyze and define metrics that demonstrate how the performance of the brand relates to the impact on the financial result.	December 2015	Page 45
	Study the feasibility of taking into account the appreciation in brand value as one of the inputs for the method of assessing strategic partnerships.	December 2015	
	Assess the feasibility of projecting the brand value of BB for the years ahead.	December 2015	
	Enhance the reach of the brand measurement and management methodology by offering royalty fees per business, thereby expanding the range of possible revenues and better knowledge of the competitive strengths of the Conglomerate.	December 2015	
10. Put in place mechanisms to strengthen employees' commitment to the Code of Ethics and the Standards of Behavior.	Put in place mechanisms for monitoring, on an annual basis, reading and acceptance of the Code of Ethics and Standards of Behavior by all employees in Brazil and overseas.	June 2015	Page 38
	Disclose a summary of the ethics management actions by BB.	December 2015	
11. Enhance customer relationship management and increase the satisfaction index.	Establish differentiated business terms and/or benefits for individual, business and government customers that use on-line services, avoiding printed matter.	On-Going action	Page 133
	Assess the implementation of a process for external assurance of the information regarding the number of customers using on-line financial services.	December 2015	

Challenge	Action	Deadline	See how the Bank is Dealing with this Topic
15. Enhance and systematize the identification of business opportunities for developing products that meet the demands created by environmental matters (trends/new regulations on the use of natural resources) and climate change (demands for infrastructure financing in order to adapt to climate change).	Adjust/develop innovative products and services with the following assumptions: Wholesale Pillar BBecoEficiente, innovation and creation of socioenvironmental value. Examples are: loan facilities with socioenvironmental elements for financing green technologies; carbon credits market; consultancy services; equity products with environmental elements; fixed income investments with environmental elements; environmental and climate change criteria throughout the entire loan and investment process.	On-Going action	Page 149
	Adjust/develop innovative products and services with the following assumptions: Government Pillar BBecoEficiente, innovation and creation of socioenvironmental value. Examples are: loan facilities with socioenvironmental elements; structured financing/transactions for the solid waste industry; sanitation; carbon credits market; consultancy services; equity products with environmental elements; fixed income investments with environmental elements; environmental and climate change criteria throughout the entire loan and investment process.	On-Going action	
	Adjust/develop innovative products and services with the following assumptions: Retail Pillar BBecoEficiente, innovation and creation of socioenvironmental value. Examples are: mortgages for acquiring, building/ refurbishing sustainable developments; loan facilities for financing green technologies; pre-fixed income investments with environmental elements; environmental and climate change elements throughout the entire loan and investment process.	On-Going action	

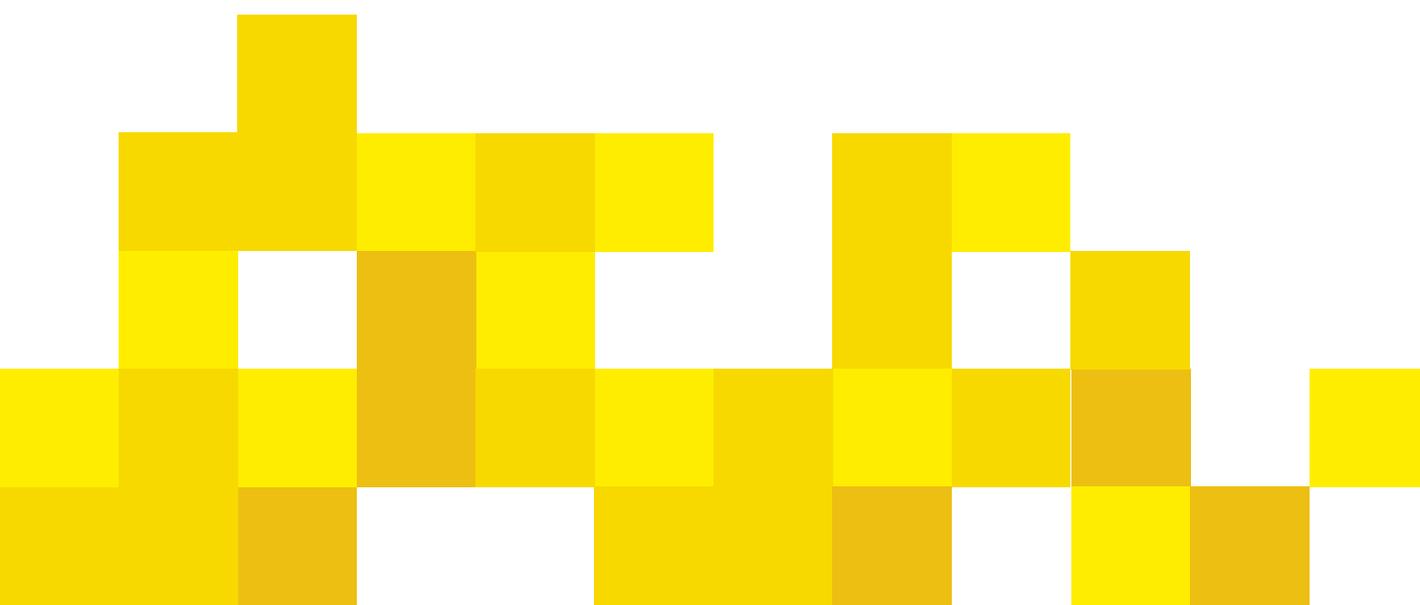


Challenge	Action	Deadline	See how the Bank is Dealing with this Topic
19. Improve socioenvironmental risk management, based on the provisions of CMN Resolution No. 4,327/2014.	<p>Analyze the feasibility of incorporating environmental variables into the econometric modeling for RTA (Farming Technical Risk Assessment), in order to support detection and assessment of socioenvironmental risks in Agriculture Loans. Suggested features: (i) Incorporation of environmental variables in RTA econometric modeling; (ii) integrating the base of different sources in analyzing financing and the reliability of RTA data; and (iii) support for massified analysis of loans (working capital for input purchases), using consulting services for non-massified analysis (investment), including geo-referenced monitoring of areas of deforestation, native tribe lands, conservation units and classification of socioenvironmental risks.</p>	December 2015	Page 35
	<p>Register the behavior of the socioenvironmental risks so as to ensure maintenance of exposure to this risk according to the established tolerance level, by (i) defining and implementing a model(s) for controlling the level of socioenvironmental responsibility associated with investment and equity interests, according to the region, economic sectors and projects; and (ii) establishing a management model for analyzing the socioenvironmental impacts of the activities in which the Bank is involved.</p>	December 2015	
	<p>Develop routines and procedures for identifying, classifying, assessing, monitoring, mitigating and controlling socioenvironmental risk in transactions, with due regard for the provisions of CMN Resolution No. 4,327, Section 8; and SARB No. 14, Sections 3, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18.</p>	<p>June 2017 (construction of a socioenvironmental rating by applying questionnaires and building the risk matrix) December 2019 (incorporation of data on losses, by socioenvironmental rating, when pricing loan transactions)</p>	
	<p>Define technical specifications and request the development of an IT system that supports socioenvironmental risk management.</p>	December 2018	
	<p>Include in the risk assessment model the weighting of situations involving crimes against the environment.</p>	December 2016	

Challenge	Action	Deadline	See how the Bank is Dealing with this Topic
20. Enhance the relationship between Private Social Investment and the business strategy.	Use diagnoses carried out so as to implement socioenvironmental projects of the Brazil Water program, creating synergy with social technologies and businesses.	On-Going action	Page 137
	Develop strategies/initiatives for leveraging sales of products with socioenvironmental elements that transfer resources to FBB.	On-Going action	
	Evaluate, in the light of the new ECBB, the Foundation's role as an agent of PSI, including how to link these investments to the instituter's social business and integrate them with public policies.	June 2015	
	Evaluate ways of internalizing resources at FBB and new sources of public and private resources, also analyzing the feasibility of investing reimbursable resources.	December 2015	
	Organize and annual workshop among the business areas and FBB so as to identify social technologies that can be added to the business of BB, enabling them to be reapplied, so that, by gaining in scale, they can become a public policy that contributes to the development of a greener, more inclusive economy.	December 2015	
	Develop and implement a Private Social Investment (PSI) management system that includes establishing, implementing and monitoring the socioenvironmental and financial impact indicators associated with PSI actions.	June 2016	
23. Enhance the employees' variable remuneration system, including that of Senior Management, taking into account individual performance.	Develop initiatives for increasing the percentage of employees whose remuneration is affected by individual performance appraisals (management by objectives and multidimensional performance appraisals).	On-Going action	Pages 28 and 116
24. Raise the employee satisfaction index.	Analyze the factors that most contribute to improving employee satisfaction. Analyze the feasibility of strengthening these facts and create an action plan.	December 2015	Page 128
	Enhance existing actions and evaluate the implementation of new ones for preventing moral and/or sexual harassment, dealing with the concrete incidents.	December 2015	

GRI G4-DMA Products and services

Challenge	Action	Deadline	See how the Bank is Dealing with this Topic
26. Maintain and expand the Bank's role as a driver of sustainable development through financial inclusion and social businesses (MPO, Fies, Minha Casa Minha Vida – MCMV Program and the BB Accessibility Credit and Pronaf, among others), so as to integrate with programs and public policies, partnerships with the private sector and the BB sustainable development strategies (Private Social Investment, volunteer work, digital inclusion, sustainable regional development and a model for integrated involvement in sustainable development, among others).	Implement a model for engaging in sustainable development.	On-Going action	Page 42
	Define the concept, for BB, of "financial inclusion" and establish indicators capable of measuring the performance of the Bank's actions, including monitoring and reporting to Senior Management.	On-Going action	
	Prepare an annual plan for integrated communication regarding the results of the BB in favor of sustainable development.	On-Going action	
	Create on the UniBB portal an area with specific content for those interested in business involving sustainable development, with the emphasis on financial education.	December 2015	
	Develop/propose guidelines for developing new products, service channels and services aimed at the target audience of financial inclusion and social business actions.	June 2016	



Accountability GRI G4-DMA Materials | GRI G4-DMA Energy | G4-DMA Water | G4-DMA Emissions |

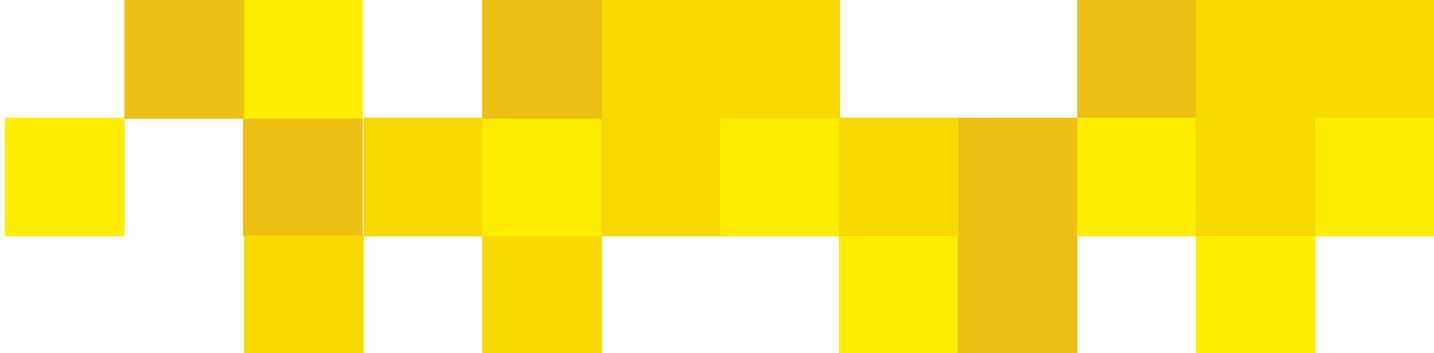
G4-DMA Effluents and waste | G4-DMA Products and services | G4-DMA Anti-corruption

Action	Deadline	Progress
Challenge 5 To enhance the management of sustainability compacts and commitments assumed.		
Study the feasibility of the BB participating in the initiative to create an Integrated Reporting (IIRC) model in which socioenvironmental information is included in the Financial Statements.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I During 2013 and 2014, BB took part in the Working Group of Pioneer Companies in Sustainability Reports, organized by the Global Reporting Initiative (GRI), the Business Council for Sustainable Development - Brazil (CBEDS) and the Carbon Disclosure Project (CDP), for the purpose of discussing and sharing points of view about integrating reporting by the participant organizations. BB provided knowledge and information on this topic, which resulted in a new action with a deadline of December 31, 2015.
Challenge 7 To enhance economic, social and environmental risk management within the supply chain.		
Set up a formal procedure for identifying socioenvironmental risks in the supply chain, including defining critical suppliers and correspondents, according to economic, social and environmental criteria.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I With the preparation of the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution No. 4,327/2014, of April 25, 2014, this action was included within a new specific initiative with deadlines staggered between June 30, 2017 and December 31, 2019.
Challenge 8 To identify socioenvironmental opportunities within the supply chain that create business benefits for the Bank (lower costs/higher revenues/risk mitigation).		
Set up a formal procedure for identifying socioenvironmental risks in the supply chain, including defining critical suppliers and correspondents, according to economic, social and environmental criteria.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I With the preparation of the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution 4.327/2014, of April 25, 2014, this action was included within a new specific initiative with deadlines staggered between June 30, 2017 and December 31, 2019.
Challenge 9 To strengthen the Bank's role as an agent for advancing sustainable practices in its supply chain.		
Study the possibility of including a category that recognizes suppliers in the "Valores do Brasil" (Brazil Values) Award.	December 2014	Action concluded I The 2014 edition of the Award included a category that acknowledged suppliers.

Action	Deadline	Progress
Challenge 10 To improve the Bank's practices on the question of sustainable procurement.		
Develop sustainable procurement practices in compliance with Law No. 8,666/93.	On-Going action	Action in progress Inclusion of the Socioenvironmental Responsibility and Anti-Corruption Instrument in the draft of the tender for purchases and procurement of services, including the registers of prices, in electronic bidding sessions. The instrument constitutes a component document of the agreement or the minutes, and represents progress by registering suppliers' commitments to adopting sound environmental conservation and social development practices, in addition to complying with labor and social security legislation, as well as that dealing with anti-corruption. Sustainability criteria for office materials were also included. Consequently, the supplier relationship policy was amended to include these these instruments.
Challenge 15 To enhance and systematize the identification of business opportunities for developing products that meet the demands created by environmental matters (trends/new regulations on the use of natural resources) and climate change (demands for infrastructure financing in order to adapt to climate change).		
Adjust/develop innovative products and services with the following assumptions: Wholesale Pillar BB EcoEficiente, innovation and creation of socioenvironmental value. Examples are: loan facilities with socioenvironmental attributes for financing green technologies; carbon credits market; consultancy services; equity products with environmental attributes; fixed income investments with environmental attributes; environmental and climate change criteria throughout the entire loan process; and investment.	On-Going action	Action in progress Revision of the check list of documents required in the case of Business Customer Production Finance, reducing the documents required in order to contract the product, thereby reducing the need for printing and physical filing. Compe/SPB Integration Service, by developing a web service solution for implementing the messaging/authorizer solution that will reduce the need for exchanging magnetic files and the operational risks from such movements. Implementation of a web service solution that enables a direct connection, integrating the customer's systems with those of the Bank. Rollout of new functionalities for Control of Prepayment of Imports, automating the monitoring of outstanding items. Digitalization of foreign exchange and trade finance processes to save paper resources. Changes in how Proex Equalization RCs are analyzed and approved, with automatic capture that speeds up the service while reducing the amount of paper involved in the process.
Adjust/develop innovative products and services with the following assumptions: Government Pillar BB EcoEficiente, innovation and creation of socioenvironmental value. Examples are: loan facilities with socioenvironmental attributes; structured financing/transactions for the solid waste industry; and sanitation; carbon credits market; consultancy services; equity products with environmental attributes; fixed income investments with environmental attributes; environmental and climate change criteria throughout the entire loan process; and investment.	On-Going action	Action in progress New loan facilities made available when specific government programs were created under CMN Resolutions, such as BNDES FINEM facilities, Environmental Sanitation and Water Resources; and the Environment, intended for investments involving water supply, sewage, industrial effluents and waste and solid waste, among others (in accordance with CMN Resolution No. 2,827/2001, section 9-B).

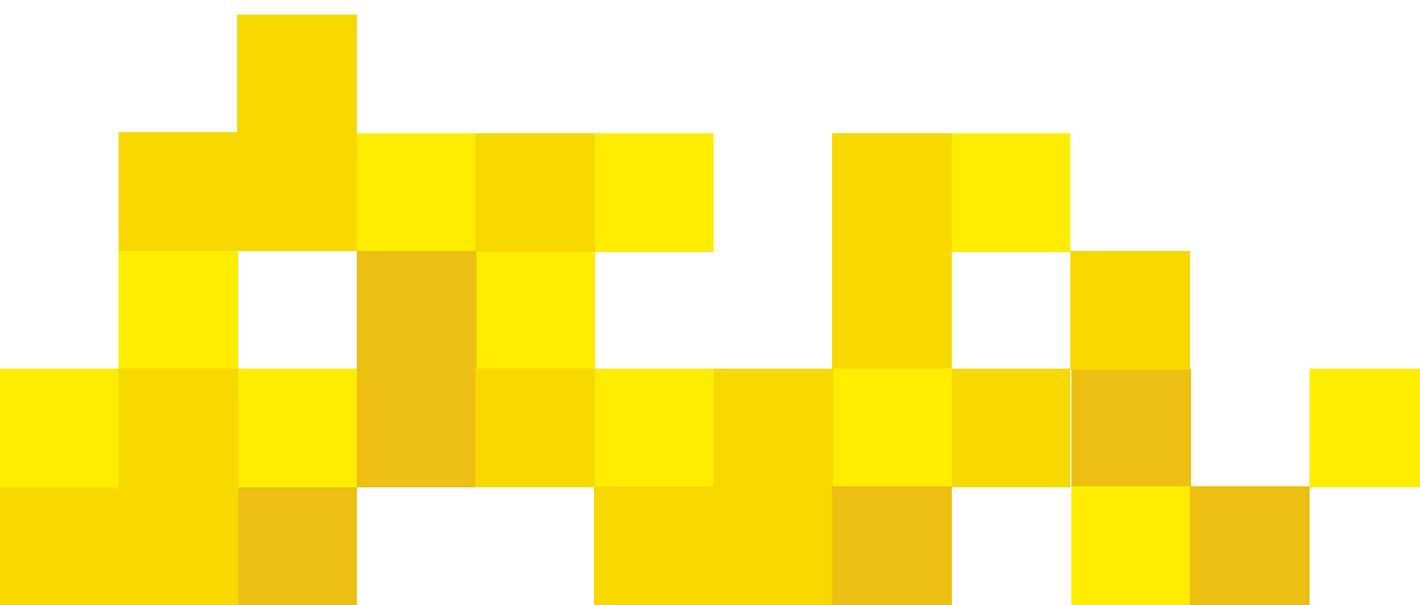
Action	Deadline	Progress
Adjust/develop innovative products and services with the following assumptions – Retail Pillar: BB EcoEficiente, innovation and creation of socioenvironmental value. Examples are: mortgages for acquiring, building/refurbishing sustainable developments; loan facilities for financing green technologies; pre-fixed income investments with environmental elements; environmental and climate change elements throughout the entire loan process; and investment.	On-Going action	<p>Action in progress I New product lines and better processes and products were implemented during the period:</p> <ul style="list-style-type: none"> • Extension of the FAT Taxista facility for taxi drivers for an additional two years, in partnership with the Ministry of Labor and Employment (MTE/CODEFAT) • Launch of Renewal Working Capital for Input Purchases, an innovative, agile and bureaucracy-free solution • Pilot project in remote service for 670 cooperatives, including dedicated relationship managers specializing in cooperative sector business • Loans and financing for the “Terra Forte” Program, supplementing non-reimbursable resources • Structuring of partnerships with credit cooperatives in order to provide production-oriented micro credit
<p>Challenge 16 To enhance the management of eco-efficiency indicators (reduction/compensation of emissions, energy consumption, paper consumption, use of renewable energy, waste generation and water consumption).</p>		
Monitor and foster optimal consumption of natural resources (electricity, water, paper and toner, among others) and make the information public.	On-Going action	<p>Action in progress I The actions undertaken during the period included a) disclosure of good practices and sustainability tips; b) updating the content of the Environmental Management Workshop; c) launch of a campaign to reduce water and energy consumption; and d) creation of a working group to improve water, energy and paper consumption indicators.</p>
Enhance the fuel consumption management system (calculating emissions).	December 2014	<p>Action concluded I A tool was created for managing fuel consumption (diesel, ethanol and gasoline) in order to calculate CO₂ emissions. In 2015 the scope of the tool will be expanded to manage the emissions from the vehicle fleet leased by BB for its own use, as well as those of the main services contracted, such as security trucks.</p>
Develop or acquire Corporate Socioenvironmental Indicators Dashboard and make it available on the Intranet and Internet.	December 2014	<p>Action migrated to the new 2015-2017 BB Agenda 21 I This action was fully migrated to the new BB Agenda 21. The deadline for the action was extended to December 31, 2015, since there are actions on-going involving feasibility studies for mitigating emissions from the Balde Cheio (Full Bucket) Technology requested by FBB. In January 2105 a pilot project will use the GHG emission reduction calculator to ascertain the outcome of the initiative and propose registering it as eligible for carbon credits.</p>

Action	Deadline	Progress
Study and propose ways of offsetting the BB's emissions by investing in environmental projects carried out by Fundação Banco do Brasil.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I This action was fully migrated to the new BB Agenda 21. The deadline for the action was extended to December 31, 2015, since there are actions on-going involving feasibility studies for mitigating emissions from the Balde Cheio (Full Bucket) Technology requested by FBB. In January 2105 a pilot project will use the GHG emission reduction calculator to ascertain the outcome of the initiative and propose registering it as eligible for carbon credits.
Implement the Selective Garbage Collection Subprogram in Brazilian municipalities where selective collection has been defined and implemented as a public policy and/or waste picker associations/cooperatives.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I This action was migrated, with adjustments to the text. The action was amended to improve coverage and areas of engagement. This action was extended until December 31, 2015, as it was necessary to develop a new Selective Collection flux that included the peculiarities of the BB's premises, as well as those of the municipalities where they are located, bearing in mind other possibilities for selective collection that reflect the Socioenvironmental Policies of BB, public policies and the applicable legislation currently in force.
Enhance the reach and reliability of the Scope 3 emissions inventory, in accordance with the guidelines and sources set out in the Brazilian GHG Protocol Program, and which are compatible with the activities in which the financial system engages.	December 2015	Action migrated to the new 2015-2017 BB Agenda 21 I This action was fully migrated to the new BB Agenda 21. Since 2013, the demands for structuring IT solutions involving this action are being dealt with in meetings that evaluate market software programs, as well as in-house discussions.
Challenge 20 To improve socioenvironmental risk management in financing (except for climate change-related risks).		
Define training for the team responsible for identifying, assessing, controlling, mitigating and monitoring socioenvironmental risk (Financial Support category).	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I This action was covered in the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution No. 4,327/2014, of April 25, 2014, with a deadline of June 30, 2015.
Assess the main socioenvironmental risks involving how BB operates and suggest the respective mitigating actions.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I This action was covered in the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution No. 4,327/2014, of April 25, 2014, with deadlines staggered between June 30, 2017 and December 31, 2019.

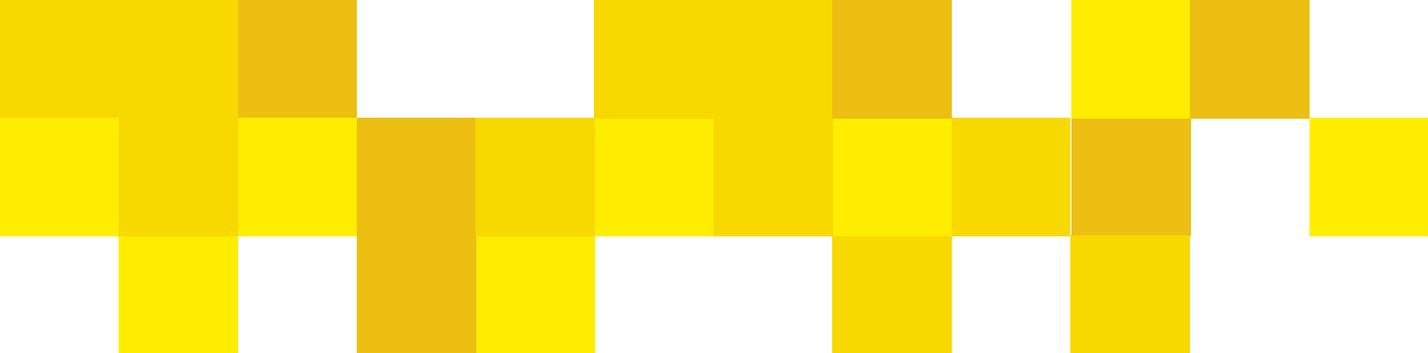


Action	Deadline	Progress
<p>Analyze the feasibility of incorporating environmental variables into the econometric modeling for RTA (Farming Technical Risk Assessment), in order to support detection and assessment of socioenvironmental risks in Agriculture Loans.</p> <p>Suggested features: (i) Incorporation of environmental variables in RTA econometric modeling; (ii) integrating the base of various sources when analyzing financing and the reliability of RTA data; (iii) support for massified analysis of loans (working capital for input purchases), using consulting services for non-massified analysis (investment), including geo-referenced monitoring of areas of deforestation, native tribe lands, conservation units and classification of socioenvironmental risks.</p>	<p>December 2015</p>	<p>Action migrated to the new 2015-2017 BB Agenda 21 I</p> <p>This action was fully migrated to the new BB Agenda 21. The feasibility of incorporating environmental variables is under analysis, using as a reference the 2050 Criteria tool and the sugarcane commodity.</p>
<p>Enhance, develop or acquire a model for identifying and assessing the risks and/or opportunities involving climate change in the case of the principal areas of operation of bank by means of: (i) assessments of data involving greenhouse gas emissions, by project/asset/business/sector; (ii) assessment of exposure to climate risks at business/sector level (valuation, future costs/returns); (iii) monitoring and analysis of carbon credit prices; (iv) preparation of different climate scenarios such as rainfall and temperature on markets, regions, sectors and businesses, with the support of financial analysis; and (v) using update maps of extreme natural disasters/climatic events for given regions/sectors for internal consultation.</p>	<p>December 2015</p>	<p>Action migrated to the new 2015-2017 BB Agenda 21 I</p> <p>This action was migrated, with adjustments to the text. It was adapted so as to provide guidance for the actions/activities to be carried out in respect of this topic.</p>
<p>Register the behavior of socioenvironmental risks so as to ensure continued exposure to that risk in accordance with the established level of tolerance, by: (i) defining and implementing models for controlling the level of socioenvironmental responsibility associated with customers, projects, regions and sectors of the economy; (ii) defining and implementing a system that enables a unified process for gathering and storing data arising from socioenvironmental questionnaires, compliance with covenants and associated losses; and (iii) defining and implementing a system for valuing assets provided and assigned as collateral.</p>	<p>December 2015</p>	<p>Action migrated to the new 2015-2017 BB Agenda 21 I</p> <p>With the preparation of the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution No. 4,327/2014, of April 25, 2014, this action was included within a new specific initiative with deadlines staggered between June 30, 2017 and December 31, 2019.</p>

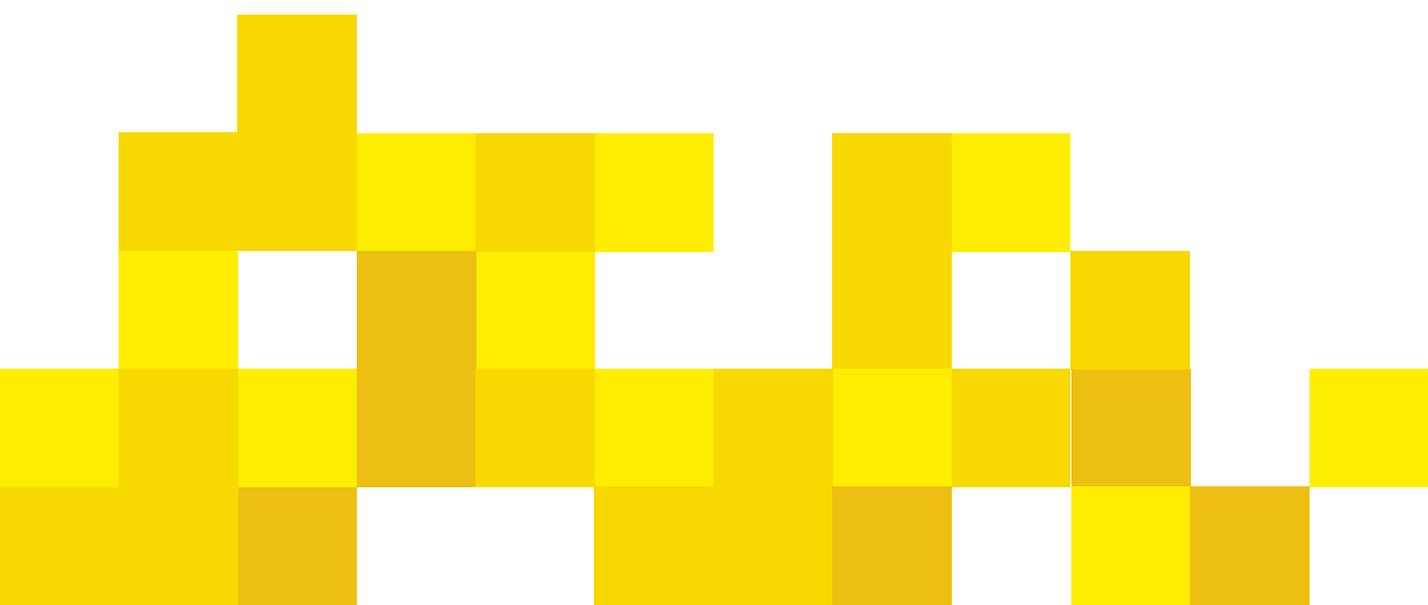
Action	Deadline	Progress
Challenge 21 To improve socioenvironmental risk management in the Bank's own investments and those of third parties (except for climate change-related risks).		
Evaluate the need for systems, routines and procedures that enable us to identify, assess, control and mitigate the socioenvironmental risk existing in the institution's activities and financial transactions, in addition to accompanying the management process.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I With the preparation of the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution No. 4,327/2014, of April 25, 2014, this action was included within a new specific initiative with deadlines staggered between June 30, 2017 and December 31, 2019.
Develop an assessment methodology for the categories of socioenvironmental risk.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I With the preparation of the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution No. 4,327/2014, of April 25, 2014, this action was included within a new specific initiative with deadlines staggered between June 30, 2017 and December 31, 2019.
Assess the main socioenvironmental risks involving how BB operates and suggest the respective mitigating actions.	December 2014	Action migrated to the new 2015-2017 BB Agenda 21 I With the preparation of the Action Plan for the Socioenvironmental Responsibility Policy, in compliance with CMN Resolution No. 4,327/2014, of April 25, 2014, this action was included within a new specific initiative with deadlines staggered between June 30, 2017 and December 31, 2019.
Register the behavior of socioenvironmental risks so as to ensure continued exposure to that risk in accordance with the established level of tolerance, by: (i) defining and implementing a model(s) for controlling the level of socioenvironmental responsibility associated with investment and equity interests, according to the region, economic sectors and projects; and (ii) establishing a management model for analyzing the socioenvironmental impacts of the activities in which the Bank is involved.	December 2015	Action migrated to the new 2015-2017 BB Agenda 21 I This action was fully migrated to the new BB Agenda 21 and included in the Action Plan for the bank's Socioenvironmental Responsibility Policy (PRSA).



Action	Deadline	Progress
Challenge 22 Enhance the relationship between Private Social Investment and the business strategy.		
<p>Based on diagnoses carried out, implement socioenvironmental projects of the Brazil Water Program so as to create synergy with social technologies and businesses.</p>	<p>On-Going action</p>	<p>Action in progress. Several actions were carried out.</p> <p>In urban areas:</p> <ul style="list-style-type: none"> (i) Belo Horizonte: Conclusion of the organizational and economic advisory to the Cataunidos and Redesol Networks of Waste Pickers. (ii) Pirenópolis: Implementation of environmental education actions and community communication, hiring of Organizational and Economic Advisory for Catapiri, Waste Management Plan, having concluded the 1st Public Hearing held, grant of use of land for building the shed, technical project of the shed concluded. (iii) Caxias do Sul: Hiring of a specialized company to provide organization and production advisory to the associations. (iv) Natal: Organizational and economic advisory, working with two cooperatives in order to increase the selective collection capacity of the waste pickers; and (v) Rio Branco: Delivery of the Municipal Plan for Integrated Management of Solid Waste (PMGIRS), investigation and holding of the 1st Public Hearing for preparing the PMGIRS, partial report of the PMGIRS and holding of the 2nd Public Hearing, selective collection pilot project with the implementation of three Voluntary Delivery Sites (LEV), organizational and economic advisory hired for the waste pickers of Rio Branco. <p>In rural areas:</p> <ul style="list-style-type: none"> (i) Two exemplary units of good farming practices in the basin of the Guariroba brook (MS) having been concluded during the semester. (ii) Eight exemplary units of good farming practices and agro-ecology transition in the basin of the Pipiripau brook (DF), having been concluded during the semester. (iii) Two exemplary units of good farming and agro-ecology practices in the basin of the Peruaçu river (MG) having been concluded during the semester. (iv) Two exemplary units of good practices in the Longá basin (PI) – processing of babacu coconuts and a seed house were implemented and concluded during the semester. (v) Payment for Environmental Services (PSA): 41 farmers in the basin of the Cancã/Moinho streams (SP) and 14 farmers in the basin of the Pipiripau brook (DF). (vi) Continuity of the actions for monitoring good farming practices and restoration in the Lençóis basin (SP). (vii) Implementation of FBB social technologies, using funds from the Brazil Water Program, among communities in the Peruaçu basin (MG): 100 biodigester septic tanks and two seed houses built for the communities. (viii) Unblocking of 600 m of the semi-urban stretch of the Santa Rosa water channels (AC).



Action	Deadline	Progress
		<p>At FBB:</p> <ul style="list-style-type: none"> (i) Xapuri: Environmental education and sanitation project in the micro water basin of the Santa Rosa water channel – Andiroba Association. (ii) Brasília: Project for recovering degraded areas around reservoirs and river sources of the Federal District and surrounding area – IPOEMA. Mobilization project for inculcating ecologically recommended practices in the region of the São Bartolomeu river basin – Instituto Transformar. Project for revitalizing degraded areas in the water basins of the Federal District and surrounding area – Fundação Pró-Natureza. (iii) Cristalina: Project for recovering degraded areas and reservoirs in the Corumbá subterritory – Rede Terra. (iv) Januária: Peruaçu Project – Implementing social technologies on behalf of its people and its river – phase 2 – Januária Diocesan Charity. (v) Pedro II: Rainwater Catchment Project using Social Technologies River Longá basin – Cerac. (vi) Caxias do Sul: Inter-neighborhood Project: adaptation of the production flow and better working conditions – the Association of Inter-Neighborhood Recyclers of Caxias do Sul. Secure and Quality recycling Project – Monte Carmelo Association of Recyclers. Arca Project: A New Space in a History of Achievements – Arca.



Action	Deadline	Progress
<p>Develop strategies/initiatives for leveraging sales of products with socioenvironmental elements that transfer resources to FBB.</p>	<p>On-Going action</p>	<p>Action in progress The following actions were carried out:</p> <ul style="list-style-type: none"> (i) Review of the agreement between FBB and Brasilcap to include a new family of products, Ourocap Torcida Brasil, in order to donate to FBB part of the proceeds from sales. (ii) Review of the arrangements between FBB and the BB Conglomerate involving product sales. (iii) The first sustainability forum of BB Seguridade and associate companies. Although expected to be held every six months, the forum will be held on a quarterly basis. (iv) Program for recognizing sales by the employees of Banco do Brasil – Mobilization at the Insurance Company –, which runs for the entire semester and includes residential insurance and BB savings bonds, both with transfers to FBB. (v) Insertion on the Investments site of a new tab Você (You), with a highlighted background banner of the BB Referenciado DI Social 50 Fund, with the following teaser: BB Referenciado DI Social 50 – You can invest with us and contribute to social programs. This fund transfers 50% of the management fee to Fundação Banco do Brasil for investment in social programs. (vi) On the new BB Jovem site for young people, on the Investment tab, the highlights are the funds intended for young investors: BB Ações ISE Jovem (Sustainable Equities) Fund and BB Multimercado Balanceado LP Jovem (long-term balanced multimarket) Fund. These funds channel 20% of the management fee to the Brazil Water Program via Fundação Banco do Brasil. (vii) On the Água Brasil (Brazil Water) site, New Business tab, the highlights are the funds linked to the water crisis: BB Ações ISE Jovem and BB Multimercado Balanceado LP Jovem, which channel 20% of the management fee to the Brazil Water Program; as well as the BB Multimercado Global Acqua LP Private Fund, which invests part of its portfolio in Brazilian and global companies involved in the water industry. (viii) Commercial actions and direct marketing were implemented to focus on products of the Insurance Company (Life and Home Insurance) and Savings Bonds (Ourocap), which make transfers to Fundação Banco do Brasil.

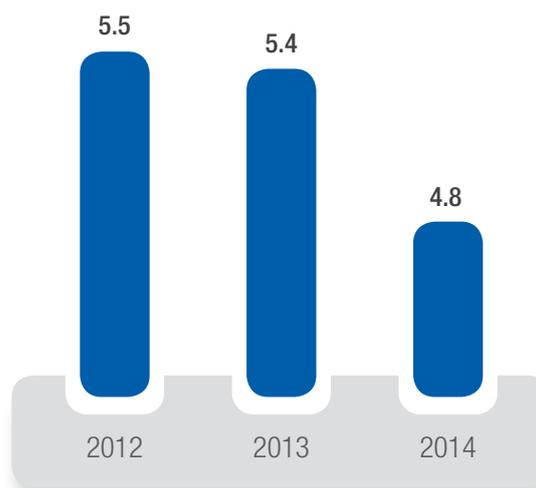
Action	Deadline	Progress
<p>Develop and implement a Private Social Investment (ISP) management system to include:</p> <ul style="list-style-type: none"> (i) Improving and monitoring donations made (equipment, services and advertising space). (ii) Monetization of ISP action according to the following categories: cash contributions, contributions in time, contributions in kind and administration costs. (iii) Categorization of all ISP actions into three groups: charitable donations, community investments and commercial initiatives. (iv) Proof of alignment of the FBB actions with the institution's strategies, so as to systematize monitoring and reporting to the directors representing the BB on the Board of Trustees (v) Establishing, implementing and monitoring financial impact indicators involving ISP actions. 	<p>(i) and (ii): December 2013</p> <p>(iii) and (iv): December 2014</p> <p>(v): December 2015</p>	<p>Action concluded I Item (iii) of this action was concluded by developing a manual with the definitions of how the BB private social investment initiatives are categorized based on the methodology of the London Benchmarking Group (LBG), the same model employed by the Dow Jones Sustainability Index (DJSI) when preparing the "Citizenship and Philanthropy" topic. These initiatives are ascertained on an annual basis for reporting in the DJSI, and are monetized according to the formulas shown in the manual.</p> <p>Action migrated (item "v") to the new 2015-2017 BB Agenda 21 I This action was included in a new initiative in the 2015-2017 BB Agenda 21. Its deadline was extended until June 30, 2016.</p>
<p>Identify opportunities in the private social investment projects portfolio for the purpose of creating synergy with the Bank's business strategies.</p>	<p>December 2014</p>	<p>Action concluded I The following actions were carried out:</p> <ul style="list-style-type: none"> (i) Identification of the entities selected within the Terraforte Program (Program for Agro-industrialization in Agrarian reform Settlements), with the aim of establishing loan limits and offering reimbursable funds to the selected entities, so as to create synergy with the Bank's business strategy. (ii) Based on the Social Technologies Bank of FBB, we selected those technologies reapplied in projects with access to ISP funds (full bucker, biome, plate cisterns and weirs) and which contain synergy with the social business of BB (Pronaf, Fies, PMCMV, Accessibility, MPO), with the aim of identifying business opportunities. (iii) A business approach was taken with beneficiary entities of the Cataforte I and II Programs, so as to establish loan limits and prospect for business using products such as the BNDES credit card and collection services.

Action	Deadline	Progress
Study and propose, together with the FBB, adjustments to the Social Technologies Bank that enable the identification of technologies certified with the thematic fronts of the Bank's social business (housing, entrepreneurship, higher education, accessibility and family farming).	December 2014	Action concluded I 254 social technologies were selected and qualified within the Social Technologies Bank of the Foundation, along the five social business fronts of BB (accessibility, family farming, education, entrepreneurship and housing). This work produced a data base that was made available on the in-house sites, providing extensive disclosure of the synergy that exists between the social technologies of FBB and the Social Businesses of BB.
Challenge 29 Maintain and expand the Bank's role as a driver of sustainable development through financial inclusion and social businesses (Production Oriented Micro Credit – MPO, Student Financing Program – Fies, Minha Casa Minha Vida – MCMV Program and the BB Accessibility Credit, among others), so as to integrate with programs and public policies, partnerships with the private sector and the BB sustainable development strategies (Private Social Investment, volunteer work, digital inclusion and sustainable regional development).		
Conclude the pilot project for replicating the Sustainable Regional Development methodology overseas (Bolivia, Chile and Paraguay) and to have it as the benchmark for the feasibility of implementation in other countries.	December 2014	Action concluded I The pilot project for replicating the SRD methodology, in partnership with BB/FBB/Cooperforte, in the cities of Santa Cruz de La Sierra and Montero in Bolivia, with the support of women entrepreneurs with the HIV virus. Adapted replication of the "Financial Health is Priceless!" course jointly developed by BB/FBB/Cooperforte. In the Ñacuday region of Paraguay, computers were donated to the project for creating a farming school to train professionals.
Review the Voluntary Work Program so as to link it to SD actions under development at BB.	December 2014	Action concluded I The following actions were carried out: <ul style="list-style-type: none"> (i) Linking, in 2014, the BB Voluntary Work Program to the initiatives/actions of the Brazil Water Program. (ii) Insertion in the Call Notices of the BB Voluntary Work Project, as one of the criteria for selecting proposals, of the indications of priority by the Superintendencies when selecting initiatives, enabling linkage of the projects supported with other SD initiatives under development within their jurisdiction. (iii) Assessing the possibility of linking voluntary actions to social businesses. However, this turned out not to be recommended, on account of risks involving labor legislation.
Implement the territorial view methodology.	December 2015	Action migrated to the new 2015-2017 BB Agenda 21 I Thanks to the Integrated SD Operations Model (MAIDS), the Bank now plays the role of a supporter of sustainable development, recognizing local initiatives and channeling efforts to sharing actions with local players. The Sustainable Development Actions Plan (PADS) is the tool that helps to put the MAIDS into operation within the scope of the branches. This action was included in a new initiative within the new BB Agenda 21. Its deadline is now continuous. The target for 2015 is to validate 480 PADS.

The international scenario remained complicated in 2014, with different dynamics among the major economies. Signs of growth in the USA were in stark contrast to the difficulties facing several European countries that are experiencing low economic dynamism and deflation risk. In Asia, the slowdown in the Chinese economy, albeit a smooth landing, is challenging the policies of easing, while adversely affecting the prices of the major commodities.

Even amidst the complexities of the international scenario, the Brazilian economy returned to modest growth in the second half of 2014, thanks to the favorable conditions of the labor market, where jobs continued to be created, the formalization process continued and salaries rose in real terms. The credit markets grew at a rate compatible with economic activity on the back of a sound financial system. Faced with a depreciating currency and price adjustments, the Central Bank resumed the cycle of increases in the benchmark interest rate.

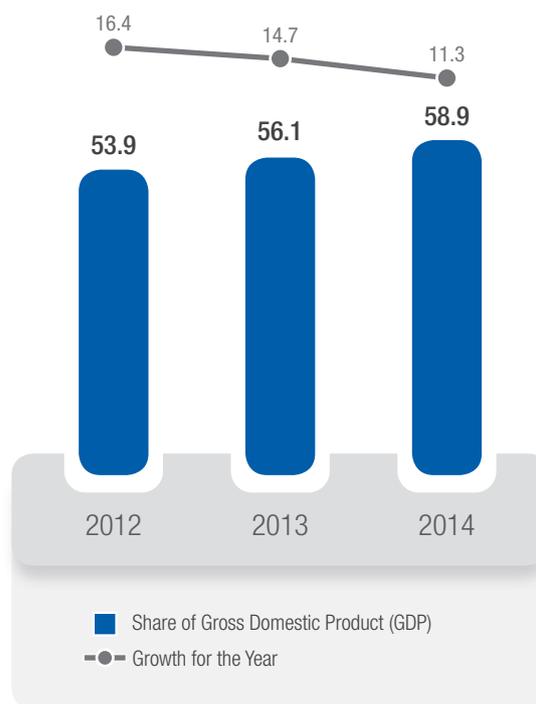
Average Unemployment Rate (% of the Economically-Active Population)



GDP Growth (%)



Total Brazilian Banking Industry Credit (%)

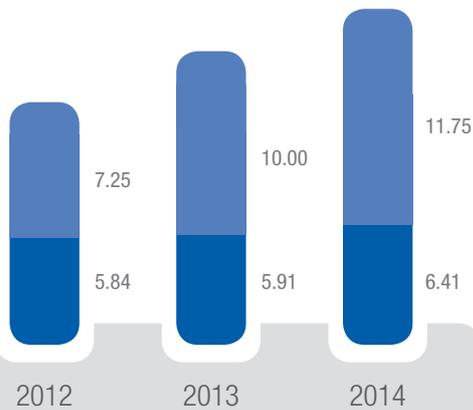


Total Delinquencies (+ 90 days)



2012 2013 2014

Macroeconomic Indicators (%)



■ National Comprehensive Consumer Price Index (IPCA)
 ■ Special Settlement and Custody System for Private Securities (Selic)

The main challenge for the financial industry was to adapt to this context of modest growth. At BB this movement was evidenced on several work fronts: revenue diversification; allocation of priority to growth in lower risk loan facilities, such as property lending and payroll loans; enhancement of risk measurement models to keep the lid on delinquencies; and intensive investment in digital technologies and channel in the search for gains in operational efficiency.

The performance of the BB in 2014 and the estimates for the major indicators in 2015 are shown in the following table. Comparing actual with projections for 2014, one can see deviations only in funding, due to the portfolio management strategy, and in loans, evidencing the lower demand against the backdrop of the Brazilian economic scenario during the period.

2014 Highlights

GRI G4-13

Agribusiness | Historic record of disbursements under the crop 2013/2014 Plan. Find out more on page 87.

Cards | Launch of Stelo S.A. and a strategic partnership of BB Elo Cartões with Cielo. Find out more on page 97.

Trade Finance | Inauguration of the BB Branch in Shanghai, the first by a Latin American bank in China. Find out more on page 95.

Business Loans | Authorization for Movera, a company specializing in micro finance, to operate. Find out more on page 84.

Capital Markets and Treasury | US\$2,5 billion perpetual subordinated bond issue, one of the largest of its kind. Find out more on page 107.

Indicators (%)	Estimate for 2014	2014 Results	Estimate for 2015 ⁽¹⁾
Adjusted ROE ⁽²⁾	14-17	15.1	14-17
Net Interest Income	5-9	8.8	9-13
Commercial Funding ⁽³⁾	12-16	4.5	5-9
Loan Portfolio Broad Definition – Brazil ⁽⁴⁾	12-16	10.0	7-11
Individuals	8-12	6.8	6-10
Companies	12-16	9.9	7-11
Agribusiness	16-20	13.9	10-14
Allowance for Loan and Lease Losses (ALLL) ⁽⁵⁾	2.7-3.1	2.9	2.7-3.1
Fee Income	6-9	7.6	7-10
Administrative Expenses	5-8	7.1	5-8

(1) Prepared from assumptions shown in the Management Discussion and Analysis (MD&A) Report 4Q14, available at www.bb.com.br/ri.

(2) The calculation for Adjusted ROE for 2014 takes into account the estimated shareholders' liquidity free of the effects of the restatement of actuarial assets and liabilities arising from the Deliberation of the Brazilian Securities Commission (CVM); No. 695; minority interests in subsidiaries; and R\$8,1 billion referring to reclassification of instruments eligible for core capital, from liabilities to shareholders' equity.

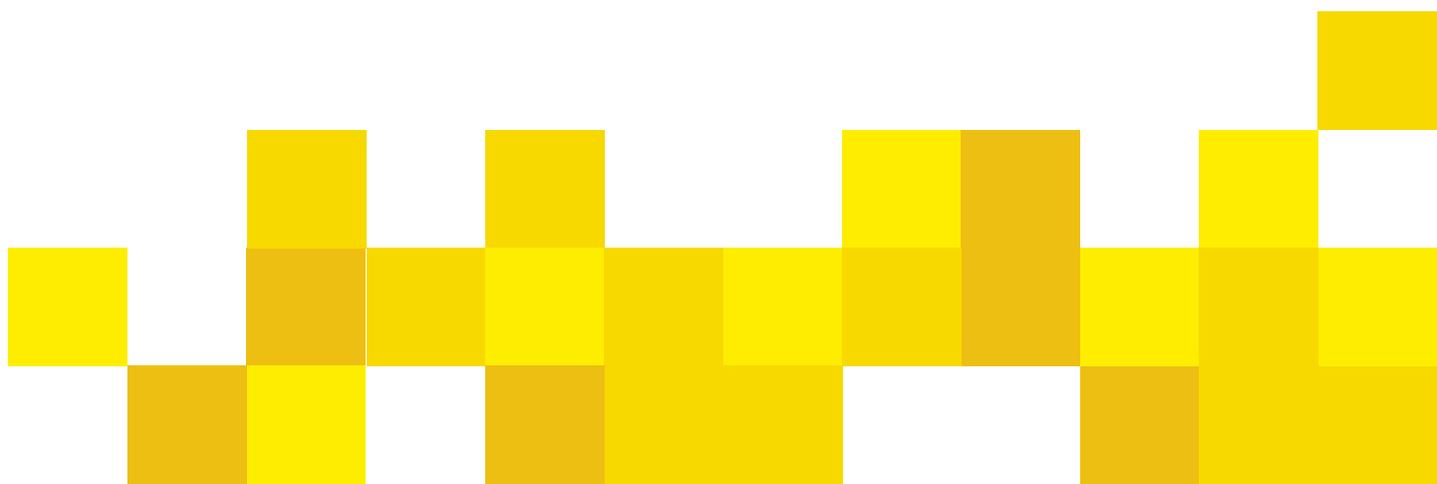
(3) Includes total deposits, Agribusiness Letters of Credit (LCA), Mortgage Bonds (LC) and private securities repo transactions.

(4) Includes the Classified Loan Portfolio Broad in Brazil, private securities and guarantees given.

(5) Expenses with ALLL in the past 12 months/Average Classified Loan Portfolio for the same period.

» CONSOLIDATED RESULTS

Adjusted Net Income and Return on Shareholders' Equity (ROE) | Banco do Brasil produced adjusted net income of R\$11.3 billion, 9.6% up on the previous year, and an adjusted ROE of 15.1%. This result reflected the strategy of operating in lower risk facilities, control of expenses and a change in the funding mix to reduce costs.

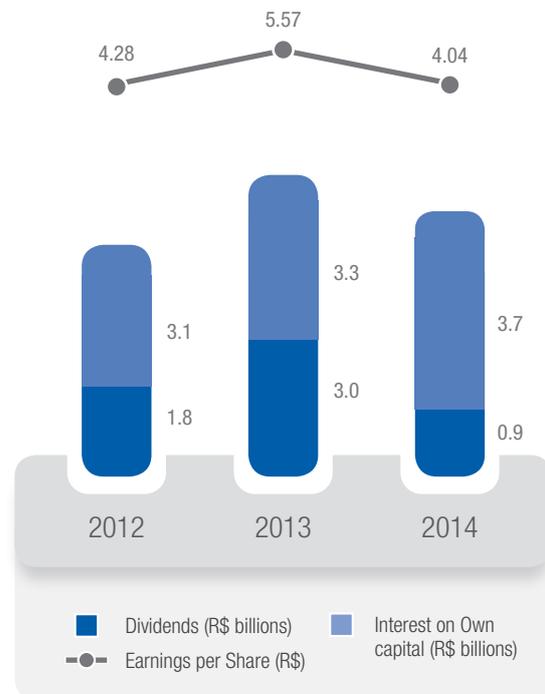


Income Statement for the Year (DRE) with Reallocations – Main Lines (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Financial Intermediation Income	104,525	113,636	144,986	27.6
Loan Operations + Leasing	69,835	74,593	91,110	22.1
Securities	27,982	29,970	44,010	46.8
Financial Intermediation Expenses	(58,796)	(67,584)	(94,888)	40.4
Net Interest Income	45,729	46,052	50,098	8,8
Allowance for Loan and Lease Losses	(14,651)	(15,584)	(18,531)	18,9
Net Financial Margin	31,078	30,468	31,567	3.6
Fee Income	21,071	23,301	25,070	7.6
Income from Insurance, Pension Plan and Savings Bonds	2,349	3,230	4,427	37.1
Contribution Margin	50,315	52,530	56,177	6.9
Administrative Expenses	(28,194)	(30,149)	(32,290)	7.1
Personnel Expenses	(15,777)	(17,051)	(18,445)	8.2
Other Administrative Expenses	(12,417)	(13,098)	(13,845)	5.7
Commercial Income	21,854	22,020	23,740	6.6
Legal Claims	(813)	(459)	(944)	105.8
Labor Lawsuits	(726)	(1,148)	(833)	(27.4)
Other Components of the Result	(2,539)	(3,869)	(3,310)	(14.5)
Income before Taxes	17,883	16,712	18,583	11.2
Income and Social Contribution Taxes	(4,455)	(3,954)	(4,187)	5.9
Statutory Profit Sharing	(1,745)	(1,565)	(1,644)	5.0
Adjusted Net Income	11,528	10,353	11,343	9.6
(+) One-Off Items	678	5.405	(97)	-
Net Income	12,205	15,758	1,246	(28.6)

Shareholder Remuneration

Shareholder remuneration | The Bank's earnings per share were R\$4.04 in 2014. Maintaining the practice of paying out 40% of net income, R\$4.5 billion was allocated to shareholder remuneration for the year, R\$3.7 billion as Interest on Own Capital (JCP) and R\$851 million as dividends.

Balance Sheet Items | The assets of Banco do Brasil exceeded R\$1.4 trillion for the year, growth of 10.2% over 2013. Loan transactions, securities and short-term interbank investments accounted for 79.8% of the total. In the case of Liabilities, worthy of note were commercial funding, including total deposits, Agribusiness Letters of Credit (LCA), Mortgage Bonds (LCI) and repo transactions involving private securities, which accounted for 44.1% of the total.



BB continued to be the largest financial institution in Latin America in 2014, with R\$1.4 trillion in assets



Main Balance Sheet Items (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Total Assets	1,149,308	1,303,915	1,437,486	10.2
Loan Portfolio Broad Definition ⁽¹⁾	580,799	693,104	760,872	9.8
Loan Portfolio Broad Definition – Brazil	530,556	635,282	698,728	10.0
Securities	184,357	201,939	222,643	10.3
Interbank Investments	219,323	231,132	304,237	31.6
Commercial Funding	515,714	607,215	634,627	4.5
Total Deposits	472,085	491,013	468,362	(4.6)
Demand Deposits	74,760	75,818	74,210	(2.1)
Savings Deposits	117,744	140,728	148,699	5.7
Interbank Deposits	16,569	27,155	30,969	14.0
Time Deposits	263,013	247,311	214,484	(13.3)
Judicial Deposits	86,346	101,769	115,010	13.0
Agribusiness Letters of Credit (LCA) + Mortgage Bonds (LCI)	34,075	82,640	118,110	42.9
Repurchase Agreement with Private Securities	9,554	33,562	48,155	43.5
Money Market Borrowing	225,787	239,465	306,046	27.8
Shareholders' Equity	61,499	72,225	80,613	11.6

(1) Includes Private Securities and guarantees provide.

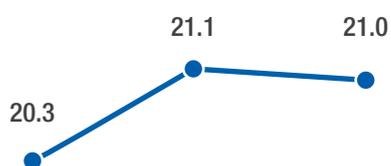
Loan Portfolio and Delinquency | The Loan Portfolio – Broad Definition was R\$760.9 billion by the end of 2014, growth of 9.8% in relation to 2013. The highlight was the growth in mortgages, investment and working capital transactions, as well as loans to agribusiness. In line with the strategy of quality growth of the loan portfolio, the average risk of the classified portfolio and delinquencies remain under control and below those of the Brazilian Banking Industry (SFN).

Breakdown of the Loan Portfolio Broad Definition (R\$ billions)⁽¹⁾



(1) Includes private securities and guarantees provided.

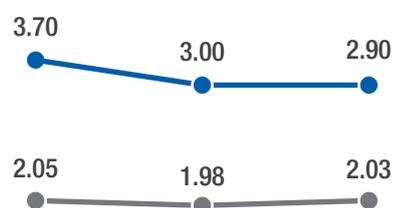
BB Market Share (%)⁽¹⁾



2012 2013 2014

(1) Market share of the classified loan portfolio in Brazil.

NPL + 90 days of the Classified Loan Portfolio



2012 2013 2014

—●— Consolidated BB
—●— Brazilian Banking Industry

Net Interest Income (NII) | MFB was R\$50.1 billion in 2014, growth of 8.8% in the year-on-year comparison. Among the factors in the performance of this indicator, notable was the higher volume and turnover of the loan portfolio, diversification of the funding mix, which reduced funding expenses and the 20.5% increase in treasury income, reflecting the higher average benchmark (Selic) interest rate on the income from securities during the period.

Breakdown of NII (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Net Interest Income	45,729	46,052	50,098	8.8
Loan Operations	65,171	70,011	83,113	18.7
Funding Expenses	(30,496)	(32,518)	(43,191)	32.8
Institutional Funding Expenses ⁽¹⁾	(4,917)	(6,058)	(7,146)	18.0
Recovery of Write-offs	3,748	3,430	3,648	6.4
Treasury ⁽²⁾	1,777	10,778	12,991	20.5
Others	447	410	683	66.6

(1) Includes senior debt instruments, subordinated debt and Hybrid Capital and Debt Instruments (IHCD) in Brazil and overseas.

(2) Includes interest income, profitable compulsory deposits income, fiscal hedges, derivatives and other financial instruments that offset the effects of exchange rate variance on the results.

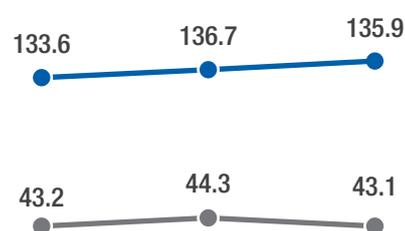
Fee income | With growth of 7.6% for the year, fee income was R\$25.1 billion, especially due to growth in fees from cards, funds management and insurance, pension plans and savings bonds. A greater offer of credit and a strong performance in these segments has contributed to higher business volumes and to the diversification of fee income.

Fee Income (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Fee Income	21,071	23,301	25,070	7.6
Credit/Debit Cards	4,739	5,689	6,461	13.6
Asset Management	3,582	3,713	4,133	11.3
Checking Accounts	4,356	4,120	4,045	(1.8)
Loan Operations and Guarantees	2,141	2,458	2,369	(3.6)
Collections	1,316	1,411	1,487	5.4
Insurance, Pension Plans and Savings Bonds	988	1,199	1,427	19.0
Billings	832	891	944	6.0
Interbank	697	726	749	3.2
Capital Market	454	524	481	(8.1)
Fiduciary Services	-	383	445	16.3
Others	1,967	2,187	2,529	15.6

Efficiency and productivity | Banco do Brasil is constantly striving to enhance its operating efficiency and productivity and to maintain strict control of its expenses. In 2014, administrative expenses amounted to R\$32.3 billion, up by 7.1% over the previous year and within what BB had been expecting. This led to better productivity ratios as shown in the graph on the right.

Basel | In December 2014, the BIS Ratio III of Banco do Brasil stood at 16.1%, of which 9.0% is the Capital Ratio. All these indicators exceed the regulatory minimums. The Regulatory Capital of BB stood at R\$126.6 billion in the same period, with annual growth of 7.1%.

Productivity Indicators



2012 2013 2014

- Adjusted Coverage Ratio
- Adjusted Cost/Income Ratio

VALUE ADDED STATEMENT (VAS)

The value distributed by Banco do Brasil amounted to R\$43.8 billion, 10.7% down on the figure for 2013. The main variances in DVA in the year-on-year comparison are presented below.

PERSONNEL

Salary adjustment-linked expenses rose within the bank's expectations, primarily salaries and fees, benefits and training. This increase was partially offset by lower expenses with profit sharing (PLR), proportional to the decline in net income in the period.

TAXES, FEES AND CONTRIBUTIONS

Amounting to R\$11.3 billion, tax charges reflect the structure of the tax base for the year.

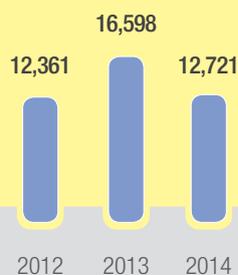
REMUNERATION OF OWN CAPITAL

Shareholder remuneration in the form of dividends was down for the year on account of lower net income in 2014. Similarly, retained earnings were lower than in 2013. Together these factors accounted for a reduction of R\$5.0 billion in value distributed to remunerate own capital.

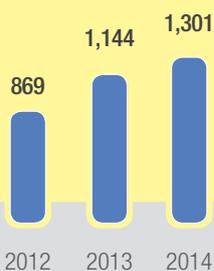
REMUNERATION OF THIRD-PARTY CAPITAL

High lease expenses arose from new lease agreements, with around 150 agreements signed for the physical expansion of the service network, as well as adjustments and renewals of agreements already in force.

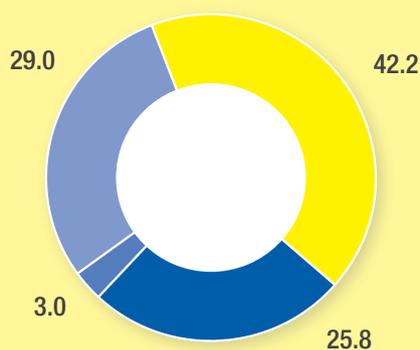
VAS – Remuneration of Own Capital (R\$ millions)



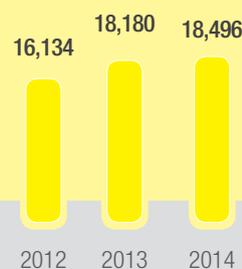
VAS – Remuneration of Third Party Capital (R\$ millions)



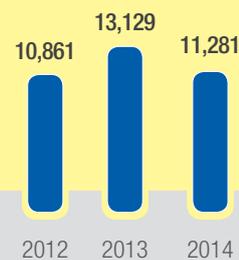
VAS BB 2014 (%) GRI G4-EC1



VAS – Personnel (R\$ millions)



VAS – Taxes, Fees and Contributions (R\$ millions)



» PERFORMANCE BY BUSINESS SEGMENT

GRI G4-DMA Water | G4-DMA Product portfolio

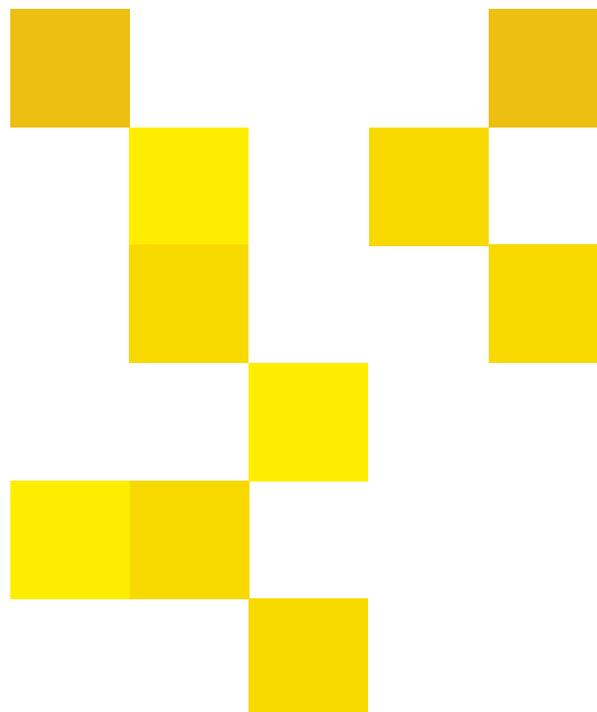
Loans

GRI FS1 | FS2 | FS3 | FS5 | FS6 | G4-DMA Local communities

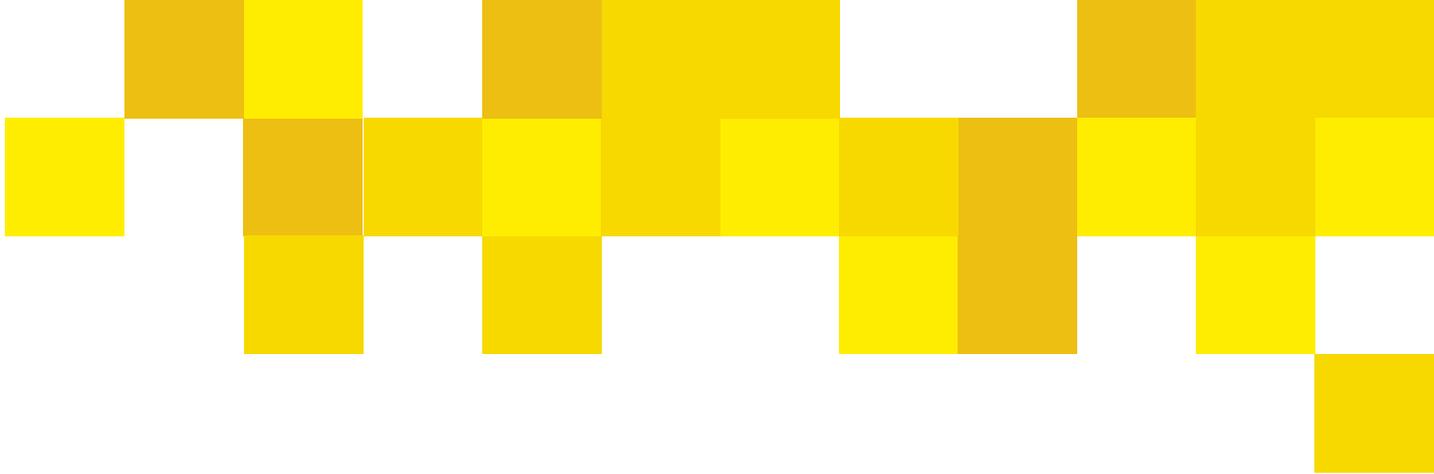
The performance of Banco do Brasil in providing loans contributes to the development of key sectors of the Brazilian economy, benefiting value chains and countless locations. Support for agribusiness, funds for infrastructure and logistics projects and a strong presence among micro and small businesses, among others, enable local economies to function and create new business and growth for all those involved. Also, BB plays a leading role in transferring federal funds to programs involving sanitation, housing and urban mobility, among others.

The Bank's Broad Definition Loan Portfolio ended 2014 with a balance of R\$760.9 billion. After disregarding abroad transactions, private securities and guarantees, the Bank's qualified loan portfolio in Brazil showed a balance of R\$633.7 billion, with a market share of 21.0%.

The average portfolio risk, which shows the ratio between required provisions and the total loan classified portfolio, has maintained a downward trend since 2011, and is still below the level of the Brazilian Banking Industry (SFN), ending the year at 3.75. With regard to the 90-day delinquency ratio, the Bank has historically been below the level of the SFN. BB is the benchmark in Brazil for collections and credit recovery, especially because of its integrated technology platform for across-the-board management of this process, and through the use of probabilistic models. At the close of 2014, the recovery rate on loans of up to 360 days was 93.6%.



The bank does not engage with or take credit risk on customers that do not comply with current legislation or which submit their employees to degrading types of work or forced labor conditions, as established in the Credit Policy and in the prohibitions when analyzing loan transactions. Since 2013, the general clauses in BB loan instruments have included a clause with a social aspect referring to human rights. As regulated by Interministerial Ordinance MTE/SDH No. 2/2011, the Ministry of Labor and Employment (MTE) updates and discloses to the bank, among other bodies, on a six-monthly basis the Register of Employers listing those companies whose employees have been submitted to conditions analogous to forced labor. The bank may also request additional information or copies of documents dealing with the inspection process that gave rise to the employer's inclusion on the register.



BB HAS ADOPTED ITS OWN SOCIOENVIRONMENTAL CRITERIA FOR RISK ANALYSES, PUBLISHES ITS ANNUAL SUSTAINABILITY GUIDELINES ON CREDIT TO SPECIFIC SECTORS AND, IN 2014, LAUNCHED ITS SOCIOENVIRONMENTAL GUIDELINES FOR CONTROVERSIAL ISSUES

GRI FS5

The Bank also adopts its own socioenvironmental criteria when analyzing risk, credit limits and investment projects, as it makes the financing conditional on compliance with environmental legislation. These procedures apply to businesses whose current or projected net operating revenues exceed R\$50 million and investments involving project finance equal to or exceeding R\$2.5 million.

Sustainability Guidelines on Loans | Every year the Bank produces a document with specific approaches to two sectors, as part of the actions envisaged in its Sustainability Plan – BB Agenda 21 and within the

scope of the Brazil Water Program. 2014 saw publication of the sustainability guidelines for the Oil & Gas and Transport sectors. Also, another forum was convened with environmental specialists and the Stakeholders' Panel to define the socioenvironmental criteria for loans to the irrigated agriculture and paper and pulp sectors. This initiative contributed to mitigating socioenvironmental risk and to reducing the impacts of financing and investments, in addition to identifying business opportunities within the sustainable business value chain based on material socioenvironmental issues and strategic topics for sustainable development. Through this process BB defined the guidelines for the topics on Forest and Biodiversity, Water, Climate Change, Agribusiness, Electrical Energy, Civil Construction and Mining, which can all be found at www.bb.com.br/sustentabilidade (Gestão da Sustentabilidade > O que nos orienta).

Socioenvironmental Guidelines for Controversial Issues | This new document, made available in 2014 on the BB sustainability site, sets out in clear terms the bank's position with regard to disputes and controversial issues that have become notorious for society. The guidelines list the segments served, the restricted activities and the blacklist, in line with good international practices and the public commitments assumed by the Bank.

Social Businesses

GRI G4-EC8 | G4-SO1 | FS4 | FS10 | FS15 | G4-DMA Local Communities | G4-DMA Active ownership | G4-DMA

Product and services labeling

The Bank's Model for Integrated Involvement in Sustainable Development, in force since 2013, enables actions to be mapped and opportunities identified in an integrated manner on the premises, driving the initiatives in Action Plans for Sustainable Development (PADS).

One of the principal mechanisms employed by the Bank are the social businesses that use market mechanisms to resolve social problems, so as to reduce socioeconomic inequalities in a sustainable manner while ensuring income, productive inclusion and access to public services. Examples of these businesses include financing under the Minha Casa Minha Vida (PMCMV – Popular Housing), Fundo de Financiamento ao Estudante do Ensino Superior (Fies – Student Loans), Programa Nacional de Fortalecimento da Agricultura Familiar (Pronaf – Family Farming), Microcrédito Produtivo Orientado (MPO – Micro Credit) and the BB Crédito Acessibilidade (Accessibility) programs. They all play an important role in fostering public policies and are aligned with the mission of being a market bank with public spirit (the results can be seen on pages 81, 84 and 87).

From the local standpoint, with a view to identifying and developing vocations within communities throughout Brazil the Bank has adopted a Business Strategy for Sustainable Regional Development, a specific process involving local engagement of stakeholders through the Bank's branch network, which uses social businesses to bind manufacturing activities to the generation of employment, income and social well-being, as well as to concerns for the environment.

The strategy aims to drive sustainable development of the regions where BB operates, by mobilizing economic, social and political players while supporting economically viable activities that are also socially

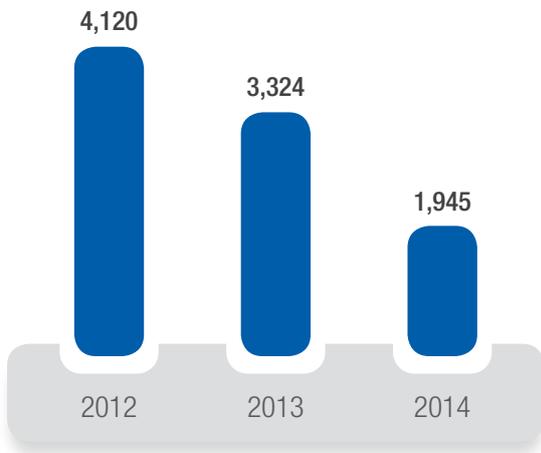
fair and ecologically correct, but never losing sight of cultural diversity. The principle of participation and building within the Sustainable Regional Development methodology is its success factor, as it brings together a variety of players that include private institutions, associations, cooperatives, governments, universities, religious entities and non-governmental organizations (NGOs), among others, around a single agenda. The local stakeholder engagement process leads to partnerships for managing each Business Plan, and includes a structured and collective process covering the planning, coordination and monitoring phases.

In 2014 BB concluded reviewing the strategy, which resulted in enhancements to instruments for monitoring and evaluating the plans, as well as in providing new tools for organizing and planning information so as to enable the branches to take decisions in a timely manner, with quality and efficiency. Among other adaptations, the conclusion of the review simplified the methodology and made the process more operationally efficient.

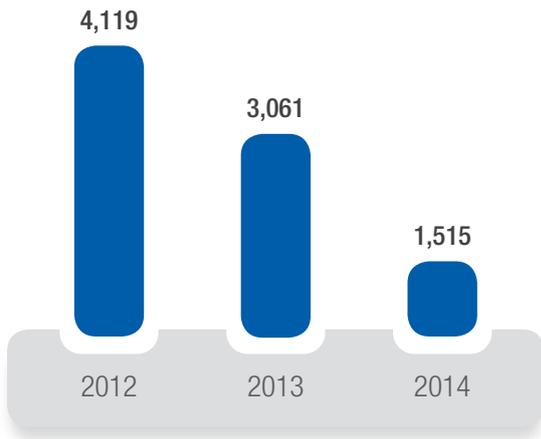
During the period, every Business Plan was analyzed from the point of view of the BB Eco-efficiency Program, in the search for strategic alignment and sustainable solutions. This process involved Superintendencies and other regional branches whose understanding of regional specificities, applied in on-site visits, enabled the base to be classified while ensuring that those plans that contribute to engaging in sustainable business are maintained.

Currently 1,390 branches have 1,515 Business Plans in progress, supporting manufacturing activities in 1,945 Brazilian municipalities. BB provides specific courses in order to train its employees around this strategy. Today, there are 24,676 employees throughout Brazil trained to apply the methodology and to draw up business plans. **GRI FS4**

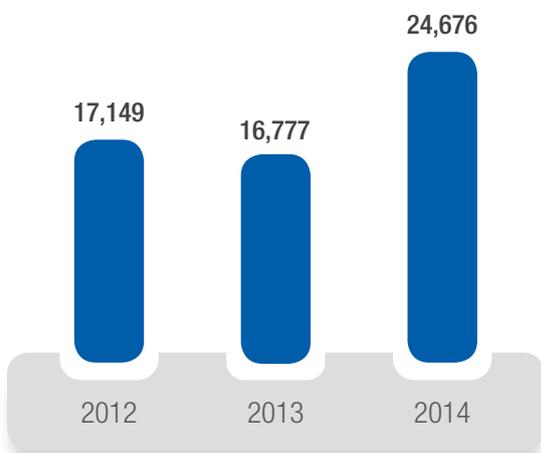
Municipalities Served



On-going Business Plans



Employees Trained in Sustainable Regional Development



In 2014 BB continued to implement the model for involvement in sustainable development at its overseas branches. Taking this involvement international is hindered by the fact that the overseas branches, unlike the domestic network, do not have the capillarity and involvement in micro credit and agribusiness facilities, nor do they offer support with non-reimbursable funds required for the projects being prospected.

Among the international achievements for the year, the highlight was the replication of the “Financial Health is Priceless” Workshop in the region of Montero (Bolivia), involving 60 participants and, once again, in partnership with Instituto Cooperforte and Fundação Banco do Brasil, following on the success of the action carried out in 2013 in the city of Santa Cruz. In Paraguay, computers were donated to schools in Ñacunday to enable them to access the internet. Digital inclusion in this Paraguayan town is the first step to transforming these schools into technical training centers, in order to meet demands from Brazilian businessmen, established in these regions, for qualified staff, especially in agriculture.

Individuals

The individuals loan portfolio – broad definition ended 2014 with a balance of R\$179.7 billion, an increase of 6.8% in the year-on-year comparison, and accounting for 23.6% of the total portfolio. Excluding acquired portfolios and the proportional consolidation of Banco Votorantim, growth was 12.5% over the period. The BB’s growth strategy based on lower-risk facilities proved to be an effective one. In the case of the organic portfolio, 75.9% of the year-end balance was concentrated in payroll loans, property loans, salary loans and auto loans. In the case of the latter two facilities, most of the transactions involve civil servants and customer with over 10 years of relationship with the Bank, thus reducing the risk of delinquency. In regard to payroll loans, transactions are concentrated in tenors exceeding 48 months (84.1% of the total taken out), contributing to customer loyalty and the offer of products and services.

Individuals Loan Portfolio (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Classified Loan Portfolio	151,869	167,884	179,225	6.8
Direct Consumer Credit	81,629	85,491	86,907	1.7
Payroll Loans	58,589	61,964	64,245	3.7
Consumer Finance	5,922	5,866	5,826	(0.7)
Salary Loans	17,118	17,661	16,836	(4.7)
Auto Loans	35,887	35,372	32,768	(7.4)
Mortgages	10,202	18,458	28,487	54.3
Credit Cards ⁽¹⁾	15,888	20,081	22,665	12.9
Overdraft Accounts	2,459	2,451	2,298	(6.2)
Microcredit	931	1,031	1,341	30.0
Others	4,871	5,000	4,760	(4.8)
Private Securities and Guarantees	142	323	497	53.6
Loan Portfolio Broad Definition	152,011	168,207	179,722	6.8

(1) Inclusion of credit card portfolio, cash value and installment plans of Banco Votorantim beginning 2013.

**BB FINANCED OVER 400,000
UNITS UNDER THE MINHA CASA
MINHA VIDA PROGRAM IN
2014, WHILE THE BB CRÉDITO
ACESSIBILIDADE PROGRAM
REACHED THE MILESTONE OF
R\$ 100 MILLION SINCE THE
FACILITY WAS LAUNCHED**

Two products with an environmental bias are worthy or note for their achievements in 2014, within the scope of the Minha Casa Minha Vida (PMCMV) Program, BB contribute more than 400,000 units contracted in various modalities. The Bank's embracing of this program has helped reduce the housing deficit in Brazil, as well as driving the solutions offered by the entire civil construction chain, not to mention contributing to BB's consolidation in the real estate lending market. In the case of BB Crédito Acessibilidade, the figure of R\$100 million in loans has been granted since the facility was launched. Worthy of note is the creation of a new facility that provides financing for adapting homes. These achievements exceed the target established for the Bank during the period, while contributing to raise its profile within the National Plan for the Rights of People with Disabilities – *Viver Sem Limite*.

PRODUCTS WITH A SOCIOENVIRONMENTAL FEATURES GRI FS7 | FS8 | G4-DMA Materials



BB Crédito Acessibilidade

A loan facility to finance goods and services for people with disabilities, based on Provisional Measure No. 550/2011.

118,745

Total Portfolio in 2014 (R\$ thousand)

12,029

Number of Transactions in 2014



Fundo de Financiamento ao Estudante do Ensino Superior (Fies)

Student loan facility to finance under graduate education for students who without the wherewithal to pay for their education, in line with the government's policy for democratizing access to quality education.

13,593,567

Total Portfolio in 2014 (R\$ thousand)

312,642

Number of Transactions in 2014



Fundo de Amparo ao Trabalhador (FAT) Taxista

Auto loans for individuals where the fuel is from renewable sources. This facility uses funds from the Fundo de Amparo ao Trabalhador, (Workers' Assistance Fund, or FAT) and leads to the creation of jobs and income.

258,469

Total Portfolio in 2014 (R\$ thousand)

5,394

Number of Transactions in 2014



Programa Minha Casa Minha Vida (PMCMV)⁽¹⁾

Financing for developments that meet requisites such as the inclusion of the elderly and those with special needs; environmental protection rules and attitudes, such as the use of equipment and solutions; compliance with recommendations when executing projects; and the fostering of discussions and dissemination among their members of knowledge about how to re-use materials, rational use of natural resources, alternative low-cost methods for heating water/degradable construction materials/other risks arising from the failure to protect the environment and other pertinent matters.

10,662,041

Total Portfolio in 2014 (R\$ thousand)

85,847

Number of Transactions in 2014

(1) In the Individuals segment, 85,258 transactions were closed, resulting in a portfolio of R\$9,637 million. In the companies segment there were 229 transactions amounting to R\$1,025 million at the end of 2014.



BB Microcrédito Sustainable Regional Development

A credit facility intended for urban entrepreneurs that benefit from Sustainable Regional Development Business Plans intended to meet the financial needs of micro entrepreneurs.

42,080

Total Portfolio in 2014 (R\$ thousand)



BB Microcrédito Empreendedor PF

Loans to individuals for working capital or investment intended to meet the financial needs of small enterprises, in line with the National MPO Program.

24,054

Total Portfolio in 2014 (R\$ thousand)

Companies

The companies loan portfolio – broad definition was R\$354.1 billion last year, growth of 9.9% over 2013, accounting for 46.5% of the total portfolio. Working capital and investment transactions drove portfolio growth, which rose by 8.6% and 18.6%, respectively. Investment loan disbursements stood at R\$54.1 billion in 2014, the highlight being BNDES transfer facilities such as Pronaf Family Agriculture, Agribusiness Investment, FCO and Proger.

In the government segment BB has been increasing its operations as a partner in financing infrastructure investment programs. In 2014 the Bank disbursed around R\$7.8 billion in 25 transactions with states, providing financing for executing investment programs that are part of the multiyear

plans, as well as initiatives in infrastructure, tourism, health, education and security, the acquisition of school transport, machinery and equipment, and improvements to public management.

Loan transactions to Micro and Small Enterprises (MPE) amounted to R\$102.2 billion at the end of the year, growth of 2.4%, a segment in which BB had 2.3 million customers. Around 93.6% of the portfolio balance is focused on checking account holders with relationships exceeding two years. Furthermore, the Bank has availed of instruments such as the Transactions Guarantee Fund (FGO) and the Suretyship Fund for Micro and Small Enterprises (Fampe), enabling greater access to loans, reductions in costs for the end borrowers and lower risk for the Bank.

Companies Loan Portfolio (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Classified Loan Portfolio	221,774	260,589	290,877	11.6
Working Capital	118,511	138,337	150,202	8.6
Investments	44,650	56,380	66,894	18.6
Receivables	20,288	18,970	17,105	(9.8)
Credit Cards	11,439	13,719	15,014	9.4
FEC/ACE	11,224	11,922	12,833	7.6
Mortgage	2,653	5,907	10,276	74.0
Pre-Approved Credit	2,906	3,714	4,059	9.3
BNDES Exim	4,152	3,543	4,003	13.0
Overdraft Accounts	172	239	317	32.8
Others	5,778	7,857	10,172	29.5
Private Securities and Guarantees	48,800	61,677	63,227	2.5
Loan Portfolio Broad Definition	270,574	322,265	354,104	9.9

During the year the Bank unified the service to corporate and business customers, having dismantled the structure intended for large corporates. This made it possible for the staff in these business segments to specialize, improving the service, enhancing operational efficiency and facilitating the generation of new business. Another highlight in the period was the commencement of the strategic partnership with Movera, a BB associate company, to as to operate on a large scale in production-oriented micro credit (MPO). The purpose is to intensify micro credit transactions, with the Bank responsible for defining the strategy and providing lending methodology and the management systems. It is up to Movera to carry out the transactions using micro credit agents.

STRUCTURAL CHANGES IN SERVICES TO BUSINESS CUSTOMERS LED TO TRAINING FOR STAFF IN THE SEGMENTS WHERE BB OPERATES. ALSO DURING 2014 BB INCREASED ITS PRESENCE IN MICRO FINANCE

PRODUCTS WITH A SOCIOENVIRONMENTAL FEATURES GRI FS7 | FS8



BB Microcrédito Empreendedor PJ

Loan facility intended for business customers for working capital or investment, designed to meet the financial needs of small enterprises in line with the National MPO Program directly at the location where the economic activity is carried out, in order to provide guidance and monitor the business.

1,346,507

Total Portfolio in 2014 (R\$ thousand)

883,046

Number of Transactions
in 2014



BB Giro Rápido

Pre-approved credit facility to meet the working capital needs of micro and small enterprises. The line includes two types of credit – overdraft accounts and fixed revolving credits that add social value by providing micro and small enterprises with marketing differentials. The product offers advantages, such as a simplified credit approval process, while the transactions are covered by the guarantee of the FGO, which facilitates access to credit.

4,232,544

Total Portfolio in 2014 (R\$ thousand)

64,920

Number of Transactions
in 2014



BB Giro APL

A working capital facility intended for micro and small enterprises associated with APLs. BB Giro APL transactions can be taken out with the guarantee of the FGO, which facilitates access to credit for micro and small businesses, since the presentation of guarantees represents one of the principal barriers when taking out loans, in addition to the possibility of lower financial charges.

45,605

Total Portfolio in 2014 (R\$ thousand)

876

Number of Transactions
in 2014



FAT Turismo

Working capital and investment credit facilities intended to support micro and small businesses in order to expand business opportunities and generate jobs and income on account of the 2014 FIFA World Cup and the 2013 Confederations Cup.

407,151

Total Portfolio in 2014 (R\$ thousand)

545

Number of Transactions
in 2014



Proger

Financing intended for micro and small enterprises for investment projects, with or without an underlying working capital loan, enabling the creation or maintenance of jobs and income in urban areas, so as to ensure the sustainable development of micro and small enterprises aligned with the Proger Urbano program.

3,354,582

Total Portfolio in 2014 (R\$ thousand)

16,880

Number of Transactions in 2014

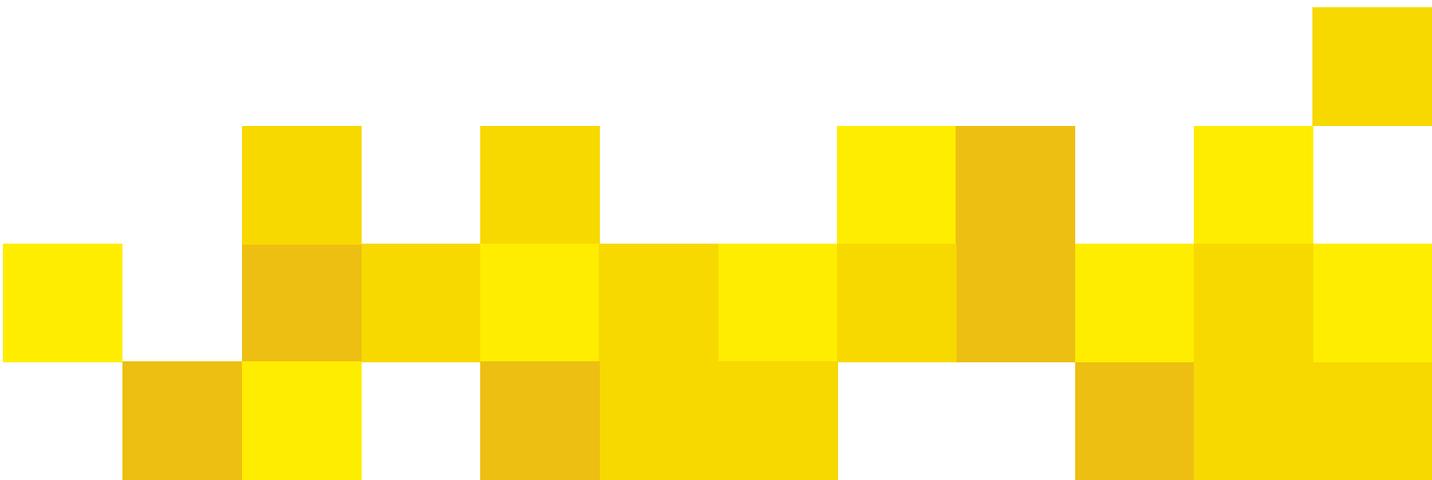
Agribusiness GRI G4-DMA Emissions

Banco do Brasil is one of the primary players fostering development of agribusiness in Brazil, with a 63.5% market share of loans to this segment. Because its operations range from smallholders to large agribusiness companies, the Bank finances working capital for input purchases and for commercializing farm produce, in addition to enabling rural investment such as warehousing and storage facilities, processing and industrialization of farm produce and the modernization of farm machinery and implements.

The broad definition agribusiness loan portfolio, including rural credit and agroindustrial transactions grew by 13.9% in 12 months, reaching R\$164.9 billion at the end of 2014. This segment accounted for 21.7% of the BB's

total portfolio at the end of the year. The commencement of the program/loan facility saw significant growth in transactions under the National Program for Strengthening Family Farming (Pronaf), the Working Capital Program for Farming Input Purchases and the National Support Program for Mid-Size Farmers (Pronamp).

2013/2014 Crop Plan, concluded in June 2014, showed R\$76.3 billion in disbursements, an all-time record. During the first half of the current crop year, which ran from July to December 2014, BB disbursed R\$46.2 billion in rural loan transactions, growth of 17.9% over the same period of the previous year. This volume accounted for 56.7% of the total R\$81.5 billion initially envisaged.



Agribusiness Loan Portfolio (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Classified Loan Portfolio	106,984	144,100	163,640	13.6
Rural Loans	85,213	109,469	133,310	21.8
Pronaf	24,229	28,941	35,983	24.3
Working Capital Program for Input Purchases	22,296	26,684	29,911	12.1
Pronamp	11,850	16,791	22,082	31.5
BNDES/Finame Rural	5,804	8,213	10,249	24.8
FCO Rural	7,905	8,327	8,825	6.0
Agribusiness Investment	-	6,269	8,324	32.8
Programa ABC (Low Carbon Agriculture Program)	-	5,346	8,024	50.1
Agribusiness Commercialization	-	4,508	5,934	31.6
Others	13,129	4,389	3,978	(9.4)
Loans to Companies	21,771	34,631	30,330	(12.4)
Rural Product Bills and Guarantees	988	708	1,262	78.2
Loan Portfolio Broad Definition	107,971	144,809	164,902	13.9

Since the 2006/2007 crop year BB has encouraged the taking out of protection against climatic uncertainties in working capital transactions for farming input purchases. The strategy is being disseminated and enhanced with every year that goes by, including the massified offer of options as of the 2009/2010 crop year. Mitigation mechanisms take into account a variety of information about the transactions requested by customers, such as customer risk, the crops to be financed and the location of the financing.

Top initiatives in 2014

Custeio Renovável I Launched last year, this facility enables the renewal of farming working capital for input purchases for up to five years, in a simple manner. This reduces the movement of documents, the Bank's operating procedures and the costs for producers of registering these with notaries.

BB-Pronaf on the WEB I Process optimization was achieved by making available an on-line platform for partners with arrangements with BB, through which it is possible to prepare and update the information files of family farmers, open checking accounts, receive proposals for loans under the Pronaf facility and monitor the information in the proposals. The solution was recognized at the XXIII E-Finance Awards 2014, in the Internet Banking category.

GRI G4-DMA Active Ownership

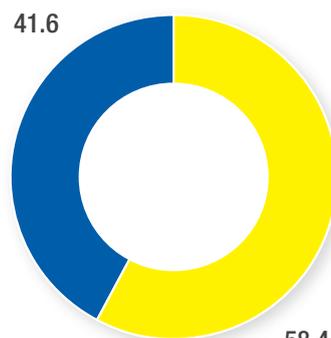
With regard to the policy on agribusiness loans, this takes into account, in addition to the risks inherent to the business, the aspects concerning socioenvironmental responsibility and the capacity to generate employment and income, in accordance with the policy approved by the Board of Directors. Currently, before granting rural credit, BB requires the environmental licensing for the activity, water rights and, in the Amazon Biome, proof that the property is environmentally regular. The loan agreement contains a clause that calls for suspension of outstanding draw-downs and the exceptional maturity of the financing where illegal deforestation occurs on the property.

GRI FS1 | FS2 | FS3 | FS10

In addition, attention is paid to the Ecological and Economic Zoning (ZEE) and Agro-ecological Zoning (ZAE) arrangements that indicate aspects such as economic opportunities, environmental fragilities, occupation trends and the agro-economic suitability per crop. In the case of transactions using FCO funds, there is a contractual clause that obligates the borrower to comply with federal, state and local legislation regarding environmental conservation, so that they abide by the technical and legal criteria for preserving gallery forest, hill tops and slopes, soil and water use, pest stewardship, the protection of springs, flora and fauna, as well as other environmental conservation considerations. **GRI G4-EC2**

Fulfilling its role as an agent of public policies, the bank has set up a Technical Cooperation Agreement with the Ministry of the Environment to strengthen and encourage the Rural Environmental Register (CAR). The bank has an agreement with the Department of Strategic Affairs of the Presidency of the Republic to undertake studies into rural credit and insurance. The Institution is also a member of the Sustainable Animal Husbandry Working Group (GTPS), an organization created by representatives of the various segments comprising the cattle raising value chain in Brazil.

Mitigators in Rural Credit during the 2014/2105 Crop Year (%)⁽¹⁾



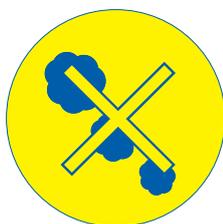
■ Mitigated ■ Not mitigated

⁽¹⁾ Covers the period between June and December 2014.

Banco do Brasil encourages the use of sustainable farming techniques that contribute to improving income, reduce greenhouse gas (GHG) emissions and conserve natural resources. It was a pioneer in getting the Low Carbon Agriculture Program (Programa ABC) off the ground, so as to finance sustainable agricultural production systems that have an acknowledged capacity to reduce/sequester GHG emissions and foster the production of vegetation/biomass and foodstuffs, while preserving the environment. At the end of 2014, the portfolio balance of the program stood at R\$8.0 billion, growth of 50.1% in 12 months. Last year saw 6,365 financing transactions closed, amounting to R\$2.9 billion. Support for sustainable rural activities is also to be found in the Pronaf Agroecologia, Pronaf Eco and Pronaf Florestal facilities. **GRI G4-EC2**

PRODUCTS WITH A SOCIOENVIRONMENTAL FEATURES

GRI G4-EC2 | FS7 | FS8 | G4-EN31 | G4-DMA Energy



Programa ABC

The primary objectives are to reduce GHG emissions from farming activity and deforestation, and to encourage the recuperation of degraded areas.

8,023,968

Total Portfolio in 2014 (R\$ thousand)

6,365

Number of Transactions in 2014



Pronaf

Aims to make farmers and their family members more professional, modernize the production system and recognizing the value of the family farmer. It provides support to farming and non-farming activities where the direct labor force is the rural producer's own family members.

35,983,080

Total Portfolio in 2014 (R\$ thousand)

810,280

Number of Transactions in 2014



Pronaf Florestal

Aims to support investments in projects that meet the requirements defined by the Department of Family Agriculture/ Ministry of Agrarian Development for: agroforestry systems; ecologically sustainable extractivist exploitation; stewardship and forestry stewardship, including project implementation and maintenance costs; and the enhancement of areas that already have a diversified forest cover by planting one or more species native to the biome.

171,456

Total Portfolio in 2014 (R\$ thousand)

1,556

Number of Transactions in 2014



Pronaf Agroecologia

A credit facility intended for farmers eligible for the Pronaf program, for investments involving specific agro-ecological or organic product system projects, including the project implementation and maintenance costs.

6,898

Total Portfolio in 2014 (R\$ thousand)

40

Number of Transactions in 2014



Pronaf Eco – Dendê/Seringueira

Credit facilities for farmers eligible for the Pronaf program, for investments in establishing palm oil or rubber plantations, providing working capital for purchasing inputs associated with maintaining the crops.

7,656

Total Portfolio in 2014 (R\$ thousand)

119

Number of Transactions in 2014



Pronaf Eco

A facility intended for farmers eligible for the Pronaf program who want to implement, utilize, recover or adopt renewable energy and/or environmental technologies, water storage, small hydroelectric power systems, silviculture or conservationist practices involving soil acidity correction and fertility.

234,224

Total Portfolio in 2014 (R\$ thousand)

1,133

Number of Transactions in 2014



Moderagro

A fixed credit facility intended for farming investments using BNDES funds. It fosters actions involving animal welfare and the implementation of systems for tracing animals intended for human consumption. The program supports soil recovery, in addition to fostering sectors that produce, process, transform and store products from beekeeping, aquaculture, aviculture, chinchilla breeding, rabbit breeding, floriculture, fruit growing, horticulture, fishing, sheep and goat breeding, dairy cattle, frog breeding, silk worm breeding and pig breeding.

210,688

Total Portfolio in 2014 (R\$ thousand)

32

Number of Transactions in 2014



Pronamp

Program intended for financing normal expenses with working capital for input purchases and investment, so as to foster the development of the rural activities of mid-size farmers, enabling them to increase their income and create jobs on the land.

22,082,401

Total Portfolio in 2014 (R\$ thousand)

149,129

Number of Transactions in 2014



Programa de Construção e Ampliação de Armazéns (PCA)

Aims to support the investments needed to expand and build new warehousing. Thus it contributes to improving the income of rural producers and the distribution and storage of the food produced in Brazil, enhancing food security.

1,940,312

Total Portfolio in 2014 (R\$ thousand)

1,192

Number of Transactions in 2014

Equator Principles

GRI G4-EC2 | G4-HR1 | G4-HR9 | G4-SO2 | FS1 | FS2 | FS3 | FS9 | G4-DMA Economic performance | G4-DMA Energy | G4-DMA Child labor | G4-DMA Forced or compulsory labor | G4-DMA Assessment | G4-DMA Supplier human rights assessment | G4-DMA Human rights grievance mechanisms | G4-DMA Audit

As a signatory to the Equator Principles, Banco do Brasil adopts the standards of the International Finance Corporation (IFC) when analyzing risk, so as to be certain that the financing a responsible contribution to social development and the use of best environmental management practices when carrying out major projects. In 2014 the Bank adopted version 3 of these guidelines, which expanded the scope of the eligible financial products (see the box). The benefits of the new scope include better Project control and monitoring, a much wider overview of the risks, the possibility of better mitigating the socioenvironmental, reputation, credit and legal risks, as well as the positive approach to shareholders, customers, employees and market indices.

The projects assessed by BB are classified in a socioenvironmental risk matrix that identifies relevant impacts and risks and management measures. Category A covers projects where the potential risk or adverse socioenvironmental impact is significant, multiple, irreversible or without precedent. Category B, in turn, covers those of limited potential, lower number, extensively reversible and immediately controllable using mitigation measures. Category C covers initiatives where the risk or impact is minimal or non-existent. In all requests for financing categorized as A or B, the Bank requires the customer to develop or maintain an environmental and social management system. Furthermore, in high-risk cases it may be necessary to ask the customer to provide additional evaluation documentation, with a specific due diligence on human rights. In other projects, a limited-scope or focused social or environmental assessment may be carried out (like an audit), or a simple analysis of specific issues, such as a location analysis, pollution levels, project typology or the impacts of construction.

Categories of the Equator Principles – Version 3

Project Finance I For investments starting at US\$10 millions

Project Finance Advisory Service I
Financial advisory services for investments in which the credit granted qualifies as Project Finance

Project Related Corporate Loans I Loans and financing intended for a single project over which the customer has effective control, with a minimum financing amount of US\$100 million, individual participation of the financial institution of at least US\$50 million and a minimum term of two years

Bridge Loans I Refinancing of Project Finance or Project Related Corporate Loans with tenors of less than two years

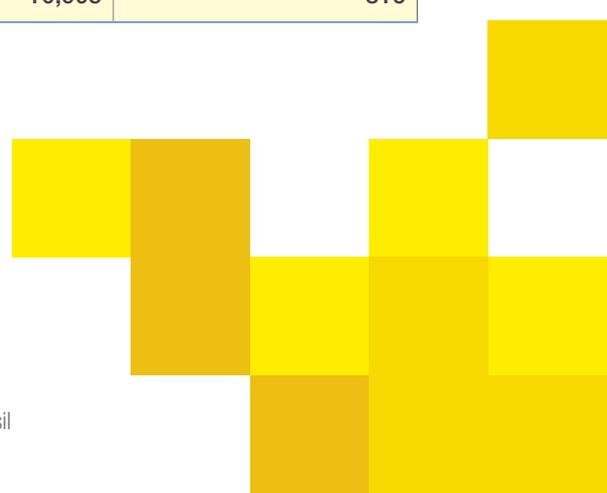
Last year BB was involved in 60 project finance and structured transactions, especially in the electrical energy, shipbuilding, oil and gas, logistics and urban mobility segments. These activities generated fee income of approximately R\$148 million, and disbursements of around R\$9.3 billion. Besides these, 28 on-going projects are expected to generate fee income of around R\$60 million over the next two years. This performance firmly establishes BB at the head of the Project Finance Ranking of the Brazilian Association of Capital Markets Entities (ANBIMA) as lead manager and lender in the criterion of number of projects.

GRI G4-HR9 | G4-SO2

The projects analyzed from the point of view of the Equator Principles fall into the following sectors: real estate, energy generation/transmission and seed production. Worthy of note is the support for two energy generating plants with a capacity of 42 MW and 400 MW, located, respectively, in the states of Minas Gerais and Mato Grosso, and the energy transmission project in Goiás state. The socioenvironmental aspects covered by the Equator Principles were assessed, such as resettlement of people, native tribe lands and the historical and cultural heritage, among others. Besides these there was also support for two real estate developments, where solid waste and control of water resources were evaluated, as well as a project in the seed production sector, which is considered free of negative socioenvironmental risks or impacts, or where risks are minimal.

IN THE LAST YEAR 8 AGREEMENTS WERE CLOSED WITHIN THE SCOPE OF THE EQUATOR PRINCIPLES, TWO OF THEM INVOLVING PROJECT FINANCE, THREE IN PROJECT FINANCE ADVISORY SERVICES AND THREE BRIDGE LOANS. NO TRANSACTIONS WERE CLOSED IN THE PROJECT-RELATED CORPORATE LOANS CATEGORY

Project Finance Agreements entered into in 2014	Number of agreements	Total Investment (R\$ millions)	Effective Participation of BB (R\$ millions)
Categorization			
B	2	10,905	816
Business Sector			
Industrial	1	1,253	577
Logistics	1	9,652	239
Location			
North	1	1,253	577
Southeast	1	9,652	239
Total	2	10,905	816



Project Finance Advisory Service Agreements Entered into in 2014	Number of Agreements	Total Investment (R\$ millions)
Business Sector		
Logistics	2	1,900
Shipbuilding	1	2,966
Location		
North	1	1,400
Northeast	1	2,966
South	1	500
Total	3	4,866

Bridge Loans Agreements Entered into in 2014	Number of agreements	Total Investment (R\$ millions)	Effective Participation of BB (R\$ millions)
Categorization			
A	1	19,170	675
B	1	1,400	200
C	1	143	70
Business Sector			
Logistics	1	1,400	200
Infra-social	1	143	70
Shipbuilding	1	19,170	675
Location			
North	2	1,543	270
Southeast	1	19,170	675
Total	3	20,713	945

Trade Finance

BB maintained its market leadership in export and import exchange transactions, with volumes of US\$62.2 billion and US\$51.2 billion and market share of 27.6% and 23.5%, respectively. Worthy of note is the use of the internet as a platform for closing transactions: around 63.8% of export exchange contracts and 40.1% of import exchange contracts were closed using the platform. A solution for recharging the Ourocard Visa TravelMoney card was also made available on the mobile channel, supplementing the solution already existing on the internet, which affords customers greater liberty while optimizing the processes for the Bank.

In Trade Finance, the highlight were Advances on Foreign Exchange Contracts (ACC)/Foreign Exchange Deliveries (ACE), which amounted to US\$10.3 billion, with a market share of 26.3%. Import finance stood at US\$5.4 billion.

Within the scope of the Export Finance Program (Proex), disbursements in the finance modality stood at US\$456.2 million. During this period the first disbursements under the Programa Mais Alimentos Internacional (International More Food Program), took place, dedicated to exports of machinery and equipment for family farming, accompanied by a package that includes spares parts, maintenance services and training. October saw the signing of a Protocol of Intent between Brazil and Angola for the purpose of encouraging trade between the countries, especially in the smaller company segment.

The proceeds disbursed under the BNDES-Exim modalities amounted to US\$475.7 million by November 2014, the latest figures available. To increase the foreign loan portfolio, the Banco increased its offer of the international financing facilities, Finimp Direto (Direct Import Financing), Pré-Pagamento de Exportação (Pre-payments of Exports), Empréstimo Financeiro Direto (Direct Financial Loans) and Desconto à Forfait (Forfaiting) for retail customers in Brazil, which led to an increase in the share of this segment of the total

loans granted by BB branches overseas, from 2.9% to 6.0%. The volume of new transactions stood at US\$370.1 million in 2014.

In May, the Bank inaugurated a branch in Shanghai, China. It is the first branch of a Latin American bank in that country. The purpose is to expand international trade, investment in Brazil and the operations of Brazilian multinationals. BB also offers training services in international business that benefit primarily small and mid-size businessmen, as well as students, with knowledge on how to operate efficiently and securely on the international market. In 2014, 9,200 people were trained, including students, businessmen and sector professionals.

Money Market Borrowing

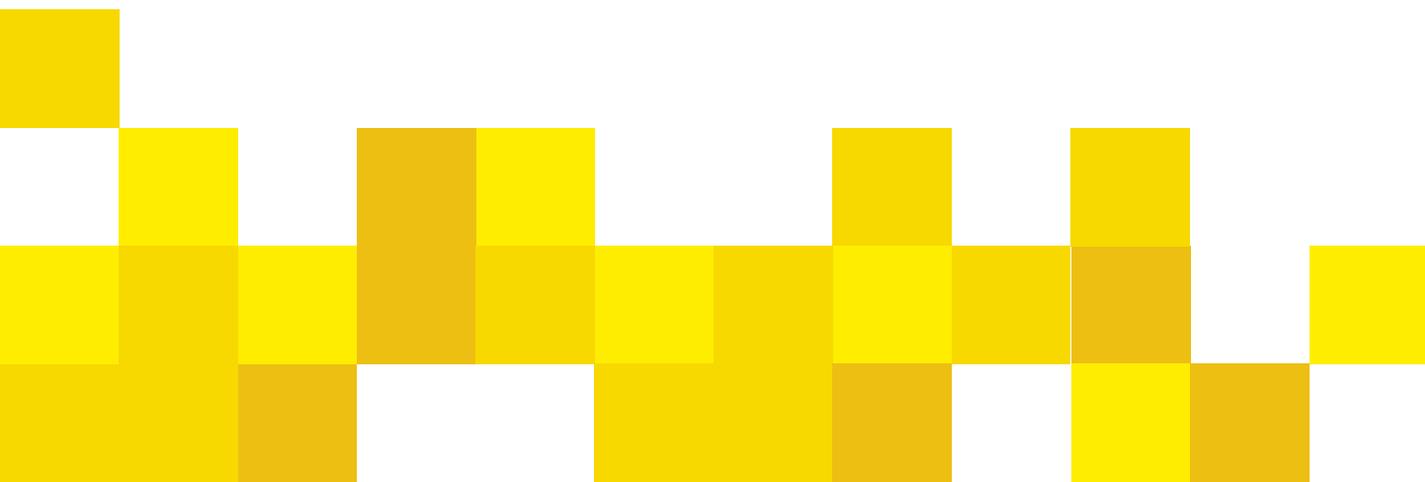
Commercial funding at Banco do Brasil, which includes total deposits, Agribusiness Letters of Credit, (LCA), Mortgage Bonds (LCI) and private security repo transactions showed a balance of R\$634.6 billion in December 2014, growth of 4.5% in twelve months. The Bank maintained its strategy of improving the funding mix in order to reduce costs.

In the case of international funding, in 2014 BB continued to be a regular issuer, which contributed to leveraging new businesses while enhancing brand recognition overseas. Worthy of note was the total funding for the year, of US\$2.9 billion, in addition to a long-term structured funding transaction of US\$500 million.

THE NEW BB BRANCH IN SHANGHAI, OPENED IN MAY 2014, IS THE FIRST BY A LATIN AMERICAN BANK IN CHINA

Commercial Funding (R\$ millions)	2012	2013	2014	14/13 Variance (%)
Total	515,714	607,215	634,627	4.5
Time Deposits	176,667	145,542	99,474	(31.7)
Judicial Deposits	86,346	101,769	115,010	13.0
Savings Deposits	117,744	140,728	148,699	5.7
Demand Deposits	74,760	75,818	74,210	(2.1)
Agribusiness Letters of Credit	34,005	79,154	103,752	31.1
Interbank Deposits	16,569	27,155	30,969	14.0
Repurchase Agreement with Private Securities	9,554	33,562	48,155	43.5
Mortgage Bonds	70	3,487	14,358	311.8

Foreign Borrowing (US\$ millions)	2012	2013	2014	14/13 Variance (%)
Total	4,995	51,174	51,081	(0.2)
Issues and Certificates of Deposit	7,528	20,129	21,081	4.7
Interbank	10,917	15,339	17,015	10.9
Businesses	11,166	10,132	8,945	(11.7)
Individuals	3,208	3,194	3,390	6.1
Repo	1,700	1,915	500	(73.9)
Others	475	465	149	(67.9)



Cards

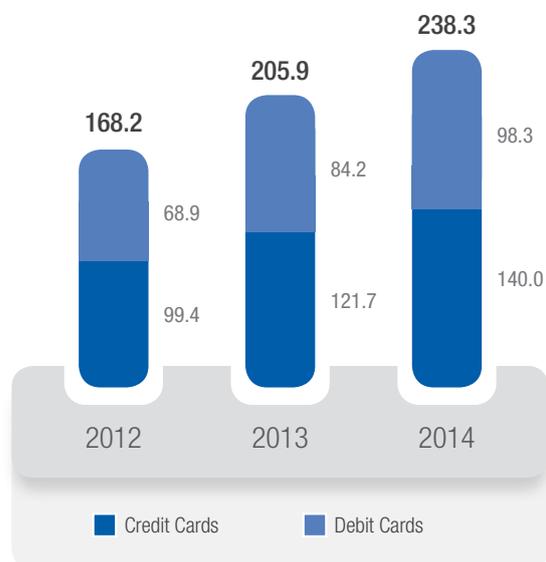
Card turnover was R\$238.3 billion in 2014, annual growth of 15.7%, the flagship being debit cards, which grew by 16.7%. The volume of transactions with BB cards grew by 11.2% over the previous year, while post-tax income from card services (fees, annual subscriptions, issuance fees, etc.) stood at R\$2.0 billion, growth of 29.1% over the previous year. This performance can be attributed to having strengthened customer relationships, the mobilization across the branch network, greater use of this payment method by consumers, and the search for new business in the cards segment, such as the launch of the Ourocard Corporate Banking platform intended for large businesses.

Continuing with the reorganization of the cards business, April 2014 saw the launch of Stelo S.A., for the purpose of increasing business opportunities and solutions in the digital wallet segment. In May, the creation of Livelos S.A. got under way, for the purpose of exploiting loyalty program-related business.

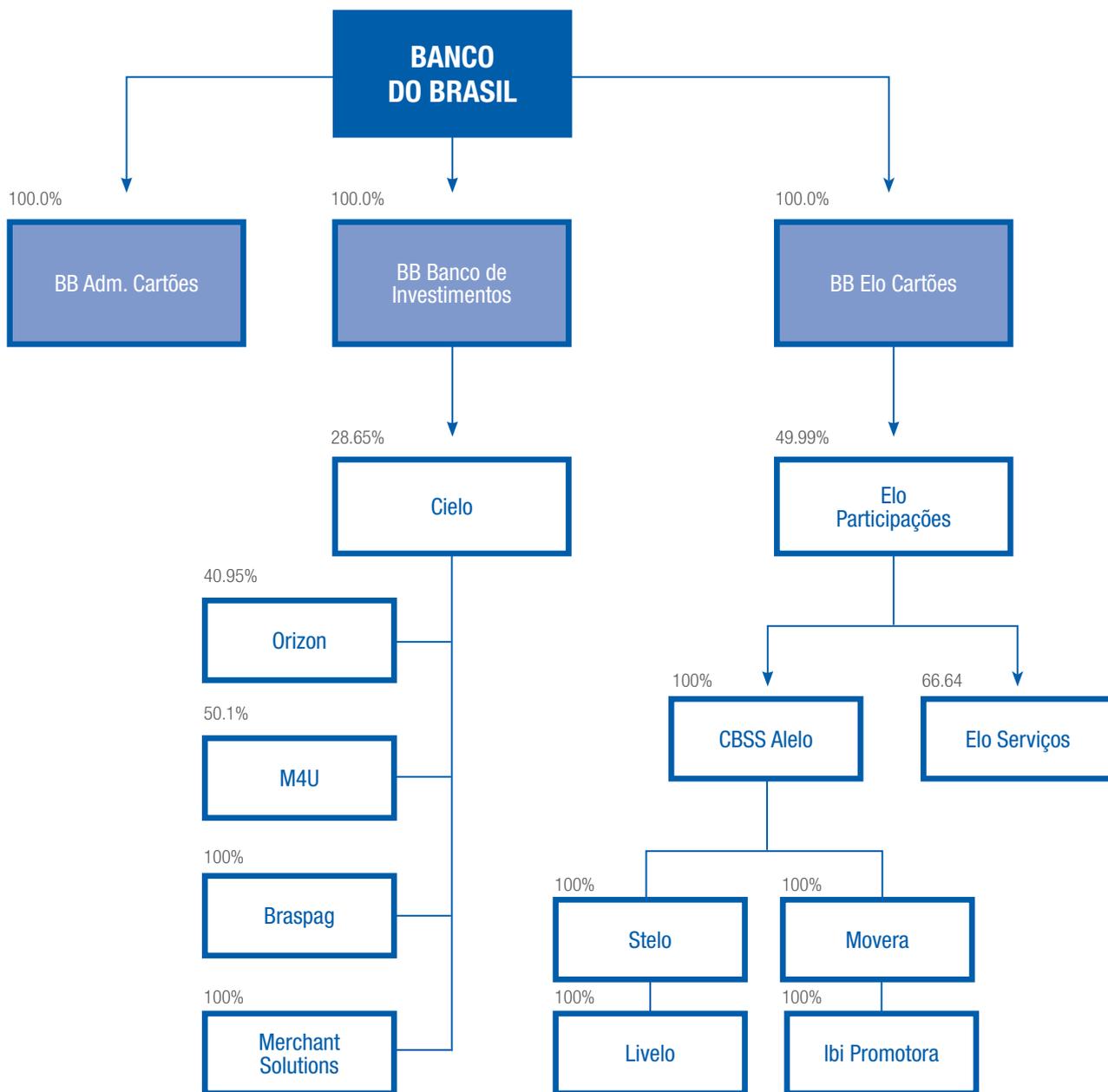
In November 2014 BB informed the market that BB Elo Cartões Participações and Cielo had created a new strategic partnership, Token, to operate in the electronic payment methods sector, with aim of exploiting activities involving post-paid account transactions management and functionality management of purchases made by debit to account. The capital stock of Token was allocated 30% to BB Elo Cartões and 70% to Cielo. Given the indirect equity interest held by BB in Cielo, via BB-BI, its total indirect equity interest in token stood at 50.05% of the capital stock. The new company has been valued at R\$11.6 billion.

Below is an organization chart of the cards business of Banco do Brasil.

Card Turnover (R\$ billions)



THE PROCESS FOR
RESTRUCTURING THE CARD
BUSINESS OF BB SAW THE
LAUNCH OF STELO S.A., THE
FIRST STEPS TO CREATE
LIVELoS S.A. AND INCLUDED
THE CREATION OF TOKEN, A
NEW STRATEGIC ALLIANCE IN
PAYMENT METHODS



Top initiatives during the year

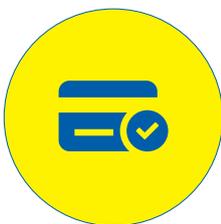
2014 | BB launched the Ourocard-e, a virtual card that protects the data of the customer's main card when purchasing on-line. To attend to mid-size and large companies, in December Ourocard Corporate Banking was launched as an innovative solution for providing short-term loans with a high degree of customization. During the pilot phase the solution was responsible for a turnover of R\$7 billion.

Oi Co-branded Card | These cards enable payment using cell phones, a functionality known as mobile payment, which represents an important innovative differentiating feature for the Bank. These transactions afford customers greater convenience, with total security while avoiding the need to issue paper receipts. Oi Co-branded credit cards had a turnover of R\$392.6 million in 2014.

Gêneseis Exhibition | Banco do Brasil sponsored the Geneses exhibition by artist Sebastião Salgado, at the Banco do Brasil Cultural Center in Brasília between September and October 2014. During the exhibition the Ourocard Origens was promoted, which visitors could acquire.

PRODUCTS WITH A SOCIOENVIRONMENTAL FEATURES

GRI FS7 | FS8 | G4-DMA Products Portfolio



Ourocard Empreendedor

A specific credit card to meet the needs of individual micro entrepreneurs (MEI), exempt from annual fees, for the purpose of leveraging credit in this segment and facilitating access to banking services and the movement of financial resources.

19,026

Number of Cards issued in 2014

20.0

Growth 14/13 (%)



Ourocard Origens Reciclado

The first card produced from recycled Banco do Brasil plastic. With each card requested, the customer donates R\$5 to the Instituto Terra, which fosters the recovery and sustainable stewardship of the Atlantic forest; they also agree to the automatic rounding up of the invoice value and contribute to the planting of 1 to 400 trees needed to sustain the recovery of 1 water source.

13,217

Number of Cards issued in 2014

49.4

Growth 14/13 (%)



Cartão de Pagamento da Defesa Civil (CPDC)

Card intended for payment of expenses involving rescues, helping victims and reestablishing essential services, used exclusively in emergency situations or states of public calamity and recognized by the National Department of Civil Defense.

2,904

Number of Cards issued in 2014

17.7

Growth 14/13 (%)



Arredondamento de Fatura

Ourocard holders who sign up for this service will have the value of their invoices rounded up to the next whole amount, with the corresponding difference in cents donated to a non-profit partner institution of the bank. Donations are currently intended solely for Instituto Terra, which promotes reforestation of deforested areas of the Atlantic forest and is currently responsible for having recovered over 40 million square meters.

53,928

signed up for the service in 2014

44.1

Growth 14/13 (%)

Insurance, Pension Plans and Savings Bonds

BB Seguridade, a subsidiary of BB created in 2012, is the umbrella company for the insurance, pension plans and savings bonds business. Last year BB Seguridade retained its high-profile position in the markets where it operates, according to the latest data published by the Superintendence for Private Insurance (Susep). Adjusted Net Income in 2014 stood at R\$3.2 billion, up by 42.6% over 2013.

BB Seguridade also joined the theoretical portfolio of the Bovespa Index in January, having launched its American Depositary Receipts (ADRs) Level I program on the New York Stock Exchange. Among the initiatives during the period, the highlight was the con-

clusion of several important negotiations: commercialization began of installment plan insurance for loan transactions with small and mid-size enterprises; and the start of the activities of Brasildental, which commercializes dental plans under the BB Dental brand and is exclusive to the BB channels throughout Brazil.

In 2015 BB Seguridade intends to enhance the offer of products and services while prospecting new business models and partnerships, such as the case of the on-going negotiations with Empresa Brasileira de Correios e Telégrafos (ECT) (the Brazilian Postal Service) to distribute insurance products through the branches of Banco Postal.

PRODUCTS WITH A SOCIOENVIRONMENTAL FEATURES

Life Insurance



Ouro Vida

Transfers to Fundação Banco do Brasil (FBB) 50% of its stipulation revenues for allocation to that entity's social programs.

688,945

Billing in 2014 (R\$ thousand)

36.4

Share of Total Portfolio
Billing in 2014 (%)



Ouro Vida Empresa (group life insurance)

Transfers to FBB 100% of its stipulation revenues for allocation to that entity's social programs.

2,157

Billing in 2014 (R\$ thousand)

0.1

Share of Total Portfolio
Billing in 2014 (%)



BB Seguro Vida Mulher (women's life insurance)

Transfers to FBB 50% of its stipulation revenues for allocation to that entity's social programs.

294,273

Billing in 2014 (R\$ thousand)

15.5

Share of Total Portfolio
Billing in 2014 (%)



Ouro Vida Grupo Especial (special group life insurance)

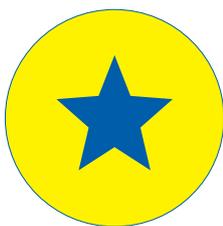
Transfers to the Federation of AABB (FENABB) 2.19% of stipulation revenues.

728,119

Billing in 2014 (R\$ thousand)

38.5

Share of Total Portfolio
Billing in 2014 (%)



Personalizado (personalized insurance)

Transfers the stipulation percentage to the FENABB.

133,242

Billing in 2014 (R\$ thousand)

7.0

Share of Total Portfolio
Billing in 2014 (%)



BB Microseguro Proteção Pessoal (personal protection micro insurance)

Popular product intended for lower income customers, guaranteeing reimbursement of the funeral expenses in the event of death of the policyholder, their spouse and their children.

46,036

Billing in 2014 (R\$ thousand)

0.7

Share of Total Portfolio
Billing in 2014 (%)

Property Insurance



Ouro Residencial (home insurance)

Transfers to FBB 100% of its stipulation revenues for allocation to that entity's social programs.

163,347

Billing in 2014 (R\$ thousand)

48.8

Share of Total Portfolio
Billing in 2014 (%)



Ouro Máquinas (plant and equipment insurance)

Transfers to FBB 100% of its stipulation revenues for allocation to that entity's social programs.

13,882

Billing in 2014 (R\$ thousand)

4.1

Share of Total Portfolio
Billing in 2014 (%)



Ouro Empresarial (business insurance)

Transfers to FBB 100% of its stipulation revenues for allocation to that entity's social programs.

157,822

Billing in 2014 (R\$ thousand)

47.1

Share of Total Portfolio
Billing in 2014 (%)

Savings Bonds



Ourocard Torcida Pagamento Único (single instalment savings bond)

Transfers to FBB 0.5% of the total funds raised from payments by savers, in favor of the BB Educar program.

2,866,427

Billing in 2014 (R\$ thousand)

42.9

Share of Total Portfolio
Billing in 2014 (%)



Ourocard Torcida Pagamento Mensal (monthly instalment savings bond)

Transfers to FBB 0.5% of the total funds raised from payments by savers, in favor of the BB Educar program.

735,459

Billing in 2014 (R\$ thousand)

11.0

Share of Total Portfolio
Billing in 2014 (%)



Ourocap Estilo Flex (PP 93E) (flexible prize draw savings bond)

Transfers to FBB 0.5% of the total funds raised from payments by savers, in favor of water resource projects.

118,890

Billing in 2014 (R\$ thousand)

1.8

Share of Total Portfolio
Billing in 2014 (%)



Ourocap Multi Chance (PM 48M) (prize draw savings bond)

Transfers to FBB 0.5% of the total funds raised from payments by savers of the second and third installments, in favor of youth and adult literacy programs (BB Educar).

211,548

Billing in 2014 (R\$ thousand)

3.2

Share of Total Portfolio
Billing in 2014 (%)



Ourocap 200 anos (PM – PP 60M) (prize draw savings bond)

Transfers to FBB 0.5% of the total funds raised from payments by savers of the second and third installments, in favor of youth and adult literacy programs (BB Educar).

361,693

Billing in 2014 (R\$ thousand)

5.4

Share of Total Portfolio
Billing in 2014 (%)



Ourocap 200 anos (PM – PP 60C) (prize draw savings bond)

Transfers to FBB 0.5% of the total funds raised from payments by savers of the second and third installments, in favor of youth and adult literacy programs (BB Educar).

92,968

Billing in 2014 (R\$ thousand)

1.4

Share of Total Portfolio
Billing in 2014 (%)



Ourocap 200 Anos Cartão (PP 60A) (prize draw savings bond)

Transfers to FBB 0.5% of the total funds raised from payments by savers of the second and third installments, in favor of youth and adult literacy programs (BB Educar).

1,656

Billing in 2014 (R\$ thousand)

0.0

Share of Total Portfolio
Billing in 2014 (%)

Asset Management

GRI FS11 | G4-DMA Investment | G4-DMA Active Ownership

BB Gestão de Recursos DTVM S.A., (asset management and securities distribution), a full subsidiary of the bank, institutes, organizes, and manages funds, portfolios and investment clubs. In the asset management segment, BB DTVM has been leader of the Brazilian investment funds industry since 1994. At the end of the year it had a total of R\$554.7 billion in funds under management, and a market share of 21.7%, representing annual growth of 12.4%. BB DTVM had net income of R\$755 million in 2014, up by 2.6% over 2013.

In 2014 BB DTVM invested in training the sales force and launched the first infrastructure project investment fund listed on BM&FBOVESPA, together with Votorantim Asset (VAM) and Highland Brasilinvest (HBI). During the year the company bolstered its risk management, corporate governance and communication and product management, having also launched 82 funds.

In line with the principles of social and environmental responsibility adopted by BB, since November 2010 BB DTVM has been a signatory to the Principles for Responsible Investment (PRI), an initiative by global investors, where the intention is to apply to its management processes those practices that promote the integration of environmental, social and corporate governance issues in its investment analysis and decision making.

BB DTVM has developed its own methodology for evaluating company shares, by which it incorporates into a long-term strategy a criterion for selecting sustainable assets, based on the pillars of economic and financial performance, corporate governance and environmental and social aspects. The evaluation and its results, in the form of a ranking, are made available to the managers so that they can decide whether or not to purchase assets.

PRODUCTS WITH A SOCIOENVIRONMENTAL FEATURES



BB Referenciado DI Social 50 (linked to the interbank CD rate)

Transfers 50% of the management fee to FBB to benefit social projects.

84.4

Net Equity in 2014
(R\$ millions)

8.1

Profitability in 2014 (%)



BB Ações ISE Jovem FIC (tracks corporate sustainability index-linked shares)

Transfers 20% of the management fee to FBB in support of initiatives under the Brazil Water Program. The portfolio of the Corporate Sustainability Index (ISE) consists of shares of companies with extensive corporate responsibility proposals that take into account aspects of good governance, economic efficiency, environmental equilibrium and social justice.

13.7

Net Equity in 2014
(R\$ millions)

(2.7)

Profitability in 2014 (%)



BB Multimercado Balanceado LP Jovem FIC (long-term fixed income/equity fund)

Transfers 20% of the management fee to FBB in support of initiatives under the Brazil Water Program.

1.0

Net Equity in 2014
(R\$ millions)

5.6

Profitability in 2014 (%)



BB Multimercado Global Acqua LP Private FI

Invests part of its portfolio in Brazilian and global companies whose manufacturing processes provides for the treatment or improvement of water.

483.9

Net Equity in 2014
(R\$ millions)

12.0

Profitability in 2014 (%)



BB Ações Carbono Sustentável FIA (sustainable carbon equities fund)

Tracks the Carbon Efficient Index (IC02) created by the BNDES and by the BM&FBovespa, consisting of shares of companies comprising the IBrX-50 index, which adopt transparent practices with regard to their GHG emissions.

4.0

Net Equity in 2014 (R\$ millions)

4.9

Profitability in 2014 (%)



BB Carbono Opção Venda FIA (sustainable carbon equities fund)

Tracks the Carbon Efficient Index (IC02) created by the BNDES and by the BM&FBovespa, consisting of shares of companies comprising the IBrX-50 Index, which adopt transparent practices with regard to their GHG emissions.

3.5

Net Equity in 2014 (R\$ millions)

5.6

Profitability in 2014 (%)



BB Previdenciário Ações Governança (governance-related public sector pension equities fund)

Fund intended for the in-house pension funds instituted by the Federal Government, the states and the municipalities, it tracks the BM&FBovespa Corporate Governance Index (IGC) consisting of companies acknowledged for good corporate governance practices whose shares are traded at corporate governance levels I and II on the Novo Mercado segment.

196.7

Net Equity in 2014 (R\$ millions)

2.0

Profitability in 2014 (%)



FIP Brasil de Governança Corporativa (corporate governance- linked equity interest fund)

Structuring of funds intended for acquiring equity interests in companies that could move up to be global corporate governance (pre-IPO) companies, with sound management essentials and open to enhancing their corporate government practices in addition to applying the concepts of self-sustainability and sufficiently developed to manage conflicts and deal with socioenvironmental issues.

376.1

Net Equity in 2014 (R\$ millions)

(27.0)

Profitability in 2014 (%)



Brasil Sustentabilidade FIP (carbon credits-linked equity interest fund)

Structuring of funds intended to purchase equity interests in companies whose activities are associated with projects that have the potential to generate carbon credits, by incorporating sustainability principles in their investment decisions.

232.5

Net Equity in 2014 (R\$ millions)

4.7

Profitability in 2014 (%)

Capital Markets and Treasury

Banco do Brasil operates on the Brazilian capital markets through BB Banco de Investimento (BB BI) and overseas through BB Securities (New York, London and Singapore). Purchase and sales of stocks and shares for retail customers of the branch network, internet (home broker) and mobile devices saw a turnover of R\$13.1 billion, of which R\$12 billion via the home broker service.

Last year, BB was lead manager on 75 issues of fixed income securities, including promissory notes and debentures, amounting to R\$14.9 billion, taking 3rd place in the consolidated origination ranking of the ANBIMA, with a 16.1% market share. There were 30 bond issue transactions amounting to US\$30.0 billion, lifting BB into the position of market leader. Business involving Certificates of Real Estate Receivables (CRI), FIDC and Certificates of Agribusiness Receivables (CRA) amounted to R\$458.4 million on the securitization market.

Besides constantly operating with customers, BB plays an important role in the effort to develop the Brazilian capital market, with the aim of advancing the growth of small and mid-size enterprises. Within this context BB participates in different roundtables

and working groups, especially the Minor Offerings Committee consisting of BM&FBOVESPA, the CVM, the BNDES and a variety of market players. The suggestions of this committee led to the drafting of Law No.13,043/14, which provides for tax incentives for investors in assets in the access market and lower costs for issuers.

Of the transactions overseas, two stand out. The Bank was lead manager, for the first time, in the €1 billion, seven-year issue by the Brazilian Treasury: the issue was almost three-times oversubscribed. BB also closed the largest issue of perpetual bonds by an emerging country bank. The securities totaling US\$2.5 billion were eligible for comprising Tier 1 capital under the rules of Basel III, and the demand from investors stood at US\$12.3 billion.

The adoption of socioenvironmental criteria in advisory services for public share offerings takes place in the preparatory phase, when one seeks to prove that the customer is in compliance with labor and environmental legislations. When hiring partners for the purchase and sale of stocks, BB abides by the Supplier Relationship Policy and inserts socioenvironmental clauses in the agreements (find out more on page 130). **GRI G4-SO9**

PRODUCTS WITH SOCIOENVIRONMENTAL FEATURES



BNDES Governo

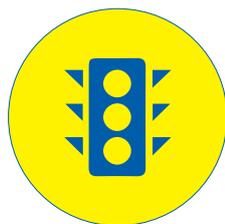
A credit line intended for the states and the Federal District for investment in public works, equipment and facilities, aiming to deliver social benefits to the population affected by the initiatives.

347,914

Total Portfolio in 2014 (R\$ thousand)

14

Number of Transactions in 2014



Provias

A credit facility intended for municipalities, for the acquisition of machinery and equipment for use in road, highway and freeway works, in order to deliver social benefits to the population affected by the initiatives.

29,524

Total Portfolio in 2014 (R\$ thousand)

14

Number of Transactions in 2014



Programa Modernização da Administração Tributária e da Gestão dos Setores Sociais Básicos (PMAT)

Financing to support municipal government investment projects intended for modernizing taxation management and for improving the quality of public expenditures, so as to promote efficient public management that leads to higher revenues and/or lower unit costs of the services provided to society.

3,689

Total Portfolio in 2014 (R\$ thousand)

1

Number of Transactions in 2014



Operations with States

Financing, using external on-lending or the Bank's funds, for programs and actions contemplated in the states' strategic planning processes. Leads to social impacts by improving the population's quality of life.

2,517,318

Total Portfolio in 2014 (R\$ thousand)

4

Number of Transactions in 2014



Caminho da Escola

A credit line intended for both public and private law businesses for the acquisition of new vehicles for the daily transportation of elementary public school students, priority being allocated to those residing in rural areas.

23,904

Total Portfolio in 2014 (R\$ thousand)

23

Number of Transactions in 2014



Relationships
with Stakeholders

GRI G4-DMA Labor practices grievance mechanisms |
G4-DMA Grievance mechanisms for impacts on society

The Bank has ethics as its commitment and respect as its approach in its relationships with employees, suppliers, partners, customers, creditors, shareholders, competitors, the community, government and entities involved with the environment. It abides by the universal values of human and workers' rights, as well as environmental conservation. Aware of its ability to influence people and organizations, BB adopts benchmark practices and encourages its stakeholders to also embrace the commitment to sustainable development.

The External Ombudsman of BB represents an impartial, independent and autonomous point of referral for dealing with mediation and conflict resolution. Besides dealing individually with complaints, the Ombudsman analyzes complaints as a whole in order to suggest corrective measures and those for improving the Bank's processes, products, services and channels. The importance of this channel can also be seen

in the reduction of operating losses through mediating conflicts and by fostering a culture of consumer protection. Worthy of note among the entity's good practices are the monthly presentation to the Vice Presidents and Officers of different areas of the primary causes of complaints, and the Bank's performance in the published rankings.

During 2014 the External Ombudsman engaged in initiatives to improve relations with customers, consumer protection institutes and regulatory and watchdog bodies. Having detected a significant increase in the number of complaints involving debt renegotiations, the BB Debt Solution Portal was created to address issues involving heavily indebted customers, and is available at www.bb.com.br/solucaodedivididas. BB also put together a specialized team to carry out and monitor administrative hearings, so as to improve the solution rates within the scope of the consumer protection entities (Procons).

Complaints Resolved by the External Ombudsman	2012		2013		2014	
	Number of Complaints	Annual Ratio ⁽¹⁾	Number of Complaints	Annual Ratio ⁽¹⁾	Number of Complaints	Annual Ratio ⁽¹⁾
Direct Complaints	16,475	28.14	18,869	30.74	19,980	32.41
Central Bank	18,220	31.12	26,813	43.69	26,620	43.18
Consumer Protection Entities (Procons)	13,828	23.62	13,092	21.33	10,256	16.64

(1) Number of complaints divided by the number of customers, multiplied by 100,000 equals the number of complaints for every group of 100,000 customers.

SEVERAL INITIATIVES CONTRIBUTED TO BETTER RELATIONS BETWEEN THE BB'S EXTERNAL OMBUDSMAN AND THE DIFFERENT STAKEHOLDERS, REDUCING THE NUMBER OF COMPLAINTS FILED WITH CONSUMER WATCHDOG ENTITIES DURING 2014

The Bank also has an Internal Ombudsman specializing in attending to employees, interns and apprentices and, since 2014, employees of contractors, thus contributing to mitigating labor law risks while improving the climate within the workplace. Through this channel it is possible to resolve issues involving unethical conduct, non-compliance with internal rules, People Management Processes and Socio-environmental Responsibility and, in the case of suppliers, contracts of employment. Contact can be anonymous or identified using different channels, with secrecy and confidentiality assured when dealing with complaints. In 2014 the Internal Ombudsman of BB was acknowledged as one of the 10 best entities of its kind in Brazil, having been awarded the Ombudsmen Brazil Award by the magazine *Consumidor Moderno*, a joint initiative with the Brazilian Associations of Ombudsmen (ABO) and Business-Customer Relations (ABRAREC).

» EMPLOYEES GRI G4-DMA Employment

One of the strategic objectives set out for BB is to enhance the satisfaction of its employees. Policies and practices aim to foster a healthy working environment that puts employee development, well-being and ethical relations first. The effectiveness and consistency in people management was recognized last year with four awards. The Bank featured once again in the *Guia Você S/A* – ranking of The Best Companies to Work For (Abril Publishers), received a certificate from the Top Employer Institute as one of Brazil's top five employers, and was listed among the 150 Best Companies in People Management Practices (*Gestão RH* magazine) and was recognized as a leader in people management at the Brazil's Most Conscientious Companies awards (*IstoÉ* Magazine).

All these initiatives are constantly monitored using financial and non-financial indicators. The so-called human capital performance indicators include aspects

such as the average number of hours of live training and distance learning per employee, the number of staff with at least 34 hours of training in the year, the percentage of those that have completed higher education, the average number of hits on the portal of the Banco do Brasil Corporate University (UniBB) and assessments of the training offered. The Bank also assesses the investment in people management from the perspective of returns, using specific metrics such as Human Economic Value Added (HEVA) and net income versus investments in training per employee.

The internally developed tool, Radar, consolidates a series of these indicators so as to prove inputs for taking decisions and improving processes. To do this it presents the data in the form of graphs, with historical comparisons and analytical reports. Radar is available on the corporate intranet in two modalities: People Management, with information about development, leadership, health and quality of life; and Managers, where the emphasis is on business performance and on the managerial style of the top managers of the business units.

One well-established practice are the Teams for Communication and Self-Development (Ecoas), created by the employees themselves at each unit of the Bank, and which consisted of 8.22% of the staff complement in 2014. The Ecoas engage in issues like socio-environmental responsibility, eco-efficiency, voluntary work, internal communication, organizational climate, recognition, training and quality of life.

Staff profile GRI G4-DMA Market presence

The employees of Banco do Brasil join after sitting public examinations. BB does not hire temporary staff, nor is it possible to earmark opportunities for hiring locally. At the close of 2014, BB had 111,628 employees, as well as 36 statutory officers. All employees are hired in accordance with the Consolidated Labor Laws (CLT).

GRI G4-10 | G4-EC6

GRI G4-10

Number of Employees by Employment Contract and Gender	2013		2014	
	Men	Women	Men	Women
Consolidated Labor Laws (CLT)	65,636	46,580	65,264	46,364
Statutory Executives	34	0	36	0

GRI G4-10

Number of Employees by Region and Gender	2013		2014	
	Men	Women	Men	Women
South	11,634	8,042	11,466	8,006
Southeast	27,268	23,201	27,179	23,124
Mid-west	11,455	6,650	11,325	6,552
North	2,998	2,056	3,037	2,047
Northeast	12,272	6,631	12,211	6,634
Overseas	9	0	46	1

GRI G4-LA1

Turnover rate by Gender	2012	2013	2014
Employee Average⁽¹⁾			
Women	47,041	46,892	46,472
Men	66,955	66,307	65,450
Total	113,996	113,119	111,922
Dismissals during the Period⁽²⁾			
Women	1,450	2,124	1,324
Men	2,816	3,302	2,424
Total	4,266	5,426	3,748
Turnover rate⁽³⁾			
Women	3.07%	4.56%	2.86%
Men	4.20%	5.03%	3.71%
Total	3.74%	4.84%	3.36%

(1) (Number of employees in the previous period/Number of employees in the period)/2.

(2) Base System for the Evaluation and Registration of Acts of Admission and Concessions of the Federal Accounting Court (Sisac).

(3) (Dismissals in the period/number of employees on December 31) X 100.

GRI G4-LA1

Turnover Rate by Age Group in 2014 ⁽¹⁾	Employee Average ⁽²⁾	Dismissals during the Period ⁽³⁾	Turnover rate (%) ⁽⁴⁾
Up to 30 Years of Age	20,901	718	3.70
From 30 to 50 Years of Age	71,297	1,365	1.90
Over 50 Years of Age	19,724	1,665	8.12
Total	111,922	3,748	3.36

(1) The change in age brackets makes it impossible to compare 2014 data with that of previous years.

(2) (Number of employees in the previous period/Number of employees in the period)/2.

(3) Base System for the Evaluation and Registration of Acts of Admission and Concessions of the Federal Accounting Court (Sisac).

(4) (Dismissals in the period/number of employees on December 31) X 100.

THE TURNOVER RATE AT BB IN 2014 WAS
3.36%, DUE PRIMARILY TO RETIREMENT BY
MEMBERS OF STAFF OVER THE AGE OF 50

GRI G4-LA1

Turnover Rate by Region	2012	2013	2014
Employee Average⁽¹⁾			
South	19,723	19,580	19,494
Southeast	51,584	51,155	50,477
Mid-west	17,878	17,993	17,916
North	5,174	5,135	5,084
Northeast	19,564	19,270	18,895
Overseas	74	68	56
Total	113,996	113,119	111,922
Dismissals during the Period⁽²⁾			
South	719	937	646
Southeast	1,678	2,047	1,394
Mid-west	817	1,140	822
North	243	258	221
Northeast	809	1,044	665
Total	4,226	5,426	3,748
Turnover Rate⁽³⁾			
South	3.66%	4.80%	3.32%
Southeast	3.25%	4.04%	2.27%
Mid-west	4.52%	6.35%	4.60%
North	4.69%	5.07%	4.35%
Northeast	4.13%	5.51%	3.53%
Total	3.74%	4.84%	3.36%

(1) (Number of employees in the previous period/Number of employees in the period)/2.

(2) Base System for the Evaluation and Registration of Acts of Admission and Concessions of the Federal Accounting Court (Sisac).

(3) (Dismissals in the period/number of employees on December 31) X 100.

Remuneration GRI G4-DMA Employment | G4-DMA Equal remuneration for women and men

CHALLENGE 23

Enhance the employees' variable remuneration system, including that of Senior Management, taking into account individual performance.

At Banco do Brasil, the employee's remuneration is the sum total of personal monies and, as the case may be, monies linked to the discharge of their functions or commissions. The first group consists of individually calculated personal, irreducible salaries that do not depend on the discharge of the function, having been acquired according to their career, functional track record and date of investiture. Earmarked monies, in turn, have their amounts defined according to the attributions of the post, hierarchical level, complexity, location and grouping, among other factors, and may be extinguished or amended at any time. Given the internal rules, this amount is influenced by the career track record in the Bank and by the Reference Amount that establishes a floor for each function. The lowest salary paid by the Bank in 2014 was R\$2,227.26, equivalent to 2.83 times the national minimum wage. [GRI G4-52](#) | [G4-EC5](#)

BB has a Profit Sharing (PRL) Program offering semi-annual variable remuneration linked to the Agreement on Work (BB and ATB Synergy), net income for the period and the agreement with the National Federation of Banks (Fenaban). Since 2011 BB has been enhancing its variable remuneration mechanisms by setting up the Remunerated Performance Program (PDG) that offers semi-annual variable remuneration based on the business performance and managerial style. The target audience of the PDG has been rising year after year, reaching around 32,000 employees last year.

Benefits

Banco do Brasil offers its employees benefit compatible with its size and its talent retention policy, exceeding legal requirements (see these in the box). All staff are entitled to the same benefits, regardless of position or function. [GRI G4-LA2](#)

BENEFITS OFFERED BY BB

GRI G4-LA2 | G4-DMA Employment | G4-DMA Equal remuneration for women and men

Meals

Meal tickets and food stamps.

Mobility

Travel vouchers, assistance with nighttime travel and partial payment of expenses incurred by employees when moving home due to new assignments.

Education

Daycare allowances, UniBB Family Portal and educational allowances for dependents in the event of death or permanent invalidity on account of deliberate attacks against the Bank.

Leave periods

Maternity leave (of up to 180 days), paternity and adoption leave, extension to maternity leave by up to 60 days in cases of premature births and to accompany a family member who is ill (LAPEF).

Security

Program for Assistance to Victims of Robbery and Kidnapping, as well as indemnification for employees that are victims of deliberate attacks against the Bank.

Supplementary pension plan

PREVI and other entities originating in financial institutions acquired.

Healthcare

Medical and dental assistance and a social assistance program against tobacco addiction.

Social assistance programs – advances

Acquisition of glasses and lenses; natural disaster or fire in the home; financial stress; funerals of economic dependents; expenses not covered by the healthcare plan, Cassi; and dental and psychotherapy treatment.

Social assistance programs – allowances

Acquisition of medications overseas; assistance for the disabled; medical and hospital assistance; social medical assistance; traveling for health treatment within Brazil or overseas; donation/reception of organs and transplants; special nursing care; death while on duty; removal in a mobile Intensive Care Unit (ICU) or air taxi; and growth hormone treatment.

Vantagens em Caráter Pessoal (VCP)

Personal advantages in specific situations involving leave of absence due to Repetitive Strain Injury (RSI) or work-related accident and when the number of employees in the branch is reduced.

Others

Cultural vouchers, annual waiver of up to five days of absence, special leave of absence for employees who joined up to 1997, assistance for invalid children and financing of dental expert opinions.

GRI G4-LA3

Maternity/Paternity Leave-Related Indicators, by Gender	Women	Men
Employees Entitled to Leave	43,367	65,279
Employees that Took Leave	2,613	2,864
Employees Returning after Leave	2,589	2,846
Employees Still with the Bank 12 Months after their Return	764	286
Return Rate	99%	99%
Retention Rate	98%	99%

Employees can also sign up to the PREVI Futuro da Caixa de Previdência, the Banco do Brasil Employee Pension Fund (PREVI). The plans sponsored by BB have 219,919 participants, 86.8% of them under existing PREVI plans, with the remainder in plans arising from the financial institutions taken over by the Bank. The sponsored entities are managed by a specific board within the Bank, and are considered a market benchmark among state-owned companies, pension funds and healthcare plans. To find out more about the sponsored plans, contribution percentages and the results for 2014, read Note No. 27 to the Consolidated Financial Statements of Banco do Brasil. **GRI G4-EC3 | G4-DMA Economic Performance**

The oversight and control practices involving the entities sponsored by the Bank were recognized by the Federal Accounting Court for their compliance with Supplementary Law No. 108/2001. This has boosted the BB's benchmark position in this segment, with several visits and contacts by representatives of state-owned companies, pension funds and healthcare plans in order to benchmark the governance structure and the process of allocating employees to the sponsored companies.

Diversity **GRI G4-DMA Diversity and Equal Opportunity**

The policies and actions for fostering diversity are intended to value human rights and equity in internal relations, as well as the elimination of all forms of prejudice. One area on which the Bank focuses is gender equality in the work place and in society. Thus the Bank participates in the FEBRABAN Program for Valuing Diversity, which encourages banking sector organizations to foster actions on this issue when recruitment and selection, as well as in people development and management. In 2010 the bank signed up to the Women's Empowerment Principles, an initiative developed by the United Nations (UN), in addition to the Gender and Race Pro-Equity Program coordinated by the Secretariat for Policies on Women (SPM).

The SPM Program-related initiatives are systematized every two years in an action plan that includes measures such as granting maternity and adoption leave periods of up to 180 days, extending the period of paternity leave to 10 days and gender affirmative actions in corporate career ladder programs, among others. The Internal Ombudsman channel also plays a direct role in identifying situations of discrimination against women.

A VARIETY OF INITIATIVES

foster diversity as a value within the BB organizational culture



So that diversity becomes a value existing within the organizational culture, the Bank has taken a set of internal steps. Chief among these is the study for external selection involving gender and ethnicity, the inclusion of the topic of gender equity and race on courses of the Banco do Brasil Corporate University, the enhancement of gender affirmative actions within the Corporate Career Ladder Programs for the branch network, better benefits granted to employees that are single parents or in hetero or homoffective relationships, enhancement of measures for supporting pregnant employees and the expansion of the Itinerant Ombudsmen in the states, equipping them to focus their attentions against inequality.

GRI G4-LA12

Diversity in Governance (%) ⁽¹⁾	2013	2014
By Gender		
Women	4.00	3.92
Men	96.00	96.08
By Age Group		
Up to 30 Years of Age	0.00	0.00
From 30 to 50 Years of Age	61.22	56.86
Over 50 Years of Age	38.78	43.14
By Minority Group		
Indians	2.04	0.00
Afro-Descendant	0.00	0.00
Brown-Skinned	6.12	1.96

(1) Includes member of the Board of Directors, the Executive Board, the Board of Auditors and the Audit Committee.

GRI G4-LA12

General Indicators of Staff Diversity (%)⁽¹⁾	2013	2014
By Gender		
Women	41.51	41.53
Men	58.49	58.47
By Age Group		
Up to 30 Years of Age	16.04	13.71
From 30 to 50 Years of Age	67.09	67.92
Over 50 Years of Age	16.88	18.37
By Minority Group		
Indians	0.23	0.22
Afro-Descendant	2.51	2.55
Brown-Skinned	18.37	18.79

(1) Includes member of the Board of Directors, the Executive Board, the Board of Auditors and the Audit Committee.

GRI G4-LA12

Staff Diversity by Function in 2014 (%)	Managerial	Technical	Operations	Advisory	Others
By Gender					
Women	35.07	33.17	50.78	39.38	44.16
Men	64.93	66.83	49.22	60.62	55.84
By Age Group					
Up to 25 Years of Age	0.76	1.43	4.90	0.44	6.72
From 26 to 35 Years of Age	29.62	36.60	43.52	35.73	36.71
From 36 to 45 Years of Age	33.64	33.02	27.28	32.40	23.26
Over 45 Years of Age	35.98	28.94	24.30	31.42	33.30
By Minority Group					
Indians	0.13	0.13	0.30	0.22	0.29
Afro-Descendant	2.22	2.44	2.66	2.14	2.87
Brown-Skinned	17.49	19.94	16.00	17.31	21.40

GRI G4-LA12

Staff Diversity by Function in 2013 (%)	Managerial	Technical	Operations	Advisory⁽¹⁾	Others
By Gender					
Women	33.32	31.85	49.21	39.48	44.45
Men	66.68	68.15	50.79	60.52	55.55
By Age Group					
Up to 25 Years of Age	0.96	1.43	5.75	0.80	8.40
From 26 to 35 Years of Age	31.08	35.06	45.48	38.75	37.88
From 36 to 45 Years of Age	32.38	30.55	25.74	30.29	22.27
Over 45 Years of Age	35.58	32.97	23.03	30.16	31.45

(1) Monitoring category included in 2013 due to changes in the structure of the bank's positions.

GRI G4-LA12

Staff Diversity by Function in 2012 (%)	Managerial	Technical	Operations	Others
By Gender				
Women	35.28	36.85	48.72	44.08
Men	64.72	63.15	51.28	55.92
By Age Group				
Up to 25 Years of Age	0.96	0.89	5.80	10.66
From 26 to 35 Years of Age	31.26	37.01	45.96	39.31
From 36 to 45 Years of Age	31.81	28.72	24.95	21.19
Over 45 Years of Age	35.96	33.38	23.30	28.84

GRI G4-LA13

Average Remuneration by Gender and Job Category (R\$)	2012		2013		2014	
	Men	Women	Men	Women	Men	Women
Managerial	8,254.62	7,014.46	8,948.43	7,580.47	9,728.94	8,271.51
Technical	8,749.41	8,120.67	8,070.13	7,324.78	8,587.87	8,032.32
Operations	4,293.56	4,183.79	4,274.76	4,135.68	4,526.75	4,370.58
Advisory ⁽¹⁾	-	-	9,449.82	9,136.24	10,561.99	10,150.89
Others	2,932.70	2,781.65	3,276.43	3,094.25	3,587.85	3,414.00

(1) Monitoring category included in 2013 due to changes in the structure of the bank's positions.

Union Relations GRI G4-DMA Freedom of association and collective bargaining

The Bank's participation in collective negotiations with the National Confederation of Credit Company Workers (Contec) and the National Confederation of Financial Sector Workers (Contraf) takes place in two distinct contexts. In the first case, BB is a member of the Fenaban commission for jointly building with the confederations the Collective Bargaining Agreement (CCT) that sets out the general guidelines for the Brazilian bank employee category. Roundtables set up by the BB and both confederations outline the Collective Bargaining Agreements to be appended to the CCT, dealing with specific issues and which are usually at higher levels than those established by the Agreement.

Collective agreements cover all employees in Brazil, even those not union-affiliated, and contain clauses that enable the union to go about its business, ensuring additional rights to those provided for by law. Specifically with regard to salary negotiations, negotiations in recent years have revolved around issues, and worthy of note was the duration of strike in 2014, the shortest in the last decade. [GRI G4-11](#)

The Bank adopts a model of permanent negotiations throughout the year, in addition to the salary campaign, so that dialog and negotiated solutions are maintained. Employee freedom of union association and collective bargaining is assured by the directives handed down by the Bank's head office. BB allows the unions to introduce themselves when new employees are hired, thereby contributing to the workers' collective organization. Transparency in all matters concerning this issue is strengthened by maintaining the site www.bbnegociacaocoletiva.com.br, which is a repository of documents, news and videos, among other materials. During the year, 35 meetings were held with the union movement, at which issues involving pensions, healthcare and working discussions were discussed. [GRI G4-HR4 | G4-LA8](#)

In accordance with the clauses on healthcare and working conditions in the Collective Agreement, BB guarantees payment for up to 540 days following return to work, cash bonuses for employees who discharged their functions and took leave of absence because of Repetitive Strain Injury (RSI); guarantees a salary supplement when granting Social Security Sick Pay and Accident Sick Pay, in addition to Personal Advantage (VCP) on Sick Leave under the Collective Bargaining Agreement (ACT), which serves to pay employees returning from accident or social security leave of absence the restated amount of the

commission received on their last day at work prior to taking leave, for a period of 12 months. With regard to the return to work of employees suffering from limitations on performing their normal activities, BB provides work rehabilitation in accordance with the recommendations of a physician, as well as an ergonomic evaluation that enables these members of staff to return to active service. A bi-partisan working group was created, consisting of representatives of the bank employees and the banks, to discuss employee illnesses. **GRI G4-LA8**

No specific clause exists in collective bargaining agreements defining the minimum notice period for significant operational changes. Although no defined procedures exist, the Bank notified everyone involved, one year in advance, about the change of headquarters. In individual cases the contract of employment requires the employee to complete their full working day in accordance with the needs of the area to which they are allocated. **GRI G4-LA4**

Health and Safety **GRI G4-DMA Labor/management relations | G4-DMA Occupational health and safety**

Health and safety management is the remit of formal committees representing all BB employees. These consist of managers and employees that help to monitor and develop programs for improving the conditions of the working environment. The Occupational Medical and Health Control Program (PCMSO) illustrates this *modus operandi*. It surpasses the legal requirements – like the fact of ensuring a wider range of examinations at shorter intervals – and it focuses on prevention, early detection, monitoring and controlling possible health impairments. The health and safety-related guidelines are described in the Bank's Normative Instructions. **GRI G4-LA5**

The Bank has a Quality of Life in the Workplace Program (QVT) that ensures a series of actions that supplement occupational health and safety in the workplace. Among other steps, the initiative designates areas and specific funds for quality of life programs on the premises and holds the annual QVT Week so as to raise employee awareness. In 2014 the Program

embarked on new actions such as Trilha Bem-Estar (Path to Well-Being) on-line training, Lanche Saudável (Healthy Snacks) (with more nutritious and whole ingredients) and the extension of QVT funds to the overseas units. This period also witnessed the launch of the Top Chef competition in which employees prepare recipes that are much more nutritional and functional, among other criteria. In 2015 the five best recipes won awards, while the 100 best will be the content of a digital book. Two pilot projects were implemented during the period: the QVT Workshop designed to reduce stress, and the Healthy Workplace, where the emphasis is on those who are overweight, suffer from obesity or have a sedentary lifestyle. The change in the BB's headquarters that began in 2014 also contributed to a healthy and pleasant working environment (find out more in the box).

New BB HQ GRI G4-13

The Board of Officers and several of the Bank's divisions were the first to move into the new BB Administration Center in Brasilia. With the conclusion of one of the three towers comprising the complex, the teams began transferring in November 2014. The building has a high standard of environmental performance, such as rational use of energy and water, in addition to a series of differentiating features designed for employee comfort and well-being:

- Well-defined circulation areas
- Differentiated meeting environments and printing isles
- Centralized sliding filing systems
- Gourmet area for meals
- A space designed for quality of life activities at work

BB also has a network of Specialist Safety Engineering and Occupational Medical Services (SESMT), consisting of staff deployed throughout Brazil to collaborate in achieving a desirable level of safety and health for all employees. The procedures of this team include ergonomic work analyses, safety inspections and risk mapping, in addition to monitoring causes of illness, reasons for leave of absence and the degree of accessibility for persons with disabilities. It is also the remit of the SESMT to advise the Internal Accident Prevention Commissions (Cipas) and the Evacuation Groups (GRUAs). Present at all bank meetings CIPAs and GRUAs are committees consisting of employees with responsibility for seeing to the health and safety of all employees (find out more in the box). [GRI G4-LA7](#)

With regard to employees who ensure customer service, and who are therefore more likely to find themselves involved in incidents of public safety, the bank has a Program of Assistance to Victims of Robbery and Kidnapping (PAVAS), which provides medical, psychological, legal and security assistance for victims of attempts against the Bank's property. The program is an important step to reestablishing the employee's normal routine.

**A SERVICES NETWORK
SPECIALIZED IN SAFETY
ENGINEERING AND
OCCUPATIONAL MEDICINE, AS
WELL AS SPECIFIC COMMISSIONS
SUCH AS THE CIPA AND THE
GRUA, ENSURE A SAFE WORKING
ENVIRONMENT IN THE BANK**



Cipa | Undertakes actions to disseminate safety norms and to raise employee awareness about quality of life and health precautions, such as the Internal Accident Prevention Week. It also analyzes the workplace so as to define Risk Maps and recommend actions within this scope to the Bank.

GRUA | Coordinates actions for evacuating the occupants of a floor or building in case of emergencies, such as fires, blackouts, bomb threats, flooding, etc. It draws up the evacuation plan, which is reviewed on an annual basis.

GRI G4-LA6

Health and Safety Indicators by Region ⁽¹⁾	South		Southeast		Mid-West		North		Northeast	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Injury Rate (TL) ⁽²⁾	3.36	0.31	4.78	0.28	4.43	0.24	9.51	0.90	8.47	0.98
Absenteeism Rate ⁽³⁾	3.29	3.36	3.71	4.15	3.91	4.12	5.43	5.75	5.07	5.43
Occupational Illness Rate (TDO) ⁽⁴⁾	1.15	0.57	0.65	0.32	1.47	0.63	3.48	1.79	4.55	1.90
Lost Days Rate ⁽⁵⁾	849.17	869.18	963.98	1,081.77	1,018.17	1,075.45	1,435.86	1,524.59	1,334.46	1,435.84

(1) In 2014 no deaths were registered. In 2013 there were three deaths.

(2) TL = number of injuries/hours worked X 200,000.

(3) Absenteeism = total days lost/days scheduled.

(4) TDO = number of occupational illness cases/hours worked X 200,000.

(5) TDP = number of work days lost/days scheduled X 200,000.

Training and Development GRI G4-DMA

Training and education

The Bank provides live and on-line training, which are part of the employees' targets. In the 2014 Work Agreement (BB and ATB Synergy), each unit should have a minimum percentage of employees with at least 34 hours of training a year – for the previous period the target was 30 hours. The courses are chosen jointly by the staff member and their manager, according to the strategic priorities, career objectives and the team's development requirements.

The extent and management of these trainings are recognized by the market, and in 2014 the highlight was the EduCorp 2014 Award for the Best Corporate Education Program, from the Human Resources Academy, the Learning & Performance Brazil 2014 Award for the Best Extended Corporate University, the Brazilian Association of Human Resources

(ABRH) Award with MicroPower and a mention as the Headline Company in Corporate Education in the TOP 5 of publishers, Fênix Editora.

One of the main platforms for continuous staff development is the Portal of the Banco do Brasil Corporate University (UniBB Portal), which in 2014 was extended to new audiences. The Portal is also available in English and Spanish for employees of the overseas network, and is now also available in a version for smartphones and tablets, in line with the trends towards mobility, as well as a platform adapted for the visually impaired, thereby democratizing access to training initiatives. The Bank launched its Virtual Library with over 2,500 e-books in 40 fields of knowledge, and Learning Tracks about customer service, well-being, ethics and other strategic themes.

Training indicators show a higher employee participation rate, exceeding 9 million hours of training and over 99% of employees trained, as shown in detail in the tables. When these indicators are compared by gender, one can see that equity is being fostered, as well as a drive to train non-managerial level staff. The Bank also invested in preparing its employees for retirement. Within the Paths to Retirement Program, there were 366 participations in the Active Life Workshop, totaling 2,523 participants since its creation in 2010. [GRI G4-LA10](#)

GRI G4-LA9

Consolidated Training Indicators	2012	2013	2014
Final Count	114,182	112,216	111,628
Employees Trained	112,184	110,186	111,020
Training Sessions	1,160,727	1,482,026	2,092,867
Hours	9,629,015	6,960,551	9,343,210
Percentage Trained	98.25	98.19	99.46
Training Sessions per Employee	10.17	13.21	18.75
Hours per Employee	84.33	62.03	83.70

GRI G4-LA9

Training Sessions in 2014 by Gender and Function	Men		Women	
	Managerial	Non-Managerial	Managerial	Non-Managerial
Final Count	23,694	41,153	12,856	33,287
Employees Trained	23,623	40,878	12,821	33,083
Training Sessions	421,998	786,784	226,444	646,768
Hours	1,969,136	3,600,772	1,052,703	2,940,805
Percentage Trained	99.70	99.33	99.73	99.39
Training Sessions per Employee	17.81	19.12	17.61	19.43
Hours per Employee	83.11	87.50	81.88	88.35

Training for BB staff on issues involving socio-environmental responsibility was intensified in 2014 with the consolidation of the Sustainability Track on the UniBB Portal and the growing relevance of the topic within the corporate strategy. Through a variety of initiatives (see box), 43,340 employees re-

ceived training, making a total of 911,226 hours of training. BB runs the Personal Financial Management course as part of the induction track for new employees, providing basic notions on personal finances and the importance of financial planning. [GRI G4-HR2](#) | [FS4](#) | [FS16](#)

Socioenvironmental Responsibility (SER) Training Sessions

GRI G4-DMA Training and education

Live

- Social Educators
- Ethics Management at BB (members of the ethics committees and people management analysts)
- Eco-Efficiency Workshops (premises prioritized under the Eco-efficiency Program)
- SD Strategy Workshop
- Pronaf/National Rural Housing Program Workshop
- Security for People and Premises (managerial level only)
- Occupational Safety and Health (members of the Cipa or those in charge of the issue)

Self-study (web, course books and videos)

- **Voluntary Service:** Preparation and Management of Social Projects | Financial Management | Organizational Management and Planning
- **Accessibility:** a Question of Entitlement
- Credit and Socioenvironmental Risk
- Consumer Rights (also for communities)
- Introduction to Voluntary Service (also for communities)
- Educational Game Sustainable Actions
- Brazilian Sign Language
- Climate Change
- SER and Business Sustainability
- **Synapses:** Supplementary Actions to the “Minha Casa Minha Vida” Program | Disseminators of SER Content to Outsourced Employees | BB Diversity | SD Strategy | Introduction to Eco-efficiency | New Model in SD | Selective Collection Program at BB

Careers [GRI G4-DMA Employment](#) | [G4-DMA Diversity and equal opportunities](#) | [G4-DMA Equal remuneration for women and men](#) | [G4-DMA Product and service labeling](#)

The performance of the Bank’s employees is formally assessed every six months through the Program for Professional Performance Management by Competences and Results (GDP). The analysis follows the 360° model (in which the employee is assessed by his peers, superiors, subordinates and internal cus-

tomers), from five perspectives – financial, customers, internal processes, learning and growth and socio-environmental – and covering individual competencies and contributions for achieving the targets set. In 2014, 99.48% of the Bank’s staff participated in the GDP, as well as 1,039 members of staff assigned to subsidiaries. The performance of employees on probation and statutory officers is assessed using a specific instrument. [GRI G4-LA11](#)

GRI G4-LA11

Employees that participated in the GDP by Functional Level and Gender	2013		2014	
	Women	Men	Women	Men
Managerial	12,757	23,530	12,875	23,842
Technical	1,249	2,673	1,806	10,061
Operations	10,162	10,489	10,381	23,337
Advisory	3,304	5,065	2,849	4,385
Others	19,108	23,879	18,453	3,639

In 2014, the Mentoring Program was extended to general managers in the branch network. The BB Trainee Program, also a new release last year, seeks to identify high-performing employees in the branch network with the relevant educational background to participate in supervised internships at Strategic Units. Last year also saw the continued development phases of the employees approved in the Corporate Career Ladder Program, the succession process for executive positions.

THE NUMBER OF EMPLOYEES IN THE WORKPLACE SATISFACTION SURVEY ROSE BY 19% IN 2014, WITH IMPROVED EVALUATIONS ON SEVERAL ISSUES

Internal customer satisfaction

[GRI G4-DMA Employment](#) | [G4-DMA Labor/management relations](#) | [G4-DMA Occupational health and safety](#) | [G4-DMA Equal remuneration for women and men](#)

Employee satisfaction is part of the Overall People Management Policy and one of the strategic objectives of the Bank's People Management Division. Since 2003, the Employee Workplace Satisfaction survey does an annual assessment of how BB staff sees their work in general, and in six specific aspects: challenging work, rewards, working conditions, raining opportunities, relations between colleagues and bosses and opportunities for growth.

Participation is voluntary and has been on the increase in recent years, as shown in the chart. Participants must answer the survey questions on a scale from 1 (totally disagree) to 6 (totally agree). When ascertaining the outcome, BB takes into account an average of 4 as the minimal acceptable index of job satisfaction. To monitor this topic in detail BB assesses the aspects surveyed by crossing these with other factors, such as time of service, job location and functional level. The results are made available to all staff via the corporate intranet.

The results for 2014 point to an improvement in the employees' overall perception, since 77.2% of respondents gave scores of 4, 5 and 6 to question 1 ("I am satisfied with my job at Banco do Brasil"). Furthermore, the latest edition of the survey showed an increase of 19% in the number of participants in relation to the previous year. The questions receiving the

CHALLENGE 24

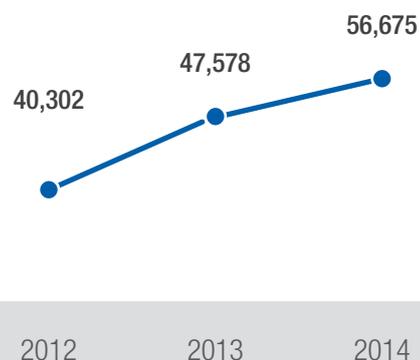
Raise the employee satisfaction index.

best evaluation refer to how employees relate within the team, trust in colleagues, information sharing and diversity in the tasks executed.

This performance is primarily justified by the actions to enhance the Bank's values, while helping to add sense and meaning to the job. The purpose of such initiatives is to stress the importance of the work each employee does, and the feeling of belonging, creating pride and the sensation that each and every one makes a contribution not just to BB, but to society as a whole.

For the years ahead, maintaining or raising employee satisfaction will be one of the challenges, bearing in mind that a significant number of new employees will join the Bank because of the retirement of those who joined in the 1980s and 1990s. This is because, taking into account the differentiated profile of these new employees, the people management area will have to be capable of reinventing policies, programs and practices that address the needs that will arise, thereby seeking to establish, strengthen and maintain the bonds of this new group with BB.

Number of Participants in the BB Satisfaction Survey



» SUPPLIERS

[GRI G4-12](#) | [G4-EC9](#) | [G4-LA14](#) | [G4-LA15](#) | [G4-HR10](#) | [G4-HR11](#) | [G4-DMA Procurement Practices](#) | [G4-DMA Materials](#) | [G4-DMA Supplier environmental assessment](#) | [G4-DMA Supplier assessment for labor practices](#) | [G4-DMA Non-discrimination](#) | [G4-DMA Freedom of association and collective bargaining](#) | [G4-DMA Child labor](#) | [G4-DMA Forced or compulsory labor](#) | [G4-DMA Security practices](#) | [G4-DMA Assessment](#) | [G4-DMA Supplier human rights assessment](#) | [G4-DMA Human rights grievance mechanisms](#) | [G4-DMA Anti-corruption](#) | [G4-DMA Grievance mechanisms for impacts on society](#)

The BB supply chain consists of several elements, the most notable being companies that provide goods (furniture, equipment and materials), provide services (security, support, marketing consultancy, engineering, etc.) and leasing of chattels and property. During 2014, BB had 22,140 administrative agreements with 4,301 suppliers, as shown in the table. Payments to suppliers and service providers overseas amounted to R\$27.0 million. Relations with these stakeholders are based on the principles of transparency and compliance explicit in the Supplier Relationship Policy available on the BB site.

The Bank prefers suppliers that adopt socially responsible management. The Code of Ethics requires these partners to comply with labor, social security and fis-

cal legislation and to adopt good environmental conservation practices. The clauses in the standard text of the agreements contain these guidelines. Last year, two new clauses were added, clearly setting out the duty of contractors to protect and preserve the environment and to comply with the provisions of Law No. 12,846/2013, which includes anti-corruption aspects. Furthermore, suppliers contracted from 2014 onwards must sign the Socioenvironmental Responsibility and Anti-Corruption Instrument that formally commits suppliers to respect the Universal Declaration of Human Rights, fight corruption and discrimination in all its forms and adopt good environmental conservation and social development practices, in addition to complying with labor and social security legislation. [GRI G4-EN32](#) | [G4-SO3](#) | [G4-SO4](#) | [G4-SO9](#)

BB Supply Agreements in 2014 Classified by Type	Quantity	Amount Paid (R\$ thousands)
Engineering	4,601	168,508
Equipment	1,741	690,647
Office Material	794	101,212
Furniture	973	118,643
Services	12,499	5,127,526
Software	75	114,218
Fixtures and Fittings	1,457	8,690
Total	22,140	6,329,443

GRI G4-12 | G4-LA14 | G4-LA15 | G4-HR10 | G4-HR11

Supported by Law No. 8,666/93, BB selects its suppliers using a tendering process in which the technical and economic and financial conditions of the company are evaluated, as well as their tax status, in order to select the most advantageous proposal for the Bank. Procurement procedures are centralized at the Procurement Centers located in São Paulo (SP), Curitiba (PR) and Belo Horizonte (MG), enabling higher efficiency and lower costs. Goods procured and services hired are published on the Bank's website and on the Transparent Government and Government Accounts websites, among others, in compliance with the Principle of Public Disclosure. An important development in recent times has been the adaptation of the Procurement and Hiring procedure, which now has a specific field in the Basic Project or Technical Specification for describing the sustainability criteria desired or justifying the possible absence of the latter.

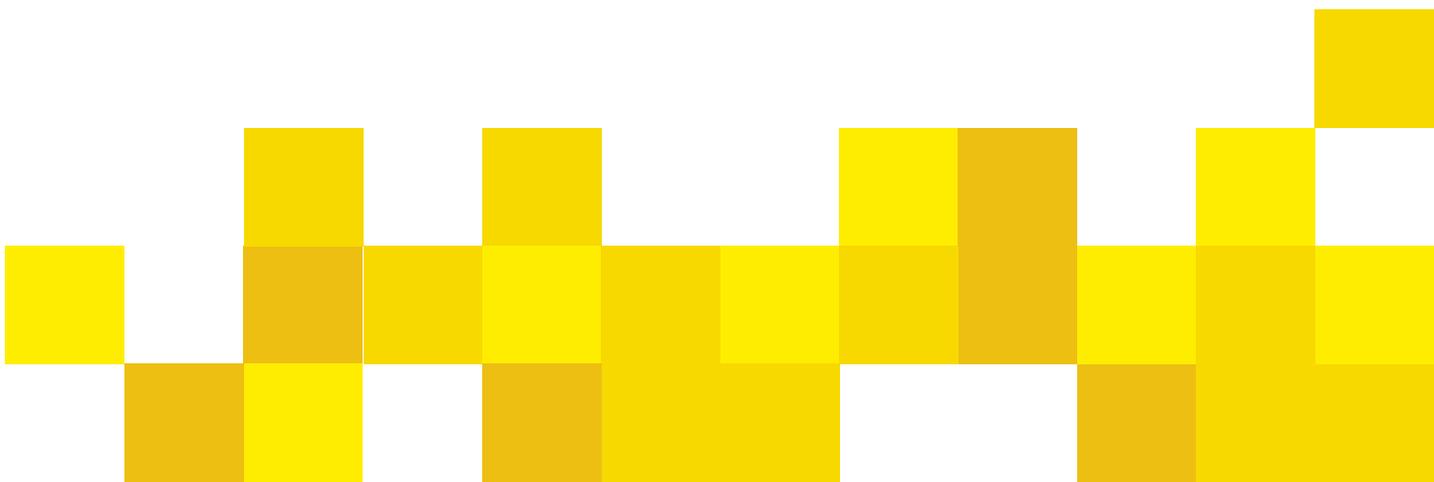
In order to improve speed of response in procurement and hiring procedures classified under the law as petty expenses, branches can make acquisitions of this nature from local suppliers. Consideration must be given as to whether the price paid is compatible with market practice, and, where self-employed individuals are hired the service provider must be properly enrolled with the Social Security system. These payments accounted for around 2% of the total in 2014.

Of note during the period was the BB's joint purchase with another public financial institution, this time involving 4,000 Ultrabook laptop computers in order to achieve economies of scale in the acquisition, as well as reducing the offer price. Savings were estimated at approximately R\$3.1 million, and take into account the price estimated by BB for acquiring the same products on its own.

Specific documentation is required in certain processes, such as purchases of furniture, equipment for use and fixtures and when acquiring hardware. BB demands, for example, FSC Custody Chain Certification, or Cerflor, for wooden products, A-Class classification in Energy Efficiency (Inmetro, the Brazilian Standards Institute) and the removal of furniture packaging, after assembly, for proper disposal. Compliance with the precepts of the Green Storage Initiative (GSI) and the RoHs (Restriction of Hazardous Substances) Directive are required of IT suppliers.

In the case of surveillance services, BB requires 100% of the employees of the company hired to operate on the Bank's premises to have concluded the Surveillance Training Course, whose approach includes aspects of human rights and human relations in the work place, among other subjects, and all material is ratified by the Federal Police Department. **GRI G4-HR7**

The Bank monitors compliance with contractual clauses, including labor law obligations and environmental criteria, as well as indications or complaints about occasional violations or non-compliance. BB internal rules instruct the contract manager to pay special attention to the compliance on labor law-related issues by the contractor and any sub-contractors.



Encouraging sustainability in the chain

Adopting socioenvironmental criteria, mapping the supply chain, training and engagement with sectorial initiatives are the primary work fronts of BB for promoting supply chain sustainability. The joint effect of these initiatives has been widespread and contributes to the sustainable development of businesses nationwide.

Procurement and hiring criteria | Whenever possible, and supplementing Law No. 8,666/93, the Bank's rules allow for inclusion of sustainability criteria, such as procedures for solid waste disposal (especially when acquiring goods and hiring services and building work) as well as a preference for companies with good socioenvironmental practices. When purchasing certain items such as furniture and paper, specific environmental certification must be produced (more on page 158). Also, a tool is under development for registering and identifying purchases with sustainability criteria within the corporate procurement system.

Mapping supplier risk | One of the actions envisaged in the BB Agenda 21 will define critical suppliers based on economic, social and environmental criteria and will identify socioenvironmental risks in the chain.

Training | The Ecoas disseminate knowledge in sustainability to outsourced workers that provide services directly on BB premises.

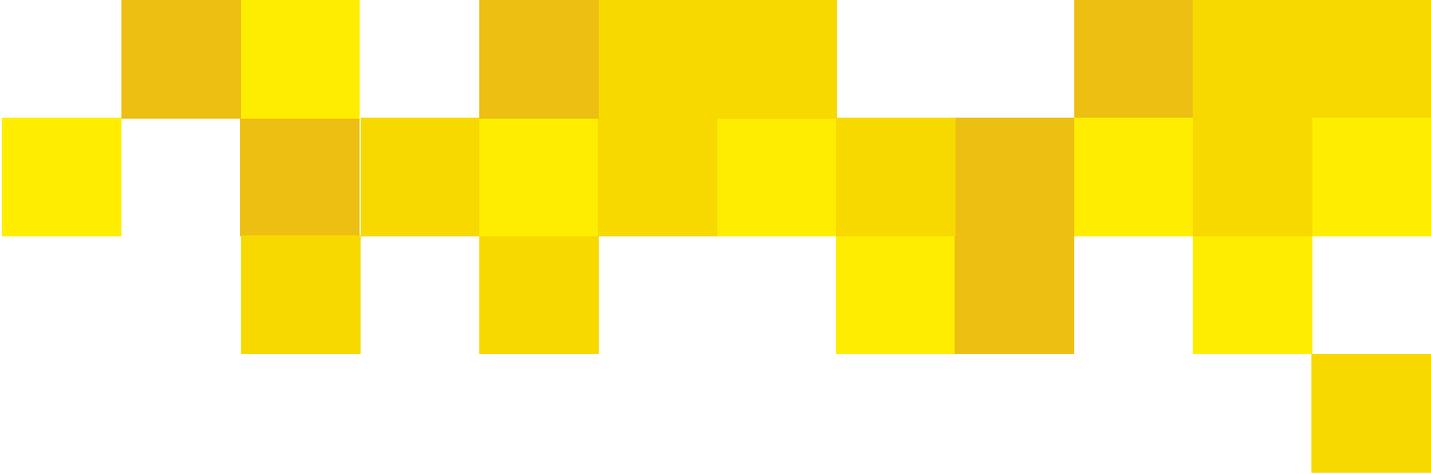
Engagement | BB invites its suppliers to take part in the periodic updating of the BB Agenda 21 and in events like the Supply Chain Carbon Management Program developed by the Energy and Climate Change Working Group of the Business Council for Sustainable Development – Brazil (CEBDS), and sponsors actions that raise awareness and prepare managers for carrying out their GHG emission inventories. In 2014, the Brazil Values Award began to include a category for suppliers.

GRI G4-12 | G4-LA14 | G4-LA15 | G4-HR10 | G4-HR11

To enhance the oversight of these requirements, in 2014 the Bank expanded the list of services provided by documentary advisory. In this process a third-party specialist checks the contractors' documents. The contract manager is in charge of checking the supplier's compliance while executing the contract and, in the event of violations or occasional suspicions of non-compliance, opening an administrative process to impose the appropriate measures, which range from administrative sanctions, to unilateral rescission of the contract.

The Bank also receives the weekly Register of Employers published by the Ministry of Labor and Employment, showing companies whose workers have been subjected to forced labor. In 2014 the BB contracts base showed no cases of suppliers belonging to this Register; also, the Internal Ombudsman registered no complaints involving child, degrading or forced labor. In the same period BB administrative proceedings imposed the following sanctions on contractors that failed to comply with labor law and social security obligations: 10 temporary suspensions of the right to tender for and contract business with BB; 19 contractual rescissions; 15 warnings and 21 penalties. **GRI G4-HR4 | G4-HR5 | G4-HR6 | G4-HR9 | G4-HR12**

Identifying the socioenvironmental risks in the supply chain, as well as defining high-risk subgroups are the actions envisaged within the BB Agenda 21 Sustainability Plan, with conclusion expected for 2019. The outcome of these initiatives will be presented in the Bank's next Annual Report. **GRI G4-EN33 | G4-SO10**



» CUSTOMERS

GRI G4-DMA Indirect economic impacts | G4-DMA Compliance | G4-DMA Customer health and safety | G4-DMA Product and service labeling | G4-DMA Marketing communications | G4-DMA Compliance | G4-DMA Local communities

Knowing customers and their desires is essential if we want to offer them more effective solutions. Thus BB invests in Customer Relationship Management (CRM) systems, operational efficiency and in enhancing service channels, so as to afford users the best experience. Under the current business model, BB customers are segmented into three groups: individuals, companies and the government. BB offers specific solutions and portfolios for each of these customer categories.

To attend to individual customers BB has the largest service network in Brazil, in addition to exclusive facilities via the internet and mobile banking channels, such as Saque Sem, which allows customers to withdraw cash without using their cards, and Ourocard-e, a virtual card that adds security during on-line purchases, and which can also be used for purchases at bricks-and-mortar outlets. Also worthy of note are the financial advisory services and the new layout of the branches, so as to facilitate customer relations.

To attend to companies, exclusive branches with differentiated opening hours lead to a personalized relationship while offering more effective solutions. The Financial Manager is an on-line platform that allows them to close transactions, providing the agility and convenience they require. BB also makes available products and services to the agribusiness sector, as well as to micro and small enterprises, strengthening its role as a driver of Brazil's development.



CHALLENGE 11

Enhance customer relationship management and increase the satisfaction index.

BB's strategy in the public sector is built on developing solutions that can contribute to public policies, presenting business solutions, adding profitability and generating social and environmental value. Within this context, constant training for employees and investment in strategic studies result in specialized customer service and knowledge of customers' requirements. The structure for servicing the government is also exclusive, with dedicated branches and staff.

During 2014, on several fronts there were projects that led to higher customer satisfaction while generating returns from the base. Adjustments and improvements to systems, combined with greater clarity in the information previously provided to customers, reduced the time taken to open checking accounts and facilitated the migration of these accounts. Training for new BB employees was reviewed, intensifying customer service training in order to better prepare them for dealing with the public. The revised value proposition for the Retail Sector and Emerging Markets, according to the financial behavior and consumption profile of these customers, sought to generate returns on the transactions in this area which fostering customer satisfaction. Service channels were simplified, like the ATM interfaces for beneficiaries of the social security system (INSS). **GRI G4-PR3**

HIGHER CUSTOMER SATISFACTION AND BETTER RETURNS ON THE CUSTOMER BASE WERE ACHIEVED IN 2014 THROUGH INITIATIVES THAT SIMPLIFIED PROCESSES WHILE ENHANCING CUSTOMER SERVICE AND PROVIDING MORE EFFECTIVE SOLUTIONS

The enhancements to Customer Services led to a significant decline in the number of complaints to consumer protection agencies. In CRM, the actions led to greater interactivity with and proximity to customers, in addition to enhancing the mechanism for managing business potential, as well as gains in operating efficiency.

BB's relationships with its customers are acknowledged by the market. In 2014 the Bank figured on the Brazilian and global rankings of Social Bankers, among the companies with the best management on social networks, and received the Best Multi-channel Strategy Awards from Brazilian magazine *Cliente SA*.

Accessibility **GRI FS14 | G4-PR1**

All BB self-service terminals have been upgraded to the accessibility requisites stipulated by the Brazilian Technical Standards Association (ABNT) since 2012, six years in advance of the deadline agreed with the Brazilian Federation of Banks (FEBRABAN) and the Federal Prosecution Office. With regard to the total service network, in 2014 BB attained 99.86% compliance with these guidelines. Thus priority, as required by law, is guaranteed in the case of ease of access for persons with disabilities and the provision of information through proper means to persons with impaired sight and hearing.

Other service channels also have resources for ensuring accessibility. BB self-service over the internet, for example, supports the screen reader software most used in the market. The Customer Service Unit (SAC), in turn, provides exclusive telephone lines for the deaf (ST equipment) on 0800-729-0088.

Telephone Service

The BB Customer Service Unit (SAC) is monitored by systems that control the quality of the service provided. Customer service is standardized and based on scripts that are constantly updated with the support of product managers, processes and networks. In 2014 BB employees responded to 11.6% of the call received by the SAC regarding cancellations and complaints. Other contacts, considered as less complex and less sensitive in terms of the customer relationship, were channeled to professionals of companies contracted for that purpose. [GRI G4-PR3](#)

During the year BB implemented a tool for monitoring the response time to customers regarding complaints received by the Bank's own SAC or from the Central Bank. This tool enabled the Bank to identify the evolution in resolving complaints on the first contact, from 64.2% (in January), to 75.5% (in December). Also, the average solution time declined from 2.4 to 0.8 business days.

In the same period, the BB Customer Help Desk (CABB) received 287 million calls dealing primarily with cards, banking transactions and tele collections. The improvements implemented during the period include the creation of a Loan Enquiries Desk, as well as the pilot project for a new telephone service model in the branches, with the aim of improving customer satisfaction levels while increasing business volume.

Electronic Channels

The increasing use of self-service channels, such as terminals, the internet and mobile applications is now a reality throughout the Brazilian banking industry. BB has also seen growth in these channels exceeding that of the market in recent years. According to a FEBRABAN report, between 2012 and 2013, the volume of internet transactions grew by 18%, while at BB this type of transaction showed growth of 20%. In ATMs, the Bank experienced growth of 8.4%, against 3% for the banking industry. The most significant change, however, can be seen in mobile banking: transaction volume growth was 184% for the market, and 259% for BB.



The electronic and self-service channels of BB are producing higher growth rates than those of the market

Customers can currently execute more than 100 transactions on the BB mobile platform. The number of accesses on this platform rose by 162% in 2014, overtaking internet accesses for the first time. The increase in transaction volume exceeded 200%, especially after new functionalities were made available. These include Mobile Withdrawals (enabling secure withdrawals without having to type in data or use the card), Auto Loan simulations, and the possibility of making purchases by holding the smartphone close to payment terminals, transfers of limits and access to the BB loyalty program.

Customer Satisfaction [GRI G4-PR5](#)

The Bank's results in terms of customer satisfaction are measured using satisfaction surveys and by monitoring the number of complaints to the Ombudsman

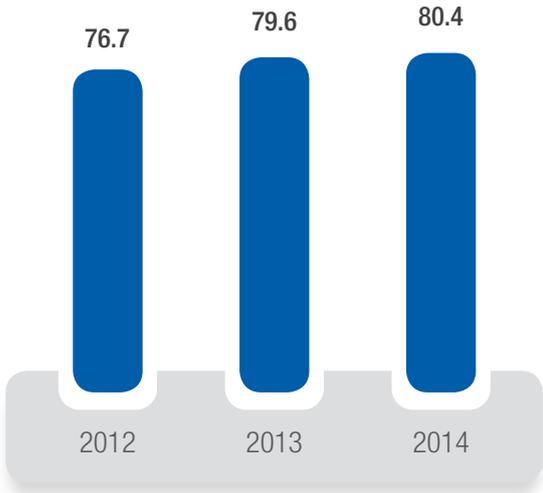


and to external bodies. In 2014 the various improvements implemented in customer service meant that BB no longer occupied one of the top five positions in the central Bank complaints ranking. In September it attained its best placement, 10th place, and ended the year in 8th position.

Since 1997 BB has carried out customer satisfaction surveys with individual, company and public sector customers. Preserving impartiality, these surveys are carried out by marketing research institutes affiliated to the Brazilian Association of Research Companies (ABEP) or the European Society for Opinion and Marketing Research (ESOMAR). These evaluations are organized in two phases: one qualitative, which takes place, on average, every three years, with the aim of identifying the attributes customers value most, based on their lifestyle; and the other quantitative, carried out annually to measure the perceptions identified in the qualitative phase. The methodology used is that of accumulated experience, as participants answer the questionnaire based on the latest year of banking relations.

The degrees of satisfaction are obtained from the average scores of all customer groups, using the Lickert scale from 1 to 5. In the case of BB, the satisfaction zone corresponds to scores 4 and 5, whose percentages from year to year are shown in the graph. Generally speaking, one can see that what customers value most in terms of their satisfaction are those involving the relationship with the

Degree of Satisfaction of BB Customers (%)



Bank's employees in charge of their account. This information provides input for the Bank's strategy and for improvements in the concepts of customer service, products, services and processes.

In 2014 BB paid R\$2.648 thousand in penalties involving aspects of the Consumer Protection Code and time spent queuing, against R\$2.589 thousand in 2013.
GRI G4-PR4 | G4-PR9

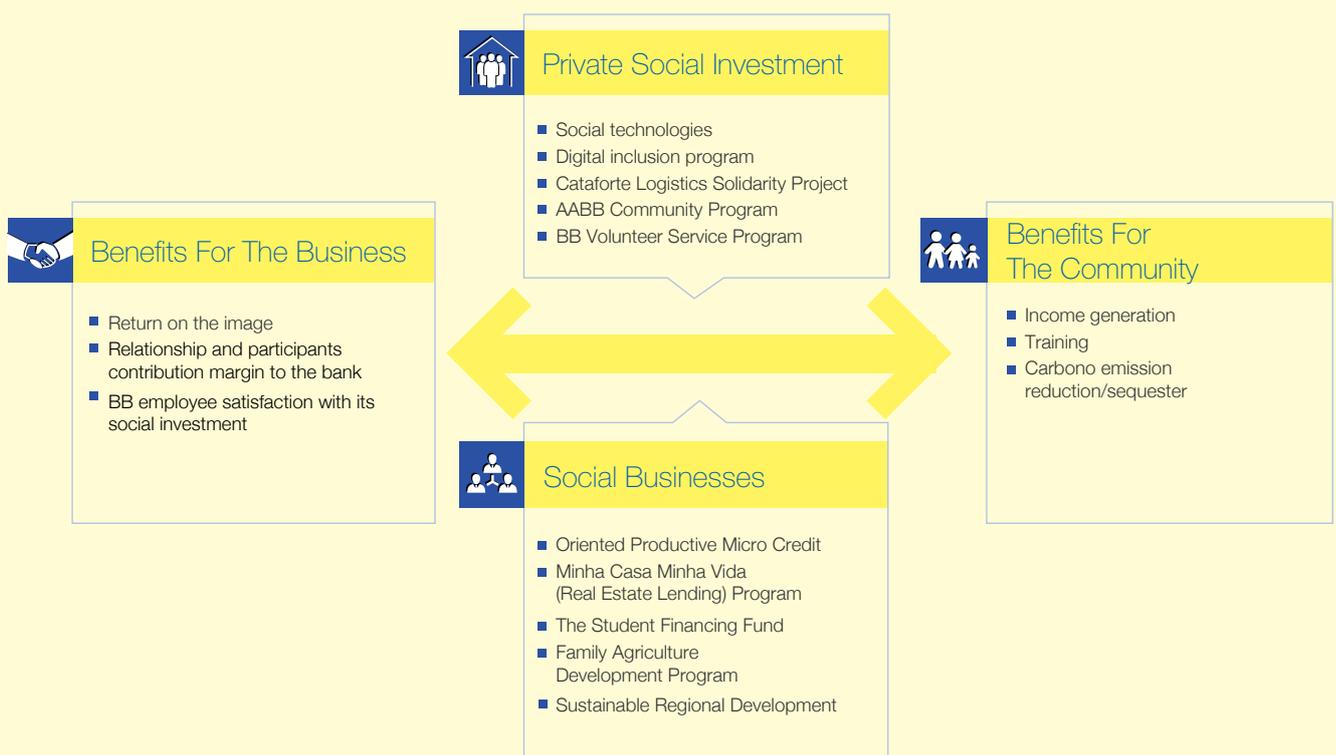
» CIVIL SOCIETY GRI G4-EC7 | G4-EC8 |

G4-DMA Indirect economic impacts | G4-DMA Local communities | G4-DMA Public policy | G4-DMA Compliance

The Institution seeks to contribute to social development in tune with state policies, the demands and expectations of the communities and of the bank's other stakeholders, and with the business directives established by senior management. The Bank channels its social investment in support of initiatives that foster income generation, jobs and education, in line with its guidelines on this topic and which are available for consultation at www.bb.com.br/sustentabilidade (Gestão da Sustentabilidade > O que nos orienta). In addition, it seeks to add value to its image, diversify its business, win customer loyalty and increase the satisfaction of its employees. The performance of the bank within the communities is managed in the manner shown in the diagram.

CHALLENGE 20

Enhance the relationship between Private Social Investment and the business strategy.



BB IS DEVELOPING A METHODOLOGY TO EVALUATE ITS PRIVATE SOCIAL INVESTMENT WHICH WILL PROVIDE SUPPORT FOR TAKING DECISIONS AND ENABLE THE PRESENTATION OF TANGIBLE RESULTS TO STAKEHOLDERS

To improve social investment and better evaluate its results, BB is working on a methodology for evaluating its PSI based on a set of indicators that mirror its corporate strategy. In 2014 the systematic of the indicator was defined for measuring possible reductions of sequestering of carbon emissions, having been applied in one of the projects of FBB to verify its effectiveness.

It is expected that this monitoring model will show the effectiveness of the project, with the focus on community development (income generation, training and reduction/sequester of carbon emissions) and in the business aspect (return on image, relationship and contribution margin of the participant to the institution, and the satisfaction and pride of the organization's employees based on its social investment). This analysis will serve as support for decision making and will enable tangible results to be presented to stakeholders.

Branch Engagement with Private Social Investment | BB uses instruments to monitor compliance with established targets. In this sense the Work Agreement (BB and ATB Synergy) adds a series of initiatives that reflect the socioenvironmental responsibility (SER) principles defined by the Bank. Worthy of note is the social effectiveness index whose purpose is to strengthen the SER culture within BB, in addition to increasing employee involvement in social and voluntary causes. This index raised the number of employees registered for engaging in voluntary activities, encouraged training around the topic and led to an increase in participation in local committees that make a contribution to community development.

BB Volunteer Work | Last year, the BB Volunteer Work Program selected 68 initiatives dedicated to generating income, as well as environmental education and cares together with FBB and Instituto Cooperforte. The transfer of tax breaks to the Children's and Adolescents' Funds, in partnership with Brasilcap and BB DTVM, benefited 99 initiatives by various entities. Furthermore, donations by employees and customers amounted to R\$1.3 million, 422,000 tons of food and 1.6 million items of clothing, medications and school and hygiene material. The program's on-line platform (www.voluntariadobb.com.br), which functions similarly to a social network, has attained 18,000 users, 3,921 initiatives and 1,160 social entities registered.

Financial education | The BB site has a specific page on financial education, which contains several functionalities to assist with personal and family financial planning. On the portal www.bb.com.br/educacaofinanceira one can get a better understanding of the principal investment alternatives in the market, access a step-by-step approach to Financial Planning, take part in a quiz to test the user's financial knowledge, take an on-line course in Personal Financial Planning, simulate buying and selling stocks and

GRI G4-DMA Product and service labeling

shares and access the Dictionary of Finance. BB also has a partnership with the Brazilian Banks Federation (FEBRABAN) in which other banks participate, with the Meu Bolso em Dia (financial education) project, a website with texts, applications, articles and invitations to live activities in financial education. The bank trains volunteer employees to act as facilitators in the Saúde Financeira não Tem Preço! (Financial Health Comes First) workshop! The fruit of a partnership between The Institution, FBB and Instituto Cooperforte, the purpose of the workshops is to assist customers and society with day-to-day financial matters and to show the importance of financial planning and the conscientious use of credit. Within the scope of the Minha Casa Minha Vida (PMCMV) Program, BB produced a video focusing on financial education for Category 1 beneficiaries, consisting of families with gross monthly income of up to R\$1,600.00, with the aim of advising them on the importance of family financial planning, keeping their mortgage installments up to date, as well as other BB social businesses. **GRI FS16**

Program for Social Inclusion and Transformation by Donating Computers | Having reached its 10th birthday, the program has attained the mark of 82,000 items of equipment delivered. In 2014 alone,

10,592 computers substituted at BB were donated to social entities so as to contribute to digital inclusion and to improving livings and working conditions of needy populations.

Mitigating the effects of disasters | Since 2010, BB has adopted emergency support measures for employees, customers and communities affected by natural disasters. Last year efforts were channeled to assist victims in the states of Acre, Amazonas, Paraná and Rondônia.

Millennium Development Goals (MDG) | BB and FBB are engaged in a series of initiatives within the scope of the Millennium Development Goals that seeks to eradicate poverty and hunger and promote gender equality and environmental conservation, among others. Supplementing this, BB sponsors MDG Awards and State Seminars that disseminate the initiative in every capital city in Brazil.

The Bank's efforts in support of financial education include employee training and making a specific portal available on the internet



Valuing women | BB is a member of the Committee for Engagement and Monitoring of the National Plan for Policies on Women (PNPM), having assumed within the scope of this initiative a commitment to 26 actions. During 2014 BB joined the campaign, Commitment and Attitude Campaign in support of the Maria da Penha Law: The Law of the Strongest (an act of government with severe penalties for domestic violence), promoted the II BB Meeting within the PNPM and supported the launch of the book *Mulheres Rurais que Produzem o Brasil Sustentável* (roughly translated as Country Women that produce a Sustainable Brazil).

4th edition of the Valores do Brasil (Brazil Values) Awards | Focused on actual cases and successful experiences, the 4th edition of this awards ceremony acknowledged 20 socioenvironmental projects developed by branches that have Sustainable Regional Development (DRS) Business Plans and Action Plans in Sustainable Development Action Plans (PADS), BB Volunteers, the BB Conglomerate, strategic partners and suppliers. The award, which seeks to encourage and disclose initiatives of relevant social and environmental value of

Brazil's development, was received in the presence of a diverse audience at the ceremony, including, notably, the Board of Officers and other BB executive, authorities and former Brazilian tennis star Gustavo Kuerten.

Donations and established partnerships are defined in accordance with the bank's policies, and it is forbidden to make transfers to organizations or initiatives for party political purposes. Find out more about all the programs developed and supported at www.bb.com.br/sustainability and www.fbb.org.br. **GRI G4-SO6**

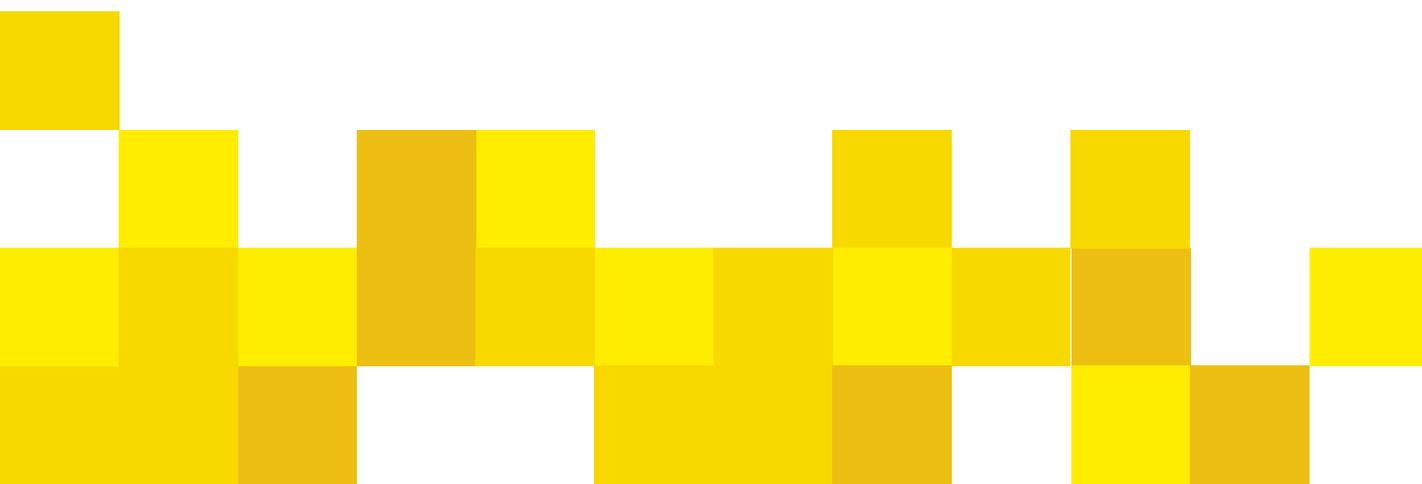
Fundação Banco do Brasil

GRI G4-EC7 | G4-EC8

In 2014 FBB invested R\$254.9 million, of which R\$92.7 million was own funds obtained from contributions from a variety of sources (see table). Support was provided for 689 projects, contributing to social and productive inclusion of approximately 226,600 people in 656 Brazilian municipalities. Around 70% of this volume was allocated via six public tenders and call notices, strengthening transparency and democracy in the access to the structured project funds of the Foundation and its strategic partners.

Contributions to FBB by Source (R\$ thousands)	2012	2013	2014
Banco do Brasil ⁽¹⁾	40,289	108,710	45,285
Products with Socioenvironmental Attributes	10,846	13,237	14,690
National Federation of AABBs (FENABB)	19,673	23,331	23,117
Total	70,808	145,278	83,092

(1) The variance in the BB's contributions in 2013 was due to the special contribution for cisterns of R\$50.600.00.



When making social investments FBB gives priority to engaging with social movements and participating at public forums so as to interact with socially vulnerable segment like smallholders, waste pickers, Indians, people settled under the agrarian reform, quilombolas and young people, as well as children and adolescents. The primary objective is to help these groups achieve their independence, so that their activities and local knowledge are appreciated, while employing social technologies as a tool for sustainable development.

To ascertain the effectiveness and enhancement of its projects, FBB monitored and assessed some 23% of the total projects in 2014. Some 160 projects were monitored and two assessments concluded, one of them involving the solidarity economy and self-management, and the other the perception by the communities of the replication of social technologies. Development also got under way of the Strategic Intelligence in Social Investments Project (IEIS), which consists of drawing up indicators of the efficacy, efficiency and effectiveness of the projects supported. One of the instruments of the IEIS are the Engagement Indicators (IAT) that map Brazilian municipalities based on official data from the Brazilian Institute of Geography and Statistics (IBGE) and ministries, among others. This makes it possible to classify Brazilian cities according to their degree of receptivity to the social investments of FBB, as well as the impact of the initiatives scheduled for each location.

The social technologies developed and applied by FBB in the communities include products and replicable techniques or methodologies aimed at effectively addressing the issues of food, education, energy, housing, income, water resources, health and the environment, among others. Since 2001 the FBB Social Technology Award identifies and certifies, every two years, social technologies already implemented, which are then added to the Foundation's Social Technology Bank. Given the experience acquired within this scope, FBB was invited by the Bank to participate in the supplementary Urban Housing us-

FBB MONITORED AND EVALUATED 23% OF THE PROJECTS SUPPORTED DURING THE YEAR, IN ADDITION TO STARTING DEVELOPMENT OF EFFICACY, EFFICIENCY AND EFFECTIVENESS INDICATORS FOR THE PROJECTS IT SUPPORTS

ing Social Technology action of the National Urban Housing Program (PNHU). Through this, 124 PNHU projects will see the integration of two technologies certified as instruments for promoting social development. In all, this will involve around 80,000 housing units, benefiting 320,000 people.

At the end of 2014 the Social Technology Bank consisted of 696 initiatives, many of them now available in other languages, such as English, French and Spanish. This is because, since 2012 the BB's social technologies have been translated so as to increase their potential for transformation. This work, which continued during the period under review, is the result of the agreement for disseminating social technologies in developing countries between FBB, the United Nations educational, Scientific and Cultural Organization (UNESCO) and the Brazilian Cooperation Agency (ABC).

Together with BB, FBB last year selected 254 social technologies with links to the five thematic fronts of the Bank's social businesses: accessibility, family farming, education, entrepreneurship and housing. This survey is part of the actions envisaged in the Sustainability Plan – BB Agenda 21, and produced a data base to which BB has access in order to extensively divulge the synergy between these two areas.

Water | In 2014 this front saw the largest social investment by FBB, totaling R\$148,5 million, channeled primarily to actions for universalizing access to water in line with the Brazilian government's public policy, Water for Everyone. Worthy of note among the initiatives is the replication of the social technologies for rain water catchment cisterns and the Brazil Water Program, a joint initiative with the National Waters Agencies (ANA), WWF Brasil and the BB, aimed at reclaiming degraded areas within five water basins.

Agro-ecology | This front received investments of R\$32.8 million in projects for encouraging organic production, agro-ecology, extractivism and the strengthening of family farming networks throughout Brazil, benefiting around 38,300 people. Particularly important are the initiatives selected through the Ecoforte Networks invitation to tender, which is part of the federal policy, Brasil Agroecológico (Agro-ecology Brazil) and financed by FB and the National Social and Economic Development Bank (BNDES).

Agribusiness | To boost production, processing and commercialization of inputs in local communities, the focus of FBB on this front are projects selected under the Terra Forte invitation to tender, the Brazilian government's Program for Agro-industrialization in Agrarian Reform Settlements. Investments of around R\$7 million were channeled to creating a national office for selecting and managing projects, so as to ensure better security for the operations of FBB.

Solid Waste | [GRI G4-DMA Effuents and waste](#) | In the search for the social and productive inclusion of waste pickers, FBB invested R\$16.4 million on the Solid Waste front. The funds were channeled primarily to the invitation to tender, Cataforte III – Sustainable Business in Solidarity Networks, the result of a partnership between FBB, the National Health Foundation (Funasa), Petrobras, the BNDES, the National Secretariat for the Solidarity Economy, under the Ministry of Labor and Employment (SENAES/MTE), the Ministry of the Environment (MMA) and BB. The 32 projects selected encompassed 11,900 waste pickers. An additional 18,000 waste pickers were trained and received support for including their activities within the National Policy on Solid Waste.

Education | The investment of R\$16.1 million on this front was intended primarily for the AABB Community Program jointly developed by FBB and the FENABB. The 324 supplementary education programs benefited 40,400 children and adolescents across all regions of Brazil.

Debates and participations | During 2014 FBB took part in a series of national and international events that debated the challenges and prospects in the areas in which it operates, in addition to presenting the outcomes of its projects. The highlights here were the III National Agro-Ecology Meeting, the VIII Meeting of Social Educators of the AABB Community Integration Program; the Seminar on Community Communication in the Amazon; the Parallel Meeting to the 69th UN General Assembly – to debate social and productive inclusion for waste pickers; the Brazilian Forum of Philanthropists and Social Investors; 3rd National Conference on the Solidarity Economy and the 6th edition of the Government and Civil Society Dialogs: Brazil without Poverty.

» **GOVERNMENT** [GRI G4-EC4](#) | [G4-EC7](#) |

[G4-EC8](#) | [G4-DMA Economic Performance](#) | [G4-DMA Local Communities](#) | [G4-DMA Public Policy](#)

The public sector is one of BB's major markets, and guides its business in order to support public policies and socioeconomic development, producing income for the Bank while effectively improving people's lives. As the financial agent of the Brazilian Treasury, BB provides the Brazilian government with a range of services, such as financial transfers and payments via bank orders and transfers of funds to states and municipalities. Also worthy of note are the levying of taxes and social security contributions, support in funding under laws providing for tax breaks in culture and sport, as well as management of funds and programs and the payment of scholarships and social benefits.

GRI G4-EC4

In recent years the public sector has undergone a growing trend towards professionalization, in the constant search for optimizing revenues and for greater transparency in management. Within this context, training of BB employees operating in this market, identifying opportunities and providing specialized service have been essential for meeting the increasing level of customers' requirement and the demand for innovative solutions.

In 2014 BB extended its leading position in managing public funds, an activity that accounts for a significant volume of funding for its operations, as well as its share of loan transactions to the states, placing second only to the BNDES and the International Bank for Reconstruction and Development (IBRD). BB also boosted its position in several government programs, such as the National Program for Strengthening Family Farming (Pronaf), the Student Financing Fund (Fies), the Minha Casa Minha Vida (PMCMV) Program and the Production-Oriented Micro Credit (MPO), details of which can be found on page 78. The volume of loan transactions to finance investments in infrastructure and other sectors within the scope of state and municipal programs exceeded R\$28 billion.

Loan transactions in the public sector stood at R\$29.2 billion in December 2014, up by 56.9% in 12 months, making funds available for states and municipalities to invest primarily in infrastructure. R\$21.2 million was transferred as Settlement Loans through 46,500 Benefit Payment Cards, to families resettled under the agrarian reform program. Furthermore, 2,214 municipalities and 24 states signed up for the Civil Defense Payment Card, designed for rescue actions in case of public disasters.

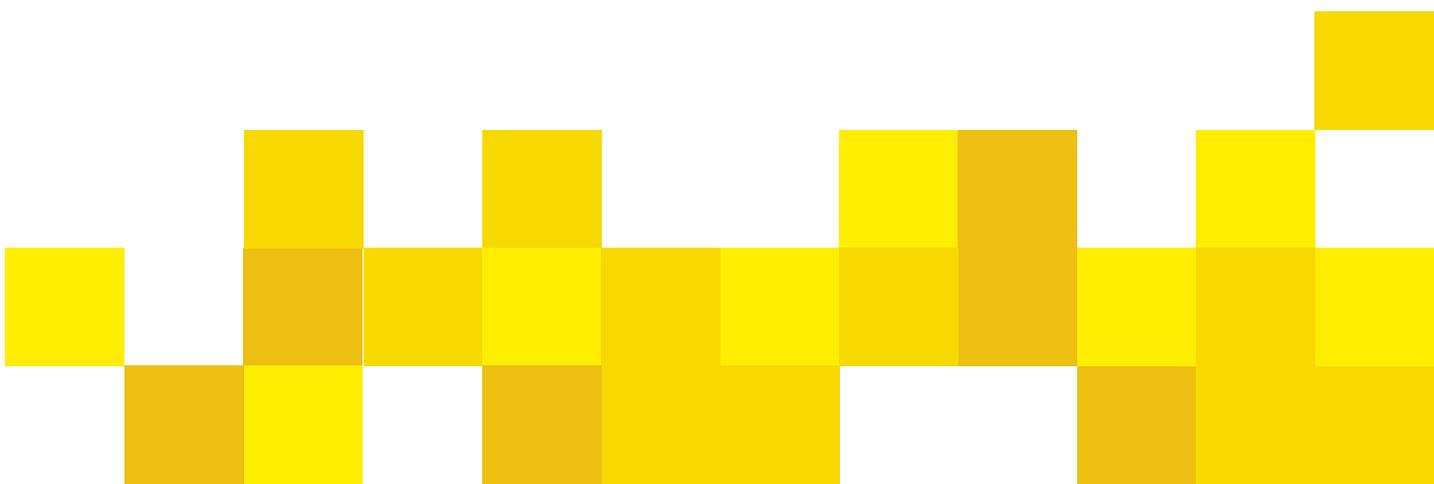
Also during this period BB firmly established its position as the official financial institution of the Brazilian government's Science without Borders program that seeks to foster the consolidation, expansion and internationalization of science and technology, innovation and Brazil's competitive position through student and researcher exchanges.

Given the economic scenario and the strategic route defined in the 2015-2019 BB Corporate Strategy, the years to come should see the intensification of solutions that enable government programs to flourish in the infrastructure area while modernizing management, generating new revenue sources, reducing expenses and improving transparency.

» INVESTORS

BB lays great store by ethics and transparency in its relationships with investors, analysts, rating agencies and regulatory agencies, providing information that is clear, precise and timely. Participating and organizing meetings, conferences and different events with these stakeholders is the physical proof of this relationship, and Senior Management also takes part when necessary. In 2014 BB held 4 teleconferences on its quarterly results, 6 meetings with investors and analysts and took part in 7 overseas roadshows, as well as 10 conferences in Brazil and 11 overseas. For the year as a whole, a total of 855 responses were provided to analysts and investors, either in meetings or by telephone.

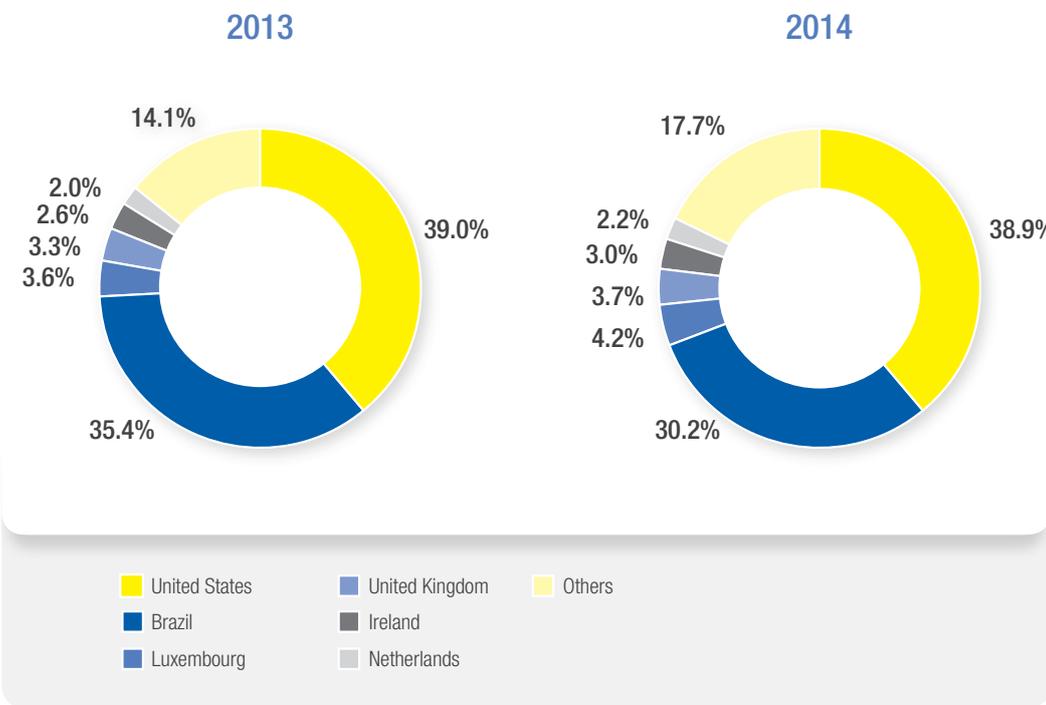
Around 29% of BB's equity is in free float. The distribution of investors by country highlights the largest participation of US and Brazilian investors. In Brazil, investors in São Paulo and Rio de Janeiro predominate.



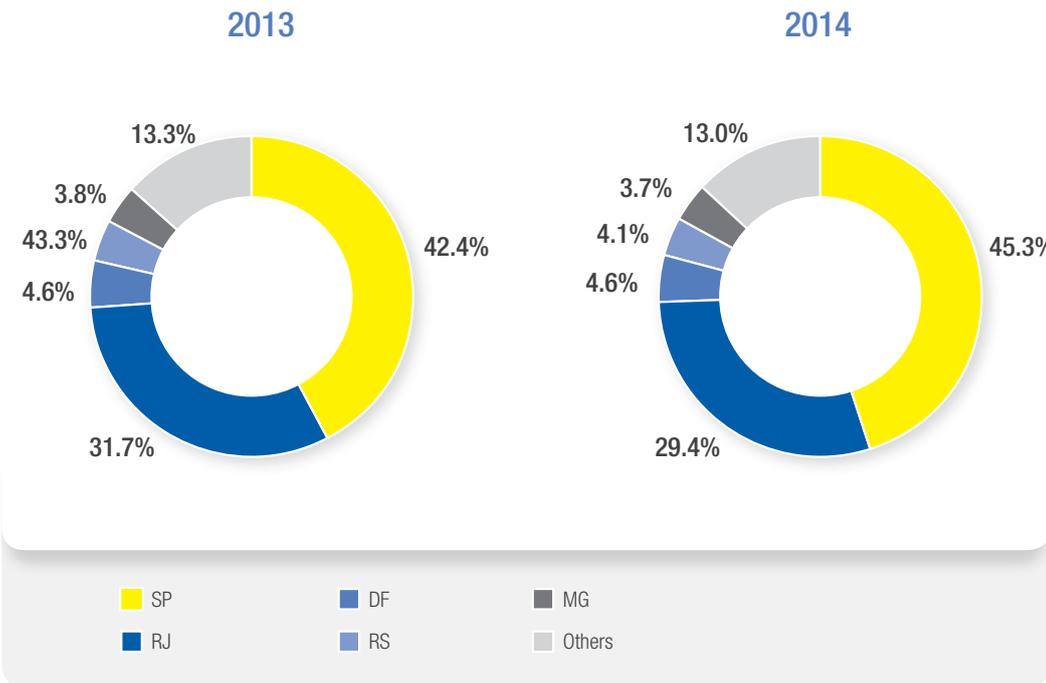
Shareholders	2013		2014	
	Shares	Equity interest (%)	Shares	Equity interest (%)
Federal Government	1,453,487,115	50.73	1,453,487,115	50.73
Funds Linked to the Federal Government	217,191,775	7.58	205,518,167	7.17
PREVI	289,792,014	10.43	297,387,714	10.38
BNDES Participações S.A. – BNDESPAR	5,522,648	0.19	-	-
Treasury Shares	56,702,328	1.98	68,881,576	2.40
Others ⁽¹⁾	99,924	0.00	122,874	0.00
Free Float	833,621,216	29.09	840,019,565	29.32
Total	2,865,417,020	100.00	2,865,417,020	100.00
Resident in Brazil	2,326,961,469	81.21	2,279,461,556	79.55
Resident Overseas	538,455,551	18.79	585,955,464	20.45

(1) Includes shares held by the Board of Directors, the Executive Board and fractions of BESC to be auctioned.

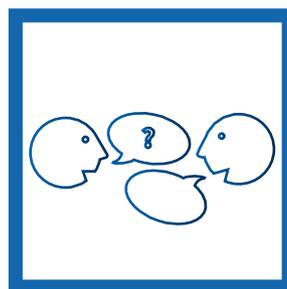
Distribution of Free Float by Country



Distribution of Free Float in Brazil



The BB press office dealt with over 2,600 enquiries in 2014

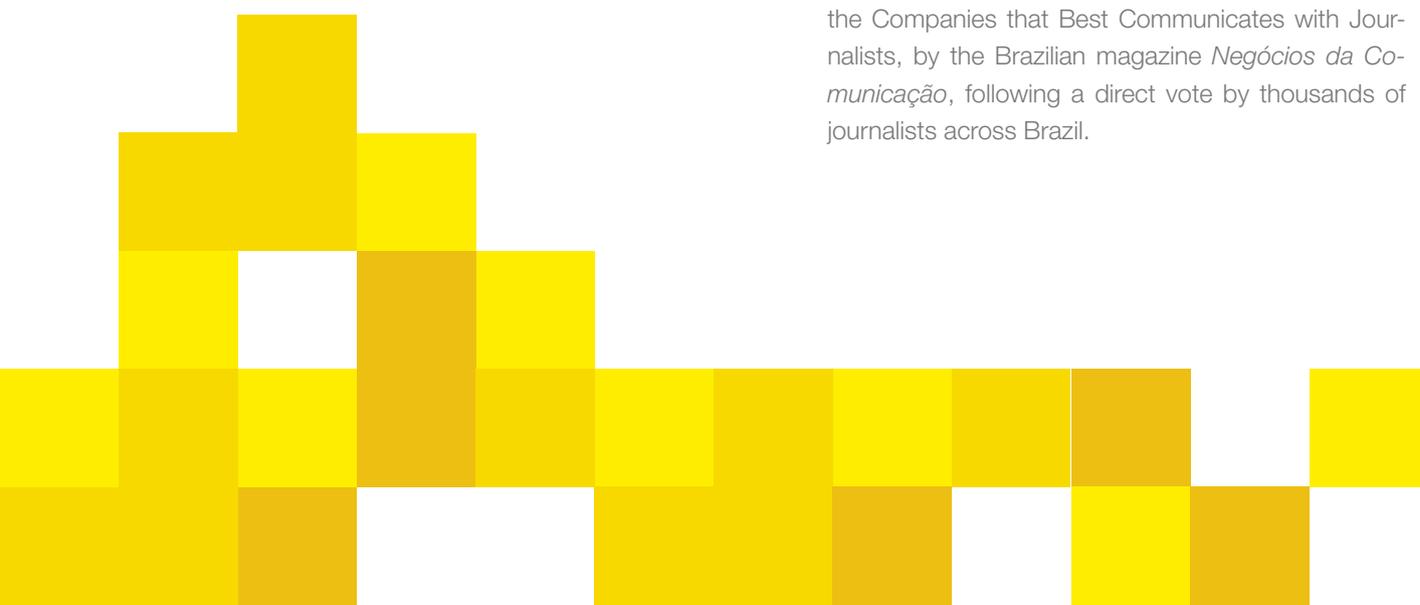


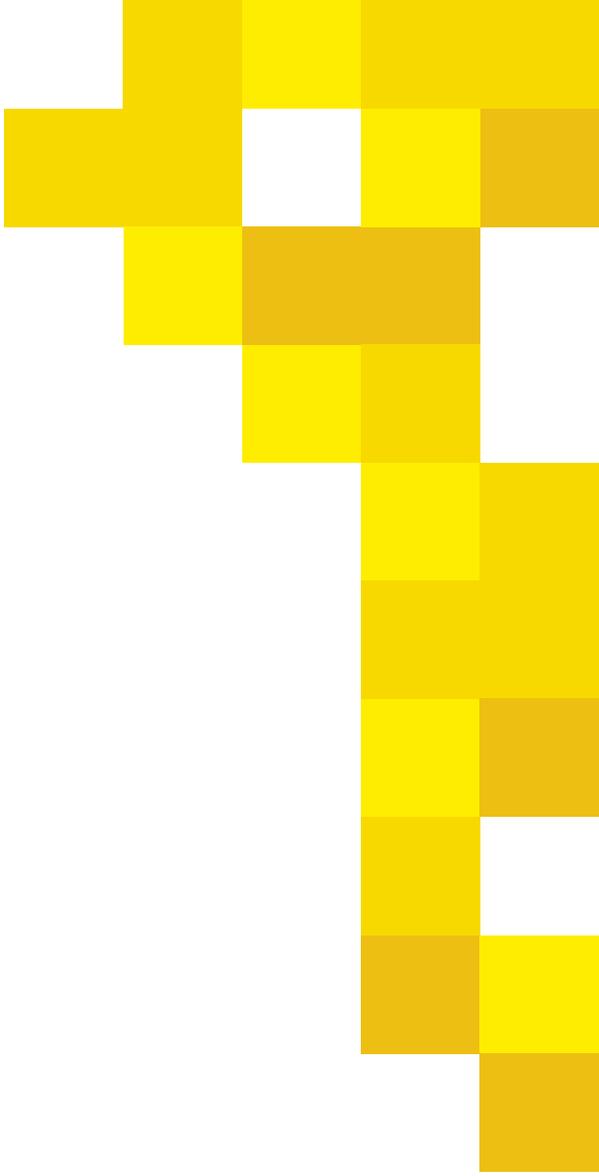
The BB Investor Relations (IR) site contains a vast array of documents, from publications required by law, to information about governance and sustainability, ratings, aspects of the Bank's risk management and the events schedule. This information is periodically updated. In addition, a communication channel via IR site or by e-mail ir@bb.com.br receives requests for information, which are responded to within a maximum of 48 hours. Suggestions from the market are mapped and taken up whenever possible. To find out more go to www.bb.com.br/ir.

» PRESS

BB's relationship with journalists from the Brazilian and international press is based on transparency and ethics. This communication is handled by the BB press office and spokespersons coached by a team of specialists. BB monitors, on a daily basis, articles about it in the major regional, Brazilian and international communication vehicles so as to identify any requirements for timely repositioning or other steps that might add value to the Bank's image and business.

During 2014 more than 2,600 requests were handled by the press office. Once again BB stood apart from other Brazilian banks, with 77% positive exposure, according to an audit carried out by the agency CDN. A significant part of this outcome stems from sports sponsorships, the role of the BB Cultural Centers (CCBB) and the activities of the insurance business, as well as other banking issues. For the fourth consecutive year, BB was acknowledged as one of the Companies that Best Communicates with Journalists, by the Brazilian magazine *Negócios da Comunicação*, following a direct vote by thousands of journalists across Brazil.





» FINANCIAL SECTOR GRI G4-16

BB has close relationships with other institutions in the financial industry, in accordance with the principles of ethics and civility. This interaction extrapolates the exchange of information and relevant experiences in the market, also encompassing the sharing of resources and solutions in logistics and technology and, in some cases, creating partnerships to launch products and services.

One of the ways in which BB achieves this interaction is via sectorial entities and by participating in forums and groups for the purpose of proposing changes and improvements that enhance the efficiency of the financial industry and the economic and social development of Brazil. The BB is represented on 50 associations and 34 public bodies by its officers or employees whose activities are coherent with and supplementary to the purposes of the respective entities. BB has set no validity periods for such participations.

BB'S RELATIONS WITH OTHER FINANCIAL INSTITUTIONS ARE FOUNDED ON THE PRINCIPLES OF ETHICS AND CIVILITY

In these entities BB participates in collegiate bodies such as boards of directors, executive boards, superior, deliberative and consultative councils, audit boards, technical commissions and committees, industry bodies, discussion groups and working groups, in addition to being ordinary associates. Within the scope of socioenvironmental responsibility, BB has joined force with its competitors in the fight against forced labor or degrading working conditions, suggesting actions that minimize the risk of this also occurring in its value chain. To do so it participates in initiatives under the command of FEBRABAN, involving both business and socioenvironmental responsibility, of the Sustainable Finance Working Group (CTFin) and the Business Council for Sustainable Development – Brazil (CEBDS), among other working groups (find out more on page 149).



Relations with the Environment

GRI G4-DMA Water | G4-DMA Emissions

» CLIMATE CHANGE GRI G4-EC2 | G4-DMA Transport | G4-DMA Overall

BB is committed to adding environmental and social benefits without losing sight of the focus on managing its business, offering functionalities that consumers perceive as added value and increasing the probability of obtaining economic return and increasing its competitive advantage. Dealing with environmental and social issues is a continuous enhancement process and presents BB with the possibility of identifying new business opportunities.

Driving good practices and engaging in reflections regarding environmental issues within society and in the market are part of the BB's structured approach to its daily activities. BB participates in several debating forums and promotes events about climate change, discloses an annual greenhouse gas emissions inventory in accordance with the methodology of the Brazilian GHG Protocol Program, in addition to adopting a series of Green IT initiatives. In order to reduce the impact of its activities, the Environmental Management System coordinates the efforts to enhance its performance in water, energy, materials and waste.

In partnership with the National Waters Agency (ANA), FBB and the WWF Brasil, BB carries on the Brazil Water Program that promotes conservation in seven micro water basins, representing the Brazilian biomes, through sustainable agriculture, in addition to carry out actions involving awareness and to drive sustainable business.

Aware of the relevance and urgency of climate change issues, BB promotes this issue within the private sector and adopts internal measures to enhance its processes so as to reduce greenhouse gas (GHG) emissions and contribute to helping communities vulnerable to vulnerable climatic conditions to adapt. BB is committed to the transition to a low-carbon economy, and has taken a leading position on this issue.

The issue of climate change is reflected in specific actions within the BB 2015-2017 Agenda 21. The highlights include: (i) developing proposals for the role of BB in climate change – business and operations; (ii) assess the possibility of including the evaluation of the impacts of climate change on the bank's operations as a responsibility of the Board of Directors, or one of its committees, and (iii) use/adapt the results of the models for evaluating risks and opportunities involving climate change developed within the scope of financing for the Bank's own investments and those of third parties. These actions are not included in the accountability presented in this report, but are considered relevant for the Bank, for which reason they are implemented within the management.

USING A STRUCTURED APPROACH BB DRIVES GOOD PRACTICES WHILE ENCOURAGING DEBATE ON ENVIRONMENTAL ISSUES. IN ADDITION TO TAKING PART IN SEVERAL DEBATING FORUMS, BB PARTICIPATES IN THE WATER BRAZIL PROGRAM AND FOSTERS EMPLOYEE AWARENESS



BB's leading role is perceived through its participation in voluntary initiatives on climate change and water

CHALLENGE 15

To enhance and systematize the identification of business opportunities for developing products that meet the demands created by environmental matters (trends/new regulations on the use of natural resources) and climate change (demands for infrastructure financing in order to adapt to climate change).

Since 2006, and as one of the early movers in Brazil, BB responds to the questionnaire of the Disclosure Project (CDP), a not-for-profit non-governmental organization with the world's largest data base on environmental management regarding the risk of climate change. The participation in the CDP reflects the BB's General Policies that guide and direct actions involving socioenvironmental responsibility and climate change. The responses are public and can be accessed on the site of the CDP (www.cdp.net).

BB is a founding member of the Businesses for Climate Program and the Brazilian GHG Protocol Program, both of them intended for reflection and proposing anti-climate change actions. BB also figures on the Efficient Carbon Index (ICO2) of BM&FBOVESPA, which consists of companies with good corporate governance and transparent practices in terms of their GHG emissions. This group uses as the performance indicator in this aspect carbon intensity, which is the ratio of emissions to the organization's gross revenue.

It is also active on the Climate Change Working Group (CTClima), an initiative coordinated by the Business Council for Sustainable Development – Brazil (CEBDS) with the intention of assisting companies to adopt strategies in order to take advantage of opportunities while minimizing risks that prepare them for a world with restrictions on GHG emissions. In 2014 BB sponsored the Value Chain Carbon Management Program in which it provided training to the suppliers of the companies involved in the initiative. Within the scope of FEBRABAN, BB is a member of the Commission on Social Responsibility and Sustainability.

On the question of water, the leading role of BB is perceived in two important forums on which it has a seat. One of these is the CEO Water Mandate, coordinated by the UN, whose aim is to build an international movement of business committed to the cause of water, so as to help them develop and disclose policies and practices within this context. The second is the Brazilian Section of the World Water Council, whose major challenges include increasing

the effectiveness of the Brazilian government on the World Water Council, positively influencing the entity's agenda of issues and creating a discussion platform for examining water resource management and policy in Brazil and worldwide.

The issue is debated in working groups responsible for defining the Socioenvironmental Guidelines underpinning the areas when assessing risks and opportunities associated with environmental indicators and when developing new products and services with an anti-climate change emphasis. Also, this issue is reflected in the Work Agreement through the IE Pegada (Environmental Footprint Eco-efficiency Index) that encourages and recognizes the responsible use of natural resources by the employees. When granting financing BB abides by the Equator Principles; and worthy of a special mention is Principle 2 regarding the monitoring of measures for preventing and minimizing pollution (including atmospheric emissions) that contribute to climate change.

During 2014 two important events organized by BB contributed to reflection on the issue of climate change in the financial industry. The 2050 Criteria Workshop within the scope of the Brazil Water Program debated the adoption of this methodology by a large number of banks and investors when undertaking financial analyses of critical sectors of industry, as well as their extensive use of consultants and non-governmental organizations in the field of sustainability. The debate, under the command of Joshua Levin, responsible for the WWF Finance and Commodities Program in the United States contributed to the application and monitoring of the sustainability directives for loans to the agribusiness industry. The workshop Paths to Integration: Socio-environmental Responsibility in the Financial Industry brought together representatives of financial institutions to discuss key issues of sustainability and to assist in adopting more sustainable practices and financing. The occasion saw the launch of the Manual Environmental, Social and Governance Integration for Banks, prepared by WWF International with the

support of Credit Suisse. The publication offers a tool kit for developing strategies within the financial sector.

Seeking to reduce the volume of air and ground deployments of employees in service, BB currently has 237 operational audio and videoconference rooms distributed in branches in every Brazilian state and on certain premises located overseas. This low-cost solution reduces the costs of business travel. From the point of view of emissions, this initiative avoids the emission of 2,000 tons of CO₂e per annum. When it is necessary to lease vehicles, BB requires them to be manufactured locally and that they are flex fuel (run on ethanol and gasoline). In 2014 BB changes the parameters for leasing vehicles so as to optimize travel and discourage the use of cars for short trips. [GRI G4-EN19](#) | [G4-EN30](#)

Connected Branches

In 2014 BB concluded the program for modernizing teleconference rooms in 100% of the branches. Adapted to internal rules, these rooms are equipped with standardized facilities and high-standard infrastructure, besides being set up to receive new items of equipment. The higher availability of data, voice and security contributes to fewer deployments and speed of response in processes.

The Digital Image Clearing System (CDI), a process for digitalizing checks issued throughout Brazil and implemented in 2012, has eliminated around 1,000 overland journeys and 50 by aircraft, as well as the journeys by boats in certain regions of Brazil. As a result, BB has avoided emitting around 5,000 tons of CO₂e per annum. **GRI G4-EN19 | G4-EN30**

Adding together the contributions of the conference rooms, the CDI system and the Authorized Direct Debit process (described in the section on Materials), it is estimated that around 27,000 tons of CO₂e are avoided annually. For 2015, the adoption of the new model for shared mail pouch transportation (more in the section on Materials) should reduce daily journeys by between 15% and 20%, with a positive impact on Scope 3 emissions. **GRI G4-EN19 | G4-EN30**

GRI G4-EN15 | G4-EN16 | G4-EN17

CO₂ Emissions Inventory	Emission Source	2013	2014	Variance (%)
Scope 1	Own Vehicle Fleet (liters)	5,284 tCO ₂ e (Ethanol – 632,000) (Gasoline – 2.90 million) (Diesel – 55,000)	5,008 tCO ₂ e (Ethanol – 578,000) (Gasoline – 2.83 million) (Diesel – 39,700)	(5.2)
	Energy Generators (liters)	2,020 tCO ₂ e (Diesel – 803,000)	1,652 tCO ₂ e (Diesel – 609,000)	(18.2)
	Biomass ⁽¹⁾	1,692 tCO ₂ e	2,012 tCO ₂ e	18.9
Scope 2 ⁽²⁾	Energy Acquired (kWh)	68,774 tCO ₂ e (714 million)	98,982 tCO ₂ e (736 million)	43.9
Scope 3 ⁽³⁾	Air Travel (tickets)	4,862 tCO ₂ e ⁽⁴⁾ (50,147)	5,815 tCO ₂ e (59,981)	20.0

(1) The amounts of the biomass sources take into account emissions avoided by substituting fossil fuels with renewable fuel.

(2) BB has been taking initiatives to optimize electricity consumption on all its premises, as well as monitoring consumption. In 2014 there was an increase of 3.1% in consumption due to the increase in operations. The higher GHG emissions observed in Scope 2 is due to the higher conversion factor of the National Interconnected System (SIN) in relation to the same period of the previous year on account of the constant use of thermoelectric power generators which are more pollutant and non-renewable sources.

(3) BB has made its employees aware, through the Eco-efficiency Program, of the need to adopt actions to mitigate GHG emissions. The use of 237 videoconference rooms implemented throughout Brazil has permitted the gradual reduction in the number of air tickets and GHG emissions arising from this source. The other sources of GHG emissions within Scope 3 of BB's inventory are being accounted for, in accordance with the schedule of the Brazilian GHG Protocol Program, and will be made available to the general public on the program site www.registropublicodeemissoes.com.br.

(4) Re-presented on account of the audit of the emissions inventory undertaken following publication of the BB 2013 Annual Report. The information shown in this table reflects the data published by the Bank in the Brazilian GHG Protocol Program.

Carbon Intensity of BB (GHG Emissions/gross revenue)	2012	2013	2014
Gross Revenue (R\$ 000)	133,668,279	144,849,582	235,464,709
Revenue from Financial Intermediation (R\$ 000)	104,525,000	113,997,000	147,026,911
Services Income (R\$ 000)	14,481,551	16,753,530	18,433,680
Banking Fee Income (R\$ 000)	6,586,614	6,546,984	6,636,276
Premiums Retained on Insurance, Pension Plans and Savings bonds (R\$ 000)	22,622,502	29,424,629	37,975,934
Variance in Technical Provisions in Insurance, Pension Plans and Savings Bonds (R\$ 000)	(14,550,388)	(21,872,561)	25,391,908
GHG Emissions (tCO₂e)	63,691	78,091	107,654
Scope 1	7,443	7,304	6,660
Scope 2	54.235	68,774	98,982
Carbon Intensity (tCO₂e/R\$)	0.00000048	0.00000050	0.00000046

In events BB neutralized its emissions at all six results presentations organized together with the Association of Investment Analysts and Capital Market Professionals (Apimec), totaling 5,406 kg of CO₂e. Also neutralized were 368,125 kg of CO₂ at several events of the Brazilian Volleyball Confederation (CBV), 13,618 kgCO₂e regarding the 4th Brazil Values Award and 1,107 kgCO₂e involving the V Workshop on Sustainable Development. Similarly, a project was developed to offset the carbon emissions of the Banco do Brasil Circuit that visited the cities of Salvador, Curitiba, Belo Horizonte, Rio de Janeiro, Brasília and São Paulo: 600 tCO₂e were offset by planting 3,000 saplings of Atlantic Forest trees in Quintino (RJ). All amounts have been certified by specialist companies and comply with the practices of integrity, additionality and the recommendation of ABNT standard NBR 15948:2011.

**THE CONFERENCE ROOMS,
THE DIGITAL CLEARING-
BY-IMAGE SYSTEM
AND THE AUTHORIZED
DIRECT DEBIT SYSTEM
CONTRIBUTE TO
REDUCING THE BANK'S
GHG EMISSIONS**

Green IT GRI G4-EN7 | G4-DMA Effluents and waste |

G4-DMA Overall

BB is a member of the Green IT working group of the FEBRABAN Social Responsibility and Sustainability Commission that discusses the disposal of electric and electronic waste in accordance with Law No. 12,305, which created the PNRS (National Policy on Solid Waste). BB is also a member of the Commission for Special Studies in Sustainable Procurement (CEE-277) of the Brazilian Technical Standards Association (ABNT), which sets out the principles and standards for sustainable procurement.

The purpose of the Green IT actions is to encourage efficient use of resources and minimize the generation of waste by applying information technology in eco-efficiency practices. As a result of these initiatives, there has been a notable reduction in energy consumption and carbon emissions.

IT equipment purchased by BB must comply with the RoHS (Restriction of Hazardous Substances) Directive restricting the use of certain toxic substances in electrical and electronic equipment, such as lead, mercury and cadmium. When acquiring microcomputers, ATM peripherals, branch concentration servers and printers, BB also requires suppliers to comply with Law No. 12,305/2010, which created the National Policy on Solid Waste.

When purchasing microcomputers, the power sources must have 80 Plus certification with active PFC and energy efficiency exceeding 85%. Currently around 47% of the bank's stock of 150,000 microcomputers is equipped with this technology. Energy consumption savings are estimated at approximately R\$17.5 million a year by using this equipment, when compared to conventional sources. Maximum energy consumption limits are stipulated when purchasing video monitors, ATM terminals, password dispensers and electronic treasurers, so as to improve energy efficiency.

The Oracle Sparc and IBM Power servers for the data centers use energy management that enables their processing cores to be automatically disconnected when not in use, thus reducing energy consumption. Furthermore, in 2014 BB implemented the automatic hibernation policy for 13,500 office microcomputers, representing 33% of the total number in this environment, with an estimated annual reduction in energy consumption of around R\$3.7 million. Expanding this policy depends on technical assessments of processes that may possibly be reformulated.

During the year BB reviewed the projects for revitalizing the ICI-1 data center in Brasilia (DF), with regard to the use of more efficient equipment and LED technology. An additional two solutions were implemented to reduce energy consumption at the Digital Capital Datacenter: the no-break equipment now use Variable Module Management System (VMMS) technology that switches off modules on account of the load required; part of the lighting system allows the lights on premises to be automatically turned off.

Among the prospects for 2015 and years to come, worthy of mention is the consolidation of servers, which will reduce the number of servers and, consequently, the need for refrigeration and physical space. An automated infrastructure management solution for the data center will be acquired in 2015, reducing the operating costs at these facilities. BB is also looking at developing a document traffic platform for advertising agencies, reducing printed material.

» ENVIRONMENTAL MANAGEMENT SYSTEM

GRI G4-DMA Compliance | G4-DMA Overall | G4-DMA Environmental grievance mechanisms

BB's commitment to proper environmental management, lower impact and conservation of natural resources is evident from its management practices and recognized by the market. In 2014 BB was the highlight among the world's most sustainable financial institutions in *The Sustainability Yearbook*, by Robeco SAM, the organization responsible for the Dow Jones Sustainability Index selection process. The Bank's environmental performance also appeared among the best in the Newsweek Green Ranking, a biennial survey by US magazine *Newsweek*.

The Environmental Management System (SGA) brings together the initiatives taken to control the environmental impacts of the Bank's activities. The SGA assumptions include employee training in socioenvironmental responsibility, disclosure of eco-efficiency concepts and practices, the adaptation of spaces and equipment in order to rationalize the use and consumption of goods, the analysis of processes from an eco-efficiency standpoint and the adoption of legal contractual requisites involving the environment. BB has enhanced its Environmental Management System and is seeking to certify its processes to ISO 14000, among other standards. (find out more in the box).

Under the Work Agreement (BB and ATB Synergy), BB measures the management performance at the branches against the established targets, which affects employees' variable remuneration under statutory profit sharing (PLR). Statutory profit sharing requires a minimum score under the Work Agreement in which there is a specific environmental performance indicator, known as the EI-Footprint (Eco-efficiency Index – Environmental Footprint). By complying with this indicator the Branches receive additional bonus points to their performance scorecard.

Certifications

ISO 14001 – involving the Environmental Management System I Since 2009, BB has received certification for one of its administration buildings (the Altino Arantes building) located in the city of São Paulo (SP). It is currently in the process of certifying the technology Center and the Tancredo Neves Building, both in Brasilia (DF).

ISO 14064 – the voluntary greenhouse gas inventories protocol I In 2014 BB obtained certification, believing that proper management of greenhouse gas emissions results in a differentiating competitive advantage for investors, while facilitating the granting of carbon credits resulting from lower emissions or improvements in GHG sinks.

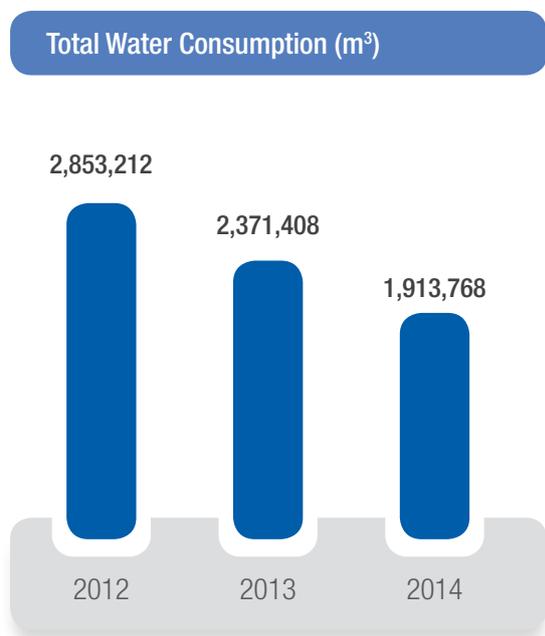
ISO 20000 – includes quality management in Information Technology services I In 2014 BB renewed its certification.

Leadership in Energy and Environmental Design (LEED) – involving sustainable construction I BB's new headquarters, inaugurated in 2014, has been granted the seal of the US Green Building Council.

THE ENVIRONMENTAL FOOTPRINT WAS ENHANCED IN 2014: ADVANCES INCLUDED THE INDICATOR TARGET IS HENCEFORTH DEFINED ON ACCOUNT OF STANDARDS FOR THE SIZE, LOCATION AND SCOPE OF EACH OF THE BANK'S PREMISES

The EI Footprint consists of five sub-items (water consumption, energy, toner, paper and selective collection records) and reflects the best practices in corporate environmental management validated by the Dow Jones Sustainability Index (DJSI), by the Corporate Sustainability Index (ISE) of BM&FBOVESPA and by ISO 14001.

By the end of 2014 BB had adopted the target of a 2% semi-annual reduction of the EI Footprint. In order to enhance the model, a study was undertaken that led to its being revised. Beginning 2015, advances include doing away with linear targets, with specific values according to the size, location and activities of each branch, among others. Thus the target is now defined as a function of consumption being equal to or less than the established standard. For each geographical region, a standard for water and energy consumption per employee per day was established. The paper consumption standard was set based on the number of transactions close by the branch.



Water [GRI G4-EN8](#)

As part of the Eco-Efficiency Program, BB is maintaining its Rational Water Usage Program (Purágua), under which it engages in awareness campaigns and actions for monitoring in-house consumption. In 2014, total water consumption was 1.9 million liters, 457,000 liters less than the year before. This reduction of 19% led to an average of R\$5.9 million less during the period thanks to a series of initiatives aimed at conscientious use and water consumption management. [GRI G4-EN27](#)

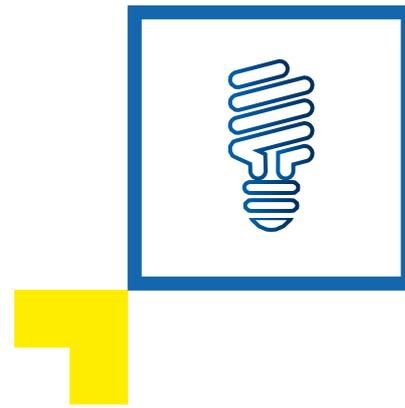
The Water Management Panel was upgraded, providing a better quality data base. A mechanism was also developed for logging and investigating penalties arising from late payment of bills. The departments of the Bank also became involved in an internal awareness campaign announced in early 2015.

Energy [GRI G4-EN3](#) | [G4-EN6](#) | [G4-DMA Energy](#)

Since 2011 the Energy Management Panel has made available data referring to the Bank's energy consumption. Total energy consumption in 2014 was up by 4.2% over 2013, amounting to 2,651 TJ. This increase can be attributed to the warmer weather and, when added to higher market tariffs, affected energy costs, which rose by 8.3% year-on-year, to R\$25.4 million. In the case of direct energy diesel consumption for generators is monitored, and showed a decline of 25.9% in the period. Thus BB's costs with this resource declined by 14% in relation to 2013, leading to a reduction of R\$262,500 in expenses.

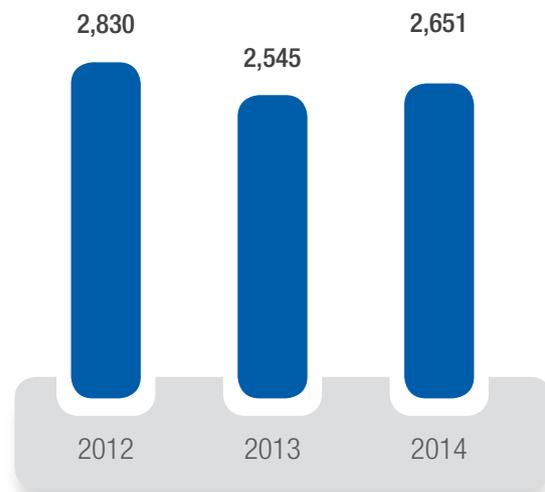
The Electrical Energy Conservation Program (PROCEN) centralizes the efficient energy consumption measures. Among the initiatives carried out during the year, worthy of note is the new external signage system using LED lamps, implemented as a pilot project at 11 BB branches. Besides being more resistant and with longer durability, these lamps consume 87% less energy than the signage used up until now. BB also enhanced its normative instructions on new building and refurbishments, including an Energy Efficiency Parameters manual that formalizes the instructions and parameters required for obtaining the Procel Seal.

The calculation of BB's energy intensity rate was changed in 2014. The new rate is obtained using the ratio of energy consumption (in kWh) and employee headcount, resulting in 6,597 kWh per employee last year. [GRI G4-EN5](#)



Year-on-year comparison shows higher energy consumption due to the much hotter weather

Total Energy Consumption (TJ)

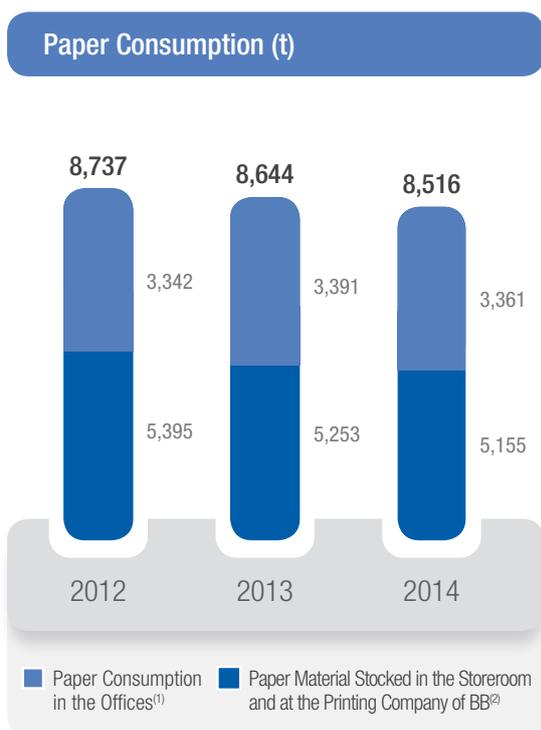


Diesel Oil Consumption by Type (liters)	2012	2013	2014
Diesel	641,312	368,931	333,168
S10 Diesel	-	473,544	291,115
Total	641,312	842,476	624,283

Materials GRI G4-EN1 | G4-EN2

Consumption of materials at BB establishes socioenvironmental criteria for purchasing a range of items. In 2014 BB initiated its Logistics Efficiency Project with the aim of implementing a materials storage and distribution model to be shared with other banks. This initiative leads to gains in logistics, lower inventories and the optimization of the materials tracking process, in addition to lower acquisition costs from delivery to a single location.

BB offers a service for electronic delivery of registered bills for collection, known as Authorized Direct Debit (DDA). Launched in 2009, DDA is gradually replacing printed bills for collection with digital ones. The system currently has 6.7 million registered customers, and issued 383 million electronic payment slips annually. It is estimated that this volume mitigates greenhouse gas emissions of around 20,000 tCO₂e.



Paper | Cerflor or Forest Stewardship Council (FSC) Certification is required, vouching for the fact that the cellulose bleaching process is chlorine-free. Materials made from recycled paper are also purchased, for example, brown envelopes, cardboard boxes and filing folders, which totaled 865 tons in 2014, accounting for 10.2% of the total Paper is the main material consumed by BB, with expenses amounting to R\$56.7 million.

Plastics | In the case of items made of plastic, the material must be oxy-biodegradable, recyclable and atoxic.

Furniture | All wooden components must have Cerflor or FSC custody chain certification vouching for the origin of the material and sustainable stewardship.

THE LOGISTICS EFFICIENCY PROJECT INITIATED IN 2014 WILL ALLOW FOR STORAGE AND DISTRIBUTION OF MATERIALS SHARED WITH OTHER BANKS, LEADING TO GAINS IN LOGISTICS, BETTER TRACEABILITY AND LOWER COSTS

Waste [GRI G4-EN23 | G4-DMA Effluents and waste | G4-DMA Products e services | GRI G4-DMA Compliance](#)

The Selective Collection Program, created in 2008, consists of initiatives for managing non-hazardous recyclable solid waste generated on the Bank's premises and forwarded for recycling. On those premises where the initiative is in progress, BB merely formalizes the contract with property cleaning and conservation companies that provide selective collection, so as to guarantee the effectiveness of the program. Currently implemented at over one thousand premises across Brazil, selective collective is being expanded as part of the BB Agenda 21 actions to all premises in Brazilian municipalities with organizations eligible for accreditation in accordance with Decree No. 5,940/2006, or in those capable of environmentally correct disposal of recyclable waste, in accordance with public policies and applicable current legislation.

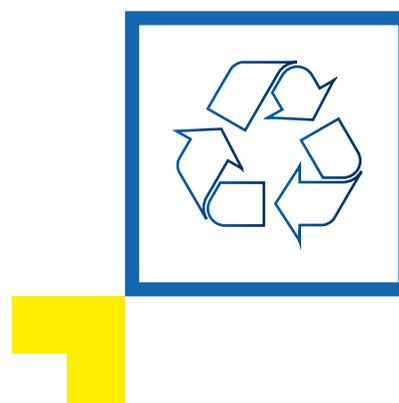
Among the good practices adopted by BB, worthy or mention is the Cartridge and Toner Reconditioning Program (Prorec) covering 100% of black-and-white toner cartridges.

Waste under the BB Selective Collection Program in 2014, by Type (t)	
Paper	18,284.7
Plastic	498.13
Metal	32.93
Glass	4.53
Total	18,820.26

Cartridge and Toner Reconditioning Program (Prorec – units)	2012	2013	2014
Total Consumed	103,263	106,371	110,517
Volume Reconditioned	99,651	102,867	107,178
Percentage Reconditioned ⁽¹⁾	96.5	96.7	97.0

(1) The percentage informed is the result of comparing the consumption of reconditioned toner cartridges and the total toner cartridges consumed during the period.

18,800 TONS
of waste were recycled
under the BB Selective
Collection Process in 2014



GRI G4-EN23

Up to July 2014 BB had 109,826 used empty cartridges and cylinders in its storeroom that are not part of the program (colored cartridges or those of printers already replaced). These were commercialized under an administrative auction in August involving Brazilian reconditioning companies. The invitation to tender contained a specific clause regarding the environmentally correct disposal of this waste. Bearing in mind the average weight of an empty cartridge and the estimate that 50% of them are reused by reconditioning services, it is expected that 88 tons are destined for reuse, and an equal amount for recycling.

BB employs a Solid Waste Management System that uses a series of methodologies for integrated management of the impact of supplying goods and engineering. The purpose goes beyond waste reduction and the elimination of wastage, seeking to take advantage of the production cycle in order to reduce operating costs and the impact on the environment. For this reason, the consumption of inputs and the disposal of the waste generated by the BB's production processes are monitored, systematically assessed and documented.

In the case of supplies of furniture, equipment for use and fixtures and fittings, the BB's invitations to tender require the removal of packaging after installation or assembly, so that they are properly disposed of in accordance with Law No. 12,305/2010. No-break batteries, waste diesel oil and cooling liquid from the Capital Digital Datacenter are sent for recycling and disposal in compliance with environmental standards.

One of the new departures in 2014 was the requirement that new self-service terminals replace the polyurethane on the front panels with ABS (acrylonitrile butadiene styrene), which is recyclable. The panels must also be modular, permitting partial replacement in case of breakage or changes to components. Installation should begin in 2015, with significant impacts expected on waste generation, bearing in mind that the Bank has approximately 44,000 own ATMs.

» ÁGUA BRASIL (BRAZIL WATER) PROGRAM

Transversely related to the Sustainability Plan – BB Agenda 21, the Brazil Water Program is the result of a partnership between BB, the National Waters Agency (ANA), FBB and WWF Brasil, and its focus is on the development of sustainable methods of production in the countryside, together with society. The objectives of this initiative consist of the conservation of seven micro water basins representing the Brazilian biomes through sustainable agriculture; encouraging a change in behavior and values with regard to urban solid waste in five cities of different sizes in different regions; dissemination of models and best practices involving water resources; enhancing socioenvironmental criteria in BB's financing transactions and investments; and improvements to the business models and the portfolios of products and services.

The program is structured on four fronts – Socioenvironmental Projects (Water and Agriculture | Sustainable Cities), Risk Mitigation, Sustainable Businesses and Communication and Engagement – and the principal initiatives for each of these in 2014 are described below. In 2014 Brazil Water was chosen to take part in the 3rd edition of the publication *Sustainable Management in Agriculture* which was made available by the Ministry of Agriculture, Farming and Supply (MAPA) on its site. The initiative was also considered the highlight among BB's sustainability practices, and led to the Bank being awarded, for the second year running, the *Época* magazine Green Company Award (published by Editora Globo). To get to know the Program better, its structure, partners and activities, access www.bb.com.br/aguabrasil. On the blog www.blogaguabrasil.com.br, one can accompany the facts and events in the locations served, as well as local and national engagement actions.

Socioenvironmental Projects – Water and Agriculture | 100,000 saplings were planted in four micro basins, while social technologies of FBB were also implemented (including biodigester septic tanks, cisterns, mini dams and seed houses) while 600 meters of the peri-urban stretch of the Santa Rosa water channel in the State of Acre were unblocked. Also, exemplary units of good farming practices were set up in the water ba-

sins of the rivers Guariroba (MS), Pipiripau (DF), Peruaçu (MG) and Longá (PI) and payments made for environmental services in the Cancã/Moinho (SP), Pipiripau (DF) and Guariroba (MS) water basins in support of the Water Producer Program of the ANA.

Socioenvironmental Projects – Sustainable Cities |

This included the formal establishment of the Catapiri Waste Pickers Association in Pirenópolis (GO), with the local city hall making payment for environmental services (PSA) to the waste pickers during the Cavalhadas, a traditional cultural event in the region involving horse-riding skills. In Rio Branco, the capital of Acre, a Municipal Integrated Solid Waste Management Plan was drawn up. In addition, the State of Acre, like the city of Natal, in the State of Rio Grande do Norte, had its environmental footprint calculated. Actions were also taken involving mobilization and educommunication regarding responsible consumption, while organizational and economic advisory services were provided to cooperatives in the cities served by the program.

Risk Mitigation | The BB Sustainability Directives on Loans were published for the Transport and Oil & Gas sectors. Also, the directives for the Irrigated Agriculture and Pulp and Paper sectors were debated by specialists and stakeholders at an event in the São Paulo state capital. The Program also put on the workshop, Paths to Integration, with representative of financial institutions, and held a workshop with BB executives and analysts to discuss the methodology, The 2050 Criteria Report – a Guide to Responsible Financing of Farm, Forestry and Marine Commodities, extensively used by consultants and non-governmental organizations and increasingly adopted by banks and investors when analyzing agribusiness. This period also saw the publication of an academic study, in Portuguese, entitled *Políticas Públicas para o Setor Financeiro que Promovam a Conservação do Capital Natural no Setor Agropecuário: Brasil, da Rio-92 à Rio+20 com uma Visão Prospectiva da Rio+50*, at the 37th Edition of the FEBRABAN *Coffee and Sustainability* event, as well as the guidebook on *Environmental, Social and Governance Integration for Banks:*

a Guide to Starting Implementation, by WWF International, with the support of Credit Suisse.

Sustainable Businesses | Water Brazil organized the workshop on Climate Change, Risks and Opportunities, so as to engage the BB internal stakeholders on this topic, its social, environmental and economic impacts, its implications for the financial industry and the role of the banks in this transition.

Communication | The actions were concentrated around environmental commemorative dates. On World Water Day, an awareness campaign involved internal and external stakeholders, including a promotional initiative for employees. The BB Concept Space in Brasília put on educational workshops for children. In São Paulo, the Water Brazil Program was presented as a successful case study at the Water Forum: Strategic Management in the Business Sector, organized by the Business Council for Sustainable Development – Brazil (CEBDS). BB Volunteers were invited to plant seeds. To celebrate World Environment Day, an internet campaign was launched to provide tips on how to adopt sustainable habits. Internally, BB engaged in actions to mobilize its employees. International Volunteer Service Day, in turn, was noted for a campaign on Facebook. Users were invited to like the campaign page and share cards. With every click, a tree would be planted by the program up to a limit of 10,000 saplings in two water basins where the Brazil Water program operates.





Awards and Recognitions

BB figured for the third consecutive year on the portfolio of the Dow Jones Sustainability Index (DJSI) prepared by the New York Stock Exchange. It was also chosen to comprise the new Dow Jones Emerging Markets Sustainability Index that monitors the performance of the top companies in terms of sustainability in 20 developing countries.

For the 10th consecutive year, BB comprises the portfolio of the Corporate Sustainability Index (ISE) of the BM&FBOVESPA.

At the awards for The Most Conscientious Companies in Brazil, organized by *IstoÉ* magazine, BB was recognized as the leader in People Management.

BB also received an award from US institute Ethisphere, as one of the world's most ethical countries in 2014.

The Top Employer certification acknowledged BB as one of Brazil's five best employers.

On the people management practices index (IGov Pessoas) of the Federal Accounting Court, BB received the best appraisal within the segment.

BB took 2nd place in the Banks category and 12th in the general ranking of the list of The Companies with the Greatest Prestige, published by the *Época Negócios* magazine.

Confirming its efficiency in managing greenhouse gas (GHG) emissions, BB remained on the listing of the Carbon Efficient Index (ICO2) of the BM&FBOVESPA.

In the ranking of the Most Loved Companies in Brazil 2014, prepared by the *Consumidor Moderno* magazine, BB took 2nd place in the Banks category.

BB headed up the Rural Credit category of the 2014 Rural Top of Mind Rural 2014 published *Rural* magazine.

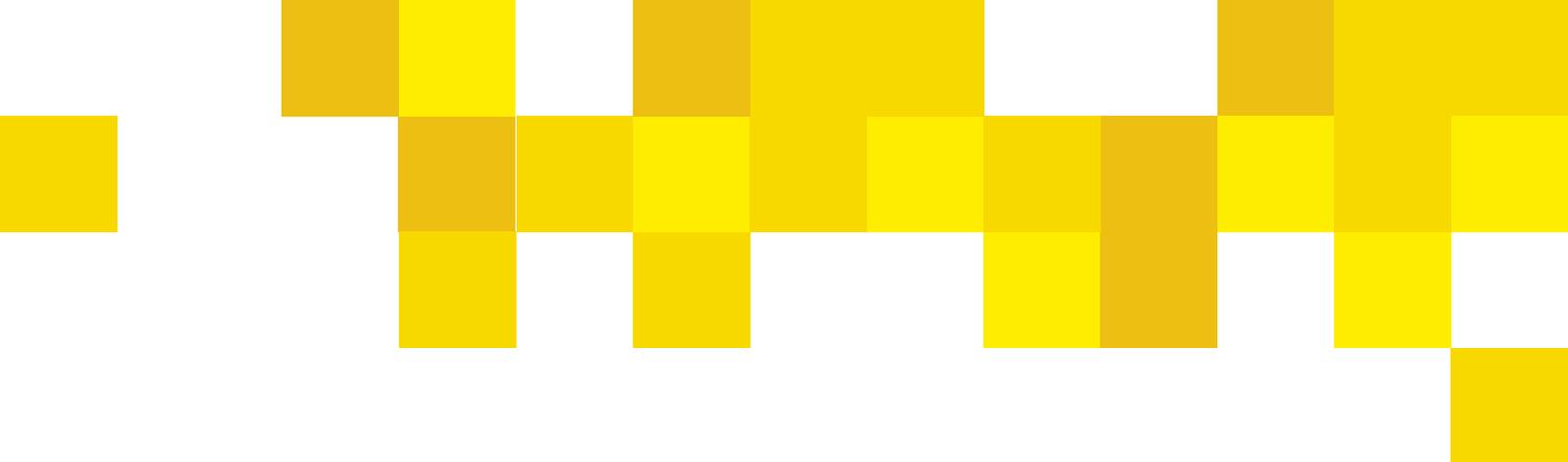
The BB Customer Service Unit (SAC) received the CÍC Brasil Award from *Customer SA* magazine, in the Best Multi-Channel Service category.

BB was the highlight among the world's most sustainable financial institutions in *The Sustainability Yearbook*, by Robeco SAM, the organization responsible for the Dow Jones Sustainability Index selection process.

According to a survey by *Forbes* Magazine, BB is Brazil's 4th largest company and 104th largest in the world.

According to *Fortune* magazine's ranking of the World's 500 Largest Companies, BB was 2nd in Brazil and 125th in the overall classification.

BB was voted Company of the Year and was the winner in the Banks category of the As Melhores da Dinheiro (The Best in Money) Award 2014, of *IstoÉ Dinheiro* magazine.



For the fourth consecutive year, BB was acknowledged as one of the Companies that Best Communicates with Journalists, by *Negócios da Comunicação* magazine.

Once again on the list of The Best Companies to Work For (*Guia Você S/A* magazine), BB took 2nd spot in the Public Institutions category, with 68.0 points.

For the 24th consecutive year, BB was awarded Top of Mind by Instituto DataFolha, as one of Brazil's most remembered brands.

BB was also on the Newsweek Green Ranking, a bi-annual survey by US magazine *Newsweek* about the best environmental performances.

BB was listed among The 150 Best Companies in people Management Practices, by *Gestão RH* magazine.

UniBB received the 2014 EduCorp Award for the Best Corporate Education Program, from the Human Resources Academy.

BB was in the spotlight at the 2014 Learning & Performance Brazil Award for the Best Expanded Corporate University, from the Brazilian Association of Human Resources (ABRH) with MicroPower.

Since 2012 BB has been among the winners of the Green Company Award from of the *Época* Magazine, published by the Globo publishing house.

IBB is listed on the national and world rankings of Social

Bankers among companies with best management on social networks.

The Internal Ombudsman of BB was acknowledged as one of the 10 best entities of its kind in Brazil, having been awarded the Ombudsmen Brazil Award by *Consumidor Moderno* magazine, a joint initiative with the Brazilian Associations of Ombudsmen (ABO) and Business-Customer Relations (ABRAREC).

The oversight and control practices regarding entities sponsored by BB were recognized by the Federal Accounting Court for their compliance with Supplementary Law No. 108/2001.

The web-based Pronaf was deservedly awarded the XXIII E-Finance Award 2014, in the Internet Banking category.

BB received a mention as a Company of Note in Corporate Education in the Top 5 of publishers Fênix.

Business Friend of Sport Award from the Ministry of Sport in the following categories: 1st place in Investment in the State of Sergipe; 2nd place as the Best Friend of Participation Sports; and 3rd place in Investment in the State of São Paulo.

At the XXII Plenary Meeting of the National Anti-Corruption and Anti-Money Laundering Strategy (ENCCLA 2014), a meeting that brought together over 60 public and private bodies and entities, BB received public acknowledgment for its significant contribution on this issue.

Social Balance Sheet

IBASE + NBCT 15

1. Calculation Base	2013 (R\$ thousands)				2014 (R\$ thousands)			
Net Income (NI) ⁽¹⁾	28,365,779				29,501,452			
Operating Income (OI)	14,619,939				17,833,988			
Gross Payroll (GP) ⁽¹⁾⁽²⁾	18,401,095				19,499,684			
Total Value Added (TVA) ⁽¹⁾	52,697,586				47,865,759			
2. Internal Social Indicators	R\$ thousand	over GP %	over NI %	over TVA %	R\$ thousand	over GP %	over NI %	over TVA %
Meals	1,262,454	6.9	4.5	2.4	1,357,855	7.0	4.6	2.8
Mandatory Social Charges	3,106,996	16.9	11.0	5.9	3,358,169	17.2	11.4	7.0
Private Pension Scheme	1,835,959	10.0	6.5	3.5	1,320,226	6.8	4.5	2.8
Health	970,181	5.3	3.4	1.8	1,013,570	5.2	3.4	2.1
Occupational Health and Safety	67,151	0.4	0.2	0.1	76,796	0.4	0.3	0.2
Education ⁽³⁾	16,900	0.1	0.1	0.0	29,012	0.1	0.1	0.1
Culture ⁽⁴⁾	0	0.0	0.0	0.0	19,657	0.1	0.1	0.0
Training and professional development	74,800	0.4	0.3	0.1	108,798	0.6	0.4	0.2
Daycare and Daycare Allowances	95,806	0.5	0.3	0.2	105,268	0.5	0.4	0.2
Allowances for children with disabilities	2,192	0.0	0.0	0.0	2,274	0.0	0.0	0.0
Transportation	31,612	0.2	0.1	0.1	17,510	0.1	0.1	0.0
Profit-Sharing	2,204,278	12.0	7.8	4.2	1,622,845	8.3	5.5	3.4
Others	175,127	1.0	0.6	0.3	150,571	0.8	0.5	0.3
PAS	3,920	0.0	0.0	0.0	4,747	0.0	0.0	0.0
Dental Plan	27,283	0.1	0.1	0.1	27,044	0.1	0.1	0.1
Apprenticeship Program	76,923	0.4	0.3	0.1	30,317	0.2	0.1	0.1
Internship Program	67,001	0.4	0.2	0.1	88,463	0.5	0.3	0.2
Total – Internal Social Indicators	9,841,264	53.5	34.7	18.7	9,182,551	47.1	31.1	19.2

3. External Social Indicators	R\$ thousand	over GP %	over NI %	over TVA %	R\$ thousand	over GP %	over NI %	over TVA %
Education	16,362	0.1	0.1	0.0	16,098	0.1	0.1	0.0
Culture	41,919	0.2	0.1	0.1	48,205	0.2	0.2	0.1
Health and Sanitation	3,444	0.0	0.0	0.0	534	0.0	0.0	0.0
Sport	89,887	0.5	0.3	0.2	111,274	0.6	0.4	0.2
Hunger and Food Safety Campaign	76,758	0.4	0.3	0.1	6,432	0.0	0.0	0.0
Creation of Jobs and Income	105,128	0.6	0.4	0.2	75,786	0.4	0.3	0.2
Others	24,105	0.1	0.1	0.0	8,734	0.0	0.0	0.0
BB Program for Donating Computers ⁽⁵⁾	2,698	0.0	0.0	0.0	1,451	0.0	0.0	0.0
Science and Technology	1,896	0.0	0.0	0.0	771	0.0	0.0	0.0
BB Volunteer Service Project (FIA + Fundação Banco do Brasil – FBB) ⁽⁶⁾	19,511	0.1	0.1	0.0	6,512	0.0	0.0	0.0
Total Contributions to Society	357,603	1.9	1.3	0.7	267,063	1.4	0.9	0.6
Taxes (Excluding Social Charges) ⁽¹⁾	2,886,513	15.7	10.2	5.5	332,627	1.7	1.1	0.7
Total – External Social Indicators	3,244,116	17.6	11.4	6.2	599,690	3.1	2.0	1.3
4. Environmental Indicators	R\$ thousand	over GP %	over NI %	over TVA %	R\$ thousand	over GP %	over NI %	over TVA %
GRI G4-EN31								
4.1 - Investments Related to the Production/Operation of the Company	109,366	0.6	0.4	0.2	301,253	1.5	1.0	0.6
Land Expropriation	0	0.0	0.0	0.0		0.0	0.0	0.0
Liabilities and Environmental Contingencies	0	0.0	0.0	0.0		0.0	0.0	0.0
Technological and Industrial Development Program	88,014	0.5	0.3	0.2	279,577	1.4	0.9	0.6

Energy Conservation	0	0.0	0.0	0.0		0.0	0.0	0.0
Environmental Education	0	0.0	0.0	0.0		0.0	0.0	0.0
Sectorial Indicator	0	0.0	0.0	0.0		0.0	0.0	0.0
Others	21,352	0.1	0.1	0.0	21,676	0.1	0.1	0.0
Investment in the Cartridge Remanufacturing Program	21,243	0.1	0.1	0.0	21,640	0.1	0.1	0.0
Internal Environmental Audit	21	0.0	0.0	0.0	20	0.0	0.0	0.0
Internal Environmental Consultancy	88	0.0	0.0	0.0	16	0.0	0.0	0.0
4.2 - Investments in External Programs and/or Projects GRI G4-EN31	9,826	0.1	0.0	0.0	24,044	0.1	0.1	0.1
Environmental Education Projects in Communities ⁽⁷⁾	0	0.0	0.0	0.0		0.0	0.0	0.0
Preservation and/or Recuperation of Degraded Environments ⁽⁸⁾	2,142	0.0	0.0	0.0	18,044	0.1	0.1	0.0
Others ⁽⁹⁾	7,684	0.0	0.0	0.0	6,000	0.0	0.0	0.0
Total Investments in External Programs and/or Projects (4.1 + 4.2)	119,192	0.6	0.4	0.2	325,297	1.7	1.1	0.7
5. Staff Indicators	2013 – in units				2014 – in units			
Number of Employees at the End of the Period	112,216				111,628			
Number of Admissions During the Period GRI G4-LA1	3,733				3,369			
Number of Dismissals During the Period	5,426				3,748			
Number of Outsourced Employees GRI G4-10	41,758				40,340			
Number of Interns	5,558				5,303			
Number of Apprentices	3,797				4,644			
Number of Employees over the Age of 45 years	35,003				35,945			
Number of Employees by Age Group:								
Up to 25 Years of Age	5,268				4,201			
From 26 to 35 Years of Age	41,574				39,691			

From 36 to 45 Years of Age	30,371	31,791
Over 45 Years of Age	35,003	35,945
Number of Employees by Education Level:		
No Formal Education	58	11
Elementary School	370	374
High School/ Technical College	26,426	24,956
Higher Education	51,568	49,772
Graduates (Enhancement)	109	129
Graduates (Specialization, Masters and Doctorates)	33,685	36,386
Number of Women Working at the Company	46,580	46,364
Percentage of Managerial Positions Occupied by Women	35.2	35.1
Number of Men Working at the Company	65,636	65,264
Percentage of Managerial Positions Occupied by Men	64.8	64.9
Number of Afro- Descendants, Brown- Skinned People or Indians Working at the Company	26,851	24,071
Number of Afro- Descendants, Brown- Skinned People or Indians Holding Managerial Positions	7,860	7,283
Number of Handicapped Employees of Those with Special Needs	1,038	1,319
Gross Compensation (before payroll charges) Broken Down by:	R\$9,513,567,577	R\$10,241,641,484
Employees	R\$9,488,793,381	R\$10,212,691,598
Managers (Board of Directors, Auditors and Officers)	R\$24,774,196	R\$28,949,887
Difference between the Lowest Salary Paid by the Company and the Minimum Salary (national or regional)		
Difference between the Lowest Salary Paid by the Company and the Minimum Salary	R\$1,365	R\$1,503

6. Relevant Corporate Citizenship Information	2013	2014
Ratio of Highest to Lowest Salary at the Company	16,8	16,7
Total Number of Work Accidents	1,327	1,278
Social and Environmental Projects Developed by the Company Were Defined by:	(x) Officers () Officers and Managers () All Employees	(x) Officers () Officers and Managers () All Employees
Safety and Health Standards in the Workplace Were Defined by:	(x) Officers and Managers () All Employees () Everyone + CIPA	(x) Officers and Managers () All Employees () Everyone + CIPA
With Regard to Labor Unions, Right for Collective Bargaining and Internal Representation of Workers, the Company:	() does not get involved () abides by ILO rules (x) encourages and abides by the ILO	() does not get involved () abides by ILO rules (x) encourages and abides by the ILO
The Private Pension Plan Covers:	() Officers () Officers and Managers (x) All Employees	() Officers () Officers and Managers (x) All Employees
Profit Sharing Covers	() Officers () Officers and Managers (x) All Employees	() Officers () Officers and Managers (x) All Employees
When Choosing Suppliers, the Same Standards of Ethics and of Social and Environmental Responsibility Adopted by the Company:	() are not taken into account () are suggested (x) are required	() are not taken into account () are suggested (x) are required
Regarding Employee Participation in Voluntary Work Programs, the Company:	() does not get involved () supports (x) organizes and encourages	() does not get involved () supports (x) organizes and encourages
Total Number of Consumer Complaints and Criticisms ⁽¹⁰⁾ :	At the company: 16,933	At the company: 19,980
	With the CPO: 13,092	With the CPO: 10,256
	In the courts: 54,969	In the courts: 53,574
Percentage of Complaints and Criticisms Addressed or Resolved:	At the company: 100%	At the company: 100%
	With the CPO: 100%	At the company: 100%
Actions Taken by the Company to Remedy or Minimize the Causes of the Complaints:	Transformation and Awareness of Employees in Customer Service.	Participation in strategic forums, closer relations with regulatory and consumer protection bodies and the review of processes in order to speed up the solutions to customers' demands.
Total Value Added to be Distributed (in thousands of R\$):	49,051,040	43,798,382
Distribution of Value Added:	% of the total	% of the total
Government	26.8%	25,8%
Employees	37.1%	42,2%
Shareholders	12.9%	10,5%
Contractors	2.3%	3,0%
Retentions	21.0%	18%

7 – Other information

Banco do Brasil S/A – Brasília (DF) – CNPJ: 00.000.000/0001-91

For clarifications about the information presented ri@bb.com.br.

This company does not employ child or forced labor, has no involvement with prostitution or sexual exploitation of children and adolescents and is not involved in corruption. Our company prizes and respects internal and external diversity.

The Social balance Sheet was suggested by KPMG Auditores Independentes S.A. and the assurance report is published in the 2014 Annual Report.

Notes:

(1) 2013 amount rectified in accordance with the Financial Statements.

(2) Amount represents personnel expenses.

(3) Expenditures on full-time education at all levels, education reimbursements, scholarships, magazine subscriptions, library expenses (excluding personnel) and other education expenses.

(4) Refers to Culture Vouchers, a benefit extended to an average of 35,000 employees who opted in 2014.

(5) In 2013 this refers to 20,121 microcomputers with an average tag of R\$134.07.

(6) Amount rectified in 2013, referring to 255 projects. In 2014, represents the sum of the amounts earmarked/transferred under the BB FBB Voluntary Work Project by FBB (does not include amounts earmarked/transferred by Instituto Cooperforte), and the BB FIA Volunteers Project (does not include amounts earmarked/transferred by BB DTVM and Brasilcap).

(7) The amounts spent on environmental education are diluted in item 3 – External Social Indicators – Education.

(8) In 2013 this refers to the São Bartolomeu River Project. In 2014, the amounts invested in environmental education are concentrated in the Brazil Water Program.

(9) Refers to transfers by BB to the WWF-Brazil and Fundação Banco do Brasil (FBB) to engage in actions under the Brazil Water Program.

(10) Includes information filed with the company's External Ombudsman and the courts.

(*) Amount of Gross Value Added shown in the Statement of Value Added (DVA). 2013 amount rectified in accordance with the Financial Statements.

Corporate Information

COMPOSITION OF THE STATUTORY BOARDS OF BANCO DO BRASIL ON APRIL 20, 2015

Board of Directors

TARCÍSIO JOSÉ MASSOTE DE GODOY (Chairman)
ADRIANA QUEIROZ DE CARVALHO (Deputy Chairman)
ALEXANDRE CORRÊA ABREU
BERNARDO GOUTHIER MACEDO
ELVIO LIMA GASPAR
RAFAEL VIEIRA DE MATOS
SÉRGIO EDUARDO ARBULU MENDONÇA

Internal Audit

RUDINEI DOS SANTOS

Board of Auditors

ALDO CÉSAR BRAIDO
AUGUSTO CARNEIRO DE OLIVEIRA FILHO
MARCOS MACHADO GUIMARÃES
PAULO JOSÉ DOS REIS SOUZA

Board of Officers

ALEXANDRE CORRÊA ABREU
ANTONIO MAURICIO MAURANO
ANTÔNIO VALMIR CAMPELO BEZERRA
CÉSAR AUGUSTO RABELLO BORGES
GERALDO AFONSO DEZENA DA SILVA
JOSÉ MAURÍCIO PEREIRA COELHO
OSMAR FERNANDES DIAS
PAULO ROBERTO LOPES RICCI
RAUL FRANCISCO MOREIRA
WALTER MALIENI JÚNIOR

Audit Committee

EGÍDIO OTMAR AMES
ANTÔNIO CARLOS CORREIA
ELVIO LIMA GASPAR

Remuneration Committee

PAULO ROBERTO LOPES RICCI
EGÍDIO OTMAR AMES
SÉRGIO EDUARDO ARBULU MENDONÇA

Directors

ADILSON DO NASCIMENTO ANISIO

ADMILSON MONTEIRO GARCIA

ADRIANO MEIRA RICCI

ANTONIO PEDRO DA SILVA MACHADO

CARLOS ALBERTO ARAUJO NETTO

CARLOS EDUARDO LEAL NERI

CARLOS ROBERTO CAFARELI

CLENIO SEVERIO TERIBELE

EDMAR JOSÉ CASALATINA

EDSON ROGÉRIO DA COSTA

EDUARDO CÉSAR PASA

GUSTAVO DE FARIA BARROS

HAMILTON RODRIGUES DA SILVA

IVES CÉZAR FÜLBER

JANIO CARLOS ENDO MACEDO

JOSÉ CARLOS REIS DA SILVA

LEONARDO SILVA DE LOYOLA REIS

LUÍS ANICETO SILVA CAVICCHIOLI

LUIZ HENRIQUE GUIMARÃES DE FREITAS

MARCO ANTONIO ASCOLI MASTROENI

MARCOS RICARDO LOT

NILSON MARTINIANO MOREIRA

ROGÉRIO MAGNO PANCA

SANDRO JOSÉ FRANCO

SANDRO KOHLER MARCONDES

SIMÃO LUIZ KOVALSKI

TARCÍSIO HÜBNER

Corporate Information

COMPOSITION OF THE STATUTORY BOARDS OF BANCO DO BRASIL ON DECEMBER 31, 2014

Board of Directors

[VACANT] (Chairman)

ADRIANA QUEIROZ DE CARVALHO (Deputy Chairman)

ALDEMIR BENDINE

BERNARDO GOUTHIER MACEDO

ELVIO LIMA GASPAR

HENRIQUE JÄGER

RAFAEL VIEIRA DE MATOS

SÉRGIO EDUARDO ARBULU MENDONÇA

Internal Audit

RUDINEI DOS SANTOS

Board of Auditors

ALDO CÉSAR BRAIDO

AUGUSTO CARNEIRO DE OLIVEIRA FILHO

MARCOS MACHADO GUIMARÃES

PAULO JOSÉ DOS REIS SOUZA

Board of Officers

ALDEMIR BENDINE

ALEXANDRE CORRÊA ABREU

ANTONIO MAURICIO MAURANO

ANTÔNIO VALMIR CAMPELO BEZERRA

GERALDO AFONSO DEZENA DA SILVA

IVAN DE SOUZA MONTEIRO

OSMAR FERNANDES DIAS

PAULO ROBERTO LOPES RICCI

ROBSON ROCHA

WALTER MALIENI JÚNIOR

Audit Committee

EGÍDIO OTMAR AMES

ANTÔNIO CARLOS CORREIA

ELVIO LIMA GASPAR

HENRIQUE JÄGER

Remuneration Committee

ROBSON ROCHA

EGÍDIO OTMAR AMES

HENRIQUE JÄGER

SÉRGIO EDUARDO ARBULU MENDONÇA

Directors

ADILSON DO NASCIMENTO ANISIO

ADMILSON MONTEIRO GARCIA

ADRIANO MEIRA RICCI

ANTONIO PEDRO DA SILVA MACHADO

CARLOS ALBERTO ARAUJO NETTO

CARLOS EDUARDO LEAL NERI

CARLOS ROBERTO CAFARELI

CLENIO SEVERIO TERIBELE

EDMAR JOSÉ CASALATINA

EDSON ROGÉRIO DA COSTA

GUEITIRO MATSUO GENSO

HAMILTON RODRIGUES DA SILVA

IVES CÉZAR FÜLBER

JANIO CARLOS ENDO MACEDO

JOSÉ CARLOS REIS DA SILVA

JOSÉ MAURICIO PEREIRA COELHO

LUÍS ANICETO SILVA CAVICCHIOLI

LUIZ HENRIQUE GUIMARÃES DE FREITAS

MARCELO AUGUSTO DUTRA LABUTO

MARCO ANTONIO ASCOLI MASTROENI

MARCOS RICARDO LOT

NILSON MARTINIANO MOREIRA

RAUL FRANCISCO MOREIRA

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SÉRGIO PERES

GRI G4-5

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GRI G4 Content Index

GRI G4-32

'IN ACCORDANCE' – COMPREHENSIVE				
General Standard Disclosures				
General Standard Disclosures	Pages	Omissions	External Assurance	Global Compact (Principle)
Strategy and analysis				
G4-1	12 to 13	-	Yes, 194 to 196	
G4-2	29, 35 to 36, 52 and 57	-	Yes, 194 to 196	
Organizational Profile				
G4-3	15	-	Yes, 194 to 196	
G4-4	18	-	Yes, 194 to 196	
G4-5	173	-	Yes, 194 to 196	
G4-6	19 to 21	-	Yes, 194 to 196	
G4-7	15 and 25	-	Yes, 194 to 196	
G4-8	15	-	Yes, 194 to 196	
G4-9	8 to 11 and 15 See also: 1. 2014 Financial Statements. 2. 2014 Development Analysis, item 10.3 International Business.	-	Yes, 194 to 196	
G4-10	112 to 113 and 166	-	Yes, 194 to 196	6
G4-11	122	-	Yes, 194 to 196	3

General Standard Disclosures	Pages	Omissions	External Assurance	Global Compact (Principle)
G4-12	130 to 132	-	Yes, 194 to 196	
G4-13	70 and 123	-	Yes, 194 to 196	
G4-14	35 to 36 and 49 to 51	-	Yes, 194 to 196	
G4-15	29	-	Yes, 194 to 196	
G4-16	29 and 147	-	Yes, 194 to 196	
Identified Material Aspects and Boundaries				
G4-17	2 See also Note 3 to the 2014 Financial Statements.	-	Yes, 194 to 196	
G4-18	2 to 5	-	Yes, 194 to 196	
G4-19	2 to 5	-	Yes, 194 to 196	
G4-20	2 to 5	-	Yes, 194 to 196	
G4-21	2 to 5	-	Yes, 194 to 196	
G4-22	2	-	Yes, 194 to 196	
G4-23	2 to 5	-	Yes, 194 to 196	
Stakeholder Engagement				
G4-24	4	-	Yes, 194 to 196	
G4-25	4	-	Yes, 194 to 196	
G4-26	2 to 5	-	Yes, 194 to 196	
G4-27	2 to 5	-	Yes, 194 to 196	

General Standard Disclosures	Pages	Omissions	External Assurance	Global Compact (Principle)
Report Profile				
G4-28	2 to 5	-	Yes, 194 to 196	
G4-29	apr/14	-	Yes, 194 to 196	
G4-30	2	-	Yes, 194 to 196	
G4-31	4	-	Yes, 194 to 196	
G4-32	2 and 174	-	Yes, 194 to 196	
G4-33	2	-	Yes, 194 to 196	
Governance				
G4-34	25 to 28	-	Yes, 194 to 196	
G4-35	28	-	Yes, 194 to 196	
G4-36	28 and 32	-	Yes, 194 to 196	
G4-37	27	-	Yes, 194 to 196	
G4-38	27 and 28	-	Yes, 194 to 196	
G4-39	27	-	Yes, 194 to 196	
G4-40	27	-	Yes, 194 to 196	
G4-41	25	-	Yes, 194 to 196	
G4-42	27	-	Yes, 194 to 196	
G4-43	29, 32 to 33	-	Yes, 194 to 196	

General Standard Disclosures	Pages	Omissions	External Assurance	Global Compact (Principle)
G4-44	25	-	Yes, 194 to 196	
G4-45	27 to 29 and 35	-	Yes, 194 to 196	
G4-46	27 to 29 and 35 to 36	-	Yes, 194 to 196	
G4-47	29	-	Yes, 194 to 196	
G4-48	32 to 33	-	Yes, 194 to 196	
G4-49	27, 32 to 33	-	Yes, 194 to 196	
G4-50	27 and 32	-	Yes, 194 to 196	
G4-51	27, 28 and 33	-	Yes, 194 to 196	
G4-52	27, 28, 33 and 116	-	Yes, 194 to 196	
G4-53	26 and 33	-	Yes, 194 to 196	
G4-54	The proportion of remuneration in 9.8. Data source: Financial Statements page 136.	-	Yes, 194 to 196	
G4-55	The proportion of the percentage increase in remuneration is 0.97. Data source: Financial Statements, page 136.	-	Yes, 194 to 196	
Ethics and Integrity				
G4-56	25, 38 to 40, 44	-	Yes, 194 to 196	10
G4-57	39	-	Yes, 194 to 196	10
G4-58	39	-	Yes, 194 to 196	10

"IN ACCORDANCE" – COMPREHENSIVE					
Specific Standard Disclosures					
Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Category: Economic					
Economic Performance	G4-DMA	43, 92, 118 and 142		No	-
	G4-EC1	77, 164 to 165 and Financial Statements.		Yes, 194 to 196	-
	G4-EC2	89 to 92 and 149		Yes, 194 to 196	7
	G4-EC3	118		No	-
	G4-EC4	15 and 142 to 143 and Note 24 of the Financial Statements, item K.	Currently unavailable. Monetary value missing. Operational restrictions currently make it impossible to consolidate this information.	No	-
Market Presence	G4-DMA	112		No	
	G4-EC5	116		No	6
	G4-EC6	27 and 112		No	6
Indirect Economic Impacts	G4-DMA	133 and 137		No	
	G4-EC7	46 to 47, 137, 140 and 142		Yes, 194 to 196	
	G4-EC8	46, 80, 137, 140 and 142		Yes, 194 to 196	

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Procurement Practices	G4-DMA	130		No	
	G4-EC9	130		Yes, 194 to 196	
Category: Environmental					
Materials	G4-DMA	57, 83, 130		No	
	G4-EN1	158		No	7 8
	G4-EN2	158		No	8
Energy	G4-DMA	33, 57, 90, 92 and 157		No	
	G4-EN3	157		Yes, 194 to 196	7 8
	G4-EN4	Not material.		No	8
	G4-EN5	157		No	8
	G4-EN6	157		Yes, 194 to 196	8 9
	G4-EN7	154		No	8 9
Water	G4-DMA	33, 52, 57, 78 and 148		No	
	G4-EN8	156		No	7 8
	G4-EN9	Not material.		No	8
	G4-EN10	Water is not reused.		No	8
Biodiversity	G4-DMA	Not material.		No	
	G4-EN11	Not material.		No	8
	G4-EN12	Not material.		No	8
	G4-EN13	Not material.		No	8
	G4-EN14	Not material.		No	8

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Emissions	G4-DMA	57, 87 and 148		No	
	G4-EN15	152		No	7 8
	G4-EN16	152		No	8
	G4-EN17	152		No	8
	G4-EN18	153		No	8
	G4-EN19	151 to 152		No	8 9
	G4-EN20	-	Not applicable. Emissions of ozone-depleting substances (ODS) are not significant.	No	7 8
G4-EN21	-	Not applicable. Other emissions, including Nox and Sox, are not significant.	No	7 8	
Effluents and Waste	G4-DMA	52, 57, 142, 154 and 159		No	
	G4-EN22	Not material.		No	8
	G4-EN23	159 to 160		Yes, 194 to 196	8
	G4-EN24	Not material.		No	8
	G4-EN25	Not material.		No	8
	G4-EN26	Not material.		No	8
Products and Services	G4-DMA	56, 57 and 159		No	
	G4-EN27	156		No	7 8 9
	G4-EN28	Not material.		No	8
Compliance	G4-DMA	155 and 159		No	
	G4-EN29	None.		No	8

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Transport	G4-DMA	149		No	
	G4-EN30	151 to 152		No	8
Overall	G4-DMA	149, 154 and 155		No	
	G4-EN31	90 to 91 and 165 to 166		Yes, 194 to 196	7 8 9
Supplier Environmental Assessment	G4-DMA	130		No	
	G4-EN32	130	Currently unavailable. Percentage on new suppliers selected, based on environmental criteria. This percentage will be informed by 2017, as the computerized system is currently in the set-up phase.	Yes, 194 to 196	8
	G4-EN33	132	Currently unavailable. The significant impacts and the number and percentage of suppliers associated with them are missing. The actions for their identification are on-going in 2015, as described on page 127, and the information will be available in 2016.	Yes, 194 to 196	8

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Environmental Grievance Mechanisms	G4-DMA	155 to 156		No	
	G4-EN34	None.		Yes, 194 to 196	8
Category: Social					
Sub-Category: Labor Practices and Decent Work					
Employment	G4-DMA	112, 116, 117, 127 and 128		No	
	G4-LA1	113 to 115 and 166	Currently unavailable. Changes in the data of average headcount during the year, to headcount at the end of the period and information broken down by gender, region and age group. The information will be included in the next report.	Yes, 194 to 196	6
	G4-LA2	116 and 117		No	
	G4-LA3	118		No	6

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Labor/ Management Relations	G4-DMA	123 and 128		No	
	G4-LA4	123		No	3
Occupational Health and Safety	G4-DMA	123 and 128		No	
	G4-LA5	123		Yes, 194 to 196	
	G4-LA6	125	Currently unavailable. Breakdown by gender/ Information broken down by gender will be included in the next report.	Yes, 194 to 196	
	G4-LA7	124		No	
	G4-LA8	122 to 123		Yes, 194 to 196	
	G4-LA9	126		Yes, 194 to 196	6
Training and Education	G4-DMA	48, 125 and 127		No	
	G4-LA9	126		Yes, 194 to 196	6
	G4-LA10	126		Yes, 194 to 196	
	G4-LA11	127 and 128		Yes, 194 to 196	

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Diversity and Equal Opportunity	G4-DMA	118 and 127		No	
	G4-LA12	119 and 121		Yes, 194 to 196	6
Equal Remuneration for Women and Men	G4-DMA	116, 117, 127 and 128		No	
	G4-LA13	122		Yes, 194 to 196	6
Supplier Assessment for Labor Practices	G4-DMA	130		No	
	G4-LA14	130 to 132	Currently unavailable. This percentage will be informed by 2017, as the computerized system is currently in the set-up phase.	Yes, 194 to 196	
	G4-LA15	130 to 132	Currently unavailable. The significant impacts and the number and percentage of suppliers associated with them are missing. The actions for identifying them are in progress in 2015, as described on page 127. The information will be made available in 2016.	Yes, 194 to 196	

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Labor Practices Grievance Mechanisms	G4-DMA	111		No	
	G4-LA16	See Note 28 to the Financial Statements.	Confidential information. Number of cases associated with the amount. The disclosure of this information is not strategic for business.	No	
Sub-Category: Human Rights					
Investment	G4-DMA	104		No	
	G4-HR1	All significant investment agreements contain clauses referring to human rights.		Yes, 194 to 196	2
	G4-HR2	127	Currently unavailable. Total number of hours of specific training in human rights and the percentage of staff trained. There are no records on human rights. This will not happen, as the topic is covered in more comprehensive training programs, such as Ethics. For example.	No	1

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Non-discrimination	G4-DMA	38 and 130		No	
	G4-HR3	During the year eight complaints of discrimination were filed with the Internal Ombudsman, three of which were considered as having grounds and for which the appropriate administrative measures were imposed. See page 5.		Yes, 194 to 196	6
Freedom of Association and Collective Bargaining	G4-DMA	122 and 130		No	
	G4-HR4	122 and 132		Yes, 194 to 196	3
Child Labor	G4-DMA	92 and 130		No	
	G4-HR5	132		Yes, 194 to 196	5
Forced or Compulsory Labor	G4-DMA	92 and 130		No	
	G4-HR6	132		Yes, 194 to 196	4
Security Practices	G4-DMA	130		No	
	G4-HR7	131		No	1
Indigenous Rights	G4-DMA	Not material.		No	
	G4-HR8	Not material.		No	1
Assessment	G4-DMA	92 and 130		No	
	G4-HR9	92 to 94 and 132		No	1

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Supplier Human Rights Assessment	G4-DMA	92 and 130		No	
	G4-HR10	130 to 132	Currently unavailable. Percentage of new suppliers selected based on human rightsrelated criteria. This percentage will be informed by 2017, as the computerized system is currently in the set-up phase.	Yes, 194 to 196	2
	G4-HR11	130 to 132	Currently unavailable. The significant impacts and the number and percentage of suppliers associated with them are missing. The actions for their identification are on-going in 2015, as described on page 127, and the information will be available in 2016.	Yes, 194 to 196	2

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Human Rights Grievance Mechanisms	G4-DMA	92 and 130		No	
	G4-HR12	132		Yes, 194 to 196	1
Sub-Category: Society					
Local Communities	G4-DMA	78, 80, 137 and 142		No	
	G4-SO1	80	Currently unavailable. Percentage of operations involving the implementation of local community engagement programs, impact assessment and local development. The percentage is not available due to the complexity of consolidating the information about operations where programs have been implemented.	Yes, 194 to 196	1
	G4-SO2	92 to 94		No	1

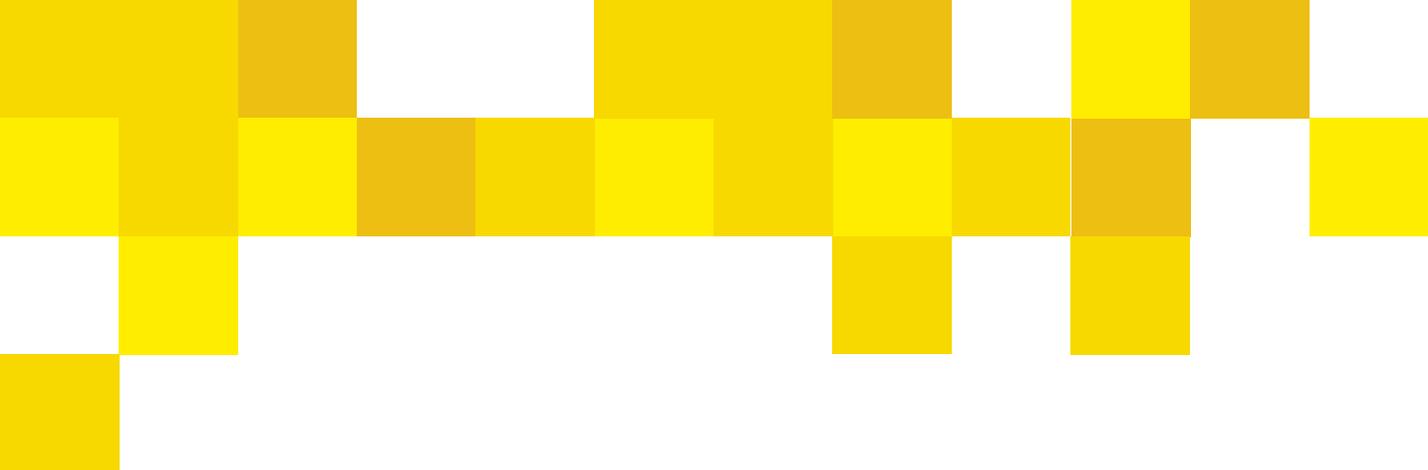
Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Anti-corruption	G4-DMA	37, 38, 57 and 130		No	
	G4-SO3	38 and 130		Yes, 194 to 196	10
	G4-SO4	37, 39, 40 and 130		Yes, 194 to 196	10
	G4-SO5	41		Yes, 194 to 196	10
Public Policy	G4-DMA	137 and 142		No	
	G4-SO6	141		Yes, 194 to 196	10
Anti-competitive Behavior	G4-DMA	Not material.		No	
	G4-SO7	Not material.		No	
Compliance	G4-DMA	133 and 137		No	
	G4-SO8	None.		Yes, 194 to 196	

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Supplier Assessment for Impacts on Society	G4-DMA	130		No	
	G4-SO9	107 and 130	Currently unavailable. Percentage of new suppliers selected based on society impacts related criteria. This percentage will be informed by 2017, as the computerized system is currently in the set-up phase.	No	
	G4-SO10	132	Currently unavailable. The significant impacts and the number and percentage of suppliers associated with them are missing. The actions for their identification are on-going in 2015, as described on page 127, and the information will be available in 2016.	No	

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Grievance Mechanisms for Impacts on Society	G4-DMA	111		No	
	G4-SO11	In 2014 there were no incidents classified as complaints or protests regarding impacts on society where responsibility for these rest with the BB Ombudsman.		No	
Sub-Category: Product Responsibility					
Customer Health and Safety	G4-DMA	37 and 133		No	
	G4-PR1	37 and 134	Currently unavailable. Percentage of categories of important products and services whose impacts on health and safety are assessed in search of improvements. BB is analyzing the process and will inform in 2016.	No	
	G4-PR2	37	Currently unavailable. Total number of cases of noncompliance. BB is analyzing the process and will inform in 2016.	No	

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Product and Service Labeling	G4-DMA	133		No	
	G4-PR3	134 and 135		No	
	G4-PR4	136		No	
	G4-PR5	43 and 136		Yes, 194 to 196	
Marketing Communications	G4-DMA	133		No	
	G4-PR6	Not material.		No	
	G4-PR7	No cases were reported of non-compliance of product and service labeling in marketing material.		Yes, 194 to 196	
Customer Privacy	G4-DMA	37		No	
	G4-PR8	37		No	
Compliance	G4-DMA	37 and 133		No	
	G4-PR9	136		Yes, 194 to 196	
Sector Supplement – Financial Services					
Product portfolio	DMA-FS1	32, 78, 89 and 92		Yes, 194 to 196	
	DMA-FS2	32, 78, 89 and 92		Yes, 194 to 196	
	DMA-FS3	32, 78, 89 and 92		Yes, 194 to 196	
	DMA-FS4	33, 80 and 127		Yes, 194 to 196	
	DMA-FS5	34, 78 and 79		Yes, 194 to 196	

Material Aspects	DMA and Indicators	Pages	Omissions	External assurance	Global Compact
Product portfolio	G4-DMA	78 and 99		No	
	FS6	78		No	
	FS7	83, 86, 90 and 99		Yes, 194 to 196	
	FS8	83, 86, 90 and 99		Yes, 194 to 196	
Audit	G4-DMA	92		No	
	FS9	92		Yes, 194 to 196	
Active shareholder control	G4-DMA	34, 80, 89 and 104		No	
	FS10	80 and 89		No	
	FS11	104		Yes, 194 to 196	
	FS12	34		No	
Category: Social					
Subcategory: Society					
Local Communities	G4-DMA	19, 44 and 133		No	
	FS13	19 and 45		Yes, 194 to 196	
	FS14	19 and 134		Yes, 194 to 196	
Subcategory: Product responsibility					
Product and Service Labeling	G4-DMA	80, 127 and 139		No	
	FS15	38 and 80		Yes, 194 to 196	
	FS16	127 and 139		Yes, 194 to 196	



Independent Auditors’ Limited Assurance Report

To
The Board of Directors, Shareholders and Management
Banco do Brasil S.A.
Brasília – DF

Introduction

We have been contracted with the purpose of applying limited assurance procedures on the sustainability information disclosed in the Annual Report of Banco do Brasil S.A., related to the year ended December 31 2014.

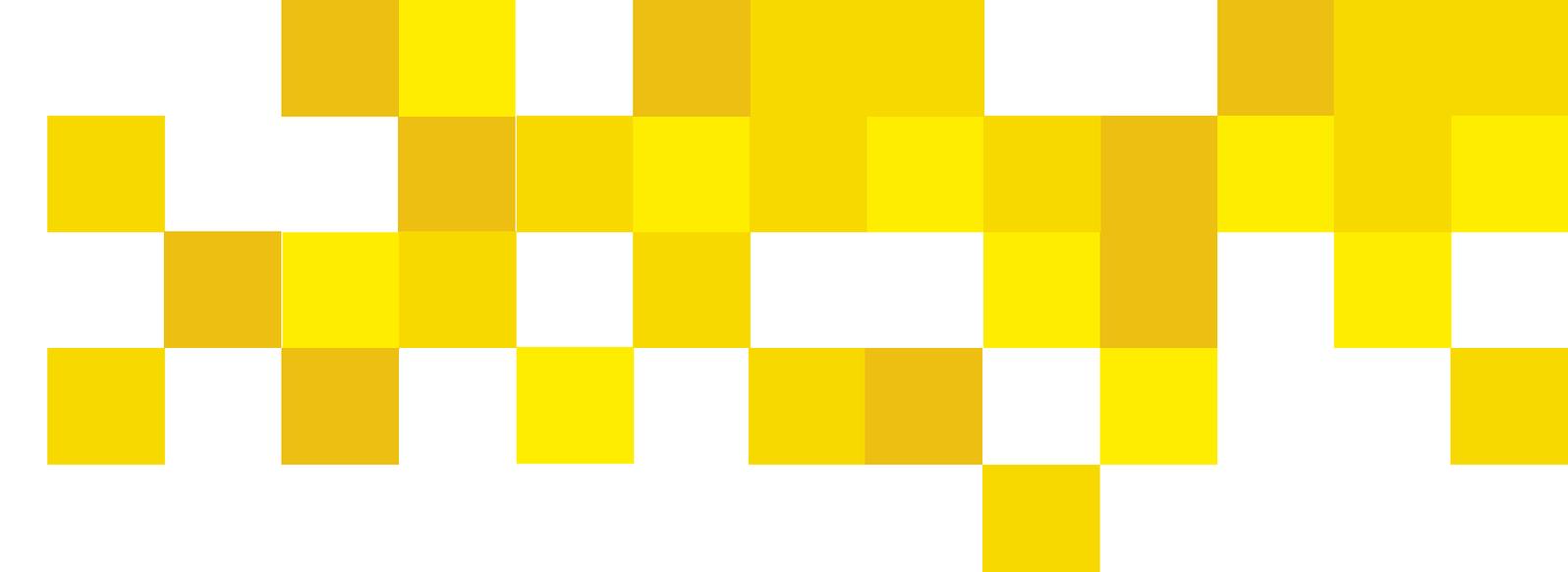
Responsibilities of Company Management

The management of the Banco do Brasil is responsible for the preparation and adequate presentation of the sustainability information disclosed in the Annual Report according to the Guidelines for Sustainability Reports of the Global Reporting Initiative – GRI (GRI-G4) and using the internal controls that it determined as necessary to enable preparation of such information free of any relevant distortion, even though it was resulted by fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information in Annual Sustainability Report based on the limited assurance engagement conducted in accordance with Technical Notice (CT) 07/2012 approved by the Federal Accounting Council and prepared in accordance with NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), issued by the Federal Accounting Council - CFC, which is the equivalent to international standard ISAE 3000 issued by the International Federation of Accountants applicable to Non-Historical Information. These standards require compliance with ethical requirements, including independence ones and also that the engagement is conducted in order to provide a limited assurance that the information disclosed in the Annual Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) primarily consists of questioning to the management of Company and other Company’s professional involved in preparing the information in the Annual Report and also applying analytical procedures to obtain evidence that allows us to make a limited assurance conclusion about the information taken as a whole. A limited assurance engagement also requires addition-



al procedures when the independent auditor learns of issues which lead them to believe that the information in the Annual Report, taken as a whole, could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation and presentation of the information in the Annual Report and other engagement circumstances and considerations about areas where material misstatement could exist. The procedures consisted of:

- a. the planning of the work, considering the relevance, amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Annual Report;
- b. the understanding of the calculation methodology and the consolidation procedures used to of the indicators through interviews with the personnel in charge of the preparation of the information;

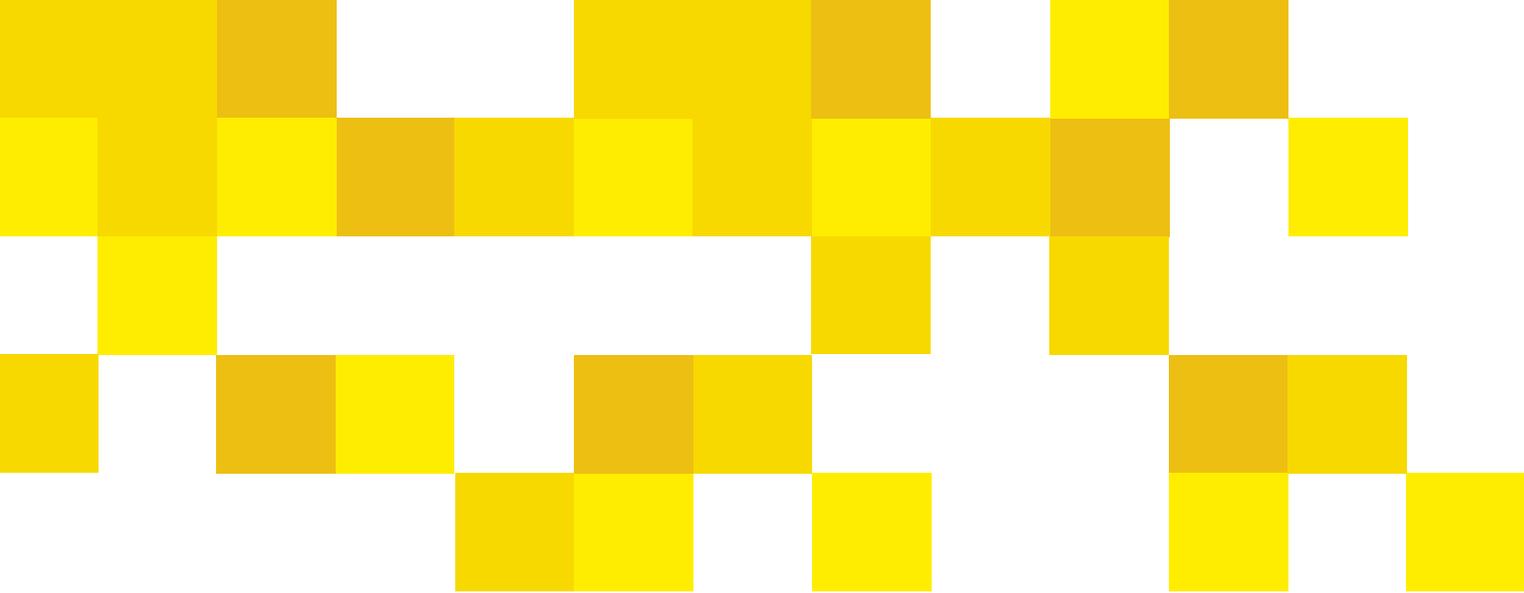
- c. the application of substantive procedures to the quantitative information and inquiries about the qualitative information and its relation to the indicators disclosed in the information presented in the Annual Report; and

- d. the comparison of the financial indicators with the financial statements and/or accounting records;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in an assurance engagement aiming to express an opinion about the information in the Annual Report. Due to this, it does not ensure us that we are aware of all the issues that would be identified during an assurance engagement which aim to express an opinion. If we had conducted an engagement in order to express an opinion, we may have identified other issues and possible misstatements which can be in the information presented in the Annual Report. Therefore, we are not expressing an opinion about this information.



The nonfinancial data is subject to more inherent limitations than the financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the data's materiality and accuracy are subjected to individual presumptions and judgments. Additionally, we did not examine data informed for prior periods or future projections and targets either.

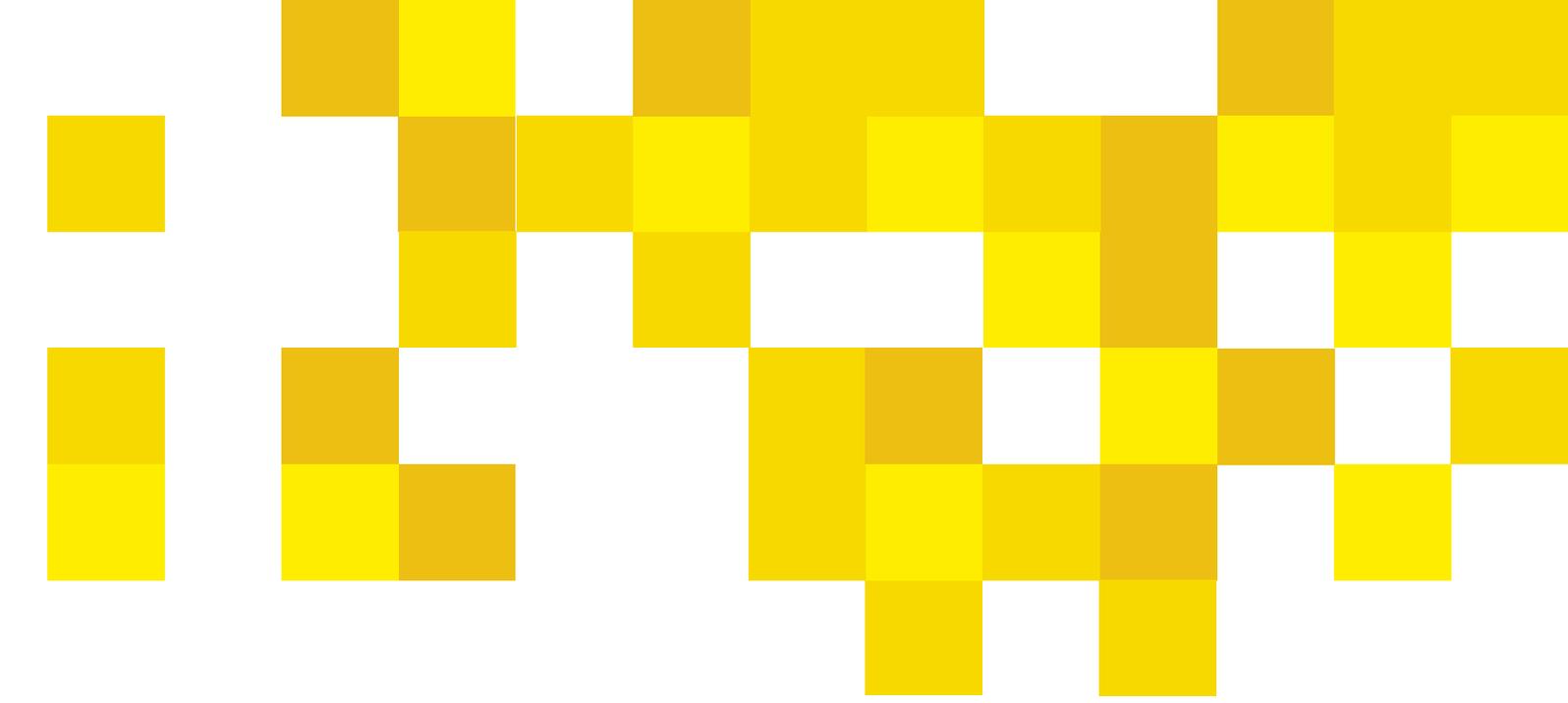
The objective of our work was to apply limited assurance procedures on the sustainability information disclosed in the Annual Report of Banco do Brasil, not including its greenhouse gas emissions data, neither the assessment of the appropriateness of its policies, practices and sustainability performance.

Conclusion

Based on the applied procedures, described in this report, nothing has come to our attention that leads us to believe that the information contained in the Annual Report 2014 prepared by Banco do Brasil SA, were not compiled, in all relevant aspects, in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative – GRI (GRI-G4).

Brasília, April 30, 2015
KPMG Auditores Independentes
CRC SP-014428/O-6 F-DF

Original report in Portuguese signed by
Carlos Massao Takauthi
Contador CRC 1SP206103/O-4



Independence Statement

To the Board of Directors and Shareholders of
Banco do Brasil S.A.
Brasília – DF

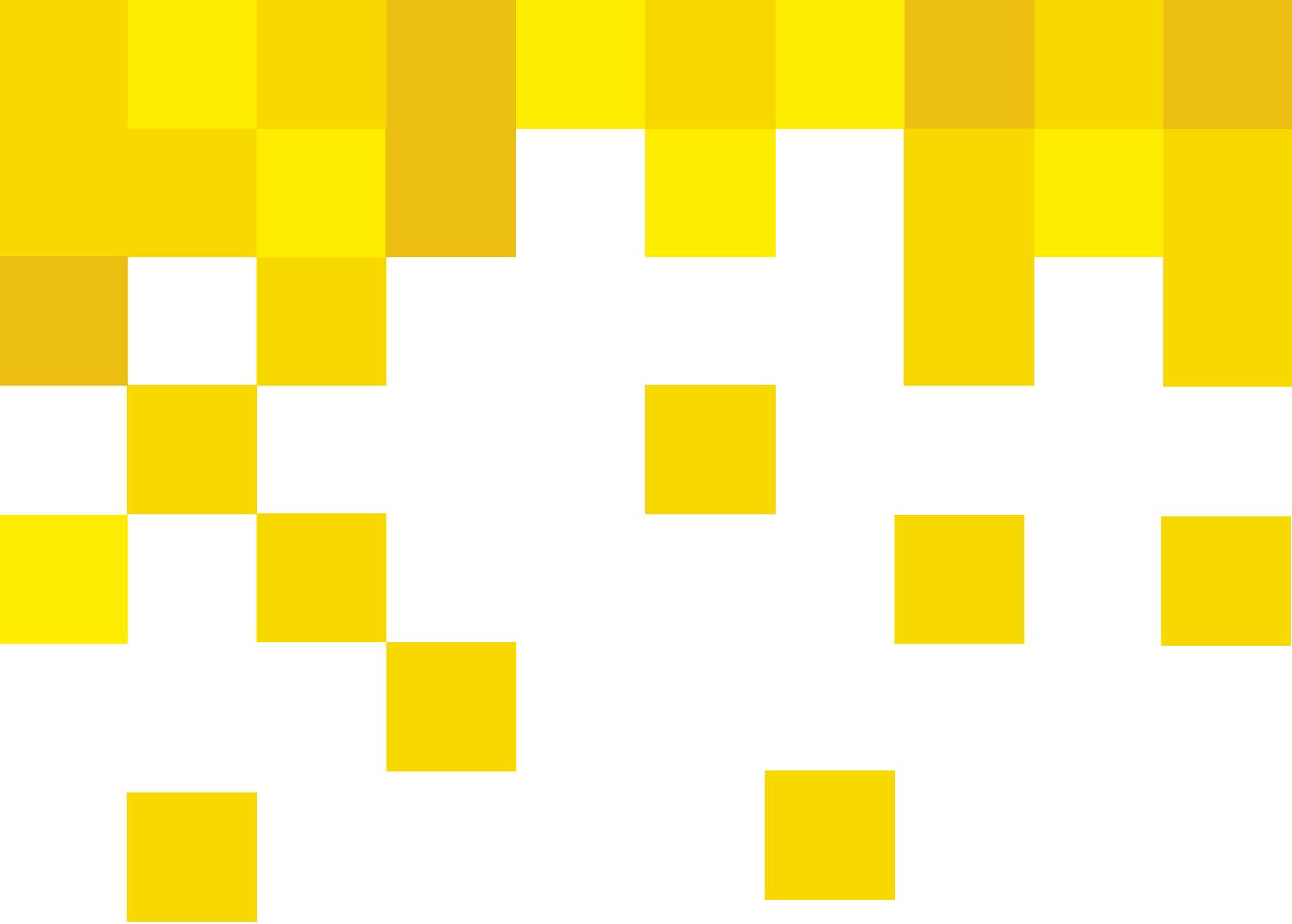
April 30th, 2015

In connection with the action to be taken with respect to the issuance of the Independent Auditors on the sustainability information disclosed in the Annual Report of the Banco of Brasil SA, related to the year ended December 31st 2014 we declare that KPMG is independent in relation to the Banco do Brasil SA and there was no conflict of interest in the verification of environmental and social data on the sustainability information in accordance with the rules of the International Federation of Accountants (IFAC) Code of Ethics and local rule CFC Resolução CFC 1.312/10.

Very truly yours

KPMG Auditores Independentes
CRC SP-014428/O-6 F-DF

Carlos Massao Takauthi
Accountant CRC 1SP206103/O-4



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