





# HIGHLIGHTS

## BRDESCO IN FACTS AND NUMBERS

- Brazil's largest private bank, with **R\$ 265.5 billion** in total assets, **R\$ 386.6 billion** in assets under management and a credit portfolio of **R\$ 96.2 billion**. Recurring net income in 2006 amounted to **R\$ 6.4 billion**.
- Brazil's largest private service network, with **3,008** branches, **24,099** Bradesco Dia&Noite ATMs, **3,201** Banco24Horas network ATMs and **5,585** Banco Postal stations.
- The largest Brazilian private employer, with **79,300** employees.
- **35 million** clients; **16 million** of them are current account holders, and the other clients are mainly holders of savings accounts, insurances, and credit cards.
- **1.4 million** stockholders.
- Private bank leader in Internet Banking, with **7.8 million** users. Debit and credit cards total **58 million** units.
- The most valuable brand in Latin America's banking sector, its value being **US\$ 2.47 billion**, according to consulting firm Brand Finance, one of the worldwide leading specialists in such theme.
- Present in Dow Jones Sustainability Index of the São Paulo Stock Exchange and in Bovespa's Corporate Sustainability Index.
- Signatory of Global Compact and Equator Principles.
- The largest private onlending bank of BNDES with **R\$ 5.8 billion** in 2006.
- Services and products hold **185** ISO 9001 certifications.
- The first Brazilian institution with ISO 14001 and OHSAS 18001 certificates.
- The first bank to launch a program for the neutralization of carbon emission.
- Fundação Bradesco, with a total investment of **R\$ 183.9 million**, served more than **108,000** students in 2006, among children, youngsters and adults. Since its creation, it has already qualified more than **662,000** people.

## MAIN ACKNOWLEDGEMENTS

- Worldwide leader in market valuation, in percentages (*Financial Times* English newspaper).
- The largest Brazilian private corporate group (*Melhores e Maiores* yearbook, published by *Exame* magazine).
- The best Brazilian bank (*Global Finance* magazine).
- Leader in the Brazilian ranking of dividends to stockholders (consulting firm Economática).

- Best rated Brazilian bank among the 500 best ones (ranking by *Fortune* magazine).
- The highest market cap in Latin America (*The Banker* magazine).
- Brazil's best banking website (iBest award in Banks/Popular Jury), for the 10<sup>th</sup> consecutive year. In the same ranking, it was granted Grand Prix, which is an award granted to the website receiving the highest number of votes, in accordance with the popular jury. Bradesco Seguros e Previdência, in turn, was granted the trophy as the most voted website in the category "Insurances" for the fifth time. The website Bradesco Cartões was granted the award for the second time.
- Granted 2006 Social Value Award (Prêmio Valor Social), in the categories Sustainable Management and Great Award (popular jury's choice).
- Most Connected Company in Brazil (*Info Exame* magazine, which acknowledges the companies with the most advanced Information Technology).
- Top5 in IR Global Rankings (IR Websites and Quarterly Information Disclosure categories).
- First rated among the banks in the research As Melhores na Gestão de Pessoas – "Best People Management" – of *Valor Carreira* magazine, of *Valor Econômico* newspaper, supported by consulting firm Hay Group.
- One of the 150 Best Companies for You to Work for (for the seventh time) and one of the 50 Best Companies for Women to Work for (fourth consecutive year), according to a research carried out by *Guia Exame-Você S/A*.
- One of the 100 Best Companies to Work for in Brazil (*Época* magazine's ranking, supported by Great Place to Work Institute).

## MAIN RATINGS

### Management & Excellence

- AAA+ in sustainability.
- AAA+ in social responsibility.
- AAA+ in ethics.
- AAA+ in transparency.
- AA- in corporate governance.

### Austin Rating

- AA in corporate governance.

Note: AAA+ is the highest in a 12-rating scale.  
AA and AA- ratings are the second and third ones, respectively, in such scale



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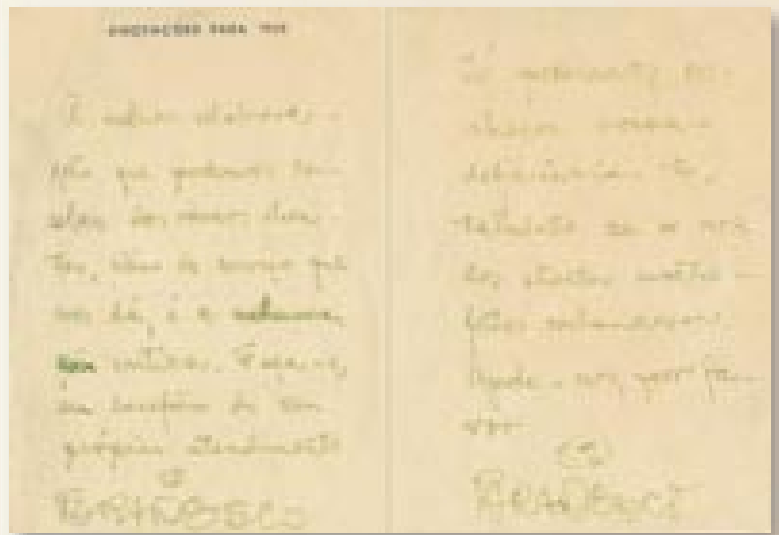
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## NOTE

Bradesco's 2006 Sustainability Report (RS) and Annual Report (RA) are aligned to the Global Reporting Initiative (GRI) principles. Jointly with the economic-financial development, subjects such as risk management, corporate governance and market are detailed in the RA (available at [www.bradesco.com.br/ri](http://www.bradesco.com.br/ri)). The RS, which can be found at [www.bradesco.com.br/rsa](http://www.bradesco.com.br/rsa), mainly focuses on aspects such as sustainable finance and social-environmental performance, in addition to the relationship with the strategic public.



## RESPONSIBLE HISTORY



Amador Aguiar: "The best contribution our clients can give us, in addition to the service we receive, is criticism. Do it for benefiting the service rendered to you. Only can we totally know our weaknesses if our dissatisfied clients complain. Please help us".

### ALWAYS AHEAD

Long before the propagation of expressions such as "social-environmental responsibility" and "sustainable development", Bradesco had already started adopting practices aligned to such concepts. From the attention to the most needy layers of the population and business sectors excluded from the banking system, still at the beginning of the 1940s, to the creation of a program for accessing the Internet for visually impaired people, over the past decade, Bradesco became a pioneer in various corporate responsibility fronts. "Never lend much to few, but lend little to many", as the founder already taught, decades before the creation of the expression "bottom of the pyramid".

1943

► **Respect for diversity**

Suffering the discrimination due to World War II, the Japanese and their descendents find Bradesco with open doors. The Bank offers interpreting services in order to ease the communication between immigrants and their employees.

1947

► **Attention to workers**

Caixa Beneficente dos Funcionários do Bradesco is created, offering credit, maternity and sick pay, dental care and ambulatory.

1953

► **Environmental awareness**

Cidade de Deus, Bradesco's headquarters, is inaugurated with thousands of planted seedlings. Today, more than 4,000 trees are catalogued, included in a replacement and planting program.

1956

► **Investment in education**

Fundação São Paulo de Piratininga is created. In 1962, in Cidade de Deus, the first school of the Foundation, Grupo Escolar Embaixador Assis Chateaubriand, was inaugurated, counting on seven teachers and 300 students. In 1967, Fundação São Paulo de Piratininga would become Fundação Bradesco.

1969

► **Respect for the client**

Caixa Executivo, an innovative service system adopted, providing more efficiency and better relationship with clients. Managers' offices are now located at the front part of the branches, without partitions, enabling the direct contact with the client.



Grupo Escolar Embaixador Assis Chateaubriand, first school of Fundação Bradesco



# A MESSAGE FROM THE PRESIDENCY

## ACHIEVEMENTS TOWARDS SUSTAINABILITY

Two thousand and six was a period of expressive progress for the Organization concerning social-environmental responsibility, its main item, which was taking part in the Dow Jones Sustainability Index (DJSI) – in its first attempt –, has shown the international market's acknowledgement to Bradesco's permanent dedication to generating wealth in a sustainable way to all the segments of the society.

Its presence in DJSI, similarly to its participation in Bovespa's Corporate Sustainability Index (ISE), represented a landmark in the consolidation of the Social-Environmental Department (RSA), created the previous year within the structure of the Market Relations Department, which also comprises the Investor Relations Department. In addition to the recent recognition by the market, social responsibility has followed the Bank since its origin. After all, Bradesco was created focusing on including a population comprised of modest people in the financial system.

Recent achievements also result from the adoption of the best corporate governance practices. At the beginning of 2006, the Organization formalized a specific policy for the theme and created the Corporate Governance Executive Committee, directly associated to the Board of Executive Officers.



Bradesco is permanently committed to the Global Compact and Equator Principles guidelines. The precepts – mainly those of the Global Compact – are a reference for the market strategies and the conduction of the Organization’s businesses. In addition, the Bank makes use of the Global Reporting Initiative (GRI) guidelines as a reference for preparing its Sustainability Report. The adoption of this international model focuses on providing stockholders, clients, employees, suppliers and other strategic types of public with objective information, guaranteeing an even more transparent accountability.

In 2006, Fundação Bradesco, one of Brazil’s biggest and oldest private social investment programs, completed 50 years, a period in which more than 662,000 students concluded its studies, among children, youngsters and adults. As the Country’s largest private network of gratuitous education, the institution counts on 40 schools, located in all Brazilian states and in the Brazilian Federal District.

The Banco Postal network is also very comprehensive, a consequence of the partnership with Empresa Brasileira de Correios e Telégrafos (Brazilian Post Office Company), which has already provided the access to the Brazilian banking system to millions of people, which were unable to make elementary transactions, such as withdrawals, payments and transferences.



In the environmental scope, the strategy as to climatic changes stands out, operating in the carbon market. In addition to incorporating social-environmental risk analyses to financings and advising projects in the Kyoto Protocol context, Bradesco became the first Brazilian bank to start a program for the neutralization of carbon emissions of its operations.

Pioneerism also extends to the use of social-environmental management rules. The use of certifications in occupational health and safety (OHSAS 18001) and environment (ISO 14001) and the adoption of the requirements of the social responsibility rule (SA8000) is just the beginning of a journey which starts at the building on avenida Paulista, in São Paulo, which should culminate, in the future, in the certification of the Country's main administrative centers.

However, the pursuit for sustainability is mainly based on human capital: a cohesive, integrated, motivated work force, constitutes the Organization's most competitive differential. Employees are offered the outlook for a long and safe career, including those at merged companies, as proved by the workers of American Express operations in Brazil, undertaken in 2006, and Banco do Estado do Ceará. For adopting such actions, Bradesco has become the largest Brazilian private employer, generating jobs, income and development.

LÁZARO DE MELLO BRANDÃO

*Board of Directors' Chairman*

MÁRCIO ARTUR LAURELLI CYPRIANO

*President*

# BRDESCO

## COMPLETE AND DEMOCRATIC

Founded in 1943, in Marília, in the countryside of the State of São Paulo, denominated Banco Brasileiro de Descontos S.A., Bradesco adopted as initial strategy to attract small traders and government employees, people having modest possessions, which was the opposite of what the rest of the financial sector at the time used to do, focusing on large landowners. With such inclusive vision, Bradesco was already positioning as a democratic institution, concerned with serving – with similar attention and care – from small farmers to large coffee plantation owners, from modest urban workers to large manufacturers.

All the actions throughout history have shown why Bradesco is a complete bank. Offering credit, products and services, in addition to making businesses feasible, it has operated for more than six decades as one of the engines of Brazil's economic growth. During this period, it contemplated the authentic expectations of investors as to results, the same way it played its role as an agent of the Brazilian development. Moreover, it has never neglected the aspirations of people and communities with which it has interacted - and still interacts.

### Bradesco products and services

Credit and debit cards

Cash management solutions (receipts, payments, human resources and treasury)

Solutions to the public sector

Stocks, custody and controllership services

Insurances, private pension plans and certificated savings plans

Asset management

Distribution of securities

Financings

Leasing

Brokerage firm

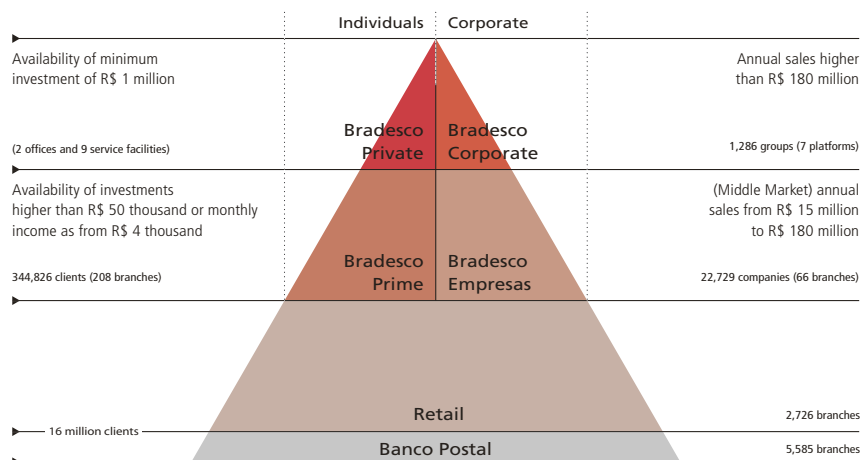
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### BRAZIL'S LARGEST PRIVATE BANK

A publicly-held company, with stocks traded at the São Paulo, Madrid and New York Stock Exchanges, Bradesco is Brazil's largest private bank. Leading the market of insurances, life and private pension plans and consortiums, it has nearly 35 million clients from every social class – including holders of current accounts, savings accounts, insurances and credit cards –, more than 1.4 million stockholders and 79,300 employees. The Organization ended 2006 with R\$ 265.5 billion in total assets. In the credit segment, consolidated operations amounted to R\$ 96.2 billion, including advances on export contracts and commercial leasing. The Bank also managed, in December 2006, R\$ 147.1 billion in investment funds and portfolio.

In 2006, two important institutions became part of the Organization: in January, it promoted the integration of Banco do Estado do Ceará (BEC) and, in June, it entered into a partnership with American Express Company, undertaking the Amex credit card operations and correlated activities in Brazil.



# SUSTAINABILITY VISION



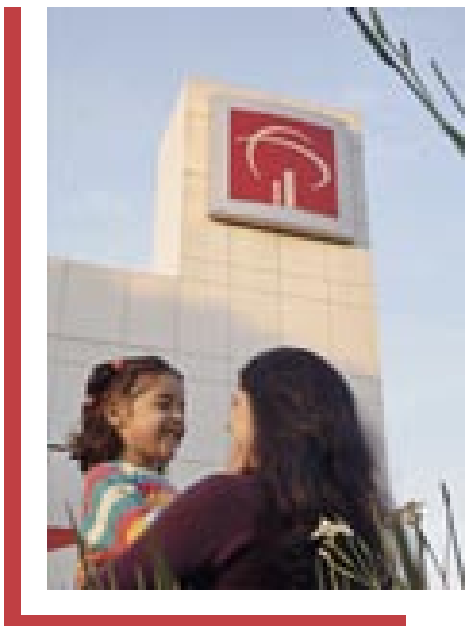
## GLOBAL COMMITMENTS

Generating value to stockholders, clients, employees, suppliers and the society is the basis of Bradesco's strategy. Since its inception, the Bank has been adopting practices focusing on strengthening the relationship with its various types of public and contributing to Brazil's development. In 2006, with the approval of the Organization's Corporate Governance Policy by the Board of Directors, Bradesco went further on the sustainability path. The policy determines a basic premise for managers' operation: "To make Corporate Social Responsibility, Ethics, Transparency, Fairness and Accountability effective". Such policy has been in harmony



with the international agreements executed with Bradesco: the Equator Principles (since September 2004) and the Global Compact (since November 2005). The Global Compact is an initiative of the UN for promoting the alignment of corporate policies and practices in fields of human and labor rights, environmental protection and corruption combat. By adhering to the Pact, the Organization commits to include such principles in its strategy, culture and daily operations, in addition to endeavoring efforts to disclose and extend these precepts within its influence scope.

Bradesco also supports the Millennium Development Goals (MDGs), a commitment executed by 191 UN member countries, in 2000, focusing on the sustainability of the planet and the improvement of quality of life throughout the world. Although the initiative is executed by governments, the commitment's success depends on the Society as a whole and, especially, on the corporate sector.



## Global Compact

Evidence of Bradesco's support for the initiative:

Human Rights Principles	
1. To respect and protect human rights.	<ul style="list-style-type: none"> <li>• Use of social-environmental criteria for loan granting.</li> <li>• Banking inclusion history, reinforced nowadays by Banco Postal and Bradesco Expresso.</li> <li>• Adhesion to Rule OHSAS 18001 (occupational health and safety).</li> <li>• Commitment to the requirements of Rule SA8000.</li> </ul>
2. To impede violations to the human rights.	<ul style="list-style-type: none"> <li>• Use of social-environmental criteria for selecting suppliers and service providers.</li> <li>• Commitment to the requirements of the Rule SA8000.</li> </ul>
Labor Rights Principles	
3. To support freedom of association and collective bargaining rights.	<ul style="list-style-type: none"> <li>• All the employees are represented by unions and are comprised by collective bargaining agreements.</li> <li>• Commitment to the requirements of Rule SA8000.</li> </ul>
4. To abolish forced or compulsory labor.	<ul style="list-style-type: none"> <li>• Present in the Human Resources Management Policy of Bradesco Organization.</li> <li>• Commitment to the requirements of Rule SA8000.</li> <li>• Mandatory criterion for contracting suppliers and service providers.</li> </ul>
5. To eradicate child labor.	
6. To eliminate prejudice at the work environment.	<ul style="list-style-type: none"> <li>• Present in the Human Resources Management Policy of Bradesco Organization.</li> <li>• Mandatory criterion for contracting suppliers and service providers.</li> <li>• Commitment to the requirements of Rule SA8000.</li> <li>• Creation of the Diversity Appreciation Work Group.</li> </ul>
Environmental Protection Principles	
7. To adopt a preventive approach toward environmental challenges.	<ul style="list-style-type: none"> <li>• Adoption of the Equator Principles.</li> <li>• Adoption of social-environmental criteria for loan granting.</li> </ul>
8. To promote environmental responsibility.	<ul style="list-style-type: none"> <li>• Offer of a series of social-environmental products.</li> <li>• Environmental Rule ISO 14001 certification.</li> <li>• Support to the initiatives of Fundação SOS Mata Atlântica.</li> <li>• Adoption of the Eco-Efficiency Program.</li> <li>• Adoption of the program for the neutralization of carbon emissions.</li> </ul>
9. To promote technologies which do not harm the environment.	<ul style="list-style-type: none"> <li>• Massive use of recycled paper.</li> <li>• Support to projects based on the Clean Development Mechanism (CDM).</li> </ul>
Anti-Corruption Principle	
10. To combat any form of corruption, including extortion and bribery.	<ul style="list-style-type: none"> <li>• Implementation of a specific program – and training of employees – as to money “laundering” and terrorism identification and prevention.</li> <li>• Publication, in different types of media, of the ethical principles to be observed by all the employees of the Organization, such as: Codes of Ethics, Internal Regulations, and others.</li> </ul>



## Millennium Development Goals

Evidence of Bradesco's support for the initiative:

 <p>1 ERADICATE EXTREME POVERTY AND HUNGER</p>	<ul style="list-style-type: none"> <li>• Banking inclusion program.</li> <li>• Systematic donations to NGOs and philanthropic entities which focus on such theme.</li> <li>• Youth Apprentice and Young Citizen Programs.</li> <li>• Projects of Fundação Bradesco.</li> </ul>
 <p>2 ACHIEVE UNIVERSAL PRIMARY EDUCATION</p>	<ul style="list-style-type: none"> <li>• Investments in Fundação Bradesco.</li> <li>• Support to Instituto Ayrton Senna.</li> <li>• Child labor combat (requirement of Rule SA8000).</li> <li>• Donation of 1% of tax payable to Children and Teenagers' Defense Funds.</li> <li>• Support, by means of Fundação Bradesco, to Everybody for Education Commitment.</li> <li>• Educa+Ação (Education+Action) Project (Partnership with Fundação Bradesco).</li> </ul>
 <p>3 PROMOTE GENDER EQUALITY AND EMPOWER WOMEN</p>	<ul style="list-style-type: none"> <li>• Creation of the Diversity Appreciation Work Group.</li> <li>• Investments in Finasa Esportes (Finasa Sports) Program.</li> <li>• Increase in the number of women occupying management positions in the Organization.</li> <li>• Adaptation for easing the access of disabled people to the branches.</li> </ul>
 <p>4 REDUCE CHILD MORTALITY</p>	<ul style="list-style-type: none"> <li>• Investments in Fundação Bradesco.</li> <li>• Support to the National Day of the Volunteering Action of Fundação Bradesco.</li> </ul>
 <p>5 IMPROVE MATERNAL HEALTH</p>	<ul style="list-style-type: none"> <li>• Health insurance and dental care offered to employees.</li> </ul>
 <p>6 COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES</p>	<ul style="list-style-type: none"> <li>• Donations to institutions, associations and hospitals.</li> <li>• Certificated savings plan whose funds support the Instituto Brasileiro de Controle do Câncer (Brazilian Institute of Cancer Control).</li> <li>• Active participation in the National Business Council for HIV/AIDS Prevention (CEN).</li> </ul>
 <p>7 ENSURE ENVIRONMENTAL SUSTAINABILITY</p>	<ul style="list-style-type: none"> <li>• ISO 14001 Certification.</li> <li>• Eco-Efficiency Program.</li> <li>• Adhesion to the Equator Principles and social-environmental principles for loan granting.</li> <li>• Promotion to the development of CDM projects.</li> <li>• Program for the neutralization of carbon emission.</li> <li>• Products with environmental focus: certificated savings plan and credit card in partnership entered into with Fundação SOS Mata Atlântica.</li> </ul>
 <p>8 GLOBAL PARTNERSHIP FOR DEVELOPMENT</p>	<ul style="list-style-type: none"> <li>• Adoption of the Global Compact.</li> <li>• Digital inclusion programs of Fundação Bradesco.</li> <li>• Dialogs and partnerships with various NGOs for perfecting the sustainability management and the product development.</li> </ul>



## Participation

Bradesco participates in various associations operating in social-environmental and financial fields, among which: Abrasca (Brazilian Association of Publicly-Held Companies), Anapp (Brazilian Association of Private Pension Funds), Fenaseg (Brazilian Federation of Private Insurance and Capitalization Companies), CEBDS (Brazilian Business Council for Sustainable Development), Febraban (Brazilian Federation of Banks), Fenaban (National Federation of Banks), Instituto Ethos de Empresas e Responsabilidade Social and Gife (Group of Institutes, Foundations and Enterprises).

## Status of Corporate Governance Goals for 2006

Constitution of the Corporate Governance Committee.

✔ **Goal achieved:** created in May 2006.

To take part in the Dow Jones Sustainability Index (DJSI) as a means of reassuring its commitment to the social-environmental and economic development.

✔ **Goal achieved:** took part in September 2006.

Creation of new financial products focusing on sustainability, always associating economic development matters to social-environmental responsibility matters.

✔ **Goal achieved:** ten new products created.

Development of specific mechanisms for assessing matters raised by shareholders at the Bank Meetings.

✔ **In progress.**

Perfecting the stock repurchase policy for the Treasury.

✔ **In progress.**



## SOCIAL-ENVIRONMENTAL RESPONSIBILITY



### SUSTAINABLE JOURNEY

Without doubt, 2006 was a landmark for Bradesco's entering the Dow Jones Sustainability Index (DJSI), the most important international corporate sustainability indicator. Based on the social-environmental and economic

performance, DJSI assessed more than 2,500 companies in 58 sectors, selecting those regarded as the best ones as to their operations (Best in Class). Bradesco's entering the select group of 318 companies currently composing the index portfolio is the acknowledgement for the work developed in the pursuit of excellence and financial return and the good corporate governance and social-environmental practices.

More than a goal proposed by the Corporate Governance department for 2006, this fact reflects planned work which focused on the consolidation of the Bank's social-environmental responsibility (RSA).

In February 2005, the Social-Environmental Responsibility Executive Committee, comprised of executive officers and representatives of 10 departments of Fundação Bradesco. The Committee has the mission to coordinate the various actions and the strategy as to the social-environmental aspect.

After the instatement of the Committee, a specific strategic planning for complying with the RSA goals was started, with the engagement of approximately 100 employees and 23 departments, coordinated by the Board of Executive Officers and external consulting firms. In addition to the adequacy to the DJSI criteria, the planning focused on identifying and observing the best practices, such as the ISO rules, the Global



Compact principles, the matters for the composition of Bovespa's ISE, the Equator Principles and criteria of Fundação Nacional de Qualidade (FNQ).

In September 2005, the Social-Environmental Responsibility Policy was established. The document formalized the Bank's relation with the practice, the promotion and the appreciation of the theme in the corporation, as well as its commitment to the development of businesses aligned to the movement of sustainable finance.

#### THE SOCIAL-ENVIRONMENTAL RESPONSIBILITY DEPARTMENT

Created in 2005, the RSA department reports to the Market Relations Department and a vice-presidency. This decision reflects the sustainable development vision adopted by Bradesco: in a necessary and permanent way, sustainability is linked to business and the corporate strategies of the Organization.

Undertaking the coordination, implementation and monitoring of the various practices based on social-environmental responsibility, the RSA department also has contributions for seeking the alignment of goals between the Organization's businesses and the social-environmental aspects, pursuing the increasing awareness of employees as to the Bank's duties, periodically reviewing the Bank's goals as to social-environmental responsibility and ensuring that the social-environmental requirements adopted are implemented and maintained.

The Organization is subject to various audits in the social-environmental scope, such as those related to ISO 14001, OHSAS 18001 and SA8000 certifications. It also undergoes assessments by Bovespa's Corporate Sustainability Index and the Dow Jones Sustainability Index.



#### RESPONSABILIDADE SOCIOAMBIENTAL

Logo created for identifying the Organization's social-environmental responsibility initiatives. Inspired by the strength and solidity of Bradesco brand, its features suggest the image of two people that, together, involve, embrace and commit to the sustainable development causes.

## The Social-Environmental Policy

The integral text of Bradesco's Corporate Social-Environmental Policy is available at [www.bradesco.com.br/rsa](http://www.bradesco.com.br/rsa). Its main guidelines are:

- to align business goals with the social-environmental responsibility aspects;
- to develop and sell products and services respecting the social-environmental awareness spirit;
- to encourage partnerships, support and cooperation with government entities, NGOs and market entities;
- to choose suppliers and service providers who surely practice social-environmental responsibility;
- to maintain and promote an ethical and transparent attitude in all its levels of activities;
- to ensure the conformity of the legislation applicable to social-environmental matters;
- to adopt responsible policies for client loan granting;
- to state, for fund borrowers, the obligatoriness to maintain a risk mitigation action plan;
- to adopt internal policies aimed at rationalizing the use of non-renewable resources;
- to make employees aware and train them, and guide service providers in relation to social-environmental matters;
- to make efforts so that society may share globalization benefits through a more inclusive and equal market;
- to defend social justice principles and human rights;
- to support education of children and professionalization of youngsters and adults;
- to adopt internal policies for diversity appreciation;
- to spread, value and support projects targeted at the practice of sporting activities in the communities;
- to develop, implement and maintain a social-environmental management system;
- to disclose its performance by means of the Sustainability Report.

### Social-environmental goals for 2007

To establish a systemic process for involvement and dialogue with strategic public (stakeholders)

To formalize methods of participation of stakeholders in the development of investment policies in project assessment.

To extend the Eco-Efficiency Program.

To extend ISO 14001 and OHSAS 18001 certifications and obtain SA8000.

To expand the inventory report of greenhouse gas emission of Bradesco Organization. In 2006, the Bank performed the inventory report of the emissions in Cidade de Deus.



## SUSTAINABLE FINANCE



### THE FUTURE OF BUSINESSES

The financial sector deepened, over the past years, its commitments to the sustainable development. International agreements for environmental protection, the adoption of new criteria for loan granting and financings, the creation of a wide range of social-environmental responsibility products are initiatives which are helping shape the future of banks and of the entire corporate sector.

Among the most significant matters in the sustainability context are climatic changes. The social-economic restructuring of Brazil and the world is one of the possible effects of the climatic change process, which may lead to the desertification of forestry

areas, the increase in sea level and the change in the agricultural map, among other serious consequences. Thus, the phenomenon could impact the banking activity, as well as the economy as a whole, influencing from the location of branches to a decrease in revenue – which directly depends on the economy cash flow.

The international agreements focusing on the control of climatic changes and the rational use of ecosystem resources offer Bradesco a series of risks and opportunities for creating innovative products and services, as well as the establishment of new criteria for loan granting and financing. Funds must be preferably destined to sustainable projects, such as those for energy efficiency, reforestation, new technologies and renewable energies.

Number of companies with which the Organization treated environmental opportunities and risks in 2006	
Carbon credits	18
Social-environmental risk analysis	11

#### Percentage of assets subject to a positive, negative and excellence control (screening) over total assets

Reference date	2004	2005	2006
Positive <sup>(1)</sup>	-	0.0003%	0.0240%
Negative <sup>(2)</sup>	-	0.0833%	0.0833%
Excellence <sup>(3)</sup>	-	99.9164%	99.8878%
<b>Total (in R\$ million – Anbid)</b>	<b>92,963.16</b>	<b>106,256.36</b>	<b>124,743.87</b>

(1) Assets of Bradesco FIA Corporate Sustainability Index, opened on 12/29/2005.

(2) Client assets from Private Pension Plans with vetoed investments in companies operating in tobacco, war, alcoholic beverage and animal slaughtering industries.

(3) Assets managed with a specific focus on the risk/return ratio.

- Positive control: selects companies per actions regarded as positive from the social-environmental point of view, such as solar energy, organic food and alternative fuels undertakings, and others.
- Negative control: excludes undertakings related to negative practices from the social-environmental point of view, such as companies operating in the tobacco industry or undertakings which make use of slave or child labor, for instance.



### EQUATOR PRINCIPLES

Since 2004, Bradesco is a signatory of the Equator Principles, a set of rules and criteria revised in 2006 which determine a series of social-environmental analyses for Project Finance. The guidelines are defined by the International Finance Corporation (IFC), financial arm of the World Bank. Bradesco actively took part in the discussions which, in Brazil, were coordinated by the Brazilian Business Council for Sustainable Development (CEBDS), an organization associated to the World Business Council for Sustainable Development (WBCSD).

The signatory banks of the Equator Principles must, before granting financing or advising new projects or expansion projects with capital cost equal or higher than US\$ 10 million, perform a strict analysis of the social-environmental impact potential of the undertaking. The projects are rated as: high risk (A), medium risk (B) and low risk (C). For high and low risk projects, Bradesco requires social-environmental based studies, which forecast the risks and actions which will be implemented for its mitigation. In this pursuit for social-environmental compliance, new business opportunities for the Bank are also assessed.

The adoption of the Principles is voluntary, without any dependence on the IFC or the World Bank. The adherence to these guidelines enabled Bradesco to extend its commitment to sustainable development, reassuring its role as one of the main financiers of Brazil's economic activity.

In 2006, 11 projects assessed by Bradesco complied with the criteria established by the Equator Principles; one



of them was rated as low risk (C), six were rated as medium risk (B) and another four still await to be rated. The 11 projects exceed R\$ 3 billion.

**RESPONSIBLE CREDIT**

In all requests for loans, regardless the type or purpose of the operation, in addition to verifying the economic-financial situation of the company or economic group, credit analysts adopt preventive actions for identifying other possible risks, such as: exchange risk, image risks, performance and social-environmental risks, which may harm the company’s keeping its operations and its payment capacity.

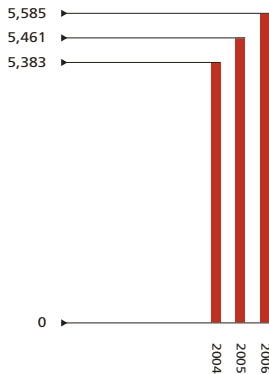
The report issued comprises warnings as to the need for observing social-environmental impacts, which are directions to be followed both by the operating area and the managers responsible for the final contracting and follow-up of operations.

Focusing on guaranteeing that the projects financed are developed in a socially responsible way and reflect solid environmental management practices, the hierarchy of classification and responsibility used in the requirements of the Equator Principles is adopted for measuring the social-environmental risks.

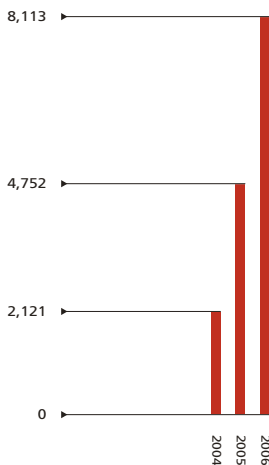
<b>Financing Profile</b>			
Loan operations per company size			
	<b>Large company</b>	<b>Micro, small and medium company</b>	<b>Individual</b>
2004	36.5%	29.7%	33.8%
2005	30.3%	28.8%	40.9%
2006	28.8%	30.0%	41.2%



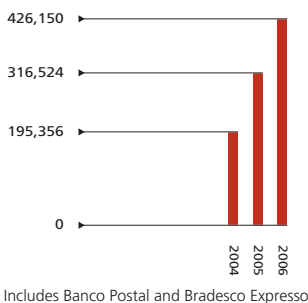
**Banco Postal: branches**



**Bradesco Expresso: partnerships**



**Transactions made in correspondent banks (in thousands)**



## RETAIL

Convergent with the Brazilian society, retail is the vocation cultivated since Bradesco's beginning. In this segment, strategic priority and most traditional field of its operation, all the levels of the population are served with quality. Thus, the Bank reaches the highest possible number of companies and people, in all regions of the Country, including the least developed ones, reflecting the efforts endeavored in the democratization of banking services and products as well as in social inclusion and income distribution. Up to December 2006, the segment represented more than 16 million account holders.

## BANCO POSTAL

Result of the partnership between Bradesco and the Brazilian Post Office Company, Banco Postal was created for democratizing the access to banking services and promoting social inclusion and local development. Since its creation, in 2002, 4,874 cities from all regions of Brazil started counting on the service. At Banco Postal, clients are able to make simple operations, such as payments, opening current and savings accounts, and also obtaining loans and financings.

## BRADESCO EXPRESSO

In addition to Banco Postal, Bradesco Expresso network – comprised of partnerships entered into with supermarkets, drugstores, fashion stores, department stores and other retailers – also allows to extend the service branches. For clients and the community in general, Bradesco Expresso offers the convenience of banking services closer to their home or workplace. For the Bank, it is the best way for reaching low-income clients, especially non-bankarized

population, promoting the banking inclusion which would not be possible by means of traditional banking branches, due to high installation and operation costs. Concerning shopkeepers, Bradesco Expresso foment a higher flow of clients and encourages them to visit the establishment many times, opening possibilities for loyalty and sales increase.

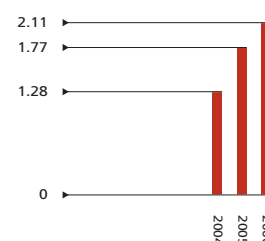
### SOCIAL-RESPONSIBILITY FINANCIAL PRODUCTS

Various products offered by Bradesco reinforce its responsible corporate vision and contribute to the pursuit of sustainable development. The list includes financing lines, certificated savings plans and credit cards, among others.

#### Credit lines

Various types of financing for specific types of public compose the list of social-environmental products offered by Bradesco:

**Evolution of the social-environmental financing portfolio**  
(in R\$ billion)



Products in the following table identified by \*\* are not included

Product	
<b>Moderagro</b>	Project finance for correcting soil erosion, recovery of pasture areas and lowland systematization (BNDES onlending).
<b>Modermaq</b>	Financing of machines and equipment for the modernization and dynamics of the Brazilian industrial park and the health sector (BNDES onlending).
<b>Consigned Loan</b> (Agreement with CUT)	Payroll-discounted loan for employees of private companies represented by unions.
<b>Moderinfra</b>	Project finance for irrigation and storage, focusing on developing sustainable irrigated agriculture (BNDES onlending).
<b>CDC Material de Construção</b>	Financing for acquiring home improvement material.
<b>Progeren</b>	Financial support as Working Capital, with a view to increasing production, jobs and salary volume (BNDES onlending).
<b>Pro-Sanitation</b> (FGTS -Employment Security Fund)	Financing destined to sanitation projects, such as water supply, sewage sanitation, solid residue treatment, and others (FGTS onlending).
<b>Microcredit - Individuals</b>	Destined to granting loans for low-income clients.
<b>Prodeagro</b>	Agribusiness project finance, with a view to increasing productivity, quality standards of products and the adequacy of sanitary/environmental products (BNDES onlending).
<b>APL Working Capital</b>	Loan destined to micro and small companies taking part in APL (Local Productive Arrangement) Programs.

<b>Propflora</b>	Financing for implementing and maintaining forests destined to industrial usage and recomposing areas of preservation and legal forestry reserve (BNDES onlending).
<b>CDC (Consumer Sale Financing) Personal Computer for Teachers</b>	Financing for the acquisition of personal computers, with differentiated conditions for teachers.
<b>CDC APL (Local Productive Arrangements)</b>	Financing of machines and equipment for micro and small companies taking part in Local Productive Arrangements (APL).
<b>Pre-Approved Credit Line for Undergraduate Students</b>	Pre-approved credit destined to clients who hold Conta Universitária (A special account for undergraduate students).
<b>CDC Forestry Certification*</b>	Credit line for clients intending to obtain Forestry Certification.
<b>CDC Accessibility – Services*</b>	Credit line destined to disabled people, for financing services of vehicle adaptation and improvement in facilities (access ramp and others).
<b>Environmental Working Capital</b>	Loan destined to corporate clients whose activity is related to its social development and environmental preservation.
<b>Forestry Working Capital*</b>	Loan destined to corporate clients who hold forestry stewardship certification/ chain of custody or agreement proving the certification process.
<b>Microcredit – Corporate</b>	Loan destined to low-income micro-entrepreneurs.
<b>CDC Gas Kit</b>	Financing for converting vehicle fuel into vehicular natural gas (VNG).
<b>CDC School Materials/ Enrollment</b>	Financing for the acquisition of school materials and enrollment payment.
<b>CDC MBA/Post-Graduate</b>	Financing for specialization courses, post-graduate and MBA.
<b>Consigned loan (Agreement with CGTB)</b>	Payroll-discounted loan for employees of private companies represented by the union Central Geral dos Trabalhadores do Brasil (General Workers' Federation of Brazil – CGTB).
<b>CDC Solar Heater</b>	Financing for the acquisition of solar heaters.
<b>CDC – Seminar/Conference*</b>	Financing for the payment of enrollment in conferences, seminars, fairs or events.
<b>CDC – Hearing Impaired People Telephone*</b>	Financing for the acquisition of telephone devices destined to hearing impaired people.
<b>CDC Educational Material (Conta Universitária)</b>	Financing for the acquisition of educational material.
<b>Programa Ensino Superior – IES (Graduation Program)</b>	Financing for the updating, research and management of graduation (BNDES onlending).
<b>Profarma**</b>	Investment project finance for enhancing quality and production of the drugstore chain (BNDES onlending).
<b>Cidadão Conectado – Computador para Todos (Connected Citizen - Computer for Everyone)* **</b>	Destined to retail companies, for purchasing PCs for sales with special price conditions and fees (BNDES onlending).
<b>Proinfa**</b>	Financing for alternative energy sources (BNDES onlending).
<b>Biodiesel**</b>	Financing for supporting investments in all biodiesel production stages (BNDES onlending).
<b>Program for Collective Productive Investments (Proinco)**</b>	Investment project finance in properties shared by companies and producers, capable of influencing the social and economic development of less favored regions (BNDES onlending).

\* Products created in 2006

\*\* Do not include numbers presented in the following table

<b>Social-environmental products</b>	<b>2006</b>
<b>Total operations</b>	<b>201,132</b>
<b>Total portfolio</b>	<b>R\$ 2.1 billion</b>
<b>Total assets</b>	<b>R\$ 96.219 billion</b>
<b>% Social-environmental products / Total assets</b>	<b>2.2%</b>

### Affinity cards

Bradesco maintains a series of affinity cards, in which part of the funds is transferred for supporting social and environmental initiatives:

- Bradesco SOS Mata Atlântica Card – Support to Fundação SOS Mata Atlântica.
- APAE Card – Support to Associação de Pais e Amigos dos Excepcionais (Association of Parents and Friends of Exceptional).
- Casas André Luiz Card – Assistance to Centro Espírita Nosso Lar – Casas André Luiz.
- AACD Card – Support to Associação de Assistência à Criança Deficiente (Disabled Children Assisting Association).
- Chitãozinho e Xororó Card – Support to Fundação Chitãozinho e Xororó de Amparo à Criança.

Bradesco Cartões	2006
Volume transferred	R\$ 6.9 million

Bradesco BNDES Card	2006
Volume transferred	R\$ 130.6 million

### Bradesco BNDES Card

It functions as BNDES onlending for financing small and medium companies in the acquisition of nationally manufactured machinery and equipment.

### Investment funds

Launched in December 2005, FIA ISE and Prime FIA FIC ISE are socially responsible investment funds. Their portfolio is comprised of financial instruments of companies which take part in the Bovespa's Corporate Sustainability Index. Although they are a bet on the future, responsible funds already offer good return.

Bradesco Funds in 2006	Accumulated profitability (%)	Average shareholders' equity (in R\$ thousand)
Prime FIC FIA Corporate Sustainability Index	35.68	20,221
FIA Corporate Sustainability Index	38.68	21,083
Ibovespa - Closing	32.93	
Ibovespa - Average	33.73	
ISE	37.82	

## Certificated savings plans

Partnerships with renowned entities in Brazil resulted on the creation of special certificated savings plans. Part of the funds generated benefits social and environmental projects. In 2006, four new plans were launched: Pé-Quente Bradesco O Câncer de Mama no Alvo da Moda, Pé-Quente Bradesco SOS Mata Atlântica 300, Pé-Quente Bradesco SOS Mata Atlântica Empresarial and Pé-Quente Bradesco GP Ayrton Senna Empresarial.

Name	Partner institution	Plans traded in 2006
Pé-Quente SOS Mata Atlântica	Fundação SOS Mata Atlântica	839,208
Pé-Quente GP Ayrton Senna	Instituto Ayrton Senna	369,667
Pé-Quente Bradesco O Câncer de Mama no Alvo da Moda	Instituto Brasileiro de Controle do Câncer	28,242
<b>Total</b>		<b>1,237,117</b>

## Popular insurances

- Vida Segura Empresarial – Group life insurance for small companies having from three to 15 employees aged between 16 and 55.
- Vida Segura – Insurance with monthly cost of R\$ 9.90. It includes funeral aid and R\$ 15,000 draws every month.

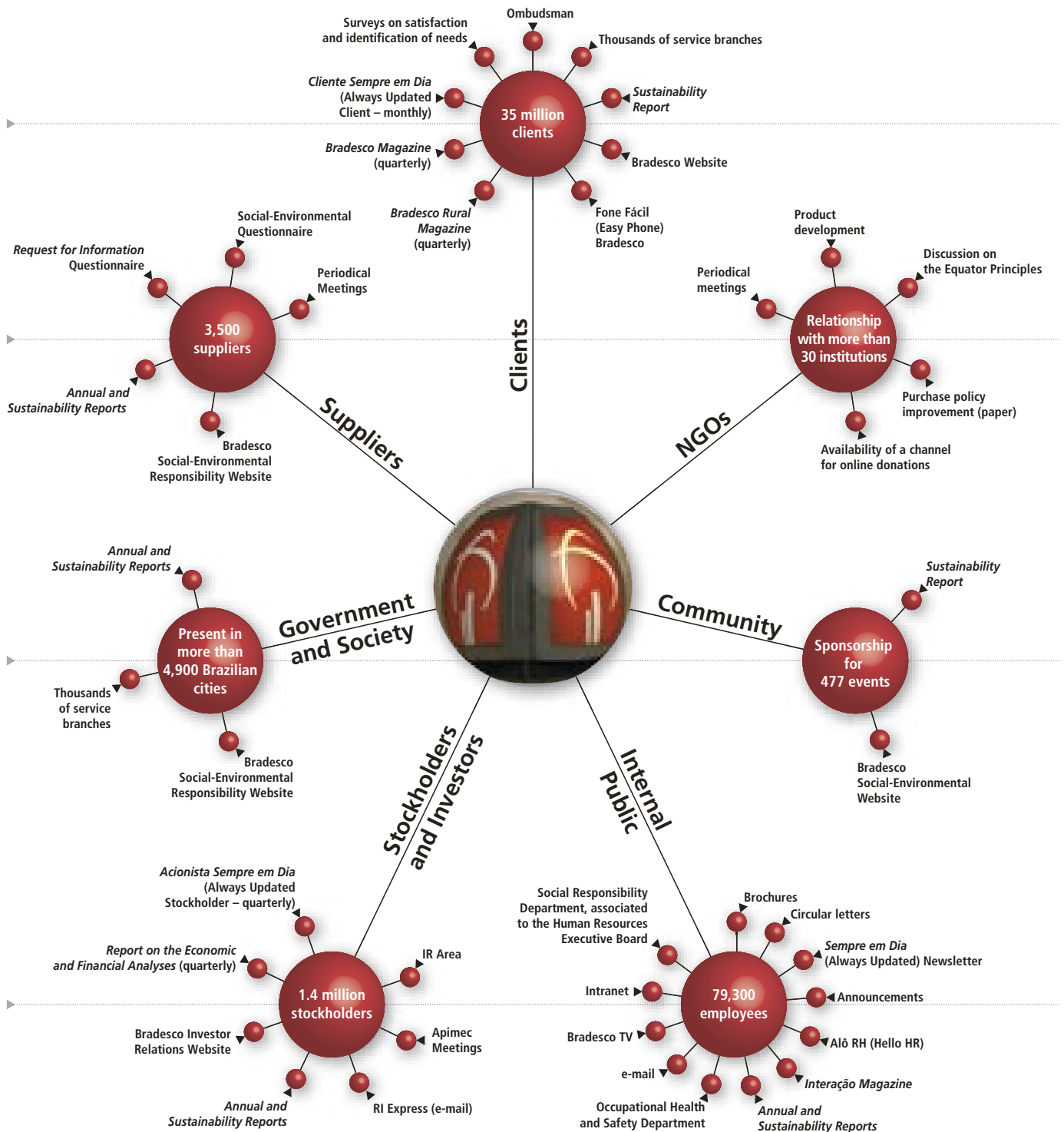
Insured persons, clients and participants (in thousands)			
Insurance activity	2004	2005	2006
Auto	1,132	1,222	1,281
Health	2,546	2,540	2,620
Basic lines	820	896	959
Life/AP	6,707	8,376	9,304
Private Pension Plans/VGBL	1,504	1,695	1,798
Certificated Savings Plans	2,760	2,464	2,311
<b>Overall Total</b>	<b>15,469</b>	<b>17,193</b>	<b>18,273</b>

# RELATIONSHIP WITH STAKEHOLDERS

## STRATEGIC DIALOGS

In its operations, Bradesco pursues to take into account its entire relationship chain, preparing strategies of operation and management for each of its bonds. Nowadays, stakeholders relating to the Organization are directors, employees, communities, clients, stakeholders, financial analysts, investors, environment, prospects, suppliers, competitors, government, regulatory bodies, NGOs, labor unions and press, among others.

A first mapping of strategic publics (stakeholders) was headed by the Marketing and Press Agency Department and carried out by an external consulting firm, practically involving all the areas. The result appointed 29 relationship groups. In a second phase, based on criteria such as importance, interest, influence and frequency, the Organization established the prioritized the types of public to be discussed in this report.





# STOCKHOLDERS AND INVESTORS

## ADDED VALUE

The adequate compensation of its 1.4 million stockholders and investors is among Bradesco's permanent concerns. The first bank to distribute monthly dividends to its stockholders (since 1970), Bradesco pays in each year the minimum of 30% of respective adjusted net income, which is higher than the minimum distribution of 25%, pursuant to the legislation. In addition to being traded at the New York Stock Exchange (as Level 2 ADRs) and the Madrid Stock Exchange (composing the Latibex Index, of Latin-American companies), Bradesco's stocks are among the most traded ones at Bovespa. In 2006, the distribution on interest on own capital and dividends amounted to R\$ 2.16 billion, representing 44.98% of adjusted net income, 14.83% up on the figure posted in 2005.

Transparency is fundamental to the relationship with stockholders, investors and professionals of the capital markets. Thus, the Bank offers clear, convenient and abundant information, by means of a series of specific media. In addition to benefiting from the market as a whole, easing its assessment, the reports also offer the Top Management the opinions of the financial community on its performance.

More information can be found in the Annual Report, available at [www.bradesco.com.br/ri](http://www.bradesco.com.br/ri).



## CLIENTS



### PERMANENT VALUES

Over the past five years, the account holder base grew from 12 million to 16 million, approximately a 35% increase. The philosophy to keep doors open for all the users of the Brazilian banking system, regardless

having or not an account at Bradesco, is based on an extensive service network with 3,008 branches, 22,169 Banking Service Branches in Brazil (among which are 381 Finasa branches and 5,585 Banco Postal branches), 24,099 Bradesco Dia&Noite network ATMs and 3,201 Banco24Horas Network ATMs.

Clients are able to consult their banking operations, carry out financial transactions and purchase products and services available via state-of-the-art technology through the ATM Network Channels, Fone Fácil (Easy Phone) and the Internet. In 2006, there were the following achievements:

- **ATM Network** – 1,830 million transactions, totaling R\$ 236.8 billion;
- **Fone Fácil (Easy Phone)** – 393.4 million transactions, totaling R\$ 9 billion;
- **Internet** – 890.3 million transactions, totaling R\$ 970 billion.



### BANCO POSTAL: CREDIT AND CITIZENSHIP

IN THE CITY OF SANTA ROSA DO PURUS, IN THE STATE OF ACRE, LOCATED AT THE BORDERLINE WITH PERU AND SEVEN DAYS AWAY THE CLOSEST CITY BY BOAT, NEARLY 100 PEOPLE OPENED AN ACCOUNT AT BANCO POSTAL, 20 OF THEM BEING KAXINAWA INDIANS. THE INDIANS ARE JUST SOME OF THE APPROXIMATELY 14 MILLION BRAZILIAN FROM 1,705 CITIES OF ALL THE COUNTRY'S REGIONS WHO WERE OFFERED ACCESS TO THE BANKING SYSTEM WITH BANCO POSTAL.

A CONSEQUENCE OF THE PARTNERSHIP BETWEEN THE BRAZILIAN POST OFFICE COMPANY AND BRADESCO, WINNER OF THE PUBLIC BID, THE SERVICE PROMOTES BANKING INCLUSION, REGIONAL ECONOMIC DEVELOPMENT AND POPULAR SAVINGS ACCOUNTS, IN ADDITION TO TAKING PROGRESS AND TECHNOLOGY TO REMOTE OR NEEDY REGIONS OF BRAZIL.

BANCO POSTAL OPERATES IN POST OFFICE BRANCHES, OFFERING SERVICES FOR OPENING CURRENT ACCOUNTS AND PAYMENT OF BILLS, TRANSFERENCES, WITHDRAWALS, LOANS AND FINANCINGS, WITH NO NEED FOR GOING TO OTHER CITIES, OFFERING MORE ECONOMY AND ENHANCING PEOPLE'S QUALITY OF LIFE. OPERATIONS ARE PERFORMED VIA SATELLITE, IN REAL TIME.

REINFORCING ITS SOCIAL CHARACTER, THE SERVICE ALSO OFFERS PAYMENT OF INSS (BRAZILIAN SOCIAL SECURITY INSTITUTE) BENEFITS AND SPECIAL LOANS FOR RETIRED PERSONS, IN ADDITION TO OPENING CURRENT ACCOUNTS FOR ILLITERATES AND DISABLED PEOPLE. NEARLY 88% OF THOSE BENEFITING FROM BANCO POSTAL'S ARRIVAL TO THEIR COMMUNITIES HAVE MONTHLY INCOME BELOW THREE MINIMUM WAGES.

Brasil and Banco Postal	Before	After
Cities with no banking branches	2,351	574
Citizens with no access to banking services	18.7 million	2.6 million

## **FOCUS ON THE BOTTOM OF THE PYRAMID**

OFFERING CREDIT TO BRAZILIANS FROM THE WORKING AND LOWER CLASSES, WHICH REPRESENT 40% OF THE POPULATION, MEANS EASING THE ACCESS TO GOODS AND SERVICES, PROMOTING SOCIAL INCLUSION AND CONTRIBUTING FOR BOOSTING ECONOMY. THE PARTNERSHIP BETWEEN BRADESCO AND CASAS BAHIA RETAIL NETWORK IS, THEREFORE, NATURAL, WHOSE EXPONENTIAL GROWTH OVER THE PAST YEARS TURNED IT INTO A WORLDWIDE EXAMPLE OF CORPORATE INNOVATION. THE INITIATIVE WAS A HIGHLIGHT IN *THE FORTUNE AT THE BOTTOM OF THE PYRAMID: ERADICATING POVERTY THROUGH PROFITS*, A BOOK WRITTEN BY C.K. PRAHALAD, PROFESSOR OF CORPORATE STRATEGY OF MICHIGAN BUSINESS SCHOOL. ACCORDING TO THE SPECIALIST, THE LOW-INCOME POPULATION “REPRESENTS A GREAT, PROFITABLE AND SUSTAINABLE MARKET”, SINCE THE UNDERTAKING HAS THE ADEQUATE FINANCIAL FORMAT.

THUS, BRADESCO CONTRIBUTED TO THE INCREASE IN CASAS BAHIA’S BUSINESS VOLUME, BASED ON SALES OF HOME APPLIANCES, FURNITURE AND UTENSILS – 70% OF CLIENTS DO NOT HAVE REGULAR INCOME OR FORMAL JOBS, WHICH CLOSES DOORS FOR THEM TO BUY IN INSTALLMENTS IN OTHER STORES. IN 2006, BRADESCO DESTINED MORE THAN R\$ 2.7 BILLION TO THE NETWORK FINANCING OPERATIONS.

LAUNCHED AT THE END OF 2005, BRADESCO CASAS BAHIA CREDIT CARD ALLOWS DIVIDING SALES INTO UP TO 12 INTEREST-FREE INSTALLMENTS OR 24 INTEREST-BEARING INSTALLMENTS. THIS PRIVATE LABEL – AS THIS TYPE OF CARD IS CALLED – ENTITLES TO PURCHASES IN AND OUTSIDE CASAS BAHIA. IN 2006, MORE THAN 1.3 MILLION CARDS WERE ISSUED. THE PARTNERSHIP ALLOWS SYNERGY MAXIMIZATION OF THE ACTIVITIES AMONG THE COMPANIES, MAINLY ENABLING THE DEMOCRATIZATION OF THE ACCESS TO CREDIT FOR THE PUBLIC IN GENERAL.



## No frontiers

Bradesco also stands out abroad. In addition to branches and subsidiaries, it has entered into partnerships with international financial institutions, serving hundreds of thousands of Brazilians living abroad. This is the strategic case with Bank of Tokyo-Mitsubishi UFJ, currently the world's largest financial institution in terms of assets. The partnership granted the creation of a branch network dedicated to the nearly 300,000 dekasseguis – Japanese descendents – and other Brazilian workers living in Japan and sending amounts to their families in Brazil on a regular basis. Different services and products are available, such as ATMs with multimedia resources and connection to bilingual environments, capable of providing personalized service to Brazilians. The partnership with Banco Espírito Santo, Portugal's third largest bank in terms of assets, eases the life of Brazilians living there – according to estimates, nearly 250,000 –, with services such as current accounts, debit cards and life insurance, among others. In 2006, partnerships with international financial institutions ease the sending of a total of US\$ 100 million from abroad to Brazil, having individuals as beneficiaries.



### SPECIAL SERVICE

Bradesco offers specific programs and products for hearing, visually and physically impaired people. According to IBGE (Brazilian Institute of Geography and Statistics), the number of disabled people in Brazil reaches 25 million.

- Bradesco offers visually impaired people access to the conveniences of the IT world. With software offered by the Bank – Virtual Vision –, the visually impaired client can operate a computer and interact with Bradesco through the Internet, making consultations, transactions, transferences and paying bills. The Bank also developed and implemented a specific audible version for the Bradesco Dia&Noite ATM network, which is under expansion.
- For users of wheelchairs, Bradesco offers ATMs which enable the client's reach to all the keys. The program is under expansion.
- The Exclusive Service Center for Hearing Impaired People, launched in April 2006, operated on a permanent basis and allows the user to obtain information on products and services. The data exchange is made by means of digital language, with assistants specially trained for executing the function.



### Actions for reducing service time

Bradesco has developed a set of efforts for decreasing waiting time in lines at branches:

- Implementation of a system to monitor flow and service time online.
- Extension of the network of correspondent banks, by means of the partnership entered into with the Brazilian Post Office Company (Banco Postal) and stores (Bradesco Expresso).
- Installation of 1,063 Bradesco Dia&Noite Network ATMs, replacement of 1,828 units for technological update and extension of Banco24Horas Network ATMs with 453 new machines.
- Reorganization of the menu of Bradesco Dia&Noite ATMs, making navigation and service choice easier to the client, offering a more agile service.

### Client satisfaction rate as to the service offered by Alô Bradesco (Hello Bradesco)\*

2004	2005	2006
95.1%	95.4%	96%

\* Daily measured; data consolidated on a quarterly basis.

### NO CLIENT LEFT WITHOUT AN ANSWER

The Organization is a pioneer in phone service systems in Brazil, with Alô Bradesco (Hello Bradesco), launched in 1985, long before the legal requirement. The goal of the process is to receive suggestions and complaints, providing answers to every client within three business days. The client also has access to the service through the Internet, at [www.bradesco.com.br](http://www.bradesco.com.br) (at the option "Fale Conosco" – Talk to Us). Bradesco Ombudsman centralizes



and manages clients' and users' manifestations received by means of Alô Bradesco (telephone and e-mail), the press and other channels. It also forwards to the respective departments the complaints against the Organization presented to the Central Bank and to Procon (Consumer Protection Agency). Thus, the Ombudsman area operates as an efficient instrument for solving problems and improving services rendered. Its attributions include managing the period for return and the quality of answers, identifying processes needing improvements and pointing them out to the manager, following the implementation of solutions. In 2006, the Ombudsman area followed 136,383 cases.

## SERVICE INDICATORS

### Banco Bradesco

Manifestations*	2004	2005	2006
Complaints	124,737	120,050	116,242
Suggestions	4,000	4,605	3,689
Compliments	7,833	8,480	8,078
Information	305,961	300,931	290,464
Bacen**	2,553	1,575	2,953
Procon	5,790	2,260	4,362
Press	440	1,065	1,059

\* The figures disclosed in the 2004 and 2005 Reports included only the number of manifestations received by means of Alô Bradesco – Phone. Due to the Ombudsman restructuring, manifestations received by e-mail have also become part of statistics generated by the area. However, in case only the 2006 figures were disclosed according to the new criteria – without updating previous figures –, there would have been a strong and undue “increase” in the number of manifestations.

\*\* In 2004, original complaints and their outspreads were taken into account. As of 2005, the Bank started taking into account only the main demand.

### Bradesco Seguros e Previdência

Year	2004	2005	2006*
Complaints	16,577	18,645	15,032
Suggestions	259	140	159
Compliments	334	328	281
<b>Total</b>	<b>17,170</b>	<b>19,122</b>	<b>15,472</b>

\* In 2006, out of the total manifestations received by the Ombudsman area of Bradesco Seguros e Previdência, 555 were recorded by means of the Bank's Ombudsman area.



### COMPLAINTS

In 2006, two complaints against Bradesco stemming from the Central Bank were classified as breach of bank confidentiality, in a universe of 16 million account holders. In 2005, only one similar complaint had been recorded and deemed groundless.

In 2006, the companies of Grupo Bradesco de Seguros e Previdência recorded the payment of six fines arising from complaints presented by consumers, three of which presented to SUSEP (Superintence of Private Insurance) and three to Procon. Both agencies understood the insurer did not comply with its duty to offer adequate information on its products (agreements of insurance, private pension plans and certificated savings plans), as well as the duty included in article 54 of the Consumer Defense Code - CDC, which determines that adhesion agreements must be written with clear terms and legible font, as to ease the consumer's comprehension.

Adding value to clients	2005	2006
Service branches	18,067*	22,177
INSS retired persons and pensioners/month	4.4 million	4.8 million
INSS benefits	R\$ 25.5 billion	R\$ 28.8 billion
Single-bank cities	1,700	1,705
Debit and credit cards	47.6 million	58 million
Credit portfolio	R\$ 81.1 billion	R\$ 96.2 billion
Indemnifications – Insurances	R\$ 5.5 billion	R\$ 5.8 billion
Benefits and redemptions – Private Pension Plans	R\$ 5.1 billion	R\$ 5.3 billion
Transfers from abroad to individuals	US\$ 396 million	US\$ 512 million
Investments in infrastructure, IT and telecommunication	R\$ 1.46 billion	R\$ 1.83 billion

\* Numbers disclosed in the 2005 *Social Responsibility Report* included only the number of own branches and Banco Postal

# INTERNAL PUBLIC



## HUMAN CAPITAL

With 79,300 employees, Bradesco is the largest employer of the national private sector. It counts on very diversified and efficient staff, without restrictions or privileges to employees having any type of skin color, ethnic groups, gender, age or belief. The Organization maintains a closed-career policy. Admission occurs at apprentice levels, and all the growth opportunities are given to employees, offering them the possibility of professional ascension to all hierarchical levels.

Employees are free to join organizations representing them; all of them are represented by unions and are comprised by collective bargaining agreements.



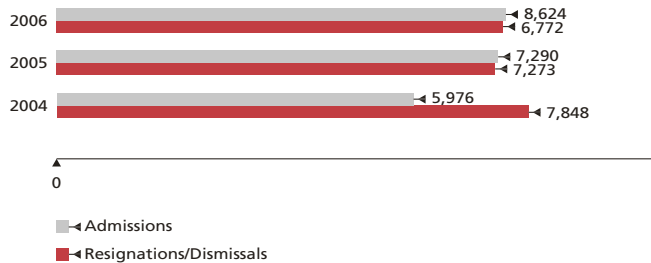
The Human Resources Management Policy of Bradesco Organization reaffirms the commitment with its employees by formalizing guidelines for the management and development of human resources, promoting and creating opportunities for its employee's professional growth. Among other premises, the policy focuses on maintaining a safe and healthy work environment, offering conditions for great performance and productivity levels, as well as for contributing to enhance employees' quality of life, offering conditions for the balance among work, health and family.

The full text of the Human Resources Management Policy is available at [www.bradesco.com.br/rsa](http://www.bradesco.com.br/rsa).

#### Human capital indicators

Employee's profile – December 2006			
Indicators	Consolidated		
Age (years)	Men	Women	Total
Up to 17	313	543	856
From 18 to 30	18,819	18,383	37,202
From 31 to 50	20,653	18,108	38,761
Older than 50	1,783	704	2,487
Average age	33.3	32.3	32.8
Length of service			
Up to 3 years	10,398	9,741	20,139
From 4 to 10 years	12,491	13,137	25,628
From 11 to 20 years	10,828	10,538	21,366
Over 20 years	7,851	4,322	12,173
Average length of service	10.5	9.6	10.0
Educational Background			
Basic Education	529	284	813
High School	8,652	7,050	15,702
University	32,387	30,404	62,791
Working hours			
Part time	13,581	15,629	29,210
Full time	27,987	22,109	50,096
Managerial position			
Non-commissioned	19,420	21,794	41,213
Commissioned	22,148	15,944	38,093
<b>Total</b>	<b>41,568</b>	<b>37,738</b>	<b>79,306</b>

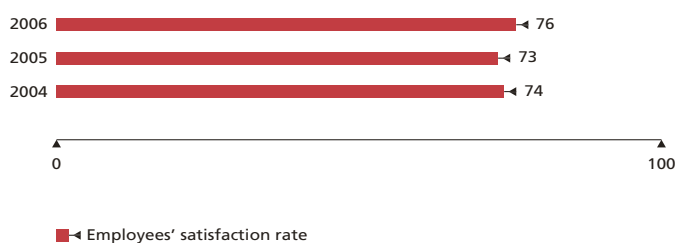
## Generation of job positions Admissions and Resignations/Dismissals



### Alô RH (Hello HR)

Alô RH was created focusing on making communication even more agile, transparent and closer between the Human Resources Department and the staff. In addition to receiving suggestions and complaints, Alô RH is an effective, agile channel for communication, which provides information on benefits, laws, policies and human resources practices. In 2006, Alô RH recorded around 50,000 calls, including clarification of questions, suggestions and complaints.

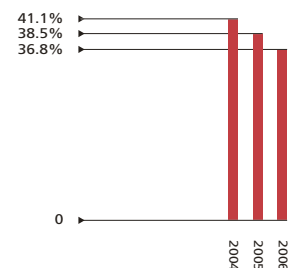
### Atmosphere research (in %)



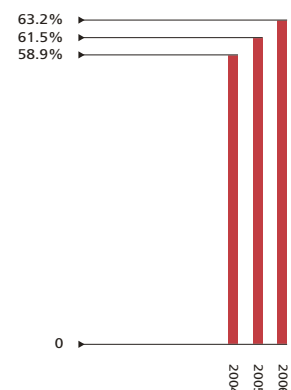
### COMPENSATION AND BENEFITS

The Organization offers its employees – working both part time and full time – all the conditions for developing their functions, among which is the granting of all the

### Part-time jobs



### Full-time jobs





benefits which exceed law requirements and go beyond those set forth in the Collective Convention of Bank Employees.

In 2006, investments in staff represented R\$ 5.6 billion, including salaries, social charges, benefits, training and profit sharing. In spite of actual increase in minimum wage, granted in accordance with the salary governmental policy, Bradesco still keeps the standard admission salary 174% higher than the minimum wage in force in the Country.

Among the main benefits granted by Bradesco, we point out:

- Supplementary Private Pension Plan
- Health insurance and dental care
- Group Life Insurance
- Credit with special rates
- Fee exemption
- Social loan
- Online Shopping Channel
- Leisure activities
- Specialization courses, Post-Graduate, MBA and foreign language

#### YOUTH APPRENTICE

The Bank maintains programs for qualifying youngsters and helping them enter the job market. One of them is the Youth Apprentice Program, which sets forth the hiring of youngsters aged between 15 and 18 years, focusing on providing personal and professional development. Bradesco ended 2006 with 871 apprentices. In total, the Bank has already had 1,265 youngsters participating in the program.

### YOUNG CITIZEN

The Organization also participates in the Young Citizen Program – My First Job, of the São Paulo State Government. It focuses on providing students from socially vulnerable families with the first opportunity of professional experience, by means of paid internship. Participants are aged between 18 and 21 years, and they must be enrolled and effectively attending High School, in state schools. At the end of 2006, Bradesco maintained 152 youngsters hired. In total, 323 youngsters have already taken part in the program.

### PROFESSIONAL OPPORTUNITY

By means of structured programs, Information Technology students of Fundação Bradesco have the opportunity to start their professional career as employees of the Systems Development Department of the Organization. All students approved in the selection process are hired.

### INVESTING IN TALENT

Stimulating creativity and investments in professional and personal qualification of employees are fundamental elements for Bradesco's success, definitely contributing to the solidity of its brand and the consolidation of its market strategies. Among the essential tools of its management policy is the continuous investment in training. In the 2006 average, the more than 79,000 employees had 117 hours of training in 1,577 different courses. Bradesco's investment in activities amounted to R\$ 57.9 million.

Hierarchical ascension is another aspect which is encouraged. Many officers started their careers as interns or apprentices, in professional qualification programs.



The main training programs of the Organization are the following:

- **Sustainability Course** – Trainings on social-environmental responsibility, including subjects such as Carbon Credits, SA8000, ISO 14001 and the Equator Principles. In 2006, the production of a video on sustainability was concluded.
- **Attendance classes** – Attendance trainings developed internally or in partnerships with universities, consulting firms and foundations. In 2006, 1,485 courses were held, with 114,878 attendances.
- **Distance training** – Includes activities by means of TreiNet, from brochures to videotrainings.
  - **TreiNet** – Training system via intranet or Internet allowing all employees to take part in courses according to their interest and convenience. In 2006, 24 new courses were launched, totaling 77 courses available with 940,000 participants.
  - **Brochures** – The program makes use of brochures with preferentially normative and operating contents, based on demands from various areas. In 2006, there were 41,720 participants by means of such tool.
  - **Videotraining** – This system aims to motivate employees and make them aware as to matters of the Organization's interest. In 2006, there were 70,469 enrollments in videotrainings, with six videos available. Main themes were: service quality, Code of Defense of the Bank Client, ISO 14001 management system, OHSAS 18001 and SA 8000. In addition, 100% of units have videotrainings available on money "laundering" prevention and combat, internal control systems, information security and compliance basics.



- **Partnerships** – Partnerships entered into with universities and colleges are important for maintaining the quality of information provided and for the staff qualification to be aligned to the most modern management practices.

Training activities enrollments	2004	2005	2006
Attendance	107,165	107,784*	114,878
TreiNet (on-line)	111,377	315,542	940,676
Videotraining and brochures	248,673	195,657	112,189
Total enrollments	467,215	618,983	1,167,743
Total hours	4,579,950	5,332,407	8,754,701

\* The figures disclosed in the 2005 *Social Responsibility Report* did not take into account the trainings held at Banco Postal branches.

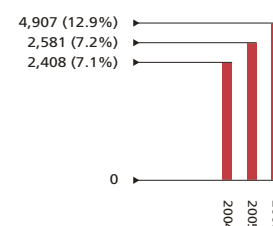
## RESPECT FOR DIVERSITY

The diversity appreciation is included in the Human Resources Management Policy and the Corporate Code of Ethics. The guidelines of the relationship with employees are based on valuing professionals and complying with the Global Compact principles, among other international rules on human rights.

The Diversity Appreciation Working Group, comprised of representatives of various areas, was created for enhancing the relationship among the company and its different types of public and maintaining internal demography balanced – both in attracting and in retaining talents.

Bradesco ended 2006 with 9,754 afro-descendent employees in many business areas, in many cases occupying managerial positions. A partnership with Faculdade Cidadania Zumbi dos Palmares (Unipalmares) focuses on hiring interns by means of a professional qualification program. The 2-year program is divided into various modules. At the end of 2006, 58 students were part of this internship program.

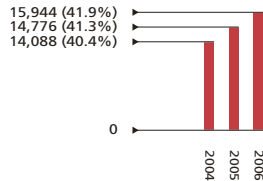
### Black people in managerial positions



Percentage over total employees in managerial positions.

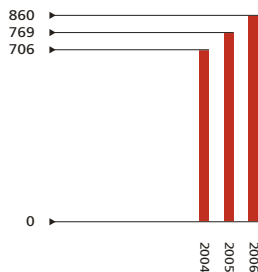


### Women in managerial positions



Percentage over total employees in managerial positions.

### Disabled employees



The Organization ended 2006 with 37,738 female employees, which is equivalent to 48% of its staff. There are 15,944 women in managerial positions, including the Board of Directors and the Board of Executive Officers.

Focusing on hiring and retaining disabled people, partnerships were entered into with specialized institutions, focusing on including these professionals. We have in our Call Center a specific area with visually impaired people.

In Cidade de Deus, our facilities were adapted, including the construction of special ramps and accessible sidewalks, in addition to installing exclusive elevators. All the new branches are prepared for serving physically disabled people.

Bradesco was one of the sponsors of the Febraban Professional Qualification Program, which qualified disabled professionals for holding positions at the job market. By means of [www.bradesco.com.br](http://www.bradesco.com.br) (link *Oportunidades de Carreira* – Career Opportunities), Bradesco offers an exclusive channel for the reception of resumes of disabled people.

### WORK SAFETY AND HEALTH

Bradesco invests in the creation of a healthy work environment, offering safety and encouraging the good relationship in the team and the development of individual skills.

In 2006, Bradesco achieved the certification in Rule OHSAS 18001 for the facilities of the building at Avenida Paulista, in São Paulo, which determines an Occupational Health and Safety Management System. With the certification, the Organization reaffirms its commitment with its employees’

safety and health, adopting ergonomic management and awareness programs on the significance of safety and health in the work environment.

Concerning health, preventive programs and methodologies allow mapping and identifying potential causes of diseases occurred in the work environment and relations. Themes such as Repetitive Strain Injury (RSI), stress, chemical dependency (alcoholism, drugs, tabagism), obesity, cardiovascular diseases, sexually transmitted diseases (STDs), AIDS, and others, are monthly covered by *Interação Magazine*, and in the Internal Week of Occupational Accident Prevention (Sipat).

The Organization integrates the National Business Council for HIV/AIDS Prevention (CEN), which is destined to making people aware of the disease and combating its propagation.

<b>Adding value to employees</b>	<b>2005</b>	<b>2006</b>
Number of employees	73,881	79,306
Employee profit sharing (PLR)	R\$ 286.6 million	R\$ 414.3 million
Compulsory social charges	R\$ 954 million	R\$ 1.03 billion
Private pension plans	R\$ 279.7 million	R\$ 319 million
Health	R\$ 259.5 million	R\$ 298.2 million
Training	R\$ 52.3 million	R\$ 57.9 million
On-site child care and child-care benefit	R\$ 44.7 million	R\$ 41.1 million
Payroll	R\$ 2.7 billion	R\$ 2.9 billion
Meals	R\$ 455.1 million	R\$ 498.8 million



## SUPPLIERS



### SUSTAINABLE PARTNERSHIP

More than providers of services, products and solutions, the nearly 3,500 suppliers are important partners in the sustainability path. In total, there are 1,757 prevailing contracts, amounting to R\$ 4.2 billion. One of the main requirements of Bradesco is the respect for the Code of Ethics of the Organization.

Since January 2006, all suppliers are required to know, understand and respect the values which inspired the preparation of the document. Thus, the Bank encourages the engagement of thousands of companies – and their professionals – in the propagation of social-environmental responsibility. Up to now, more than 59% of suppliers with prevailing agreements received the Code of Ethics of the Organization.

#### SEMIANNUAL MEETINGS

The inclusion of service and product providers in the social-environmental responsibility culture should be a continuous process. In this regard, periodical meetings with suppliers of all sizes and areas are held. The first ones were held in May and November 2006.

In these events, which joined representatives of more than 150 supplying companies, members of Bradesco delineated a complete outlook of the social-environmental responsibility dimension, inviting suppliers to engage in the effort for the sustainable development. Another two editions of the event are scheduled for 2007, also in May and November.



### STRICT SELECTION

By means of a practice named Request for Information (RFI), adopted by the Bank since 2003, registering, commercial, technical, economic-financial and social-environmental information of the postulant is analyzed. The goal is hiring only suppliers that comply with all the sustainability and business requirements of the Organization. Among the matters assessed is the non-utilization of child labor, compulsory labor or slave labor in the production chain. The Bank adopts terms reinforcing the prohibition of these practices.

External certification audits are used for analyzing RFI information. In 2006, approximately 46 technical visits were held by the Procurement Department – including suppliers of eight sectors considered as critical – for RFI analyses and assessment. The assessment of suppliers by means of RFI is a permanent process fully incorporated to Bradesco's contracting policy. In 2007/2008, the Bank will invest R\$ 600,000 in improving this tool.

### CRITICAL SEGMENTS

For assessing the social-environmental aspect, Bradesco adopted own criteria, with pre-defined scores. The theme, which used to be weighted at 5% in the assessment of the segments regarded as critical, is now weighted at 15%. Out of the 145 supplier segments, 66 are regarded as critical to the businesses, from the strategic, operating and social-environmental points of view. Up to the end of 2006, 59 segments were assessed by means of the RFI.

Only after the initial analyses, the supplier is pre-selected, becoming able to dispute with competitors. After that, the ones contracted are those reaching the best weighted indices among different themes.

### SOCIAL-ENVIRONMENTAL QUESTIONNAIRE

One of the tools for assessing suppliers is the Social-Environmental Questionnaire. With 29 questions on environmental, health and safety policies, among others, the set of questions aims to assess features and actions of supplying companies. In addition, the document also includes a glossary with terms such as Global Compact, OHSAS 18001, SA8000 and NBR16001, which helps propagate fundamental concepts among companies yet not engaged in the pursuit for sustainable development.

### INSTRUMENT OF AGREEMENT

Bradesco developed a special instrument of agreement to be executed by its suppliers, the Statement of Compliance – Social Responsibility Commitment Rule SA8000. Jointly with RFI and the Social-Environmental Questionnaire, the document composes a set of tools used by Bradesco focusing on the adhesion of suppliers in the pursuit for a sustainable development.

In the instrument, the supplier manifests its agreement with the requirements of rule SA8000, committing to maintaining them and making the company's facilities available for assessment visits, when deemed necessary by Bradesco. The document details the position taken by the



supplier as to aspects such as child labor, compulsory labor, health and safety, freedom of association, right to collective bargaining, discrimination, disciplinary practices, working hours, compensation and management system.

### MANAGEMENT CELL

In May 2006, Bradesco created a specific area for the management of suppliers. The goal is to maintain a team focused on planning operation strategies with this public of interest, making relationship become closer, more cooperative and committed.

The Organization also created a channel of communication for the supplier, available by means of the e-mail [4080.fornecedor@bradesco.com.br](mailto:4080.fornecedor@bradesco.com.br). The disclosure of this channel occurs at meetings with suppliers.

Adding value to suppliers	2005	2006
Number of agreements	1,625	1,757
Financial volume	R\$ 3 billion	R\$ 4.2 billion



# COMMUNITY



## COMMITMENT TO CITIZENSHIP

The programs and social-environmental actions maintained by Bradesco Organization throughout the Country focus on education, environment, sports, digital inclusion, culture and communitarian events, directly benefiting the communities with which the Bank is related. In all cases, the priority is given to communities with high level of social-economic deficiency.



The elementary philosophy of projects is to make programs have autonomy and dynamics. In addition, the objective also involves maximizing the impact of such actions, by means of partnerships with suppliers, government agencies and NGOs. The policy of contribution to the community is exposed in the Bylaws and the Corporate Code of Ethics of Bradesco.

### SPONSORSHIP

Hundreds of cultural, artistic and communitarian events on folklore, art and culture are annually sponsored by the Bank. The idea is to preserve the main Brazilian characteristics, appreciating different regional traditions.

Sponsorship		2005*	2006
Own funds	Events	405	415
	Total	R\$ 27.2 million	R\$ 32.3 million
Via incentive laws	Events	30	62
	Total	R\$ 13.4 million	R\$ 53.5 million

\*The amounts published in the 2005 Social Responsibility Report also took into account business events.

### TRADITION AND FOLKLORE

Many events interesting the communities served by the branch network are sponsored by the Organization. From great manifestations of the Brazilian folklore to smaller festivities, such as regional celebrations, fairs and sporting events, there are tens of events throughout the Country, and the following stand out:

- Summer Festival of Salvador (BA)
- Carnival of Salvador (BA)
- São João de Caruaru Celebration (PE)
- São João de Campina Grande Celebration (PB)

- Folkloric Festival of Parintins (AM)
- Japanese Brazilian Festival of Maringá (PR)
- Folkloric Festival of Olímpia (SP)
- Tidal Wave Festival – Portuguese & Fish Festival of Itajaí (SC)
- Procession of Nazaré, Belém (PA)

### ART AND CULTURE

In 2006, 191 cultural events held in 82 Brazilian cities were sponsored, highlights to *Cirque du Soleil* and the Christmas tree in Lagoa Rodrigo de Freitas, in Rio de Janeiro.

### AACD

Only sponsoring and donating company of all editions of Teleton, Bradesco contributed with R\$ 500,000 in 2006. Teleton is a 27-hour TV marathon, held since 1998, destined to raising funds for making initiatives of AACD (Disabled Children Assisting Association) viable. The Organization has also destined R\$ 250,000 to surgical treatment of scoliosis in children and youngsters.

### DONATIONS THROUGH THE INTERNET

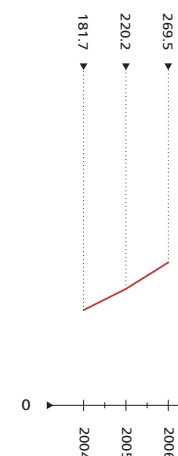
At Internet Banking Bradesco, client may program or make donations for assisting entities previously registered.

### SOCIAL STOCK EXCHANGE

Supported by Bradesco, the initiative of Bovespa and its brokers focuses on joining representatives of the Third Sector in need of funds for its projects to investors eager to support them.

### Social Investment

Investments in direct social actions (education, environment, digital inclusion, culture and sports).  
Amounts in R\$ million





## GOVERNMENT AND SOCIETY



### DEVELOPMENT AGENT

Bradesco has a permanent partnership relation with the Brazilian society in its many aspects. As the Country's largest private bank, it operates in credit onlending – with funds arising from banks related to the government,

such as BNDES (National Bank for Economic and Social Development) – and contributes to banking inclusion, also promoting education, sports and a series of other initiatives aligned to public policies.

- Credit – Bradesco is responsible for most of BNDES indirect onlending of funds, mostly favoring micro, small and medium companies – the main responsible for the Country's job and income generation.

BNDES indirect onlending of funds				
Year	Number of Operations	Amount in R\$ thousand	Share over total	Ranking
2004	17,155	3,318,987	15.26%	1 <sup>st</sup>
2005	18,322	4,437,594	17.82%	1 <sup>st</sup>
2006	22,568	5,819,564	19.93%	1 <sup>st</sup>

- Banking inclusion – In more than 30% of the Country's cities, Bradesco is the only institution to offer banking services. Monthly, its service structure answers for the payment of 4.8 million retired persons and pensioners of INSS.



### Taxes and contributions

In 2006, Bradesco paid and provisioned R\$ 5.9 billion in taxes and contributions to federal, state and municipal governments.

### Crime prevention

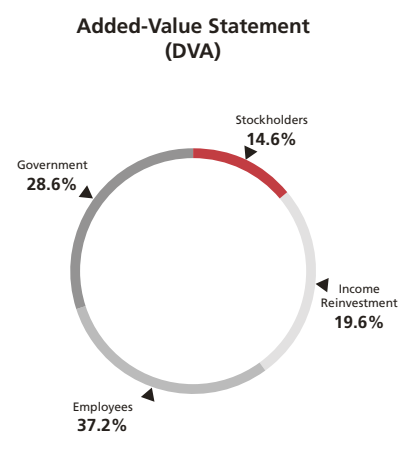
Bradesco adopts a series of measures for combating the use of its structure for illicit businesses. According to estimates of the International Monetary Fund (FMI), the annual volume of funds from money laundering represents from 2% to 5% of worldwide GDP. In order to prevent its products and services from being used for such purposes, Bradesco holds a Program for Preventing and Identifying Money Laundering and Combating Support to Terrorism, which reflects the best market practices. The program includes staff training in attendance and distance courses, financial transaction monitoring systems, disclosure of specific internal regulations (among which the policy "Conheça seu Cliente" - Know Your Client - stands out) and the Money Laundering Prevention and Detection Executive Committee, in addition to a team of specialists exclusively dedicated to the analysis of financial transactions. Situations deemed suspect of involvement with crimes set forth in Law 9,613/98 and supplementary regulations are submitted to proper authorities. Regarding combating corruption, Bradesco formalizes employees' ethical behavior standards in documents, such as the Internal Regulation of Bradesco Organization, the Manual of Corporate Policies and Rules on Information Security, the Internal Control System Manual, the Corporate Code of Ethics and the policy "Conheça Seu Funcionário" (Know Your Employee). All the rules included in the regulations are observed and updated by bodies such as the Committee of Ethical Conduct. Based on these documents, largely disclosed at the Company, 100% of employees are aware as to ethical precepts adopted and practiced by the Company.

In total, such movement results in more than R\$ 28.8 billion in benefits paid every year. In addition to the Bradesco network, there are 5,500 Banco Postal service branches, which allowed the access of millions of Brazilians to the convenience and benefits of the banking system. Until then, this huge number of citizens did not have alternatives for making banking transactions in more than 1,700 cities.

### REGULATORY BODIES

Bradesco Organization has a permanent relationship with various regulatory bodies and agencies, such as the National Agency for Supplementary Health Care, the Central Bank, the Brazilian Securities and Exchange Commission (CVM) and the Superintendence of Private Insurance (Susep), and others. Representatives of the Organization took part in public audiences, performed by regulatory bodies, focusing on obtaining clarifications or even offering suggestions for preparing rules or indices.

Adding value to society	2005	2006
Own taxes and contribution paid and provisioned	R\$ 3.9 billion	R\$ 5.9 billion
Taxes and contributions collected	R\$ 113.2 billion	R\$ 126.3 billion





## NGOs

### PERMANENT DIALOGUE

Bradesco has a permanent dialogue with non-governmental organizations. In addition to its partnership with Fundação SOS Mata Atlântica, the Bank holds periodical meetings with other organizations, focusing on extending the dialogue with the civil society.

In addition to inspiring the development of products – especially social-environmental ones –, the meetings also help Bradesco keep a channel always opened to the relationship with entities, listening to its demands and expectations as to the Bank's performance. The NGO Amigos da Terra – Amazônia Brasileira, for instance, significantly contributed to the conception of products, as in the discussions preceding Bradesco's adhesion to the Equator Principles.

In 2006, in an initiative of CEBDS (Brazilian Business Council for Sustainable Development), the Bank took part in a meeting with leaders of many NGOs. At the same time they inspire the creation of social-environmental products, the NGOs disclose these products among the publics they relate to.



# ENVIRONMENT



## INTERNATIONAL CERTIFICATION

Historically identified with the environmental cause, Bradesco's path established a milestone in May 2006, when the Bank became the first in the Country to achieve the international certification ISO 14001, granted by Fundação Vanzolini to the building on avenida Paulista, in São Paulo, which complies with the strictest standards of maintenance and control in the reduction of water and electric energy consumption and waste generation.



Even though its field of operation does not present a direct impact on the environment, Bradesco works hard towards shaping and propagating an environmental culture, by means of several actions, such as the pursuit for eco-efficiency in its operations and the appropriate material discard.

### IN PURSUIT OF ECO-EFFICIENCY

In addition to reducing water and energy consumption, recycling paper and printer cartridges and discarding correctly the waste generated in its activities, the Organization develops social-environmental product, monitors greenhouse gas emissions and tries to raise society's ecological awareness.

#### ■ Discard control

The proper discard of solid residues, mainly the ones generated from building and remodeling work, is part of the requirements made to the contracted building companies.

#### Selective Collection

Approximately 100 tonnes of paper and cardboard are collected every month from the main Administrative Buildings and some Centers (paper and other check clearing centers) in Cidade de Deus.

#### Discard control – 2006

Type of material	Total
Paper (kg)	1,044,836
Cardboard (kg)	47,043
Plastic (kg)	18,091
Glass (kg)	1,383
Metal (kg)	37,489
Lamps (unit)	30,950
Other residues (kg)*	1,420,960

\*Estimated weight according to the amount of residues (collected in the buildings, barrels on the streets, and table trash cans), sent to the landfill.

Since December 2005, except for the centers, a selective collection of metal, glass and plastic has also been carried out. The process includes the separation and correct destination of materials, accompanied by incentive and employee awareness campaigns.

**Recycled checks**

Checks used by clients and which have already been processed and microfilmed are sent to recycling, observing principles that guarantee information security.

Period	Checks printed*	Recovered percentage**
2004	507,600,360	92.5%
2005	475,535,060	91.8%
2006	408,294,851	96.1%

\* There is a trend towards reducing the use of checks due to other payment means, such as debit and credit cards and Instant Online Transfer (TED).  
 \*\* The difference between processed and printed checks indicates the checks in the client's possession.

■ **Emission control**

Even though its operations are concentrated in Brazil, a country which does not have goals related to the Kyoto Protocol, Bradesco carries out actions against global warming. Caused by the sharp increase in the emission of greenhouse effect gases (GEG), such as carbon dioxide (CO<sub>2</sub>), global warming is a trigger for climatic changes, a phenomenon that threatens the future of the planet.

Bradesco was the first Brazilian bank to launch a program for measuring its direct and indirect participation in the emissions, aiming at neutralizing its carbon production. The data collected indicate a CO<sub>2</sub> volume of 22,300 tonnes/year, equivalent, in Cidade de Deus, to what will be offset by the planting of approximately 37,200 trees, in partnership with Fundação SOS Mata Atlântica,



the purchase of carbon credits and the establishment of partnerships for the generation of carbon credits.

The Organization imposes direct or indirect control over the quality of the vehicles used by suppliers for pouch transportation. In São Paulo and Rio de Janeiro, the contract for service providing requires the use of vehicles that have been in use for a maximum of four years and comply with the preservation and functioning conditions specified by the Bank. In the other regions, transportation is shared with other banks, under the management of Febraban, which follows the same procedures in its relationship with suppliers.

#### Inventory report of direct and indirect emissions

The table below shows the inventory of Bradesco's emissions of greenhouse effect gases (GEG) relating to Cidade de Deus operations, calculated according to the GHG Protocol methodology and to ISO 14064. In 2007, the Organization will extend the scope of the GEG emission inventory report.

#### CO<sub>2</sub> emissions equivalent in 2006 – Cidade de Deus

Scope 1 – direct GEG emissions	Tonnes
HFC – coolant gases (air conditioner)*	820
LPG – Liquid petroleum gas (restaurants and water heating)	43
Private air transportation (planes and helicopters)*	978
People ground transportation (own and rented cars)*	876
Generators	66
Scope 2 – Indirect GEG electricity emissions	
Electric energy	9,250
Scope 3 – Other GEG indirect emissions	
Freight bus (lines offered to employees)	107
Air travel (private companies)*	10,027
Transportation by means of motorcycles ( <i>motorcycles courier</i> )**	84
<b>Total</b>	<b>22,251</b>

\* Data relative to the Organization.

\*\* Estimated amount, based on information assessed from August to December 2006.

## ■ Consumption rationalization

The correct use of resources such as water and electric energy, in addition to economic gains for Bradesco, results in environmental benefits for society as a whole. Thus, the Organization maintains several initiatives aiming at rationalizing consumption and its operations.

### Electric energy

Over the past three years, approximately 30 thousand 40-Watt lamps were replaced by 32-Watt, mirrored reflectors lamps, which increase lighting efficiency. In Cidade de Deus, the lighting system was updated, by means of the replacement of mercury lamps with sodium vapor ones. With the replacement of 80% of the lamps, electric energy consumption in the headquarters was reduced by 20%.

Bradesco has also been replacing equipment and engines with better performing ones, aiming at reducing energy consumption in its facilities. With the replacement of elevators, for instance, a 20% reduction in energy consumption is expected.

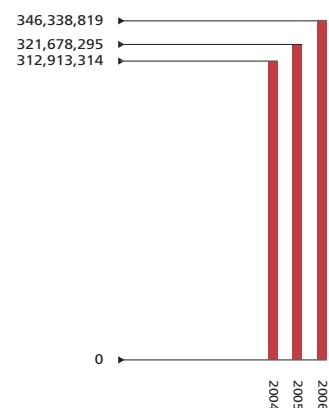
#### Other actions for consumption rationalization

Air conditioning with thermal accumulation system, which produce ice during the night, reducing energy consumption at times of greater demand.

Timers, which automatically shut down lamps and light panels at scheduled times.

Electronic lamps and reactors, which consume less energy than the conventional ones.

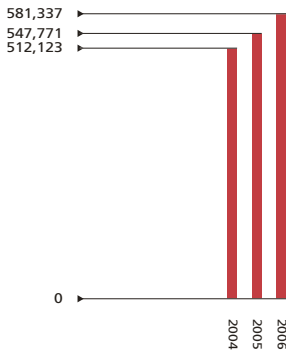
**Energy consumption**  
(in KWh)



In 2005, the average of KWh per employees was 4,354. In 2006, it was 4,367. The evolution in energy consumption can be explained by the increase in the number of branches. In addition, 30 branches received air conditioning systems, contributing to an increase in consumption.



### Water - Consumed volume (in m³)



The average of m³ per employees was 7.4 in 2005, decreasing to 7.3 in 2006. The water consumption presented in the 2005 *Social Responsibility Report* (516,064 m³) was corrected to 547,771 m³. The previous number was a projection only.

## Water

Employees from all departments of the Organization, permanently committed to campaigns for the rational use of water, are advised to follow up consumption monthly, helping avoid losses and keep consumption at acceptable levels.

### ■ Appropriate materials

Bradesco has extended the use of products aligned with the Social-environmental Responsibility Policy.

## Recycled paper

In July 2006, Bradesco started to use recycled paper in part of its checkbooks, which consume 100 tonnes of paper monthly.

The Bank uses approximately 600 tonnes of recycled paper (around 90% of total consumption) monthly. Since February 2005, recycled paper has been gradually replacing white paper, mainly used in the production of material for internal and external communication. The next step is to use recycled paper in express envelopes, and its expansion to all checkbooks, replacing approximately 50 tonnes/month of white paper.

The paper used is 100% recycled, composed of 75% of pre-consumption raw material and 25% of paper purchased from paper collectors' cooperatives. Part of the revenue from its sale is transferred to social-environmental projects of Instituto Ecofuturo, created by Suzano company. Thus, Bradesco indirectly contributes to the social project of Cooperativa dos Catadores de Papel e Material (Coopamare - Waste Pickers Cooperative).

Approximately 22 tonnes of waste – mainly paper – are monthly collected in 194 monitored branches in the City of São Paulo.

#### **Biodegradable garbage bags**

Initially implemented in garbage collection and recycling of paper and other refuse in Cidade de Deus and in the administrative buildings, the use of that material was extended to the entire network, by means of Online Supplies. When in contact with the ground, the biodegradable bags suffer complete degradation within a short period of time, consumed by microorganisms, without harming the environment.

#### **Certified wood**

Pencil manufactured with certified wood with the FSC seal (Forest Stewardship Council), an international agency regulating the controlled forestry stewardship. Besides not degrading the environment, the raw material contributes to fighting the exploration of illegal wood of predatory origin. The product was made available to all of the Organization's departments, by means of Online Supplies. In 2006, approximately 100 cubic meters of 100% reforested wood were used in the manufacture of furniture and office partitions, used in administrative buildings.

#### **Dispensers and consumable (toilets)**

The dispensers and respective consumption products of Cidade de Deus and administrative buildings were standardized with new models. In addition to the economic aspect and the quality improvement, the measure will contribute to conscious consumption, as the new liberation



system of toilet paper and paper towel avoids waste and reduces consumption. The biodegradable liquid soap, in turn, decomposes naturally.

#### **Remanufactured cartridges**

Two thirds of toner cartridges used are remanufactured. Approximately 43,000 units are annually submitted to a strict industrial process, which ensures the same quality as the new product, with the environmental advantage that its shells, once reused, are not released into the environment. Today, 51 types of cartridges are used, 34 of which can be recycled. With the constant renewal of the printing facility, an increase in the number of remanufactured cartridges is expected.

#### **Organic fertilizer**

A special machine is used to crush around 18 tonnes/year of dry leaves, originating from the sweeping and maintenance of Cidade de Deus and its green area of 115,000 square meters. In addition to avoiding discarding the material in landfills, the initiatives contribute to the earth's natural enrichment.

#### **■ Clean Development Mechanism (CDM)**

In addition to its GEG emission inventory report, Bradesco encourages its clients to carry out Clean Development Mechanism (CDM) projects, according to the rules of the Kyoto Protocol. Work has already been conducted with three clients in several projects. Over a 10-year period, a total reduction of 1.5 million tonnes of CO<sub>2</sub> is expected. Another 15 projects are being analyzed.



#### Client – Meatpacking company

Project for co-generation with biomass  
Projects for replacing BFP oil with animal fat  
Projects for treating effluents with biodigestors

#### Client – Energy company

Small hydroelectric plants (two projects)

#### Client – Paper plant

Replacement of fossil fuel (oil) with biomass (bamboo)

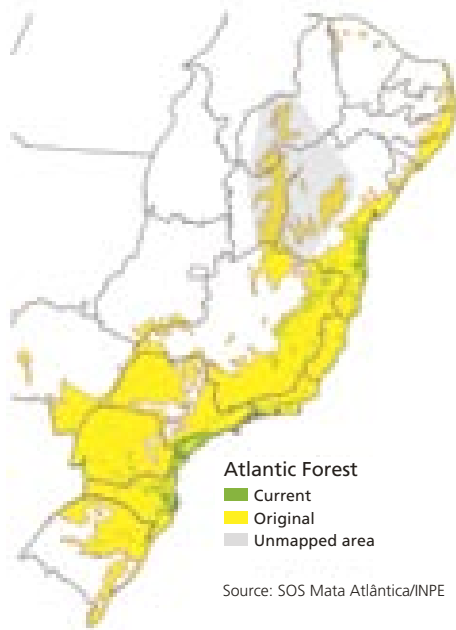
### PROPERTIES WITH ENVIRONMENTAL RISKS

Bradesco has three properties in protected areas, and one with environmental pending issue. All have originated from debt settlements.

Area	Situation
<ul style="list-style-type: none"><li>• Lots in the City of Guarujá (SP)</li></ul>	Lots obtained in agreement to meet obligations. The development was estopped due to actions that had an impact on the environment. The developer is adopting measures aiming at correcting the pending issues.
<ul style="list-style-type: none"><li>• Property on SP-55 Highway, in Bertioga (SP)</li></ul>	46.45 hectare area, located in environmental reserve. The possibility of commercializing part of the area is under analysis.
<ul style="list-style-type: none"><li>• Area of land located in Siriuba, in Ilha Bela (SP)</li></ul>	Area included in the Ilha Bela State Park. Bradesco has proposed donating the area to the State of São Paulo. The process is being analyzed by the Public Ministry.
<ul style="list-style-type: none"><li>• Farm in the City of Paverama (RS)</li></ul>	With 106 hectares, the soil is contaminated. Bradesco has already contracted a company to monitor the environmental liabilities. The property will undergo a bidding process in 2007.

### PARTNERSHIP WITH MATA ATLÂNTICA

Over the past 16 years, by means of products such as credit cards, certificated savings plans and private pension plans, coupled with donations, Bradesco has invested approximately R\$ 49 million in programs led by Fundação SOS Mata Atlântica, an entity whose mission is to preserve the natural, historic and cultural heritage of remaining areas of the Atlantic Forest. The forest originally comprised an area of 1.3 million square kilometers, in 17 states and 3,406 cities, covering 15% of the



Brazilian territory. It has now been 93% devastated, and covers a little over 1% of the national territory.

The Foundation’s projects include initiatives that included from reforestation, environmental education, book and atlas publications, and implementation of nurseries, to campaigns for motivating the population and special projects, such as the Foundation’s institutional events and motivational campaigns for the Bank’s internal public. In addition, the partnership also carries out projects with specific purposes, such as “Clickarvore” (Clicktree), and “Florestas do Futuro” (Forests of the Future).

Investments in the Foundation	
Amounts transferred to Fundação SOS Mata Atlântica by Bradesco	
Prev Jovem	R\$ 30,000
Bradesco Capitalização	R\$ 25.5 million
Bradesco Cartões	R\$ 24 million
Voluntary donations	R\$ 240,000

The [www.clickarvore.com.br](http://www.clickarvore.com.br) website keeps a forestry promotion program through the Internet. With just a few clicks, internauts can authorize the planting of a new native tree seedling per day. From August 2000 to December 2006, 18.2 million trees had their planting authorized by means of the website. The amounts for financing are transferred by sponsoring companies. Bradesco is currently the website’s main partner, accounting for over 95% of planted trees.

One of Bradesco’s main products that generate funds for Clickarvore is the certificated savings plan called “Pé-Quente Bradesco SOS Mata Atlântica”. The SOS Mata Atlântica/Bradesco/Visa card is another important source of funds passed through to the Foundation. By acquiring the card, Bradesco’s client automatically becomes associated to

Fundação SOS Mata Atlântica, and is entitled to receive all the benefits for associates.

Total tree seedlings authorized	From 2004 to 2005	2006
Bradesco SOS Mata Atlântica Card	2.5 million	1 million
Pé-Quente Bradesco SOS Mata Atlântica Certificated Savings Plan	10 million	5 million
<b>Total</b>	<b>12.5 million</b>	<b>6 million</b>

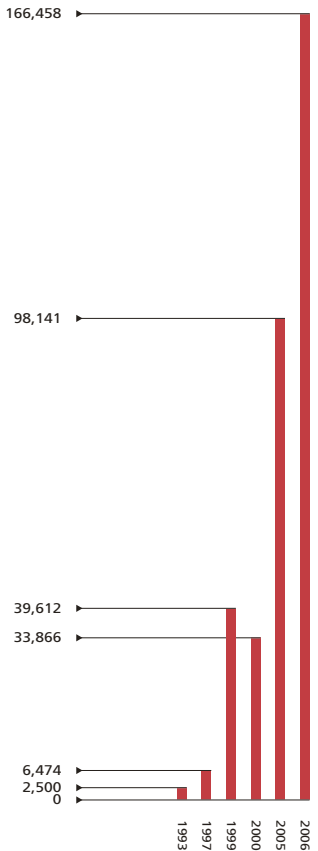
Fundação SOS Mata Atlântica relies on support, partnerships and sponsorships from private companies, government bodies, education and research institutes, national and international entities and agencies. Accounting for 84% of the resources, Bradesco is the main sponsor of the Foundation’s programs. Overall, the NGO records over 180 thousand affiliated members – 166 thousand of them come from Bradesco Cartões.

Additional information on Fundação SOS Mata Atlântica is available at [www.sosma.org.br](http://www.sosma.org.br).

**2006 Highlights**

- “Viva a Mata” – Show of initiatives and projects that stood out in the celebration of the Atlantic Forest National Day, on May 27th.
- Community Nurseries – Since June 2006, 20 families from Resende (RJ) have been working on the first community nursery of Fundação SOS Mata Atlântica. The nursery should produce approximately 400 thousand seedlings of native species annually.
- Mini-nurseries – Implementation of mini-nurseries of Environmental Education in Fundação Bradesco’s units.
- Reforestation – The initiative aims at planting trees in public or private areas of permanent preservation in watershed areas.

**Partner's card**  
(Number of members affiliated to SOS Mata Atlântica/Bradesco/Visa Card)





## FUNDAÇÃO BRADESCO – 50 YEARS



### HALF A CENTURY OF EDUCATION

Created on November 22, 1956 – under the name of Fundação São Paulo de Piratininga – Fundação Bradesco celebrated in 2006 its fiftieth year acting in favor of Brazilian education. The non-profit entity is one of the largest and oldest social responsibility programs in Brazil, contributing to the cultural, social and economic development of the regions where it operates. The Foundation materializes the belief that education is the best instrument to promote the human being, enhance their quality of life and build a fairer society.

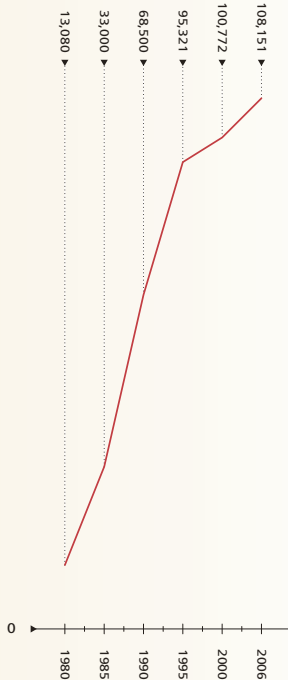
Its network has 40 schools, set up in all Brazilian states and the Federal District. With an overall investment of R\$ 183.9 million, over 108 thousand students were benefited in 2006, among children, youngsters and adults. Since its inception, the entity has graduated over 662 thousand people. The first school unit was opened in 1962, in Osasco (SP), aiming at offering free, high-quality education to needy children, youngsters and adults. In 2007, R\$ 189.8 million should be invested in the foundation.

**LEARN TO GROW**

Bradesco Organization supports the view that education originates equal opportunities and personal and collective accomplishments. For the Bank, investing in education is not only the most effective way to offer to needy people the possibility to occupy better positions in the job market, fully exercising their citizenship, but also a way to contribute to the improvement of society and the development of the regions where their schools are located.

The largest private program for social investment in education in the Country and one of the largest in the world, the Foundation has been consolidating and improving its vocation: turning education into a tool for social transformation,

**Evolution of the number of students**  
(in thousands)





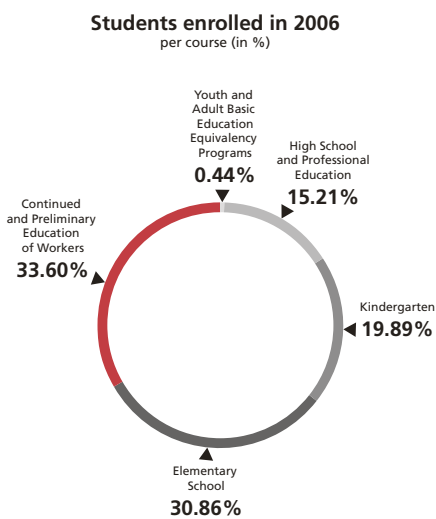
stimulating citizens' commitment towards respecting differences, nature and the preservation of regional culture.

In its units, Fundação Bradesco offers Kindergarten, Elementary School and High School, Technical Professional Education, Preliminary and Continued Education of Workers (qualification and re-qualification) and Youngster and Adult Education (Literacy, Primary and Secondary School Equivalency).

### LOWER DROPOUT, HIGHER APPROVAL

In addition to conventional subjects, the schools offer courses and programs that focus on qualifying students according to the social-economic reality of each region. The teaching resources used by the foundation are continuously updated and improved, aiming at maintaining a teaching quality aligned to the best practices in the Country. In addition, the activities lead students to get in touch, know and reflect on environmental, citizenship and volunteering issues.

In 2006, 394,283 uniforms, 333,720 notebooks, and 13,960,630 balanced snacks and meals were distributed. Over the year, the dentists' offices set up in the schools provided 148,452 consultations. The investment results in better performances and lower school dropout indices. While in the public school network the approval rate is 74.47% (according to the preliminary results of the 2006 School Survey), at the Fundação Bradesco schools, in 2006, that rate was 96.3%. The dropout rate, which in the public school network is 10.36%, at Fundação Bradesco was only 2.8%. Over the past six years the approval rate in the foundation schools has kept at an average 96% level, equivalent to the best international standards.



In the cities where it operates, Fundação Bradesco has become a social-cultural reference, and has generated over 2,600 work posts. Only 7.67% of students are employees or employees' children. The admission criteria are clear and transparent: in order to be admitted to one of the network schools, the child must belong to a family with a lower comparative income, live near the unit and be of a compatible age with the grade they intend to study in.

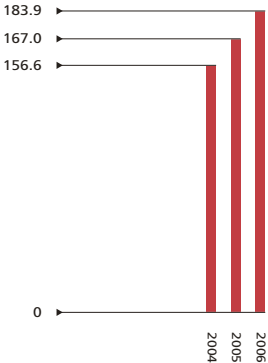
**FINANCIAL AUTONOMY**

The resources that maintain Fundação Bradesco stem from interest on own capital, originating from an equity fund created in 1970, from the results of Top Club Bradesco – an insurance club of the Organization at the time, which at one point had 340,000 associates. Up to 2004, the entity received donations from Organização Bradesco's companies. However, as from 2005, it started operating on resources from its equity fund only, without any prejudice to the sustainability of the current activities or of future actions. Today, Fundação Bradesco holds the largest budget among non-profit organizations kept by companies in the Country. Out of the R\$ 183.9 million invested in 2006, 80% were directed to Basic Education and High School. Over the past 10 years, the accumulated investment was R\$ 1.271 billion, in nominal value (without restatement), equivalent to R\$ 3.033 billion (restated according to the Selic rate/CDI in the period).

**EVERYONE FOR EDUCATION**

Fundação Bradesco's executive board participated in the official launching of the Everyone for Education commitment. The commitment's purpose is to rally the population and

**Financial resources invested**  
(in R\$ million)





encourage them to claim an improvement in the quality of education in the Country. The target is to help ensure that every child and youngster has access to quality education by 2022, the bicentennial of Brazil's Independence.

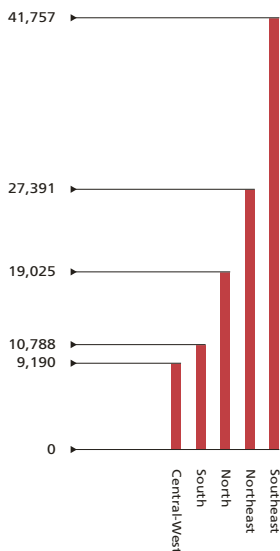
### BASIC EDUCATION

Around 43% of the more than 108,000 students who are annually assisted by Fundação Bradesco are enrolled in Basic Education, which encompasses Kindergarten, Elementary School and High School. The students can count on a complete learning infrastructure, which includes laboratories, audio and video resources and information technology rooms. In addition, they still receive school supplies, uniforms, meals and medical and dental care, free of charge.

### PROFESSIONAL EDUCATION

In addition to the regular courses, 22 schools also offer technical professional education. Currently, the following courses are offered: Management Technician, Information

**Students enrolled in 2006**  
(per region)





Technology Technician, and Electronics Technician, with emphasis on Automation. In two schools – Canuanã (TO) and Bodoquena (MS) – and in three agribusiness schools – Rosário do Sul (RS), Feira de Santana (BA) and Garanhuns (PE) – the students can still opt for the Agribusiness Technician course.

#### YOUNGSTERS AND ADULTS' EDUCATION

The schools also offer youngsters and adults conditions to conclude their studies. The Foundation's activities include the Literacy Program, which is basically directed to students' parents, and the possibility to conclude the Elementary and High Schools by means of the "Telecurso" (course via television). Over 21,500 students attend these courses.

#### PRELIMINARY AND CONTINUED EDUCATION OF WORKERS (FICT)

The program offers over 100 options of short courses in areas such as Tourism, Information Technology and Arts. The idea is to develop initiatives that can bring the students' family members, and the members of the community at large, back to the school environment, promoting the qualification and re-qualification of workers with different education levels.

#### INFORMATION TECHNOLOGY FOR VISUALLY IMPAIRED PEOPLE

The social inclusion of visually impaired people is the goal of 32 of Fundação Bradesco's schools – and 37 other accredited entities –, which conduct the Information Technology for the Visually Impaired program. The course uses the Virtual Vision technology, special software developed by Bradesco and Micropower, which allows digitalizing texts and functions of the Windows operational system and the Internet Explorer. The course has benefited 7,400 students since 1998.



## TIME TO EDUCATE

## 1950's

- ▶ In 1956, Fundação São Paulo de Piratininga, predecessor of the current Fundação Bradesco, is created.

## 1960's

- ▶ The first unit of Fundação Bradesco is created in Osasco (SP). The second unit, also in Osasco, was to be born in 1969.

## 1970's

- ▶ Fundação Bradesco starts expanding to regions farther from Bradesco's headquarters. Units are founded in locations such as Conceição do Araguaia (PA), in 1971, and Formoso do Araguaia (TO), in 1973. Units are also opened in the cities of Laguna (SC), Registro (SP) and Bagé (RS), in 1974; Campinas (SP), in 1975; Irecê (BA) and Paragominas (PA), in 1977; and Gravataí (RS), in 1979.

## 1980's

- ▶ The number of units leaps from nine to 28. The network expands to the cities of Rosário do Sul (RS) and Teresina (PI), in 1982; Cacoal (RO), Itajubá (MG) and Jaboatão (PE), in 1983; São Luís (MA), in 1984; Manaus (AM), Salvador (BA), São João Del Rei (MG) and Macapá (AP), in 1985; Ceilândia (DF) and Bodoquena-Miranda (MS), in 1986; Paranavaí (PR), Propriá (SE) and Rio de Janeiro (RJ), in 1987; Garanhuns (PE), in 1988; João Pessoa (PB), Maceió (AL) and Natal (RN), in 1989.

## 1990's

- ▶ Seven more units are created: Vila Velha (ES), Caucaia (CE), Pinheiro (MA) and Feira de Santana (BA), in 1990; Marília (SP), in 1994; Cuiabá (MT), in 1995; and Aparecida de Goiânia (GO), in 1999.

21<sup>st</sup> Century

- ▶ In the four first years of the new century, Fundação Bradesco closes the cycle of schools in states where it still hadn't put down roots, reaching Rio Branco (AC), in 2001, and Boa Vista (RR), in 2003. In 2004, the 40<sup>th</sup> school was erected, in Jardim Conceição, Osasco (SP), the city where it all started.

## JOINT ACTIONS

Fundação Bradesco takes part in several joint work initiatives, involving governments, companies, other foundations, and entities acknowledged by its competence and the seriousness of its operations. The purpose is to multiply the scope of its work in favor of the community.

- **Literacy Education** – Partnership with the Support to the Solidary Literacy Education Program Association, to reduce illiteracy in regions throughout the Country. In 2006, the Foundation adopted 16 cities in the Northeastern region, with an investment of over R\$ 1 million. Over the year, 12,000 students were directly benefited, from the cities of Afrânio, Betânia and João Alfredo (Pernambuco), Cabaceiras do Paraguaçu, Pau Brasil and Santa Luzia (Bahia), Coité, Estrela de Alagoas, Feira Grande, Olho D'Água das Flores, Teotônio Vilela and Senador Rui Palmeira (Alagoas), Cuité and Pilõezinhos (Paraíba), Pereiro (Ceará) and Pedro II (Piauí). Since the beginning of the partnership, in 1998, approximately R\$ 11 million were invested, benefiting over 80,000 people.
- **Canal Futura (Futura Channel)** – Fundação Bradesco is one of the maintainers of Canal Futura. The channel's contents focuses on education, information, culture and entertainment. Produced by Fundação Roberto Marinho, the programs are broadcast at Fundação Bradesco schools as another resource for helping propagate knowledge. Currently, the channel counts on 20 million viewers. In a decade of partnership, funds passed through Canal Futura amounted to R\$ 16 million.
- **Education** – Partnership with Fundação Roberto Marinho and Serviço Social da Indústria (National Industry Social Service - Sesi) for the educational program of the employees of Companhia Vale do Rio Doce.



- **Educar Bovespa Program** – Partnership entered into with Bovespa, the program focuses on enabling students to ponder about financial, school and family education, relating it to the theme “Work and Consumption” in Basic Education, and to Financial Management in High School Technical Professional Education. Its goal is to enable the development of citizenship in a conscious and critical way and the preparation of personal and economic improvement plans. In total, 36,500 students will be served.
- **Fiscal Education** – Fundação Bradesco executed an agreement with the Regional Superintendence of the Federal Revenue (8<sup>th</sup> Fiscal Region/São Paulo) aiming at offering fiscal education to children and other people of the communities where the schools are established. As a result of the joint work of the Ministry of Finance, Education and Culture and the Secretariat of Finance, of Treasury and of Education, the “Fiscal Education Disseminators” course will be given online to 50 teachers of Fundação Bradesco, who will teach the contents to professionals of the Federal Revenue at the schools in Campinas, Jardim Conceição, Marília and Osasco.
- **Internet Security Systems** – Partnership entered into with Internet Security Systems (ISS) in order to qualify information security specialists in the web environment and offer innovative solutions.
- **Virtual School** – E-learning system maintained in partnership with internationally renowned content providers, the Virtual School makes use of the pedagogical measurement concept. In such system, students exchange experiences, knowledge and information, by means of online tools, such as chats, forums, conferences and

virtual campus. Currently, the Virtual School offers 184 IT courses for more than 60 thousand students.

- **Digital Inclusion** – The Digital Inclusion Centers (CIDs) were created aiming to offer basic IT information and access to public services via web, in addition to adding value to citizenship by developing strategic actions. In December 2006, there were already 48 CIDs established throughout Brazil, three of which located in native villages. One of them is located at Unipalmares, in São Paulo.
- **Media Lab** – Fundação Bradesco operates as co-sponsor in Brazil of education and research consortiums of the Media Lab, associated to Massachusetts Institute of Technology (MIT). The Media Lab activities are aimed at the development of initiatives for social inclusion. Joining students from various schools of the Foundation, in addition to public schools, the action which stands out is the project “A Cidade que a Gente Quer” (The City We Want). By means of debates, experiences and research, students propose solutions for urban problems, using technology as its main tool. The ID Lab (Development Laboratory) is another project in which students of MIT, USP (Poli Cidadã Project) and Fundação Bradesco operate jointly in the implementation of technologies in the Indian community of Javaés, in Canuanã (TO).
- **Networking Academy** – Partnership entered into with Cisco Systems, Networking Academy teaches youngsters and adults of needy communities to project and operate computer networks. Nearly 50 educational units, including schools of Fundação Bradesco and public schools, which are part of this project. In total, 13,000 students have already concluded courses of Installation, Projects and Computer Network Management.



- **IT Academy Center** – Microsoft IT Academy Center aims to introduce and test new technologies applied to education and social inclusion segments. At the same time, the idea is to qualify and extend technological knowledge of teachers of Fundação Bradesco and public schools.
- **Educação para o Futuro and Intel Aprender Programs** – Partnerships with Intel for qualifying teachers in the use of technology as a means of supporting pedagogical activities. In 2006, the program involved more than 46,000 teachers and 12,000 youngsters.

#### EDUCATION + ACTION

In December 2006, Bradesco and Fundação Bradesco launched the Education + Action project, which focuses on integrating private initiative and public sector to the goal of enhancing Brazilian children's educational standard. In its initial stage, nearly 1,000 elementary school students of eight cities in Vale do Ribeira, in the countryside of São Paulo, are benefiting. The purpose is to take the project gradually to other regions of Brazil, by means of the Bank's branch networks and Fundação Bradesco's schools.

#### VOLUNTEERING ACTION

In a partnership with students, teachers, employees and professionals from various segments, Fundação Bradesco promotes the "National Day of the Volunteering Action". The event focuses on strengthening citizenship and solidarity in the community, promoting the practice of volunteering in various fields (arts, education, sports, leisure, health, citizenship, well-being and technology). In 2006, the National Day of the Volunteering Action involved

nearly 21,000 volunteers, including – in addition to teachers of Fundação Bradesco – professionals such as physicians, dentists, nutritionists, psychologists, athletes, teachers, hair stylists and lawyers. In total, more than 1 million people were served in approximately 150 stations.

#### ENVIRONMENTAL EDUCATION PROJECTS

In a pedagogical strategy, Fundação Bradesco develops more than 500 projects in its schools, which allow aligning scientific knowledge to popular and everyday culture, offering conditions so that questionings on themes such as the environment, work and consumption, health, ethics and diversity are answered according to students' needs and interests. These initiatives, always in accordance with the needs of the regions where schools are located, frequently involve the neighboring community in the pursuit for solutions. As examples, we point out projects related to environmental education deserving to be highlighted and recognized by their positive impacts resulting from students' intervention:

- **Know the Cerrado** – Since 1999, students from the 3<sup>rd</sup> and 5<sup>th</sup>-8<sup>th</sup> grades in Elementary School and High School of Aparecida de Goiânia (GO) annually visit the city's Environmental Conservation Unit. The meetings focus on knowledge and observation of the Cerrado, as well as on the significance of biodiversity for people and the environment.
- **Environmental Sanitation** –Developed by students of the school located in Bagé (RS), the project is aimed at promoting the development of aware citizens, able to decide and act in the social-environmental reality with



a commitment to life and individual and collective well-being, either local or global.

- **Preservation of Flora and Fauna in Pantanal** – Held for more than a decade, the main environmental initiative of the farm-school in Bodoquena (MS) comprises theory classes, aligned to the distribution of leaflets, which highlight the importance of environmental conservation. The project focuses on flora and fauna in the region, and also on the production of native seedlings for reforestation.
- **Production of Native Seedlings** – In 2003, with the production of seedlings, reforestation was started at the farm-school in Bodoquena (MS). Studies on species enabled the practice of planting trees in their natural environment. 4,000 species of native seedlings for reforestation in areas near the school which are part of Pantanal.
- **Quelocan (Canuanã's Turtles)** – Project for protecting freshwater turtles living in areas near the school in Canuanã (TO).
- **Healing Plants** – The project is developed at the school in Canuanã (TO), which focuses on developing a type of extract from neem tree leaves, and measure its toxicity in ticks affecting cattle.
- **Zero Garbage** – It aims at reducing the waste generated by students, teachers and employees of Colégio Fundação Bradesco in Gravataí (RS), and at treating waste correctly, by means of selection, separation, reusing and composting.
- **Garbage: Social and Communitarian Responsibility** – The project developed by students and teachers of Escola de Jaboatão (PE) involves the community and



the city in an awareness work on improper garbage exposure, encouraging citizens to pursue solutions aimed at minimizing or eradicating the problem.

- **Tree Club** – The project formed groups of volunteers for studying forestation of streets near the school, for constructing knowledge on environmental conservation, research development and pursuit for quality of life in the district of Jardim Conceição, in Osasco (SP).
- **Clean City, Yes, Sir!** – The project is a study on the levels of solid residue found in the district of Valentina Figueiredo, in João Pessoa (PB), for analyzing environmental impacts resulting from pollution and lack of basic sanitation. The idea is to avoid the generation of excessive waste, reusing it in a rational and creative way, creating art out of waste, helping build an ecologically balanced environment, also clean and healthy.
- **When the River Became Backland** – Understanding the causes and effects of the 2005 drought occurred in Manaquiri, a community in Manaus (AM), was the main goal of this project. As from these studies, the purpose was to make students reflect on the best usage of water resources.
- **Botanical Mapping** – Students performed the botanical mapping of Felipe Camarão, the district in Natal (RN) where the school is located.
- **Water, Source of Life** – Students developed a model of water filter for enhancing the quality of water in needy districts in Paragominas (PA), by means of a practical home-made, low-cost process.
- **Reforestation of Ciliary Forests** – Developed for more than 15 years by the school in Paranavaí (PR), the project



has already recovered more than 80,000 square meters of the banks of Suruquá River.

- **Pericumã River – Endangered Beauty** – The project makes use of the main impacts materialized in the geographical area under studies (Pericumã River). The goal is to verify the changes resulting from the disorganized tourism and which may influence, directly or indirectly, the health of inhabitants living near the banks of the river, in the village Vitória dos Bragas em Pinheiro (MA).
- **Nurseries for Producing Seedlings** – In a partnership entered into with Fundação SOS Mata Atlântica, Fundação Bradesco maintains nurseries in 10 educational units for the production of native seedlings. In 2006, only in the cities where the nurseries had already been implemented, 5,624 seedlings were donated.

Further information on Fundação Bradesco is available at [www.fb.org.br](http://www.fb.org.br).



# FINASA ESPORTES



## SHAPING CITIZENS

Created in 1987 and maintained by Bradesco in a partnership entered into with the Municipal Government of Osasco (SP), the Finasa Esportes (Finasa Sports) program is an initiative making use of sports and education as the basis for propagating values of respect, dignity and citizenship.



Twice a week, girls have 90-minute classes. In addition to practicing sports, they count on orientation, which comprises themes such as family life, hygiene, teen pregnancy, stress, drugs and adolescence.

The program operated in three different fronts: the Training Centers, which allow the access of children aged between 9 and 17 years to sports initiation practice, volleyball and basketball categories, and, in a more advanced stage, an adult volleyball team, integrated by the Country's best players.

Practicing sports is the engine for social inclusion at the same time it contributes to qualifying top athletes, as shown by the participation of Finasa female players in Brazilian volleyball national teams.

The activities are performed in Sports Training Centers (volleyball and basketball). Essential conditions for girls to take part in the program include attending school and good performance in studies.

The classes are divided per age: Sub-10 (9 and 10 years old), Sub-12 (11 and 12 years old), Sub-14 (13 and 14 years old) and Sub-16 (15 and 16 years old). Sports initiation practice classes are given to Sub-10 and Sub-12. Sub-14 and Sub-16 groups are divided into specific modalities (volley or basketball). Thus, in the sports scope, the female youngsters have the possibility to being part of a competition team, both beginners and youngsters.

The classes are coordinated by partner teachers, hired by the Municipal Government of Osasco, the Federal Education Secretariat, by private schools or Finasa Esportes itself. All the supporting material is offered by the program

to the centers and students. The students are provided with sweaters, shorts, T-shirts, caps and bags. The centers receive balls, nets, cones, portable mattresses, arches, individual ropes, etc.

In 2006, Bradesco invested R\$ 18.2 million in the program, directly benefiting 2,800 youngsters and teenagers. Around 60% of the girls supported in the Training Centers come from needy families. Currently, there are 51 centers, which comprise 138 classes (69 for sports initiation practice, 20 for basketball and 49 for volleyball), totaling 3,615 vacancies for the population of Osasco and neighboring region.

Further information on Finasa Esportes is available at [\*\*www.finasaesportes.com.br\*\*](http://www.finasaesportes.com.br).



# GRI CONTENTS

## GLOBAL STANDARD

The 2006 Sustainability and Annual Reports of Bradesco Organization present an overview of the Bank's operation in its three dimensions: economic-financial, environmental and social. The adoption of guidelines and indicators suggested by the Global Reporting Initiative (GRI) – a multistakeholder organization which proposes a worldwide standard to reports –, since the previous cycle (*2005 Social Responsibility Report*), enables to map the activities held by the Bank by means of criteria internationally accepted.

The present report innovates by incorporating the most recent version of the GRI guidelines: G3. Launched in October 2006, it highlights even more aspects such as relevance, scope, transparency, reliability and comparison purposes, in addition to promoting a closer approach to the Global Compact and the Equator Principles, among other worldwide actions related to corporate responsibility.

Bradesco adopts G3 aligned to GRI sector indicators, especially developed for enabling the reporting of specific social and environmental matters of the financial sector. More information on GRI is available at [www.globalreporting.org](http://www.globalreporting.org).

## SELF-ASSESSMENT

In addition to GRI, the Bank's previous experience in preparing reports contributes to the definition of the scope of information and data included in this publication. In August 2006, there was an assessment of Bradesco's *2005 Social Responsibility Report* by means of Relata®, a tool based on the international rule AA1000, which determines standards for the management of the corporate social responsibility.

The report scored 133 out of 200 – which was below the benchmark of 166, but higher than the average of Brazilian companies (107).

### Relata – Condensed results

Aspect	Maximum grade	Bradesco 2005	Brazil's average	Benchmarks
1. Completeness/Inclusion	37	24	20	33
2. Uniformity/Evolution	15	8	8	13
3. Values/Commitments	20	18	13	19
4. Management Systems	35	30	23	32
5. Indicators	22	13	12	19
6. Verification	17	11	7	16
7. Communication	17	6	6	17
8. Graphic format	10	8	8	10
9. Permanent improvement	17	8	5	16
10. General printing	10	7	6	9
<b>Total</b>	<b>200</b>	<b>133</b>	<b>107</b>	<b>166</b>



### SCOPE AND LIMITS

Information included in this report contemplates companies of Bradesco Organization and Fundação Bradesco, comprising all its activities in Brazil and abroad. There were no significant changes in relation to the 2005 Social Responsibility Report as to the scope, limits or methods for measuring data, and there was no event which may significantly affect the comparison between this report and the previous ones.

The management of the various managing departments is responsible for the reliability of information, covered by Bradesco's management systems, which are monitored by the Internal Controls and Compliance and Audit Committees, and the Internal Audit is liable for process adherence and integrity. The Bank's accounting statements undergo external audit.

The electronic version of this report is also available at the Social-Environmental Responsibility website ([www.bradesco.com.br/rsa](http://www.bradesco.com.br/rsa)), where stakeholders may find supplementary information, as well as at the Bank's main website ([www.bradesco.com.br](http://www.bradesco.com.br)). For clarifying questions or sending comments, one can send e-mail [socioambiental@bradesco.com.br](mailto:socioambiental@bradesco.com.br).

### GRI INDEX

Many of the GRI indicators included in this report are directly answered in the following table. As to further indicators, the table indicates the chapters in which the respective answers can be found. The description of indicators and its products are available at [www.globalreporting.org](http://www.globalreporting.org).



## Overall indicators

<b>Strategy and analysis</b>	
1.1	A Message from the Presidency
1.2	A Message from the Presidency
<b>Corporate profile</b>	
2.1	Bradesco
2.2	Bradesco
2.3	Bradesco
2.4	Addresses and Contact
2.5	Bradesco
2.6	Bradesco
2.7	Bradesco
2.8	Bradesco
2.9	Bradesco
2.10	Highlights
<b>Report parameters</b>	
<b>Report profile</b>	
3.1	January 1 to December 31, 2006
3.2	GRI Contents
3.3	Bradesco's Sustainability Report is annual
3.4	GRI Contents
<b>Scope</b>	
3.5	GRI Contents
3.6	GRI Contents
3.7	GRI Contents
3.8	GRI Contents
3.9	There are no events which may significantly affect the comparison of this report with past reports
3.10	Information referring to changes as to previous years follow new information in respective chapters or tables
3.11	Conteúdo GRI
<b>GRI Summary</b>	
3.12	GRI Contents
<b>Verification</b>	
3.13	Report-Letter
<b>Governance, commitment and engagement</b>	
<b>Governance</b>	
4.1	Annual Report
4.2	Annual Report
4.3	Annual Report
4.4	*
4.5	Annual Report



4.6	*
4.7	Annual Report
4.8	Sustainability Vision
4.9	Annual Report
4.10	Annual Report
<b>Commitments to external initiatives</b>	
4.11	Annual Report
4.12	Sustainability Vision
4.13	Sustainability Vision
<b>Engagement of stakeholders</b>	
4.14	Relationship with stakeholders
4.15	Relationship with stakeholders
4.16	Relationship with stakeholders
4.17	Relationship with stakeholders

### Performance Indicators

<b>Economic performance</b>	
EC1	Government and society, Ibase and Annual Report
EC2	Sustainable finance
EC3	Internal public
EC4	Bradesco does not receive financial support from the government
<b>Market share</b>	
EC5	Internal public
EC6	*
EC7	*
<b>Indirect economic impacts</b>	
EC8	Fundação Bradesco Finasa Esportes e Cultura
EC9	Clients

<b>Environmental Performance</b>	
<b>Materials</b>	
EN1	Environment
EN2	Bradesco discloses in this report the amount recycled in the administrative buildings. Data refer to paper, plastic, metal and others.
<b>Energy</b>	
EN3	Fuel used by own air fleet and ground fleet (gas, oil, kerosene fuel) totaled 695,022 liters, 310,605 liters of which related to the ground fleet and 384,417 liters to the air fleet.
	Diesel used in generators totaled 194,232 liters.
	Liquid petroleum gas (LPG), used in restaurants, totaled 32,508 kg.
	Bradesco does not make use of biological fuel, such as ethanol and hydrogen.

EN4	Electricity is the only type of energy from non-renewable sources consumed by Bradesco, and it totaled 346,338,819 KW. Bradesco does not make use of energy from renewable sources, such as solar, aeolian and geothermic
EN5	Bradesco does not have energy generated by renewable resources
EN6	Environment
EN7	Environment
<b>Water</b>	
EN8	Bradesco makes use of one single source - public water supply - which totaled 581,337 m <sup>3</sup>
EN9	There are no water resources affected by the use of water.
EN10	Bradesco does not have control over the volume of recycled and reused water.
<b>Biodiversity</b>	
EN11	Environment
EN12	In its activities, Bradesco Organization does not present significant impacts to biodiversity.
EN13	Bradesco does not have any area requiring renovations to mitigate damages caused by operating activities.
EN14	Indicator does not apply to Bradesco Organization's functioning structure.
EN15	Indicator does not apply to Bradesco Organization's functioning structure.
<b>Emissions, effluents and residues</b>	
EN16	Environment
EN17	Environment
EN18	Environment
EN19	Environment
EN20	Bradesco does not have significant atmospheric emissions regulated by international conventions and/or regulations.
EN21	The quality of water discarded by Bradesco Organization headquarters fully complies with the applicable legislation. The volume is discarded as domestic sewage, subsequently treated at water and sewage treatment stations of the company responsible for basic sanitation in the State of São Paulo.
EN22	Environment
EN23	There was no leakage. All storage of liquids (fuel) is regularly monitored and inspected in order to avoid leakage.
EN24	The Organization does not transport dangerous products.
EN25	There are no habitats and/or hydrous sources affected by the water discharge and drainage of Bradesco.
<b>Products and services</b>	
EN26	Environment
EN27	Environment
<b>Conformity</b>	
EN28	Environment



<b>Transportation</b>	
EN29	Environment
<b>Geral</b>	
EN30	Environment
<b>Social Performance – Labor Practices and Decent Work</b>	
<b>Employment</b>	
LA1	Internal public
LA2	Internal public
LA3	Internal public
<b>Relations between workers and the management</b>	
LA4	Internal public
LA5	Internal public
<b>Occupational health and safety</b>	
LA6	Total number of workers is represented in formal health and safety committees.
LA7	*
LA8	Employees take part in education, training, advising, prevention and disease risk control programs. In the event of Repetitive Strain Injury (RSI), there are clinical assistance and prevention tests, in addition to physiotherapy, hydrotherapy and acupuncture.
LA9	Internal public
<b>Training and education</b>	
LA10	Internal public
LA11	*
LA12	*
<b>Diversity and equality of opportunities</b>	
LA13	Internal public
LA14	Internal public
<b>Social Performance – Human Rights</b>	
<b>Management and investment practices</b>	
HR1	*
HR2	*
HR3	Clients and internal public
<b>No discrimination</b>	
HR4	With the adoption of the requirements of SA 8000 rule, controls to identify and treat possible discrimination cases were improved.
<b>Freedom of association and collective bargaining</b>	
HR5	Internal public
<b>Child labor</b>	
HR6	Suppliers
<b>Compulsory and slave labor</b>	
HR7	Suppliers

<b>Safety practices</b>	
HR8	All operational employees of the safety area of Bradesco are trained in accordance with the Organization's policies. The training of outsourced surveillance personnel is under the responsibility of specialized companies, contracted by the Bank for the supply of these resources. The federal regulation (Law 7,102 as of 06/20/83 – Administrative Rule 387 as of 08/28/06) to be mandatorily complied with by this segment determines the training and recycling of these resources, every two years, for the Surveillance Qualification course CFV's program comprises Human Rights and Human Relations at Work.
<b>Indian rights</b>	
HR9	From 2004 to 2006, incidents of this type were not recorded.
<b>Social Performance – Society</b>	
<b>Community</b>	
SO1	A Message from the Presidency, Sustainable Finance and Government and society
<b>Corruption</b>	
SO2	Government and society
SO3	Government and society
SO4	Sustainability vision
<b>Public policies</b>	
SO5	Government and society
SO6	Government and society
<b>Unfair competition</b>	
SO7	In 2006, cases of this type of occurrence were not reported.
<b>Compliance</b>	
SO8	Clients
<b>Social Performance – Responsibility for the product</b>	
<b>Health and safety of the client</b>	
PR1	The life cycle analysis is traditionally carried out for products. Although theoretically possible, the life cycle evaluation of services is not made by the Organization.
PR2	Cases of this type of occurrence were not reported in 2006.
<b>Lettering of products and services</b>	
PR3	Clients
PR4	Clients
PR5	Clients
<b>Communication and marketing</b>	
PR6	The marketing and advertising actions of the Organization follow the rules set forth by the Brazilian Self-Regulation Council.
PR7	In 2006, Bradesco did no record complaints concerning possible noncompliance with regulations and legislations related to marketing, advertising, promotion and sponsorship.
<b>Clients' privacy</b>	
PR8	Clients
<b>Conformity</b>	
PR9	*



## Sector indicators

Environmental Performance	
<b>Policies</b>	
F1	Social-environmental responsibility, Sustainable finance
<b>Systems and processes</b>	
F2	Sustainable finance
F3	Sustainable finance
F4	Sustainable finance
F5	Internal public
F6	*
<b>Commitment</b>	
F7	Environment
F8	Sustainable finance
F9	Sustainable finance
F10	Bradesco does not have a formal policy focused on this purpose.
F11	*
<b>Products and services beneficial to the environment</b>	
F12	Sustainable finance
<b>Statistics of activities</b>	
F13	*
Social performance – Corporate social responsibility management	
<b>Management systems</b>	
CSR1	Social-environmental responsibility
CSR2	Social-environmental responsibility
CSR3	Social-environmental responsibility
<b>Sensitive issues</b>	
CSR4	Government and society
<b>Conformity</b>	
CSR5	Clients
<b>Stake</b>	
CSR6	Relationship with stakeholders
Social performance – Internal social performance	
<b>Policy</b>	
INT1	Internal public
<b>Social work and protection</b>	
INT2	Internal public
INT3	Internal public
<b>Compensations</b>	
INT4	Answer to the indicator is available at <a href="http://www.bradescom.com.br/site/default.asp?menuid=154&amp;regid=1983">www.bradescom.com.br/site/default.asp?menuid=154&amp;regid=1983</a>
INT5	*

<b>Equal opportunities</b>	
INT6	There is no difference in salary standards between employees who are women and those who are men.
INT7	Internal public
<b>Social performance – Performance to the society</b>	
SOC1	Community, Fundação Bradesco and Finasa Esportes e Cultura
<b>DVA</b>	
SOC2	Annual Report
<b>Social performance – Suppliers</b>	
<b>Performance of suppliers</b>	
SUP1	Suppliers
<b>Performance for suppliers</b>	
SUP2	*
<b>Social Performance – Retail bank</b>	
<b>Policy</b>	
RB1	Sustainable finance and Clients
<b>Client profile</b>	
RB2	Sustainable finance
<b>Capital stock promotion</b>	
RB3	Sustainable finance
<b>Social performance – Investment bank</b>	
<b>Policy</b>	
IB1	*
<b>Client profile</b>	
IB2	*
<b>Capital stock promotion</b>	
IB3	Sustainable finance
<b>Social performance – Asset management</b>	
<b>Policy</b>	
AM1	*
<b>Capital stock promotion</b>	
AM2	Sustainable finance
AM3	*
<b>Social performance – insurance</b>	
<b>Policy</b>	
INS1	*
<b>Client profile</b>	
INS2	Sustainable finance
<b>Responsible marketing</b>	
INS3	Clients
<b>Capital stock promotion</b>	
INS4	*

\* As part of an evolution strategy of the report in its compliance with the GRI guidelines, these indicators shall be answered in the following reports.



## SOCIAL REPORT – IBASE

## 2006 and 2005

1 - Calculation Basis	2006 – (R\$ thousand)			2005 – (R\$ thousand)		
Net revenues (NR) <sup>(1)</sup>	15,982,117			14,774,823		
Operating income (OI) <sup>(2)</sup>	6,375,943			7,853,504		
Gross payroll (GP)	5,932,406			5,311,560		
2 - Internal Social Indicators	R\$ thousand	% on GP	% on NR	R\$ thousand	% on GP	% on NR
Meals	498,780	8.4	3.1	455,151	8.6	3.1
Compulsory social charges	1,032,134	17.4	6.5	954,061	17.9	6.4
Private pension plans	319,046	5.4	2.0	279,687	5.3	1.9
Health	298,200	5.0	1.9	259,502	4.9	1.8
Occupational health and safety	-	-	-	-	-	-
Education	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Training and professional development	57,872	1.0	0.4	52,306	1.0	0.3
Day-care or day-care allowance	41,156	0.7	0.2	44,701	0.8	0.3
Profit sharing	414,260	7.0	2.6	286,632	5.4	1.9
Other	103,508	1.7	0.6	96,877	1.8	0.7
<b>Total - Internal social indicators</b>	<b>2,764,956</b>	<b>46.6</b>	<b>17.3</b>	<b>2,428,917</b>	<b>45.7</b>	<b>16.4</b>
3 - External Social Indicators	R\$ thousand	% on OI	% on NR	R\$ thousand	% on OI	% on NR
Education*	5,654	0.1	-	4,253	0.1	-
Culture	41,005	0.6	0.3	13,448	0.2	0.1
Health and sanitation	3,614	0.1	-	591	-	-
Sports	33	-	-	5	-	-
Famine combat and food safety	64	-	-	100	-	-
Other	17,052	0.3	0.1	9,226	0.1	0.1
<b>Total contributions to society</b>	<b>67,422</b>	<b>1.1</b>	<b>0.4</b>	<b>27,623</b>	<b>0.4</b>	<b>0.2</b>
Taxes (excluding social charges)	4,926,563	77.3	30.8	4,102,704	52.2	27.8
<b>Total - External social indicators</b>	<b>4,993,985</b>	<b>78.4</b>	<b>31.2</b>	<b>4,130,327</b>	<b>52.6</b>	<b>28.0</b>
4 - Environmental Indicators	R\$ thousand	% on OI	% on NR	R\$ thousand	% on OI	% on NR
Investments related to the company's production/operations	-	-	-	-	-	-
Investments in external programs and/or projects	-	-	-	-	-	-
<b>Total environmental investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
As regards setting "annual goals" to reduce waste generation, consumption in general in production/operation and increase the effectiveness with which natural resources are used, the company:	<input type="checkbox"/> has no goals <input type="checkbox"/> meets from (0 to 50%) <input type="checkbox"/> meets from (51 to 75%) <input type="checkbox"/> meets from (76 to 100%)		<input type="checkbox"/> has no goals <input type="checkbox"/> meets from (0 to 50%) <input type="checkbox"/> meets from (51 to 75%) <input type="checkbox"/> meets from (76 to 100%)			



5 - Employees Indicators	2006			2005		
Number of employees at the end of the period	79,306			73,881		
Number of hires during the period	8,624			7,290		
Number of outsourced employees	7,293			7,670		
Number of interns	676			628		
Number of employees over 45 years	7,336			5,945		
Number of woman working at the company	37,738			34,260		
% of management positions held by woman	41.9			41.3		
Number of black people working at the company	9,754			6,108		
% of management positions held by black people	12.9			7.2		
Number of disabled people or with special needs	860			769		
6 - Material information about the company's corporate citizenship practices	2006			2007 Goals		
Ratio over the highest and the lowest compensation in the company	20.8			N/A		
Total number of work-related accidents	461			Staff awareness to avoid occupational accident		
Social and environmental projects developed by the company were defined by:	<input type="checkbox"/> board	<input checked="" type="checkbox"/> board and managers	<input type="checkbox"/> all employees	<input type="checkbox"/> board	<input checked="" type="checkbox"/> board and managers	<input type="checkbox"/> all employees
Safety and health standards at the workplace were defined by:	<input type="checkbox"/> board	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> all + Cipa	<input type="checkbox"/> board	<input type="checkbox"/> all employees	<input checked="" type="checkbox"/> all + Cipa
As regards the freedom of association, the right to collective bargaining and the internal representation of workers, the company:	<input checked="" type="checkbox"/> does not get involved	<input type="checkbox"/> follows IOL norms	<input type="checkbox"/> encourages and follows IOL	<input checked="" type="checkbox"/> does not get involved	<input type="checkbox"/> follows IOL norms	<input type="checkbox"/> encourages and follows IOL
The private pension scheme includes:	<input type="checkbox"/> board	<input type="checkbox"/> board and managers	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> board	<input type="checkbox"/> board and managers	<input checked="" type="checkbox"/> all employees
The profit sharing scheme includes:	<input type="checkbox"/> board	<input type="checkbox"/> board and managers	<input checked="" type="checkbox"/> all employees	<input type="checkbox"/> board	<input type="checkbox"/> board and managers	<input checked="" type="checkbox"/> all employees
When selecting suppliers, the same ethical and social and environmental responsibility standards adopted by the company:	<input type="checkbox"/> are not taken into account	<input type="checkbox"/> are suggested	<input checked="" type="checkbox"/> are required	<input type="checkbox"/> are not taken into account	<input type="checkbox"/> are suggested	<input checked="" type="checkbox"/> are required
As regards employees' participation in voluntary work programs, the company:	<input type="checkbox"/> does not get involved	<input checked="" type="checkbox"/> supports it	<input type="checkbox"/> organizes and encourages it	<input type="checkbox"/> does not get involved	<input checked="" type="checkbox"/> supports it	<input type="checkbox"/> organizes and encourages it
Total number of complaints and criticisms from consumers:	at the company 115,908	at Procon 4,362	at the Courts 43,668	at the company To prepare and make our employees aware and thus reduce the number of complaints	at Procon	at the Courts
% of complaints and criticisms addressed or solved:	at the company 100%	at Procon 100%	at the Courts 99%	at the company 100%	at Procon 100%	at the Courts 100%
Total value added to be distributed (in R\$ thousand):	<b>In 2006: R\$ 14,791,383</b>			<b>In 2005: R\$ 14,928,337</b>		
Distribution of Value Added (DVA):	28.6% government 14.6% stockholders	37.2% employees 19.6% retained		32.0% government 12.6% stockholders	31.1% employees 24.3% retained	
7 - Other Information	<p>The information included in this Balance Sheet was reviewed by PricewaterhouseCoopers Auditores Independentes.</p> <p>*The information above does not include resources invested by Fundação Bradesco (one of Bradesco's holding companies), which in 2005 totaled R\$ 167.1 million in education and R\$ 183.9 million in 2006.</p> <p>(1) Net Revenue (NR) is considered the Gross Result of the Financial Intermediation.</p> <p>(2) Adjusted by extraordinary items in the year of 2006.</p> <p>ND - Not Available N/A - Not Applicable</p>					



REPORT OF INDEPENDENT AUDITORS ON REVIEW OF SUPPLEMENTARY INFORMATION  
PRESENTED IN THE SUSTAINABILITY REPORT OF BANCO BRADESCO S.A.

1 – In connection with our audit of the financial statements of Banco Bradesco S.A. as of December 31, 2006, on which we expressed an unqualified opinion in our report dated February 9, 2007, we carried out a review of the supplementary accounting information presented in the Sustainability Report for the year ended December 31, 2006 of Banco Bradesco S.A. This supplementary information is the responsibility of the Bank's management. Our responsibility is to issue a report on the review of the information presented.

2 – Our work was carried out for the purpose of reviewing, on a test basis, the supplementary information described in paragraph one and mainly comprised: (a) application of analytical review procedures to the information presented and inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Bank with regard to the main criteria used for the preparation of this information; (b) review of the significant information and the subsequent events which have, or could have, significant effects on the supplementary information presented; (c) acquiring knowledge of the systems and processes used for obtaining and determining the information disclosed in the Sustainability Report of Banco Bradesco S.A. and (d) a comparison of the financial information with the accounting records.

3 – Our work was limited to verifying the information contained in the report presented by Banco Bradesco S.A., and did not include an analysis and evaluation of the Bank's social responsibility policy and practices. Our work was carried out based on the following criteria: (i) ISAE3000 - International Standard for Non-financial Information Assurance published by the International Federation of Accountants (IFAC); (ii) Brazilian Accounting Standard (NBC) T 15 – Social and Environmental Information; (iii) Financial Services Sector Supplement of the Global Reporting Initiative (GRI G3); and (iv) international practices for reviewing social responsibility statements. The procedures adopted do not comprise an audit of the financial statements in accordance with independent auditing standards and consequently we do not express an opinion on the information reviewed by us.

4 – Based on our review, we are not aware of any material modifications which should be made to the information presented in the Sustainability Report of Banco Bradesco S.A. for the year ended December 31, 2006, in order for such information be fairly stated, in all material respects, in relation to the Brazilian standards applicable to the preparation of social and environmental information, established by the Federal Accounting Council through NBC T 15.

5 – The supplementary information, referred to in paragraph one, also includes information presented for comparison purposes for the year ended December 31, 2005. The review of this information was conducted by other independent auditors, who issued a report on the review, dated March 10, 2006, without exceptions.

São Paulo, February 9, 2007

PricewaterhouseCoopers Auditores Independentes

CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti

Accountant

CRC 1SP172940/O-6

(A free translation of the original in Portuguese)

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## CREDITS

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– Social-environmental Area

Consultancy  
Lélio Lauretti

GRI and Texts Consultancy  
Report Comunicação

Determination and Consolidation  
of Indicators  
Key Associados

Editing  
Bradesco – Press Office

Photos  
Bradesco File  
Egberto Nogueira

Conception, Design and Production  
Camarinha Comunicação & Design

Review  
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Prepress and Printing  
Stilgraf

Electronic version address  
[www.bradesco.com.br/rsa](http://www.bradesco.com.br/rsa)

The information and data contained in this report were made available by the following connected companies: Banco Finasa, Bradesco Capitalização, Bradesco Seguros e Previdência, BRAM – Bradesco Asset Management, Finasa Esportes, Fundação Bradesco and Museu Histórico Bradesco. And departments: Fiscal Audit, Banco Postal, Bradesco Day&Night (Dia&Noite), Foreign Exchange, Cards, Purchases, General Accounting, Corporate, Loan, DAS, DCPS, DEF, DGRC, DOC, DPCD, DpRC, DRC, DSC, Companies, General Inspectorship, Investments, Legal, Marketing, Organization and Methods, Assets, Human Resources, General Secretariat, Training and Retail.



**Bradesco**