



Safra

Avenida Paulista, 2.100 - São Paulo - SP
CNPJ 58.160.789/0001-28

"If you choose to sail upon the seas of banking, build your banks as you would your boat, with the strength to sail safely through any storm." - Jacob Safra

Index	Net Income Increase 13.9%	Return on Average Equity - Annualized 19.0%	Expanded Credit Portfolio Increase (1) 13.1%	Liquidity R\$ 23,5 billion	Basel Ratio 14.0%	FitchRatings International Scale Investment Grade National Scale Long Term (AAA(bra))	MOODY'S International Scale Investment Grade National Scale Long Term (Aaa.br)	STANDARD & POOR'S International Scale Investment Grade National Scale Long Term (br AAA)
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Consolidated Balance Sheet

In thousands of Reais

	Dec-31-14	Dec-31-13
CURRENT AND LONG TERM ASSETS	142,714,604	131,475,660
Cash and Short-term interbank investments	42,153,597	33,555,178
Reserves with the Brazilian Central Bank	1,438,387	1,194,944
Marketable securities and derivative financial instruments	40,935,315	37,115,826
Credit operations	53,475,713	52,748,894
Credit operations	55,461,848	54,333,857
(Provision for impairment of trade receivables)		
Minimum required	(1,037,285)	(1,123,163)
Additional	(948,850)	(461,800)
Others financial assets	2,887,622	5,856,067
Foreign exchange portfolio	2,189,109	5,197,026
Others	698,513	659,041
Others credits	1,823,970	1,004,751
INVESTMENTS	9,565	9,445
PROPERTY AND EQUIPMENT IN USE	121,111	105,217
INTANGIBLE ASSETS	52,393	56,577
TOTAL ASSETS	142,897,673	131,646,899
CURRENT AND LONG TERM LIABILITIES	134,135,193	124,061,281
Deposits and Money market funding	71,810,306	66,071,805
Funds from acceptance and issuance of securities	25,789,548	19,975,174
Borrowings and onlendings	16,810,825	17,132,453
Derivative financial instruments	5,540,719	6,549,291
Insurance and supplementary pension fund operations	4,743,014	3,665,362
Others financial liabilities	7,530,531	8,945,668
Foreign exchange portfolio	2,068,927	5,211,999
Subordinated debt	4,334,904	2,914,559
Others	1,126,700	819,110
Others liabilities	1,910,250	1,721,528
DEFERRED INCOME	28,926	26,240
SHAREHOLDERS EQUITY	8,733,554	7,559,378
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	142,897,673	131,646,899

Consolidated Statement of Income

In thousands of Reais

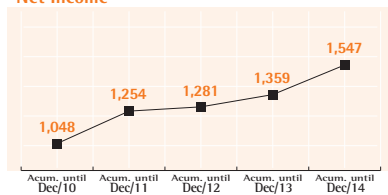
	2014	2013
Income from financial intermediation	13,576,849	10,981,439
Expenses on financial intermediation	(9,644,668)	(7,170,078)
Income from financial intermediation before loan losses	3,932,181	3,811,361
Result of allowance for loan losses	(778,122)	(1,035,023)
GROSS INCOME FROM FINANCIAL INTERMEDIATION	3,154,059	2,776,338
OTHER OPERATING RESULTS	1,055,514	830,306
Services fees	902,016	717,765
Results of insurance and pension plan operations	153,498	112,541
GROSS RESULTS FROM OPERATIONS	4,209,573	3,606,644
OTHER OPERATING INCOME (EXPENSES)	(2,213,781)	(1,826,501)
Personnel expenses	(1,401,076)	(1,293,155)
Administrative expenses	(622,082)	(600,939)
Tax expenses	(276,128)	(251,128)
Other operating income (expenses)	85,505	318,721
INCOME BEFORE TAXES	1,995,792	1,780,143
Income tax and social contribution	(448,658)	(421,422)
NET INCOME FOR THE PERIOD	1,547,134	1,358,721

José Manuel da Costa Gomes - Accountant CRC nº 1SP219892/0-0

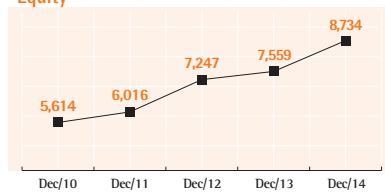
The Consolidated Financial Statements with Independent Auditors' report, unqualified opinion, are available in the website www.safra.com.br.

R\$ millions

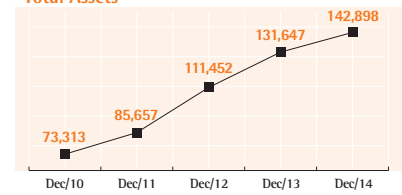
Net Income



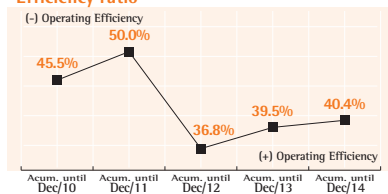
Equity



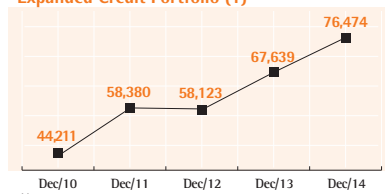
Total Assets



Efficiency ratio

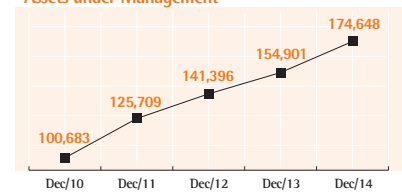


Expanded Credit Portfolio (1)



(1) Includes Endorsements, Sureties and Corporate Bonds

Assets under Management



BANCO SAFRA'S NET INCOME INCREASED 13.9%, REACHING R\$1,547 MILLION IN 2014

Banco Safra, the 5th largest privately owned bank in Brazil, reported net income of R\$1,547 million in 2014, an increase of 13.9% when compared to last year's same period results of R\$ 1,359 million. Consolidated equity grew 15.5% totaling R\$8.7 billion at end-December 2014, resulting in a return on equity of 19.0%. The BIS capital adequacy ratio was 14.0%, comfortably above the 11% minimum set by the Central Bank of Brazil, with Tier I capital accounting for 11.5%.

Banco Safra's delinquency ratio, defined as a proportion of the more than 90 days past due loans to total loans, was 0.7% at end-2014, the bank's lowest in ten years and also the lowest ratio among the leading banks that operate in Brazil, thanks to its conservative lending strategy.

The expanded loan portfolio including endorsements and sureties and other credit risk instruments reached R\$76.5 billion, up 13.1% when compared to December 2013. Credit facilities rated AA and A, the best risk ratings on the scale established by the Central Bank, accounted for 89.5% of the total portfolio. Despite the improvement in the delinquency ratio and its historically conservative lending strategy, the bank maintained high levels of loan loss provision, raising the additional provision to R\$949 million from R\$462 million on December 31, 2013. The coverage ratio reached 481.4% (227.0% at end-2013), one of the highest in the industry.

Administrative expenses grew 6.8% when compared last year's same period, in line with inflation in the period. The efficiency ratio reached 40.4%, one of the best in the Brazilian financial system.

Safra's consolidated assets totaled R\$142.9 billion at end-2014, growing 8.5% when compared to December 2013.

Banco Safra's total funds (free, raised and managed assets) reached R\$174.6 billion at end-December 2014. Investment funds totaled R\$40.6 billion in December 2014 (R\$30.5 billion in December 2013), with a significant growth of 33.3% during the period.

Also important in 2014 were the issues of senior notes in Swiss Francs performed on February 27, in the amount of CHF350 million, the largest issue in Swiss Francs already performed by a Latin American bank to date, and other successful emission, on November 12, in the amount of CHF100 million, for a period of five years. In addition, on June 3 the Bank issued US\$300 million in perpetual subordinated bonds (Tier 1).

The traditional liquidity maintained by the bank, considering cash and cash equivalents, totaled at year's end R\$23.5 billion, equivalent to 2.7 times Banco Safra's equity as at December 31, 2014.

Banco Safra's December 2014 balance sheet shows the bank, again, as one of the leading onlenders of facilities extended under the Finame Capex program run by BNDES, the national development bank, with R\$11.9 billion in aggregate onlending to the productive sector and in guarantees for BNDES-financed projects.

It should also be highlighted that Standard & Poor's maintained Banco Safra's investment grade and the ratings, even after the review carried out in Brazil's sovereign debt rating as well as in ratings of several Brazilian banks. In fact, Safra's ratings are the best score among financial institutions in Brazil. It is important to note that Fitch and Moody's also rate Safra as investment grade and that Fitch Ratings affirmed its asset manager rating at "Highest Standards" ("*Mais Alto Padrão*") for J. Safra Asset Management.

Banco Safra is part of a global network of banks recognized worldwide for tradition, security and conservative business management. Safra Group operates in 19 countries, and in December 2014 had an aggregate value of R\$621.1 billion in total funds (free, raised and managed assets) and a consolidated equity of R\$40.1 billion.

(A free translation of the original in Portuguese)

Management Report

We present the Management Report and the Financial Statements of Banco Safra S.A. and its Subsidiaries ("Safra Consolidated") for the years ended December 31, 2014 and 2013.

1 - ECONOMIC SCENARIO

After a first half with lowered performance activity and contraction of the GDP, the economy showed no signs of recovery in the second half. Therefore, GDP in 2014 is not expected to grow. The industry continued to show negative results, with a drop in production of 0.7% in November (seasonally adjusted), accumulating in a decrease of 3.2% in the previous twelve months. The retail sector, with a strong negative contribution to the sales of vehicles and construction materials, has decreased by 1.6% in the year.

A positive factor was the good unemployment rate, which reached a historic seasonally adjusted low rate, closing 2014 at 4.8% (compared to 5.4% in the previous year). Job creation in the formal sector showed weakening. Nevertheless, real income grew 2.7% during the year.

The inflation scenario remains pressured. The Amplified Consumer Price Index (IPCA) closed 2014 with growth of 6.4%, compared to 5.9% in 2013, as a consequence of the deceleration of market prices (7.3% in 2013 to 6.7% in 2014) and an acceleration of administered prices (which increased from 1.6% to 5.3%). Because of the tight inflation scenario, and in order to reduce the expected foreign exchange rate depreciation and realign administered prices, the Brazilian Central Bank started a new monetary tightening cycle in October raising the Special System for Settlement and Custody (SELIC) rate by 25 basis points, followed by further increase of 50 basis points in December, bringing the Selic rate to 11.75%.

In order to continue providing foreign exchange hedging and liquidity to the foreign exchange market, the Brazilian Central Bank continued with the swap auction program over 4Q14 and opted to renew it at the end of the year for three months, but cutting by half the size of the offered auctions. The balance of the program reached US\$ 109.5 billion at December 31 (US\$ 97.8 billion at the end of September). There was high volatility in the foreign exchange market in the fourth quarter of 2014. The foreign exchange rate, which remained at around R\$ 2.20/US\$ - R\$ 2.30/US\$ during the whole 1H14, ended the fourth quarter of 2014 with accumulated depreciation in the year of 13.4%. The foreign exchange flow ended the year with a negative balance of US\$ 9.3 billion.

In the international scenario, the US dollar continued appreciating against other currencies. Although the US central bank (Fed) signals that the beginning of the monetary tightening cycle will take place in the second half of 2015, the basic interest rate is expected to rise only gradually, since inflation remains below the target of 2.0% (an influence of the falling commodity prices). In general, the economic activity remained robust, the labor market recorded significant gains in employment and the consumption by families accelerated as a result of the fuel price drop. In the Eurozone, growth remains weak not only in the outlying areas but also in France and Italy. While in China, the economy continues to show a low rate of growth compared to that recorded in recent years. The industry shows slowing growth and investment. Consumption, in turn, keeps a robust growth trend, confirming the guidance of the Chinese government of growth increasingly based on household spending, and investment being less important. The growth in 2014 of 7.4% was slightly below the target of 7.5% set by the government.

2 - PERFORMANCE

Key Indicators

The table below shows the main indicators of Banco Safra in the years ended December 31, 2014 and 2013.

Profitability - R\$ million (except otherwise stated)	2014	2013	Variation (%)
Net income of the Parent company	1,547	1,359	13.9 %
Equity of the Parent Company	8,734	7,559	15.5 %
Return on the average equity (%)	19.0%	18.8%	
Return on the average assets (%)	1.1%	1.1%	
Performance indices (%)			
Net income / Net operating income (1)	31.0%	29.1%	
Net Interest Margin (NIM) (2)	5.1%	5.5%	
BIS capital adequacy ratio	14.0%	12.4%	
Efficiency ratio (3)	40.4%	39.5%	
Operational cover ratio (4)	44.3%	37.7%	
Credit Indices (%)			
Delinquency ratio (above 90 days)	0.7 %	1.3 %	
Delinquency ratio 2682 (overdue - E - H range)	1.3 %	1.7 %	
Coverage ratio (Balance of Allowance for Loan Losses (ALL)/Past due operations for more than 90 days)	481.4%	227.0%	
Coverage ratio 2682 (Balance of ALL/Past due operations classified between E - H ranges)	285.2%	167.3%	
NIM after ALL	4.1%	4.1%	
Balance of ALL/Credit portfolio	3.6%	2.9%	
Balance sheet - R\$ million (except otherwise stated)			
Total assets	142,898	131,647	8.5 %
Loan portfolio including guarantees, sureties and other credit risk instruments	76,474	67,639	13.1 %
Credit operations (A)	55,462	54,334	2.1 %
Guarantees and sureties	16,432	11,625	41.3 %
Other credit risk instruments (5)	4,581	1,680	172.6 %
Funding after reserve requirements (B)	79,363	71,251	11.4 %
Credit portfolio/Funding after reserve requirement (A/B)	69.9%	76.3%	
Liquidity (6)	23,499	18,846	24.7 %
Total funds (free, raised and managed assets) (7)	174,648	154,901	12.7 %
Important data			
Group's employees (individuals)	5,824	5,567	
Number of branches (units)	109	101	
Number of Points of Banking Services (PABs)	19	19	

(1) **Net operating income** = Financial margin⁽⁸⁾ + Revenue from services and bank fees + Result from insurance and social contribution operations before claims - Tax expenses of Social Integration Program (PIS)/Social Contribution on Revenues (COFINS)/Services Tax (ISS).

(2) **NIM** = Financial margin / Average interest-earning assets.

(3) **Efficiency ratio** = Non-interest expenses⁽⁹⁾ / Net operating income⁽¹⁾.

(4) **Operational cover ratio** = Income from fees and services / (Personnel expenses + Other administrative expenses).

(5) **Other credit risk instruments** = Includes debentures and promissory notes.

(6) **Liquidity** = Cash and cash equivalents + Free Government Securities (Own Portfolio) - Payment of Taxes and Similar.

(7) **Total funds (free, raised and managed assets)** = Deposits + Committed debentures + Funds from acceptance and issue of securities + Borrowings + Structured fixed income transactions + Onlending (BNDES and FINAME) + Subordinated debt + Repurchase agreements + Foreign exchange portfolio + Billing and collection of taxes + Own working capital⁽¹⁰⁾ + Managed assets.

(8) **Financial margin** = Gross profit from financial intermediation before allowance for loan losses, adjusted for the tax effect of the foreign exchange hedge.

(9) **Non-interest expenses** = Personnel expenses + Other administrative expenses + Tax expenses not applicable to income + Other operating expenses.

Own Working Capital = Equity (+) Provisions for Taxes and Social Security, for Contingencies, for Personnel and Social and Statutory (-) Permanent Assets, Taxes to be Offset, Escrow Deposits and Tax Credits.

Results

Banco Safra ended 2014 with net income of R\$ 1.5 billion and profitability of 19.0% on average equity.

The Bank, under its conservative policy in conducting its business, both in credit management and in the levels of its allowances and in its liquidity management, that remained at very comfortable levels. In fundraising, special attention continued to be given to the Individuals and Institutional Investors, aimed at increasing dilution of fundraising sources, as well as increasing the length of time resources remain in the bank.

We highlight the Bank's efficiency ratio, whose indicator stood at 40.4% in the year (39.5% in 2013), reflecting careful management and strict controls.

Gross income from the financial intermediation before non-performing loans amounted to R\$ 3.9 billion (R\$ 3.8 billion in 2013). The expenses with the allowance for loan losses, net of the revenue from the recovery of credits written-off as losses, reached R\$ 778 million at the end of December 2014 (R\$ 1.0 billion at the end of December 2013). Revenues from services and income from bank fees totaled R\$ 902 million (R\$ 718 million in 2013). Income from insurance and pension operations reached R\$ 153 million (R\$ 113 million in 2013).

As of the fourth quarter of 2014, Safra has recognized tax credits from temporary differences arising from the recording of allowances for loan losses (Minimum required ALL) and tax claims for risk events occurred during the year, with an impact of R\$ 566 million in the statement of income. Additionally, due to the expected worsening of the economic scenario in 2015, considering, conservatively, the worst default scenario observed in the market during the last 10 years, Safra revised its credit allowance model, including guarantees and sureties, and recorded R\$ 578 million of additional ALL. These material events impacted the statement of income for 2014 in negative R\$ 13 million, and are recorded in "Other Operating Expenses".

Assets, Liabilities and Managed Funds

The consolidated assets of Banco Safra totaled R\$ 142.9 billion at December 31, 2014 (R\$ 131.6 billion at December 31, 2013).

Consolidated equity grew by 15.5% when compared to December 31, 2013, reaching R\$ 8.7 billion, a solid support for the realization of the Bank's businesses. The Basel index stood at 14.0%, comfortably above the 11% required by the Brazilian Central Bank, with 11.5% of Tier I capital.

It is worth noting that throughout 2014, Brazil has continued a major regulatory transformation that began in 2013, progressing in the implementation of Basel III, whose implementation schedule continues until 2019. All significant impacts on Banco Safra are already reflected in the ratio presented in December 2014.

Banco Safra implemented a number of improvements in the Internal Capital Adequacy Assessment Process (ICAAP), continuing the process initiated in 2012, which includes the main Brazilian banks with total assets above R\$ 100 billion. This process, which is regulated by the Brazilian Central Bank, involves the evaluation of all the procedures and processes related to risk management and capital in all levels, including a prospective capital plan in a minimum period of three years. The objective is to bring greater stability and security to the national financial system and anticipate possible adjustments necessary to maintain the proper functioning of the market.

The Bank's liquidity management models, in addition to cash and cash equivalents shown in Note 4, also take into account the high liquidity of the free government securities of its own portfolio and exclude short-term floating instruments. Total liquidity was equivalent to 2.7 times the amount of the equity at December 31, 2014 and was represented as follows:

	12/31/2014	12/31/2013
Cash and cash equivalents:	7,428	11,492
Own portfolio - free government securities	15,631	7,363
Interbank deposits with a term of up to 90 days	450	-
(-) Collection and payment of taxes and the like	(10)	(9)
Free funds - Extended Cash and cash equivalents	23,499	18,846

The credit portfolio, excluding guarantees and sureties, which is responsible for much of the result of the bank, reached R\$ 55.5 billion in December 2014. The extended credit portfolio, including the operations of guarantees, sureties and other credit risk instruments, grew by 13.1% when compared to December 31, 2013, reaching R\$ 76.5 billion, despite the low growth of the Brazilian economy. Guarantees and sureties grew 41.3% compared to December 2013, with a highlight to the increased operations demanded by large corporate customers.

At December 31, 2014, the delinquency ratio of operations overdue for more than 90 days represented only 0.7% of the credit portfolio (1.3% in December 2013), the lowest rate of the Bank in the last 10 years, which confirms the use of best practices and technologies in credit granting and places Banco Safra as one of the best institutions in the market in credit management. In this sense, the sum of the portfolios classified as AA and A, which are the best risk ratings according to the Brazilian Central Bank, amounted to 89.5%. The allowance for loan losses represented 3.6% of the credit portfolio (2.9% at December 31, 2013). The coverage ratio was 481.4% at December 31, 2014 (227.0% at December 31, 2013), one of the highest rates in the banking system. Banco Safra continued to make a conservative management of loan disbursements, including the review of the customers' ratings and the increase of additional provisions levels.

Safra has the policy not to maintain exposure to market risk, and, for this reason, every day, the Treasury group seeks to "align" the deadlines and indices of fundraising and investments of funds through the various financial instruments available.

Banco Safra states, to meet the requirement of the Brazilian Central Bank Circular 3,068/01, that it has the financial capacity and intention to hold to maturity the securities classified as "held to maturity" in the amount of R\$ 155 million, representing only 0.4% of the total marketable securities.

Its total funds (free, raised and managed assets) managed by Banco Safra, reached R\$ 174.6 billion at the end of December 2014 (R\$ 155.0 billion in December 2013). Fundraising through financial bills which reached R\$ 15.1 billion (R\$ 12.8 billion in December 2013) stood out and contributed to the lengthening of the fundraising, allowing for better management of liquidity and greater security for customers. The proceeds of the investment funds reached R\$ 40.6 billion (R\$ 30.5 billion in December 2013), with a significant growth of 33.3% in the year.

The funds raised are highly diversified, including deposits, funds obtained in the open market, structured fixed income transactions, financial bills, funds from acceptance and issue of securities, subordinated debt, borrowings and onlendings.

In 2014, we highlight the issues of senior notes in Swiss francs made on February 27, in the amount of CHF 350 million, which was the largest issue in Swiss francs already held by a bank in Latin America up to then, and another successful issuance, made on November 12, in the amount of CHF 100 million, for a period of 5 years. In addition to these, on June 3, perpetual subordinated Tier 1 debt securities were issued, in the amount of U\$ 300 million.

Banco Safra is an important agent of the National Bank for Economic and Social Development (BNDES), and reached, at December 31, 2014 the amount of R\$ 11.9 billion of onlendings to the productive sector and sureties to projects financed by BNDES. This volume contributed to the maintenance of the company among the largest financial institutions transferring such resources.

It is important to note the transactions originated in the local fixed income capital markets, through Banco J. Safra S.A., which assured Safra the 4th place in the ranking of November 2014 of origination of Certificates of Real Estate Receivables (CRI) of the Brazilian Financial and Capital Markets Association (ANBIMA). In 2014, Banco J. Safra acted in the coordination, structuring and distribution of a total of R\$ 360 million in CRI operations, and almost R\$ 800 million in capital market operations. In addition, Safra was the lead coordinator of the first issue of infrastructure debentures of the CPFL Group.

At December 31, 2014, Banco Safra had 109 branches in Brazil, and 19 Points of Banking Services (PABs), located in the main capital cities and major cities/centers of economic development, in addition to two foreign branches (Grand Cayman and Luxembourg), which expand support for Brazilian foreign trade. We also highlight the 19 foreign exchange offices located in the main airports in Brazil, which offer the exchange of 19 currencies to customers and non-account holders.

Operational Limits

The institutions authorized to operate by the Brazilian Central Bank (BACEN) are required to maintain a regulatory capital above the minimum of 11% of the required regulatory capital, in accordance with their operational risks. Regulatory Capital (PR) is as follows:

R\$ million

	Financial Group	
	Dec/14	Dec/13
Reference Equity (PR)	11,610	9,654
Tier I	9,518	7,559
Main capital	8,723	7,559
Supplementary capital	795	
Tier II	2,092	2,095
Required Reference Equity (PRE)	9,126	8,535
Credit risk - Exposures weighted by risk factors (PEPR)	8,409	7,872
Portion referring to currency risk (PCAM) - Foreign exchange exposure - Circ. 3,389/08	136	91
Market risk (Portion referring to interest rate risk (PJUR), Portion referring to commodities risk (PCOM) and Operations subject to stock price variation (PACS))	17	213
Operating risk (POPR)	564	360
Basel Index [PR/(PRE/0.11)]	14.0%	12.4%
Amount of PR calculated for covering the interest rate risk of operations not classified in the trading portfolio (RBAN)	102	57
Capital margin (PR-PRE-RBAN)	2,390	1,062

3 - RATINGS

We highlight the maintenance of the investment grade and ratings of Banco Safra by Standard & Poor's after a review conducted in sovereign ratings and several Brazilian banks, characterizing the best possible grade among financial institutions in Brazil. It is also worth mentioning the investment grade given by two other international agencies, Fitch Ratings and Moody's and the Asset Management rating of J. Safra Asset Management, affirmed as "Highest Standard", by Fitch Ratings.

FitchRatings

Global Scale
Investment Grade

National Scale
Long Term (AAA (bra))

MOODY'S

Global Scale
Investment Grade

National Scale
Long Term (Aaa.br)

**STANDARD
& POOR'S**

Global Scale
Investment Grade

National Scale
Long Term (brAAA)

4 - RISK MANAGEMENT

Banco Safra has a set of rules and procedures to ensure compliance with legal provisions, regulatory standards, best market practices and its internal policies.

In the financial statements (Note 17), a summary of the Bank's risk management practices is presented. The website of Banco Safra (www.safra.com.br) provides information on the credit, market and operating risk management structures, in addition to the risk management report drawn up by the Brazilian Central Bank Circular 3,477/09.

The Audit Committee of Banco Safra is made up of five members nominated by the Board of Directors. Three of these are directors of the Bank, one of whom is designated as a Qualified member, and the other two are independent members. This Committee's aim is to supervise and evaluate the effectiveness of internal controls, the quality and integrity of the financial statements, and the work of the internal and independent auditors.

5 - SUSTAINABILITY

Banco Safra adopts the best sustainability practices for its business. Accordingly, among other measures, it monitors the criteria and indicators in its credit extension process, in addition to keeping its firm commitment regarding the implementation of the Green Protocol.

Among the procedures adopted by Safra, aimed at managing social and environmental risk, we highlight the inclusion, by the Legal Department, in all its contracts for the formalization of loan transactions, of a clause that addresses compliance with the Brazilian legislation relating to the environment, labor matters and breach of contracts, to be followed by its customers, guarantors and third party guarantors. Also of note is the routine analysis carried out by the registration area of the list of companies that have had consultations with regulators, where the following social and environmental restrictive clauses are verified (Brazilian Environmental Institute (IBAMA), Financial Activities Control Council (COAF), Environmental Sanitation Technology Company (Cetesb), National Petroleum Agency (ANP), National Agency for Land Transport (ANTT), the registration of companies and people assessed for exploitation of slave labor, released by the Ministry of Labor and Employment), always considering the bank secrecy rules.

It is worth noting that Safra is also dedicated to activities in support of social, health, cultural and educational projects. Socially, it supports institutions that help the needy, people with intellectual or physical disabilities and people who need protection and defense of their rights. The beneficiary institutions include União Brasileiro-Israelita de Bem-Estar Social, which helps residents of the central region of the city of São Paulo, and Fundação Dorina Nowill for the blind, which serves and works for the social inclusion of people with visual disabilities, by means of producing and distributing books in Braille, audio and digital formats, free of charge.

In health space, Safra works with the Associação de Assistência à Criança Deficiente (AACD) [Association for Assistance to the Disabled Child], which cares for the well-being of children with special needs, and Grupo de Apoio ao Adolescente e à Criança com Câncer (GRAAC) [Support Group for the Adolescent and Child with Cancer], which maintains in São Paulo a hospital of international reference in Pediatric Oncology. Other examples are the support given to Hospital Albert Einstein, Hospital Sírio-Libanês, Hospital do Câncer de Barretos, Hospital AC Camargo and APAE de São Paulo.

In the cultural space, the institutions that received aid for exhibitions and donations of artworks include the Museu de Arte Moderna (MAM) [Museum of Modern Art] in Sao Paulo, whose collection is one of the most important in Latin America, Centro de Cultura Judaica de São Paulo [São Paulo Jewish Cultural Center] and Museu do Futebol [Soccer Museum].

In 1982, Safra created the Cultural Project in order to help spread and recover Brazil's historical and cultural traditions by publishing books on the main Brazilian museums, their collections and facilities.

Each year, a new book of the "Brazilian Museums" series is produced and, so far, 33 published books sum a circulation of more than 400,000 copies. In 2014, the 33rd volume addressed the Soccer Museum in São Paulo.

A premise of the J. Safra Theatre is to offer quality and diversity in its programming. Having in mind the democratization of access to culture, the theater presents courses in the arts, accessible to low-income youth and offers free theater interpretation workshops, dramaturgy laboratory etc. The residents of Barra Funda have a 50% discount on tickets, with the purpose of promoting access to the programs at the J. Safra Theatre.

Banco Safra, through the Brazilian Federation of Banks (Febraban), sponsors approximately 100 grants in the "Science Without Borders Program", which is a government project that aims to promote the consolidation, expansion and internationalization of Brazilian science and technology, innovation and competitiveness through international exchange and mobility.

The "Policy and Structure of Social and Environmental Risk Management" is available on Banco Safra's website (www.safra.com.br).

6 - HUMAN RESOURCES

Banco Safra ended December 2014 with 5,824 employees, who receive high quality medical and dental care, educational assistance, daycare, a food basket, access to cultural and social activities promoted by the association of employees, among others.

The remuneration of personnel, plus charges and benefits, and disregarded the cost of labor contingencies and terminations, totaled R\$ 1.3 billion in 2014. Expenses with social benefits granted to employees and their dependents totaled R\$ 95 million. Of this amount, we highlight the investments made by Banco Safra in activities for the development and training of its employees, providing to approximately 19,700 people presence or remote training, totaling approximately 39,800 hours in training.

It is worth mentioning the actions aimed at the improvement of the commercial teams, the administrative and back office areas, as well as updates and training on mandatory certification courses (CPA - Anbima Professional Certification (Series 10 and 20), CGA - Anbima Managers Certification and PQO - Operational Qualification Program), and investments in undergraduate and graduate courses, Master of Business Administration (MBA) and training programs for disabled people in partnership with the Brazilian Federation of Banks (Febraban).

Also, for the second consecutive year, the "2015 Safra Trainee Program", which is the largest trainee program in the financial sector, counted with about 21,000 applications of students and recent undergraduates from various courses and Brazilian universities. 29 trainees were hired for different strategic areas of the company. Applicants selected for the program will participate in live training for 12 months as from January 2015, starting the process with a bank training course at Fundação Getulio Vargas (FGV), followed by meetings and lectures with different executives of the company and job rotation in areas related to the work segment chosen by the trainee.

7 - ACKNOWLEDGMENTS

The management of Banco Safra thanks its customers for their trust, preference and loyalty and the employees for their efforts and dedication, which have enabled the results achieved.

Approved by the Board of Directors.

São Paulo, February 2, 2015.