

BANK BRADESCO  
Form 6-K  
February 06, 2015

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE  
SECURITIES EXCHANGE ACT OF 1934**

**For the month of February, 2015  
Commission File Number 1-15250**

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**BANCO BRADESCO S.A.**  
(Exact name of registrant as specified in its charter)

**BANK BRADESCO**

(Translation of Registrant's name into English)

**Cidade de Deus, s/n, Vila Yara  
06029-900 - Osasco - SP  
Federative Republic of Brazil**  
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.  
Form 20-F  Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby  
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of  
1934.

Yes  No

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## Table of Contents

**Table of Contents**

<b>1 - Press Release</b>	<b>3</b>
Highlights	4
Main Information	6
Ratings	8
Book Net Income vs. Adjusted Net Income	8
Summarized Analysis of Adjusted Income	9
Capital Ratios - Basel III	23
Economic Scenario	24
Main Economic Indicators	25
Guidance	26
Book Income vs. Managerial Income vs. Adjusted Income Statement	27
<b>2 - Economic and Financial Analysis</b>	<b>31</b>
Statement of Financial Position	32
Adjusted Income Statement	33
NII - Interest and Non-Interest Earning Portions	33
– NII – Interest Earning Portion	34
• Credit Margin – Interest Earning Portion	36
• Funding Margin – Interest Earning Portion	51
• Securities/Other Margin - Interest Earning Portion	56
• Insurance Margin - Interest Earning Portion	56
– NII - Non-Interest Earning Portion	57
Insurance, Pension Plans and Capitalization Bonds	58
– Bradesco Vida e Previdência	65
– Bradesco Saúde and Mediservice	67
– Bradesco Capitalização	68
– Bradesco Auto/RE and Atlântica Companhia de Seguros	70
Fee and Commission Income	72
Personnel and Administrative Expenses	78
– Operating Coverage Ratio	81
Tax Expenses	81
Equity in the Earnings (Losses) of Unconsolidated Companies	81
Operating Income	82
Non-Operating Income	82
<b>3 - Return to Shareholders</b>	<b>83</b>
Corporate Governance	84
Investor Relations – IR	84
Sustainability	84
Bradesco Shares	86
Market Capitalization	89
Main Indicators	90
Dividends/Interest on Shareholders' Equity	91
Weight on Main Stock Indexes	91

<b>4 - Additional Information</b>	<b>93</b>
Market Share of Products and Services	94
Reserve Requirements	95
Investments in Infrastructure, Information Technology and Telecommunications	96
Risk Management	97
Capital Management	98
Capital Adequacy Ratio	99
<b>5 - Independent Auditors' Report</b>	<b>101</b>
Independent Reasonable Assurance Report on the supplementary accounting information included within the Economic and Financial Analysis Report	102
<b>6 - Consolidated Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report</b>	<b>105</b>

Bradesco

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### ***Forward-Looking Statements***

This Economic and Financial Analysis Report contains forward-looking statements related to our business. Such statements are based on management's current expectations, estimates and projections concerning future events and financial trends that may affect our business. Words such as "believe", "anticipate", "plan", "expect", "intend", "goal", "estimate", "forecast", "predict", "project", "guidelines", "should" and other similar expressions are used to indicate predicting statements. However, forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that may be beyond our control. In addition, some forward-looking statements are based on assumptions which, depending on future events, may prove not to be accurate. Therefore, actual results may differ significantly from the plans, goals, expectations, projections and intentions expressed or implied in such statements.

The factors that may impact the actual results include, among others, changes in regional, national and international trade and economic policies; inflation; an increased number of defaults by borrowers in loan operations, with a consequent increase in the allowance for losses from loan operations; loss of ability to receive deposits; loss of customers or revenues; our ability to sustain and improve performance; changes in interest rates which may, among other things, adversely affect our margins; competition in the banking industry, financial services, credit card services, insurance, asset management and other related industries; government regulation and fiscal affairs; disputes or adverse legal proceedings or regulations; and credit and other risks involved in lending and investment activities.

As a result, one should not rely excessively on these forward-looking statements. The statements are valid only for the date on which they were drafted. Except as required by applicable law, we do not assume any obligation to update these statements as a result of new information, future developments or any other matters which may arise.

Some numbers included in this report have been subjected to rounding adjustments.

As a result, some amounts indicated as total amounts in some charts may not be the arithmetic sum  
of the preceding numbers.

- Economic and Financial Analysis Report – December 2014

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Press Release

## Highlights

The main figures obtained by Bradesco in 2014 are presented below:

1. Adjusted Net Income<sup>(1)</sup> for 2014 stood at R\$ 15.359 billion (a 25.9% increase compared to the R\$ 12.202 billion recorded in the same period of 2013), corresponding to earnings per share of R\$ 3.66 and Return on Average Adjusted Equity<sup>(2)</sup> of 20.1%.
2. As for the source, the Adjusted Net Income is composed of R\$ 10.953 billion from financial activities, representing 71.3% of the total, and of R\$ 4.406 billion from insurance, pension plans and capitalization bonds operations, which together account for 28.7%.
3. On December 31, 2014, Bradesco market value stood at R\$ 145.536 billion<sup>(3)</sup>, showing a growth of 13.6% over December 31, 2013.
4. Total Assets, in December 2014, stood at R\$ 1.032 trillion, an increase of 13.6% over the December 2013 balance. The return on Average Total Assets was 1.6%, an increase of 0.2 p.p. over December 2013 (1.4%).
5. In December 2014, the Expanded Loan Portfolio<sup>(4)</sup> reached R\$ 455.127 billion, up 6.5% over December 2013. Operations with individuals totaled R\$ 141.432 billion (an increase of 8.2% over December 2013), while corporate segment operations totaled R\$ 313.695 billion (up 5.8% over December 2013).
6. Assets under Management stood at R\$ 1.426 trillion, a 13.2% increase from December 2013.
9. The Interest Earning Portion of the Net Interest Income stood at R\$ 47.806 billion, up 12.0% compared to 2013.
10. The Delinquency Ratio over 90 days remained stable in the last twelve months, and stood at 3.5% on December 31, 2014.
11. The Operating Efficiency Ratio (ER)<sup>(5)</sup> in December 2014 was 39.2%, the best level ever recorded (42.1% in December 2013), while in the “risk-adjusted” concept, it stood at 47.9% (52.1% in December 2013).
12. Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income totaled R\$ 56.152 billion in 2014, up 12.9% when compared to 2013. Technical Reserves stood at R\$ 153.267 billion, an increase of 12.5% compared to the balance on December 2013.
13. Investments in infrastructure, information technology and telecommunications amounted to R\$ 4.998 billion in 2014, up 3.2% over the same period last year.
14. Taxes and contributions paid or recorded in provision, including social security, totaled R\$ 24.225 billion, of which R\$ 10.902 billion related to taxes withheld and collected from third parties, and R\$ 13.323 billion calculated based on activities developed by Bradesco Organization, equivalent to 86.7% of the Adjusted Net Income<sup>(1)</sup>.
15. Bradesco has an extensive Customer Service network in Brazil, with 4,659 Branches and 3,486 Service Points (PAs). Customers can also count on 1,145 ATMs, 50,006 Bradesco Expresso service

7. Shareholders' Equity totaled R\$ 81.508 billion in December 2014, 14.9% higher than in December 2013. Capital Adequacy Ratio stood at 16.5% in December 2014, 12.9% of which was classified as Common Equity/Tier I. points, 31,089 Bradesco Dia & Noite ATMs, and 17,593 Banco24Horas Network ATMs.

8. A total of R\$ 5.055 billion were paid to shareholders as Interest on Shareholders' Equity and Dividends for the first three quarters of 2014, of which R\$ 1.824 billion were paid in monthly and interim installments and R\$ 3.231 billion were provisioned.

(1) According to the non-recurring events described on page 8 of this Economic and Financial Analysis Report; (2) Excludes mark-to-market effect of Available-for-Sale Securities recorded under Shareholders' Equity; (3) Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the last trading day of the period; (4) Includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk – commercial portfolio, which includes debentures and promissory notes; and (5) In the last 12 months.

.. Economic and Financial Analysis Report – December 2014

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**Highlights**

16. Payroll, plus charges and benefits, totaled R\$ 11.773 billion. Social benefits provided to all 95,520 employees of Bradesco Organization and their dependents amounted to R\$ 2.923 billion, while investments in education, training and development programs totaled R\$ 144.658 million.

17. Major Awards and Acknowledgments in the period:

- Largest private Brazilian group to be featured in the “Valor Grandes Grupos” ranking, which lists the 200 largest groups in the country. It also holds 1<sup>st</sup> place in the ranking of the 20 largest groups in the financial sector, while also leading in shareholder’s equity (Valor Econômico newspaper);
- For the 10<sup>th</sup> consecutive year, its common and preferred shares are listed on the Corporate Sustainability Index (ISE) of BMF&Bovespa;
- Winner of the 16<sup>th</sup> Abrasca award as the best “Annual Report 2013”, under the “Publicly-Traded Company – Group 1”;
- Featured on the annual “150 Best Companies to Work for in Brazil”, for the 15<sup>th</sup> time (Guia Você S/A Exame);
- One of the top mentions in “Best in People Management” poll (Valor Carreira magazine - Valor Econômico newspaper);
- Only Latin American bank to be featured in the “World’s 20 Greenest Banks” (Bloomberg Markets magazine); and

The Bradesco Organization fully complies with internationally recognized sustainability and corporate governance initiatives, particularly: *Global Compact*, *PRI (Principles for Responsible Investment)*, *Equator Principles*. We set our guidelines and strategies with a view to incorporating the best corporate sustainability practices into our businesses, considering the context and the potential of each region, thus contributing to the generation of value in the Organization. The driving forces behind our engagement are inclusion with education, democratization and presence, innovation, sustainability and continuity of our businesses. Our management process adopts economic and social and environmental indexes developed in Brazil and abroad, such as the Dow Jones Sustainability Index (DJSI), the Corporate Sustainability Index (ISE, of BM&FBovespa), and the Carbon Efficient Index (ICO2, also of BM&FBovespa), as well as the guidelines and indexes of the Global Reporting Initiative (GRI) and the Carbon Disclosure Project (CDP).

With a broad social and educational program in place for 58 years, Fundação Bradesco operates 40 schools across Brazil. Fundação Bradesco’s budget for 2014 totaled R\$ 520.277 million, R\$ 86.553 million of which was intended to restructuring high school education through classroom expansion works that enabled the foundation to offer free quality education to: a) 105,177 students enrolled in its schools in the following levels: basic education (kindergarten to high school) and vocational training - high school, youth and adult education; and preliminary and continuing vocational training, which focuses on creating jobs and income; b) 458,365 thousand students who completed at least one of

- Named one of the most sustainable companies in Brazil. (Guia Exame de Sustentabilidade/Study by Fundação Getulio Vargas de São Paulo). the distance-learning courses (EaD) available on the e-learning portal; and c) 33,856 beneficiaries in partnership projects and initiatives, including the Digital Inclusion Centers (CIDs), the Educa+Ação program and technology courses (Educar and Aprender). In addition to being guaranteed free quality education, the approximately 44 thousand students enrolled in the Basic Education system also receive uniforms, school supplies, meals, and medical and dental assistance.

Bradesco \_\_\_\_\_

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Press Release**Main Information**

	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13
Income Statement for the Period - R\$ million						
Book Net Income	3,993	3,875	3,778	3,443	3,079	3,079
Adjusted Net Income	4,132	3,950	3,804	3,473	3,199	3,079
Total Net Interest Income	12,986	12,281	12,066	10,962	11,264	10,770
Gross Credit Margin	8,453	8,249	7,967	7,711	7,850	7,770
Net Credit Margin	5,146	4,901	4,826	4,850	4,889	4,901
Provision for Loan Losses (ALL) Expenses	(3,307)	(3,348)	(3,141)	(2,861)	(2,961)	(2,861)
Fee and Commission Income	5,839	5,639	5,328	5,283	5,227	4,901
Administrative and Personnel Expenses	(7,835)	(7,192)	(7,023)	(6,765)	(7,313)	(6,901)
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	17,806	12,904	13,992	11,450	14,492	11,000
Statement of Financial Position - R\$ million						
Total Assets	1,032,040	987,364	931,132	922,229	908,139	907,600
Securities	346,358	343,445	333,200	321,970	313,327	313,600
Loan Operations <sup>(1)</sup>	455,127	444,195	435,231	432,297	427,273	412,500
- Individuals	141,432	138,028	135,068	132,652	130,750	127,000
- Corporate	313,695	306,167	300,163	299,645	296,523	285,500
Allowance for Loan Losses (ALL) <sup>(2)</sup>	(23,146)	(22,623)	(21,791)	(21,407)	(21,687)	(21,400)
Total Deposits	211,612	211,882	213,270	218,709	218,063	216,700
Technical Reserves	153,267	145,969	142,731	137,751	136,229	133,500
Shareholders' Equity	81,508	79,242	76,800	73,326	70,940	67,000
Assets under Management	1,426,099	1,385,135	1,304,690	1,277,670	1,260,056	1,256,200
Performance Indicators (%) on Adjusted Net Income (unless otherwise stated)						
Adjusted Net Income per Share - R\$ <sup>(3) (4)</sup>	3.66	3.44	3.23	3.03	2.91	2.91
Book Value per Common and Preferred Share - R\$ <sup>(4)</sup>	19.43	18.89	18.31	17.48	16.90	15.90
Annualized Return on Average Equity <sup>(5) (6)</sup>	20.1	20.4	20.7	20.5	18.0	18.0
Annual Return on Common Equity of 11% - BIS III <sup>(6)</sup>	24.2	24.3	24.2	23.9	-	-
Annualized Return on Average Assets <sup>(6)</sup>	1.6	1.6	1.6	1.5	1.4	1.4
Average Rate - Annualized (Adjusted Net Interest Income / Total Average Assets - Purchase and Sale Commitments - Permanent Assets)	7.8	7.6	7.8	7.2	7.3	7.3
Fixed Assets Ratio - Total Consolidated	13.2	13.0	13.2	15.0	15.2	15.2
Combined Ratio - Insurance <sup>(7)</sup>	85.9	86.5	86.3	86.4	86.1	86.1
Efficiency Ratio (ER) <sup>(3)</sup>	39.2	39.9	40.9	41.9	42.1	42.1
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) <sup>(3)</sup>	76.7	75.9	74.1	73.6	71.8	71.8
Market Capitalization - R\$ million <sup>(8)</sup>	145,536	146,504	134,861	135,938	128,085	136,100
Loan Portfolio Quality % <sup>(9)</sup>						
ALL / Loan Portfolio <sup>(2)</sup>	6.7	6.7	6.6	6.5	6.7	6.7

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Non-performing Loans (> 60 days <sup>(10)</sup> / Loan Portfolio)	4.3	4.4	4.4	4.2	4.2	4
Delinquency Ratio (> 90 days <sup>(10)</sup> / Loan Portfolio)	3.5	3.6	3.5	3.4	3.5	3
Coverage Ratio (> 90 days <sup>(10)</sup> ) <sup>(2)</sup>	189.0	187.2	186.9	193.8	192.3	19
Coverage Ratio (> 60 days <sup>(10)</sup> ) <sup>(2)</sup>	156.6	154.2	149.9	153.7	158.9	15
Operating Limits %						
Capital Adequacy Ratio - Total <sup>(11)</sup>	16.5	16.3	15.8	15.7	16.6	1
Capital Nivel I	12.9	12.6	12.1	11.9	12.3	1
- Common Equity	12.9	12.6	12.1	11.9	12.3	
Capital Nivel II	3.6	3.7	3.7	3.8	4.3	3

.. Economic and Financial Analysis Report – December 2014

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Press Release**Main Information**

	Dec14	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13	Mar13	Variation %	
									Dec14 x Sept14	Dec14 x Dec13
Structural Information - Units										
Service Points	75,176	74,028	73,208	73,320	72,736	71,724	70,829	69,528	1.6	3.4
- Branches	4,659	4,659	4,680	4,678	4,674	4,697	4,692	4,687	-	(0.3)
- PAs <sup>(12)</sup>	3,486	3,497	3,497	3,484	3,586	3,760	3,795	3,786	(0.3)	(2.8)
- PAEs <sup>(12)</sup>	1,145	1,159	1,175	1,186	1,180	1,421	1,454	1,457	(1.2)	(3.0)
- External Bradesco ATMs <sup>(13)</sup> <sup>(14)</sup>	1,344	1,398	1,684	2,701	3,003	3,298	3,498	3,712	(3.9)	(55.2)
- Banco24Horas Network ATMs <sup>(13)</sup>	12,450	12,213	12,023	11,873	11,583	11,229	11,154	10,966	1.9	7.5
- Bradesco Expresso (Correspondent Banks)	50,006	49,020	48,186	47,430	46,851	45,614	44,819	43,598	2.0	6.7
- Bradesco Promotora de Vendas	2,073	2,068	1,949	1,955	1,846	1,692	1,404	1,309	0.2	12.3
- Branches / Subsidiaries Abroad ATMs	13	14	14	13	13	13	13	13	(7.1)	-
- Bradesco Network	48,682	48,053	47,612	48,295	48,203	47,969	47,972	48,025	1.3	1.0
- Banco24Horas Network	31,089	31,107	31,509	32,909	33,464	33,933	34,322	34,719	(0.1)	(7.1)
Employees <sup>(15)</sup>	17,593	16,946	16,103	15,386	14,739	14,036	13,650	13,306	3.8	19.4
Outsourced Employees and Interns	95,520	98,849	99,027	99,545	100,489	101,410	101,951	102,793	(3.4)	(4.9)
Customers - in millions	12,916	12,896	12,790	12,671	12,614	12,699	12,647	13,070	0.2	2.4
Active Checking Account Holders <sup>(16)</sup> <sup>(17)</sup>	26.5	26.6	26.5	26.6	26.4	26.4	26.2	25.8	(0.4)	0.4
Savings Accounts <sup>(18)</sup>	59.1	52.9	51.8	49.0	50.9	48.3	47.7	46.6	11.7	16.1
Insurance Group	46.9	46.3	45.5	45.3	45.7	45.3	44.2	42.9	1.3	2.6
- Policyholders	41.1	40.5	39.6	39.4	39.8	39.5	38.4	37.1	1.5	3.3
- Pension Plan Participants	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.3	-	-
- Capitalization Bond Customers	3.4	3.4	3.5	3.5	3.5	3.4	3.4	3.5	-	(2.9)
Bradesco Financiamientos <sup>(16)</sup>	3.1	3.1	3.2	3.2	3.3	3.4	3.5	3.6	-	(6.1)

(1) Expanded Loan Portfolio: includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk –

commercial portfolio, covering debentures and promissory notes;

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letter of credit, which comprises the concept of “excess” ALL;

(3) In the last 12 months;

(4) For comparison purposes, shares were adjusted in accordance with bonuses and stock splits;

(5) Excluding mark-to-market effect of Available-for-Sale Securities recorded under Shareholders’ Equity;

(6) Year-to-Date Adjusted Net Income;

(7) Excludes additional reserves;

(8) Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the period’s last trading day;

(9) As defined by the Brazilian Central Bank (Bacen);

(10)Overdue Loans;

(11)Since October 2013, the Capital Adequacy Ratio calculation follows regulatory guidelines set forth in CMN Resolutions N<sup>o</sup>4192/13 and 4193/13 Capital Adequacy Ratio (Basel III);

(12)PA (Service Branch): a result of the consolidation of PAB (Banking Service Branch), PAA (Advanced Service Branch) and Exchange Branches, according to CMN Resolution N<sup>o</sup>4072/12; and PAEs – ATMs located on a company’s premises;

(13)Including overlapping ATMs within the Bank’s own network and the Banco24Horas Network;

(14)Such reduction relates to the sharing of external network ATM terminals by the Banco24Horas ATM network;

(15)The reduction in the fourth quarter of 2014 includes the transfer of 2,431 employees of Scopus Tecnologia to IBM Brazil;

(16) Number of individual customers (Corporate Tax IDs (CNPJs) and Individual Taxpayer IDs (CPFs));

(17)Refers to first and second checking account holders; and

(18) Number of accounts.

Press Release**Ratings****Main Ratings****Fitch Ratings**

Feasibility	Support	International Scale				Domestic Scale	
		Domestic Currency		Foreign Currency		Domestic	
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
a -	2	A -	F1	BBB +	F2	AAA (bra)	F1 + (bra)

**Moody's Investors Service**

Financial Strength / Individual Credit Risk Profile	International Scale				Domestic Scale		
	Foreign Currency Senior Debt	Domestic Currency Deposit		Foreign Currency Deposit		Domestic Currency	
		Long Term	Long Term	Short Term	Long Term	Short Term	Long Term
C - / baa1	Baa1	Baa1	P - 2	Baa2	P-2	Aaa.br	BR - 1

Standard & Poor's						Austin Rating		
International Scale - Issuer's Credit Rating				Domestic Scale		Corporate Governance	Domestic Scale	
Foreign Currency		Domestic Currency		Issuer's Credit Rating			Long Term	Short Term
Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	brAA+	brAAA	brA -1
BBB -	A - 3	BBB -	A - 3	brAAA	brA - 1 +			

**Book Net Income vs. Adjusted Net Income**

The main non-recurring events that affected Book Net Income in the periods below are presented in the following comparative chart:

	12M14	12M13	4Q14	R\$ million 3Q14
<b>Book Net Income</b>	15,089	12,011	3,993	3,875
<b>Non-Recurring Events</b>	270	191	139	75

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- Reversal of provision for tax contingencies <sup>(1)</sup>	(1,378)	-	-	(1,378)
- Impairment of assets <sup>(2)</sup>	1,300	739	702	598
- Reversal of technical reserves <sup>(3)</sup>	(754)	(2,572)	(754)	-
- Provision for labor contingencies <sup>(4)</sup>	488	-	-	488
- Provision for tax contingencies <sup>(5)</sup>	212	-	-	212
- Law nº 12.865/13 (REFIS)	-	(1,950)	-	-
- Rate adjustment at market value – NTNs	-	6,117	-	-
- Other <sup>(6)</sup>	421	(385)	127	201
- Tax Effects	(19)	(1,758)	64	(46)
<b>Adjusted Net Income</b>	<b>15,359</b>	<b>12,202</b>	<b>4,132</b>	<b>3,950</b>
<b>ROAE % <sup>(7)</sup></b>	<b>19.8</b>	<b>17.7</b>	<b>21.5</b>	<b>21.5</b>
<b>(ADJUSTED) ROAE % <sup>(7)</sup></b>	<b>20.1</b>	<b>18.0</b>	<b>22.3</b>	<b>22.0</b>

(1) Includes the reversal of provision for tax risks related to the Cofins case, which had a favorable outcome for the Organization;

(2) In the fourth quarter of 2014, it includes the impairment of: (i) Securities – Shares, classified as Available for Sale, totaling R\$ 617 million; and (ii) Software, totaling R\$ 85 million; in 2014, it also includes the acknowledgment of impairment in shares of Banco Espírito Santo S.A. (BES), totaling R\$ 598 million; in 2013, it includes, primarily: (i) Securities – Shares, rated as Available-for-Sale, totaling R\$ 682 million; and (ii) Other Assets, totaling R\$ 57 million, arising from the reassessment of the expected return of these assets;

(3) In 2014 and in the fourth quarter of 2014, it includes the reversal of technical reserves (OPT - Other Technical Reserves), in accordance with SUSEP Circular Nº462/13, net of the constitution of other technical reserves (PCC - Complementary Reserve for Coverage, and PDR - Related Expense Reserve); and in 2013, it relates to the impact of adopting the discount rate of the actuarial liabilities flow - risk-free Long-Term Interest Rate Structure (ETTJ), in compliance with the provisions of SUSEP Circular Nº462/13;

(4) Includes the improved calculation methodology, originating from acquired banks, with unique characteristics, based on the updated recent loss history;

(5) Includes the provision for tax risks relating to the PIS-EC 17/97 case;

(6) In 2014, fourth quarter of 2014 and third quarter of 2014, it contemplates, primarily, the constitution of civil provisions; and in 2013, it includes, primarily: (i) the registration of tax credits, totaling R\$ 462 million; and (ii) the constitution of civil provisions; and

(7) Annualized.



Press Release**Summarized Analysis of Adjusted Income**

To provide for better understanding, comparison and analysis of Bradesco results, we use the Adjusted Income Statement for analysis and comments contained in this Economic and Financial Analysis Report, obtained from adjustments made to the Book Income Statement, detailed at the end of this Press Release,

which includes adjustments to non-recurring events shown on the previous page. Note that the Adjusted Income Statement serves as the basis for the analysis and comments made in Chapters 1 and 2 of this report.

	Adjusted Income Statement								R\$ million
			Variation				Variation		
	12M14	12M13	12M14 x 12M13		4Q14	3Q14	4Q14 x 3Q14		
			Amount	%			Amount	%	
<b>Net Interest Income</b>	<b>48,295</b>	<b>43,286</b>	<b>5,009</b>	<b>11.6</b>	<b>12,986</b>	<b>12,281</b>	<b>705</b>	<b>5.7</b>	
- Interest Earning Portion	47,806	42,686	5,120	12.0	12,763	12,238	525	4.3	
- Non-interest Earning Portion	489	600	(111)	(18.5)	223	43	180	-	
ALL	(12,657)	(12,045)	(612)	5.1	(3,307)	(3,348)	41	(1.2)	
<b>Gross Income from Financial Intermediation</b>	<b>35,638</b>	<b>31,241</b>	<b>4,397</b>	<b>14.1</b>	<b>9,679</b>	<b>8,933</b>	<b>746</b>	<b>8.4</b>	
Income from Insurance, Pension Plans and Capitalization Bonds <sup>(1)</sup>	5,047	4,471	576	12.9	1,363	1,170	193	16.5	
Fee and Commission Income	22,089	19,786	2,303	11.6	5,839	5,639	200	3.5	
Personnel Expenses	(13,967)	(13,061)	(906)	6.9	(3,676)	(3,564)	(112)	3.1	
Other Administrative Expenses	(14,848)	(14,512)	(336)	2.3	(4,159)	(3,628)	(531)	14.6	
Tax Expenses	(4,627)	(4,381)	(246)	5.6	(1,211)	(1,182)	(29)	2.5	
Companies	187	43	144	-	57	43	14	32.6	
Other Operating Income/ (Expenses)	(5,395)	(4,743)	(652)	13.7	(1,360)	(1,311)	(49)	3.7	
<b>Operating Result</b>	<b>24,124</b>	<b>18,844</b>	<b>5,280</b>	<b>28.0</b>	<b>6,532</b>	<b>6,100</b>	<b>432</b>	<b>7.1</b>	
Non-Operating Result	(183)	(120)	(63)	52.5	(68)	(45)	(23)	51.1	
Income Tax / Social Contribution	(8,469)	(6,425)	(2,044)	31.8	(2,308)	(2,075)	(233)	11.2	
Non-controlling Interest	(113)	(97)	(16)	16.5	(24)	(30)	6	(20.0)	
<b>Adjusted Net Income</b>	<b>15,359</b>	<b>12,202</b>	<b>3,157</b>	<b>25.9</b>	<b>4,132</b>	<b>3,950</b>	<b>182</b>	<b>4.6</b>	

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums – Changes in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption – Insurance, Pension Plan and Capitalization Bond Sales Expenses.

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## **Summarized Analysis of Adjusted Income**

### **Adjusted Net Income and Profitability**

The return on the Average Adjusted Shareholder's Equity (ROAE) stood at 20.1% in December 2014. Such performance stems from the growth of adjusted net income, which increased by 4.6% quarter-over-quarter and 25.9% compared with the previous year. The main events that affected adjusted net income are detailed below.

Adjusted net income reached R\$ 4,132 million in the fourth quarter of 2014, up R\$ 182 million compared to the previous quarter, mainly due to (i) higher net interest income, due to increased "interest" and "non-interest" earning portions; (ii) increased fee and commission income, due to an increase in business volume; (iii) higher income from insurance, pension plans and capitalization bonds; and partially impacted by: (iv) increased administrative and personnel expenses.

In 2014, adjusted net income reached R\$ 15,359 million, up R\$ 3,157 million from the previous year, due to: (i) higher revenues from interest earning portion; (ii) increased fee and commission income; (iii) higher income from Insurance, Pension Plans and Capitalization Bonds; (iv) increased administrative and personnel expenses, although at a rate below inflation for the period; and (v) increase in other operating expenses, net of other operating income.

Shareholders' Equity stood at R\$ 81,508 million in December 2014, up 14.9% over December 2013. Capital Adequacy Ratio stood at 16.5%, 12.9% of which was classified as Common Equity/Tier I.

Total Assets reached R\$ 1.032 trillion in December 2014, a 13.6% increase over December 2013, driven by the increased business volume. Return on Average Assets (ROAA) reached 1.6%.



## Summarized Analysis of Adjusted Income

### Efficiency Ratio (ER)

The 12-month accumulated ER<sup>(1)</sup> reached 39.2% in the fourth quarter of 2014, again registering his best historical level, and in line with the published target. This result was due to: (i) investments in organic growth, which enabled an increase in income; and (ii) the continued efforts to control expenses, including our Efficiency Committee actions and investments in Information Technology, which have improved internal systems and processes. It should be mentioned that the 0.7 p.p. improvement compared to the previous quarter was primarily due to: (i) higher fee and commission and net interest income; and (ii) the strict control of our operating expenses, which were held below inflation; all these factors also contributed to the improvement of the ER in the “risk-adjusted” concept, reflecting the impact of the risk associated with loan operations<sup>(2)</sup>, which reached 47.9%, an improvement of 0.8 p.p. in the quarter.

Quarterly ER rose from 38.5% in the third quarter of 2014 to 39.9% in the fourth quarter of 2014, primarily due to: (i) higher administrative expenses, primarily due to the seasonal effect of the fourth quarter, which impacted mainly advertising expenses; and partially offset by: (ii) the increase in revenues from fees and commission and in the interest earning portion. This indicator showed improvement when compared with the same period of the previous year, primarily due to the increase in interest earning portion and in fees and commission income.

(1) ER = (Personnel Expenses – Employee Profit Sharing + Administrative Expenses)/(Net Interest Income + Fee and Commission Income + Income from Insurance + Equity in the Earnings (Losses) of Unconsolidated Companies + Other Operating Income – Other Operating Expenses). If we considered the ratio between (i) total administrative costs (Personnel Expenses + Administrative Expenses + Other Operating Expenses + Tax Expenses not related to income generation + Insurance Sales Expenses) and (ii) net income generation of related taxes (not considering Insurance Claims and Sales Expenses), our ER accumulated in the last 12 months in the fourth quarter of 2014 would be 43.0%; and

(2) Including ALL expenses, adjusted for discounts granted, loan recovery and sale of foreclosed assets, among others.

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## Summarized Analysis of Adjusted Income

### Net Interest Income

In the quarter-over-quarter comparison, the R\$ 705 million growth was mainly due to: (i) increased income from interest earning portion, totaling R\$ 525 million, particularly in Insurance and Loans; and (ii) increased non-interest earning portion of the net interest income, totaling R\$ 180 million.

In the year-over-year comparison, net interest income was up R\$ 5.009 million, primarily due to: (i) higher interest earning portion, totaling R\$ 5.120 million, due to the increase in business volumes, particularly in the Loan and Funding business lines, and offset by: (ii) lower non-interest earning portion, totaling R\$ 111 million.

Economic and Financial Analysis Report – December 2014

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**Summarized Analysis of Adjusted Income**  
**NII - Interest Earning Portion – Annualized Average Rates**

	12M14			12M13			R\$ million
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate	
Loans	32,379	341,470	9.5%	30,691	312,737	9.8%	
Funding	6,296	373,313	1.7%	4,733	338,209	1.4%	
Insurance	4,303	143,307	3.0%	3,616	131,290	2.8%	
Securities/Other	4,828	342,564	1.4%	3,646	309,746	1.2%	
<b>Net Interest Income</b>	<b>47,806</b>	<b>-</b>	<b>7.2%</b>	<b>42,686</b>	<b>-</b>	<b>6.9%</b>	

	4Q14			3Q14			
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate	
Loans	8,453	350,957	10.0%	8,249	340,395	10.1%	
Funding	1,686	380,240	1.8%	1,625	373,221	1.8%	
Insurance	1,253	150,537	3.4%	1,005	144,792	2.8%	
Securities/Other	1,371	360,410	1.5%	1,359	339,591	1.6%	
<b>Net Interest Income</b>	<b>12,763</b>	<b>-</b>	<b>7.7%</b>	<b>12,238</b>	<b>-</b>	<b>7.5%</b>	

The annualized interest financial margin rate stood at 7.7% in the fourth quarter of 2014, up 0.2 p.p. on the previous quarter, primarily due to income from the Insurance interest margin.

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## **Summarized Analysis of Adjusted Income**

### **Expanded Loan Portfolio<sup>(1)</sup>**

In December 2014, Bradesco's expanded loan portfolio totaled R\$ 455.1 billion. The increase of 2.5% in the quarter was primarily due to: (i) SMEs, which recorded a 2.8% growth; (ii) Individuals, recording a 2.5% growth and (iii) Corporations, which grew 2.3%.

In the last twelve months, the portfolio increased by 6.5%, broken down by: (i) 8.2% in Individuals; (ii) 7.3% in Corporations; and (iii) 3.4% in SMEs.

In the Corporate segment, the products that posted the strongest growth in the last 12 months were: (i) real estate financing; and (ii) rural loans. For Individuals, the highlights were: (i) real estate financing; and (ii) payroll-deductible loan. It should be mentioned that products which present the lowest risk represented the greatest growth.

(1) In addition to Bacen loan portfolio, it includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in receivables-backed investment funds, mortgage-backed receivables, and farm loans.

For more information, see Chapter 2 of this Report.

### **Allowance for Loan Losses (ALL) <sup>(1)</sup>**

In the fourth quarter of 2014, allowance for loan losses (ALL) stood at R\$ 3,307 million, down R\$ 41 million, or 1.2% compared to the previous quarter, despite the 3.2% increase in the volume of loan operations – as defined by Bacen, reflecting the reduction in delinquency during the period.

In the year-over-year comparison, this expense increased by 5.1%, even after accounting for the 7.3% increase in loan operations – as defined by Bacen, resulting from the stable delinquency level in the last 12 months.



It must be noted that these results were due to the consistency of the loan granting policy and processes, quality of guarantees obtained, as well as the constant improvement in the loan recovery process and the change in the product mix.

(1) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letter of credit, which comprises the concept of “excess” ALL.

For more information, see Chapter 2 of this Report.

- - Economic and Financial Analysis Report – December 2014

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## Summarized Analysis of Adjusted Income

### Delinquency Ratio<sup>(1)</sup>

The total delinquency ratio, which contemplates operations that are over 90 days past due, was down when compared with the previous quarter.

This improvement was observed for Individuals as well as for SMEs. In the year-over-year comparison, this indicator remained stable.

Compared to the last quarter, short-term delinquency, including operations past due between 15 and 90 days, decreased for Individuals and for Corporations.

In the year-over-year comparison, this indicator also showed reduction, primarily due to the significant improvement in the Individuals segment.

(1) As defined by the Brazilian Central Bank (Bacen).

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### **Summarized Analysis of Adjusted Income Coverage Ratios**

Bradesco monitors the development of its loan portfolio, as well as respective risks, by internally applying the expanded portfolio concept. In addition to the allowance for loan losses (ALL) required by Bacen, Bradesco has excess ALL to support potential stress scenarios, as well as other operations/commitments bearing credit risks.

The following graph presents the changes in coverage ratio of the Allowance for Loan Losses (ALL) for loans past due for more than 60 and 90 days. This indicator shows some improvement when compared with the previous quarter, due to a drop in delinquency for the period. In December 2014, these ratios stood at comfortable levels, reaching 156.6% and 189.0%, respectively.

(1) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letter of credit, which comprises the concept of “excess” ALL.

Economic and Financial Analysis Report – December 2014

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**Summarized Analysis of Adjusted Income****Income from Insurance, Pension Plans and Capitalization Bonds**

Net income for the fourth quarter of 2014 totaled R\$ 1.236 billion, up 23.5% when compared to the same period in the previous year (R\$ 1.001 billion), and to the third quarter of 2014 (R\$ 1.058 billion), Net Income increased by 16.8%, and an annualized return on Adjusted Shareholder's Equity of 29.4%.

Net Income for 2014 totaled R\$ 4.406 billion, a 17.8% increase when compared to the same period in the previous year (R\$ 3.740 billion), for a return on Adjusted Shareholders' Equity of 23.7%.

(1) Excluding additional provisions.

	<b>4Q14</b>	<b>3Q14</b>	<b>2Q14</b>	<b>1Q14</b>	<b>4Q13</b>	<b>3Q13</b>	<b>2Q13</b>
Net Income	1,236	1,058	1,072	1,040	1,001	878	9
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	17,806	12,904	13,992	11,450	14,492	11,069	13,2
Technical Reserves	153,267	145,969	142,731	137,751	136,229	133,554	131,8
Financial Assets	166,022	158,207	154,261	147,725	146,064	143,423	141,9
Claims Ratio (%)	70.9	72.7	70.2	70.1	71.1	72.7	7
Combined Ratio (%)	85.9	86.5	86.3	86.4	86.1	86.9	8
Policyholders / Participants and Customers (in thousands)	46,956	46,303	45,468	45,260	45,675	45,292	44,2
Employees (unit)	7,113	7,135	7,152	7,265	7,383	7,462	7,4
Market Share of Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income (%) <sup>(1)</sup>	24.0	23.3	23.5	23.4	24.2	23.8	2

(1) The fourth quarter of 2014 includes the latest data released by SUSEP (November 2014).

Note: For purposes of comparison between the indexes for the aforementioned periods, the effects of non-recurring events have not been considered.



**Summarized Analysis of Adjusted Income**

Disregarding the DPVAT agreement, income increased 38.3% in the fourth quarter of 2014 when compared to the previous quarter, led by the performance of the Life and Pension Plans segment, which was driven by a greater concentration of private pension contributions during the period.

Disregarding the DPVAT agreement, an increase of 23.7% was recorded when compared to the fourth quarter of 2013, resulting from increased production of more than two digits across all segments.

Disregarding the DPVAT agreement, production increased by 13.9% in 2014 when compared to the same period of the previous year, driven by Auto/RE, Health, Capitalization and Life and Pension Plans products, which grew 28.0%, 22.5%, 15.2% and 7.0%, respectively.

Net income for the fourth quarter of 2014 was 16.8% higher compared to the previous quarter, primarily due to: (i) an increase in revenue; (ii) a 1.8 p.p. drop in claims ratio; (iii) a stable sales ratio; (iv) improvement in the administrative efficiency ratio; and (v) growth in the financial and equity income.

Net income for the fourth quarter of 2014 was 23.5% higher compared to the same period in the previous year, primarily due to: (i) an increase in revenue; (ii) a reduction in claims and sales ratio; (iii) improvement in the administrative efficiency ratio; and (iv) growth in the financial and equity income.

Net income for 2014 was 17.8% higher compared to the same period in the previous year, due to: (i) an increase in revenue; (ii) stable claims and sales ratio; (iii) improvement in the administrative efficiency ratio; and (iv) growth in the financial and equity income.

**Minimum Capital Required - Grupo Bradesco Seguros**

According to Resolution CNSP N<sup>o</sup>302/13, corporations should have adjusted shareholder's equity (ASE) equal to or higher than the minimum capital required (MCR). MCR is equivalent to the largest value between the base capital and risk capital. Until the National Council of Private Insurance (CNSP) regulates the market-risk additional capital, the Company is calculating the venture capital based on underwriting, credit and operating risks. For companies regulated by the ANS, Normative Resolution N<sup>o</sup>209/09 establishes that corporations should have adjusted shareholder's equity (ASE) equal to or higher than the Solvency Margin.

The capital adjustment and management process is continuously monitored, and aims to ensure that Grupo Bradesco Seguros keeps a solid capital base to support the development of activities and cope with the risks in any market situation, in compliance with regulatory requirements and/or Corporate Governance principles. Companies must permanently maintain a capital compatible with the risks for their activities and transactions, according to the characteristics and peculiarities of each company belonging to Grupo Bradesco Seguros, represented by adequate capital levels. Grupo Bradesco Seguros permanently observes the limits required by the respective regulatory entities. The Minimum Capital Required on December 31, 2014 was R\$ 7.343 billion (November 2014).

- Economic and Financial Analysis Report – December 2014

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## **Summarized Analysis of Adjusted Income**

### **Fee and Commission Income**

In the fourth quarter of 2014, provision of services income totaled R\$ 5,839 million, for a growth of R\$ 200 million, or 3.5%, over the previous quarter, primarily due to increased business volume, led by the performance of cards and checking account income.

In the year-over-year comparison, the increase of R\$ 2,303 million, or 11.6%, was primarily due to: (i) increase in the volume of operations, which are resulting from continuous investments in technology and service channels; and (ii) progress in the customer segmentation process, allowing a more adequate offer of products and services. It must be noted that the incomes that have most contributed to this result derived from: (i) the good performance of the cards activity, result of (a) increased revenue; (b) increased credit and debit cards base; and (c) the greater volume of transactions made; (ii) the growth of checking account incomes, due primarily to increase in business; (iii) greater loan operations income, resulting from an increase in the volume of operations and sureties and guarantees in the period; and increase in income from: (iv) consortium management; (iv) fund management; and (vi) collection.

Economic and Financial Analysis Report – December 2014

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## Summarized Analysis of Adjusted Income

### Personnel Expenses

In the fourth quarter of 2014, the increase of R\$ 112 million, or 3.1%, from the previous quarter is a result of variations in:

- structural expenses – an increase of R\$ 52 million arising from higher expenses with proceeds, social security contributions and benefits, due to an increase in wages, in accordance with the 2014 collective bargaining agreement; and
- non-structural expenses – an increase of R\$ 60 million, primarily due to greater expenses with: (i) provision for labor claims; and (ii) cost of terminations and charges.

In the year-over-year comparison, the increase of R\$ 906 million, or 6.9%, was primarily due to:

- the growth of R\$ 710 million of the “structural” portion, related to higher expenses with payroll, social charges and benefits, affected by increased wage levels, in accordance with 2013 and 2014 collective agreements (readjustments of 8.0% and 8.5%, respectively); and
- in the “non-structural portion”, the reduction of R\$ 196 million, which resulted mainly from higher expenses with: (i) profit and income sharing of managers and employees; and (ii) termination and charges costs.

Note: Structural Expenses = Salaries + Social Charges + Benefits + Pension Plans.

Non-Structural Expenses = Employee and Management Profit Sharing + Training + Labor Provision + Costs with Termination of Employment Contracts.

(1) The reduction in the fourth quarter of 2014 includes the transfer of 2,431 employees of Scopus Tecnologia to IBM Brazil.

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## **Summarized Analysis of Adjusted Income**

### **Administrative Expenses**

In the year-over-year comparison, the increase of 2.3% was primarily due to a consistent cost control, despite increasing expenses with: (i) growth in turnover and services in the period; (ii) contractual adjustments; and (iii) expansion of 2,440 Service Points in the period, bringing the total number of Service Points to 75,176 on December 31, 2014. We should note the performance of inflation indexes over the past 12 months: the IPCA and IGP-M were up 6.4% and 3.7%, respectively.

Quarter-over-quarter, the 14.6% increase was primarily due to: (i) the seasonal effect of higher advertising expenses, due to the investments made to support institutional positioning and product offering actions; and (ii) the increase in turnover and services concentrated in the period, which in turn resulted in greater expenses with: (a) third-party services; (b) maintenance and conservation of assets; and (c) data processing.

### **Other Operating Income and Expenses**

Other operating expenses, net of other operating income, totaled R\$ 1,360 million in the fourth quarter of 2014, a R\$ 49 million increase over the previous quarter, primarily due to greater expenses with sales of the Credit Card product.

In the year-over-year comparison, the increase of R\$ 652 million is primarily due to: (i) higher expenses with operating provisions, mainly contingent liabilities; and (ii) higher expenses with sales of the Credit Card product.

Economic and Financial Analysis Report – December 2014

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### **Summarized Analysis of Adjusted Income Income Tax and Social Contribution**

Expenses with income tax and social contribution were up 11.2% and 31.8% in the quarterly and annual comparison, respectively; these variations resulted from higher taxable income.

### **Unrealized Gains**

Unrealized gains totaled R\$ 19,343 million in the fourth quarter of 2014, a R\$ 345 million increase from the previous quarter. Such variation is mainly due to: (i) the appreciation of investments, mainly Cielo shares, which increased by 4.2% in the quarter; partially offset by (ii) the devaluation of fixed income securities.

## **Capital Ratios - Basel III**

### **Capital Adequacy Ratio**

The implementation of the new capital structure in Brazil began in October 2013. Through the CMN Resolution N<sup>o</sup>4192/13, Bacen provided a new methodology to assess Capital, replacing CMN Resolution N<sup>o</sup>3444/07.

In December 2014, Capital stood at R\$ 98,605 million, against risk-weighted assets totaling R\$ 597,213 million. The Capital Adequacy Ratio recorded an increase of 0.2 p.p. compared to the previous quarter, rising from 16.3% in December 2013 to 16.5% in December 2014, primarily due to: (i) the increase in Shareholders' Equity, resulting from improved results for the quarter; and (ii) the effect of reallocation of funds from the Insurance Group, which had a positive impact on prudential adjustments; partially offset by: (iii) the increase in risk-weighted assets, caused by the expansion of the loan portfolio.

### **Full Impact – Capital Adequacy Ratio**

We include a Capital Adequacy Ratio simulation, considering the opening of some of the main future adjustments, which include: (i) the application of 100% of the deductions provided in the implementation schedule; (ii) the reallocation of resources on behalf of our Insurance Group; and (iii) the realization of tax credits arising from tax losses until December 2018, for a rate of 12.4% of common equity, which, added to funding obtained via subordinated debt, may amount to an approximate Tier I ratio of 13.9 %.

### **Buffer Capital/Return on Shareholders' Equity at 11%**

Banco Bradesco has developed a measurement methodology, and structured processes for the implementation of buffer capital, so that it can maintain enough capital available to cope with the risks incurred.

The Governance structure responsible for the evaluations and approvals of buffer capital is composed of a Committee subordinated to the Board of Directors, and Committees that report to the Board of Executive Officers.

This structure decided to maintain a minimum buffer capital of 27%, considering the minimum regulatory capital requirement of 11%.

Considering the minimum required Common Equity of 11% according to the full interpretation of Capital Adequacy Ratio rules, profitability would be 24.2%.

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## **Economic Scenario**

The fourth quarter was characterized by increased financial volatility at the international level. Uncertainty regarding the global economy's pace of recovery was compounded by a significant drop in commodity prices, especially oil. With the exception of the U.S., there was a downward revision of growth projections for major regions of the globe. The slowing growth of the Chinese economy is in progress, while persistently low inflation in the Euro area continue to frustrate the economic recovery of those countries. At the same time, the drop in oil prices, which began mid-year, has gained new momentum with the OPEC member countries' decision not to reduce their production.

However, so far the more adverse global scenario has not been enough to interrupt the recovery of U.S. growth. In this context, the Federal Reserve ended its program of asset purchase and signaling that the monetary normalization process can begin in the second half of 2015. Unlike the U.S., Euro area economies and Japan have faced increased difficulty in resuming sustained growth rates. With that, the Central Bank of Japan and the European Central Bank have been compelled to intensify the adoption of monetary stimulus measures.

The loss of exchange terms due to the dropping prices of commodities on a world level, and the trend of international appreciation of the dollar create challenges to emerging nations' management of economic policy. On the other hand, this very same global scenario also creates some valuable opportunities for countries that adopt effective economic and institutional differentiation measures.

Under this context, it becomes increasingly imperative that Brazil strengthens its commitment to sustainable economic policies. Efforts in this direction represent a requirement for the maintenance of the macroeconomic predictability and income gains, in addition to raising the

Indicators for domestic economic activities have been modest, further highlighting the relevance of structural initiatives aimed at promoting future growth. The constant search for excellence in education is Brazil's front line in its battle to become more competitive and to expedite its efforts to upgrade infrastructure. It is always important to remind that, in the long term, the main source of economic growth is productivity, which becomes an even more relevant topic within a global context characterized by high levels of efficiency.

Productive investments tend to play an increasingly relevant role in the composition of growth over the next few years, which should be favored by the increased share of the capital market in funding of infrastructure projects. At the same time, despite the shift in consumer market expansion levels in some segments, the potential of domestic demand for goods and services has yet to be depleted, and there is still much room for growth. Income gains, employment formalization, diversification of consumption habits and social mobility are still key influential factors.

Bradesco maintains a positive outlook towards Brazil, with favorable perspectives for its operating segments. Credit volume is growing at sustainable and risk-compatible rates, whereas delinquency rates are stabilized at historically low and controlled levels. The scenario is still very promising for the Brazilian banking and insurance sectors.

confidence level of economic agents.

Economic and Financial Analysis Report – December 2014

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**Main Economic Indicators**

<b>Main Indicators (%)</b>	<b>4Q14</b>	<b>3Q14</b>	<b>2Q14</b>	<b>1Q14</b>	<b>4Q13</b>	<b>3Q13</b>	<b>2Q13</b>	<b>1Q13</b>	<b>12</b>
Interbank Deposit Certificate (CDI)	2.76	2.72	2.51	2.40	2.31	2.12	1.79	1.61	1
Ibovespa	(7.59)	1.78	5.46	(2.12)	(1.59)	10.29	(15.78)	(7.55)	(
USD – Commercial Rate	8.37	11.28	(2.67)	(3.40)	5.05	0.65	10.02	(1.45)	1
General Price Index - Market (IGP-M)	1.89	(0.68)	(0.10)	2.55	1.75	1.92	0.90	0.85	
Extended Consumer Price Index (IPCA) – Brazilian Institute of Geography and Statistics (IBGE)	1.72	0.83	1.54	2.18	2.04	0.62	1.18	1.94	
Federal Government Long-Term Interest Rate (TJLP)	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24	
Reference Interest Rate (TR)	0.26	0.25	0.15	0.19	0.16	0.03	-	-	
Savings Account (Old Rule) <sup>(1)</sup>	1.77	1.76	1.66	1.70	1.67	1.54	1.51	1.51	
Savings Account (New Rule) <sup>(1)</sup>	1.77	1.76	1.66	1.70	1.67	1.47	1.30	1.25	
Business Days (number)	65	66	61	61	64	66	63	60	
Indicators (Closing Rate)									
USD – Commercial Selling Rate - (R\$)	2.6562	2.4510	2.2025	2.2630	2.3426	2.2300	2.2156	2.0138	2.
Euro - (R\$)	3.2270	3.0954	3.0150	3.1175	3.2265	3.0181	2.8827	2.5853	3.
Country Risk (points)	259	239	208	228	224	236	237	189	
Basic Selic Rate Copom (% p.a.)	11.75	11.00	11.00	10.75	10.00	9.00	8.00	7.25	1
BM&F Fixed Rate (% p.a.)	12.96	11.77	10.91	11.38	10.57	10.07	9.39	7.92	1

(1) Regarding the new savings account yield rule, it was defined that: (i) existing deposits up to May 3, 2012 will continue to yield at TR + interest of 6.17% p.a.; and (ii) for deposits made as of May 4, 2012, the new rules are: (a) if the Selic rate is higher than 8.5% p.a., a yield of TR + 6.17% p.m. interest will be maintained; and (b) if the Selic rate is equal or lower than 8.5% p.a., the yield will be 70% of Selic rate + TR.

**Projections for 2017**

<b>%</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
USD - Commercial Rate (year-end) - R\$	2.75	2.84	2.92
Extended Consumer Price Index (IPCA)	6.81	5.20	5.00
General Price Index - Market (IGP-M)	5.00	5.00	5.00
Selic (year-end)	12.50	11.50	10.50
Gross Domestic Product (GDP)	0.50	2.00	3.00



Press Release

**Guidance**

**Bradesco's Outlook for 2015**

This guidance contains forward-looking statements that are subject to risks and uncertainties, as they are based on Management's expectations and assumptions and information available to the market as of the date hereof.

<b>Loan Portfolio</b> <sup>(1)</sup>	<b>5 to 9 %</b>
Individuals	8 to 12 %
Companies	4 to 8 %
<b>NII - Interest Earning Portion</b>	<b>6 to 10 %</b>
<b>Fee and Commission Income</b>	<b>8 to 12 %</b>
<b>Operating Expenses</b> <sup>(2)</sup>	<b>5 to 7 %</b>
<b>Insurance Premiums</b>	<b>12 to 15 %</b>

(1) Expanded Loan Portfolio; and

(2) Administrative and Personnel Expenses.

Economic and Financial Analysis Report – December 2014

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Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement****Fourth Quarter of 2014**

	<b>Book Income Statement</b>	<b>Managerial Reclassifications (1)</b>	<b>4Q14 Income Statement prior to Non-recurring Events</b>
<b>Net Interest Income</b>	<b>11,524</b>	<b>845</b>	<b>12,369</b>
ALL	(3,780)	473	(3,307)
<b>Gross Income from Financial Intermediation</b>	<b>7,743</b>	<b>1,318</b>	<b>9,061</b>
Income from Insurance, Pension Plans and Capitalization Bonds	2,117	-	2,117
Fee and Commission Income	5,787	52	5,839
Personnel Expenses	(3,676)	-	(3,676)
Other Administrative Expenses	(4,229)	70	(4,159)
Tax Expenses	(1,012)	(239)	(1,251)
Companies	57	-	57
Other Operating Income/Expenses	(2,134)	562	(1,572)
<b>Operating Result</b>	<b>4,655</b>	<b>1,763</b>	<b>6,418</b>
Non-Operating Result	(178)	110	(68)
Income Tax / Social Contribution and Non-controlling Interest	(484)	(1,872)	(2,356)
<b>Net Income</b>	<b>3,993</b>	<b>-</b>	<b>3,993</b>

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 2,100 million.

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Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement**

Third quarter of 2014

	Book Income Statement	Managerial Reclassifications (1)	3Q14 Income Statement prior to Non-recurring Events	N
<b>Net Interest Income</b>	<b>9,889</b>	<b>1,794</b>	<b>11,683</b>	
ALL	(3,775)	427	(3,348)	
<b>Gross Income from Financial Intermediation</b>	<b>6,114</b>	<b>2,221</b>	<b>8,335</b>	
Income from Insurance, Pension Plans and Capitalization Bonds	1,170	-	1,170	
Fee and Commission Income	5,587	52	5,639	
Personnel Expenses	(4,052)	-	(4,052)	
Other Administrative Expenses	(3,664)	35	(3,628)	
Tax Expenses	(910)	(286)	(1,195)	
Companies	43	-	43	
Other Operating Income/Expenses	(545)	187	(358)	
<b>Operating Result</b>	<b>3,743</b>	<b>2,209</b>	<b>5,954</b>	
Non-Operating Result	(94)	51	(45)	
Income Tax / Social Contribution and Non-controlling Interest	226	(2,260)	(2,034)	
<b>Net Income</b>	<b>3,875</b>	<b>-</b>	<b>3,875</b>	

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 2,536 million.

Economic and Financial Analysis Report – December 2014

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Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement**

Fiscal year 2014

	Book Income Statement	Managerial Reclassifications (1)	12M14 Income Statement prior to Non-recurring Events
<b>Net Interest Income</b>	<b>48,457</b>	<b>(1,377)</b>	<b>47,080</b>
ALL	(14,451)	1,794	(12,657)
<b>Gross Income from Financial Intermediation</b>	<b>34,006</b>	<b>417</b>	<b>34,423</b>
Income from Insurance, Pension Plans and Capitalization Bonds	5,803	-	5,803
Fee and Commission Income	21,790	299	22,089
Personnel Expenses	(14,455)	-	(14,455)
Other Administrative Expenses	(15,015)	166	(14,848)
Tax Expenses	(4,232)	(449)	(4,680)
Companies	187	-	187
Other Operating Income/Expenses	(7,030)	2,282	(4,747)
<b>Operating Result</b>	<b>21,054</b>	<b>2,715</b>	<b>23,770</b>
Non-Operating Result	(516)	334	(183)
Income Tax / Social Contribution and Non-controlling Interest	(5,449)	(3,048)	(8,498)
<b>Net Income</b>	<b>15,089</b>	<b>-</b>	<b>15,089</b>

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 3,452 million.

Bradesco

Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement**

Fiscal year 2013

	Book Income Statement	Managerial Reclassifications (1)	12M13 Income Statement prior to Non-recurring Events
<b>Net Interest Income</b>	<b>38,457</b>	<b>(1,878)</b>	<b>36,579</b>
ALL	(13,481)	1,435	(12,046)
<b>Gross Income from Financial Intermediation</b>	<b>24,976</b>	<b>(443)</b>	<b>24,533</b>
Income from Insurance, Pension Plans and Capitalization Bonds	7,457	-	7,457
Fee and Commission Income	19,460	326	19,786
Personnel Expenses	(13,061)	-	(13,061)
Other Administrative Expenses	(14,430)	(82)	(14,512)
Tax Expenses	(4,029)	(311)	(4,340)
Companies	43	-	43
Other Operating Income/Expenses	(6,024)	2,634	(3,390)
<b>Operating Result</b>	<b>14,393</b>	<b>2,124</b>	<b>16,517</b>
Non-Operating Result	(242)	76	(166)
Income Tax / Social Contribution and Non-controlling Interest	(2,139)	(2,200)	(4,339)
<b>Net Income</b>	<b>12,011</b>	<b>-</b>	<b>12,011</b>

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 2,467 million.

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Economic and Financial Analysis Report – December 2014





Economic and Financial Analysis**Consolidated Statement of Financial Position and Adjusted Income Statement****Statement of Financial Position**

	R\$ million							
	Dec14	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13	Mar13
<b>Assets</b>								
<b>Current and Long-Term Assets</b>	<b>1,016,970</b>	<b>972,315</b>	<b>915,986</b>	<b>906,760</b>	<b>892,495</b>	<b>892,363</b>	<b>881,121</b>	<b>879,192</b>
Cash and Cash Equivalents	14,646	11,316	11,535	12,110	12,196	16,427	16,180	11,347
Interbank Investments	202,412	181,335	137,654	127,014	135,456	144,967	147,485	171,333
Securities and Derivative Financial Instruments	346,358	343,445	333,200	321,970	313,327	313,679	309,027	300,600
Interbank and Interdepartmental Accounts	52,004	48,540	56,115	61,740	56,995	52,121	52,150	52,769
Loan and Leasing Operations	318,233	309,264	302,276	301,914	296,629	286,899	281,982	276,022
Allowance for Loan Losses (ALL) <sup>(1)</sup>	(22,724)	(22,255)	(21,458)	(21,051)	(21,349)	(21,476)	(21,455)	(21,359)
Other Receivables and Assets	106,041	100,670	96,664	103,063	99,241	99,746	95,752	88,480
<b>Permanent Assets</b>	<b>15,070</b>	<b>15,049</b>	<b>15,146</b>	<b>15,469</b>	<b>15,644</b>	<b>15,331</b>	<b>15,576</b>	<b>15,275</b>
Investments	1,712	1,931	1,887	1,871	1,830	1,910	1,920	1,867
Premises and Leased Assets	4,887	4,591	4,579	4,597	4,668	4,392	4,464	4,550
Intangible Assets	8,471	8,527	8,680	9,001	9,146	9,029	9,192	8,858
<b>Total</b>	<b>1,032,040</b>	<b>987,364</b>	<b>931,132</b>	<b>922,229</b>	<b>908,139</b>	<b>907,694</b>	<b>896,697</b>	<b>894,467</b>
<b>Liabilities</b>								
<b>Current and Long-Term Liabilities</b>	<b>949,846</b>	<b>907,366</b>	<b>853,622</b>	<b>847,794</b>	<b>835,917</b>	<b>839,393</b>	<b>829,426</b>	<b>823,788</b>
Deposits	211,612	211,882	213,270	218,709	218,063	216,778	208,485	205,870
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	320,194	297,814	255,611	250,716	256,279	258,580	266,825	281,045
Funds from Issuance of Securities	84,825	75,283	69,877	64,511	57,654	55,427	53,821	47,832
Interbank and Interdepartmental Accounts	5,958	4,540	5,673	5,343	6,864	4,806	3,793	3,815
Borrowing and Onlending	58,998	56,561	54,142	56,724	56,095	51,307	49,121	46,209
Derivative Financial Instruments	3,282	5,076	4,727	3,894	1,808	3,238	3,141	2,590
Reserves for Insurance, Pension Plans and Capitalization Bonds	153,267	145,969	142,732	137,751	136,229	133,554	131,819	127,367
Other Reserve Requirements	111,710	110,241	107,590	110,146	102,925	115,703	112,421	109,060
<b>Deferred Income</b>	<b>293</b>	<b>266</b>	<b>224</b>	<b>560</b>	<b>677</b>	<b>676</b>	<b>661</b>	<b>632</b>
<b>Non-controlling Interest in Subsidiaries</b>	<b>393</b>	<b>490</b>	<b>486</b>	<b>549</b>	<b>605</b>	<b>592</b>	<b>582</b>	<b>605</b>
<b>Shareholders' Equity</b>	<b>81,508</b>	<b>79,242</b>	<b>76,800</b>	<b>73,326</b>	<b>70,940</b>	<b>67,033</b>	<b>66,028</b>	<b>69,442</b>

**Total** **1,032,040,987,364,931,132,922,229,908,139,907,694,896,697,894,467**

(1) Including the allowance for guarantees provided, in December 2014, Allowance for Loan Losses (ALL) totaled R\$ 23,146 million.

- Economic and Financial Analysis Report– December 2014

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Economic and Financial Analysis

## Consolidated Statement of Financial Position and Adjusted Income Statement

### Adjusted Income Statement

	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13
<b>Net Interest Income</b>	<b>12,986</b>	<b>12,281</b>	<b>12,066</b>	<b>10,962</b>	<b>11,264</b>	<b>10,729</b>	<b>10,587</b>
- Interest Earning Portion	12,763	12,238	11,854	10,951	10,986	10,622	10,569
- Non-interest Earning Portion	223	43	212	11	278	107	18
ALL	(3,307)	(3,348)	(3,141)	(2,861)	(2,961)	(2,881)	(3,094)
<b>Gross Income from Financial Intermediation</b>	<b>9,679</b>	<b>8,933</b>	<b>8,925</b>	<b>8,101</b>	<b>8,303</b>	<b>7,848</b>	<b>7,493</b>
Income from Insurance, Pension Plans and Capitalization Bonds <sup>(1)</sup>	1,363	1,170	1,270	1,244	1,188	1,100	1,028
Fee and Commission Income	5,839	5,639	5,328	5,283	5,227	4,977	4,983
Personnel Expenses	(3,676)	(3,564)	(3,448)	(3,279)	(3,465)	(3,346)	(3,191)
Other Administrative Expenses	(4,159)	(3,628)	(3,575)	(3,486)	(3,848)	(3,631)	(3,578)
Tax Expenses	(1,211)	(1,182)	(1,120)	(1,114)	(1,254)	(987)	(1,017)
Equity in the Earnings (Losses) of Unconsolidated Companies	57	43	35	52	26	2	12
Other Operating Income/ (Expenses)	(1,360)	(1,311)	(1,333)	(1,391)	(1,232)	(1,194)	(1,147)
<b>Operating Result</b>	<b>6,532</b>	<b>6,100</b>	<b>6,082</b>	<b>5,410</b>	<b>4,945</b>	<b>4,769</b>	<b>4,583</b>
Non-Operating Result	(68)	(45)	(34)	(36)	(31)	(27)	(24)
Income Tax and Social Contribution	(2,308)	(2,075)	(2,215)	(1,871)	(1,696)	(1,638)	(1,553)
Non-controlling Interest	(24)	(30)	(29)	(30)	(19)	(22)	(28)
<b>Adjusted Net Income</b>	<b>4,132</b>	<b>3,950</b>	<b>3,804</b>	<b>3,473</b>	<b>3,199</b>	<b>3,082</b>	<b>2,978</b>

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums – Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption – Insurance, Pension Plan and Capitalization Bond Sales Expenses.

### NII - Interest and Non-Interest Earning Portions

#### Net Interest Income Breakdown



Economic and Financial Analysis**NII - Interest and Non-Interest Earning Portions****Average Net Interest Margin**

	R\$ million					
	Net Interest Income				Variation	
	12M14	12M13	4Q14	3Q14	12 Months	Quarter
Interest - due to volume					4,140	413
Interest - due to spread					980	112
- NII - Interest Earning Portion	47,806	42,686	12,763	12,238	5,120	525
- NII - Non-Interest Earning Portion	489	600	223	43	(111)	180
<b>Net Interest Income</b>	<b>48,295</b>	<b>43,286</b>	<b>12,986</b>	<b>12,281</b>	<b>5,009</b>	<b>705</b>
<b>Average NIM <sup>(1)</sup></b>	<b>7.3%</b>	<b>7.0%</b>	<b>7.8%</b>	<b>7.6%</b>		

(1) Average Net Interest Margin = (Net Interest Income / Total Average Assets – Repos – Permanent Assets) Annualized

In the comparison between the fourth quarter of 2014 and the previous quarter, the R\$ 705 million increase was mainly due to the greater: (i) interest earning portion, totaling R\$ 525 million, particularly regarding the Insurance and Loan businesses; and (ii) the non-interest earning portion, totaling R\$ 180 million.

In the year-over-year comparison, interest earning portion increased by R\$ 5,009 million, primarily due to: (i) a R\$ 5,120 million growth in the result of interest earning operations, due to an increase in business volumes, particularly in the Insurance and Funding product lines; partially offset by: (ii) a R\$ 111 million drop in non-interest earning portion.

**NII - Interest Earning Portion****NII - Interest Earning Portion – Breakdown**

	R\$ million					
	Interest Earning Portion Breakdown				Variation	
	12M14	12M13	4Q14	3Q14	12 Months	Quarter
Loans	32,379	30,691	8,453	8,249	1,688	204

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Funding	6,296	4,733	1,686	1,625	1,563	61
Insurance	4,303	3,616	1,253	1,005	687	248
Securities/Other	4,828	3,646	1,371	1,359	1,182	12
<b>Interest Earning Portion</b>	<b>47,806</b>	<b>42,686</b>	<b>12,763</b>	<b>12,238</b>	<b>5,120</b>	<b>525</b>

The interest financial margin stood at R\$ 12,763 million in the fourth quarter of 2014, against R\$ 12,238 million recorded in the previous quarter, accounting for an increase of R\$ 525 million. The business lines that most contributed to this result were: (i) Insurance and (ii) Loans, broken down under items Insurance Margin - Interest Earning Operations and Credit Margin - Interest Earning Portion.

In the year-over-year comparison, the interest earning portion recorded a R\$ 5,120 million growth. All business lines contributed to this increase, particularly Funding and Loans.

Economic and Financial Analysis Report– December 2014

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Economic and Financial Analysis

**NII - Interest Earning Portion****NII - Interest Earning Portion – Rates**

The annualized interest financial margin rate stood at 7.7% in the fourth quarter of 2014, down 0.2 p.p. from the previous quarter, primarily due to the income from Insurance interest earning portions.

**NII - Interest Earning Portion – Annualized Average Rates**

	R\$ million					
	Interest	12M14 Average Balance	Average Rate	Interest	12M13 Average Balance	Average Rate
Loans	32,379	341,470	9.5%	30,691	312,737	9.8%
Funding	6,296	373,313	1.7%	4,733	338,209	1.4%
Insurance	4,303	143,307	3.0%	3,616	131,290	2.8%
Securities/Other	4,828	342,564	1.4%	3,646	309,746	1.2%
<b>Interest Earning Portion</b>	<b>47,806</b>	<b>-</b>	<b>7.2%</b>	<b>42,686</b>	<b>-</b>	<b>6.9%</b>

  

	Interest	4Q14 Average Balance	Average Rate	Interest	3Q14 Average Balance	Average Rate
Loans	8,453	350,957	10.0%	8,249	340,395	10.1%
Funding	1,686	380,240	1.8%	1,625	373,221	1.8%
Insurance	1,253	150,537	3.4%	1,005	144,792	2.8%
Securities/Other	1,371	360,410	1.5%	1,359	339,591	1.6%
<b>Interest Earning Portion</b>	<b>12,763</b>	<b>-</b>	<b>7.7%</b>	<b>12,238</b>	<b>-</b>	<b>7.5%</b>

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Economic and Financial Analysis**Credit Margin – Interest Earning Portion****Credit Margin Breakdown – Interest Earning Operations**

	<b>Credit Margin - Interest Earning Operations</b>					<b>R\$ million</b>	
	<b>12M14</b>	<b>12M13</b>	<b>4Q14</b>	<b>3Q14</b>	<b>Variation</b>		
					<b>12 Months</b>	<b>Quarter</b>	
Interest - due to volume					2,725	254	
Interest - due to spread					(1,037)	(50)	
<b>Interest Earning Portion</b>	<b>32,379</b>	<b>30,691</b>	<b>8,453</b>	<b>8,249</b>	<b>1,688</b>	<b>204</b>	
Income	59,192	54,667	15,921	15,481	4,525	440	
Expenses	(26,813)	(23,976)	(7,468)	(7,232)	(2,837)	(236)	

In the fourth quarter of 2014, net interest income with loan operations reached R\$ 8,453 million, up R\$ 204 million over the third quarter of 2014. The variation is the result of: (i) a R\$ 254 million growth in the average business volume; and offset by: (ii) an R\$ 50 million decrease in the average spread.

In the year-over-year comparison, net interest income increased by R\$ 1,688 million. The variation is the result of: (i) a R\$ 2,725 million increase in the volume of operations; and partially offset by: (ii) a decrease in the average spread, amounting to R\$ 1,037 million, affected mostly by the change in loan portfolio mix.

## Credit Margin – Interest Earning Portion

### Net Credit Margin

The graph above presents a summary of loan activity. The Gross Margin line refers to interest income from loans, net of opportunity cost (a specific rate by type of operation and term).

The ALL curve shows delinquency costs, which are represented by Allowance for Loan Losses (ALL) expenses, plus discounts granted in transactions net of loan recoveries, arising from the sale of foreclosed assets, among others.

In the fourth quarter of 2014, net interest income, which refers to loan interest income net of ALL, recorded a 5.0% growth quarter-over-quarter, mainly driven by: (i) the increase in average business volume; and (ii) a reduction in delinquency costs.

In 2014, the net interest income totaled R\$ 19,723 million, recording a 5.8% growth over 2013, primarily due to: (i) an increase in the average volume of business; that was offset by: (ii) the rising cost of delinquencies, represented by the aggravation of the risk level of individual cases, which occurred in operations in the Corporate segment.

Economic and Financial Analysis**Credit Margin – Interest Earning Portion****Expanded Loan Portfolio<sup>(1)</sup>**

In December 2014, the expanded loan portfolio stood at R\$ 455.1 billion, up 2.5% in the quarter and 6.5% over the last 12 months.

The quarterly results were mainly led by increases of 2.8% for SMEs, 2.5% for SMEs and 2.3% for Corporations.

In the last 12 months, we should note the increases of 8.2% for Individuals, 7.3% for Corporations and 3.4% for SMEs.

(1) In addition to Bacen loan portfolio, it includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in receivables-backed investment funds, mortgage-backed receivables, and farm loans.

**Expanded Loan Portfolio Breakdown by Product and Type of Customer (Individual and Corporate)**

A breakdown of expanded loan portfolio products for Individuals is presented below:

Individuals	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
Payroll-deductible Loan	29,619	29,225	26,786	1.3	10.6
Credit Card	26,233	24,273	23,915	8.1	9.7
CDC / Vehicle Leasing	24,858	25,043	27,251	(0.7)	(8.8)
Real Estate Financing	17,919	16,730	13,602	7.1	31.7
Personal Loans	16,354	16,753	16,476	(2.4)	(0.7)
Rural Loans	10,300	9,876	8,393	4.3	22.7
BNDES/Finame Onlending	7,334	7,224	6,803	1.5	7.8
Overdraft Facilities	3,666	3,956	3,313	(7.3)	10.6
Sureties and Guarantees	458	381	187	20.2	145.0

Other	4,693	4,568	4,025	2.7	16.6
<b>Total</b>	<b>141,432</b>	<b>138,028</b>	<b>130,750</b>	<b>2.5</b>	<b>8.2</b>

Individual segment operations grew by 2.5% in the quarter and 8.2% over the last 12 months. In the quarter, we highlight the growth for the following products: (i) credit card; and (ii) real estate financing. In the year-over-year comparison, the lines that most contributed to this increase were the ones with the lowest risk: (i) real estate financing; and (ii) payroll-deductible loan.

Economic and Financial Analysis**Credit Margin – Interest Earning Portion**

A breakdown of expanded loan portfolio products for Corporations is presented below:

	Corporate	R\$ million			Variation %	
		Dec14	Sept14	Dec13	Quarter	12M
Working Capital		45,004	42,802	45,599	5.1	(1.3)
Operations Abroad		36,119	33,474	32,003	7.9	12.9
BNDES/Finame Onlending		34,835	33,872	33,740	2.8	3.2
Real Estate Financing		23,560	22,527	15,870	4.6	48.5
Export Financing		15,839	15,469	15,366	2.4	3.1
CDC / Leasing		12,388	12,686	13,008	(2.4)	(4.8)
Credit Card		12,225	12,468	13,325	(2.0)	(8.3)
Overdraft Account		10,462	10,704	10,410	(2.3)	0.5
Rural Loans		6,657	7,048	5,258	(5.5)	26.6
Sureties and Guarantees		71,611	69,899	67,399	2.5	6.2
Operations bearing Loan Risk - Commercial Portfolio <sup>(1)</sup>		33,185	34,553	33,104	(4.0)	0.2
Other		11,810	10,665	11,440	10.7	3.2
<b>Total</b>		<b>313,695</b>	<b>306,167</b>	<b>296,523</b>	<b>2.5</b>	<b>5.8</b>

(1) Including debenture and promissory note operations.

Corporate segment operations grew by 2.5% in the quarter and 5.8% in the last 12 months. The highlights of the quarter were the following lines: (i) working capital; and (ii) real estate financing. In the last 12 months, the lines that showed significant growth were: (i) real estate financing; and (ii) rural loans.

**Expanded Loan Portfolio – Consumer Financing<sup>(j)</sup>**

The graph below shows the types of credit related to consumer financing of individual customers, which stood at R\$ 97.1 billion in December 2014, up 1.9% over the quarter and 2.8% over the last 12 months.

The following types of credit posted the strongest numbers for December 2014: (i) personal loans, including payroll-deductible loans, totaling R\$ 46.0 billion; and (ii) Vehicle CDC/leasing, totaling R\$ 24.9 billion. Together, these operations totaled R\$ 70.9 billion, accounting for 73.0% of the Consumer Financing balance.

(1) Including vehicle CDC/leasing, personal loans, revolving credit card and cash and installment purchases at merchants operations.

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Economic and Financial Analysis**Credit Margin – Interest Earning Portion****Breakdown of Vehicle Portfolio**

	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
<b>CDC Portfolio</b>	<b>32,924</b>	<b>33,117</b>	<b>34,541</b>	<b>(0.6)</b>	<b>(4.7)</b>
Individuals	24,539	24,674	26,557	(0.5)	(7.6)
Corporate	8,385	8,443	7,984	(0.7)	5.0
<b>Leasing Portfolio</b>	<b>1,682</b>	<b>1,842</b>	<b>2,708</b>	<b>(8.7)</b>	<b>(37.9)</b>
Individuals	319	368	693	(13.3)	(54.0)
Corporate	1,363	1,474	2,015	(7.5)	(32.4)
<b>Finame Portfolio</b>	<b>11,295</b>	<b>11,173</b>	<b>11,243</b>	<b>1.1</b>	<b>0.5</b>
Individuals	615	659	794	(6.7)	(22.5)
Corporate	10,680	10,514	10,449	1.6	2.2
<b>Total</b>	<b>45,901</b>	<b>46,132</b>	<b>48,492</b>	<b>(0.5)</b>	<b>(5.3)</b>
Individuals	25,473	25,701	28,044	(0.9)	(9.2)
Corporate	20,428	20,431	20,448	(0.0)	(0.1)

Vehicle financing operations (individual and corporate customers) totaled R\$ 45.9 billion in December 2014, recording a decrease in quarter-over-quarter and year-over-year comparisons. Of the total vehicle portfolio, 71.7% corresponds to CDC, 24.6% to FINAME, and 3.7% to Leasing. Individuals represented 55.5% of the portfolio, while Corporate customers accounted for the remaining 44.5%.

The variations in the portfolio, are a reflection of a shrinking financing market, and Bradesco's search for less risky and more profitable operations.

**Expanded Loan Portfolio Concentration – By Sector**

The expanded loan portfolio by economic activity sector showed an increase in the share of Services and Individuals, both in the quarter and the last 12 months.

Activity Sector	R\$ million					
	Dec14	%	Sept14	%	Dec13	%
<b>Public Sector</b>	<b>7,916</b>	<b>1.7</b>	<b>7,797</b>	<b>1.8</b>	<b>3,266</b>	<b>0.8</b>
<b>Private Sector</b>	<b>447,211</b>	<b>98.3</b>	<b>436,398</b>	<b>98.2</b>	<b>424,007</b>	<b>99.2</b>

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<b>Corporate</b>	<b>305,778</b>	<b>67.2</b>	<b>298,370</b>	<b>67.2</b>	<b>293,257</b>	<b>68.6</b>
Industry	91,311	20.1	89,607	20.2	89,857	21.0
Commerce	57,382	12.6	55,223	12.4	59,032	13.8
Financial Intermediaries	6,774	1.5	9,017	2.0	8,890	2.1
Services	146,569	32.2	140,763	31.7	130,829	30.6
Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration	3,742	0.8	3,760	0.8	4,649	1.1
<b>Individuals</b>	<b>141,433</b>	<b>31.1</b>	<b>138,028</b>	<b>31.0</b>	<b>130,750</b>	<b>30.6</b>
<b>Total</b>	<b>455,127</b>	<b>100.0</b>	<b>444,195</b>	<b>100.0</b>	<b>427,273</b>	<b>100.0</b>

- Economic and Financial Analysis Report– December 2014

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Economic and Financial Analysis

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**Credit Margin – Interest Earning Portion**

**Changes in the Expanded Loan Portfolio**

New borrowers in the expanded loan portfolio were responsible for the R\$ 29.7 billion growth in the loan portfolio over the last 12 months, and accounted for 6.5% of the portfolio in December 2014.

(1) Including new loans contracted in the last 12 months by customers since December 2013.

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Economic and Financial Analysis**Credit Margin – Interest Earning Portion****Changes in the Expanded Loan Portfolio – By Rating**

The chart below shows that the vast majority of new borrowers and customers that remained in the loan portfolio since December 2013 received ratings between AA and C, demonstrating the adequacy and consistency of the loan assignment and monitoring policy and processes, as well as the quality of guarantees.

**Changes in the Extended Loan Portfolio by Rating between December 2013 and 2014**

Rating	Total Loan as at December 2014		New Customers from January 2014 and December 2014		Remaining Debtors as at December 2013	
	R\$ million	%	R\$ million	%	R\$ million	%
AA - C	427,472	93.9	28,659	96.4	398,813	93.7
D	6,483	1.4	313	1.1	6,170	1.5
E - H	21,172	4.7	741	2.5	20,431	4.8
<b>Total</b>	<b>455,127</b>	<b>100.0</b>	<b>29,713</b>	<b>100.0</b>	<b>425,414</b>	<b>100.0</b>

**Expanded Loan Portfolio – By Customer Profile**

The chart below presents the evolution in the expanded loan portfolio by customer profile:

Customer Profile	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
Corporations	197,188	192,810	183,846	2.3	7.3
SMEs	116,507	113,357	112,677	2.8	3.4
Individuals	141,432	138,028	130,750	2.5	8.2
<b>Total Loan Operations</b>	<b>455,127</b>	<b>444,195</b>	<b>427,273</b>	<b>2.5</b>	<b>6.5</b>

**Expanded Loan Portfolio – By Customer Profile and Rating (%)**

Loans rated between AA and C remained stable both in the quarter and in the last 12 months.

Customer Profile	By Rating								
	Dec14			Sept14			Dec13		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Corporations	98.1	0.5	1.5	98.2	0.5	1.3	98.0	0.8	1.2
SMEs	90.2	2.8	7.0	90.3	2.7	7.0	90.5	3.1	6.3

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Individuals	91.2	1.6	7.2	91.2	1.5	7.3	90.9	1.6	7.5
<b>Total</b>	<b>93.9</b>	<b>1.4</b>	<b>4.7</b>	<b>94.0</b>	<b>1.4</b>	<b>4.6</b>	<b>93.9</b>	<b>1.7</b>	<b>4.4</b>

- Economic and Financial Analysis Report– December 2014

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Economic and Financial Analysis**Credit Margin – Interest Earning Portion****Expanded Loan Portfolio - By Business Segment**

Regarding the growth of the expanded loan portfolio by Business Segment, we highlight the growth of the Prime and Retail segments, in the quarter and the last 12 months.

Business Segments	R\$ million				Variation %			
	Dec14	%	Sept14	%	Dec13	%	Quarter	12M
Retail	128,949	28.4	124,715	28.1	118,314	27.7	3.4	9.0
Corporate	197,996	43.5	194,102	43.7	186,447	43.6	2.0	6.2
Middle Market	50,083	11.0	48,603	10.9	47,751	11.3	3.0	4.9
Prime	21,956	4.8	21,176	4.8	18,999	4.4	3.7	15.6
Other / Non-account Holders <sup>(1)</sup>	56,143	12.3	55,599	12.5	55,763	13.1	1.0	0.7
<b>Total</b>	<b>455,127</b>	<b>100.0</b>	<b>444,195</b>	<b>100.0</b>	<b>427,273</b>	<b>100.0</b>	<b>2.5</b>	<b>6.5</b>

(1) Mostly, non-account holders using vehicle financing, credit cards and payroll-deductible loans.

**Expanded Loan Portfolio – By Currency**

The balance of foreign currency-indexed and/or denominated loan and onlending operations (excluding ACCs - Advances on Foreign Exchange Contracts) totaled US\$ 15.7 billion in December 2014 (US\$ 15.8 billion in September 2014 and US\$ 16.0 billion in December 2013), down 0.6% in the quarter and 1.9% over the last 12 months, in U.S. Dollars. In Brazilian Reais, such operations totaled R\$ 41.8 billion in December 2014 (R\$ 38.8 billion in September 2014 and R\$ 37.4 billion in December 2013), up 7.7% in the quarter and 11.8% over the last 12 months.

In December 2014, total loan operations in Reais stood at R\$ 413.3 billion (R\$ 405.4 billion in September 2014 and R\$ 389.8 billion in December 2013), up 1.9% in the quarter and 6.0% in the last 12 months.



\_\_\_\_\_ Economic and Financial Analysis**Credit Margin – Interest Earning Portion****Expanded Loan Portfolio – by Debtor**

The level of concentration of the hundred largest debtors proved to be stable in the quarter and slightly higher when compared to the same period of the previous year. The portfolio quality of the 100 largest borrowers recorded an increase for the quarterly and the annual comparisons, based on the AA-A rating valuation.

**Loan Portfolio<sup>(1)</sup> – By Type**

All operations bearing credit risk stood at R\$ 481.1 billion, up 2.4% in the quarter and 6.9% in the last 12 months.

	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
Loans and Discounted Securities Financing	165,239	159,876	156,884	3.4	5.3
Rural and Agribusiness Financing	24,083	23,854	20,000	1.0	20.4
Leasing Operations	4,319	4,608	5,713	(6.3)	(24.4)
Advances on Exchange Contracts	5,876	5,814	5,765	1.1	1.9
Other Loans	22,535	20,826	20,667	8.2	9.0
<b>Subtotal Loan Operations <sup>(2)</sup></b>	<b>346,644</b>	<b>335,904</b>	<b>323,061</b>	<b>3.2</b>	<b>7.3</b>
Sureties and Guarantees Granted (Memorandum Accounts)	72,070	70,280	67,586	2.5	6.6
Operations bearing Credit Risk - Commercial Portfolio <sup>(3)</sup>	33,185	34,553	33,104	(4.0)	0.2
Letters of Credit (Memorandum Accounts)	336	507	795	(33.7)	(57.7)
Advances from Credit Card Receivables	1,441	1,457	1,011	(1.1)	42.5
Co-obligation in Loan Assignment FIDC/CRI (Memorandum Accounts)	1,351	1,383	1,607	(2.3)	(16.0)
Co-obligation in Rural Loan Assignment (Memorandum Accounts)	101	112	108	(9.7)	(6.6)
<b>Subtotal of Operations bearing Credit Risk - Expanded Portfolio</b>	<b>455,127</b>	<b>444,195</b>	<b>427,273</b>	<b>2.5</b>	<b>6.5</b>
Other Operations Bearing Credit Risk <sup>(4)</sup>	25,985	25,639	22,915	1.3	13.4
<b>Total Operations bearing Credit Risk</b>	<b>481,112</b>	<b>469,834</b>	<b>450,189</b>	<b>2.4</b>	<b>6.9</b>

(1) In addition to the Expanded Portfolio, it includes other operations bearing credit risk;

(2) As defined by Bacen;

(3) Including debenture and promissory note operations; and

(4) It includes CDI operations, Rural DI, international treasury, swap, non-deliverable forward transaction and investments in FIDC and Certificates of Real Estate Receivables (CRI).

- Economic and Financial Analysis Report– December 2014

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Economic and Financial Analysis

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**Credit Margin – Interest Earning Portion**

The charts below refer to the Loan Portfolio, as defined by Bacen.

**Loan Portfolio<sup>(1)</sup> – By Flow of Maturities<sup>(2)</sup>**

The loan portfolio by flow of maturities of operations showed a longer profile in December 2014, compared to the same period of the previous year, mainly due to the representativeness of real estate financing and payroll-deductible loans operations. It should be noted that, due to their guarantees and characteristics, these operations are not only exposed to lower risk, but they also provide favorable conditions to gain customer loyalty.

(1) As defined by Bacen; and

(2) Only performing loans.

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\_\_\_\_\_ Economic and Financial Analysis

**Credit Margin – Interest Earning Portion**

**Loan Portfolio<sup>(1)</sup> – Delinquency**

The delinquency ratio, composed of the balance of operations more than 90 days past due, showed a reduction quarter-over-quarter, due to the improvement in the Individuals segment, as well as in SMEs. In the year-over-year comparison, this indicator remained stable.

Compared to the previous quarter, short-term delinquency, including operations past due between 15 and 90 days, decreased for Individuals and for Corporations. This indicator also showed a reduction in the year-over-year comparison, primarily due to the significant improvement in the Individuals segment.

(1) As defined by Bacen.

\_\_\_\_\_ Economic and Financial Analysis Report– December 2014

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## Credit Margin – Interest Earning Portion

### Allowance for Loan Losses (ALL) vs. Delinquency vs. Losses<sup>(1)</sup>

Bradesco monitors the development of its loan portfolio, as well as respective risks, by internally applying the expanded portfolio concept. In addition to the allowance for loan losses (ALL) required by Bacen, Bradesco has excess ALL to support potential stress scenarios, as well as other operations/commitments bearing credit risks.

Allowance for Loan Losses (ALL) totaled R\$ 23.1 billion in December 2014, representing 6.7% of the total loan portfolio, comprising: (i) generic provision (customer and/or operation rating); (ii) specific provision (non-performing loans); and (iii) excess provision (internal criteria, including provision for guarantees provided).

Provisioning levels are deemed appropriate and sufficient to support possible changes in scenarios, such as higher delinquency levels and/or changes in the loan portfolio profile.

(1) As defined by Bacen; and

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of “excess” ALL.

Economic and Financial Analysis

**Credit Margin – Interest Earning Portion**

It is worth mentioning the assertiveness of the provisioning criteria adopted, which is proven by: (i) analyzing historical data on recorded allowances for loan losses; and (ii) effective losses in the subsequent twelve-month period. When analyzed in terms of loss net of recovery, for an existing provision of 6.7% of the portfolio<sup>(1)</sup> in December 2013, the net loss in the subsequent twelve months was 2.8%, that is, the existing provision exceeded over 137% the loss occurred in the subsequent twelve months.

In December 2013, for an existing provision of 6.7% of the portfolio<sup>(1)</sup>, the gross loss in the subsequent twelve-month period was 4.0%, meaning that the existing provision exceeded over 65% the loss in the subsequent 12 months, as illustrated in the graph below.

(1) As defined by Bacen; and

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of “excess” ALL.

Economic and Financial Analysis Report– December 2014

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## **Credit Margin – Interest Earning Portion**

### **Allowance for Loan Losses (ALL)<sup>(1)</sup>**

The Non Performing Loans ratio (operations over 60 days past due) remained stable in the year-over-year and quarterly comparison.

The graph below presents the changes in coverage ratio of the Allowance for Loan Losses (ALL) for loans past due for more than 60 and 90 days. This indicator shows some improvement when compared with the previous quarter, due to a drop in delinquency for the period. In December 2014, these ratios stood at comfortable levels, reaching coverage of 156.6% and 189.0%, respectively.

(1) As defined by Bacen;

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of “excess” ALL; and

(3) Loan operations overdue for over 60 days and that do not generate revenue appropriation on accrual accounting.

Economic and Financial Analysis**Credit Margin – Interest Earning Portion****Loan Portfolio – Portfolio Indicators**

With a view to facilitating the monitoring of the quantitative and qualitative performance of Bradesco's loan portfolio, a comparative summary of the main figures and indicators is presented below:

	R\$ million (exc		
	Dec14	Sept14	Dec13
<b>Total Loan Operations</b> <sup>(1)</sup>	<b>346,644</b>	<b>335,904</b>	<b>3</b>
- Individuals	140,309	136,946	1
- Corporate	206,335	198,958	1
<b>Total Provision</b> <sup>(2)</sup>	<b>23,146</b>	<b>22,623</b>	
- Specific	12,004	11,590	
- Generic	7,135	7,025	
- Excess <sup>(2)</sup>	4,007	4,008	
Specific Provision / Total Provision <sup>(2)</sup> (%)	51.9	51.2	
Total Provision <sup>(2)</sup> / Loan Operations (%)	6.7	6.7	
AA - C Rated Loan Operations / Loan Operations (%)	92.2	92.3	
D Rated Operations under Risk Management / Loan Operations (%)	1.8	1.7	
E - H Rated Loan Operations / Loan Operations (%)	6.0	6.0	
D Rated Loan Operations	6,077	5,734	
Provision for D-rated Operations	1,709	1,591	
D Rated Provision / Loan Operations (%)	28.1	27.8	
D - H Rated Non-Performing Loans	17,184	16,601	
Total Provision <sup>(2)</sup> / D-to-H-rated Non-performing Loans (%)	134.7	136.3	
E - H Rated Loan Operations	20,954	20,267	
Provision for E-to-H-rated Loan Operations	17,546	17,044	
E - H Rated Provision / Loan Operations (%)	83.7	84.1	
E - H Rated Non-Performing Loans	14,355	13,960	
Total Provision <sup>(2)</sup> / E-to-H-rated Non-performing Loans (%)	161.2	162.1	
Non-performing Loans <sup>(3)</sup>	14,779	14,669	
Non-performing Loans <sup>(3)</sup> / Loan Operations (%)	4.3	4.4	
Coverage Ratio - Total Provision <sup>(2)</sup> / Non Performing Loans <sup>(3)</sup> (%)	156.6	154.2	
Loan Operations Overdue for over 90 days	12,246	12,082	
Loan Operations Overdue for over 90 days / Loan Operations (%)	3.5	3.6	
Coverage Ratio - Total Provision <sup>(2)</sup> / Operations Overdue for over 90 days (%)	189.0	187.2	

(1) As defined by Bacen;

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of "excess" ALL; and

(3) Loan operations overdue for over 60 days and that do not generate revenue appropriation on accrual accounting.

- Economic and Financial Analysis Report– December 2014

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Economic and Financial Analysis

**Funding Margin - Interest Earning Portion**

**Funding Margin Breakdown - Interest Earning Operations**

	<b>Funding Margim - Interest Earning Operations</b>					<b>R\$ million</b>	
	<b>12M14</b>	<b>12M13</b>	<b>4Q14</b>	<b>3Q14</b>	<b>Variation</b>		
					<b>12 Months</b>	<b>Quarter</b>	
Interest - due to volume					592	31	
Interest - due to spread					971	30	
<b>Interest Earning Portion</b>	<b>6,296</b>	<b>4,733</b>	<b>1,686</b>	<b>1,625</b>	<b>1,563</b>	<b>61</b>	

Quarter-over-quarter, interest funding financial margin increased 3.8%, or R\$ 61 million, in the fourth quarter of 2014. The variation occurred mainly due to: (i) a greater volume of operations, which amounted to R\$ 31 million; and (ii) a R\$ 30 million increase in the average spread.

Year-over-year, interest funding financial margin improved by 33.0% or R\$ 1.563 million. The variation occurred mainly due to: (i) the R\$ 971 million increase in average spread as a result of an improved cost structure, with greater focus on funding obtained from Retail customers, associated with the increased Selic rate; and (ii) the greater volume of operations, amounting to R\$ 592 million.

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Economic and Financial Analysis**Funding Margin - Interest Earning Portion****Loans vs. Funding**

To analyze Loan Operations in relation to Funding, the following should be deducted from total customer funding: (i) the amount committed to reserve requirements at Bacen, (ii) the amount of available funds held at customer service network, as well as (iii) funds from domestic and foreign lines of credit that finance the demand for loans.

Bradesco depends little on interbank deposits and foreign lines of credit, given its capacity to effectively obtain funding from customers.

This is a result of: (i) the outstanding location of its service points; (ii) the broad diversity of products offered; and (iii) the market's confidence in the Bradesco brand.

Note that the use of funds provides a comfortable margin, which proves that Bradesco is capable of meeting demand for loaning funds through its own funding.

Funding vs. Investments	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
Demand Deposits + Sundry Floating	33,464	37,227	41,433	(10.1)	(19.2)
Savings Deposits	92,155	87,293	80,718	5.6	14.2
Time Deposits + Debentures <sup>(1)</sup>	154,632	157,576	160,153	(1.9)	(3.4)
Funds from Financial Bills <sup>(2)</sup>	76,059	66,754	46,179	13.9	64.7
<b>Customer Funds</b>	<b>356,310</b>	<b>348,850</b>	<b>328,483</b>	<b>2.1</b>	<b>8.5</b>
(-) Reserve Requirements	(50,925)	(46,713)	(55,381)	9.0	(8.0)
(-) Available Funds	(10,940)	(7,596)	(9,232)	44.0	18.5
<b>Customer Funds Net of Reserve Requirements</b>	<b>294,445</b>	<b>294,541</b>	<b>263,870</b>	<b>-</b>	<b>11.6</b>
Onlending	43,779	41,489	40,864	5.5	7.1
Securities Abroad	8,766	8,529	11,475	2.8	(23.6)
Borrowing	15,219	15,072	15,231	1.0	(0.1)
Other (Subordinated Debt + Other Borrowers - Cards)	53,916	52,515	52,667	2.7	2.4
<b>Total Funding (A)</b>	<b>416,125</b>	<b>412,146</b>	<b>384,106</b>	<b>1.0</b>	<b>8.3</b>
<b>Expanded Loan Portfolio (Excluding Sureties and Guarantees) (B)</b>	<b>383,057</b>	<b>373,915</b>	<b>359,686</b>	<b>2.4</b>	<b>6.5</b>
<b>B/A (%)</b>	<b>92.1</b>	<b>90.7</b>	<b>93.6</b>	<b>1.4 p.p.</b>	<b>(1.5 p.p.)</b>



(1) Debentures mainly used to back repos; and

(2) Including: Collateral Mortgage Notes, Mortgage Bonds, Letters of Credit for Agribusiness, Financial Bills and Structured Operations Certificates.

- Economic and Financial Analysis Report– December 2014

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Economic and Financial Analysis

## Funding Margin - Interest Earning Portion

### Main Funding Sources

The following table presents changes in main funding sources:

	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
Demand Deposits	33,029	33,300	40,618	(0.8)	(18.7)
Savings Deposits	92,155	87,293	80,718	5.6	14.2
Time Deposits	85,787	90,615	95,763	(5.3)	(10.4)
Debentures <sup>(1)</sup>	68,845	66,961	64,390	2.8	6.9
Borrowing and Onlending	58,998	56,561	56,095	4.3	5.2
Funds from Issuance of Securities <sup>(2)</sup>	84,825	75,283	57,654	12.7	47.1
Subordinated Debts	35,822	36,464	35,885	(1.8)	(0.2)
<b>Total</b>	<b>459,461</b>	<b>446,477</b>	<b>431,123</b>	<b>2.9</b>	<b>6.6</b>

(1) Considering mostly debentures used to back repos; and

(2) Including: Financial Bills, on December 31, 2014, totaling R\$ 54,961 million (September 30, 2014 - R\$ 49,671 and December 31, 2013 - R\$ 35,208 million).

### Demand deposits

The R\$ 271 million reduction in the fourth quarter of 2014 over the previous quarter, and the R\$ 7,589 million reduction in the yearly comparison were mostly due to new business opportunities offered to customers, basically because of interest rate fluctuations in the period.

(1) Additional installment is not included.

### Savings Deposits

Savings deposits increased 5.6% in the quarter-over-quarter comparison, and 14.2% in the

(1) Additional installment is not included.

yearly comparison, mainly as a result of: (i) greater funding volume; (ii) the yield of savings account reserve; and (iii) increase in voluntary deposits by customers.

Bradesco is always increasing its savings accounts base, posting a net growth of 8.2 million new savings accounts over the last 12 months.

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Economic and Financial Analysis

**Funding Margin - Interest Earning Portion**

**Time Deposits**

In the fourth quarter of 2014, time deposits totaled R\$ 85,787 million, with a reduction of 5.3% over the third quarter of 2014, and reduction of 10.4% over the same period of the previous year.

(1) As defined by Bacen.

This performance was due mostly to new investment alternatives available to customers.

**Debentures**

In December 31, 2014, the Bradesco's debentures balance totaled R\$ 68,845 million, up 2.8% quarter-over-quarter and 6.9% year-over-year.

These variations are mainly due to the placement and maturity of the securities, which are also used to back repos that are, in turn, impacted by the levels of economic activity.

**Borrowing and Onlending**

The increase of R\$ 2,437 million in the quarter-over-quarter comparison was mainly a

whose balance was rose from R\$ 15,400 million in December 2013 to R\$ 16,682 million in December

result of: (i) the increase of R\$ 1,393 million in foreign-currency-denominated and/or indexed borrowing and onlending bonds, a result, essentially, of the positive exchange rate fluctuation of 8.4% in the period; and (ii) the increase of R\$ 1,044 million in the volume of funding raised by borrowings and onlending in the country, especially through FINAME operations.

2014, primarily due to the positive exchange rate variation of 13.4% in the period.

In the annual comparison, the balance of loans and onlending recorded a R\$ 2,903 million increase, primarily due to: (i) the increase of R\$ 1,621 million in volume of funds obtained through loans and onlending in the country, mainly through FINAME operations; and (ii) the R\$ 1,282 million increase in loans and onlending denominated and/or indexed in foreign currency,

## Funding Margin - Interest Earning Portion

### Funds from the Issuance of Securities

Funds from Issuance of Securities totaled R\$ 84,825 million, a 12.7% increase, or R\$ 9,542 million over the previous quarter, primarily due to: (i) the increase in Financial Bills inventory, totaling R\$ 5,290 million; (ii) the increase in Letters of Credit for Agribusiness operations, totaling R\$ 3,893 million.

(1) Considering: Mortgage Notes, Mortgage Bonds, Letters of Credit for Agribusiness, Debentures, MTN Program Issues, Cost of issuances over funding and Structured Operations Certificates.

In the year-over-year comparison, the R\$ 27,171 million increase was primarily due to: (i) increased inventory of Financial Bills, from R\$ 35,208 million in December 2013 to R\$ 54,961 million in December 2014, mainly due to new issuances in the period; (ii) higher volume of Mortgage Bonds, in the amount of R\$ 5,867 million; (iii) higher volume of Letters of Credit for Agribusiness operations, totaling R\$ 4,199 million; and partially offset by: (iv) a R\$ 2,709 million reduction in the volume of securities issued overseas.

### Subordinated Debt

Subordinated Debt totaled R\$ 35,822 million in December 2014 (R\$ 9,322 million abroad and R\$ 26,500 million in Brazil), down 1.8% quarter-over-quarter and 0.2% year-over-year, essentially due to the maturity of debts.



\_\_\_\_\_ Economic and Financial Analysis**Securities/Other Margin – Interest Earning Portion****Securities/Other Margin Breakdown – Interest Earning Operations**

	<b>Securities/Other Margin - Interest Earning Operations</b>					<b>R\$ million</b>	
	<b>12M14</b>	<b>12M13</b>	<b>4Q14</b>	<b>3Q14</b>	<b>Variation</b>		
					<b>12 Months</b>	<b>Quarter</b>	
Interest - due to volume					463	79	
Interest - due to spread					719	(67)	
<b>Interest Earning Portion</b>	<b>4,828</b>	<b>3,646</b>	<b>1,371</b>	<b>1,359</b>	<b>1,182</b>	<b>12</b>	
Income	42,565	27,242	13,221	12,804	15,323	417	
Expenses	(37,737)	(23,596)	(11,850)	(11,445)	(14,141)	(405)	

In the comparison between the fourth quarter of 2014 over the previous quarter, there was an increase of R\$ 12 million in the interest earning portion with Securities/Other. The change observed was primarily due to: (i) an increase in the volume of operations, totaling R\$ 79 million; and offset by: (ii) a reduction of the average spread, in the amount of R\$ 67 million.

Year-over-year, the interest earning portion with Securities/Other recorded a R\$ 1,182 million growth. This result was due to: (i) a R\$ 719 million increase in the average spread medium; and (ii) an increase in the volume of operations, totaling R\$ 463 million.

**Insurance Margin - Interest Earning Portion****Insurance Margin Breakdown – Interest Earning Operations**

	<b>Insurance Margin - Interest Earning Operations</b>					<b>R\$ million</b>	
	<b>12M14</b>	<b>12M13</b>	<b>4Q14</b>	<b>3Q14</b>	<b>Variation</b>		
					<b>12 Months</b>	<b>Quarter</b>	
Interest - due to volume					361	48	
Interest - due to spread					326	200	
<b>Interest Earning Portion</b>	<b>4,303</b>	<b>3,616</b>	<b>1,253</b>	<b>1,005</b>	<b>687</b>	<b>248</b>	
Income	14,076	6,390	3,541	3,480	7,686	61	
Expenses	(9,773)	(2,774)	(2,288)	(2,475)	(6,999)	187	



Comparing the fourth quarter of 2014 with the previous quarter, the interest earning portion with Insurance operations recorded a R\$ 248 million growth, or 24.7%, which was primarily due to: (i) a R\$ 200 million increase in the average spread; and (ii) an increase in the volume of transactions, totaling R\$ 48 million.

In the year-over-year comparison, Insurance Margin – Interest Earning Operations increased 19.0%, or R\$ 687 million, mostly due to: (i) a greater volume of operations, totaling R\$ 361 million; and (ii) a R\$ 326 million increase in the average spread.

- Economic and Financial Analysis Report – December 2014

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**NII - Non-Interest Earning Portion****NII - Non-Interest Earning Portion – Breakdown**

	<b>NII - Non-Interest Earning Portion</b>				<b>R\$ million</b>	
	<b>12M14</b>	<b>12M13</b>	<b>4Q14</b>	<b>3Q14</b>	<b>Variation 12 Months</b>	<b>Quarter</b>
Funding	(308)	(297)	(78)	(76)	(11)	(2)
Insurance	91	253	71	52	(162)	19
Securities/Other	706	644	230	67	62	163
<b>Total</b>	<b>489</b>	<b>600</b>	<b>223</b>	<b>43</b>	<b>(111)</b>	<b>180</b>

Non-interest earning portion stood at R\$ 223 million in the fourth quarter of 2014, compared to R\$ 43 million in the previous quarter, for a R\$ 180 million increase that was primarily due to improved income from the Securities/Other earning portion. In the year-over-year comparison, there was a R\$ 111 million decrease. The variations in non-interest financial margin were primarily due to:

- Insurance – represented by gains/losses from variable-income securities; the variations in the periods are associated with market conditions, which enable greater/lower gain opportunity; and
- Securities/Other – The increases of R\$ 163 million over the previous quarter, and R\$ 62 million over the previous year, are primarily due to: (i) the sale of BM&FBovespa shares, in the amount of R\$ 51 million; and (ii) due to lower gains from market arbitrage.

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Economic and Financial Analysis**Insurance, Pension Plans and Capitalization Bonds**

Below is the analysis of the Statement of Financial Position and Income Statement of Grupo Bradesco Seguros e Previdência:

**Consolidated Statement of Financial Position**

	R\$ million		
	Dec14	Sept14	Dec13
<b>Assets</b>			
<b>Current and Long-Term Assets</b>	<b>177,655</b>	<b>169,512</b>	<b>156,880</b>
Securities	166,022	158,207	146,064
Insurance Premiums Receivable	2,991	3,118	2,570
Other Loans	8,642	8,187	8,246
<b>Permanent Assets</b>	<b>4,747</b>	<b>4,589</b>	<b>4,136</b>
<b>Total</b>	<b>182,402</b>	<b>174,101</b>	<b>161,016</b>
<b>Liabilities</b>			
<b>Current and Long-Term Liabilities</b>	<b>161,367</b>	<b>153,993</b>	<b>143,090</b>
Tax, Civil and Labor Contingencies	2,458	2,438	2,272
Payables on Insurance, Pension Plan and Capitalization Bond Operations	558	475	409
Other Reserve Requirements	5,084	5,111	4,180
Insurance Technical Reserves	12,702	12,609	11,101
Life and Pension Plan Technical Reserves	133,857	126,858	119,228
Capitalization Bond Technical Reserves	6,708	6,502	5,900
<b>Non-controlling Interest</b>	<b>602</b>	<b>601</b>	<b>673</b>
<b>Shareholders' Equity</b>	<b>20,433</b>	<b>19,507</b>	<b>17,253</b>
<b>Total</b>	<b>182,402</b>	<b>174,101</b>	<b>161,016</b>

**Consolidated Income Statement**

	R\$ million				
	12M14	12M13	4Q14	3Q14	4Q13
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	56,152	49,752	17,806	12,904	14,492

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Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond	30,649	26,532	8,200	7,980	6,920
Financial Result from the Operation	4,395	3,600	1,268	1,019	1,090
Sundry Operating Income	1,104	887	397	324	188
Retained Claims	(17,869)	(15,378)	(4,816)	(4,778)	(4,003)
Capitalization Bond Draws and Redemptions	(4,894)	(4,165)	(1,339)	(1,295)	(1,173)
Selling Expenses	(2,933)	(2,514)	(781)	(735)	(635)
General and Administrative Expenses	(2,385)	(2,230)	(679)	(615)	(659)
Tax Expenses	(629)	(556)	(166)	(145)	(132)
Other Operating Income/Expenses	(692)	(490)	(101)	(182)	(170)
<b>Operating Result</b>	<b>6,746</b>	<b>5,686</b>	<b>1,983</b>	<b>1,573</b>	<b>1,426</b>
Equity Result	678	483	178	176	154
Non-Operating Result	(33)	(55)	(8)	(4)	(21)
<b>Income before Taxes and Profit Sharing</b>	<b>7,391</b>	<b>6,114</b>	<b>2,153</b>	<b>1,745</b>	<b>1,559</b>
Income Tax and Contributions	(2,776)	(2,197)	(869)	(634)	(516)
Profit Sharing	(86)	(67)	(21)	(20)	(16)
Non-controlling Interest	(123)	(111)	(27)	(33)	(27)
<b>Net Income</b>	<b>4,406</b>	<b>3,740</b>	<b>1,236</b>	<b>1,058</b>	<b>1,001</b>

Note: For comparison purposes, the non-recurring events' effects are not considered.

- Economic and Financial Analysis Report – December 2014

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**Insurance, Pension Plans and Capitalization Bonds****Income Distribution of Grupo Bradesco Seguros e Previdência**

	R\$ million							
	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
Life and Pension Plans	693	588	698	639	582	552	564	542
Health	201	168	184	192	175	139	155	167
Capitalization Bonds	120	74	119	110	101	105	97	131
Basic Lines and Other	222	228	71	99	143	82	115	90
<b>Total</b>	<b>1,236</b>	<b>1,058</b>	<b>1,072</b>	<b>1,040</b>	<b>1,001</b>	<b>878</b>	<b>931</b>	<b>930</b>

**Performance Ratios**

	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	%
Claims Ratio <sup>(1)</sup>	70.9	72.7	70.2	70.1	71.1	72.7	71.1	69.6	
Expense Ratio <sup>(2)</sup>	10.6	10.5	11.2	10.4	10.9	10.4	10.9	11.0	
Administrative Expenses Ratio <sup>(3)</sup>	4.0	4.6	4.0	4.7	4.3	4.9	4.1	4.3	
Combined Ratio <sup>(4) (5)</sup>	85.9	86.5	86.3	86.4	86.1	86.9	85.5	86.0	

(1) Retained Claims/Earned Premiums;

(2) Sales Expenses/Earned Premiums;

(3) Administrative Expenses/Net Written Premiums;

(4) (Retained Claims + Sales Expenses + Other Operating Income and Expenses)/Earned Premiums + (Administrative Expenses + Taxes)/Net Written Premiums; and

(5) Excluding additional reserves.

Note: For comparison purposes, the non-recurring events' effects are not considered.

**Written Premiums, Pension Plan Contributions and Capitalization Bond Income**

Disregarding the DPVAT agreement, revenue increased 38.3% in the fourth quarter of 2014 when compared to the previous quarter, led by the performance of the Life and Pension Plans segment, which was driven by a greater concentration of private pension contributions during the period.

Disregarding the DPVAT agreement, production increased by 13.9% in 2014 over the previous year, influenced by Auto RE, Health and Capitalization products, which grew 28.0%, 22.5%, and 15.2%, respectively.

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Economic and Financial Analysis

**Insurance, Pension Plans and Capitalization Bonds**

**Written Premiums, Pension Plan Contributions and Capitalization Bond Income**

(\*) In January 2014, Bradesco Vida e Previdência requested the shutdown of DPVAT insurance consortia. The DPVAT agreement share dropped from 18.4% to 5.4%, a decrease of 13 p.p. over December 2013.

Economic and Financial Analysis Report – December 2014

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**Insurance, Pension Plans and Capitalization Bonds**

**Retained Claims by Insurance Line**

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Economic and Financial Analysis

**Insurance, Pension Plans and Capitalization Bonds**

**Insurance Sales Ratio by Segment**

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## **Insurance, Pension Plans and Capitalization Bonds**

### **Efficiency Ratio**

#### General and Administrative Expenses / Revenue

The 0.6 p.p. improvement in the administrative efficiency ratio between the fourth quarter of 2014 the previous quarter is a result of: (i) the benefits generated with cost-cutting measures; and (ii) a 38.0% increase in revenue for the period. The improvement of 0.3 p.p. in the administrative efficiency ratio in the third quarter of 2014 over the same period of the previous year is a result of: (i) a 22.9% increase in revenues; and (ii) the control of administrative costs.

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\_\_\_\_\_ Economic and Financial Analysis

**Insurance, Pension Plans and Capitalization Bonds**

**Technical Reserves**

\_\_\_\_\_ Economic and Financial Analysis Report – December 2014

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Economic and Financial Analysis**Bradesco Vida e Previdência**

	R\$ million (unless otherwise specified)						
	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13
Net Income	693	588	698	639	582	552	639
Premium and Contribution Income <sup>(1)</sup>	10,644	5,645	7,301	4,994	8,505	4,971	7,301
- Income from Pension Plans and VGBL	9,371	4,383	6,117	3,898	7,317	3,838	6,117
- Income from Life/Personal Accidents Insurance Premiums	1,273	1,262	1,184	1,096	1,188	1,133	1,184
Technical Reserves	133,857	126,858	124,192	119,942	119,228	115,814	114,192
Investment Portfolio	140,704	132,535	129,193	126,001	124,655	121,211	119,193
Claims Ratio	35.0	36.6	31.5	29.9	37.3	43.3	31.5
Expense Ratio	18.7	18.5	20.7	21.8	21.2	21.8	20.7
Combined Ratio	61.8	63.4	57.8	58.6	67.3	72.6	57.8
Participants / Policyholders (in thousands)	28,207	27,625	27,789	27,451	28,256	28,044	27,789
Premium and Contribution Income Market Share (%) <sup>(2)</sup>	27.2	25.4	26.6	26.1	30.2	29.1	26.6
Life/AP Market Share - Insurance Premiums (%) <sup>(2)</sup>	17.6	17.7	17.2	17.6	17.0	16.9	17.2

(1) Life/VGBL/PGBL/Traditional; and

(2) The fourth quarter of 2014 includes the latest data released by SUSEP (November/14).

Note: For comparison purposes, the non-recurring events' effects are not considered.

Because of its solid structure, innovative product policy and the trust it has earned in the market, Bradesco Vida e Previdência accounted for 27.2% of the pension plan and VGBL income. (source: SUSEP - November 2014).

Net income for the fourth quarter of 2014 was up 17.9% compared to the previous quarter, mainly due to: (i) a 88.6% increase in revenue; (ii) a 1.6 p.p. reduction in claims ratio; (iii) improvement in the administrative efficiency ratio; and: (iv) improved financial income.

Net income for the fourth quarter of 2014 was up 19.1% over the same period in 2013, mainly due to: (i) a 25.1% increase in revenue; (ii) a 2.3 p.p. reduction in claims ratio; (iii) a 2.5 p.p. improvement in the sales ratio; and: (iv) improved financial income.

Net income for the fourth quarter of 2014 was up 16.9% over the same period in 2013, mainly due to: (i) a 7.0% increase in revenue; (ii) a 5.0 p.p. reduction in claims ratio for the Life product; (iii) a 1.4 p.p. improvement in the sales ratio; and: (iv) improved financial income.



Economic and Financial Analysis

**Bradesco Vida e Previdência**

In December 2014, technical reserves for Bradesco Vida e Previdência stood at R\$ 133.9 billion, made up of R\$ 127.5 billion from Pension Plans and VGBL and R\$ 6.4 billion from Life, Personal Accidents and Other Lines, representing a growth of 12.3% over December 2013.

The Pension Plan and VGBL Investment Portfolio accounted for 30.4% of market funds in November 2014 (source: Fenaprevi).

**Growth of Participants and Life and Personal Accident Policyholders**

In December 2014, the number of Bradesco Vida e Previdência customers surpassed 2.4 million pension plan and VGBL participants, and 25.7 million life and personal accident policyholders.

This impressive growth was fueled by the strength of the Bradesco brand and the improvement of selling and management policies.

Economic and Financial Analysis Report – December 2014

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**Bradesco Saúde and Mediservice**

	R\$ million (unless otherwise stated)							
	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
Net Income	201	168	184	192	175	139	155	167
Net Written Premiums	4,078	3,851	3,509	3,372	3,274	3,154	2,926	2,787
Technical Reserves	6,453	6,226	6,149	5,794	5,726	6,585	6,503	6,308
Claims Ratio	87.7	87.6	86.1	86.9	88.5	89.8	87.3	84.7
Expense Ratio	5.1	4.8	4.6	4.1	5.4	5.4	5.4	5.2
Combined Ratio	99.5	98.1	97.7	96.9	99.5	99.6	98.9	96.2
Policyholders (in thousands)	4,525	4,475	4,360	4,273	4,173	4,117	4,082	3,985
Written Premiums Market Share (%) <sup>(1)</sup>	45.9	45.8	45.2	45.4	46.0	45.6	48.8	48.2

(1) The fourth quarter of 2014 includes the latest data released by ANS (November 2014).

Note: For comparison purposes, the non-recurring events' effects are not considered.

Net income for the fourth quarter of 2014 was up 19.6% over the previous quarter, mainly due to: (i) the 5.9% increase in financial income; (ii) 1.6 p.p. decrease in claim ratio and 1.3 p.p. decrease in expense ratio; (iii) improvement in the administrative efficiency ratio; partially offset by (iv) the decrease in equity income.

Net income for the fourth quarter of 2014 was up 14.9% over the same period in 2013, mainly due to: (i) a 24.6% increase in revenue; (ii) the 0.8 p.p. increase in claims ratios; (iii) improved financial income; partially offset by (iv) the decrease in equity income.

Net income for 2014 was up 17.1% compared to the same period in the previous year, mainly due to: (i) a 22.0% increase in revenue; (ii) a 0.6 p.p. drop in claims ratio; (iii) a 0.7 p.p. reduction in sales ratio; (iv) improved administrative efficiency ratio; and (v) increase in financial and equity income.

In December 2014, Bradesco Saúde and Mediservice maintained strong market position in the corporate segment (source: ANS).

Approximately 106 thousand companies in Brazil have Bradesco Saúde insurance and Mediservice plans.

Of the 100 largest companies in Brazil in terms of revenue, 52 are Bradesco Saúde and Mediservice customers (source: Exame magazine's *Melhores e Maiores* ranking, June 2014).





\_\_\_\_\_ Economic and Financial Analysis**Bradesco Saúde and Mediservice****Number of Bradesco Saúde and Mediservice Policyholders**

The companies have a combined total of over 4.5 million customers. The large share of corporate insurance in this portfolio (96.0% in December 2014) is proof of its high level of specialization and customization in the provision of group plans.

We highlight the Small and Mid-Sized Group Insurance (SPG) portfolio, which covered 926 thousand lives in December 2014.

**Bradesco Capitalização**

	R\$ million (unless otherwise stated)							
	4Q14	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
Net Income	120	74	119	110	101	105	97	131
Capitalization Bond Income	1,432	1,416	1,290	1,205	1,296	1,234	1,126	983
Technical Reserves	6,708	6,502	6,267	6,081	5,900	5,762	5,738	5,623
Customers (in thousands)	3,433	3,436	3,456	3,485	3,475	3,428	3,439	3,462
Premium Income Market Share (%) <sup>(1)</sup>	24.7	24.3	23.6	24.3	22.1	21.8	20.9	22.1

(1) The fourth quarter of 2014 includes the latest data released by SUSEP (November/14).

Net income for the fourth quarter of 2014 recorded a 62.2% growth over the previous quarter, primarily due to: (i) the decreased in revenues; and (ii) improved financial income.

Net income for the fourth quarter of 2014 recorded a 18.8% growth over the same period in 2013, primarily due to: (i) a 10.5% increase in revenues; and (ii) improved financial income.

In the year-over-year, revenues were up 15.2% in 2014. Net income for 2014 recorded a 2.5% decrease compared to the previous year, primarily due to: (i) the increase in the provision for draws; (ii) the reduction in equity income; partially offset by: (iii) an increase in financial income.

- Economic and Financial Analysis Report – December 2014

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## Bradesco Capitalização

Bradesco Capitalização ended the fourth quarter of 2014 in 1<sup>st</sup> place among the capitalization bond companies, due to its policy of transparency and of adjusting its products based on potential consumer demand and consistent with the market changes.

Concerned with providing products that better fit the most varied profiles and budgets of our customers, Bradesco Capitalização has a product portfolio ranging by payment method (lump or monthly), contribution term, periodicity and value of premiums that meet requirements and expectations of customers.

Combining a pioneer spirit with business strategic view, Bradesco Capitalização has launched onto the market products concerned with socio-environmental causes, in which part of the revenue goes to projects with this purpose. In addition to offering to customers the possibility of creating a financial reserve, Capitalization Bonds with socio-environmental profile seek to raise our customer's awareness about the importance of this theme and allow them to participate in a noble cause that benefits society.

Bradesco Capitalização currently has partnerships with the following institutions: (i) SOS Mata Atlântica Foundation (which contributes to the preservation of biological and cultural diversity of the Atlantic Forest, stimulating social and environmental citizenship); (ii) Amazonas Sustentável Foundation (which contributes to the sustainable development, environmental preservation and improvement to the quality of life of communities that benefit from preservation

centers in the state of Amazonas); (iii) the Brazilian Cancer Control Institute (which contributes to the prevention, early diagnosis and treatment of breast cancer in Brazil); and (iv) Tamar Project (created to preserve sea turtles).

The portfolio is composed of 23.8 million active bonds. Of this total, 34.7% are represented by "Traditional Bonds", sold at the Branch Network and at Bradesco Dia&Noite service channels. The other 65.3% of the portfolio is represented by "Incentive" bonds (assignment of drawing rights), such as partnerships with Bradesco Vida e Previdência and Bradesco Auto/RE. Given that the purpose of this type of capitalization bond is to add value to the product of a partner company or even to encourage timely payment by its customers, the bonds have reduced maturity and grace terms and lower sale price.



Economic and Financial Analysis**Bradesco Auto/RE and Atlântica Companhia de Seguros**

	<b>R\$ million (unless otherwise stated)</b>							
	<b>4Q14</b>	<b>3Q14</b>	<b>2Q14</b>	<b>1Q14</b>	<b>4Q13</b>	<b>3Q13</b>	<b>2Q13</b>	<b>1Q13</b>
Net Income	60	37	38	86	71	25	43	28
Net Written Premiums	1,319	1,655	1,551	1,399	1,108	1,276	1,204	1,039
Technical Reserves	5,823	5,952	5,689	5,314	4,998	5,003	4,817	4,643
Claims Ratio	62.1	62.8	62.5	58.0	59.1	59.5	58.6	58.5
Expense Ratio	19.5	21.0	21.8	20.9	19.6	18.9	18.0	17.7
Combined Ratio	106.4	105.4	107.6	103.6	104.5	101.6	100.8	105.6
Policyholders (in thousands)	4,480	4,536	3,690	3,882	3,613	3,631	3,652	3,798
Premium Income Market Share (%) <sup>(1)</sup>	10.2	10.6	10.6	10.3	8.8	9.1	9.1	8.8

(1) The fourth quarter of 2014 includes the latest data released by SUSEP (November/14).

Note: We are considering Atlântica Companhia de Seguros as of the first quarter of 2014.

Net income for the fourth quarter of 2014 was up 62.2% over the previous quarter, due to: (i) a 0.7 p.p. drop in claims ratio; (ii) a 1.5 p.p. drop in sales; and (iii) improved financial and equity income.

Revenues for the fourth quarter of 2014 was up 19.0% over the same period of the previous year, and net profit decreased 15.5% in the same comparison period, primarily due to: (i) the increase of 3.0 percentage points in claims ratio; and partially offset by: (ii) improved equity income.

In the year-over-year, revenues were up 28.0% in 2014. Net income was up 32.3% over the previous year, due to: (i) improved financial and equity income; (ii) improved administrative efficiency ratio; partially offset by: (iii) a 2.6 p.p. increase in claims ratios; and (iv) a 2.2 p.p. increase in sales.

In the Property Insurance segment, the focus on large brokers and Corporate and Middle Market customers was maintained. This results in renewal of the main accounts, whether as the leading company or through participation in co-insurance.

The transportation segment is still the primary focus, with essential investments made to leverage new business.

Despite strong competition in the Auto/RCF line, the insurer maintained its fleet at approximately 1.7 million vehicles, guaranteed by the maintenance of competitiveness, mainly due to the establishment of a refined and segmented quoting process. Another important fact relates to improvements to current products and the creation of products for a specific target market. Among them, it is worth noting the launch of the First Vehicular Protection of Bradesco Seguro (Bradesco Seguro Primeira Proteção Veicular), exclusive to Bradesco's account holders, which helps, through the Day and Night Support services, new vehicles and vehicles of up to 15 years of use.

In order to provide its customers with a better service, Bradesco Auto/RE currently counts with 28 Bradesco Auto Centers (BAC), which offer policyholders the greatest variety of services in a single place. Some of the services offered include:

In Aviation and Maritime Hull insurance, the increased exchange with Corporate and Middle Market segments has been drawn on extensively, taking full advantage of the stronger sales of new aircraft and those of the maritime segment.

auto claims services, rental car reservations, installation of anti-theft equipment, preventative maintenance checks, glass repairs or replacement and environmental vehicle inspections.

- Economic and Financial Analysis Report – December 2014

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**Bradesco Auto/RE**

**Number of Policyholders at Auto/RE**

Mass insurance targets individuals, self-employed professionals and SMEs. The launch of new products combined with the continuous improvement to methods and systems has contributed to maintenance of customer base.

It is worth pointing out that we continue with a strong strategy for the “home insurance” segment, totaling more than 1.5 million insured homes. We recently launched the Monthly Home Insurance; a product that can be billed monthly billing via checking account debit.

Bradesco

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Economic and Financial Analysis**Fee and Commission Income**

A breakdown of the variation in Fee and Commission Income for the respective periods is presented below:

<b>Fee and Commission Income</b>	<b>R\$ million</b>					
	<b>12M14</b>	<b>12M13</b>	<b>4Q14</b>	<b>3Q14</b>	<b>Variation</b>	
					<b>12 Months</b>	<b>Quarter</b>
Card Income	8,085	7,165	2,161	2,023	920	138
Checking Account	4,021	3,608	1,080	1,025	413	55
Loan Operations	2,582	2,242	695	688	340	7
Fund Management	2,449	2,324	657	653	125	4
Collection	1,566	1,471	398	400	95	(2)
Consortium Management	880	722	240	228	158	12
Underwriting / Financial Advisory Services	637	568	121	135	69	(14)
Custody and Brokerage Services	520	511	136	138	9	(2)
Payments	373	340	87	89	33	(2)
Other	975	835	264	260	140	4
<b>Total</b>	<b>22,089</b>	<b>19,786</b>	<b>5,839</b>	<b>5,639</b>	<b>2,303</b>	<b>200</b>

Explanations of the main items that influenced the variation in Fee and Commission Income between periods can be found below.



## **Fee and Commission Income**

### **Card Income**

Income from card fees totaled R\$ 2,161 million, a growth of R\$ 138 million, or 6.8%, over the previous quarter, primarily due to: (i) increased volume of transactions in the period; and (ii) increased revenue.

In the year-over-year comparison, the 12.8% growth, or R\$ 920 million, is primarily due to: (i) an increase in income from purchases and fees, arising from a 10.5% increase in revenue, which reached R\$ 132.0 billion in 2014; (ii) an increase in the credit and debit card base; and (iii) the greater volume of transactions in the period.

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\_\_\_\_ Economic and Financial Analysis

## **Fee and Commission Income**

### **Checking Account**

Checking account service revenues were up 5.4% in the fourth quarter of 2014, compared to the previous quarter, mainly due to: (i) the expansion of the customer service portfolio; and (ii) an increase in business volume.

Year-over-year, these revenues were up R\$ 413 million, or 11.4%, primarily due to: (i) an expanded portfolio of services provided to our clients; and (ii) the increase in business volume.

### **Loan Operations**

In the fourth quarter of 2014, revenues from loan operations totaled R\$ 695 million, which represent a 7% growth over the previous quarter, primarily due to the increased volume of operations contracted in the quarter.

In the year-over-year comparison, the 15.2% increase was mainly due to: (i) increased volume of operations contracted in the period; and (ii) higher income from collaterals, which increased 11.6%, deriving mostly from a 6.6% growth in the volume of Sureties and Guarantees operations.



**Fee and Commission Income****Fund Management**

In the fourth quarter of 2014, fund management income totaled R\$ 657 million, remaining virtually stable compared to the previous quarter.

In the year-over-year comparison, the increase of R\$ 125 million was basically due to the increase in the volume of funds raised and managed, which grew 12.3% in the period.

Investments in fixed income funds led the segment, with growth of 12.4% in the period.

Shareholders' Equity	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
Investment Funds	446,787	449,440	401,519	(0.6)	11.3
Managed Portfolios	34,672	31,164	25,246	11.3	37.3
Third-Party Fund Quotas	7,271	6,337	8,599	14.7	(15.4)
<b>Total</b>	<b>488,730</b>	<b>486,941</b>	<b>435,364</b>	<b>0.4</b>	<b>12.3</b>

Distribution	R\$ million			Variation %	
	Dec14	Sept14	Dec13	Quarter	12M
Investment Funds – Fixed Income	419,768	421,227	373,552	(0.3)	12.4
Investment Funds – Equities	27,019	28,213	27,967	(4.2)	(3.4)
Investment Funds – Third-Party Funds	5,316	4,419	6,355	20.3	(16.3)
<b>Total - Investment Funds</b>	<b>452,103</b>	<b>453,859</b>	<b>407,874</b>	<b>(0.4)</b>	<b>10.8</b>

Managed Portfolios - Fixed Income	26,542	22,606	16,856	17.4	57.5
Managed Portfolios – Equities	8,130	8,558	8,390	(5.0)	(3.1)
Managed Portfolios - Third-Party Funds	1,955	1,918	2,244	1.9	(12.9)
<b>Total - Managed Funds</b>	<b>36,627</b>	<b>33,082</b>	<b>27,490</b>	<b>10.7</b>	<b>33.2</b>

x					
Total Fixed Income	446,310	443,833	390,408	0.6	14.3
Total Equities	35,149	36,771	36,357	(4.4)	(3.3)

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Total Third-Party Funds	7,271	6,337	8,599	14.7	(15.4)
<b>Overall Total</b>	<b>488,730</b>	<b>486,941</b>	<b>435,364</b>	<b>0.4</b>	<b>12.3</b>

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\_\_\_\_ Economic and Financial Analysis

**Fee and Commission Income**

**Cash Management Solutions (Payments and Collection)**

In the fourth quarter of 2014, billing and collection income remained virtually stable compared to the previous quarter.

In the year-over-year comparison, the annual increase of 7.1%, or R\$ 128 million, was mainly due to the greater volume of processed documents, up from 2,125 million in 2013 to 2,199 million in 2014, a 3.5% increase for the period.

**Consortium Management**

In the third quarter of 2014, income from consortium management increased 5.3% compared to the previous quarter, as a result of the sales made in that period. On December 31, 2014, Bradesco had 1,062 thousand active quotas (1,020 thousand active quotas on September 30, 2014), ensuring a leading position in all the segments it operates (real estate, auto and trucks/tractors/machinery and equipment).

In the year-over-year comparison, the 21.9% increase in income from consortium management was mainly driven by: (i) a higher volume of received bids; (ii) the increase in the average ticket; and (iii) the increase in sales of new quotas, ranging from 924 thousand active quotas on December 31, 2013, to 1,062 thousand active quotas on December 31, 2014, an increase of 138 thousand net quotas.

- Economic and Financial Analysis Report – December 2014

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## **Fee and Commission Income**

### **Custody and Brokerage Services**

In the fourth quarter of 2014, total earnings with custody and brokerage services remained virtually stable compared to the previous quarter.

In the year-over-year comparison, revenues totaled R\$ 520 million, an increase of R\$ 9 million compared to 2013, primarily due to the increase in the average volume of assets in custody during the period.

### ***Underwriting / Financial Advisory Services***

The R\$ 14 million reduction in the quarter-over-quarter comparison resulted primarily from the reduced activity in the capital market during the fourth quarter of 2014. It is important to note that variations recorded in this income derive from the volatile behavior of the capital market.

In the year-over-year comparison, the increase of R\$ 69 million, or 12.1%, is mainly due to the increase in business volume in the period.





Economic and Financial Analysis**Personnel and Administrative Expenses**

<b>Personnel and Administrative Expenses</b>	<b>R\$ million</b>					
	<b>12M14</b>	<b>12M13</b>	<b>4Q14</b>	<b>3Q14</b>	<b>Variation</b>	
					<b>12 Months</b>	<b>Quarter</b>
<b>Personnel Expenses</b>						
<b>Structural</b>	<b>11,186</b>	<b>10,476</b>	<b>2,933</b>	<b>2,881</b>	<b>710</b>	<b>52</b>
Payroll/Social Charges	8,282	7,798	2,156	2,146	484	10
Benefits	2,904	2,678	777	735	226	42
<b>Non-Structural</b>	<b>2,781</b>	<b>2,585</b>	<b>743</b>	<b>683</b>	<b>196</b>	<b>60</b>
Management and Employee Profit Sharing	1,536	1,407	385	401	129	(16)
Provision for Labor Claims	793	806	213	177	(13)	36
Training	145	127	51	40	18	11
Termination Costs	307	245	94	65	62	29
<b>Total</b>	<b>13,967</b>	<b>13,061</b>	<b>3,676</b>	<b>3,564</b>	<b>906</b>	<b>112</b>
<b>Administrative Expenses</b>						
Outsourced Services	3,942	4,134	1,109	974	(192)	135
Depreciation and Amortization	1,906	1,665	502	486	241	16
Communication	1,524	1,608	388	382	(84)	6
Data Processing	1,342	1,297	369	340	45	29
Advertising and Marketing	934	793	401	184	141	217
Rental	896	830	240	225	66	15
Transportation	776	832	181	193	(56)	(12)
Financial System Services	774	732	193	196	42	(3)
Asset Maintenance	700	661	200	169	39	31
Security and Surveillance	559	495	141	140	64	1
Materials	342	310	89	85	32	4
Water, Electricity and Gas	237	225	65	54	12	11
Trips	156	138	54	37	18	17
Other	760	793	227	163	(33)	64
<b>Total</b>	<b>14,848</b>	<b>14,512</b>	<b>4,159</b>	<b>3,628</b>	<b>336</b>	<b>531</b>
<b>Total Personnel and Administrative Expenses</b>	<b>28,815</b>	<b>27,573</b>	<b>7,835</b>	<b>7,192</b>	<b>1,242</b>	<b>643</b>
<b>Employees <sup>(1)</sup></b>	<b>95,520</b>	<b>100,489</b>	<b>95,520</b>	<b>98,849</b>	<b>(4,969)</b>	<b>(3,329)</b>
<b>Service Points</b>	<b>75,176</b>	<b>72,736</b>	<b>75,176</b>	<b>74,028</b>	<b>2,440</b>	<b>1,148</b>

(1) The reduction in the fourth quarter of 2014 includes the transfer of 2,431 employees of Scopus Tecnologia to IBM Brazil.

In the third quarter of 2014, total Personnel and Administrative Expenses amounted to R\$ 7,835 million, with growth of 8.9% in comparison with the previous quarter. In the year-over-year comparison, total

personnel and administrative expenses amounted to R\$ 28,815 million, up 4.5% compared to the same period in the previous year.

### **Personnel Expenses**

In the fourth quarter of 2014, personnel expenses totaled R\$ 3,676 million, with variation of 3.1% or R\$ 112 million compared to the previous quarter.

The R\$ 52 million increase in structural expenses was due to higher expenses with salaries, social charges and benefits, due to an increase in salary levels, in accordance with the collective bargaining agreement of 2014.

The R\$ 60 million increase in non-structural expenses was primarily due to: (i) higher expenses with provisions for labor claims, in the amount of R\$ 36 million; and (ii) an increase in the cost of terminations and charges, totaling R\$ 29 million.

- Economic and Financial Analysis Report – December 2014

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Economic and Financial Analysis

**Personnel and Administrative Expenses**

**Personnel Expenses**

In the year-over-year comparison, the increase of R\$ 906 million, or 6.9%, was primarily due to: (i) the structural portion, totaling R\$ 710 million, due to the increase in expenses with payroll, social charges and benefits, impacted by higher salaries, in accordance with the 2013 and 2014 collective agreements (increases of 8.0% and 8.5%,

respectively; and (ii) the R\$ 196 million increase in the non-structural portion, resulting mainly from greater expenses with: (a) profit and income sharing of managers and employees, totaling R\$ 129 million; and (b) termination and charge costs, totaling R\$ 62 million.

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Economic and Financial Analysis

**Personnel and Administrative Expenses**

**Administrative Expenses**

In the fourth quarter of 2014, administrative expenses totaled R\$ 4,159 million, for an increase of R\$ 531 million, or 14.6%, compared to the previous quarter, which was primarily due to: (i) the seasonal effect of higher advertising expenses, due to the investments made to support institutional positioning and product offerings, totaling R\$ 217 million; and (ii) the increase in turnover and services concentrated in the period, which in turn resulted in greater expenses with: (a) third-party services, in the amount of R\$ 135 million; (b) maintenance and conservation of assets, in the amount of R\$ 31 million; and (c) data processing, in the amount of R\$ 29 million.

In the year-over-year comparison, administrative expenses totaled R\$ 14,848 million, for an increase of 2.3%. This performance was primarily due to a consistent cost control, despite increasing expenses with: (i) growth in turnover and services in the period; (ii) contractual adjustments; and (iii) expansion of 2,440 Service Points, led by Bradesco Expresso, bringing the total number of Service Points to 75,176 on December 31, 2014. We should note the performance of inflation indexes over the past 12 months: the IPCA and IGP-M were up 6.41% and 3.69%, respectively.

### **Operating Coverage Ratio <sup>(1)</sup>**

In the quarter, the coverage ratio over the last 12 months maintained its improvement with a 0.8 p.p. growth, mainly due to an increase in fee and commission income, combined with ongoing cost control efforts, including the initiatives of our Efficiency Committee and measures applied to increase the offer of products and services to the entire client base.

It should be pointed out that 76.7% is the best rate over the last six years.

(1) Fee and Commission Income/Administrative and Personnel Expenses (in the last 12 months).

### **Tax Expenses**

The increase of R\$ 29 million in tax expenses compared to the previous quarter, and the increase of R\$ 246 million, or 5.6%, in the year-over-year comparison was basically due to the increase in expenses with PIS/Cofins/ISS, derived from the increase in taxable income.

### **Equity in the earnings (losses) of unconsolidated companies**

In the fourth quarter of 2014, the equity in the earnings (losses) of unconsolidated companies was R\$ 57 million, an increase of R\$ 14 million, or 32.6% compared to the previous quarter, mainly due to greater results with the unconsolidated company "IRB – Brasil Resseguros".

In the year-over-year comparison, the increase of R\$ 144 million was mainly attributed to better results with the unconsolidated company "IRB –

Brasil Resseguros”.

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Economic and Financial Analysis

**Operating Income**

Operating income totaled R\$ 6,532 million in the fourth quarter of 2014, or 7.1%, a R\$ 432 million increase from the previous quarter. This performance was mostly driven by: (i) the improved results in net interest income, in the amount of R\$ 705 million; (ii) an increase in fees and commission income, totaling R\$ 200 million; (iii) an increase in operating income for Insurance, Pension Plans and Capitalization Bonds, in the amount of R\$ 193 million; and (iv) the increase in personnel and administrative expenses, in the amount of R\$ 643 million.

In the year-over-year comparison, the increase of R\$ 5,280 million or 28.0%, was mainly driven by: (i) the R\$ 5.009 million increase net interest income; (ii) increase in fees and commission income, totaling R\$ 2.303 million; (iii) higher net interest income, totaling R\$ 156 million; (iv) an increase in operating income for Insurance, Pension Plans and

Capitalization Bonds, in the amount of R\$ 576 million; partially offset by: (iv) an increase in personnel and administrative expenses, totaling R\$ 1,242 million; and (v) an increase in other operating expenses (net of other income), totaling R\$ 652 million; (vi) increased expenses with allowances for loan losses, in the amount of R\$ 612 million; and (vii) an increase in tax expenses, totaling R\$ 246 million.

**Non-Operating Income**

In the fourth quarter of 2014, non-operating income posted a loss of R\$ 68 million, an increase of R\$ 23 million from the previous quarter, and R\$ 63 million in the year-over-year comparison. due to greater non-operating expenses (such as losses on sale of foreclosed assets/other) in the period.







**Corporate Governance**

Bradesco's management is made up of the Board of Directors and the Statutory Board of Executive Officers. The Board of Directors is composed of nine members who are eligible for reelection, and includes eight external members, including the Chairman (Mr. Lázaro de Mello Brandão), and one internal member (the Chief Executive Officer, Mr. Luiz Carlos Trabuco Cappi). The Board members, who elect the members of the Board of Executive Officers, are themselves elected at the Annual Shareholders' Meeting.

Bradesco's Corporate Governance structure includes 6 Committees subordinated to the Board of Directors, 2 of which are Statutory Committees (Audit and Compensation) and 4 which are Non-Statutory Committees (Ethical Conduct, Internal Controls and Compliance, Integrated Risk Management and Capital Allocation and Sustainability), in addition to several Executive Committees subordinated to the Board of Executive Officers, assisting it in performing its duties.

**Investor Relations – IR**

In the fourth quarter, the Investor Relations area participated in 11 events in Brazil and four such events abroad, in London, Madrid and New York. In addition to the events calendar, Apimec Meetings were held in Florianópolis, Curitiba, Belo Horizonte, Fortaleza and Recife.

**Sustainability****For the 10<sup>th</sup> consecutive year, Bradesco is listed in Corporate Sustainability Index (ISE)**

Listed in the Corporate Sustainability Index (ISE) of BM&FBovespa since its beginning, Bradesco's common shares (BBDC3) and preferred shares (BBDC4) were included in the Corporate Sustainability Index (ISE) for the 10<sup>th</sup> consecutive year.

Bradesco guarantees its shareholders, as a minimum dividend, 30% of adjusted net income, as well as 100% tag-along rights for common shares and 80% for preferred shares. Preferred shares are also entitled to dividends 10% greater than those paid to common shares.

Bradesco voluntarily adhered to Level 1 Corporate Governance of BM&FBovespa in 2001, and to the Code of Self-Regulation and Best Practices for Publicly Held Companies, issued by the Brazilian Association of Publicly Held Companies (Abrasca), in 2011. In December 2014, *Austin Rating* held its AA+ Corporate Governance rating attributed to Bradesco, which reflects the company's commitment to corporate governance practices that adhere the best practices defined by the *Austin Rating*, based on the main codes published on this topic.

Further information is available at the Bradesco's Investor Relations website ([www.bradescori.com.br](http://www.bradescori.com.br) – Corporate Governance Section).

In addition, the Investors Relations area frequently provides services to shareholders, investors and analysts by phone, e-mail, and at its headquarters.

questionnaire. This year, the index listed 51 shares from 40 different companies, belonging to 19 sectors of the economy.

Renowned as a national reference and an encouragement to good practices, the ISE seeks to maintain a portfolio that is composed by stocks issued by companies highly committed to corporate

Companies are selected from among responsibility in all its dimensions.  
BM&Fbovespa's 200 most actively traded shares in  
terms of liquidity, after completing a

- Economic and Financial Analysis Report – December 2014

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## **Sustainability**

### **Participation in the fourth Annual Meeting of UNEP FI Bank Commission**

Bradesco participated in the fourth Annual Meeting of the Bank Commission, promoted by the United Nations Environmental Program Financial Initiative (UNEP FI). The initiative gathers more than 200 financial institutions, including banks, insurance companies and fund managers, who study the impact of social and

environmental considerations on financial performance. Among the topics discussed at the October 2014 meeting held in Geneva, Switzerland, was “Conducting Positive Impacts — how banks can increase their positive contribution to society and the environment.”

### **Participation at COP 20, in Lima**

In December 2014, Bradesco integrated the Brazilian delegation at the United Nations Climate Change Conference (COP 20), held in Lima, Peru. At the occasion, 195 countries approved the

draft of an agreement to reduce greenhouse gas emissions, laying the groundwork for a probable global pact at COP 21, in Paris, in 2015.

Bradesco \_\_\_\_\_

Return to Shareholders**Bradesco Shares****Number of Shares – Common and Preferred Shares<sup>(1)</sup>**

	<b>Dec14</b>	<b>Sept14</b>	<b>In thousands Dec13</b>
Common Shares	2,100,738	2,100,738	2,100,738
Preferred Shares	2,094,652	2,094,652	2,095,771
<b>Subtotal – Outstanding Shares</b>	<b>4,195,391</b>	<b>4,195,391</b>	<b>4,196,509</b>
Treasury Shares	11,883	11,883	10,765
<b>Total</b>	<b>4,207,274</b>	<b>4,207,274</b>	<b>4,207,274</b>

(1) Excluding bonuses and stock splits during the periods.

On December 31, 2014, Bradesco's Capital Stock stood at R\$ 38.1 billion, composed of 4,207,274 thousand shares, made up of 2,103,637 thousand common shares and 2,103,637 thousand preferred shares. The largest shareholder is the holding company Cidade de Deus Cia. Comercial de Participações, which directly holds 48.7% of voting capital and 24.4% of total capital.

Cidade de Deus Cia. Comercial de Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações S.A., which is in turn controlled by Fundação Bradesco and BBD Participações S.A., whose shareholders are the majority of Bradesco's Board of Directors, Statutory Board of Executive Officers and management-level employees.

**Number of Shareholders – Domiciled in Brazil and Abroad**

	<b>Dec14</b>	<b>%</b>	<b>Ownership of Capital (%)</b>	<b>Dec13</b>	<b>%</b>	<b>Ownership of Capital (%)</b>
Individuals	321,387	89.7	21.8	327,289	89.8	20.0
Companies	35,926	10.0	45.3	36,144	9.9	48.5
<b>Subtotal Domiciled in Brazil</b>	<b>357,313</b>	<b>99.7</b>	<b>67.1</b>	<b>363,433</b>	<b>99.7</b>	<b>68.5</b>
Domiciled Abroad	1,209	0.3	32.9	1,023	0.3	31.5
<b>Total</b>	<b>358,522</b>	<b>100.0</b>	<b>100.0</b>	<b>364,456</b>	<b>100.0</b>	<b>100.0</b>

Regarding Bradesco's shareholders, residing either in Brazil or abroad, there were 357,313 shareholders domiciled in Brazil on December 31, 2014, accounting for 99.7% of all

shareholders and 67.1% of shares. The number of shareholders residing abroad was 1,209, accounting for 0.3% of the total number of shareholders and 32.9% of shares.



Return to Shareholders

## **Bradesco Shares**

### **Average Daily Trading Volume of Shares**

Bradesco shares are traded on BM&FBovespa (São Paulo) and on the New York Stock Exchange (NYSE). Since November 21, 2001, Bradesco trades its ADRs backed by preferred shares on NYSE. As of March 13, 2012, it has also traded ADRs backed by common shares.

In 2014, the average daily trading volume of our shares reached R\$ 622 million, the highest number in the series below. Compared to the previous year, the average volume daily traded rose up 17.1%, due to the higher trading volume of our ADRs backed by preferred shares on the NYSE.

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Return to Shareholders**Bradesco Shares****Appreciation of Preferred Shares - BBDC4**

The graph shows the change in Bradesco's preferred shares, taking into account the reinvestment of dividends, compared to the Ibovespa and the Interbank Deposit Rate (CDI). If by late December 2001 R\$ 100 were invested,

Bradesco's shares would be worth approximately R\$ 1,160 by December 2014, which is a substantially higher appreciation compared to that presented by Ibovespa and CDI within the same period.

**Share and ADR Performance<sup>(1)</sup>**

	In R\$ (unless otherwise stated)					
	4Q14	3Q14	Variation %	12M14	12M13	Variation %
Adjusted Net Income per Share	0.99	0.94	5.3	3.66	2.91	25.8
Dividends/Interest on Shareholders' Equity – Common Share (after Income Tax)	0.27	0.26	3.8	1.02	0.82	24.4
Dividends/Interest on Shareholders' Equity – Preferred Share (after Income Tax)	0.30	0.29	3.4	1.13	0.90	25.6

	In R\$ (unless otherwise stated)					
	Dec14	Sept14	Variation %	Dec14	Dec13	Variation %
Book Value per Common and Preferred Share	19.43	18.89	2.9	19.43	16.90	15.0
Last Trading Day Price – Common Shares	34.32	35.00	(1.9)	34.32	31.95	7.4
Last Trading Day Price – Preferred Shares	35.06	34.84	0.6	35.06	29.09	20.5
Last Trading Day Price – ADR ON (US\$)	12.93	14.32	(9.7)	12.93	14.05	(8.0)
Last Trading Day Price – ADR PN (US\$)	13.37	14.25	(6.2)	13.37	12.53	6.7
Market Capitalization (R\$ million) <sup>(2)</sup>	145,536	146,504	(0.7)	145,536	128,085	13.6

(1) Adjusted for corporate events in the periods; and

(2) Number of shares (excluding treasury shares) vs. closing price for common and preferred shares on the last trading day of the period.



[Return to Shareholders](#)**Bradesco Shares****Recommendation of Market Analysts – Target Price**

Market analysts issue periodical recommendations on Bradesco preferred shares (BBDC4). In January 2015, we analyzed 9 reports prepared by these

analysts. Their recommendations and a general consensus on the target price for December 2015 can be found below:

<b>Recommendations</b>		<b>Target Price in R\$ for Dec15</b>	
	<b>%</b>		
Buy	55.6	Average	42.9
Keep	44.4	Standard Deviation	3.1
Sell	-	Higher	48.0
Under Analysis	-	Lower	38.0

For more information on target price and recommendation by each market analyst that monitors the performance of Bradesco shares, go

to our Shareholder Relationship website at: [www.bradescori.com.br](http://www.bradescori.com.br) > Information to Shareholders > Analysts' Consensus.

**Market Capitalization**

On December 31, 2014, Bradesco's market value, considering the closing prices of Common and Preferred shares, was R\$ 145.5 billion, a growth of

13.6% compared to December 31, 2013. It should be mentioned that, in the same period, Ibovespa recorded a 2.9% drop.

[Bradesco](#)

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Return to Shareholders

**Main Indicators**

**Price/Earnings Ratio<sup>(1)</sup>:** indicates a possible number of years within which the investor would recover the capital invested, based on the closing prices of common and preferred shares.

**Price/Book Ratio:** indicates the multiple by which Bradesco's market capitalization exceeds its book value.

**Dividend Yield <sup>(1)</sup> <sup>(2)</sup>:**the ratio between share price and dividends and/or interest on shareholders' equity paid to shareholders in the last 12 months, which indicates the return on investment represented by the allocation of net income.

- Economic and Financial Analysis Report – December 2014

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**Dividends/Interest on Shareholders' Equity**

In 2014, R\$ 5,055 million were assigned to shareholders as interest on shareholders' equity (JCP) and dividends. In 2014, the total JCP and Dividends assigned to shareholders accounted for

35.3% of the net income for the fiscal year and, considering the income tax deduction and JCP assignments, it was equivalent to 31.5% of the net income.

(1) In the last 12 months.

**Weight on Main Stock Indexes**

Bradesco shares are listed in Brazil's main stock indexes, including IBrX-50 and IBrX-100 (indexes that measures the total return of a theoretical portfolio composed of 50 and 100 shares, selected from among the most traded shares on BM&FBovespa), IBrA (Broad Brazil Index), IFNC (Financial Index, composed of banks, insurance companies and financial institutions), ISE (Corporate Sustainability Index), IGCX (Special Corporate Governance Stock Index), IGCT (Corporate Governance Trade Index), ITAG (Special Tag-Along Stock Index),

ICO2 (index composed of shares of companies listed in the IBrX-50 index and that accepted to take part in this initiative by adopting transparent greenhouse gas emission practices) and the Mid-Large Cap Index – MLCX (which measures the return of a portfolio composed of the highest capitalization companies listed).

Abroad, Bradesco shares are listed on the Dow Jones Sustainability World Index of the NYSE, and on the FTSE Latibex Brazil Index of the Madrid Stock Exchange.

	<b>Dec14</b>	<b>ln % (1)</b>
Ibovespa		10.0
IBrX-50		10.7
IBrX-100		9.4
IBrA		9.0
IFNC		20.7
ISE		5.1
IGCX		6.9
IGCT		11.0
ITAG		12.2
ICO2		15.2
MLCX		10.0

(1) Represents Bradesco's weight on the portfolio of main Brazilian stock market indexes.



Return to Shareholders

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Economic and Financial Analysis Report – December 2014

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Additional Information**Market Share of Products and Services**

Market shares held by the Organization in the Banking and Insurance industries and in the Customer Service Network are presented below.

	Dec14	Sept14	Dec13	Sept13
<b>Banks – Source : Brazilian Central Bank (Bacen)</b>				
Demand Deposits	N/A	13.8	16.4	17.1
Savings Deposits	N/A	13.5	13.4	13.4
Time Deposits	N/A	10.0	10.8	11.2
Loan Operations	10.2 <sup>(1)</sup>	10.4	10.7	10.9
Loan Operations - Private Institutions	22.1 <sup>(1)</sup>	22.2	21.9	22.1
Loan Operations - Vehicles Individuals (CDC + Leasing)	13.3 <sup>(1)</sup>	13.3	13.6	13.9
Payroll-Deductible Loans	11.8 <sup>(1)</sup>	11.9	12.1	12.0
Number of Branches	20.4	20.6	20.7	21.0
<b>Banks – Source : Social Security National Institute (INSS)/Dataprev</b>				
Benefit Payment to Retirees and Pensioners	N/A	26.3	25.7	25.4
<b>Banks – Source : Anbima</b>				
Managed Investment Funds and Portfolios	18.8	19.0	18.1	18.3
<b>Insurance, Pension Plans and Capitalization Bonds – Source: Insurance Superintendence (Susep) and National Agency for Supplementary Healthcare (ANS)</b>				
Insurance, Pension Plan and Capitalization Bond Premiums	24.0 <sup>(2)</sup>	23.3	24.2	23.8
Insurance Premiums (including Long-Term Life Insurance - VGBL)	23.5 <sup>(2)</sup>	22.7	23.9	23.6
Life Insurance and Personal Accident Premiums	17.6 <sup>(2)</sup>	17.7	17.0	16.9
Auto/Basic Lines Insurance Premiums	10.2 <sup>(2)</sup>	10.6	8.8	9.1
Auto/Optional Third-Party Liability (RCF) Insurance Premiums	13.6 <sup>(2)</sup>	13.0	10.9	10.6
Health Insurance Premiums	45.9 <sup>(2)</sup>	45.8	46.0	45.6
Income from Pension Plan Contributions (excluding VGBL)	31.4 <sup>(2)</sup>	31.5	31.2	31.2
Capitalization Bond Income	24.7 <sup>(2)</sup>	24.3	22.1	21.8
Technical Reserves for Insurance, Pension Plans and Capitalization Bonds	27.3 <sup>(2)</sup>	27.4	29.1	29.1
<b>Insurance and Pension Plans – Source: National Federation of Life and Pension Plans (Fenaprevi)</b>				
Income from VGBL Premiums	25.0 <sup>(2)</sup>	24.4	29.5	28.8
Income from Unrestricted Benefits Generating Plans (PGBL) Contributions	24.4 <sup>(2)</sup>	24.1	25.4	25.7
Pension Plan Investment Portfolios (including VGBL)	30.4 <sup>(2)</sup>	30.5	31.5	32.3
<b>Leasing – Source: Brazilian Association of Leasing Companies (ABEL)</b>				
Lending Operations	19.4 <sup>(2)</sup>	19.4	19.7	19.7
<b>Consortia – Source: Bacen</b>				
Real Estate	28.1 <sup>(2)</sup>	27.1	30.7	30.5
Auto	27.6 <sup>(2)</sup>	27.1	28.6	27.8
Trucks, Tractors and Agricultural Implements	18.7 <sup>(2)</sup>	17.9	20.4	18.8
<b>International Area – Source: Bacen</b>				
Export Market	17.3	18.1	18.1	18.1

Import Market	13.0	13.6	15.6	15.8
<b>Digital Channels - Source: Bacen</b>				
Internet, Home and Office Banking	N/A	N/A	24,4	N/A
ATM	N/A	N/A	19,6	N/A
Customer Service Centers	N/A	N/A	30,6	N/A
Mobile Phones and Personal Digital Assistants (PDAs)	N/A	N/A	38,1	N/A

(1) SFN data is preliminary; and

(2) Reference Date: Nov/14.

N/A – Not Available.

- Economic and Financial Analysis Report – December 2014

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Additional Information**Market Share of Products and Services****Branch Network**

Region	Dec14		Market Share	Dec13		Market Share
	Bradesco	Market		Bradesco	Market	
North	276	1,129	24.4%	278	1,099	25.3%
Northeast	844	3,621	23.3%	847	3,570	23.7%
Midwest	345	1,819	19.0%	346	1,793	19.3%
Southeast	2,421	11,898	20.3%	2,423	11,815	20.5%
South	773	4,320	17.9%	780	4,307	18.1%
<b>Total</b>	<b>4,659</b>	<b>22,787</b>	<b>20.4%</b>	<b>4,674</b>	<b>22,584</b>	<b>20.7%</b>

**Reserve Requirements**

%	Dec14	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13	Mar13
<b>Demand Deposits</b>								
Rate <sup>(1)</sup>	45	45	45	44	44	44	44	44
Additional <sup>(2)</sup>	-	-	-	-	-	-	-	-
Reserve Requirements <sup>(3)</sup>	34	34	34	34	34	34	34	34
Reserve Requirements (Microfinance)	2	2	2	2	2	2	2	2
Free	19	19	19	20	20	20	20	20
<b>Savings Deposits</b>								
Rate <sup>(4)</sup>	20	20	20	20	20	20	20	20
Additional <sup>(2)</sup>	10	10	10	10	10	10	10	10
Reserve Requirements	65	65	65	65	65	65	65	65
Free	5	5	5	5	5	5	5	5
<b>Time Deposits</b>								
Rate <sup>(2)</sup>	20	20	20	20	20	20	20	20
Additional <sup>(2)</sup>	11	11	11	11	11	11	11	11
Free	69	69	69	69	69	69	69	69

(1) Collected in cash and not remunerated;

(2) Collected in cash with the Special Clearance and Custody System (Selic) rate;

(3) At Bradesco, reserve requirements are applied to Rural Loans; and

(4) Collected in cash with the Reference Interest Rate (TR) + interest of 6.17% p.a. for deposits made until 05/03/12, and TR + 70% of the Selic rate for deposits made as of 05/04/12, when the Selic rate is equal to or lower than 8.5% p.a.

Note: On 7/24/2014, the Central Bank issued Circular Letter N°3712/14, allowing the use of certain credit transactions in the reduction of Reserve Requirements.

Bradesco    \_\_\_

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Additional Information

**Investments in Infrastructure, Information Technology and Telecommunications**

Bradesco is widely regarded as a pioneer in the Brazilian banking industry, continuously providing innovative solutions to its customers. One such example of this entrepreneurial attitude was the launch of the ATM that takes cash deposits and immediately credits the customer's account. These pioneering initiatives are made possible by Bradesco's investment in the constant integration of its IT teams with the Organization's business areas and strategic technology suppliers.

Bradesco was recognized by The Banker magazine in its *Technology Projects of The Year 2014* awards, which lists the most outstanding companies in technological innovation. Bradesco was featured in the "Social Media" category for its Facebook page for F.Banking Bradesco. Using this social network, customers can apply for personal loans, make investments, and access other services such as checking account balance, pension statements, and credit lines, pay utility bills and payment slips and buy mobile phone credits.

In November 2014, the Bank launched the new film for its communication platform, Bradesco Next. The platform gathers information about the innovations developed by Bradesco in a single environment, such as: biometrics system, online financial consulting, Bradesco Celular, geolocation service, check deposit and b.wallet, among other services which are available to its customers.

We have implemented the "EI! - Efficiency and Innovation" program to field employees' suggestions, as part of our goal of valuing and stimulating creativity and interactivity in the Organization. This initiative contributes to increasing the quality and productivity of our businesses, and to the

In addition, we launched a nationwide campaign, "InovaBra", aimed at encouraging and discovering innovative startup projects that can be adapted to the financial products and services industry. Up to a dozen early-stage companies will be selected to develop a ground-breaking product or service for the industry and to integrate its technology with that of Bradesco. The startups that are able to come up with successful solutions will earn a contract with Bradesco, thus entering the market with a major company in its list of clients. The program has exceeded all expectations, with 553 applications submitted from around the country.

Systems Architecture closes the year with a 92.1% growth, showing significant improvement in the sale of assets. This quarter, we highlight the deployment of the "CDC" (direct consumer credit) and "personal loan" products, and pilot projects include "Restrictions" and "Liens". Robust and thorough, Systems Architecture relies on security and speed to support the magnitude of our continuously expanding operations, preparing Bradesco for the next few decades.

As a process of continuous improvement, the Bradesco expanded its Data Center infrastructure resources, with the addition of new uninterruptible power equipment and electrical panels. We implemented sustainability actions with economy and cost reduction in the IT area, with procedures to reuse water from air conditioning condensation systems and using reuse water in our Data Centers. We upgraded our Net Empresa (Internet Banking for Corporate Customers) environment, improving performance and providing greater speed and agility in customer service. Works are also underway to expand the capacity of data

continuous improvement of processes, elimination of waste, problem-solving and the development of partnerships.

Bradesco customers who use Bradesco Celular are now able to enjoy one of our latest innovations. Initially available to Bradesco Prime customers, the Touch ID feature available on some smartphones will now be integrated into our mobile banking service, thus providing faster access to the platform by eliminating the need for a password. We have now also added the List of Beneficiaries for transfers between accounts to this platform, providing customers with the same convenience available in our Internet Banking.

transmission network of at Branches and Service Branches (PAs) (work has already been concluded at 808 Branches and 1,267 Service Branches).

As a prerequisite for its continuous expansion, Bradesco has invested R\$ 4,998 million in Infrastructure, Information Technology and Telecommunications in 2014. The total amount invested over recent years, including infrastructure (facilities, restorations, improvements, furniture and fixtures), can be found below:

- Economic and Financial Analysis Report – December 2014

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Additional Information**Investments in Infrastructure, Information Technology and Telecommunications**

	2014	2013	2012	2011	R\$ million 2010
Infrastructure	1,049	501	718	1,087	716
Information Technology and Telecommunications	3,949	4,341	3,690	3,241	3,204
<b>Total</b>	<b>4,998</b>	<b>4,842</b>	<b>4,408</b>	<b>4,328</b>	<b>3,920</b>

**Risk Management**

Risk management activity is highly strategic due to the increasing complexity of services and products and the globalization of the Organization's business. The dynamic aspect of markets forces Bradesco to engage in continuous improvement of this activity in pursuit of best practices. That has allowed Bradesco to use its internal market risk models, which were already in force, to calculate regulatory capital, since January 2013.

The Organization controls risk management in an integrated and independent manner, preserving and valuing the Board's decisions, developing and implementing methodologies, models, and measurement and control tools. It also provides

training to employees from all Organization levels, from business areas to the Board of Directors.

The management process allows the risks to be proactively identified, measured, mitigated, monitored and reported, which is necessary in view of the Organization's complex financial products and activity profile.

Detailed information on the risk management process, Capital, as well as the Organization's risk exposure, can be found in the Risk Management Report, available on the Investor Relations website: [www.bradescori.com.br](http://www.bradescori.com.br).

Bradesco

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Additional Information

**Capital Management**

The Capital Management structure aims to providing conditions for capital monitoring and control, contributing to the achievement of goals set in the strategic objectives defined by the Organization, through an adequate capital sufficiency planning. This structure is comprised of Executive Committees and one Non-Statutory Committee, which assist the Board of Directors and Board of Executive Officers in the decision-making process.

In addition to the Committee structure, the Organization has a department responsible for the capital management centralization, named Capital Management and Internal Capital Adequacy Assessment Process (ICAAP), subordinated to the Department of Planning, Budget and Control, which acts jointly with the Integrated Risk Control Department, associated companies, business areas and the Organization's supporting areas.

The capital plan is devised on an annual basis and approved by the Board of Executive Officers and Board of Directors. It is also aligned with the strategic plan and encompasses a prospective

outlook of at least three years. The process of developing this plan considers threats and opportunities, market share and development goals, capital requirement projections based on risks, as well as capital held by the Organization. Such projections are constantly monitored and controlled by the capital management area.

With the implementation of the capital management structure, an internal process has been established to assess capital adequacy (ICAAP), which provides conditions to assess capital sufficiency in accordance with the base and stress scenarios, in a prospective outlook to identify capital and contingency actions to be taken in the respective scenarios. Capital adequacy and sufficiency information represent essential tools to manage and support the decision-making process.

Additional information on the capital management structure is available in the Risk Management Report – Pillar 3, and in the 2013 Annual Report, on the Investor Relations website:  
[www.bradescom.br](http://www.bradescom.br)

Economic and Financial Analysis Report – December 2014



**Capital Adequacy Ratio**

The implementation of the new capital structure in Brazil began in October 2013. Through the CMN Resolution N<sup>o</sup> 4192/13, Bacen provided a new methodology to assess Capital, replacing CMN Resolution N<sup>o</sup> 3444/07.

Considering that such methodology entails the introduction of new adjustments, we have adapted the historical series, stated in periods, for the transition from Basel II to Basel III.

It is important to note that indexes published by September 2013 were kept, but cannot be compared due to the current resolution's criteria.

In December 2014, Capital amounted to R\$ 98,605 million, against risk-weighted assets totaling R\$ 597.213 million. The Capital Adequacy Ratio recorded a 0.2 p.p. growth when compared to the previous quarter, going from 16.3% in September 2014 to 16.5% in December 2014, which is basically a result of: (i) an increase in shareholders' equity, due to the growth in income recorded in the quarter; (ii) the effect of reallocation of Insurance Group funds, which had a positive impacted on prudential adjustments; partially offset by: (iii) the increase in risk-weighted assets, caused by the expansion of the loan portfolio.

Calculation Basis	R\$ million									
	Basel III <sup>(1)</sup>					Basel II				
	Financial Consolidated					Economic-Financial Consolidated				
	Dec14	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13	Mar13	Dec12	
<b>Capital</b>	<b>98,605</b>	<b>95,825</b>	<b>94,090</b>	<b>92,235</b>	<b>95,804</b>	<b>93,064</b>	<b>92,629</b>	<b>96,721</b>	<b>96,933</b>	
<b>Tier I</b>	<b>77,199</b>	<b>74,127</b>	<b>71,892</b>	<b>69,934</b>	<b>70,808</b>	<b>71,830</b>	<b>69,868</b>	<b>67,980</b>	<b>66,066</b>	
<b>Common Equity</b>	<b>77,199</b>	<b>74,127</b>	<b>71,892</b>	<b>69,934</b>	<b>70,808</b>	<b>71,830</b>	<b>69,868</b>	<b>67,980</b>	<b>66,066</b>	
Shareholders' Equity	81,508	79,242	76,800	73,326	70,940	67,033	66,028	69,442	70,047	
Prudential Adjustments provided for in CMN Resolution 4192/13 <sup>(2)</sup>	(4,309)	(5,115)	(4,908)	(3,392)	(132)	-	-	-	-	
Adjustments Provided for in CMN Resolution 3444/07	-	-	-	-	-	4,797	3,840	(1,462)	(3,981)	
<b>Tier II</b>	<b>21,406</b>	<b>21,698</b>	<b>22,198</b>	<b>22,301</b>	<b>24,996</b>	<b>21,234</b>	<b>22,761</b>	<b>28,741</b>	<b>30,867</b>	
Mark-to-Market Adjustments Subordinated Debt <sup>(3)</sup>	-	-	-	-	-	(4,508)	(3,593)	1,732	4,229	
<b>Risk-Weighted Assets (RWA)</b>	<b>597,213</b>	<b>588,752</b>	<b>596,457</b>	<b>585,991</b>	<b>576,777</b>	<b>566,797</b>	<b>603,541</b>	<b>621,030</b>	<b>600,520</b>	
Credit Risk	544,798	534,165	548,600	534,885	526,108	482,336	479,217	494,015	503,136	
Operating Risk	30,980	30,980	29,853	29,853	23,335	33,100	30,494	30,494	31,197	
Market Risk	21,435	23,607	18,004	21,253	27,334	51,361	93,831	96,522	66,188	
<b>Total Ratio <sup>(4)</sup></b>	<b>16.5%</b>	<b>16.3%</b>	<b>15.8%</b>	<b>15.7%</b>	<b>16.6%</b>	<b>16.4%</b>	<b>15.4%</b>	<b>15.6%</b>	<b>16.1%</b>	
<b>Tier I Capital</b>	<b>12.9%</b>	<b>12.6%</b>	<b>12.1%</b>	<b>11.9%</b>	<b>12.3%</b>	<b>12.7%</b>	<b>11.6%</b>	<b>11.0%</b>	<b>11.0%</b>	

<b>Common Equity</b>	<b>12.9%</b>	<b>12.6%</b>	<b>12.1%</b>	<b>11.9%</b>	<b>12.3%</b>	-	-	-	-
<b>Capital Nível II</b>	<b>3.6%</b>	<b>3.7%</b>	<b>3.7%</b>	<b>3.8%</b>	<b>4.3%</b>	<b>3.7%</b>	<b>3.8%</b>	<b>4.6%</b>	<b>5.1%</b>

(1) Since October 2013, capital is calculated as per CMN Resolution No. 4192/13, which establishes that calculation is based on the “Financial Consolidated” by December 2014 and “Prudential Consolidated” as of January 2015;

(2) The prudential adjustments are progressive deductions that are already being applied on the main capital and will follow the implementation schedule, as provided by CMN Resolution N°4192/13. The impact of these adjustments in the Main Capital deduction was 0% in 2013, 20% in 2014, and will be 40% in 2015, 60% in 2016, 80% in 2017 and 100% in 2018;

(3) In addition, it is worth noting that, from the total amount of subordinated debt, R\$ 21,406 million will be used to compose the Tier II of the Capital Adequacy Ratio, calculated as per CMN Resolution N°4192/13 (including amendments thereof), effective as of October 2013; and

(4) Since October 2013, the Capital Adequacy Ratio calculation follows regulatory guidelines set forth in CMN Resolutions N°4192/13 and 4193/13.

Bradesco \_\_\_\_\_

\_\_\_\_ Additional Information

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- Economic and Financial Analysis Report – December 2014

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Independent Auditors' Report

**Independent Reasonable Assurance Report on the supplementary accounting information included within the Economic and Financial Analysis Report**

To

The Directors of

Banco Bradesco S.A.

Osasco – SP

**Introduction**

We were engaged by Banco Bradesco S.A. ("Bradesco") to report on the supplementary accounting information of Banco Bradesco S.A. for the year ended as at December 31, 2014, in the form of reasonable assurance conclusion that based on our work, described within this report, the supplementary accounting information included within the Economic and Financial Analysis Report is presented, in all material respects, based on the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

**Responsibilities of the Management of Bradesco**

Management is responsible for preparing and adequately presenting the supplementary accounting information included within the Economic and Financial Analysis Report based on the criteria for the preparation of the supplementary accounting information described below, and for other information contained within this report, as well as the design, implementation and maintenance of internal controls that management determines are necessary to allow for such information that is free from material misstatement, whether due to fraud or error.

**Independent Auditor's Responsibility**

Our responsibility is to examine the supplementary accounting information included within the Economic and Financial Analysis Report prepared by Bradesco and to report thereon in the form of a reasonable assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the NBC TO 3000 - Assurance Engagement Other than Audit and Review (ISAE 3000). That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain reasonable assurance about whether the supplementary accounting information included within the Economic and Financial Analysis Report is presented, in all material respects, to the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

The procedures selected were based on our judgment, including the assessment of risks of material misstatement in the supplementary accounting information of Banco Bradesco S.A. whether due to fraud or error; however, this does not include the search and identification of fraud or error.

In making those risk assessments, we have considered internal controls relevant to the preparation and presentation of supplementary accounting information in order to design assurance procedures that are appropriate in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of Bradesco's internal control over the preparation and presentation of the supplementary accounting information. Our engagement also includes the assessment of the appropriateness of the reasonableness of the supplementary accounting information, the suitability of the criteria used by Bradesco in preparing the supplementary accounting information within the Economic and Financial Analysis Report in the circumstances of the engagement, evaluating the appropriateness of the procedures used in the preparation of the supplementary accounting information and the reasonableness of estimates made by Bradesco and evaluating the overall presentation of the supplementary accounting information. Reasonable assurance is less than absolute assurance.

Our conclusion does not contemplate aspects related to any prospective information contained within the Economic and Financial Analysis Report, nor offers any guarantee if the assumptions used by Management provide a reasonable basis for the projections presented. Therefore, our report does not offer any type of assurance on the scope of future information (such as goals, expectations and ambitions) and descriptive information that is subject to subjective assessment.

- Report on Economic and Financial Analysis – December 2014

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**Independent Reasonable Assurance Report on the supplementary accounting information included within the Economic and Financial Analysis Report**

**Criteria for preparing the supplementary accounting information**

The supplementary accounting information disclosed within the Economic and Financial Analysis Report, for the year ended December 31, 2014 has been prepared by the Management of Bradesco, based on the information contained in the consolidated financial statements on December 31, 2014 and the criteria described within the Economic and Financial Analysis Report, in order to facilitate additional analysis, without, however, being part of the consolidated financial statements disclosed on that date

**Conclusion**

Our conclusion has been formed on the basis of, and is limited to, the matters outlined in this report.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. In our opinion, the supplementary accounting information included within the Economic and Financial Analysis Report is presented, in all material respects, in accordance with the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

Osasco, January 28, 2015

*Original report in Portuguese signed by*

KPMG Auditores Independentes

CRC 2SP028567/O-1 F SP

Cláudio Rogélio Sertório

Accountant CRC 1SP212059/O-0

Bradesco \_ \_





Independent Auditors' Report

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Report on Economic and Financial Analysis – December 2014

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

***Message to Shareholders***

Dear Shareholders,

In 2014, Brazil experienced yet another moment in its well-established democracy, promoting elections that generated great interest from the general public – who were drawn by the strength of the campaigns and a fierce contest at the polls. Now, economic officials face the task of revisiting projections and strategies, setting the groundwork for changes that can lead the country towards a leap in development.

The Bradesco Organization believes there are reasons to feel optimistic about the future of Brazil. In this context, we hope that domestic economic policy and external factors, such as the recovery of the US economy and the recovery efforts of the economies pegged to the Euro, can create growth opportunities in the country.

At Bradesco, among the most significant events of this past year, we should emphasize our permanence in the select group of companies in the BM&FBovespa's ISE (Corporate Sustainability Index), and the Dow Jones Sustainability Index, of the New York Stock Exchange, which it comprises for the ninth consecutive year; the launch of the payment solutions company Stelo S.A., as well as that of LIVELO S.A., which will take care of business related to a coalition loyalty program – both in conjunction with Banco do Brasil. Also worth mentioning were the opening of the second Fluvial

The Bradesco Organization maintains its commitment to corporate sustainability, seeking to integrate its basic principles to its global strategic planning. Among its social initiatives, we should highlight the work developed by the Bradesco Foundation, which offers free and high-quality education. The foundation focuses its work on regions that face greater educational and healthcare shortages in the country, with a network of 40 schools that constitute one of the largest socio-educational programs promoted by the private sector on a global scale.

The strength of the Bradesco brand will remain a powerful ally in the continuous effort of earning and maintaining market positions, and it is boosted by the competent and loyal dedication of its directors and employees, to whom we express our gratitude. We also wish to thank our customers and shareholders for the trust which has allowed us to stand apart from the competition.

Service Station on the Solimões River, serving 11 riverside towns along a 1,600-km extension of the river, and the establishment of the first branch in Vila Kennedy, a community in the west side of Rio de Janeiro, aimed at the financial inclusion of approximately 130 thousand residents.

Regarding the numbers for the fiscal year, our Book Net Income reached R\$ 15.089 billion, an increase of 25.6% over the previous year; broken down, R\$ 10.683 billion derived from financial activities (70.8% of the total), and R\$ 4.406 billion were generated from insurance, pension plans and capitalization (29.2%). Despite the incredible volatility that characterized the stock market in the fourth quarter, the Bank's market value reached R\$ 145.536 billion, representing 1.8 times the Book Value on 12.31.2014. A total of R\$ 5.055 billion, or 31.5% of the Adjusted Net Income were paid to shareholders as Dividends and Interest on Shareholders' Equity.

As it celebrates 71 years of existence, Bradesco boasts a strong balance sheet position that confirms the success of the strategies applied, which in turn are consistent with the choice of retail banking as our flagship product line for the goals democratization of credit and banking inclusion. Our market performance is the result of the instrumentality of an extensive and well-distributed Service Network and of our digital channels. This wide range of options is made possible by a constant and robust investment in infrastructure and especially in technology, which positions Bradesco at the forefront of banking technology.

Cidade de Deus, January 28, 2015

**Lázaro de Mello Brandão**  
**Chairman of the Board of Directors**

Economic and Financial Analysis Report – December 2014

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

### **Management Report**

We hereby present the consolidated financial statements of Banco Bradesco S.A., for the fiscal year ended December 31, 2014, prepared in accordance with the accounting practices adopted in Brazil and applicable to institutions authorized to operate by the Brazilian Central Bank.

The year of 2015 should prove to be a challenging one for emerging countries, given the beginning of normalization of US monetary policy and a slowdown in growth for China. This scenario also provides a unique opportunity and stimulus for these nations to move forward in the process of improving their economic fundamentals.

As for Brazil, the new course of its economic policies, in particular its fiscal policy, should play a major role in the country's response to these external challenges. At the same time, an indication to this effect is likely critical to make the stakeholders more confident in the economy, mitigating the effects of the adjustments that are expected to be made in the next year.

Bradesco remains optimistic about Brazil, and holds positive expectations for the segments in which it operates. The volume of credit is likely to grow at rates that are sustainable and compatible with risk. Due to the intense and ongoing upward social mobility of recent years, the scenario for the

- **on July 17, Bradesco and the major retail Banks in the country signed a new Shareholders' Agreement for TecBan – Banking Technology S.A.**, which provides that, in approximately 4 years, their external networks of Self-Service Terminals will be consolidated into Banco24Horas terminals;
- **on July 28 Bradesco formalized a strategic partnership with IBM Brasil – Indústria Máquinas e Serviços Ltda.**, which will provide hardware and software support and maintenance activities, currently provided by Scopus Tecnologia Ltda. IBM will take over the operational structure from Scopus, and all support and maintenance contracts signed between Scopus and its other clients;
- **on August 4, the opening of the first branch in Vila Kennedy**, a community located in the west side of the city of Rio de Janeiro, allowing the financial inclusion of approximately 130 thousand residents;
- **on September 12, for the ninth consecutive year, Bradesco was selected to comprise the Dow Jones Sustainability Index – DJSI** of the New York Stock Exchange, as part of the Dow Jones Sustainability World Index and Dow Jones Sustainability Emerging Markets Index; **on November 27, it was once again selected to**

banking and insurance sectors remains highly favorable.

The following are some of the most noteworthy events involving the Bradesco Organization over the past year:

- **on April 17 Bradesco and Banco do Brasil launched Stelo S.A.**, a payment solutions company that manages, operates and explores the payment facilitator segment for e-commerce and digital portfolio business; **on May 14, they formed LIVELO S.A.**, whose purpose will be to explore businesses related to coalition loyalty program, allowing the client to accumulate and redeem points in various partners;
- **on May 27 the second Fluvial Service Station was inaugurated aboard the ship Voyager V, in the Solimões River in the Amazon.** The new ship serves approximately 50 communities and 11 cities, covering a stretch of around 1,600 kilometers between Manaus and Tabatinga and bringing banking services that make life easier at these riverside communities;
- **on July 7, Bradesco was issued the Quality Certificate issued by IIA – Institute of Internal Auditors**, an entity present in more than 130 countries, empowered to assess and grant the Quality Certificate to internal audits. The certificate is the recognition that Bradesco has an internal audit structure that is prepared to act independently in all its dimensions, with emphasis on best practices for Risk Assessment and for the effectiveness of Internal Controls;

**comprise the Corporate Sustainability Index (ISE)** of BM&FBOVESPA, which reflects the return of a portfolio composed of shares of the companies with the best performance in the ISE indicators; and

- **on September 15, it earned the RA1000 Reclame AQUÍ**, as the first bank to be awarded the RA1000, the maximum seal of quality for handling complaints made to the website Reclame AQUÍ.

## 1. Results for the Year

The Organization's results and return to shareholders for 2014 were in line with the organization's strategies. A detailed analysis of these figures can be found in the Economic and Financial Analysis Report, available at [bradesco.com.br/ri](http://bradesco.com.br/ri).

R\$ 15.089 billion in book Net Income for the fiscal year, equivalent to R\$ 3.60 per share and profitability of 19.8% over the average Shareholders' Equity<sup>(\*)</sup>. The return on Average Total Assets was 1.6%.

R\$ 5.055 billion allocated to shareholders as monthly, intermediary and complementary Interest on Shareholders' Equity, and as Dividends, computed in the calculation of mandatory dividends. As a result, each common share was attributed R\$ 1.26 (R\$ 1.13 net of Income Tax), including the additional 10% for each preferred share, and R\$ 1.15 (R\$ 1.03 net of Income Tax). Interest and dividends paid represent 35.3% (31.5% net of Income Tax) of the adjusted profit for the year.



Bradesco

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## ***Management Report***

### **Taxes and Contributions**

For the year, Bradesco collected a significant amount of its results in taxes, in direct proportion to its activities.

R\$ 13.323 billion in own taxes and social security contributions, paid or provisioned.

R\$ 10.902 billion in taxes withheld and collected from third parties, equivalent to financial intermediation.

Overall, R\$ 24.225 billion in taxes and contributions originated from, or circulated in, the Organization.

## **2. Corporate Strategy**

In 2015, emerging countries are expected to face a global economic scenario marked by the recovery of the United States economy, by China's slowing growth – although its index should remain among the highest in the world – and by dropping oil prices, which, excluding oil-producing countries, will have

Overseas, it maintains a presence in strategic markets, where it provides support to customers who reside outside the country, as well as to investors who are increasingly interested in Brazil. The Bradesco Securities offices in New York, London and Hong Kong are key to raise funds and distribute securities in these financial centers, as well as Banco Bradesco Europe, in Luxembourg, which features resource management services, private banking and trade finance.

The growth that Bradesco seeks on a continuous basis imply in substantial investments in Infrastructure, Information Technology and in the Human Resources sector, essential pillars for the banking industry. R\$ 4.998 billion invested to innovate, update and maintain its IT environment, which is a standard-bearer in its industry, featuring the best practices and technologies available. Training programs that highlight motivation, innovation and customer focus also received R\$ 144.658 million in investments.

Respect towards customers, social and environmental responsibility, security and credibility are inserted in Bradesco's corporate culture. Three great pillars compose the foundation of the strategic planning:

a positive impact on the global economy. This new scenario should create new opportunities and is likely to reduce the imbalances that currently exist between countries.

In the domestic market, Bradesco seeks to improve its already outstanding position among private financial institutions, and to maintain its leadership in the insurance industry. To that end, it will encourage investments and the democratization of credit, expanding the offer of products and services and solutions, with the primary goal of promoting the banking inclusion and social mobility through its extensive Service Network, present in all regions of the country, including Branches, Banking Terminals, Express Bradesco Correspondents, Self-Service Equipment, and also through its convenient Service Channels, such as Internet Banking, Bradesco Celular and Fone Fácil.

From the perspective of a strict monetary policy, the Bank will seek, in the financial sector, the growth of its loan portfolio, focused on real estate loans, consumer credit and payroll-deductible loans, in addition to a strong performance supplementary pension plans, and the expansion of services offered to the growing economically active population. In this sense, it will continue to adopt effective security criteria in order to maintain the balance between expansion of credit and decreased delinquency, achieved through a rigorous evaluation of approval procedures and efficient daily collection of overdue amounts, through the Program for the Recovery of Overdue Loans (PRCV). The Organization will also continue with the strategic focus on business results and their secure disclosure, exemplified by the investment bank, corporate and private banking and the management of third-party funds, in addition to the investments in the payment card industry, buyers' pools, insurance, pension plans and capitalization, all of which are equally relevant.

a) growing organically, without losing sight of the possibilities of acquisitions, associations and partnerships, always committed to the quality of customer service, the security of the products, solutions and services, and with the effective improvement of operational efficiency and financial indexes;

b) maintaining strict controls to identify, assess and mitigate risks that are intrinsic to the activities, as well as defining the acceptable levels in each operation; and

c) conducting businesses with the utmost transparency, ethics and the proper compensation for investors.

### **3. Capital, Reserves and Subordinated Debt**

At year-end, with reference to Banco Bradesco:

R\$ 38.100 billion in subscribed and paid-up Capital;

R\$ 43.408 billion in Asset Reserves; and

R\$ 81.508 billion in Shareholders' Equity, for a growth of 14.9% on the year. In relation to the Consolidated Assets, which totaled R\$ 1.032 trillion, Managed Shareholders' Equity is equivalent to 7.9%. The Book Value per share was R\$ 19.43.

Economic and Financial Analysis Report – December 2014

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Management Report**

The solvency ratio was 16.5%, therefore higher than the 11% set out in Resolution nº 4193/13, from the National Monetary Council, in accordance with the Basel Committee. In relation to the Reference Assets, the fixed asset ratio (maximum of 50%, according to the Central Bank of Brazil) reached 13.2% in the consolidated economic and financial report, and 47.2% in the consolidated financial report.

At year-end, Subordinated Debt totaled R\$ 35.822 billion (R\$ 9.322 billion overseas and R\$ 26.500 billion in Brazil), of which R\$ 21.406 billion were eligible capital and composed level II of the Reference Assets, being included in the calculation of the indexes mentioned in the preceding paragraph.

In compliance with Article 8 of Brazilian Central Bank Circular Letter nº 3068/01, Bradesco declares that it has the financial capacity and the intention of holding to maturity those securities classified under "held-to-maturity securities". Bradesco further declares that the operations of Banco Bradescard S.A., its subsidiary, are sufficient to cover the strategic goals defined in the business plan, pursuant to Article 11 of Regulatory Attachment I to National Monetary Council Resolution nº 4122/12.

**Capital Management**

R\$ 153.267 billion in technical reserves for insurance, pension plans and capitalization bonds, up by 12.5%.

R\$ 34.770 billion in foreign funding, through public and private issues, subordinated debt overseas, securitization of future financial flows and borrowings and on-lendings overseas, equivalent to US\$ 13.090 billion.

**4.2. Loan Operations**

The democratization of credit can be achieved by expanding and diversifying the credit available, and by more attractive interest rates. These key factors have increased the volume of financing operations conducted directly or in partnerships with market players, as well as in other lines aimed at individuals, such as payroll-deductible loans, through an extensive network of Branches, PAs (Service Branches) and Sales Promoters.

R\$ 455.127 billion was the balance, at year-end, of the consolidated credit operations, in the expanded concept, including sureties and guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in receivables-backed investment funds, mortgage-backed receivables and rural loans, for a 6.5% increase for the year.

The assessment of adequacy is made to ensure that the organization maintains a strong capital base to support its activities. It also considers a prospective vision, because it anticipates possible changes in market conditions. The structure includes Committees that report to the Board of Directors, and Committees that report to the Board of Executive Officers, advising these Administrative Bodies in the decision-making process.

R\$ 23.146 billion was the consolidated balance of allowance for loan losses, considering an additional provision of R\$ 4.007 billion, which includes provision for guarantees provided above the amount required by Resolution nº 2682/99, of the National Monetary Council.

## 4. Operational Performance

### Real Estate Loans

#### 4.1. Funding

At year-end, the funds obtained and managed totaled R\$ 1.426 trillion, 13.2% higher than the previous year. In all, the Bank manages 26.482 million checking account customers, 59.091 million savings accounts with balances of R\$ 92.155 billion, accounting for 17.6% of the SBPE – Brazilian Savings and Loan System.

Bradesco remains committed to meet the demands of the real estate sector, financing the construction entrepreneurs and end-borrowers by means of targeted channels, thus contributing to the growth of the construction industry's activities, which is linked with socioeconomic development and with the creation of jobs and income. The reflection on the Real Estate Loans Portfolio is shown by the continuous growth in the volume of operations.

R\$ 531.806 billion in demand deposits, time deposits, interbank deposits, savings accounts and securities sold under agreements to repurchase, a 12.1% increase.

R\$ 14.860 billion was the total amount of funds directed to this area, allowing the construction and purchase of 64,099 properties.

R\$ 488.730 billion in assets under management, comprising Investment Funds, Managed Portfolios and Third-Party Fund Quotas, a 12.3% increase.

The products available, partnerships with real estate brokers and other information can be found at [bradescoimoveis.com.br](http://bradescoimoveis.com.br).

R\$ 217.526 billion in the exchange portfolio, borrowings and on-lendings in Brazil, working capital, tax payments and collection and related charges, funds from issuance of securities in Brazil, and subordinated debt in Brazil, a 22.0% growth.

Bradesco

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

### **On-lending Operations**

In 2014, Bradesco stood out as one of the greatest onlender of funds from BNDES, with a 13.7% share in operations, totaling R\$ 12.389 billion. R\$ 8.075 billion was destined for the release of on-lending for micro, small and medium-sized enterprises, accounting for 15.8 percent of the entire System.

R\$ 35.516 billion was the balance of the on-lending portfolios, with internal and external funds destined primarily to micro, small and medium-sized enterprises, with 393,075 registered contracts.

R\$ 11.523 billion was the total amount of Guarantees provided to BNDES, with R\$ 4.740 billion contracted over the year.

### **Agribusiness**

A traditional partner of the agribusiness industry Bradesco contributes to the expansion of business

### **Quality of the Loan Portfolio**

Compared to the previous year, the end of 2014 saw an improvement of quality of loans issued to new borrowers, due mostly to the continuous improvement of granting and monitoring models.

#### **4.3. Loan Collection and Recovery**

Loan collection and recovery actions are promoted through the Call Center, Friendly Billing Offices and Judicial Recovery Offices. The Program for the Recovery of Overdue Loans (PRCV) contemplates several initiatives aimed at stimulating the payment of overdue loans, including local events known as Business Rooms. The Bank also has regional teams that specialize in credit recovery, and who may engage in a more customized approach for more significant cases.

R\$ 3.944 billion in loans were recovered, 7.8% more than in the previous year.

### **5. International Sector**



and to increase productivity and quality in the machinery and equipment industry. In addition, the Bank participates in the industry's major trade fairs and enables the supply of the domestic market, as well as an increase in exports.

R\$ 24.083 billion was the balance of investments at year-end, represented by 136,720 operations.

More information on agribusiness and credit products and services can be obtained at [bradescorural.com.br](http://bradescorural.com.br).

### **Consumer Financing**

As an incentive to the growth of the supply chain at all of its stages, Bradesco has been operating in consumer financing, sometimes through partnerships, with a significant share in operations intended for the acquisition of new and used vehicles, in the vast chain that involves automakers, dealerships and consumers.

R\$ 97.302 billion was the balance of consumer financing operations.

### **Credit Policy**

Our Credit Policy is intended to guide the quick conclusion of diversified and fragmented deals, backed by adequate guarantees and intended for reputable people and companies with proven solvency. Performed quickly and safely, these operations should not lose sight of adequate profitability and the liquidity of the assets invested.

Overseas, Bradesco Organization offers a wide range of products and services, through its own units in New York, London, Grand Cayman, Buenos Aires, Tokyo, Hong Kong, Luxembourg and Mexico, in addition to an extensive network of international correspondents. The Bradesco Securities units in New York, London and Hong Kong, Banco Bradesco Europe, in Luxembourg, Bradescard Mexico and 28 specialized units in Brazil meet the demands of these strategic markets.

R\$ 5.876 billion in advances on exchange contracts, for a total export financing portfolio of US\$ 11.560 billion;

US\$ 3.285 billion in total import financing in foreign currency.

US\$ 38.988 billion traded on export purchases, for a market share of 17.3%.

US\$ 28.415 billion contracted in Imports, for a market share of 13.0%.

US\$ 10.194 billion in medium- and long-term public and private placements in the international market.

## **6. Bradesco Shares**

Bradesco shares continued to be traded, with a high level of liquidity, in all trading sessions of the BM&FBOVESPA S.A. In the beginning of 2015, according to the new calculation methodology,

The specialized Credit Scoring systems allow the decision-making process to be streamlined and bolstered with specific security standards in Branches' environments. From our headquarters, the Credit Department and the Executive Credit Committee issue the final decision on loans that exceed the limit of Branches.

these shares accounted for 5.1 percent of the Ibovespa index. They are also traded Overseas, on the New York Stock Exchange, through a Level 2 American Depositary Receipt (ADR) program, and in the Madrid Stock Exchange, where they compose the Latibex Index.

Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

Bradesco guarantees its shareholders, as a minimum dividend, 30% of adjusted net income, in addition to 100% tag-along rights for common shares and 80% for preferred shares. Preferred shares earn 10% more dividends than those attributed to common shares.

R\$ 80.828 billion in Bradesco Shares were traded in BM&FBOVESPA throughout the year, composed of 302.983 million common shares and 2.009 billion preferred shares.

US\$ 31.524 billion were traded as ADRs in the New York Stock Exchange (NYSE), equivalent to 2.221 billion preferred shares and 493.762 million common shares.

EUR 15.828 million were traded as DRs in the European market (Latibex – Madri), equivalent to 1.492 million preferred shares.

### **7. Market Segmentation**

The segmentation strategy in Bradesco gathers customer groups with the same profile, with premium service and increasing gains in productivity and speed. In addition to improving the quality of customer relationships and providing the

#### **7.4. Bradesco Prime**

The Prime segment, with a modern concept in the Bank/customer relationship, offers personalized service to individuals with monthly income starting at R\$ 9 thousand, or funds available for investments above R\$ 100 thousand. At year-end, the exclusive Service Network for Bradesco Prime customers comprised 302 Bradesco Prime Branches throughout the country and 425 Bradesco Prime Spaces at Retail Branches, specially equipped for privacy and comfort. It also provides distinguished products and services, and complete financial advisory services.

#### **7.5. Bradesco Retail**

With branches spread across the country, the Retail Segment aims to serve all segments of the population with excellence and commitment, facilitating the process of financial and banking inclusion of Brazilians, as well as social mobility. In order to reach the greatest number of customers, Bradesco maintains its identity as a bank for everyone, with nationwide presence, engaged in the democratization of access to banking products and services. Bradesco Retail focuses on Individuals with monthly income of up to R\$ 9 thousand, and Companies with annual sales up to R\$ 30 million. The Retail Segment provides personalized service for Individual Customers with a monthly income between R\$ 4 thousand and

Bank with more flexibility and competitiveness to conduct its business operations, it also adjusts and scales operations, for individuals or companies, based on the specific needs of each.

R\$ 9 thousand, known as Exclusive Customers, and for Corporate Customers, known as Companies and Businesses, with the appropriate financial solutions for each profile. At year-end, the segment had over 25.5 million account holders.

### **7.1. Bradesco Corporate**

Provides specialized services to large companies, with annual revenues exceeding R\$ 250 million. The principle of a long-term relationship is a key distinguishing factor, as it generates the best solutions for customers and the best results for the Organization, through its business units located in all of the major Brazilian cities.

R\$ 351.945 billion in funds administered by the sector, covering 1,523 large companies.

### **7.2. Bradesco Empresas**

Highly specialized, this sector manages the relationship of companies with annual sales between R\$ 30 million and R\$ 250 million, offering structured operations and a wide portfolio of products and services.

R\$ 87.589 billion in funds administered by the sector, covering companies in all sectors of the economy.

### **7.3. Bradesco Private Banking**

Structured to service individuals, family holdings and equity firms with funds available for investments starting at R\$ 3 million, it provides

### **7.6. Bradesco Expresso**

With Bradesco Expresso, the Organization consistently expands its participation in the correspondents segment, through partnerships with several commercial establishments, such as Supermarkets, Pharmacies, Department Stores, Bakeries and other retailers, and provides its customers and the community at large the convenience of banking service that is closer to their home or workplace, at extended hours, including on weekends. As of December 31, there were 50,006 accredited establishments.

## **8. Products and Services**

### **8.1. Bradesco Cards**

Bradesco Customers have the most complete line of credit cards in the country at their disposal, including Elo, American Express, Visa, MasterCard and several Private Labels.

customers with an exclusive line of products and services, following the tailor-made and open architecture concepts. Bradesco Private Banking comprises advisory services for the allocation of financial and non-financial assets in Brazil and Overseas, as well as advice on taxes, inheritance, foreign exchange, and structured transactions.

Bradesco

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

Overseas, Bradesco also has Bradescard México, a card business unit that maintains a renowned partnership with the C&A retail chain. Also in Mexico, the company has started a partnership with Walmex Group's Suburbia stores, and with the LOB retail chain.

Bradesco Cards has supported social and environmental initiatives since 1993, donating part of its annual fees to charity. These partnerships include charity-affinity credit cards, such as Cartões SOS Mata Atlântica, AACD, APAE, Casas André Luiz and Cartão Amazonas Sustentável.

R\$ 132.000 billion in Credit Card revenue, a 10.5% growth compared to the previous year.

R\$ 38.235 billion in Assets generated from the Card business, including loans to cardholders, advances to establishments, credit for single payment or installment purchases, a 2.7% increase from December 2013.

R\$ 8.085 billion in Fee and Commission Income, a 12.8% growth, due mostly to commission income earned on Credit and Debit Card purchases, growth in the number of active credit cards and assorted fees.

889.070 million receipts processed through Bradesco Collection, Checks Custody, Identified Deposit and Teleprocessing Credit Order (OCT).

712.823 million payment transactions performed through the Pag-For Bradesco - E-Payment to Suppliers, Bradesco Net Empresa and E-payment of Taxes, allowing companies to manage their Accounts Payable with greater ease.

### **8.3. Product and Service Solutions for the Government**

Through its exclusive Government Service Platforms available nationwide, Bradesco offers products, services and solutions to Government Agencies and Entities of the Executive, Legislative and Judicial Branches across Federal, State and Municipal levels, in addition to Autonomous Government Agencies, Public Foundations, Public and Semi-Public Companies, the Armed Forces (army, Navy and Air Force) and Auxiliary Forces (Federal, Civil and Military Polices).

Every month, more than 8.510 million pensioners receive their benefits through these platforms, making Bradesco the leader in this segment. Due to its strong presence across different regions, Bradesco was awarded 10 of 26 public bid contracts from INSS (Social Security Institute), for

## 8.2. Cash Management Solutions

Bradesco offers customized solutions for the management of accounts receivable and payable and for the collection of fees and taxes to Companies, Government Agencies and Utility Companies. Through a sector specialized in Franchises and Businesses, it maintains a strong position focused on the development of this segment, which is of significant importance to the economy.

According to their respective profiles and needs, customers from specific market niches rely on the support of personnel qualified to design tailor-made solutions that add value to their business. And when it comes to Receivables Solutions, the leadership of Bradesco Registered Collection is fully equipped to meet these demands.

With its customized solutions and partnership with 43 Overseas Banks, companies can rely on Global Cash Management to offer products and services for cash management on an international level.

160.970 million documents processed over the year for Federal, State and Municipal taxes, as well as other contributions.

333.301 million documents processed related to electricity, water, gas and telephone bills, of which 76.827 million were paid through Direct Debit in Checking and Savings Account, a system that provides full convenience to our customers.

payment of social security benefits scheduled to start in 2015. The Bank will provide payment services to more than 170 thousand new beneficiaries per month over the next five years.

With an exclusive space for public servants and military personnel, [bradescopoderpublico.com.br](http://bradescopoderpublico.com.br) offers Corporate Solutions for Payments, Receipts, HR and Treasury.

## 8.4. Qualified Services for the Capital Market

With modern infrastructure and specialized professionals, the Bradesco is at the forefront of the capital market segment, offering a wide range of solutions and services. Some of the main services offered include:

### **Custody and Controllershship for Investment Fund and Managed Portfolios**

R\$ 994.173 billion in customers' assets in custody, according to the methodology adopted for the ANBIMA ranking.





Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

***Management Report***

R\$ 1.359 trillion in total assets for the Investment Funds and Managed Portfolios that use the Controllership services, according to the methodology adopted for the ANBIMA ranking.

27 DR programs registered, with a market value of R\$ 80.660 billion.

Bradesco

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

### **Bookkeeping of Assets**

242 companies are part of the Bradesco System of Book Entry Shares, covering 4.525 million shareholders.

326 companies with 436 issues are part of the Bradesco System of Book-Entry Debentures, with an updated value of R\$ 270.966 billion.

379 Investment Funds are part of the Bradesco System of Book-Entry Quotas, with an updated value of R\$ 67.171 billion.

25 BDR programs registered, with a market value of R\$ 1.664 billion.

### **Escrow Account - Trustee**

7,491 contracts, with a financial value of R\$ 10.471 billion.

1,344 External terminals in the Bradesco Dia & Noite network and 12,450 ATMs in the Banco24Horas network, with 693 terminals shared by both networks.

The Bradesco Dia & Noite network is composed of 31,089 machines, of which 30,603 remain in operation on weekends and holidays. These terminals are strategically distributed throughout the country, providing quick and practical access to the various products and services the Bank offers, in addition to the 17,593 Banco24Horas machines.

Always innovating, the network offers several accessibility solutions for banking products and services that contribute to the autonomy and independence of its customers with hearing, physical, visual and intellectual disabilities, all free of charge.

Individual and Corporate customers have an easy and safe way to access several banking services online at [bradesco.com.br](http://bradesco.com.br).

When it comes to Mobile Banking, Bradesco has the largest and most complete set of solutions in the industry, including giving customers free access to their accounts from their mobile

## 9. Organizational Structure - Bradesco Service Network

Bradesco Organization's Service Network, with its extensive and modern structure, is present across the entire country and in some locations overseas, providing service with excellence in all of its segments.

The following is a breakdown of the network's 60,653 service points at year-end:

8,145 Branches and PAs (Service Branches) in Brazil (Branches: Bradesco 4,651, Banco Bradesco Financiamentos 2, Banco Bradesco BBI 1, Banco Bradesco BERJ 1, Banco Bradesco Cartões 3, Banco Alvorada 1; and PAs: 3,486);

2 Overseas Branches: 1 in New York and 1 in the Grand Cayman;

11 Overseas Subsidiaries (Banco Bradesco Argentina S.A. in Buenos Aires; Banco Bradesco Europa S.A. in Luxembourg; Bradesco North America LLC, Bradesco Securities, Inc., and BRAM US LLC in New York; Bradesco Securities UK Limited in London, Bradesco Securities Hong Kong Limited and Bradesco Trade Services Limited in Hong Kong; Bradesco Services Co. Ltd., in Tokyo; Cidade Capital Markets Ltd. in Grand Cayman; and Bradescard Mexico, Sociedad de Responsabilidad Limitada in Mexico);

50,006 Bradesco Expresso service points;

1,145 PAEs – in-company electronic service branches; and

browsers. It also has a strong presence on social networks.

Fone Fácil Bradesco is the telephone banking service available to customers 24 hours, 7 days a week, offering access to business and financial transactions, among others. The voice-activated service provides customers with an easy and efficient way to perform banking services.

## 10. Bradesco Companies

### 10.1. Insurance, Pension Plans and Capitalization Bonds

Grupo Bradesco Seguros, with a history of financial strength and innovation in several products in the Insurance, Pension Plans and Capitalization Bonds, remains in the lead among the companies operating in the sector in Brazil.

R\$ 4.406 billion was the Net Income for the Insurance, Pension Plans and Capitalization Bonds segment for the year, with profitability of 23.7% over the average Shareholders' Equity.

R\$ 20.433 billion in Shareholders' Equity.

R\$ 182.402 billion in Total Assets.

R\$ 166.022 billion in free and investments and to cover Technical Reserves.

R\$ 56.152 billion in Insurance Premium Income,  
Pension Plan Contributions and Capitalization  
Bond Income.

Economic and Financial Analysis Report – December 2014

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

R\$ 38.546 billion in indemnifications, draws and redemptions paid by Grupo Bradesco Seguros for the year.

### **10.2. BEM – Distribuidora de Títulos e Valores Mobiliários**

Specialized in the fiduciary administration of third-party funds in the institutional segment.

R\$ 142,038 billion, on December 31, distributed across 965 Investment Funds and Managed Portfolios, totaling 38,519 investors.

### **10.3. Bradesco Leasing**

The Organization's leasing companies, acting in conjunction with the Bank's Branch Network, are among the leaders in the industry, with 19.4% of the market share (reference: November/2014). They maintain a business diversification strategy across the different segments, as well as partnerships with major manufacturers, mainly in the automotive, aircraft and machinery and equipment sectors.

R\$ 37.121 billion was the balance of credit operations.

12,003 active commercial partners in the country, in an extensive Network of affiliates that include resellers and dealerships.

2,073 correspondents operate in the payroll-deductible loans segment, across all Brazilian states, to attract customers.

### **10.6. Banco Bradesco BBI**

As Bradesco Organization's investment bank, advises customers on primary and secondary share issues, merger transactions, acquisition and sale of assets, structuring and distribution of debt instruments, including debentures, promissory notes, CRIs, mortgage-backed investment funds, receivables-backed investment funds (FIDCs) and bonds, in addition to structured financing operations for companies and project finance. It also controls Bradesco Corretora de Títulos e Valores Mobiliários, Ágora Corretora de Títulos e Valores Mobiliários, BRAM – Bradesco Asset Management and Bradesco Securities Inc.

R\$ 4.319 billion was the balance invested on 12.31.2014, with 7,111 operations contracted in the year.

110,886 lease agreements in force at year-end, characterizing a high level of business diversification.

#### **10.4. Bradesco Administradora de Consórcios Ltda.**

Manages groups of customers, account holders or not, to whom it offers a most complete portfolio of products and services. Maintains the leadership in the real estate, cars and trucks, tractors, machinery and equipment segments, as a result of proper planning and of synergy with Bank's Network of Branches and with the Insurance Group's Sales Organization.

1,061,847 Active quotas at year-end, with 379,696 new quotas traded.

R\$ 42.959 billion in accumulated revenues.

#### **10.5. Banco Bradesco Financiamentos**

As the Organization's Financing arm, offers direct consumer credit (CDC) for the acquisition of light and heavy vehicles, motorcycles and other goods and services, as well as leasing operations and payroll-deductible loans. The vehicles segment is traded by Bradesco Financiamento, and payroll-deductible loans are traded by Bradesco Promotora.

R\$ 179.549 billion from advisory services for 210 investment banking transactions for the year.

#### **Bradesco Corretora de Títulos e Valores Mobiliários**

Bradesco Corretora is recognized as one of the most important brokers in the segment, with a significant share of the stock and futures markets. It provides operational support for its customers through 14 Offices and 2 representatives, located in several Brazilian cities, as well as Trading Desks and the Home Broker electronic system and the Bradesco Trading application for iPhones and iPads.

It provides clients with investment and economic analyses covering a broad range of companies and sectors. It also represents non-resident investors in Brazil in the financial and capital markets, administers investment clubs and provides custody services for companies and individuals.

R\$ 98.895 billion in traded volume on the BM&FBOVESPA in 2012, corresponding to 8,437,749 stock buy and sell orders for 134,899 investors.

20.846 million contracts traded on BM&FBOVESPA's derivative markets, with traded volume of R\$ 1.778 trillion.

R\$ 11.602 billion in traded volume via the Home Broker electronic trading system, corresponding to 833,092 stock buy and sell orders,

R\$ 3.279 billion in Net Income for the year.

R\$ 70.089 billion in Consolidated Assets.

Bradesco

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

282,314 clients registered in the Fungible Custody Portfolio on 12.31.2014.

### **Ágora Corretora de Títulos e Valores Mobiliários**

Ágora handles all types of operations on the BM&FBOVESPA, offering investors, account holders and non-account holders a complete range of stock market products, as well as access to Investment Funds, Direct Treasury Services and Investment Clubs. Ágora has developed a different negotiating tool for each investor profile: Home Broker, Home Broker 2.0, AE Broadcast and Ágora Mobile.

R\$ 28.612 billion in traded volume handled by the Home Broker system, corresponding to 437,069 stock buy and sell orders.

### **Overseas Brokerages (Bradesco Securities, Inc., Bradesco Securities UK Limited and Bradesco Securities Hong Kong Limited)**

Bradesco Securities, Inc., based in New York, provides services to the U.S. market, while Bradesco Securities UK Limited, based in London, provides services to the European Market, and

Bradesco's Corporate Governance structure includes six Committees subordinated to the Board of Directors, two of which are Statutory Committees (Audit and Compensation) and four which are Non-Statutory Committees (Ethical Conduct, Internal Controls and Compliance, Integrated Risk Management and Capital Allocation and Sustainability), in addition to 47 Executive Committees subordinated to the Board of Executive Officers, assisting it in performing its duties.

Installed annually since 2002 through an initiative of the controlling shareholders, the Fiscal Council is composed of five sitting members and five deputy members. Two sitting members and their respective deputy members are chosen by preferred and common minority shareholders. The current Board was elected during a Shareholders' Meeting held on March 10, 2014, and their term expires in August 2015.

Banco Bradesco is listed at Level 1 Corporate Governance with BM&FBovespa, has adhered to the Code of Self-Regulation and Best Practices of Publicly-Held Companies of Abrasca, and, on December 17, 2014, the Austin Rating ratified its AA + rating (Excellent Corporate Governance Practices).

In compliance with CVM Rule nº 381/03, in 2014 the Bradesco Organization neither contracted from



Bradesco Securities Hong Kong Limited, based in Hong Kong, provides services to the Chinese market, including stock brokerage through ADRs and shares listed on the local exchanges. They also operate as broker-dealers in the distribution of public and private securities to international investors.

### **BRAM - Bradesco Asset Management**

With its extensive experience and specialization, BRAM provides services to several Bradesco segments, including Prime, Corporate, Private, Retail, Bradesco Empresas, and Grupo Bradesco Seguros, as well as a hundred Institutional Investors in Brazil and Overseas, and several family offices across the world.

R\$ 346.692 billion, on December 31, 2014, distributed through 732 investment funds and 235 managed portfolios, covering 2,738,356 investors.

## **11. Corporate Governance**

With its shares traded on stock exchanges in Brazil since 1946, Bradesco operates in the American capital market since 1997, initially trading Level I ADRs backed by preferred shares, and starting in 2001 and 2012, trading Level II ADRs backed by preferred and common shares, respectively. Bradesco also trades GDRs in the European market (Latibex) since 2001.

Management is composed of nine members of the Board of Directors and 86 members of the Board of Executive Officers, most of whom came up through the company ranks. Members cannot hold both Chairman positions simultaneously, and the succession plan is defined in a timely manner.

nor had services provided by KPMG Auditores Independentes that were not related to the external audit in an amount exceeding 5% of the total cost of this audit. Other services provided by the external auditors included diagnosing the system and compiling IT information and training.

The Bank's policy is in line with the principles of preserving the auditors' independence, which are based on generally accepted international criteria, i.e. the auditors should not audit their own work, perform managerial duties for their clients or promote their customers' interests. Please note that any services not related to the external audit are submitted to the Audit Committee for prior authorization.

### **11.1. Internal Audit**

Reporting directly to the Board of Directors, the General Inspectorate is responsible for the Organization's internal audit. Its purpose is to conduct an independent assessment of the Organization's processes, contributing to mitigate risks, and to ensuring the adequacy and efficiency of internal controls, as well as compliance with the various Policies, Norms, Standards, Procedures and Internal and External Regulations.

Economic and Financial Analysis Report – December 2014

---

Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

### **11.2. Transparency and Information Disclosure Policies**

Bradesco publishes a number of physical and electronic periodicals which are available to the general public. *Revista Bradesco* is published every six months, and the *Cliente Sempre em Dia* newsletter is published every three months, while *PrimeLine*, is available every two months. *Fact Sheet*, which presents Bradesco's financial highlights for the period, is printed on demand. All are geared to external audiences. The Bank's Economic and Financial Analysis Report, with a detailed compilation of the information most requested by readers interested on the subject, and the Unified Annual Report, which combines financial and non-financial aspects, are available at [bradesco.com.br/ri](http://bradesco.com.br/ri).

### **11.3. Investor Relations – IR**

The main objective of the Investor Relations sector is to convey Bradesco's information, perspectives and strategies to the financial community, through conferences, lectures, publications and events in Brazil and overseas, thus enabling investors to form an accurate assessment of the Bank, as well as providing Upper Management with important insights into the market's opinion regarding the Organization's performance.

## **12. Integrated Risk Control**

### **12.1. Risk Management**

Risk management is highly strategic due to the increasing complexity of services and products and the globalization of the Organization's business.

Corporate risk control performed in an integrated and independent manner, preserving and valuing the Board's decisions, developing and implementing methodologies, models, and measurement and control tools. It also provides training to employees from all Organization levels, from the business areas to the Board of Directors.

Given the complexity and variety of products and services that Bradesco offers its customers across all market segments, and as it is exposed to various types of risks, whether due to internal or external factors, the Organization constantly monitors all risks in order to provide security and comfort to all interested parties. Some of the main types of risks include: Credit, Counterparty Credit, Concentration, Market, Liquidity and Underwriting, Operational, Strategic, Legal or Compliance, Legal Unpredictability (Regulatory), Reputation and Social-Environmental.

The Company's IR website, [bradesco.com.br/ri](http://bradesco.com.br/ri), available in Portuguese and English, is segmented for individual and corporate customers, and provides information according to the need and interest of each investor's profile.

The Bank held eight meetings with APIMEC (Association of Capital Market and Investment Professionals) in 2014, which were attended by over 2 thousand participants. Some of these meetings were broadcast live over the internet, with simultaneous translation into English. The meetings could also be accessed through mobile platforms.

Teleconferences and video chats are held on a quarterly basis for investors, following the publication of the company's results. In 2014, Bradesco promoted 125 internal and external meetings with analysts, 215 conference calls and 25 events overseas. In addition, the Investor Relations staff is available to shareholders, investors and analysts by telephone and email, and in conferences and road shows in Brazil.

#### **11.4. Bradesco Ombudsman**

Since it was created in 1985, five years before the new Consumer Defense Code was drafted, Alô Bradesco registers and handles complaints and suggestions from the Bank's customers. The service was the financial market's first communications channel with the general public.

Currently, the Ombudsman's Department promotes the values that guided the creation of Alô Bradesco, and includes the position of Ombudsman, who maintains open and direct dialogue with customers and users.

#### **12.2. Internal Controls**

The Compliance and Internal Controls Policy and the Internal Control System Standards are aligned with the main control frameworks, such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and Control Objectives for Information and Related Technology (COBIT), which cover aspects related to Business and Information Technology, respectively.

The existence, effectiveness and enforcement of the controls are certified by the Department of Integrated Risk Control, and the results are reported to the Audit, Internal Controls and Compliance Committees, as well as to the Board of Directors.

#### **Preventing and Fighting Money Laundering and the Financing of Terrorism**

Bradesco maintains specific policies, standards, procedures and systems to prevent and/or detect the use of its structure, or its products and services for the purposes of money laundering and the financing of terrorism.

Additionally, the Bank is also engaged in training employees through programs in various formats, such as booklets, videos, face-to-face and distance learning courses, and face-to-face lectures designed specifically to cover the areas in which they are required.

225,295 contacts registered in 2014.

Bradesco

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Management Report**

The Program for Prevention and Fight Corruption and Money Laundering and the Financing of Terrorism is supported by the Executive Committee for Prevention and Fight Against Corruption and Money Laundering and the Financing of Terrorism, which evaluates the work and the need to align procedures to the rules established by Regulatory Agencies, and to national and international best practices.

The multi-level Committee for Assessment of Suspicious Transactions is alerted of any suspicious or unusual activity detected, and decides whether these transactions need to be reported to Regulatory Agencies.

**Prevention and Fight Against Corruption**

At Bradesco, the prevention and fight against any illicit acts are conducted in a continuous and permanent manner. In 2014, we reinforced the processes, procedures and training aimed at preventing and fighting corruption.

The Board of Directors approved the Corporate Anti-Corruption Policy, which establishes guidelines for preventing and fighting corruption, and applies to all the directors and employees of the Organization, comprised of Banco Bradesco S.A. and its subsidiaries, in Brazil and overseas.

The independent validation process exists to identify, mitigate and manage the models' risks, represented by potential adverse consequences which may result from decisions based on incorrect or obsolete models. The main objective of this process is to verify whether the models work according to the defined objectives, and whether their results are suitable for their intended uses. This validation occurs through rigorous tests, which address aspects related to adequacy of the processes, governance and construction of models and their premises. The results are reported to managers, Internal Audit, to the Compliance and Internal Control Committee, and to the Integrated Risk Management and Capital Allocation Committee.

**Information Security**

Information Security at the Bradesco Organization consists of a set of controls represented by procedures, processes, organizational structures, policies, regulations and information technology solutions. Accordingly, the information are protected to ensure the confidentiality, integrity and availability of information, regardless of its form and where it may be stored or handled.

The guidelines for the Organization's Information Security Management System (SGSI) are contained in the Corporate Information Security Policy and Rules. The Corporate Security

Department is responsible for its oversight.

The Corporate Anti-Corruption Norm was adopted in the Bradesco Organization. The Norm is based on rules and procedures aimed at preventing and fighting corruption and bribery, in accordance with the laws and regulations in force in Brazil and in other countries where our Business Units are located.

The Program for Prevention and Fight against Corruption is supported by the Corporate Anti-Corruption Policy and the Code of Ethical Conduct.

Actions also include the monitoring of business partners, the procurement of products and services and the education of officials and employees, through e-learning and on-site training sessions and internal and external communications, enabling an effective monitoring of risks and controls.

Bradesco also has a complaint channel, whose actions configured as violations are subject to applicable disciplinary measures, regardless of hierarchical level, and without prejudice to appropriate legal penalties.

### **Independent Validation of Management Models and Risk and Capital Measurement**

Bradesco uses internal models to manage risks and capital. These models are developed based on statistic, economic, financial or mathematical theories, or on the knowledge of experts, who support and facilitate the structuring of critical issues, and provide quick and standardized decisions.

Additionally, the Corporate Security Department coordinates three Committees to handle specific security issues, and advises the Executive Corporate Security Committee. These committees meet periodically to assess and approve guidelines, measures and guidelines to ensure support for processes and procedures related to the subject.

### **Integrated Management System**

Bradesco adopts one of the most modern concepts of integration of organizational processes: Enterprise Resource Planning (ERP).

This system covers the processes related to Human Resources, Training, Purchase of Materials and Services, Accounts Payable, Physical and Tax Receipts, Fixed Assets, Bank Accounting, Cash Controls, Works Management, Maintenance, Real Estate and Audit. System users receive continuous training through on-site and e-learning programs.

ERP allows the Organization to standardize its processes, speeds up decision-making and streamlines operational security, while minimizing operating costs and increasing productivity.

### **12.3. Risk Factors and Critical Accounting Policies**

Bradesco discloses its risk factors and critical accounting policies in the Reports and Spreadsheets – SEC Reports section of its IR website [bradesco.com.br/ri](http://bradesco.com.br/ri) in compliance with best

international Corporate Governance practices and the Consolidated Financial Statements. These reports are drafted in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). These factors include potential political and economic situations in domestic and international markets that could have a direct impact on the Bank's day-to-day operations and, consequently, on its financial situation.

Economic and Financial Analysis Report – December 2014

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## ***Management Report***

### **13. Intangible Assets**

Based on the price of its shares on December 31, 2014, Bradesco's market capitalization stood at R\$ 145.536 billion, equivalent to 1.8 times its Book Value of R\$ 81.508 billion. The substantial difference is due to the strength of its intangible assets, which, although not reflected in the balance sheet, are perceived and evaluated by investors.

Bradesco's strategic planning always seeks the best results, setting realistic and conservative goals that take into consideration: (I) the value of the Bradesco brand; (II) best corporate governance and culture practices; (III) the scale of its businesses; (IV) the various relationship channels with its different target groups; (V) an innovative Information Technology policy; (VI) the broad diversification of its products, services and solutions and the coverage and reach of its Customer Service Network, which is present across all of Brazil and in some locations Overseas; (VII) a dynamic and responsible social and environmental responsibility policy; (VIII) a robust human resources policy that: a) ensures solid relations between all employees and consequently increases the level of mutual trust; b) indicates the opportunities for professional recognition and development; c) substantially reduces the staff turnover rate and associated costs; and d) cultivates a long-term vision at all levels of the Organization. All of these factors are inextricably linked to sustainability.

### **13.2. Human Resources**

At year-end, the Bradesco Organization had 95,520 employees, with 82,011 working for Banco Bradesco and 13,509 for Affiliated Companies.

Bradesco's Human Resources Management model is guided by valuing its individual employees, without discrimination.

One of its the Organizations key components for that model is UNIBRAD - Bradesco Corporate University, created as part of a larger strategy of highlighting the individual skills of its employees, stimulating self-development and providing learning solutions.

The strategy also includes TreiNet, an online learning platform, which enables employees to obtain new knowledge from any distance. The system recorded more than 544 million participations in 2014, demonstrating its importance and extent of its coverage throughout the country.

The Organization's efforts towards internal communications has also enjoyed some outstanding contribution from the magazine

### 13.1. Bradesco Brand

In 2014, the Bradesco brand received some substantial recognition:

- **Most valuable banking sector brand in Latin America** and 20<sup>th</sup> in the global ranking, according to a survey conducted by the consulting firm *Brand Finance* and *The Banker* magazine;
- **Labeled the most valuable Bank Brand in Latin America and 5<sup>th</sup> among all segments**, according to an assessment by international consulting company *BrandAnalytics/Millward Brown*;
- **Brazil's Most Valuable Bank Brand**, according to rankings compiled by the magazine *IstoÉ Dinheiro* and the consulting firm *BrandAnalytics/Milward Brown Optimor*;
- **Top-ranked private financial institution in the *Top of Mind* survey by newspaper Folha de S. Paulo**, which ranks the brands that first come to consumers' minds in various segments. Bradesco Seguros has led the Insurance category for 13 consecutive years.

"Interaction", and the daily newsletter "Always up to date", available electronically at IntraNet. Employees receive information on policies, guidelines and operational procedures which should be adopted through notifications and releases. The CEO's Blog is as an internal and interactive channel to promote the exchange of information and opinions between employees and the CEO's office. TV Bradesco reinforces and extends the communication actions, joining the other vehicles and making the content more visible and dynamic.

Bradesco provides its employees with benefits aimed at improving their quality of life, well-being and safety, as well as that of their dependents. At year-end, 204,150 individuals benefited. These benefits include:

- Healthcare plans;
- Dental plans;
- Private Pension and Retirement Plans;
- Group Life and Personal Accident Insurance;
- Group auto insurance; and
- The VIVA BEM Program, a set of initiatives designed to improve employees' quality of life – Healthy Management, Stopping Smoking, Physical Activity, Health Training, Nutritional Guidance and LIG VIVA BEM.

Bradesco

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Management Report**

As a competent and independent assessment of its management of Human Capital, in 2014, Bradesco figured in several rankings of renowned magazines such as *Época*, *Exame*, *Valor Carreira*, with the support of prestigious specialized consultancies *Great Place to Work Institute*, *Aon Hewitt* and *Fundação Instituto de Administração (FIA)*.

R\$ 144.657 million invested in 2014 in Corporate Education Programs, with more than 1.061 million participations.

R\$ 1.192 billion invested in the Food Program, with the daily supply of 131,077 snacks, in addition to dining vouchers and food vouchers.

5.450 million medical and hospital consultations.

414,603 dental care consultations.

**13.3. Information Technology**

One of the essential pillars to its business, Bradesco increasingly invests in state-of-the-art technologies applied to new products and services

One of the biggest supporters of sports in Brazil, Bradesco is an official sponsor of the Rio 2016 Olympic Games and Paralympics, with exclusivity in the insurance and financial services categories.

During the year, Bradesco maintained its traditional support for various cultural events that take place throughout the country. Events ranging from Carnival in Rio de Janeiro and Salvador, to *Círio de Nazaré* in Belém, *Farroupilha* week in Porto Alegre, *Natal Luz* in Gramado, and *Sonho de Natal* in Canela, among others.

In its 19<sup>th</sup> year, the Christmas Tree of Grupo Bradesco Seguros, located at Rodrigo de Freitas Lagoon, in Rio de Janeiro, is already a holiday tradition in the city. This year's theme was *Um Natal de Luz* (Christmas of Lights).

238 regional, industry and/or professional events around the country, including trade shows, seminars, congresses and cultural/community events received Bradesco's support in 2014.

**15. Sustainability at the Bradesco Organization**

aimed at making our customers' lives easier. One major example of this investment is our continuously expanding System Architecture, which supports operations with speed and security, preparing the Bank for decades to come.

The constant innovation in products in services reaffirms Bradesco's groundbreaking position in the Brazilian banking industry. One such example of this entrepreneurial attitude was the launch of the ATM that takes cash deposits without the need for an envelope, identifying real and counterfeit bills and immediately crediting the customer's account. Also, the Touch ID feature is now available Bradesco Prime application users on iPhones 5S, 6 and 6 Plus, allowing customers to use their fingerprints instead of a password. The mobile phone is the fastest-growing relationship channel among all self-service options offered by the Bank.

R\$ 4.998 billion invested in Infrastructure, Information Technology and Telecommunications, in 2014, as a prerequisite for its continuous expansion.

#### **14. Marketing**

2014 year marked the launch of a new positioning for Bradesco, which revolves around "people". *Brasildade* (Brazilian-ness). Experiences. A more humane and encouraging approach, which brings the positive side of everyday life and presents Bradesco as agent and partner in the lives of Brazilians.

Since its origins, Bradesco Organization has been fully committed to Brazil's social and economic development. Topics such as banking inclusion and education have always been part of its day-to-day activities.

Its major initiatives to promote financial inclusion focus on accessibility, whether digital or physical, the development and supply of specific products and services, and financial education initiative focused on personal finance, as well as the responsible use of credit and other products and services offered to the population.

The Organization is aligned with best national and international sustainability practices, such as: Global Pact, Equator Principles, Carbon Disclosure Project (CDP), Green Protocol, Principles for Responsible Investment (PRI), GHG Protocol Program and the Companies for Climate (EPC) initiative.

The company is committed to adopting the best corporate sustainability practices, assessed through its performance in attributes such as: corporate governance, risk management, human capital development and management of suppliers. This commitment is reflected in the presence of Bradesco in Dow Jones Sustainability Index (New York Stock Exchange), Corporate Sustainability Index (ISE) and Carbon Efficient index (ICO2), both of BM&FBOVESPA S.A., as well as other certifications and recognitions.

More information on Bradesco's initiatives in 2014 can be found in the 2014 Annual Report and at [www.bradesco.com.br/ri](http://www.bradesco.com.br/ri).



Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## ***Management Report***

### **Fundação Bradesco**

Fundação Bradesco, the main pillar of the Organization's social engagement, invests in the education of children, youth and adults. Its activities are based on the principle that education is at the root of equal opportunities and of personal and collective achievement.

The foundation has 40 schools located in all Brazilian states, including the Federal District, mostly in socially and economically underprivileged regions. In 2014, it had 105,177 students enrolled in its schools in the following levels: Basic Education (Kindergarten to High School) and Vocational Training (High School level); Youth and Adult Education; and Preliminary and Continuing Vocational Training, focused on creating jobs and income. The approximately 44 thousand students enrolled in the Basic Education system also receive uniforms, school supplies, meals, and medical and dental assistance free of charge.

A total of 458,365 students also completed at least one of the distance learning courses available on the Virtual School e-learning portal, while a further 33,856 benefited from partnership projects and initiatives, including the Digital Inclusion Centers (CIDs), the Educa+Ação program and Technology courses (Educar e Aprender)

### **Bradesco Sports and Education Program**

Aiming to encourage citizenship and social inclusion among children and teenagers, the Bradesco Sports and Education Program has been promoting the practice of sporting activities for more than 27 years, gathering initiatives related to education, health, and well-being.

The program has a Training and Specialists Center in the city of Osasco, in the State of São Paulo, and offers women's volleyball and basketball at its Sports Development Center, at Fundação Bradesco schools, at municipal sports centers, at a leisure club and at private schools. Approximately 2,000 young girls starting at the age of eight benefit from the program, reinforcing its commitment to a country that increasingly values talent, effort and the exercise of citizenship.

### **16. Awards**

**Ratings** – In 2014, among the evaluation indexes assigned to Brazilian Banks by national and international Agencies and Entities, we have recorded for Bradesco that:

Since its pioneering implementation in 1998, the Program to Promote Computer Use by the Visually Impaired, has trained 12,312 individuals, ensuring the social inclusion of thousands of people.

Fundação Bradesco helps improve the quality of life of the communities where it operates, making it a socially responsible investment in the best sense of the term.

R\$ 520.277 million in investments by Fundação Bradesco in 2014, of which R\$ 86.553 were destined to works for the expansion of classrooms as part of its restructuring of the High School program, with R\$ 537.311 million programmed for 2015 to finance educational benefits for: a) 101,609 students enrolled in its schools, in Basic Education, Youth and Adult Education, and Preliminary and Continuing Vocational Training; b) 380 thousand students who will complete at least one of the distance-learning courses on offer (EaD); and c) 17,346 people who will benefit through partnership projects and initiatives, including the Digital Inclusion Centers (CIDs), the Educa+Ação program and Technology courses (Educar e Aprender)

R\$ 4.464 billion, in present value, invested by Fundação Bradesco to finance its activities in the last ten years.

R\$ 376.499 million in other investments by the Bradesco Organization in 2014, in social projects focusing on education, the arts, culture, sports, health, sanitation, combating hunger and food safety.

- credit rating agencies Moody's Investors Service and Austin Rating confirmed all of the Organization's ratings; and

- the credit-risk rating agency Standard & Poor's downgraded the ratings on a global level for issuer credit in local and foreign currency from 'BBB/A2' to 'BBB-/A3', due to the downgrading of the sovereign rating, and upgraded the short-term rating of Banco Bradesco on a national level to its highest level (brA-1+). This action reflects the update performed by the agency of its rating criterion nationwide.

**Rankings** – In 2014, in addition to those mentioned in 13.1. In 2012 Bradesco was honored by several important domestic and international publications:

- **"Best Brazilian Bank" for the third consecutive year**, acknowledged by Euromoney Awards for Excellence. In addition, **Bradesco BBI was chosen as the Best Brazilian Investment Bank** at the same awards, granted by the British magazine Euromoney;

- **Largest private Brazilian group in the Valor Grandes Grupos ranking**, from newspaper *Valor Econômico*, which lists the 200 largest groups in the country. It also holds first place in the ranking of the 20 largest groups in the financial sector, while also leading in shareholder's equity;



Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

## **Management Report**

- **Featured for the 4<sup>th</sup> consecutive time in The 35 Best Companies to Start your Career, from *Guia Você S/A*, in a survey conducted by the magazine *Você S/A* in partnership with *Fundação Instituto de Administração (FIA)* and *Cia. de Talentos*. The list also includes *Tempo Serviços*, Bradesco Organization's credit card administrator;**
- **One of the 100 Best Companies in IDHO - Organizational Human Development Indicator, in a study developed by the magazine *Gestão RH*. This year, Bradesco was featured in the Governance dimension, being the only Bank to appear in the ranking of the 10 Best Companies in IDHO;**
- **The only Brazilian Bank ranked among the "Best Companies to Work for in Latin America", under the "Companies with over 500 employees" category, according to the survey conducted by the consulting firm *Great Place to Work*;**
- **Only Latin American bank to be featured in the "World's 20 Greenest Banks", published by *Bloomberg Markets* magazine;**
- **Bradesco Private Bank was recognized as the best of Brazil under the "Specialized Services" category, at the special edition *Private Banking Global Survey 2014* of *Euromoney***
- **The 2014 Technology Award by *The Banker* magazine under the Social Media category, with the case F.Banking Bradesco – Investments and Credit on Facebook;**
- **16<sup>th</sup> ABRASCA award – Best Annual Report 2013, under the Publicly-Traded Companies category, Group 1, promoted by the Brazilian Association of Publicly-Held Companies (ABRASCA);**
- **The Ombudsman Brazil Award - Bradesco and Grupo Bradesco Seguros' Ombudsmen were selected among the top ten in Brazil for the third consecutive year. Acknowledgment granted based on a survey conducted by the Brazilian Association of Ombudsmen (ABO), from the Brazilian Association of Company-Client Relations (Abrarec), Procon SP, and the Data Processing Company of the State of São Paulo (Prodesp), with support from *Consumidor Moderno* magazine;**
- **Bradesco Cartões, company of the year at the XV Modern Consumer Award for Excellence in Customer Service, recognized by the quality of services offered to consumers; and**
- **BRAM-Bradesco Asset Management received the highest management quality rating -**

Magazine;

- **Among the 150 Best Companies to Work For in Brazil, according to *Guia Você S/A Exame*** for the 15<sup>th</sup> consecutive time, receiving the best score of all banks;

- **Included on the list of 130 Best Companies to Work for in Brazil** for the 15<sup>th</sup> time according to a survey conducted by *Época* magazine, reviewed by the *Great Place to Work Institute*;

- **The *Anuário Época Negócios 360º*, a ranking that listed the top 250 companies in Brazil, granted Bradesco the title in the Banking category, and granted Bradesco Seguros the title in the Insurance category**, according to a survey conducted by *Época Negócios* magazine, in partnership with Fundação Dom Cabral; and

- **Grupo Bradesco Seguros ranked first place in *As Melhores da Dinheiro*, 2014 edition, from the *IstoÉ Dinheiro* magazine**, especially in the Insurance and Health categories.

**Awards** – the Organization won 37 awards from independent sources in 2014 in recognition of the quality of its products and services, including:

- **e-finance 2014 Award**, from *Executivos Financeiros* magazine, winning with cases in various categories.

**1-AMP (very strong)** - from Standard & Poor's. It was also voted **Top Management 2014 Variable Income**, in the ranking published by *ValorInveste* magazine, according to an evaluation from Standard & Poor's;

**Certifications** – The Management System is the interrelation of parts, units or elements which provides the operation and management of an organized structure, contributing to achieve operational excellence and the desired results.

Thus, the Bradesco Organization has the following certifications to its management system: SA8000 – Social Responsibility; OHSAS 18001 – Occupational Health and Safety; ISO 14001 - Environmental Management; ISO 14064 – Measurement and Reporting of Greenhouse Gas Emissions; GoodPriv@cy – Data Protection and Privacy; ISO 9001 – Quality Management; ISO 27001 – Information Security Management; and ISO 20.000 – Management of IT Service Delivery.

The achievements of the year are the result of Bradesco Organization's continuous quest for efficiency and quality in its operations, products and services, always focused on the expectation of expanding our services to more customers and users. In addition, these achievements reflect our ongoing effort to earn and maintain our position as the preferred Bank of people and companies.



Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

***Management Report***

Bradesco believes in a favorable environment for further progress in 2015, and renews its effort and commitment to building an increasingly fair and developed nation.

The support and trust of our shareholders and customers were crucial to the successes obtained in 2014, as were the efficient and dedicated work of all our employees. Thank you.

Cidade de Deus, January 28, 2015

**Board of Directors**  
**and the Board of Executive Officers**

(\*) Excluding mark-to-market effect of Available-for-sale Securities recorded under Shareholders' Equity.

Bradesco

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## Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Consolidated Statement of Financial Position** - in thousands of Reais

	2014		2013
	December	September	December
<b>Assets</b>			
<b>Current assets</b>	<b>695,062,459</b>	<b>664,064,302</b>	<b>599,915,692</b>
<b>Cash and due from banks (Note 6)</b>	<b>14,645,611</b>	<b>11,315,727</b>	<b>12,196,309</b>
<b>Interbank investments (Notes 3d and 7)</b>	<b>201,639,262</b>	<b>180,754,970</b>	<b>134,633,803</b>
Securities purchased under agreements to resell	194,179,112	172,478,113	124,970,956
Interbank investments	7,488,540	8,309,559	9,698,449
Allowance for losses	(28,390)	(32,702)	(35,602)
<b>Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)</b>	<b>221,915,819</b>	<b>221,372,749</b>	<b>196,059,241</b>
Own portfolio	204,308,668	196,970,917	171,677,589
Subject to unrestricted repurchase agreements	11,226,840	16,697,492	20,458,489
Derivative financial instruments (Notes 3f, 8e II and 32b)	2,909,135	4,112,977	1,748,814
Given in guarantee	3,471,176	3,591,363	2,174,349
<b>Interbank accounts</b>	<b>50,998,901</b>	<b>47,673,247</b>	<b>55,530,397</b>
Unsettled payments and receipts	63,204	897,884	14,080
Reserve requirement (Note 9):			
- Reserve requirement - Brazilian Central Bank	50,924,906	46,712,816	55,380,989
- SFH	4,981	5,551	3,306
Correspondent banks	5,810	56,996	132,022
<b>Interdepartmental accounts</b>	<b>387,921</b>	<b>257,849</b>	<b>881,453</b>
Internal transfer of funds	387,921	257,849	881,453
<b>Loans (Notes 3g, 10 and 32b)</b>	<b>140,463,139</b>	<b>134,076,293</b>	<b>135,354,186</b>
Loans:			
- Public sector	1,180,391	79,078	44,870
- Private sector	153,881,076	148,282,452	148,638,032
Allowance for loan losses (Notes 3g, 10f, 10g and 10h)	(14,598,328)	(14,285,237)	(13,328,716)
<b>Leasing (Notes 2, 3g, 10 and 32b)</b>	<b>2,032,435</b>	<b>2,159,103</b>	<b>2,723,519</b>
Leasing receivables:			
- Private sector	4,020,476	4,278,182	5,434,253
Unearned income from leasing	(1,831,672)	(1,955,260)	(2,433,185)
Allowance for leasing losses (Notes 3g, 10f, 10g and 10h)	(156,369)	(163,819)	(277,549)
<b>Other receivables</b>	<b>59,771,985</b>	<b>63,248,433</b>	<b>59,436,700</b>
Receivables on sureties and guarantees honored (Note 10a-3)	38,498	36,057	10,554
Foreign exchange portfolio (Note 11a)	11,774,294	11,564,574	13,707,498
Receivables	773,817	677,736	758,080
Securities trading	1,226,827	1,113,535	1,142,905
Specific receivables	4,179	3,650	2,819
Insurance and reinsurance receivables and reinsurance assets – technical reserves	4,057,019	4,259,330	3,498,202

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Sundry (Note 11b)	42,783,007	46,445,835	41,133,710
Allowance for other loan losses (Notes 3g, 10f, 10g and 10h)	(885,656)	(852,284)	(817,068)
<b>Other assets (Note 12)</b>	<b>3,207,386</b>	<b>3,205,931</b>	<b>3,100,084</b>
Other assets	1,766,194	1,737,929	1,481,238
Provision for losses	(698,981)	(653,322)	(562,494)
Prepaid expenses (Notes 3i and 12b)	2,140,173	2,121,324	2,181,340
<b>Long-term receivables</b>	<b>321,906,888</b>	<b>308,249,694</b>	<b>292,580,021</b>
<b>Interbank investments (Notes 3d and 7)</b>	<b>772,794</b>	<b>579,795</b>	<b>822,535</b>
Interbank investments	772,794	579,795	822,535
<b>Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)</b>	<b>124,442,147</b>	<b>122,072,195</b>	<b>117,268,259</b>
Own portfolio	66,573,948	71,012,203	56,687,389
Subject to unrestricted repurchase agreements	53,160,711	47,439,782	55,122,833
Derivative financial instruments (Notes 3f, 8e II and 32b)	1,652,713	1,337,436	751,511
Given in guarantee to the Brazilian Central Bank	19,764	20,104	-
Privatization rights	58,928	59,893	65,509
Given in guarantee	2,646,248	1,879,163	4,339,865
Subject to unrestricted repurchase agreements	329,835	323,614	301,152
<b>Interbank accounts</b>	<b>617,154</b>	<b>608,461</b>	<b>583,626</b>
Reserve requirement (Note 9):			
- SFH	617,154	608,461	583,626

The accompanying Notes are an integral part of these Financial Statements.

Economic and Financial Analysis Report – December 2014

## Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Consolidated Statement of Financial Position** -In thousands of Reais

<b>Assets</b>	<b>2014</b>		<b>2013</b>
	<b>December</b>	<b>September</b>	<b>December</b>
<b>Loans (Notes 3g, 10 and 32b)</b>	<b>151,876,620</b>	<b>149,451,323</b>	<b>135,500,718</b>
Loans:			
- Public sector	756,820	2,141,863	2,143,961
- Private sector	153,184,040	149,840,848	140,089,006
Loans transferred under an assignment with recourse	4,911,791	4,311,728	-
Allowance for loan losses (Notes 3g, 10f, 10g and 10h)	(6,976,031)	(6,843,116)	(6,732,249)
<b>Leasing (Notes 2, 3g, 10 and 32b)</b>	<b>2,034,837</b>	<b>2,188,198</b>	<b>2,529,406</b>
Leasing receivables:			
- Private sector	4,304,809	4,631,331	5,537,108
Unearned income from leasing	(2,174,464)	(2,345,931)	(2,824,695)
Allowance for leasing losses (Notes 3g, 10f, 10g and 10h)	(95,508)	(97,202)	(183,007)
<b>Other receivables</b>	<b>40,446,130</b>	<b>31,657,475</b>	<b>34,194,407</b>
Receivables	8,988	7,588	61,298
Securities trading	398,032	411,429	170,018
Sundry (Note 11b)	40,051,450	31,251,837	33,973,908
Allowance for other loan losses (Notes 3g, 10f, 10g and 10h)	(12,340)	(13,379)	(10,817)
<b>Other assets (Note 12)</b>	<b>1,717,206</b>	<b>1,692,247</b>	<b>1,681,070</b>
Prepaid expenses (Notes 3i and 12b)	1,717,206	1,692,247	1,681,070
<b>Permanent assets</b>	<b>15,070,604</b>	<b>15,050,416</b>	<b>15,643,572</b>
<b>Investments (Notes 3j, 13 and 32b)</b>	<b>1,712,465</b>	<b>1,931,275</b>	<b>1,830,388</b>
Equity in the earnings (losses) of unconsolidated companies - In Brazil	1,553,065	1,514,850	1,412,087
Other investments	433,255	690,153	692,144
Allowance for losses	(273,855)	(273,728)	(273,843)
<b>Premises and equipment (Notes 3k and 14)</b>	<b>4,887,145</b>	<b>4,591,285</b>	<b>4,667,245</b>
Premises	1,478,224	1,472,902	1,441,462
Other premises and equipment	10,737,991	10,338,796	10,246,779
Accumulated depreciation	(7,329,070)	(7,220,413)	(7,020,996)
<b>Intangible assets (Notes 3l and 15)</b>	<b>8,470,994</b>	<b>8,527,856</b>	<b>9,145,939</b>
Intangible Assets	16,740,371	16,203,331	17,740,156
Accumulated amortization	(8,269,377)	(7,675,475)	(8,594,217)
<b>Total</b>	<b>1,032,039,951</b>	<b>987,364,412</b>	<b>908,139,285</b>

The accompanying Notes are an integral part of these Financial Statements.





## Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Consolidated Statement of Financial Position** -in thousands of Reais

<b>Liabilities</b>	<b>2014</b>		<b>2013</b>
	<b>December</b>	<b>September</b>	<b>December</b>
<b>Current liabilities</b>	<b>743,261,397</b>	<b>699,866,046</b>	<b>627,521,214</b>
<b>Deposits (Notes 3n and 16a)</b>	<b>166,519,168</b>	<b>164,460,431</b>	<b>166,344,920</b>
Demand deposits	33,029,201	33,299,639	40,618,478
Savings Deposits	92,154,815	87,293,425	80,717,805
Interbank deposits	395,919	505,401	760,034
Time deposits (Notes 16a and 32b)	40,939,233	43,361,966	44,248,603
<b>Securities sold under agreements to repurchase (Notes 3n and 16b)</b>	<b>298,056,349</b>	<b>274,929,619</b>	<b>239,743,865</b>
Own portfolio	109,784,393	106,890,629	122,015,241
Third-party portfolio	187,098,495	167,151,431	112,260,838
Unrestricted portfolio	1,173,461	887,559	5,467,786
<b>Funds from issuance of securities (Notes 16c and 32b)</b>	<b>46,647,805</b>	<b>42,244,712</b>	<b>20,779,339</b>
Mortgage and real estate notes, letters of credit and others	43,302,030	38,891,494	16,630,404
Securities issued overseas	3,182,337	3,177,342	4,148,935
Structured Operations Certificates	163,438	175,876	-
<b>Interbank accounts</b>	<b>1,068,712</b>	<b>1,159,475</b>	<b>1,695,129</b>
Correspondent banks	1,068,712	1,159,475	1,695,129
<b>Interdepartmental accounts</b>	<b>4,888,707</b>	<b>3,381,363</b>	<b>5,168,539</b>
Third-party funds in transit	4,888,707	3,381,363	5,168,539
<b>Borrowing (Notes 17a and 32b)</b>	<b>13,123,331</b>	<b>13,148,052</b>	<b>14,194,747</b>
Borrowing in Brazil - other institutions	8,415	6,485	3,595
Borrowing overseas	13,114,916	13,141,567	14,191,152
<b>On-lending in Brazil - official institutions (Notes 17b and 32b)</b>	<b>13,134,627</b>	<b>12,707,996</b>	<b>12,220,523</b>
National treasury	151,096	128,451	23,735
BNDES	4,056,723	3,870,102	3,726,424
CEF	11,871	13,849	20,962
FINAME	8,913,365	8,694,333	8,448,148
Other institutions	1,572	1,261	1,254
<b>On-lending overseas (Notes 17b and 32b)</b>	<b>1,483,967</b>	<b>237,093</b>	<b>182,853</b>
On-lending overseas	1,483,967	237,093	182,853
<b>Derivative financial instruments (Notes 3f, 8e II and 32b)</b>	<b>2,138,117</b>	<b>4,155,241</b>	<b>1,081,868</b>
Derivative financial instruments	2,138,117	4,155,241	1,081,868
<b>Technical reserves for insurance, pension plans and capitalization bonds (Notes 3o and 21)</b>	<b>129,922,136</b>	<b>122,133,351</b>	<b>112,741,534</b>
<b>Other liabilities</b>	<b>66,278,478</b>	<b>61,308,713</b>	<b>53,367,897</b>
Payment of taxes and other contributions	434,579	3,926,928	814,556
Foreign exchange portfolio (Note 11a)	5,385,332	5,611,062	7,770,810
Social and statutory	3,105,598	2,437,492	2,471,009

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Tax and social security (Note 20a)	6,210,864	5,477,382	5,593,779
Securities trading	2,606,970	2,306,418	2,163,132
Financial and development funds	2,213	2,554	2,266
Subordinated debts (Notes 19 and 32b)	2,862,116	4,442,691	2,581,899
Sundry (Note 20b)	45,670,806	37,104,186	31,970,446
<b>Long-term liabilities</b>	<b>206,585,123</b>	<b>207,500,878</b>	<b>208,396,101</b>

The accompanying Notes are an integral part of these Financial Statements.

Economic and Financial Analysis Report – December 2014

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## Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Consolidated Statement of Financial Position** -In thousands of Reais

<b>Liabilities</b>	<b>2014</b>		<b>2013</b>
	<b>December</b>	<b>September</b>	<b>December</b>
<b>Deposits (Notes 3n and 16a)</b>	<b>45,093,390</b>	<b>47,420,936</b>	<b>51,718,125</b>
Interbank deposits	245,285	168,184	203,820
Time deposits (Notes 16a and 32b)	44,848,105	47,252,752	51,514,305
<b>Securities sold under agreements to repurchase (Notes 3n and 16b)</b>	<b>22,137,746</b>	<b>22,884,544</b>	<b>16,534,931</b>
Own portfolio	22,137,746	22,884,544	16,534,931
<b>Funds from issuance of securities (Notes 16c and 32b)</b>	<b>38,177,628</b>	<b>33,038,146</b>	<b>36,874,654</b>
Mortgage and real estate notes, letters of credit and others	32,497,232	27,610,499	29,548,742
Securities issued overseas	5,583,788	5,351,820	7,325,912
Structured Operations Certificates	96,608	75,827	-
<b>Borrowing (Notes 17a and 32b)</b>	<b>2,095,261</b>	<b>1,924,310</b>	<b>1,036,109</b>
Borrowing in Brazil - other institutions	11,743	13,524	9,914
Borrowing overseas	2,083,518	1,910,786	1,026,195
<b>On-lending in Brazil - official institutions (Notes 17b and 32b)</b>	<b>29,160,950</b>	<b>28,543,706</b>	<b>28,460,620</b>
BNDES	8,216,720	8,257,790	8,606,309
CEF	8,262	10,911	18,852
FINAME	20,935,968	20,274,673	19,835,093
Other institutions	-	332	366
<b>Derivative financial instruments (Notes 3f, 8e II and 32b)</b>	<b>1,143,746</b>	<b>921,044</b>	<b>726,632</b>
Derivative financial instruments	1,143,746	921,044	726,632
<b>Technical reserves for insurance, pension plans and capitalization bonds (Notes 3o and 21)</b>	<b>23,344,947</b>	<b>23,835,692</b>	<b>23,487,577</b>
<b>Other liabilities</b>	<b>45,431,455</b>	<b>48,932,500</b>	<b>49,557,453</b>
Tax and social security (Note 20a)	9,985,276	9,871,099	10,255,945
Subordinated debts (Notes 19 and 32b)	32,959,551	32,021,706	33,303,104
Sundry (Note 20b)	2,486,628	7,039,695	5,998,404
<b>Deferred income</b>	<b>292,669</b>	<b>265,732</b>	<b>676,733</b>
Deferred income	292,669	265,732	676,733
<b>Non-controlling interests in subsidiaries (Note 22)</b>	<b>392,512</b>	<b>489,640</b>	<b>605,435</b>
<b>Shareholders' equity (Note 23)</b>	<b>81,508,250</b>	<b>79,242,116</b>	<b>70,939,802</b>
Capital:			
- Domiciled in Brazil	37,622,363	37,622,388	37,622,329
- Domiciled overseas	477,637	477,612	477,671
Capital reserves	11,441	11,441	11,441
Profit reserves	44,186,135	41,487,446	34,151,897
Asset valuation adjustments	(491,311)	(58,756)	(1,054,443)
Treasury shares (Notes 23d and 32b)	(298,015)	(298,015)	(269,093)
<b>Attributable to equity holders of the Parent Company</b>	<b>81,900,762</b>	<b>79,731,756</b>	<b>71,545,237</b>

**Total**

**1,032,039,951 987,364,412 908,139,285**

The accompanying Notes are an integral part of these Financial Statements.

Bradesco

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## Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

**Consolidated Income Statement** *-In thousands of Reais*

	2014			2013
	4 <sup>th</sup> Quarter	3 <sup>rd</sup> quarter	December	December
<b>Revenue from financial intermediation</b>	<b>31,025,858</b>	<b>28,447,992</b>	<b>112,879,653</b>	<b>88,161,076</b>
Loans (Note 10j)	15,326,585	15,092,076	58,402,327	52,423,997
Leasing (Note 10j)	148,401	158,771	649,400	790,821
Operations with securities (Note 8h)	10,822,755	8,608,578	34,681,414	24,778,088
Financial income from insurance, pension plans and capitalization bonds (Note 8h)	3,649,960	3,443,157	13,920,986	6,794,002
Derivative financial instruments (Note 8h)	(556,580)	(493,433)	(376,387)	(2,073,577)
Foreign exchange operations (Note 11a)	665,291	563,816	1,295,228	2,085,653
Reserve requirement (Note 9b)	995,162	1,094,011	4,310,921	3,138,766
Sale or transfer of financial assets	(25,716)	(18,984)	(4,236)	223,326
<b>Financial intermediation expenses</b>	<b>23,282,529</b>	<b>22,334,412</b>	<b>78,874,131</b>	<b>63,184,726</b>
Retail and professional market funding (Note 16e)	14,111,513	13,117,836	48,874,068	38,439,249
Adjustment for inflation and interest on technical reserves for insurance, pension plans and capitalization bonds (Note 16e)	2,866,282	2,437,088	10,376,435	5,858,966
Borrowing and on-lending (Note 17c)	2,524,398	3,004,488	5,172,434	5,405,881
Allowance for loan losses (Notes 3g, 10g and 10h)	3,780,336	3,775,000	14,451,194	13,480,630
<b>Gross income from financial intermediation</b>	<b>7,743,329</b>	<b>6,113,580</b>	<b>34,005,522</b>	<b>24,976,350</b>
<b>Other operating income (expenses)</b>	<b>(3,088,340)</b>	<b>(2,370,852)</b>	<b>(12,951,984)</b>	<b>(10,583,728)</b>
Fee and commission income (Note 24)	5,787,337	5,586,695	21,790,084	19,459,599
Other fee and commission income	4,482,900	4,328,967	16,888,614	15,400,832
Income from banking fees	1,304,437	1,257,728	4,901,470	4,058,767
Retained premium from insurance, pension plans and capitalization bonds (Notes 3o and 21d)	17,732,532	12,799,606	55,797,547	49,526,003
Net premiums written	17,805,595	12,904,010	56,151,588	49,751,584
Reinsurance premiums paid	(73,063)	(104,404)	(354,041)	(225,581)
Variation in technical reserves for insurance, pension plans and capitalization bonds (Note 3o)	(8,549,949)	(4,818,500)	(24,020,497)	(19,908,930)
Retained claims (Note 3o)	(4,943,054)	(4,778,474)	(18,143,687)	(15,484,691)
Capitalization bond prize draws and redemptions (Note 3o)	(1,339,730)	(1,295,096)	(4,894,419)	(4,164,620)
Selling expenses from insurance, pension plans and capitalization bonds (Note 3o)	(782,322)	(737,347)	(2,936,275)	(2,510,558)

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Payroll and related benefits (Note 25)	(3,675,979)	(4,052,293)	(14,455,259)	(13,061,269)
Other administrative expenses (Note 26)	(4,228,996)	(3,663,861)	(15,015,021)	(14,429,504)
Tax expenses (Note 27)	(1,011,510)	(910,176)	(4,231,859)	(4,028,962)