

BANK BRADESCO  
Form 6-K  
May 07, 2018

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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 May, 2018  
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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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.

Percentage variations not presented in the framework of this report, are related, in their majority, to the low value balances compared with the other periods presented.

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## Average Net Interest Income Rate

R\$ million	1Q18	4Q17	1Q17	Variation	
				1Q18 x 4Q17	1Q18 x 1Q17
<b>Net Interest Income</b>					
NII - Interest-earning portion - due to volume				(171)	(507)
NII - Interest-earning portion - due to spread				3	100
- NII - Interest Earning Portion	15,493	15,661	15,900	(168)	(407)
- NII - Non-Interest Earning Portion	193	152	136	41	57
<b>Net Interest Income</b>	<b>15,686</b>	<b>15,813</b>	<b>16,036</b>	<b>(127)</b>	<b>(350)</b>
<b>Average Earning Portion Rate (1)</b>	<b>6.6%</b>	<b>6.8%</b>	<b>7.2%</b>		

(1) Average rate in the quarter = (Earning Portion / Total Average Assets Repos Permanent Assets).

## Interest Earning Portion Average Rates (12 months)

R\$ million	NII - Interest Earning Portion	1Q18		NII - Interest Earning Portion	1Q17	
		Average Balance	Average Rate		Average Balance	Average Rate
Credit Intermediation <sup>(1)</sup>	11,690	415,962	11.6%	12,781	432,409	12.0%
Insurance	1,526	249,299	2.4%	1,481	227,358	2.8%
ALM /Other <sup>(1)</sup> (2)	2,277	367,642	2.1%	1,638	408,650	1.6%
<b>NII - Interest-Earning Portion</b>	<b>15,493</b>	<b>-</b>	<b>6.6%</b>	<b>15,900</b>	<b>-</b>	<b>7.4%</b>
		<b>1Q18</b>			<b>4Q17</b>	



R\$ million	NII - Interest Earning Portion	Average Balance	Average Rate	NII - Interest Earning Portion	Average Balance	Average Rate
Credit Intermediation <sup>(1)</sup>	11,690	415,962	11.6%	12,129	418,839	11.7%
Insurance	1,526	249,299	2.4%	1,460	243,996	2.4%
ALM /Other <sup>(1)</sup> (2)	2,277	367,642	2.1%	2,072	390,203	1.9%
<b>NII - Interest-Earning Portion</b>	<b>15,493</b>	<b>-</b>	<b>6.6%</b>	<b>15,661</b>	<b>-</b>	<b>6.7%</b>

(1) As per this quarter we considered the margin of the financial assets of fixed income, with characteristic of credit (mostly debentures) in the margin of credit intermediation, formerly classified as ALM/other. For the purposes of comparability, the previous periods have been reclassified; and

(2) It reflects, mainly, treasury operations in the assets and liabilities management (ALM).

## Interest Earning Portion Volume Variation vs. Spread

o Credit Intermediation the reduction of the average spreads in operations with individuals is in line with the amendment of the mix of loan portfolios, which evolved into products with a lower rate and risk, like: consigned, real estate and CDC vehicles. Highlight to the evolution of the average daily origination for this segment, which grew 3% in the quarter and 35% compared to the daily average of the 1Q17. The behavior of the operations with companies is impacted by the lower credit demand, mainly of the corporate and middle market segments.

o Insurance the performance of the periods benefited from the good performance of the multimarket funds and of shares, highlighting the growth of 11.7% of the Ibovespa index this quarter.

o ALM/Other reflect, mainly, treasury operations in assets and liabilities management (ALM).

R\$ million	1Q18	4Q17	1Q17	Variation	
				1Q18 x 4Q17	1Q18 x 1Q17
<b>Net Interest Income</b>					
NII - Interest-earning portion - due to volume				(171)	(507)
NII - Interest-earning portion - due to spread				3	100
- NII - Interest Earning Portion	15,493	15,661	15,900	(168)	(407)
- NII - Non-Interest Earning Portion	193	152	136	41	57
<b>Net Interest Income</b>	<b>15,686</b>	<b>15,813</b>	<b>16,036</b>	<b>(127)</b>	<b>(350)</b>
<b>Average NIM <sup>(1)</sup></b>	<b>6.6%</b>	<b>6.8%</b>	<b>7.2%</b>		

R\$ million	Credit Intermediation		Insurance		ALM/Other		NII - Interest-Earning Portion	
	1Q18 x 4Q17	1Q18 x 1Q17	1Q18 x 4Q17	1Q18 x 1Q17	1Q18 x 4Q17	1Q18 x 1Q17	1Q18 x 4Q17	1Q18 x 1Q17
	<b>Volume x Spread</b>							
NII - Interest-earning portion - due to volume	(83)	(486)	32	143	(120)	(164)	(171)	(507)
NII - Interest-earning portion - due to spread	(356)	(605)	34	(98)	325	803	3	100
<b>Variation NII - Interest-Earning Portion</b>	<b>(439)</b>	<b>(1,091)</b>	<b>66</b>	<b>45</b>	<b>205</b>	<b>639</b>	<b>(168)</b>	<b>(407)</b>

### Earning Portion of Credit Intermediation vs. ALL (Expanded)

The improvement of the quality of the loan portfolio has reduced the cost of delinquency (Expanded ALL) in the periods, boosting the evolution of the net margin of credit intermediation, offsetting the reduction in the gross margin.

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

### **Flow of Maturities <sup>(1)</sup>**

The loan portfolio by flow of maturities of operations has, as one of its features, a longer profile, mainly due to the presence of real estate financing and payroll-deductible loans. It must be noted that, due to their guarantees and characteristics, these operations are not only exposed to lower risk but also provide favorable conditions to gain customer loyalty.

(1) Only normal course operations.

### **Delinquency Ratio**

#### **Over 90 days**

The ratio showed improvement for the fourth consecutive quarter, maintaining the decreasing trend, as presented in the graph, mainly related to the performance of the segments of Micro, Small and Medium-Sized Enterprises and Individuals, which in the last 12 months presented reductions in the balance of non-performing loans, of 30% and 21%, respectively.

#### **15-90 days**

In the quarter, short-term delinquency presented growth, impacted partly by seasonal issues at the beginning of the year that affected the segment of individuals, and, therefore, do not represent a trend variation, and specific cases of corporate clients. It is highlighted the improvement showed in the last 12 months for Micro, Small and Medium-Sized Enterprises and Individuals.

In the 1Q18, loans were granted (without retention of risks and benefits, already written off as loss, totaling R\$5.3 billion), which does not modify the delinquency ratio in the period. The sale value of these portfolios did not impact significantly the outcome.

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### **Effective Coverage Ratio**

Monitoring the continuous improvement of the indicators of delinquency and of the ALL expenses (Expanded), the net losses of recoveries estimated for March 2018 indicates 3.7%, resulting in an effective coverage ratio of 269%.

### **NPL Creation 90 days vs. Write-offs**

As a consequence of the strengthening of the policy and of the processes of credit granted, the NPL Creation also follows the trend of decrease, reaching the lowest level of the last ten quarters, boosted by the reduction of delinquent credits in the segments of Micro, Small and Medium-Sized Enterprises and Individuals.

We have demonstrated below the opening of the NPL Creation per business segment.

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## Coverage Ratio

The adjacent graph presents the behavior of the ratios covering the allowance for loan losses in relation to default credits exceeding 60 and 90 days. In March 2018, ratios showed very comfortable levels. Along with the allowance for loan losses required by Bacen, Bradesco has an excess provision of R\$6.9 billion to cover possible adverse scenarios, as well as other operations/ commitments with credit risk.

## Bacen Portfolio vs. Expanded Portfolio

The loan portfolio performance (Bacen), counts on the evolution of the segment of individuals, with emphasis on the growth of real estate credit, consigned and CDC vehicles. Also in relation to individuals, highlight to the growth in average daily origination, which raised 3% in the quarter and 35% compared to the first quarter of 2017.

The behavior of the operations with companies is impacted by the lower credit demand of the corporate and middle markets segments.

In the expanded portfolio, in addition to the effects mentioned above, the developments in the periods are impacted by the operations with sureties and guarantees, and debentures not renewed, which are almost entirely designed for large corporates.

	Mar18	Dec17	Mar17	Variation %	
				Quarter	12 months
Individuals	176,879	174,537	170,726	1.3	3.6
Companies	194,520	195,542	211,225	(0.5)	(7.9)
<b>Loan Portfolio - Bacen</b>	<b>371,399</b>	<b>370,079</b>	<b>381,950</b>	<b>0.4</b>	<b>(2.8)</b>
Sureties and Guarantees	72,676	78,867	75,951	(7.8)	(4.3)
Operations bearing Credit Risk - Commercial Portfolio <sup>(1)</sup>	38,336	39,980	42,385	(4.1)	(9.6)
Other <sup>(2)</sup>	4,234	4,005	2,428	5.7	74.4
<b>Expanded Loan Portfolio</b>	<b>486,645</b>	<b>492,931</b>	<b>502,714</b>	<b>(1.3)</b>	<b>(3.2)</b>

(1) It includes debentures operations and promissory notes; and

(2) It considers letter of credit, advances of credit card receivables and co-obligation in the assignment of CRI and rural credit.

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## Expanded Loan Portfolio Breakdown By Customer Profile, Product and Currency

R\$ million	Mar18	Dec17	Mar17	Variation %	
				Quarter	12 months
<b>Customer Profile</b>					
<b>Individuals</b>	<b>177,814</b>	<b>175,469</b>	<b>171,820</b>	<b>1.3</b>	<b>3.5</b>
<b>Consumer Financing</b>	<b>117,428</b>	<b>116,066</b>	<b>111,242</b>	<b>1.2</b>	<b>5.6</b>
Payroll-deductible Loans	45,281	43,968	39,937	3.0	13.4
Credit Card	32,982	34,437	34,018	(4.2)	(3.0)
CDC / Vehicle Leasing	21,584	20,784	19,526	3.8	10.5
Personal Loans	17,581	16,877	17,761	4.2	(1.0)
<b>Real Estate Financing</b>	<b>34,396</b>	<b>33,687</b>	<b>32,589</b>	<b>2.1</b>	<b>5.5</b>
<b>Other Products</b>	<b>25,990</b>	<b>25,716</b>	<b>27,989</b>	<b>1.1</b>	<b>(7.1)</b>
Rural Loans	8,032	7,947	8,306	1.1	(3.3)
BNDES/Finame Onlendings	6,376	6,394	6,668	(0.3)	(4.4)
Other	11,582	11,374	13,015	1.8	(11.0)
<b>Companies</b>	<b>308,831</b>	<b>317,462</b>	<b>330,894</b>	<b>(2.7)</b>	<b>(6.7)</b>
Working Capital	39,894	40,075	43,807	(0.5)	(8.9)
Operations Abroad	28,436	29,776	33,671	(4.5)	(15.5)
Export Financing	30,979	26,335	29,120	17.6	6.4
Real Estate Financing	25,886	27,179	28,612	(4.8)	(9.5)
BNDES/Finame Onlendings	21,945	24,261	27,705	(9.5)	(20.8)
Overdraft Account	6,894	6,566	7,798	5.0	(11.6)
CDC / Leasing	7,371	7,249	7,295	1.7	1.0
Rural Loans	6,248	5,618	6,643	11.2	(5.9)
Sureties and Guarantees	72,060	78,267	75,251	(7.9)	(4.2)
Operations bearing Credit Risk					
- Commercial Portfolio	38,336	39,980	42,385	(4.1)	(9.6)
Other	30,782	32,155	28,608	(4.3)	7.6
<b>Total Loan Operations</b>	<b>486,645</b>	<b>492,931</b>	<b>502,714</b>	<b>(1.3)</b>	<b>(3.2)</b>
Domest Currency	451,469	452,075	460,489	(0.1)	(2.0)
Foreign Currency	35,176	40,856	42,226	(13.9)	(16.7)

## Distribution by Business Sector

Among the segments of business, Retail and Prime are highlighted, which currently represent 35.8% of the total expanded portfolio and presented evolutions in the periods.

R\$ million  Business Segments	Mar18	%	Dec17	%	Mar17	%	Variation %	
							Quarter	12 months
Retail	129,248	26.6	125,470	25.5	121,079	24.2	3.0	6.7
Prime	45,180	9.3	43,557	8.8	42,870	8.5	3.7	5.4
Corporate	217,294	44.7	225,993	45.8	236,816	47.1	(3.8)	(8.2)
Middle Market	44,771	9.2	45,672	9.3	48,917	9.7	(2.0)	(8.5)
Other / Non-checking account Holders <sup>(1)</sup>	50,152	10.2	52,240	10.6	53,033	10.5	(4.0)	(5.4)
<b>Total</b>	<b>486,645</b>	<b>100.0</b>	<b>492,931</b>	<b>100.0</b>	<b>502,714</b>	<b>100.0</b>	<b>(1.3)</b>	<b>(3.2)</b>

(1) It consists, mostly, of non-account holders, originating from the credit cards, payroll-deductible loans and financing of vehicles activities.



**Expanded Loan Portfolio Concentration By Economic Sector**

R\$ million	Mar18	%	Dec17	%	Mar17	%
<b>Economic Sector</b>						
<b>Public Sector</b>	<b>11,577</b>	<b>2.4</b>	<b>13,518</b>	<b>2.7</b>	<b>12,484</b>	<b>2.5</b>
Oil, derivatives and aggregate activities	9,632	2.0	11,097	2.3	9,848	2.0
Production and distribution of electricity	1,194	0.2	1,260	0.3	2,041	0.4
Other sectors	751	0.2	1,161	0.2	595	0.1
<b>Private Sector</b>	<b>475,068</b>	<b>97.6</b>	<b>479,413</b>	<b>97.3</b>	<b>490,230</b>	<b>97.5</b>
<b>Companies</b>	<b>297,254</b>	<b>61.1</b>	<b>303,944</b>	<b>61.7</b>	<b>318,410</b>	<b>63.3</b>
Real estate and construction activities	35,240	7.2	36,380	7.4	46,429	9.2
Retail	29,853	6.1	33,565	6.8	34,396	6.8
Transportation and concession	24,250	5.0	23,159	4.7	27,012	5.4
Services	26,430	5.4	25,485	5.2	23,435	4.7
Wholesale	13,920	2.9	13,307	2.7	14,385	2.9
Automotive	12,691	2.6	13,370	2.7	17,599	3.5
Food products	10,727	2.2	10,453	2.1	13,414	2.7
Other sectors	144,143	29.6	148,225	30.1	141,740	28.2
<b>Individuals</b>	<b>177,814</b>	<b>36.5</b>	<b>175,469</b>	<b>35.6</b>	<b>171,820</b>	<b>34.2</b>
<b>Total</b>	<b>486,645</b>	<b>100.0</b>	<b>492,931</b>	<b>100.0</b>	<b>502,714</b>	<b>100.0</b>

**Changes in the Expanded Loan Portfolio By Rating**

In addition, as a consequence of the reinforcement of the policy and the credit granting processes and risk management, 94.3% of new borrowers were classified ratings from AA to C, presenting improvement of the quality of the loan portfolio.

Changes in Expanded Loan Portfolio by Rating between March 2017 and 2018	Total Credit on March 2018		New customers between April 2017 and March 2018		Remaining customers from March 2017	
	R\$ million	%	R\$ million	%	R\$ million	%
<b>Rating</b>						
AA - C	428,301	88.0	24,220	94.3	404,081	87.6

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D	12,546	2.6	244	0.9	12,302	2.7
E - H	45,798	9.4	1,229	4.8	44,569	9.7
<b>Total</b>	<b>486,645</b>	<b>100.0</b>	<b>25,693</b>	<b>100.0</b>	<b>460,952</b>	<b>100.0</b>

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

The range represented by credits classified between AA and C remained at comfortable levels.

Customer Profile	Mar18			Dec17			Mar17		
	By Rating			By Rating			By Rating		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Large Corporates	87.9	2.4	9.7	88.4	3.5	8.1	89.4	3.1	7.5
Micro, Small and Medium-Sized Enterprises	84.8	3.8	11.4	84.0	3.8	12.2	82.4	4.5	13.1
Individuals	89.9	2.1	8.0	89.3	2.1	8.6	87.7	2.3	10.0
<b>Total</b>	<b>88.0</b>	<b>2.6</b>	<b>9.4</b>	<b>87.9</b>	<b>3.0</b>	<b>9.1</b>	<b>87.5</b>	<b>3.1</b>	<b>9.4</b>

**Bacen Portfolio Indicators**

With the aim of 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 (except %)	Mar18	Dec17	Mar17	Variation% (unless otherwise stated)	
				Quarter	12 months
<b>Total Provision</b>	<b>35,763</b>	<b>36,527</b>	<b>39,181</b>	(2.1)	(8.7)
- Specific	16,499	16,887	21,575	(2.3)	(23.5)
- Generic	12,365	12,721	10,699	(2.8)	15.6
- Excess	6,899	6,918	6,907	(0.3)	(0.1)
Specific Provision / Total Provision (%)	46.1	46.2	55.1	(0.1) p.p.	(9.0) p.p.
Total Provision / Loans (%)	9.6	9.9	10.3	(0.3) p.p.	(0.7) p.p.
AA - C Rated Loans / Loans (%)	87.6	87.2	86.9	0.4 p.p.	0.7 p.p.
D-rated Operations under Risk Management / Loans (%)	3.0	3.5	3.4	(0.5) p.p.	(0.4) p.p.
E-H rated Loans / Loans(%)	9.4	9.3	9.7	0.1 p.p.	(0.3) p.p.
D-rated loans	11,137	12,933	13,131	(13.9)	(15.2)
Provision for D-rated loans	1,710	1,904	2,022	(10.2)	(15.4)
Provision / D-rated loans (%)	15.4	14.7	15.4	0.7 p.p.	-
D-H rated Non-Performing Loans	23,205	23,597	29,090	(1.7)	(20.2)
Total Provision / D-to-H-rated Non-performing Loans (%)	154.1	154.8	134.7	(0.7) p.p.	19.4 p.p.
E-H Rated Loans	34,901	34,527	37,062	1.1	(5.8)
Provision for E-H rated loans	31,478	32,113	34,557	(2.0)	(8.9)
Provision / E-H rated loans (%)	90.2	93.0	93.2	(2.8) p.p.	(3.0) p.p.
E-H rated Non-Performing Loans	20,191	20,510	25,166	(1.6)	(19.8)
Total Provision / E-to-H-rated Non-performing Loans (%)	177.1	178.1	155.7	(1.0) p.p.	21.4 p.p.

## Funds Raised and Managed

R\$ million	Mar18	Dec17	Mar17	Variation %	
				Quarter	12 months
Demand Deposits	33,177	34,082	30,564	(2.7)	8.5
Savings Deposits	101,777	103,333	94,353	(1.5)	7.9
Time Deposits	134,789	125,615	109,944	7.3	22.6
Debentures	22,192	44,453	73,904	(50.1)	(70.0)
Borrowing and Onlending	50,052	51,669	56,417	(3.1)	(11.3)
Funds from Approvals and Issuance of Securities	142,590	135,011	142,751	5.6	(0.1)
Subordinated Debts	22,993	27,050	35,046	(15.0)	(34.4)
Eligible Debt Capital Instruments	23,155	23,130	15,800	0.1	46.6
<b>Subtotal</b>	<b>530,725</b>	<b>544,343</b>	<b>558,779</b>	<b>(2.5)</b>	<b>(5.0)</b>
Securities Sold Under Agreements to Repurchase <sup>(1)</sup>	273,738	269,109	277,359	1.7	(1.3)
Interbank Deposits	1,648	2,247	571	(26.7)	188.6
Working Capital (Own/Managed)	86,026	81,720	75,952	5.3	13.3
Foreign Exchange Portfolio	15,256	7,655	10,964	99.3	39.1
Payment of Taxes and Other Contributions	3,341	1,114	4,490	199.9	(25.6)
Technical Provisions for Insurance, Pension Plans and Capitalization Bonds	251,231	246,653	229,433	1.9	9.5
<b>Funds raised</b>	<b>1,161,965</b>	<b>1,152,841</b>	<b>1,157,548</b>	<b>0.8</b>	<b>0.4</b>
<b>Investment Funds and Managed Portfolios</b>	<b>841,983</b>	<b>834,646</b>	<b>786,139</b>	<b>0.9</b>	<b>7.1</b>
<b>Total Assets under Management</b>	<b>2,003,948</b>	<b>1,987,487</b>	<b>1,943,687</b>	<b>0.8</b>	<b>3.1</b>

(1) Does not consider debentures.

## Loans vs. Funding

In order to analyze Loan Operations in relation to Funding, the following should be deducted from the total client funding the amount committed to reserve requirements at Bacen, the amount of available funds within the customer service network, along with the addition of, funds from domestic and foreign lines of credit that finance the demand for loans. Bradesco shows low dependency on interbank deposits and foreign lines of credit, given its capacity to obtain funding from clients effectively.

This is a result of significant capillarity, the broad diversity of products offered, and the market's confidence in the Bradesco brand and the important presence in the client's sector.

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

R\$ million	Mar18	Dec17	Mar17	Variation % Quarter 12 months	
<b>Funding vs. Investments</b>					
Demand Deposits + Sundry Floating	36,518	35,203	35,054	3.7	4.2
Savings Deposits	101,777	103,333	94,353	(1.5)	7.9
Time Deposits + Debentures	156,981	170,068	183,848	(7.7)	(14.6)
Funds from Financial Bills	139,720	131,933	139,784	5.9	-
<b>Customer Funds <sup>(1)</sup></b>	<b>434,996</b>	<b>440,537</b>	<b>453,039</b>	<b>(1.3)</b>	<b>(4.0)</b>
(-) Reserve Requirements	(70,814)	(66,714)	(61,637)	6.1	14.9
(-) Available Funds (Real)	(14,297)	(13,107)	(9,801)	9.1	45.9
<b>Customer Funds Net of Reserve Requirements</b>	<b>349,885</b>	<b>360,716</b>	<b>381,601</b>	<b>(3.0)</b>	<b>(8.3)</b>
Borrowing and Onlending	50,052	51,669	56,417	(3.1)	(11.3)
Other (Securities Abroad + Subordinated Debt + Other Borrowers - Cards)	73,940	79,420	76,192	(6.9)	(3.0)
<b>Total Funding (A)</b>	<b>473,877</b>	<b>491,805</b>	<b>514,210</b>	<b>(3.6)</b>	<b>(7.8)</b>
<b>Expanded Loan Portfolio (Excluding Sureties and Guarantees) (B)</b>	<b>413,969</b>	<b>414,064</b>	<b>426,763</b>	-	<b>(3.0)</b>
<b>B / A</b>	<b>87.4%</b>	<b>84.2%</b>	<b>83.0%</b>	<b>3.2 p.p.</b>	<b>4.4 p.p.</b>

(1) It considers: Demand deposits, Miscellaneous Floating, Saving deposits, Time deposits, Debentures (with collateral of repo operations) and Credit Notes (considers Mortgage Bonds, Letters of Credit for Agribusiness, Financial Bills and Structured Operations Certificate).



Below is an analysis of Grupo Bradesco Seguros Balance Sheet and Consolidated Statement of Income.

R\$ million	Mar18	Dec17	Mar17	Variation %	
				Mar18 x Dec17	Mar18 x Mar17
<b>Assets</b>					
<b>Current and Long-Term Assets</b>	<b>289,487</b>	<b>283,405</b>	<b>263,258</b>	<b>2.1</b>	<b>10.0</b>
Securities	278,982	272,612	251,140	2.3	11.1
Life and Pension Plans	236,081	231,887	214,933	1.8	9.8
Other Lines	42,901	40,725	36,207	5.3	18.5
Insurance Premiums Receivable	3,431	3,676	3,791	(6.7)	(9.5)
Other Loans	7,073	7,117	8,327	(0.6)	(15.1)
<b>Permanent Assets</b>	<b>6,158</b>	<b>5,963</b>	<b>5,039</b>	<b>3.3</b>	<b>22.2</b>
<b>Total</b>	<b>295,645</b>	<b>289,368</b>	<b>268,297</b>	<b>2.2</b>	<b>10.2</b>
<b>Liabilities</b>					
<b>Current and Long-Term Liabilities</b>	<b>261,142</b>	<b>256,122</b>	<b>238,753</b>	<b>2.0</b>	<b>9.4</b>
Tax, Civil and Labor Contingencies	2,298	2,160	2,292	6.4	0.3
Payables on Insurance, Pension Plan and Capitalization Bond Operations	610	623	671	(2.1)	(9.1)
Other liabilities	7,003	6,686	6,357	4.7	10.2
Insurance Technical Provisions	15,260	14,837	14,950	2.9	2.1
Life and Pension Plan Technical Provisions	228,269	224,253	207,052	1.8	10.2
Capitalization Bond Technical Provisions	7,702	7,563	7,431	1.8	3.6
<b>Non-controlling Interest</b>	<b>625</b>	<b>581</b>	<b>602</b>	<b>7.6</b>	<b>3.8</b>
<b>Shareholder's Equity <sup>(1)</sup></b>	<b>33,878</b>	<b>32,665</b>	<b>28,942</b>	<b>3.7</b>	<b>17.1</b>
<b>Total</b>	<b>295,645</b>	<b>289,368</b>	<b>268,297</b>	<b>2.2</b>	<b>10.2</b>

(1) In March 2018 the shareholders equity of Bradesco Seguros S.A., which controls the operational companies (insurance, pension and capitalization), is of R\$16,632 million.

### Consolidated Statement of Income

R\$ million	1Q18	4Q17	1Q17	Variation %	
				1Q18 x 4Q17	1Q18 x 1Q17
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond	17,570	21,192	17,948	(17.1)	(2.1)

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Income					
Variation in Technical Provisions for Insurance, Pension Plans and Capitalization Bonds <sup>(1)</sup>	(7,710)	(11,015)	(7,792)	(30.0)	(1.1)
<b>Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond Income</b>	<b>9,860</b>	<b>10,177</b>	<b>10,156</b>	<b>(3.1)</b>	<b>(2.9)</b>
Retained Claims	(6,253)	(6,178)	(6,313)	1.2	(1.0)
Capitalization Bond Draw s and Redemptions	(1,265)	(1,321)	(1,300)	(4.2)	(2.7)
Selling Expenses	(827)	(805)	(916)	2.7	(9.7)
<b>Income from Insurance, Pension Plans and Capitalization Bonds</b>	<b>1,515</b>	<b>1,873</b>	<b>1,627</b>	<b>(19.1)</b>	<b>(6.9)</b>
General and Administrative Expenses	(690)	(824)	(702)	(16.3)	(1.7)
Tax Expenses	(205)	(222)	(247)	(7.7)	(17.0)
Other Operating Income / Expenses	410	294	69	39.5	-
<b>Operating Income</b>	<b>1,030</b>	<b>1,121</b>	<b>747</b>	<b>(8.1)</b>	<b>37.9</b>
Financial Results	1,612	1,474	1,499	9.4	7.5
Equity Results	157	155	194	1.3	(19.1)
<b>Income before Taxes and Profit Sharing</b>	<b>2,799</b>	<b>2,750</b>	<b>2,440</b>	<b>1.8</b>	<b>14.7</b>
Taxes and Contributions	(1,150)	(1,312)	(1,006)	(12.3)	14.3
Profit Sharing	(26)	(24)	(23)	8.3	13.0
Non-controlling interests in subsidiaries	(60)	(7)	(37)	-	62.2
<b>Net Income</b>	<b>1,563</b>	<b>1,407</b>	<b>1,374</b>	<b>11.1</b>	<b>13.8</b>

(1) Includes reinsurance premiums.

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

## **Income Distribution of Grupo Bradesco Seguros e Previdência**

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

In the 1Q18 the turnover did not show the same performance when compared to the previous quarter due to the volume of the private pension contributions, which has an important seasonality, in the last quarter of each year.

In comparison to the 1Q17, the turnover was impacted by the lower performance of the line of “life and pension plans”, decreased 5.4%. In the same period, we highlight the “health” product, which presented a growth of 4.9%.

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### **Life and pension plans**

The net income for the 1Q18 was in line with the results for the previous quarter. It is worth noting that the maintenance of claims ratio and the efficiency ratio indexes, whose contribution compensated for the decrease of 29.2% in the turnover of the line, was a consequence of the seasonality of the 4Q17, and the decrease in the financial results, a reflection of the behavior of the economic-financial ratios in the period.

In the last 12 months the net income increased 19.9%, due to the increase in the commercialization ratio and maintenance of the administrative efficiency ratio. These factors compensated for the lower turnover, the increase in the claims ratio, and the decrease in the financial results, a reflection of the behavior of the economic-financial behavior in the period.

### **Evaluation of Participants and Life and Personal Accident Policyholders**

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### **Health**

The net income of 1Q18 remained stable in the annual comparison and recorded an 14.1% increase in relation to the previous quarter, due to greater revenue, improvement in the efficiency ratio and increase in the financial and equity results.

### **Number of Bradesco Saúde and Mediservice Policyholders**

Net income increased in the quarterly and annually comparison. The improvement presented was due to the increase in the operating incomes and administrative efficiency ratio.

The growth of profit reflects the improvement of the claims, efficiency and commercialization ratios, mainly in property & casualty. The transfer of the portfolio of large risks to Swiss RE impacted the decrease in turnover, in comparison to the 1Q17.

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Below is the composition of fee and commission income in the respective periods:

R\$ million	1Q18	4Q17	1Q17	Variation %		As %
				1Q18 x 4Q17	1Q18 x 1Q17	1Q18
Card Income	2,763	2,949	2,637	(6.3)	4.8	35.3
Checking Account	1,748	1,727	1,601	1.2	9.2	22.3
Asset Management	994	944	912	5.3	9.0	12.7
Loan Operations	724	761	731	(4.9)	(1.0)	9.2
Collections and Payments	612	613	586	(0.2)	4.4	7.8
Consortium Management	383	389	369	(1.5)	3.8	4.9
Custody and Brokerage Services	234	226	211	3.5	10.9	3.0
Underwriting / Financial Advisory Services	153	245	180	(37.6)	(15.0)	2.0
Other	220	208	203	5.8	8.4	2.8
<b>Total</b>	<b>7,831</b>	<b>8,062</b>	<b>7,430</b>	<b>(2.9)</b>	<b>5.4</b>	<b>100.0</b>
<b>Business Days</b>	<b>61</b>	<b>61</b>	<b>63</b>	<b>-</b>	<b>(2)</b>	<b>-</b>

## Highlights

The evolution of the fee and commission income in 12 months reflects the good performance of practically all the lines, even with the lower number of business days in the period. The quarterly behavior reflects the seasonal effect of the end of the year, which impacted mainly on the income from the card activities, and the lower activity of the capital market, which affected the performance of the income from underwriting / financial advice. The results obtained with the fee and commission income shows signs of improvements in the management and the higher offer of products and services, widely available in the digital channels, in addition to the traditional channels, as well as with benefits of the process of segmentation of clients and the gains in synergies related to the acquisition of HSBC Brasil.

Below are some highlights that influence the results of the income from the provision of services:

- Cards – growth in the 12 months resulted in the increase of the volume and of the transactions made in the period and higher income with the annual fee, due to the end of the period of exemptions at the beginning of the relationship.
- Checking account – growth in the periods observed is a reflection of the improvement in the management of the portfolio of services provided, highlighting the continuous improvement process, which aims to improve and expand the variety of products offered to clients according to their segmentation.
- Asset Management – good performance resulting from the increase in the volume of the funds and portfolios managed, highlighting the multimarket funds.
- Loan Operations – this line was impacted by the lower income from commissions on guarantees offered (sureties and guarantees).

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- Consortium – good performance due to the increase in the sales made, receipt from bids and average price, ensuring the leadership of Bradesco Consórcios in the segments in which it operates (real estate, auto and trucks/machinery and equipment).
  - Custody and Brokerage Services – growth in the quarter and in the 12 months, resulting from the increment of the total assets in custody and higher volumes of securities traded.
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## Personnel and Administrative Expenses

R\$ million	1Q18	4Q17	1Q17	Variation %		As of %
				1Q18 x 4Q17	1Q18 x 1Q17	1Q18
<b>Personnel Expenses</b>						
<b>Structural</b>	<b>3,879</b>	<b>4,025</b>	<b>3,946</b>	<b>(3.6)</b>	<b>(1.7)</b>	<b>40.2</b>
Payroll/Social Charges	2,757	2,882	2,820	(4.3)	(2.2)	28.6
Benefits	1,122	1,143	1,126	(1.8)	(0.4)	11.6
<b>Non-Structural</b>	<b>950</b>	<b>853</b>	<b>876</b>	<b>11.4</b>	<b>8.4</b>	<b>9.9</b>
Management and Employee Profit Sharing	466	486	506	(4.1)	(7.9)	4.8
Provision for Labor Claims	407	266	167	53.0	143.7	4.2
Training	21	44	31	(52.3)	(32.3)	0.2
Termination Costs	56	57	172	(1.8)	(67.4)	0.6
<b>Total</b>	<b>4,829</b>	<b>4,878</b>	<b>4,822</b>	<b>(1.0)</b>	<b>0.1</b>	<b>50.1</b>
<b>Administrative Expenses</b>						
Outsourced Services	1,143	1,279	1,195	(10.6)	(4.4)	11.9
Depreciation and Amortization	713	687	681	3.8	4.7	7.4
Data Processing	570	636	563	(10.4)	1.2	5.9
Communication	436	463	484	(5.8)	(9.9)	4.5
Rent	304	302	306	0.7	(0.7)	3.2
Asset Maintenance	290	355	294	(18.3)	(1.4)	3.0
Advertising and Marketing	256	414	170	(38.2)	50.6	2.7
Financial System Services	240	251	258	(4.4)	(7.0)	2.5
Security and Surveillance	195	198	211	(1.5)	(7.6)	2.0
Transportation	189	206	189	(8.3)	-	2.0
Utilities (Water, Electricity and Gas)	106	105	114	1.0	(7.0)	1.1
Travel	54	92	51	(41.3)	5.9	0.6
Materials	59	74	77	(20.3)	(23.4)	0.6
Other	255	278	261	(8.3)	(2.3)	2.6
<b>Total</b>	<b>4,810</b>	<b>5,340</b>	<b>4,854</b>	<b>(9.9)</b>	<b>(0.9)</b>	<b>49.9</b>
<b>Total Operating Expenses</b>	<b>9,639</b>	<b>10,218</b>	<b>9,676</b>	<b>(5.7)</b>	<b>(0.4)</b>	<b>100.0</b>
<b>Customer Service Points</b>	<b>74,126</b>	<b>73,474</b>	<b>72,726</b>	<b>0.9</b>	<b>1.9</b>	<b>-</b>

**Personnel Expenses** the reductions observed in the structural part are related, largely, to the effects of the Special Voluntary Severance Program Scheme PDVE, which started in August 2017, accepted by 7,400 employees, we also highlight the impact of the collective agreement in the annual comparison. In the non-structural part, the increase of expenses in the periods observed is a result of the higher expenses with the provision for labor claims, associated in part the high number of lawsuits filed at the end of 2017, probably, anticipating the entry into force of the labor reform.

**Administrative Expenses** the lower administrative expenses in the last 12 months, recorded in practically all of the lines, even considering inflation of the period, demonstrates the gains in synergy resulting from the acquisition of HSBC Brasil and the strategy

of optimization of the points of service.

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The coverage ratio presented an improvement for the third consecutive quarter, capturing the PDVE benefits, the revenue gained from the synergy of the acquisition of HSBC Brasil and the strategy of optimization of the points of service. We also highlight the higher fee and commission income from the provision of services, which have been capturing the positive results of the process of segmentation of clients and the efficiency obtained in the management and offer of products and services.

#### **Other Operating Expenses, Net of Income**

Other Operating Expenses, Net of Income presented a growth of 5.9% in the quarter and 11.1% in the last 12 months, due to higher variable expenses, mainly those related to the performance of strategic partnerships of the segment of credit cards and constitution of operating provisions.

#### **Basel Ratio**

A large part of the reduction of capital tier I is related to the change in the schedule of application of deductions on the prudential adjustments, which went from 100% in 2018 (80% in 2017). The internal generation capital (net profit), continues with high contribution to the indicator.

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R\$ million	1Q18	4Q17	3Q17	2Q17	1Q17	4Q16	3Q16	2Q16	Va 10 40
<b>Income Statement for the Period</b>									
Recurring Net Income (1)	5,102	4,862	4,810	4,704	4,648	4,385	4,462	4,161	
Total Net Interest Income	15,686	15,813	15,361	15,892	16,036	16,440	16,931	14,962	
Gross Credit Intermediation Margin	11,690	12,129	12,119	12,517	12,781	13,586	13,802	11,570	
Net Credit Intermediation Margin	7,798	6,724	7,540	7,139	7,499	7,290	8,060	6,546	
Expanded Allowance for Loan Losses (ALL) Expenses	(3,892)	(5,405)	(4,579)	(5,378)	(5,282)	(6,296)	(5,742)	(5,024)	(2)
Fee and Commission Income	7,831	8,062	7,822	7,496	7,430	7,545	7,450	6,624	
Administrative and Personnel Expenses	(9,639)	(10,218)	(9,863)	(9,865)	(9,676)	(10,482)	(10,267)	(8,152)	
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	17,570	21,192	18,637	18,512	17,948	21,247	17,733	17,253	(1)
<b>Statement of Financial Position</b>									
Total Assets (2)	1,303,842	1,298,328	1,311,672	1,291,184	1,294,139	1,293,559	1,270,139	1,105,244	
Securities	585,837	584,650	572,099	540,106	549,700	549,873	509,184	437,580	
Expanded Loans Portfolio	486,645	492,931	486,864	493,566	502,714	514,990	521,771	447,492	
- Individuals	177,814	175,469	172,207	172,045	171,820	172,045	171,067	148,919	
- Companies	308,831	317,462	314,657	321,521	330,894	342,945	350,704	298,573	
Allowance for Loan Losses (ALL)	(35,763)	(36,527)	(36,557)	(37,536)	(39,181)	(40,714)	(40,416)	(31,875)	
Total Deposits	271,391	265,278	259,577	260,120	235,432	234,214	239,937	179,436	
Technical Provisions	251,231	246,653	239,287	233,640	229,433	223,342	213,608	190,649	
Shareholders' Equity	113,776	110,457	110,301	106,807	104,558	100,442	98,550	96,358	
Assets under Management	2,003,948	1,987,487	1,991,708	1,917,827	1,943,687	1,904,912	1,865,755	1,589,319	
<b>Performance Indicators (%)</b>									
Recurring Net Income per Share - R\$ (3) (4)	2.91	2.84	2.77	2.72	2.64	2.56	2.58	2.59	

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Book Value per Common and Preferred Share - R\$ <sup>(4)</sup>	17.00	16.50	16.48	15.96	15.62	15.01	14.72	14.40
Annualized Return on Average Equity <sup>(5)</sup> <sup>(6)</sup>	18.6	18.1	18.1	18.2	18.3	17.6	17.6	17.4
Annualized Return on Average Assets <sup>(6)</sup>	1.6	1.5	1.5	1.4	1.4	1.5	1.5	1.5
12-month Net Interest Margin - NIM = Adjusted Net Interest Income /Average Assets Repos Permanent Assets	6.6	6.7	6.9	7.2	7.4	7.6	7.6	7.5
Fixed Asset Ratio <sup>(7)</sup>	43.1	43.4	38.9	39.6	42.3	44.8	44.4	33.8
Combined Ratio - Insurance <sup>(8)</sup>	85.3	86.1	86.2	86.6	85.2	85.9	90.0	89.6
Efficiency Ratio (ER) <sup>(3)</sup> <sup>(11)</sup>	40.9	40.8	40.7	40.6	40.0	38.9	38.2	37.4
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) <sup>(3)</sup>	78.8	77.8	75.9	74.3	75.3	76.2	78.0	80.2
Market Capitalization - R\$ million <sup>(9)</sup>	237,219	200,521	208,250	169,618	178,208	160,813	160,472	144,366
<b>Loan Portfolio Quality - %</b>								
ALL / Loan Portfolio - Bacen	9.6	9.9	9.9	10.0	10.3	10.4	10.1	9.3
Non-performing Loans (> 60 days <sup>(10)</sup> / Loan Portfolio)	5.4	5.6	5.7	6.0	6.7	6.5	6.4	5.8
Delinquency Ratio (> 90 days <sup>(10)</sup> / Loan Portfolio)	4.4	4.7	4.8	4.9	5.6	5.5	5.4	4.6
Coverage Ratio (> 90 days <sup>(10)</sup> )	219.3	211.4	207.7	202.5	182.1	188.4	189.1	201.0
Coverage Ratio (> 60 days <sup>(10)</sup> )	179.7	175.0	174.6	167.0	154.0	158.8	158.3	160.7
<b>Operating Limits %</b>								
Basel Ratio - Total <sup>(7)</sup>	15.9	17.1	17.7	16.7	15.3	15.4	15.3	17.7
Tier I Capital	12.4	13.1	13.4	12.5	12.0	12.0	11.9	13.7
- Common Equity	11.6	12.3	12.5	11.6	11.2	11.2	11.1	13.7
- Additional Capital	0.8	0.8	0.9	0.9	0.8	0.8	0.8	-
Tier II Capital	3.5	4.0	4.3	4.2	3.3	3.4	3.4	4.0

(1) According to the non-recurring events described on page 5 of this Economic and Financial Analysis Report;

(2) For more information, please check note 4 Balance Sheet and Managerial Statement of Income, in Complete Financial Statements of this report;

(3) In the last 12 months;

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

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

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

(7) Index calculation has followed regulatory guidelines set forth in Resolutions No. 4,192/13 (Prudential Conglomerate) and No. 4,193/13 (Basel III);

(8) Excludes additional reserves;

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

(10) Overdue loans; and

(11)  $ER = (\text{Personnel Expenses Employee Profit Sharing} + \text{Administrative Expenses}) / (\text{Net Interest Income} + \text{Fee and Commission Income} + \text{Income from Insurance} + \text{Equity in the Earnings (Losses) of Unconsolidated and Jointly Controlled Subsidiaries} + \text{Other Operating Income Other Operating Expenses})$ .

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## Analytical Breakdown of Statement of Income –Managerial (1) vs. Recurring (3)

1Q18 x 4Q17

R\$ million

	First quarter of 2018			Fourth Quarter of 2017			Non-Recurring Events
	Managerial Income Statement (1)	Reclassifications (2)	Non-Recurring Events	Managerial Income Statement (1)	Reclassifications (2)	Non-Recurring Events	
<b>Net Interest Income</b>	<b>17,283</b>	<b>(1,597)</b>	<b>-</b>	<b>15,111</b>	<b>702</b>		
Expanded ALL	(4,599)	707	-	(5,413)	8		
<b>Gross Income from Financial Intermediation</b>	<b>12,684</b>	<b>(890)</b>	<b>-</b>	<b>9,698</b>	<b>710</b>		
Income from Insurance, Pension Plans and Capitalization Bonds	1,515	-	-	1,873	-		
Fee and Commission Income	7,835	(4)	-	8,080	(18)		
Personnel Expenses	(4,829)	-	-	(4,878)	-		
Other Administrative Expenses	(4,810)	-	-	(5,336)	(10)		
Tax Expenses	(1,671)	(150)	-	(1,527)	(307)		
Equity in the earnings (losses) of unconsolidated and jointly controlled subsidiaries	27	-	-	30	-		
Other Operating Income / Expenses	(2,789)	95	657	(3,957)	1,153		8
<b>Operating Income</b>	<b>7,962</b>	<b>(949)</b>	<b>657</b>	<b>3,983</b>	<b>1,528</b>		<b>9</b>
Non-Operating Income	(214)	205	-	(242)	126		1

Income Tax /							
Social	(3,281)	744	(22)	(2,559)	52	(1,654)	
Contribution and							
Non-controlling							
Interest							
<b>Net Income</b>	<b>4,467</b>	<b>-</b>	<b>635</b>	<b>5,102</b>	<b>3,793</b>	<b>-</b>	<b>1,000</b>

(1) For more information, please check note 4 – Balance Sheet and Managerial Statement of Income, “Complete Financial Statements” of this report;

(2) Includes reclassifications in items from the statement of income which do not affect the Net Income to allow a better analysis of business items, (i) hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net Income, simply cancels the tax (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$206 million in 1Q18 and R\$1,812 million in 4Q17; and

(3) It refers to Managerial Statement of Income<sup>(1)</sup> with the reclassifications between lines, which do not affect the Net Income, and without the extraordinary events of the period.



## Analytical Breakdown of Statement of Income –Managerial (1) vs. Recurring (3)

1Q18 x 1Q17 R\$ million	First quarter of 2018				Fisrt quarter of 2017			
	Managerial Income Statement (1)	Reclassifications (2)	Non-Recurring Events	DRE	Managerial Income Statement (1)	Reclassifications (2)	Non-Recur Events	
<b>Net Interest Income</b>	<b>17,283</b>	<b>(1,597)</b>		<b>- 15,686</b>	<b>18,558</b>		<b>(2,522)</b>	
Expanded ALL	(4,599)	707		- (3,892)	(8,308)		3,026	
<b>Gross Income from Financial Intermediation</b>	<b>12,684</b>	<b>(890)</b>		<b>- 11,794</b>	<b>10,250</b>		<b>504</b>	
Income from Insurance, Pension Plans and Capitalization Bonds	1,515	-		- 1,515	1,627		-	
Fee and Commission Income	7,835	(4)		- 7,831	7,439		(9)	
Personnel Expenses	(4,829)	-		- (4,829)	(4,822)		-	
Other Administrative Expenses	(4,810)	-		- (4,810)	(4,852)		(2)	
Tax Expenses	(1,671)	(150)		- (1,821)	(1,771)		(1)	
Equity in the earnings (losses) of unconsolidated and jointly controlled subsidiaries	27	-		- 27	58		-	
Other Operating Income / Expenses	(2,789)	95	657	(2,037)	(693)		(1,736)	
<b>Operating Income</b>	<b>7,962</b>	<b>(949)</b>	<b>657</b>	<b>7,670</b>	<b>7,236</b>		<b>(1,244)</b>	
Non-Operating Income	(214)	205	-	(9)	(134)		82	
Income Tax / Social	(3,281)	744	(22)	(2,559)	(3,031)		1,162	

Contribution and  
Non-controlling  
Interest

<b>Net Income</b>	<b>4,467</b>	-	<b>635</b>	<b>5,102</b>	<b>4,071</b>	-
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(1) For more information, please check note 4 – Balance Sheet and Managerial Statement of Income “Complete Financial Statements” of this report

(2) Includes reclassifications in items from the statement of income which do not affect the Net Income allow a better analysis of business items, particularly hedge adjustment, which represents the partial derivatives used for hedge investments abroad, which in terms of Net Income, simply cancels the tax (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$206 million in 1Q18 and R\$1,175 million in 1Q17; and

(3) It refers to Managerial Statement of Income<sup>(1)</sup> with the reclassifications between lines, which do not affect the Net Income, and without the extraordinary events of the period.

R\$ million	Mar18	Dec17	Mar17	Variation %	
				Mar18 x Dec17	Mar18 x Mar17
<b>Assets</b>					
<b>Current and Long-Term Assets</b>	<b>1,274,394</b>	<b>1,267,893</b>	<b>1,263,948</b>	<b>0.5</b>	<b>0.8</b>
Funds available	18,098	15,224	12,029	18.9	50.5
Interbank Investments	140,584	154,270	188,117	(8.9)	(25.3)
Securities and Derivative Financial Instruments	585,837	584,650	549,700	0.2	6.6
Interbank and Interdepartmental Accounts	72,287	68,197	63,596	6.0	13.7
Loan and Leasing Operations	325,764	324,439	339,269	0.4	(4.0)
Allowance for Loan Losses (ALL)	(35,763)	(36,527)	(39,181)	(2.1)	(8.7)
Other Receivables and Assets	167,587	157,640	150,418	6.3	11.4
<b>Permanent Assets</b>	<b>29,448</b>	<b>30,435</b>	<b>30,191</b>	<b>(3.2)</b>	<b>(2.5)</b>
Investments	2,134	2,182	1,726	(2.2)	23.6
Premises and Equipment and Leased Assets	7,994	7,949	7,802	0.6	2.5
Intangible Assets	19,320	20,304	20,663	(4.8)	(6.5)
<b>Total</b>	<b>1,303,842</b>	<b>1,298,328</b>	<b>1,294,139</b>	<b>0.4</b>	<b>0.7</b>
<b>Liabilities</b>					
<b>Current and Long-Term Liabilities</b>	<b>1,187,998</b>	<b>1,185,764</b>	<b>1,187,569</b>	<b>0.2</b>	<b>0.0</b>
Deposits	271,391	265,278	235,432	2.3	15.3
Securities sold under agreements to repurchase	295,930	313,562	351,263	(5.6)	(15.8)
Funds from Issuance of Securities	142,590	135,011	142,751	5.6	(0.1)
Interbank and Interdepartmental Accounts	26,593	30,034	21,126	(11.5)	25.9
Borrowings and Onlendings	50,052	51,669	56,417	(3.1)	(11.3)
Derivative Financial Instruments	17,064	14,084	13,936	21.2	22.4
Technical provisions for insurance, pension plans and capitalization bonds	251,231	246,653	229,433	1.9	9.5
Other liabilities	133,147	129,473	137,211	2.8	(3.0)
<b>Deferred Income</b>	<b>370</b>	<b>410</b>	<b>426</b>	<b>(9.8)</b>	<b>(13.1)</b>
<b>Non-controlling Interest in Subsidiaries</b>	<b>1,698</b>	<b>1,697</b>	<b>1,586</b>	<b>0.1</b>	<b>7.1</b>
<b>Shareholders' Equity</b>	<b>113,776</b>	<b>110,457</b>	<b>104,558</b>	<b>3.0</b>	<b>8.8</b>
<b>Total</b>	<b>1,303,842</b>	<b>1,298,328</b>	<b>1,294,139</b>	<b>0.4</b>	<b>0.7</b>

(1) For more information, please check note 4 Balance Sheet and Managerial Statement of Income, in chapter Complete Financial Statements of this report.

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## Service Channels

	Mar18	Dec17	Mar17	Variatio n %	
				M ar18 x D ec17	M ar18 x M ar17
<b>Structural Information - Units</b>					
Customer Service Points	74,126	73,474	72,726	0.9	1.9
- Branches	4,708	4,749	5,122	(0.9)	(8.1)
- PAs	3,908	3,899	3,971	0.2	(1.6)
- PAEs	936	928	1,004	0.9	(6.8)
- Offsite ATM Netw ork - Bradesco	58	63	97	(7.9)	(40.2)
- Banco24Horas Netw ork	11,160	11,050	10,960	1.0	1.8
- Bradesco Espresso (Correspondent Banks)	38,856	38,708	38,525	0.4	0.9
- Bradesco Financiamentos	14,424	14,002	12,971	3.0	11.2
- Losango	63	63	63	-	-
- Branches / Subsidiaries Abroad / Representation office	13	12	13	8.3	-
ATMs	57,168	56,849	56,679	0.6	0.9
- Onsite Netw ork - Bradesco	35,662	35,590	36,095	0.2	(1.2)
- Banco24Horas Netw ork	21,506	21,259	20,584	1.2	4.5
Employees	97,593	98,808	106,644	(1.2)	(8.5)
Outsourced Employees and Interns	14,888	15,064	16,472	(1.2)	(9.6)
<b>Customers - In millions</b>					
Total Customers <sup>(1)</sup>	70.9	70.2	69.8	1.0	1.6
Account Holders <sup>(2)</sup>	27.9	27.8	28.5	0.4	(2.1)
Savings Accounts	57.6	63.4	58.1	(9.1)	(0.9)
Insurance Group	53.0	53.4	50.4	(0.7)	5.2
- Policyholders	47.3	47.6	44.7	(0.6)	5.8
- Pension Plan Participants	2.8	2.9	2.6	(3.4)	7.7
- Capitalization Bond Customers	2.9	2.9	3.1	-	(6.5)
Bradesco Financiamentos	1.3	1.3	1.3	-	-

(1) Excludes overlap of clients; and

(2) As per the 1Q18, we started considering the salary accounts. For the effect of comparability the previous periods, presented in this report, have been reclassified.

#### Market Share of the Branches

Region	Mar18		Market Share	Mar17		Market Share
	Bradesco	Market		Bradesco	Market	
North	263	1,095	24.0%	282	1,116	25.3%
Northeast	858	3,378	25.4%	862	3,453	25.0%
Midwest	384	1,701	22.6%	436	1,759	24.8%
Southeast	2,446	10,701	22.9%	2,660	11,073	24.0%
South	757	3,843	19.7%	882	3,990	22.1%
<b>Total</b>	<b>4,708</b>	<b>20,718</b>	<b>22.7%</b>	<b>5,122</b>	<b>21,391</b>	<b>23.9%</b>

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**Market Share in relation to the Market %**

	Mar18	Dec17	Mar17
<b>Bacen</b>			
<b>Bank</b>			
Demand Deposits	N/A	11.3	11.3
Savings Deposits	N/A	14.1	14.1
Time Deposits	N/A	10.8	10.3
Loans	11.0 <sup>(1)</sup>	11.0	11.3
Loans - Private Institutions	24.0 <sup>(1)</sup>	23.9	25.5
Loans - Vehicles Individuals (CDC + Leasing)	13.9 <sup>(1)</sup>	13.8	13.5
Payroll-Deductible Loans	14.2 <sup>(1)</sup>	14.1	13.6
<b>Consortia</b>			
Real Estate	29.3 <sup>(1)</sup>	29.5	28.1
Auto	31.7 <sup>(1)</sup>	31.8	30.5
Trucks, Tractors and Agricultural Implements	16.2 <sup>(1)</sup>	16.5	17.4
<b>Internacional Area</b>			
Export Market	25.6	22.4	22.1
Import Market	23.0	21.4	20.6
<b>Insurance Superintendence (Susep), National Agency for Supplementary Healthcare (ANS) and National Federation of Life and Pension Plans (Fenaprevi)</b>			
Insurance Premiums, Pension Plan Contributions and Capitalization Bond Income	25.1 <sup>(1)</sup>	25.8	25.7
Insurance Premiums (including Long-Term Life Insurance - VGBL)	24.5 <sup>(1)</sup>	24.9	24.9
Life/Personal Accident Insurance Premiums	19.2 <sup>(1)</sup>	20.2	20.8
Auto/P&C Insurance Premiums	7.8 <sup>(1)</sup>	8.8	8.6
Auto/Optional Third-Party Liability Insurance Premiums	10.3 <sup>(1)</sup>	12.1	11.4
Health Insurance Premiums	47.7 <sup>(1)</sup>	48.2	49.5
Income from Pension Plan Contributions (excluding VGBL)	33.1 <sup>(1)</sup>	36.6	33.6

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Capitalization Bond Income	28.7 <sup>(1)</sup>	30.0	30.0
Technical provisions for insurance, pension plans and capitalization bonds	26.6 <sup>(1)</sup>	26.8	27.6
Income from VGBL Premiums	26.6 <sup>(1)</sup>	25.9	25.6
Income from Unrestricted Benefits Pension Plans (PGBL) Contributions	29.2 <sup>(1)</sup>	34.6	29.4
Pension Plan Investment Portfolios (including VGBL)	28.0 <sup>(1)</sup>	28.3	29.2
<b>Anbima</b>			
Investment Funds and Managed Portfolios	20.9	21.5	22.2
<b>Social Security National Institute (INSS)/Dataprev</b>			
Benefit Payment to Retirees and Pensioners	30.9	31.1	30.2
<b>Brazilian Association of Leasing Companies (ABEL)</b>			
Lending Operations	N/A	18.7	18.4

(1) Reference Date: Feb/18; and  
N/A Not available.

**Ratings**

**Fitch Ratings**

<b>International Scale <sup>(1)</sup></b>						<b>National Scale</b>	
<b>Viability</b>	<b>Support</b>	<b>Domestic Currency</b>		<b>Foreign Currency</b>		<b>Domestic</b>	
		Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
bb	4	BB	B	BB	B	AAA(bra)	F1+(bra)

**Moody's Investors Service**

<b>Global Scale</b>					<b>National Scale</b>	
<b>Deposits - Domestic currency</b>			<b>Deposits - Foreign currency</b>		<b>Domestic Currency</b>	
Long-term	Short-term		Long-term	Short-term	Long-term	Short-term
Ba2	NP		Ba3	NP	Aa1.br	BR-1

**S&P Global <sup>(2)</sup>**

<b>Global Scale - Issuer Credit Rating</b>				<b>National Scale</b>		<b>National Scale</b>	
<b>Foreign Currency</b>		<b>Domestic Currency</b>		<b>Issuer Credit Rating</b>		<b>National Scale</b>	
Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
BB-	B	BB-	B	brAA-	brA-1+ <sup>(1)</sup>	brAAA	brA-1

(1) In March 2018 there was a revision of the rating of Brazil, resulting in a downgrade to the long-term ratings, support and viability on an international scale, with an impact on the financial institutions that are evaluated at the sovereign level; and

(2) In January 2018 there was a review of Brazil's rating (sovereign), resulting in a downgrade in the ratings on a long-term global scale, affecting Brazilian banks and insurance companies that are rated at the sovereign level, from BB to BB- .

Bradesco controls corporate 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 at every level

It is also composed of committees, commissions and departments that support the Board of Executive Officers and the Board of Directors in decision making. The most notable amongst these are the Integrated Risk Management and Capital Allocation Committee (COGIRAC) and Risk Committee,

of the Organization, from business areas to the Board of Directors.

The risk management activity structure has policies, standards and procedures, ensuring that the Organization maintains control compatible with the nature of its operations and the complexity of its products, services, activities, processes and systems, as well as the extent of its exposure to risk.

whose purpose is to advise the Board of Directors in the performance of its duties in the management and control of risks and capital.

Detailed information regarding to risk management process, regulatory capital as well as Bradesco's risk exposures, can be found in the Risk Management Report - Pillar 3, available on the Investors Relations website at [bradesco.com.br](http://bradesco.com.br).

Bradesco has an area responsible for capital management centralization, named Capital Management, subordinated to the Department of Planning, Budget and Control, which acts jointly with the Integrated Risk Control Department, associated companies, business areas and Bradesco's supporting areas.

Additionally, this Governance 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.

The Capital Management structure, through adequate capital sufficiency planning, aims to provide conditions for capital monitoring and control, contributing to the achievement of goals set in the strategic objectives defined by Bradesco. In addition to the Committees structure, on an annual basis, the capital plan is devised by Bradesco, which is 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.

According to CNSP Resolution No. 321/15, amended by Resolution No. 360/17, corporations should have an adjusted shareholders' equity (ASE) equal to or higher than the minimum capital required (MCR). MCR is equivalent to the base capital or the risk capital, whichever is higher.

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 Bradesco. Such projections are constantly monitored and controlled by the capital management area. With the implementation of the Capital Management, a Capital Adequacy Assessment Internal Process (ICAAP), which provides conditions to assess capital sufficiency in accordance with the base and stress and extreme crisis scenarios, in a prospective outlook to identify capital and contingency actions to be taken in the respective scenarios. Capital adequacy and sufficiency information represent fundamental 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 Integrated Report, on the Investor Relations website at [bradescori.com.br](http://bradescori.com.br).

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.

According to CNSP Resolution No. 343/16, the ASE is valued economically, and should be calculated based on shareholders' equity or net assets, considering the accounting adjustments and adjustments associated with changes in economic values. For companies regulated by the ANS, Normative Resolution No. 373/15 establishes that corporations should have adjusted shareholders' equity equal to or higher than the Solvency Margin.

Companies must permanently maintain capital compatible with the risks for their activities and operations, according to the characteristics 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 in February 2018 was R\$11.3 billion.

The table below shows the composition of the Reference Equity, of the Risk-Weighted Assets and of the Basel Ratio. From January 2018, the timetable for the application of deductions on the prudential adjustments resulted in 100% (2017 80% / 2016 60%).

R\$ million	Basel III							
	Prudential Conglomerate							
	Mar18	Dec17	Sept17	June17	Mar17	Dec16	Sept16	June16
<b>Calculation Basis</b>								
Regulatory Capital	100,170	104,673	106,682	103,050	92,920	101,127	100,056	102,548
Tier I	78,206	80,085	80,889	77,322	73,123	78,763	77,655	79,377
Common Equity	73,101	75,080	75,363	71,949	67,915	73,747	72,655	79,377
Shareholders' Equity	113,776	110,457	110,301	106,807	104,558	100,442	98,550	96,358
Non-controlling/Other	186	69	84	39	34	61	17	18
Phase-in arrangements provided for Resolution No 4,192/13	(40,861)	(35,446)	(35,022)	(34,898)	(36,677)	(26,756)	(25,912)	(16,999)
Additional Capital	5,105	5,005	5,526	5,374	5,207	5,016	5,000	-
Tier II	21,964	24,588	25,793	25,728	19,797	22,364	22,401	23,171
Subordinated Debt (before Resolution No 4,192/13)	5,651	7,641	8,354	8,730	9,650	12,560	13,693	14,796
Subordinated Debt (according to Resolution No. 4,192/13)	16,313	16,947	17,438	16,998	10,147	9,804	8,708	8,375
<b>Risk-Weighted Assets (RWA)</b>	<b>631,159</b>	<b>611,442</b>	<b>604,581</b>	<b>618,611</b>	<b>607,464</b>	<b>656,189</b>	<b>657,148</b>	<b>580,568</b>
Credit Risk	567,007	554,929	547,411	550,859	546,210	589,977	588,914	527,254
Operational Risk	53,510	47,605	47,605	47,222	48,157	50,444	50,444	38,502
Market Risk	10,642	8,908	9,564	20,530	13,097	15,768	17,791	14,813
<b>Total Ratio</b>	<b>15.9%</b>	<b>17.1%</b>	<b>17.7%</b>	<b>16.7%</b>	<b>15.3%</b>	<b>15.4%</b>	<b>15.3%</b>	<b>17.7%</b>
Tier I Capital	12.4%	13.1%	13.4%	12.5%	12.0%	12.0%	11.9%	13.7%
Common Equity	11.6%	12.3%	12.5%	11.6%	11.2%	11.2%	11.1%	13.7%
Additional Capital	0.8%	0.8%	0.9%	0.9%	0.8%	0.8%	0.8%	-
Tier II Capital	3.5%	4.0%	4.3%	4.2%	3.3%	3.4%	3.4%	4.0%
Subordinated Debt (before Resolution No 4,192/13)	0.9%	1.2%	1.4%	1.4%	1.6%	1.9%	2.1%	2.6%
Subordinated Debt (according to Resolution No. 4,192/13)	2.6%	2.8%	2.9%	2.7%	1.7%	1.5%	1.3%	1.4%





The Management of Banco Bradesco is comprised of the Board of Directors, which is composed of eight directors, and of its Board of Executive Officers, both with their own set of bylaws, with no fulfillment of the posts of Chairman of the Board of Directors and Chief Executive Officer, according to the statutory provision.

Eight committees advise the Board of Directors: a) statutory: (i) Audit; and (ii) Remuneration; and b) non-statutory: (iii) Ethical Conduct; (iv) Risks; (v) Internal Controls and Compliance; (vi) Integrated Risk Management and Capital Allocation – COGIRAC; (vii) Sustainability; and (viii) Succession and Nomination. Various executive committees assist the activities of the Board of Executive Officers, being all regulated by their own set of bylaws.

The Senior Management and all the employees are committed to compliance with the laws and regulations applicable to activities, as well as the conduct of business by observing high standards of conduct and ethics. To ensure these commitments there are policies, standards, processes and systems for the monitoring of conduct, channels and mechanisms for handling complaints, in addition to a specific area for responses throughout the program. These components are supported by Committees linked to the Board of Directors, such as Ethical Conduct, Integrated Risk Management and Capital Allocation, Internal Controls and Compliance and supported by training and capacity building actions developed by Unibrad – Bradesco University for all the professionals, focused on the themes of Conduct, Controls and Compliance.

The Fiscal Council, permanent supervisory body, is composed of five effective members and an equal number of alternate members. Minority preferred shareholders and non-controlling shareholders, holders of common shares are responsible for chosen two effective members and their respective alternates. Besides the Fiscal Council and the Audit Committee, Bradesco is submitted to Internal Audit which reports to the Board of Directors.

In 2001, Bradesco adhered voluntarily to Level 1 of Corporate Governance of B3 and, in 2011, to the Self-Regulation Code and Best Practices of Publicly Traded Companies – ABRASCA. Further information is available on Bradesco's Investor Relations website ([bradescori.com.br](http://bradescori.com.br) – Corporate Governance Section).

In meeting the best practices of corporate governance, the Bradesco Organization adopts its own program of integrity which is composed by a set of policies, standards and procedures aimed at for the prevention, monitoring, detection and response in relation to harmful acts foreseen in Law No. 12,846/13 and international laws, especially the Foreign Corrupt Practices Act and the United Kingdom Bribery Act.

The commitment to transparency, democratization of information, punctuality and the pursuit of the best practices are essential factors and are constantly reinforced by Bradesco's Investor Relations area.

In the first quarter of 2018, there were 34 events promoted with national and international investors, through conferences, meetings, conference calls and institutional presentations, assisting 360 investors. It also held two teleconferences of results to institutional investors.

Also seeking to provide information more dynamically and intuitively, making the navigation in the virtual environment more assertive, Bradesco launched, in January 2018, the new Investor Relations website, which can be accessed on the address [banco.bradesco/ri](http://banco.bradesco/ri). The new virtual environment also has the characteristic of being responsive, allowing access to the same content through different devices.

Another highlight of the quarter was the publication of the Integrated Report, concerning the year of 2017. This document brings the main practices, results and challenges of the Organization throughout the year, as well as its strategic vision for the future. For the first time, following best market practices, we have created the document in its summarized version, which makes the reading more appealing. The version in the website format that offers even greater detail of indicators and related topics is scheduled for the end of April 2018.

Bradesco seeks to include sustainability in the business with the aim of increasing its capacity to thrive in the long term in a competitive and dynamic business environment. The perception that we are moving towards a transition to a new economy, more aligned with the development challenges that we face, leads us to incorporate social and environmental aspects in the management of risks and opportunities, in order to ensure positive results and the generation of shared value.

The commitment to sustainability is also reinforced in the establishment of dialogs with various stakeholders, through adherence to corporate initiatives and voluntary commitments, such as: Global Compact Initiatives, Goals of Sustainable Development, Equator Principles, Carbon Disclosure Project – CDP (Climate Initiative), Principles for Responsible Investment (PRI), Businesses for the Climate (EPC), CEBDS (Brazilian Business Center for Sustainable Development), among others.

The main decisions and monitoring of the strategy of sustainability are conducted by the Sustainability Committee, coordinated by the Chairman of the Board of Directors and with the participation of the Chief Executive Officer, as well as members of the Board of Directors and of the Board of Executive Officers.

The Organization also has a Sustainability Committee composed of executives and officers from several areas, responsible for proposing strategies and solutions that promote the application of best practices of sustainability.

The performance of the activities of sustainability of the Organization is reflected in the external assessments of the main

### **Leader in Sustainability**

Banco Bradesco was featured in the Bronze category of the Sustainability Yearbook 2018 of RobecoSAM that highlights the leading banks in sustainability, according to Dow Jones Sustainability Indices. 2,479 companies were evaluated from all over the world, belonging to 60 sectors. In the banking sector, 165 companies have undergone evaluation.

### **Fundação Bradesco**

With a broad social and educational program in place for 61 years, Fundação Bradesco operates 40 schools across Brazil. In 2018, an estimated budget of R\$664.717 million will benefit approximately 97,385 students enrolled in its schools at the following levels: basic education (from kindergarten to high school and higher secondary technical-professional education), youth and adult education; and preliminary and continuing vocational training, which focuses on creating jobs and income. Quality education free of charge, as well as uniforms, school supplies, meals, medical and dental assistance, will be ensured for more than 42 thousand students enrolled in the Basic Education system. It is estimated that more than 630 thousand students will also benefited with distance learning system (EaD), through its e-learning portal "*Escola Virtual*" (Virtual School). These students will conclude at least one of the various courses offered in its schedule, and another 11,987 students will benefit from projects and initiatives carried out in partnership with the Educa+Ação Program, and from Technology courses.

indexes of Sustainability, such as the Dow Jones Sustainability Index (DJSI) – “World and Emerging Markets”, the New York Stock Exchange, the Corporate Sustainability Index (ISE), and the Carbon Efficient Index (ICO2), both of B3.

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To

Board of Directors and Shareholders of Banco Bradesco S.A. Osasco SP

We were engaged by Banco Bradesco S.A. ("Bradesco") to report on the consolidated supplementary accounting information of Banco Bradesco S.A. as of March 31, 2018 and for the three month period then ended, in the form of a limited assurance conclusion if, based on our engagement performed, described in this report, nothing has come to our attention that causes us to believe that the supplementary accounting information included within the Economic and Financial Analysis Report are not 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 of Bradesco is responsible for preparing and adequately presenting the consolidated 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 determined as 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 review the supplementary accounting information included within the Economic and Financial Analysis Report prepared by Bradesco and to report thereon in the form of a limited 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 a meaningful level of limited assurance about whether we did not become aware of any fact that could lead us to believe that the supplementary accounting information included within the Economic and Financial Analysis Report are not 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 understanding of the consolidated supplementary accounting information included within the Economic and Financial Analysis Report, as well as other circumstances of our work and our consideration of other areas that may contain material misstatements, regardless of whether they are caused by fraud or error. However, such procedures do not include investigation or detection of fraud or error.

Limited assurance is less than absolute assurance and reasonable assurance. Procedures to gather information to a limited assurance engagement are more limited than to a reasonable assurance engagement and, therefore, we obtain less assurance than a reasonable assurance engagement; consequently, we do not express neither an audit opinion nor a reasonable assurance over the supplementary accounting information included within the Economic and Financial Analysis Report.





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 to 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.

#### Criteria for Preparing the Supplementary Accounting Information

The consolidated supplementary accounting information disclosed within the Economic and Financial Analysis Report, as of March 31, 2018 and for the three month period then ended has been prepared by the Management of Bradesco, based on the information contained in the March 31, 2018 intermediate consolidated financial statements and the accounting information adjusted to the criteria described in Note 4 of such intermediate consolidated financial statements, in order to facilitate additional analysis, without, however, being part of the intermediate consolidated financial statements disclosed on this date.

#### Conclusion

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

Based on the procedures performed we did not become aware of any fact that lead us to believe that the consolidated supplementary accounting information included within the Economic and Financial Analysis Report are not presented, in all material respects, in accordance with the information referred to in the Criteria for preparing the supplementary accounting information paragraph.

**Osasco, April 25, 2018**

KPMG Auditores Independentes  
CRC 2SP028567/O-1 F SP  
*Original report in Portuguese signed by*

Rodrigo de Mattos Lia  
Accountant CRC 1SP252418/O-3

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Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Management Report**

Dear Shareholders,

We hereby present the Consolidated Financial Statements of Banco Bradesco S.A. related to the year ended on March 31, 2018, prepared in accordance with the accounting practices used in Brazil and applicable to institutions authorized to operate by the Central Bank of Brazil.

The gradual recovery of the Brazilian economy was maintained at the beginning of this year, with an emphasis on household consumption and investments. There was no deterioration in the trajectory of inflation; on the contrary, the benign scenario for prices has generated a downward trend in interest. Despite the recent episodes of volatility, the foundations of the world economy remain solid, with the resumption of investments and the maintenance of the prices of the main commodities at high levels.

Among the major events at Bradesco Organization in the first quarter, the following are the most noteworthy:

On March 13, in the Board of Directors' Meeting, Mr. Octavio de Lazari Junior, a professional with nearly 40 years of work dedicated to the Organization, assumed the Presidency of the Bank's Board of Executive Officers succeeding Mr. Luiz Carlos Trabuco Cappi who, after 9 years he left the Board of Executive Officers and was reappointed to the Presidency of the Board of Directors in a role for which he had been elected on October 10, 2017.

Bradesco presented, in the first quarter, a Net Income of R\$4.467 billion, equivalent to R\$0.67 per share and profitability of 16.3% over the average Shareholders' Equity. The return on Average Total Assets was 1.5%.

In terms of Interest on Own Capital, R\$1.788 billion was destined to the shareholders, in gross values, in

With this, the interest on own capital related to the month of May 2018, to be paid on June 1, 2018, will be incremented by 10.0%. Added to the Equity Reserves of R\$46.676 billion, it resulted in a Shareholders' Equity of R\$113.776 billion, with a growth of 8.8% on the same period of the previous year, corresponding to the equity value of R\$17.00 per share.

The Market Value of Bradesco, based on the calculation of the listing of its shares, reached R\$237.219 billion on March 31, 2018, equivalent to 2.1 times the Accounting Shareholders' Equity.

Managed Shareholders' Equity is equivalent to 9.3% of the Consolidated Assets, totaling R\$1.231 trillion, an increase of 3.5% compared to the same period of the previous year. As consequence, the basel reached 15.9%, higher than the minimum of 11.0% regulated by Resolution No. 4,193/13 of the National Monetary Council, according to the Basel Committee. At the end of the quarter, the immobilization index, compared to the Reference Equity, reached 43.1% in the Prudential Conglomerate, within the maximum limit of 50.0%, established by the Central Bank of Brazil.

As provided by Article 8 of the Circular Letter No. 3,068/01 of the Central Bank of Brazil, Bradesco declares that it has the financial capacity and the intention of holding to maturity the securities classified under "held to maturity securities".

On March 31, 2018, the resources funded and managed amounted to R\$1.933 trillion, 4.9% higher than the previous year, distributed as:

R\$500.543 billion in Demand Deposits, Time Deposits, Interbank Deposits, Savings Accounts and Securities Sold Under Agreements for Repurchase;

R\$841.983 billion in assets under management, comprising Investment Funds, Managed Portfolios

the period between January and March 2018, wherein R\$331 million was paid monthly and R\$1.457 billion provisioned.

Taxes and contributions including pensions, paid or provisioned, totaled R\$7.976 billion in the quarter, of which R\$3.349 billion is related to taxes withheld and collected from third parties and R\$4.627 billion calculated based on the activities developed by the Bradesco Organization, equivalent to 103.6% of the Net Income.

At the end of the first quarter this year, the paid-up Share Capital totalled R\$67.100 billion, which includes the increase of R\$8.0 billion, with a bonus of 10.0% in shares, through the use of part of the balance of the account "Reserves from Profits – Statutory Reserve", decided in the Special Shareholders' Meeting held on March 12, 2018, and approved by the Central Bank of Brazil on March 16.

and Third-Party Fund Quotas, a 7.1% increase;

R\$305.498 billion in the Exchange Portfolio, Borrowings and Onlendings in Brazil, Working Capital, Tax Payments and Collection and Related Charges, Funds From Issuance of Securities in Brazil, and Subordinated Debt in Brazil, a 1.3% increase.

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Management Report**

R\$251.231 billion in Technical Provisions for Insurance, Pension Plans and Capitalization Bonds, up by 9.5%; and

The consolidated balance of provision for credit losses amounted to R\$35.669 billion, equivalent to 9.6% of the total volume of credit operations, with R\$6.887 billion of surplus provision in relation to the minimum required by the Central Bank of Brazil.

R\$33.843 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\$10.182 billion.

Operating as an Investment Bank of the Organization, BBI advises clients on primary and secondary issuing of shares, merger transactions, purchase and sale of assets, structuring and distribution of debt instruments, such as debentures, promissory notes, CRIs, CRAs, real estate funds, FIDCs and bonds, among others, besides structured corporate finance operations and the financing of projects under the modality of Project Finance. In the quarter, transactions were made with a volume of over R\$33.096 billion.

The expanded concept of the consolidated credit operations totaled R\$486.645 billion in the end of the quarter, covering:

R\$117.428 billion in Consumption Finance, which includes R\$32.982 billion of credit receivables from Credit Cards and R\$45.281 billion in Consigned Loans;

BRAM - Bradesco Asset Management S.A. DTVM, one of the largest private holding of investment funds in Brazil, offers solutions of differentiated and appropriate investments to all profiles of clients, ensuring the highest standard of quality in services. It has among its biggest clients the main segments of Bradesco, like Prime, Corporate, Private, Varejo (Retail), Bradesco Empresas and Grupo Bradesco Seguros (Insurance Group), in addition to Institutional Investors in Brazil and Abroad, and various Family Offices. In the first three months of the year, R\$657.6 billion was accumulated under its management.

R\$72.676 billion of Sureties and Guarantees;

R\$22.253 billion regarding operations of transfer of internal and external resources, originating mainly from the BNDES - Banco Nacional de Desenvolvimento Econômico e Social (National Bank for Social and Economic Development), excelling as one of the main distributing agents of loans;

Grupo Bradesco Seguros, reaffirming its leading market position in the areas of Insurance, Capitalization and Open Supplementary Pensions, presented on March 31, 2018 a Net Income of R\$1.563 billion and Shareholders' Equity of R\$33.878 billion. The net premiums issued for insurance, pension contributions and receipts of capitalization totaled R\$17.570 billion, a decrease of 2.1% compared to the previous year.

R\$2.114 billion in Leasing;

The Service Network of the Bradesco Organization is present, with an extensive and modern structure,

R\$21.250 billion in business in the Rural Area; throughout the national territory and in some strategic localities abroad. At the end of the quarter, there were 74,126 points of service, distributed as follows:

R\$11.955 billion in Advance Payments on Exchange Contracts, for a Portfolio in the amount of US\$10.263 billion of Financing for Export; and 8,616 Branches and PAs (Service Branches) in Brazil (Branches: Bradesco – 4,702, Banco Bradesco Cartões - 1, Banco Bradesco Financiamentos - 2, Banco Bradesco BBI - 1, Banco Bradesco BERJ - 1 and of Banco Alvorada - 1; and PAs: 3,908);

US\$1.641 billion of operations in Import Finance in Foreign Currencies.

3 Branches abroad, with one Bradesco in New York, one Bradesco in Grand Cayman and one subsidiary Banco Bradesco Europa in London;

The balance of the Real Estate Credit Portfolio was R\$60.282 billion, whereby R\$34.396 billion was intended for Individuals and R\$25.886 billion for Legal Entities, and a total of 174,090 units financed.

Bradesco

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Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Management Report**

<p>10 Overseas Subsidiaries and Representation Office (Banco Bradesco Argentina S.A., in Buenos Aires; Banco Bradesco Europa S.A., in Luxembourg; Bradesco North America LLC and Bradesco Securities, Inc., in New York; Bradesco Securities UK Limited, in London; Bradesco Securities Hong Kong Limited and Bradesco Trade Services Limited in Hong Kong; Cidade Capital Markets Ltd. in Grand Cayman, and Bradescard Mexico, Sociedad de Responsabilidad Limitada in Jalisco; and Representative Office, in Miami);</p>	<p>The “next” platform, Bradesco’s 100% stand-alone digital platform, launched in 2017, interactively relates to users based on their behavior, and transforms money management into smart pathways toward one’s goals, with the best customer experience. Available to the hyperconnected public, it enables integrated solutions – through mobile applications – ensuring users the freedom to carry out account transactions spontaneously.</p>
<p>14,424 Service points of Bradesco Financiamentos, with 1,005 posts for Payroll Loans and 13,419 dealer/reseller posts for Vehicle Financing;</p>	<p>The Bradesco Organization, in accordance with Instruction No. 381/03 of the Brazilian Securities and Exchange Commission, declares that, it did not contract nor have services provided by KPMG Auditores Independentes in the quarter that were not related to the external audit at a level greater than 5.0% of the total fees related to external audit services. Other services provided by the external auditors were pre-agreed procedures for review of information substantially financial, fiscal and actuarial. The Bank’s policy is in line with the principles of preserving the auditors’ independence, which is 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. It is noteworthy that any eventual services not related to the external audit are submitted prior to the authorization of the Audit Committee.</p>
<p>38,856 Bradesco Expresso service points;</p>	<p>In the context of Human Capital, the Organization reinforces the strategy directed to the development of programs and solutions for the technical and behavioral training and development of its employees, through UniBrad, Universidade Corporativa Bradesco (Bradesco Corporate University), in order to keep them in constant harmony with the market, increasingly more demanding and competitive. In the quarter, 812 courses were given, with 149,142 participations. The welfare benefits in the period reached 235,919 people, ensuring good wellbeing, the improvement of the quality of life and the safety of employees and</p>
<p>936 In-company electronic service branches;</p>	<p></p>
<p>63 Losango service points;</p>	<p></p>
<p>58 External Terminals in the Bradesco Network; and</p>	<p></p>
<p>11,160 ATMs in the Banco24Horas Network, with 29 terminals shared by the networks.</p> <p>In parallel, it provided 35,662 ATMs, strategically distributed nationwide, and also has recycling</p>	<p></p>



machines with the unprecedented benefit of immediate deposit, aside from the 21,506 ATMs of the Banco24Horas network.

By means of Digital Channels, such as Internet Banking, Bradesco Celular, *Fone Fácil*(Easy Phone) and Social Networks, clients have access to various products and services of the Bank, at any place and time, with comfort, convenience and security.

And rounding out its Network, Bradesco currently has four major Digital Platforms, which serve clients from the “Exclusive” and “Prime” segments invited by the Bank, and those who have requested migration to the units because their relationship profiles are primarily digital. It also has the Bradesco Private Bank Digital Branch, enabling clients in all regions of Brazil to centralize their relationship both in their investments and in the banking account in a single segment.

their dependents.

The Fundação Bradesco, the main social action of the Organization, which focuses on educational and assistance programs, maintains 40 of its own Schools installed mainly in regions of high socio-economic deprivation, being present in all the Brazilian states and Federal District. This year, its budget is predicted to be R\$664.717 million, whereby R\$575.071 million is destined to cover Expenses of the Activities and R\$89.646 million investments in Infrastructure and Educational Technology, which allows the institution to offer free, quality education to 97,385 students enrolled in its schools at the following levels: Basic Education (Kindergarten to High School) and Vocational Training (High School level);

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Management Report**

To support the development of children and teenagers through the teaching of women's volleyball and basketball, the *Programa Bradesco Esportes* (Bradesco Sports Program) has, in the Municipality of Osasco, SP, Training and Specialist Centers. Activities are held in their own Sports Development Center, in all Fundação Bradesco's schools, in Municipal Sports Centers, in one Municipal school, in State and private schools and in a leisure club. Annually, two thousand girls take part, from eight years old, reaffirming the Organization's social commitment and displaying how it values talent, citizenship, as well as education, sport and health.

Youth and Adult Education; and Preliminary and Continuing Vocational Training, focused on creating jobs and income; b) 630 thousand students who will complete at least one of the distance-learning courses on offer (EaD), through its e-learning portal "Escola Virtu@l"; and c) 11,987 people who will benefit through partnership projects, such as Programa Educa+Ação, and Technology courses. Food, medical-dental assistance, school materials and uniform are also provided free-of-charge to the more than 42 thousand students in Basic Education.

The Bradesco Organization received important recognitions in the quarter, with the following highlights:

- **Bradesco topped the ranking of the Latin America Best Managed Banks 2018 Brazil**, a survey conducted by the Euromoney magazine, which lists the best managed banks in Latin America;

- **BBI was elected, for the fourth time – as third consecutive – as the Best Investment Bank in Brazil** and, for the first time, the Best Bank of M&A in Latin America in 2018, at the 19th edition of the Best Investment Bank Awards of the Global Finance magazine; and

- **Bram – Bradesco Asset Management – was the management company with the highest number of shareholders in 2017**, according to a survey conducted by *Economática*. It was also considered the largest private fund manager in 2017 in the ranking prepared by Anbima. It was also featured in the *Investidor Institucional* magazine, having 38 funds recognized as excellent in the ranking of Best Institutional Funds, drawn up by Morningstar.

In the first quarter we achieved good results, which reaffirm the commitment of Bradesco to surpass expectations and always offer the best. For the successes obtained, we are grateful for the support and trust of our shareholders and clients and the dedicated and efficient work of our employees and other associates.

Cidade de Deus, April 25, 2018

**Board of Directors and**

**Board of Executive Officers**

- **For the seventh consecutive year, Bradesco is the most valuable brand in Brazil** according to the ranking *As Marcas Mais Valiosas do Brasil 2018* (The Most Valuable Brands in Brazil 2018) prepared by IstoÉ Dinheiro Magazine and Kantar Consulting;

- **Highlighted in the award for Best Bank to Invest – MBI**, Bradesco conquered first place in the categories of Best Multimarket Manager and Best Retail Manager. It also featured in the categories of Best Manager of Shares and Best Money Market Manager. The survey is conducted by the Center for Studies in Finance from the Fundação Getúlio Vargas in partnership with Fractual Consult, with publication via the *Exame* portal;

Bradesco

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## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Consolidated Statement of Financial Position on March 31** ~~in~~ thousands of Reals

	2018	2017
<b>Assets</b>		
<b>Current</b>	<b>831,778,924</b>	<b>764,165,786</b>
<b>Cash and due from banks (Note 5)</b>	<b>17,807,399</b>	<b>11,831,164</b>
<b>Interbank investments (Notes 3d and 6)</b>	<b>139,717,892</b>	<b>187,590,965</b>
Securities purchased under agreements to resell	133,540,153	182,028,577
Interbank investments	6,181,956	5,576,121
Allowance for losses	(4,217)	(13,733)
<b>Securities and derivative financial instruments (Notes 3e, 3f, 7 and 34a)</b>	<b>369,727,244</b>	<b>275,995,932</b>
Own portfolio	270,792,078	234,369,260
Subject to repurchase agreements	59,844,304	8,681,101
Derivative financial instruments (Notes 3f, 7d II and 34a)	17,817,291	18,801,187
Given in guarantee to the Brazilian Central Bank	-	77,083
Given in guarantee	15,212,070	12,197,912
Securities under resale agreements with free movement	6,061,501	1,869,389
<b>Interbank accounts</b>	<b>70,901,622</b>	<b>62,661,301</b>
Unsettled payments and receipts	-	958,925
Reserve requirement (Note 8):		
- Reserve requirement - Brazilian Central Bank	70,813,903	61,637,022
- SFH - housing finance system	30,398	17,012
Correspondent banks	57,321	48,342
<b>Interdepartmental accounts</b>	<b>177,940</b>	<b>141,800</b>
Internal transfer of funds	177,940	141,800
<b>Loans (Notes 3g, 9 and 34a)</b>	<b>133,666,531</b>	<b>138,911,292</b>
Loans:		
- Public sector	186,707	441,675
- Private sector	151,320,062	160,919,391
Loans transferred under an assignment with recourse	2,277,835	767,011
Allowance for loan losses (Notes 3g, 9f, 9g and 9h)	(20,118,073)	(23,216,785)
<b>Leasing (Notes 2, 3g, 9 and 34a)</b>	<b>957,074</b>	<b>1,213,509</b>
Leasing receivables:		
- Private sector	1,895,410	2,425,511
Unearned income from leasing	(866,329)	(1,114,941)
Allowance for leasing losses (Notes 3g, 9f, 9g and 9h)	(72,007)	(97,061)
<b>Other receivables</b>	<b>95,441,010</b>	<b>81,937,817</b>
Receivables on sureties and guarantees honored (Note 9a-3)	149,906	1,272,587
Foreign exchange portfolio (Note 10a)	26,919,657	20,244,451
Receivables	1,631,542	1,451,150
Securities trading	3,385,334	1,103,820
Specific receivables	29,808	15,349
Insurance and reinsurance receivables and reinsurance assets – technical provisions	3,673,572	4,869,730
Sundry (Note 10b)	61,415,186	55,696,102
Allowance for other loan losses (Notes 3g, 9f, 9g and 9h)	(1,763,995)	(2,715,372)

<b>Other assets (Note 11)</b>	<b>3,382,212</b>	<b>3,882,006</b>
Other assets	2,976,856	3,015,711
Provision for losses	(1,435,481)	(1,292,310)
Prepaid expenses (Notes 3i and 11b)	1,840,837	2,158,605
<b>Long-term receivables</b>	<b>369,527,973</b>	<b>394,872,846</b>
<b>Interbank investments (Notes 3d and 6)</b>	<b>1,152,275</b>	<b>417,018</b>
Interbank investments	1,152,275	417,018
<b>Securities and derivative financial instruments (Notes 3e, 3f, 7 and 34a)</b>	<b>146,831,845</b>	<b>172,514,409</b>
Own portfolio	116,444,588	143,574,637
Subject to repurchase agreements	25,150,992	19,559,139
Derivative financial instruments (Notes 3f, 7d II and 34a)	550,861	90,381
Privatization rights	42,913	47,667
Given in guarantee	4,057,651	3,840,581
Securities under resale agreements with free movement	584,840	5,402,004
<b>Interbank accounts</b>	<b>1,207,779</b>	<b>792,351</b>
Reserve requirement (Note 8):		

Economic and Financial Analysis Report – March 2018

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## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Consolidated Statement of Financial Position on March 31** ~~in~~ thousands of Reals

	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
- SFH - housing finance system	1,207,779	792,351
<b>Loans (Notes 3g, 9 and 34a)</b>	<b>155,823,149</b>	<b>161,173,329</b>
Loans:		
- Public sector	4,000,000	3,000,000
- Private sector	159,784,296	163,712,997
Loans transferred under an assignment with recourse	5,616,833	7,436,120
Allowance for loan losses (Notes 3g, 9f, 9g and 9h)	(13,577,980)	(12,975,788)
<b>Leasing (Notes 2, 3g, 9 and 34a)</b>	<b>1,029,404</b>	<b>1,158,028</b>
Leasing receivables:		
- Private sector	2,208,152	2,476,968
Unearned income from leasing	(1,122,763)	(1,254,833)
Allowance for leasing losses (Notes 3g, 9f, 9g and 9h)	(55,985)	(64,107)
<b>Other receivables</b>	<b>62,673,672</b>	<b>57,426,870</b>
Receivables	23,914	17,688
Securities trading	416,758	546,902
Sundry (Note 10b)	62,314,175	56,879,897
Allowance for other loan losses (Notes 3g, 9f, 9g and 9h)	(81,175)	(17,617)
<b>Other assets (Note 11)</b>	<b>809,849</b>	<b>1,390,841</b>
Prepaid expenses (Notes 3i and 11b)	809,849	1,390,841
<b>Permanent assets</b>	<b>30,102,191</b>	<b>30,342,236</b>
<b>Investments (Notes 3j, 12 and 34a)</b>	<b>8,003,779</b>	<b>7,302,621</b>
Equity investment in unconsolidated and jointly controlled companies:		
- In Brazil	7,855,657	7,151,965
Other investments	402,857	405,409
Allowance for losses	(254,735)	(254,753)
<b>Premises and equipment (Notes 3k and 13)</b>	<b>7,811,648</b>	<b>7,567,273</b>
Premises	3,109,800	2,626,916
Other premises and equipment	13,148,770	12,339,805
Accumulated depreciation	(8,446,922)	(7,399,448)
<b>Intangible assets (Notes 3l and 14)</b>	<b>14,286,764</b>	<b>15,472,342</b>
Intangible Assets	29,098,312	26,690,889
Accumulated amortization	(14,811,548)	(11,218,547)
<b>Total</b>	<b>1,231,409,088</b>	<b>1,189,380,868</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Bradesco



## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Consolidated Statement of Financial Position on March 31** - in thousands of Reals

<b>Liabilities</b>	<b>2018</b>	<b>2017</b>
<b>Current</b>	<b>820,529,564</b>	<b>816,905,150</b>
<b>Deposits (Notes 3n and 15a)</b>	<b>166,499,869</b>	<b>158,683,331</b>
Demand deposits	33,186,022	30,564,866
Savings deposits	101,777,091	94,352,635
Interbank deposits	1,607,783	513,281
Time deposits (Notes 15a and 34a)	29,928,973	33,252,549
<b>Securities sold under agreements to repurchase (Notes 3n and 15b)</b>	<b>224,785,922</b>	<b>237,622,407</b>
Own portfolio	104,150,229	83,224,613
Third-party portfolio	110,419,012	145,111,284
Unrestricted portfolio	10,216,681	9,286,510
<b>Funds from issuance of securities (Notes 15c and 34a)</b>	<b>77,106,668</b>	<b>90,469,564</b>
Mortgage and real estate notes, letters of credit and others	75,742,003	89,817,333
Securities issued overseas	1,082,355	341,967
Structured Operations Certificates	282,310	310,264
<b>Interbank accounts</b>	<b>20,729,285</b>	<b>16,678,238</b>
Unsettled payments and receipts	19,461,159	15,371,436
Correspondent banks	1,268,126	1,306,802
<b>Interdepartmental accounts</b>	<b>5,048,262</b>	<b>4,447,819</b>
Third-party funds in transit	5,048,262	4,447,819
<b>Borrowing (Notes 16a and 34a)</b>	<b>18,002,052</b>	<b>19,333,284</b>
Borrowing in Brazil - other institutions	338	3,817
Borrowing overseas	18,001,714	19,329,467
<b>On-lending in Brazil - official institutions (Notes 16b and 34a)</b>	<b>9,633,880</b>	<b>10,841,989</b>
National treasury	72,879	118,317
BNDES	3,948,225	3,777,711
FINAME	5,611,265	6,944,374
Other institutions	1,511	1,587
<b>Derivative financial instruments (Notes 3f, 7d II and 34a)</b>	<b>17,929,526</b>	<b>15,487,259</b>
Derivative financial instruments	17,929,526	15,487,259
<b>Technical provisions for insurance, pension plans and capitalization bonds (Notes 3o and 20)</b>	<b>221,009,762</b>	<b>200,600,838</b>
<b>Other liabilities</b>	<b>59,784,338</b>	<b>62,740,421</b>
Payment of taxes and other contributions	3,340,734	4,489,835
Foreign exchange portfolio (Note 10a)	15,255,138	10,963,570
Social and statutory	1,744,328	1,793,571
Tax and social security (Note 19a)	2,429,059	2,489,552
Securities trading	4,851,997	3,255,987
Financial and development funds	1,299	1,465
Subordinated debts (Notes 18 and 34a)	6,689,788	12,805,716
Sundry (Note 19b)	25,471,995	26,940,725
<b>Long-term liabilities</b>	<b>296,134,877</b>	<b>267,004,015</b>
<b>Deposits (Notes 3n and 15a)</b>	<b>105,158,726</b>	<b>76,772,007</b>



Interbank deposits	40,116	57,634
Time deposits (Notes 15a and 34a)	105,118,610	76,714,373
<b>Securities sold under agreements to repurchase (Notes 3n and 15b)</b>	<b>4,098,070</b>	<b>17,157,119</b>
Own portfolio	4,098,070	17,157,119
<b>Funds from issuance of securities (Notes 15c and 34a)</b>	<b>65,483,158</b>	<b>49,833,289</b>
Mortgage and real estate notes, letters of credit and others	63,533,359	47,168,406
Securities issued overseas	1,787,461	2,624,632
Structured Operations Certificates	162,338	40,251
<b>Borrowing (Notes 16a and 34a)</b>	<b>1,449,775</b>	<b>2,755,840</b>
Borrowing in Brazil - other institutions	1,894	7,963
Borrowing overseas	1,447,881	2,747,877
<b>On-lending in Brazil - official institutions (Notes 16b and 34a)</b>	<b>18,649,050</b>	<b>23,486,325</b>
BNDES	8,343,772	10,496,158

Economic and Financial Analysis Report – March 2018

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## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Consolidated Statement of Financial Position on March 31** ~~in~~ thousands of Reals

<b>Liabilities</b>	<b>2018</b>	<b>2017</b>
FINAME	10,305,278	12,990,167
<b>Derivative financial instruments (Notes 3f, 7d II and 34a)</b>	<b>347,893</b>	<b>217,953</b>
Derivative financial instruments	347,893	217,953
<b>Technical provisions for insurance, pension plans and capitalization bonds (Notes 3o and 20)</b>	<b>30,221,487</b>	<b>28,831,706</b>
<b>Other liabilities</b>	<b>70,726,718</b>	<b>67,949,776</b>
Tax and social security (Note 19a)	5,245,316	4,880,715
Subordinated debts (Notes 18 and 34a)	16,303,447	22,239,890
Eligible Debt Capital Instruments (Notes 18 and 34a)	23,155,027	15,800,022
Sundry (Note 19b)	26,022,928	25,029,149
<b>Deferred income</b>	<b>369,743</b>	<b>426,172</b>
Deferred income	369,743	426,172
<b>Non-controlling interests in subsidiaries (Note 21)</b>	<b>599,011</b>	<b>487,081</b>
<b>Shareholders' equity (Note 22)</b>	<b>113,775,893</b>	<b>104,558,450</b>
Capital:		
- Domiciled in Brazil	66,261,525	58,361,600
- Domiciled overseas	838,475	738,400
Capital reserves	11,441	11,441
Profit reserves	44,581,197	44,674,403
Asset valuation adjustments	2,523,769	1,213,120
Treasury shares (Notes 22d and 34a)	(440,514)	(440,514)
<b>Attributable to equity holders of the Parent Company</b>	<b>114,374,904</b>	<b>105,045,531</b>
<b>Total</b>	<b>1,231,409,088</b>	<b>1,189,380,868</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Consolidated Statements of Accumulated Income on March 31 – In thousands of Reais**

	<b>2018</b>	<b>2017</b>
<b>Revenue from financial intermediation</b>	<b>32,232,127</b>	<b>41,647,914</b>
Loans (Note 9j)	16,669,718	19,089,420
Leasing (Note 9j)	72,851	74,384
Operations with securities (Note 7g)	7,331,682	12,067,080
Financial income from insurance, pension plans and capitalization bonds (Note 7g)	9,074,226	10,026,655
Derivative financial instruments (Note 7g)	(1,689,421)	(1,003,312)
Foreign exchange operations (Note 10a)	(98,572)	39,554
Reserve requirement (Note 8b)	915,561	1,360,022
Sale or transfer of financial assets	(43,918)	(5,889)
<b>Expenses from financial intermediation</b>	<b>18,985,067</b>	<b>30,981,819</b>
Retail and professional market funding (Note 15e)	9,734,119	16,619,819
Adjustment for inflation and interest on technical provisions for insurance, pension plans and capitalization bonds (Note 15e)	3,821,387	5,972,523
Borrowing and on-lending (Note 16c)	849,866	108,116
Allowance for loan losses (Notes 3g, 9g and 9h)	4,579,695	8,281,361
<b>Gross income from financial intermediation</b>	<b>13,247,060</b>	<b>10,666,095</b>
<b>Other operating income (expenses)</b>	<b>(5,486,230)</b>	<b>(3,609,874)</b>
Fee and commission income (Note 23)	6,035,809	5,788,892
Other fee and commission income	4,013,319	3,963,452
Income from banking fees	2,022,490	1,825,440
Retained premium from insurance, pension plans and capitalization bonds (Notes 3o and 20c)	17,551,922	17,894,552
Net written premiums earned	17,570,086	17,947,702
Reinsurance premiums paid	(18,164)	(53,150)
Variation in technical provisions for insurance, pension plans and capitalization bonds (Note 3o)	(7,691,410)	(7,738,291)
Retained claims (Note 3o)	(6,253,577)	(6,313,325)
Capitalization bond prize draws and redemptions (Note 3o)	(1,264,592)	(1,299,791)
Selling expenses from insurance, pension plans and capitalization bonds (Note 3o)	(827,081)	(917,365)
Payroll and related benefits (Note 24)	(4,635,373)	(4,635,886)
Other administrative expenses (Note 25)	(4,622,687)	(4,645,532)
Tax expenses (Note 26)	(1,510,122)	(1,650,878)
Share of profit (loss) of unconsolidated and jointly controlled companies (Note 12b)	427,845	428,535
Other operating income (Note 27)	1,683,928	4,603,269
Other operating expenses (Note 28)	(4,380,892)	(5,124,054)
<b>Operating income</b>	<b>7,760,830</b>	<b>7,056,221</b>

<b>Non-operating income (loss) (Note 29)</b>	<b>(209,938)</b>	<b>(132,926)</b>
<b>Income before income tax and social contribution and non-controlling interests</b>	<b>7,550,892</b>	<b>6,923,295</b>
<b>Income tax and social contribution (Notes 33a and 33b)</b>	<b>(3,023,446)</b>	<b>(2,816,795)</b>
Current income tax	(1,932,237)	(2,475,858)
Current Social Contribution	(1,171,740)	(1,579,557)
Deferred Tax	80,531	1,238,620
<b>Non-controlling interests in subsidiaries</b>	<b>(60,725)</b>	<b>(35,813)</b>
<b>Net income</b>	<b>4,466,721</b>	<b>4,070,687</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Economic and Financial Analysis Report – March 2018

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## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Statements of Changes in Shareholders' Equity** -In thousands of Reais

Events	Capital	Capital reserves Share premium	Profit reserves		Asset valuation adjustments	Treasury shares	Retained earnings	Total
			Legal	Statutory				
<b>Balance on December 31, 2016</b>	<b>51,100,000</b>	<b>11,441</b>	<b>6,807,128</b>	<b>43,641,474</b>	<b>(677,116)</b>	<b>(440,514)</b>	<b>-</b>	<b>100,442,413</b>
Capital increase with reserves	8,000,000	-	-	(8,000,000)	-	-	-	-
Asset valuation adjustments	-	-	-	-	1,890,236	-	-	1,890,236
Net income	-	-	-	-	-	-	4,070,687	4,070,687
Allocations:								
- Reserves	-	-	203,534	2,022,267	-	-	(2,225,801)	-
- Interest on Shareholders' Equity Paid	-	-	-	-	-	-	(1,844,886)	(1,844,886)
<b>Balance on March 31, 2017</b>	<b>59,100,000</b>	<b>11,441</b>	<b>7,010,662</b>	<b>37,663,741</b>	<b>1,213,120</b>	<b>(440,514)</b>	<b>-</b>	<b>104,558,450</b>
<b>Balance on December 31, 2017</b>	<b>59,100,000</b>	<b>11,441</b>	<b>7,540,016</b>	<b>42,361,997</b>	<b>1,884,536</b>	<b>(440,514)</b>	<b>-</b>	<b>110,457,476</b>
Capital increase with reserves	8,000,000	-	-	(8,000,000)	-	-	-	-
Asset valuation adjustments	-	-	-	-	639,233	-	-	639,233
Net income	-	-	-	-	-	-	4,466,721	4,466,721
Allocations:								
- Reserves	-	-	223,336	2,455,848	-	-	(2,679,184)	-
- Interest on Shareholders' Equity Paid and/or provisioned	-	-	-	-	-	-	(1,787,537)	(1,787,537)
<b>Balance on March 31, 2018</b>	<b>67,100,000</b>	<b>11,441</b>	<b>7,763,352</b>	<b>36,817,845</b>	<b>2,523,769</b>	<b>(440,514)</b>	<b>-</b>	<b>113,775,893</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Consolidated Statement of Added Value Accumulated on March 31 - In thousands of Reais**

Description	2018	%	2017	%
<b>1 – Revenue</b>	<b>33,176,043</b>	<b>237.2</b>	<b>40,963,661</b>	<b>303.5</b>
<b>1.1) Financial intermediation</b>	<b>32,232,127</b>	<b>230.5</b>	<b>41,647,914</b>	<b>308.5</b>
<b>1.2) Fees and commissions</b>	<b>6,035,809</b>	<b>43.2</b>	<b>5,788,892</b>	<b>42.9</b>
<b>1.3) Allowance for loan losses</b>	<b>(4,579,695)</b>	<b>(32.8)</b>	<b>(8,281,361)</b>	<b>(61.3)</b>
<b>1.4) Other</b>	<b>(512,198)</b>	<b>(3.7)</b>	<b>1,808,216</b>	<b>13.4</b>
<b>2 – Financial intermediation expenses</b>	<b>(14,405,372)</b>	<b>(103.0)</b>	<b>(22,700,458)</b>	<b>(168.2)</b>
<b>3 – Inputs acquired from third-parties</b>	<b>(3,650,952)</b>	<b>(26.1)</b>	<b>(3,702,850)</b>	<b>(27.4)</b>
Outsourced services	(1,171,905)	(8.4)	(1,225,014)	(9.1)
Data processing	(511,878)	(3.7)	(493,609)	(3.7)
Communication	(392,501)	(2.8)	(434,663)	(3.2)
Asset maintenance	(272,070)	(1.9)	(269,760)	(2.0)
Financial system services	(241,084)	(1.7)	(259,489)	(1.9)
Advertising and marketing	(228,117)	(1.6)	(140,453)	(1.0)
Security and surveillance	(193,925)	(1.4)	(209,986)	(1.6)
Transport	(185,474)	(1.3)	(185,591)	(1.4)
Material, water, electricity and gas	(158,266)	(1.1)	(184,427)	(1.4)
Travel	(57,765)	(0.4)	(49,288)	(0.4)
Other	(237,967)	(1.7)	(250,570)	(1.9)
<b>4 – Gross value added (1-2-3)</b>	<b>15,119,719</b>	<b>108.1</b>	<b>14,560,353</b>	<b>107.9</b>
<b>5 – Depreciation and amortization</b>	<b>(1,563,802)</b>	<b>(11.2)</b>	<b>(1,489,895)</b>	<b>(11.0)</b>
<b>6 – Net value added produced by the entity (4-5)</b>	<b>13,555,917</b>	<b>96.9</b>	<b>13,070,458</b>	<b>96.8</b>
<b>7 – Value added received through transfer</b>	<b>427,845</b>	<b>3.1</b>	<b>428,535</b>	<b>3.2</b>
Share of profit (loss) of unconsolidated and jointly controlled companies	427,845	3.1	428,535	3.2
<b>8 – Value added to distribute (6+7)</b>	<b>13,983,762</b>	<b>100.0</b>	<b>13,498,993</b>	<b>100.0</b>
<b>9 – Value added distributed</b>	<b>13,983,762</b>	<b>100.0</b>	<b>13,498,993</b>	<b>100.0</b>
<b>9.1) Personnel</b>	<b>4,114,252</b>	<b>29.4</b>	<b>4,080,520</b>	<b>30.2</b>
Salaries	2,045,003	14.6	2,177,118	16.1
Benefits	1,094,353	7.8	1,097,214	8.1
Government Severance Indemnity Fund for Employees (FGTS)	179,552	1.3	238,369	1.8
Other	795,344	5.7	567,819	4.2
<b>9.2) Tax, fees and contributions</b>	<b>5,054,689</b>	<b>36.1</b>	<b>5,023,039</b>	<b>37.2</b>
Federal	4,736,459	33.9	4,775,675	35.4
State	1,771	-	3,749	-
Municipal	316,459	2.3	243,615	1.8
<b>9.3) Remuneration for providers of capital</b>	<b>287,375</b>	<b>2.1</b>	<b>288,934</b>	<b>2.1</b>
Rental	286,568	2.0	287,286	2.1
Asset leasing	807	-	1,648	-
<b>9.4) Value distributed to shareholders</b>	<b>4,527,446</b>	<b>32.4</b>	<b>4,106,500</b>	<b>30.4</b>
Interest on Shareholders' Equity Dividends paid and/or provisioned	1,787,537	12.8	1,844,886	13.7

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Retained earnings	2,679,184	19.2	2,225,801	16.5
Non-controlling interests in retained earnings	60,725	0.4	35,813	0.3

The accompanying Notes are an integral part of these Consolidated Financial Statements.

– Economic and Financial Analysis Report – March 2018

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## Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

**Consolidated Statement of cash flows accrued on March 31 - In thousands of Reais**

	2018	2017
<b>Cash flow from operating activities:</b>		
<b>Income before income tax and social contribution and non-controlling interests</b>	<b>7,550,892</b>	<b>6,923,295</b>
<b>Adjustments to net income before income tax and social contribution</b>	<b>14,076,488</b>	<b>22,384,835</b>
Effect of Changes in Exchange Rates in Cash and Cash equivalents	(167,514)	375,023
Allowance for loan losses	4,579,695	8,281,361
Depreciation and amortization	1,563,802	1,489,895
Impairment losses of assets	192,122	419,693
Expenses/ reversal with civil, labor and tax provisions	1,080,374	494,429
Expenses with adjustment for inflation and interest on technical provisions for insurance, pension plans and capitalization bonds	3,821,387	5,972,523
Share of profit (loss) of unconsolidated and jointly controlled companies	(427,845)	(428,535)
(Gain)/loss on sale of fixed assets	19,543	10,862
(Gain)/loss on sale of foreclosed assets	161,489	105,208
Foreign exchange variation of assets and liabilities overseas/Other	3,253,435	5,664,376
<b>Net income before taxes after adjustments</b>	<b>21,627,380</b>	<b>29,308,130</b>
(Increase)/Decrease in interbank investments	1,406,357	1,623,011
(Increase)/Decrease in trading securities and derivative financial instruments	6,592,353	(6,584,819)
(Increase)/Decrease in interbank and interdepartmental accounts	(891,505)	(2,322,531)
(Increase)/Decrease in loans and leasing	(7,045,883)	1,317,218
(Increase)/Decrease in insurance and reinsurance receivables and reinsurance assets	243,256	275,923
(Increase)/Decrease in other receivables and other assets	(11,359,869)	(48,633)
(Increase)/Decrease in reserve requirement - Central Bank	(4,099,677)	(3,600,491)
Increase/(Decrease) in deposits	6,451,233	1,219,660
Increase/(Decrease) in securities sold under agreements to repurchase	(4,583,552)	12,800,595
Increase/(Decrease) in borrowings and on-lending	(1,556,250)	(1,778,564)
Increase/(Decrease) in technical provisions for insurance, pension plans and capitalization bonds	757,297	117,864
Increase/(Decrease) in other liabilities	7,195,168	(1,131,315)
Increase/(Decrease) in deferred income	(39,990)	(51,013)
Income tax and social contribution paid	(3,424,500)	(3,337,493)
<b>Net cash provided by/(used in) operating activities</b>	<b>11,271,818</b>	<b>27,807,542</b>
<b>Cash flow from investing activities:</b>		
Maturity of and interest on held-to-maturity securities	1,525,629	1,109,563
Sale of/maturity of and interest on available-for-sale securities	17,909,776	46,307,397
Proceeds from sale of foreclosed assets	175,944	162,577
Sale of premises and equipment	196,248	161,713
Purchases of available-for-sale securities	(35,835,882)	(43,477,016)
Purchases of held-to-maturity securities	(97,389)	(14,235)
Investment acquisitions	-	(1,316)

Purchase of premises and equipment	(658,920)	(334,837)
Intangible asset acquisitions	(263,263)	(305,830)
Dividends and interest on shareholders' equity received	422,596	188,112
<b>Net cash provided by/(used in) investing activities</b>	<b>(16,625,261)</b>	<b>3,796,128</b>
<b>Cash flow from financing activities:</b>		
Funds from securities issued	23,551,222	6,848,053
Settlement and Interest payments of Funds from issuance of securities	(18,169,821)	(21,357,191)
Issuance of subordinated debts	-	294,646
Settlement and Interest payments of subordinated debts	(4,974,473)	(3,256,468)
Interest on Shareholders' Equity Paid	(4,487,310)	(4,451,737)
Non-controlling interest	(25,115)	2,459
<b>Net cash provided by/(used in) financing activities</b>	<b>(4,105,497)</b>	<b>(21,920,238)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(9,458,940)</b>	<b>9,683,432</b>
Cash and cash equivalents - at the beginning of the period	156,054,442	181,230,427
Effect of Changes in Exchange Rates in Cash and Cash equivalents	167,514	(375,023)
Cash and cash equivalents - at the end of the period	146,763,016	190,538,836
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(9,458,940)</b>	<b>9,683,432</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

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Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

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***Notes to the Consolidated Financial Statements***

**1) OPERATIONS**

Banco Bradesco S.A. (Bradesco) is a private-sector publicly traded company and universal bank that, through its commercial, foreign exchange, consumer financing and housing loan portfolios, carries out all the types of banking activities for which it has authorization. The Bank is involved in a number of other activities, either directly or indirectly, through its subsidiaries, specifically leases, investment banking, brokerage, consortium management, credit cards, real estate projects, insurance, pension plans and capitalization bonds. All these activities are undertaken by the various companies in the Bradesco Organization (Organization), working together in an integrated manner in the market.

**2) PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Bradesco's consolidated financial statements include the financial statements for Bradesco, its foreign branches and subsidiaries, in Brazil and overseas and SPEs (Special Purpose Entities) and investment funds of which the Organization's companies are the main beneficiaries or holders of the principal obligations, as established by Technical Pronouncement CPC 36 (R3), "Consolidation". These statements were prepared in conformity with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank (Bacen), and are in conformity with accounting guidelines included in Laws No. 4,595/64 (Brazilian Financial System Law) and No. 6,404/76 (Brazilian Corporate Law), including amendments introduced by Laws No. 11,638/07 and No. 11,941/09, as they relate to the accounting for operations, complemented by the rules and instructions of the National Monetary Council (CMN), Bacen, Brazilian Securities and Exchange Commission (CVM), and where applicable, National Private Insurance Council (CNSP), Insurance Superintendence (Susep) and National Supplementary Healthcare Agency (ANS). The financial statements of the lease companies included in the consolidated financial statements were prepared using the finance lease method, under which the carrying amount of leased premises and equipment less the residual value paid in advance are reclassified.

Management states that it has disclosed all relevant information in the consolidated financial statements of Bradesco and that the accounting practices described above have been applied in a consistent manner in all years presented.

For the preparation of these consolidated financial statements, the intercompany transactions, balances of equity accounts, revenue, expenses and unrealized profits were eliminated and net income and

shareholders' equity attributable to the non-controlling interests were accounted for in a separate line. Goodwill on the acquisition of investments in associates, subsidiaries or jointly controlled companies is presented in the investments and intangible assets lines (Note 14a). The foreign exchange variation from foreign branches and investments is presented in the statement of income accounts used for changes in the value of the derivative financial instrument and borrowing and on-lending operations in order to offset these results with the hedges of these investments.

The financial statements include estimates and assumptions, such as: the calculation of estimated loan losses; fair value estimates of certain financial instruments; civil, tax and labor provisions; impairment losses of securities classified as available-for-sale and held-to-maturity securities and non-financial assets; the calculation of technical provisions for insurance, pension plans and capitalization bonds; and the determination of the useful life of specific assets. Actual results may differ from those based on estimates and assumptions.

Bradesco's consolidated financial statements were approved by the Board of Directors on April 25, 2018.

Bradesco

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**Notes to the Consolidated Financial Statements**

Below are the significant directly and indirectly owned companies and investment funds included in the consolidated financial statements:

	Activity	On March 31	
		Equity interest 2018	2017
<b>Financial Sector – Brazil</b>			
Ágora Corretora de Títulos e Valores Mobiliários S.A.	Brokerage	100.00%	100.00%
Banco Alvorada S.A.	Banking	99.99%	99.99%
Banco Boavista Interatlântico S.A.(1)	Banking	-	100.00%
Banco Bradescard S.A.	Cards	100.00%	100.00%
Banco Bradesco BBI S.A.(1)	Investment bank	99.85%	99.81%
Banco Bradesco BERJ S.A.	Banking	100.00%	100.00%
Banco Bradesco Cartões S.A.	Cards	100.00%	100.00%
Banco Bradesco Financiamentos S.A.	Banking	100.00%	100.00%
Banco Losango S.A.	Banking	100.00%	100.00%
	Consortium		
Bradesco Administradora de Consórcios Ltda.(2)	management	100.00%	100.00%
Bradesco Leasing S.A. Arrendamento Mercantil	Leasing	100.00%	100.00%
Bradesco Kirton Corretora de Títulos e Valores Mobiliários S.A.	Brokerage	99.97%	99.97%
Bradesco S.A. Corretora de Títulos e Valores Mobiliários	Brokerage	100.00%	100.00%
	Asset		
BRAM - Bradesco Asset Management S.A. DTVM	management	100.00%	100.00%
Kirton Bank Brasil S.A.	Banking	100.00%	100.00%
Tempo Serviços Ltda.	Services	100.00%	100.00%
<b>Financial Sector – Overseas</b>			
Banco Bradesco Argentina S.A.U (3)	Banking	100.00%	99.99%
Banco Bradesco Europa S.A.	Banking	100.00%	100.00%
Banco Bradesco S.A. Grand Cayman Branch (4)	Banking	100.00%	100.00%
Banco Bradesco S.A. New York Branch	Banking	100.00%	100.00%
Bradesco Securities, Inc.	Brokerage	100.00%	100.00%
Bradesco Securities, UK.	Brokerage	100.00%	100.00%
<b>Insurance, Pension Plan and Capitalization Bond Sector</b>			
Atlântica Companhia de Seguros	Insurance	100.00%	100.00%
Bradesco Argentina de Seguros S.A. (5)	Insurance	99.98%	99.98%
Bradesco Auto/RE Companhia de Seguros	Insurance	100.00%	100.00%
	Capitalization		
Bradesco Capitalização S.A.	bonds	100.00%	100.00%

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Bradesco Saúde S.A.	Insurance/health	100.00%	100.00%
Bradesco Seguros S.A.	Insurance	100.00%	100.00%
	Pension		
Bradesco Vida e Previdência S.A.	plan/Insurance	100.00%	100.00%
	Capitalization		
Kirton Capitalização S.A. (6)	bonds	100.00%	99.97%
Kirton Seguros S.A. (7)	Insurance	98.54%	98.08%
	Pension		
Kirton Vida e Previdência S.A.	plan/Insurance	100.00%	100.00%
Odontoprev S.A. (5)	Dental care	50.01%	50.01%
<b>Other Activities</b>			
Andorra Holdings S.A.	<i> Holding</i>	100.00%	100.00%
Bradseg Participações S.A.	<i> Holding</i>	100.00%	100.00%
	Insurance		
Bradescor Corretora de Seguros Ltda.	Brokerage	100.00%	100.00%
Bradesplan Participações Ltda.	<i> Holding</i>	100.00%	100.00%
BSP Empreendimentos Imobiliários S.A.	Real estate	100.00%	100.00%
Cia. Securitizadora de Créditos Financeiros Rubi	Credit acquisition	100.00%	100.00%
Columbus Holdings S.A.	<i> Holding</i>	100.00%	100.00%
Kirton Participações e Investimentos Ltda. (8)	<i> Holding</i>	-	100.00%
Nova Paiol Participações Ltda.	<i> Holding</i>	100.00%	100.00%
União Participações Ltda.	<i> Holding</i>	100.00%	100.00%
<b>Investment Funds (9)</b>			
Bradesco FI RF Master II Previdência	Investment Fund	100.00%	100.00%
Bradesco F.I.C.F.I. R.F. VGBL F10	Investment Fund	100.00%	100.00%

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**Notes to the Consolidated Financial Statements**

	Activity	On March 31	
		Equity interest 2018	2017
Bradesco F.I. Referenciado DI Performance	Investment Fund	100.00%	100.00%
Bradesco FI RF Master Previdência	Investment Fund	100.00%	100.00%
Brad Firf Master III Prev	Investment Fund	99.86%	99.51%
Bradesco FI RF Master Previdencia	Investment Fund	100.00%	100.00%
Bradesco Private FICFI RF PGBL/VGBL Ativo	Investment Fund	100.00%	100.00%
Bradesco FI Referenciado DI União	Investment Fund	99.46%	99.28%
Bradesco F.I.C. R.F. VGBL FIX	Investment Fund	100.00%	100.00%
Bradesco Private F.I.C.F.I. R.F. PGBL/VGBL Ativo-F 08 C	Investment Fund	100.00%	100.00%

(1) In November, 2017, Banco Boavista Interatlântico S.A. was merged into Banco Bradesco BBI S.A. increasing the interest by means of subscription of shares;

(2) In May 2017, Kirton Administradora de Consórcios Ltda. was merged into Bradesco Administradora de Consórcios Ltda.;

(3) Change in the percentage of participation, by assignment of quotas and change of corporate name to unilateral company;

(4) The special purpose entity International Diversified Payment Rights Company is being consolidated. The company is part of a structure set up for the securitization of the future flow of payment orders received overseas;

(5) Based on financial information from the previous month;

(6) Increase in interest, by means of acquisition of shares held by minority shareholders;

(7) Increase in interest by means of subscription of shares in July 2017;

(8) Company merged into Kirton Seguros S.A., in July 2017; and

(9) The investment funds in which Bradesco assumes or substantially retains the risks and benefits were consolidated.

**3) SIGNIFICANT ACCOUNTING PRACTICES****a) Functional and presentation currencies**

Consolidated financial statements are presented in Brazilian reais, which is also Bradesco's functional currency. Foreign branches and subsidiaries are mainly a continuation of activities in Brazil, and, therefore, assets, liabilities and profit or loss are translated into Brazilian reais using the appropriate currency exchange rate, to comply with accounting practices adopted in Brazil. Foreign currency translation gains and losses arising are recognized in the period's statement of income in the lines "Derivative Financial Instruments" and "Borrowing and On-lending".

## **b) Income and expense recognition**

Income and expenses are recognized on an accrual basis in order to determine the net income for the period to which they relate, regardless of when the funds are received or paid.

Fixed rate contracts are recognized at their redemption value with the income or expense relating to future periods being recognized as a deduction from the corresponding asset or liability. Finance income and costs are recognized daily on a pro-rata basis and calculated using the compounding method, except when they relate to discounted notes or to foreign transactions, which are calculated using the straight-line method.

Floating rate and foreign-currency-indexed contracts are adjusted for interest and foreign exchange rates applicable at the reporting date.

Insurance and coinsurance premiums, net of premiums paid for coinsurance and related commissions, are recognized upon the issue of the related policies/certificates/endorsements and invoices, or upon the beginning of the exposure to risk in cases in which the risk begins before the policy issuance, and is recognized on a straight-line basis over the policies' effective period through the upfront recognition and subsequent reversal through the statement of income of the unearned premium reserve and the deferred acquisition costs. Revenues from premiums and the corresponding deferred acquisition costs, relating to existing risk for which no policy has been issued, are recognized in the statement of income at the beginning of the risk exposure, based on estimated figures.

The health insurance premiums are recognized in the premiums (results) account or provision for unearned premiums/considerations (PPCNG), according to the period of coverage of contracts in force on the reporting date.



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***Notes to the Consolidated Financial Statements***

Income and expenses arising from Mandatory Insurance For Personal Injury Caused by Motor Vehicles (DPVAT) insurance operations are recognized based on information provided by Seguradora Líder dos Consórcios do Seguro DPVAT S.A.

Accepted coinsurance and retrocession operations are recognized based on the information received from other insurers and IRB - Brasil Resseguros S.A. (IRB), respectively.

Reinsurance operations are recognized based on the premium and claims information provided, which is subject to the analysis of the re-insurers. The deductions of reinsurance premiums granted are consistent with the recognition of the corresponding insurance premium and/or terms of the reinsurance contract.

Contributions and agency fees are deferred and recognized in the statement of income on a straight-line basis over a period of 24 months for health insurance operations, and 12 months for other operations.

Pension plan contributions and life insurance premiums with survival coverage are recognized in the statement of income as they are received.

Revenue from capitalization bonds is recognized in the month in which they are issued, according to the types of collection, which may be in monthly payments or in a single payment. Each security has a nominal value, which is indexed to the Reference Rate (TR) interest rates defined in the plan. Technical provisions are recognized when the respective revenues are recognized.

The revenues arising from unclaimed and expired capitalization bonds (securities and non-redeemed draws) are recognized after the prescription period, that is, until November 2003, up to 20 years and five years after this date as established by law. The expenses related to commercialization of capitalization bonds are classified as "Acquisition Costs" and are recognized in the statement of income as incurred.

**c) Cash and cash equivalents**

Cash and cash equivalents include: funds available in currency, investments in gold, securities sold under agreements to repurchase and interest-earning deposits in other banks, maturing in 90 days or less, from the time of the acquisition, which are exposed to insignificant risk of change in fair value. These funds are used by Bradesco to manage its short-term commitments.

Cash and cash equivalents detailed balances are presented in Note 5.

**d) Interbank investments**

Securities purchased under agreements to resell are stated at their fair value. All other interbank investments are stated at cost, plus income earned up to the end of the reporting period, net of any devaluation allowance, if applicable.

The breakdown, terms and proceeds relating to interbank investments are presented in Note 6.

**e) Securities – Classification**

- Trading securities – securities acquired for the purpose of being actively and frequently traded. They are recognized at cost, plus income earned and adjusted to fair value with changes recognized in the Statement of Income for the period;
- Available-for-sale securities – securities that are not specifically intended for trading purposes or to be held to maturity. They are recognized at cost, plus income earned, which is recognized in profit or loss in the period and adjusted to fair value with changes recognized in shareholders' equity, net of tax, which will be transferred to the Statement of Income only when effectively realized; and

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**Notes to the Consolidated Financial Statements**

- Held-to-maturity securities – securities for which there is positive intent and financial capacity to hold to maturity. They are recognized at cost, plus income earned recognized in the Statement of Income for the period.

Securities classified as trading and available-for-sale, as well as derivative financial instruments, are recognized in the consolidated statement of financial position at their fair value. Fair value is generally based on quoted market prices or quotations for assets or liabilities with similar characteristics. If market prices are not available, fair values are based on traders' quotations, pricing models, discounted cash flows or similar techniques to determine the fair value and may require judgment or significant estimates by Management.

Classification, breakdown and segmentation of securities are presented in Note 7.

**f) Derivative financial instruments (assets and liabilities)**

Derivative financial instruments are designed to meet the Company's own needs to manage Bradesco's global exposure, as well to meet customer requests, in order to manage its positions.

The operations are recorded at their fair value considering the mark-to-market methodologies adopted by Bradesco, and their adjustment can be recorded in the statement of income or equity, depending on the classification between accounting hedge, their categories and economic hedge.

Derivative financial instruments used to mitigate the risks of exposures in currencies, indexes, prices, rates or indexes are considered as hedge instruments, whose objectives are: (i) To control and frame operations, respecting exposure limits and current risks; (ii) Change, modify or reverse positions due to market changes and operational strategies; and (iii) Reduce or mitigate exposures of operations in markets that are inoperative, under conditions of stress or of low liquidity.

Instruments designated for hedge accounting purposes are classified according to their nature in:

- Market risk hedge: the gains and losses, realized or not, of the financial instruments classified in this category as well as the financial assets and liabilities, that are the object of the hedge, are recognized in the Statement of Income; and
- Cash flow hedge: the effective portion of valuation or devaluation of the financial instruments classified in this category is recognized, net of taxes, in a specific account in shareholders' equity. The ineffective portion of the hedge is recognized directly in the Statement of Income; and
- Hedge of net investment in foreign operations - the financial instruments classified in this category are intended to hedge the exchange variation of investments abroad, whose functional currency is different from the national currency, and are accounted for in accordance with the accounting procedures applicable to the hedge category of cash flow, that is, with the effective portion recognized in shareholders' equity, net of tax effects, and the non-effective portion recognized in income for the period.

For derivatives classified in the hedge accounting category, there is a follow-up of: (i) strategy effectiveness, through prospective and retrospective effectiveness tests, and (ii) mark-to-market of hedge instruments.

A breakdown of amounts included as derivative financial instruments, in the statement of financial position and off-balance-sheet accounts, is disclosed in Note 7.

**g) Loans and leases, advances on foreign exchange contracts, other receivables with credit characteristics and allowance for loan losses**

Loans and leases, advances on foreign exchange contracts and other receivables with credit characteristics are classified by risk level, based on: (i) the parameters established by CMN Resolution No. 2,682/99, which requires risk ratings to have nine levels, from "AA" (minimum risk) to "H" (maximum risk) considering, among other things, the delay levels (as described in table below); and (ii) Management's assessment of the risk level. This assessment, which is carried out regularly, considers current economic conditions and past experience with loan losses, as well as specific and general risks relating to contract, debtors and guarantors.

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**Notes to the Consolidated Financial Statements**

<b>Past-due period (1)</b>	<b>Customer rating</b>
from 15 to 30 days	B
from 31 to 60 days	C
from 61 to 90 days	D
from 91 to 120 days	E
from 121 to 150 days	F
from 151 to 180 days	G
more than 180 days	H

(1) For transactions with terms of more than 36 months, past-due periods are doubled, as permitted by CMN Resolution No. 2,682/99.

Interest and inflation adjustments on past-due transactions are only recognized in the Statement of Income up to the 60<sup>th</sup> day that they are past due.

H-rated past-due transactions remain at this level for six months, after which they are written-off against the existing allowance and controlled in off-balance-sheet accounts for at least five years.

Renegotiated operations are maintained at least at the same rating in which they were classified.

Renegotiations of operations had already written-off against the allowance and that were recognized in off-balance-sheet accounts, are rated as level "H" and any possible gains derived from their renegotiation are recognized only when they are effectively received. When there is a significant repayment on the operation or when new material facts justify a change in the level of risk, the loan may be reclassified to a lower risk category.

The estimated allowance for loan losses is calculated to sufficiently cover probable losses, according to CMN and Bacen standards and instructions, together with Management's assessment of the credit risk.



The classification of the credit operations of the same economic client or group is defined as the one that presents the highest risk, and, in exceptional cases, different ratings for a particular operation are accepted according to the nature, value, purpose of the operation and characteristics of the guarantees.

Type, values, terms, levels of risk, concentration, economic sector of client's activity, renegotiation and income from loans, as well as the breakdown of expenses and statement of financial position accounts for the allowance for loan losses are presented in Note 9.

#### **h) Income tax and social contribution (assets and liabilities)**

Deferred tax assets, calculated on income tax losses, social contribution losses and temporary differences, are recognized in "Other Receivables - Sundry" and the deferred tax liabilities on tax differences in lease asset depreciation (applicable only for income tax), fair value adjustments on securities, inflation adjustment of judicial deposits, among others, are recognized in "Other Liabilities - Tax and Social Security".

Deferred tax assets on temporary differences are realized when the difference between the accounting treatment and the income tax treatment reverses. Deferred tax assets on income tax and social contribution losses are realizable when taxable income is generated, up to the 30% limit of the taxable profit for the period. Deferred tax assets are recognized based on current expectations of realization considering technical studies and analyses carried out by Management.

The provision for income tax is calculated at 15% of taxable income plus a 10% surcharge. For financial companies, for companies considered as such and for the insurance industry, the social

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**Notes to the Consolidated Financial Statements**

contribution on the profit was calculated until August 2015, considering the rate of 15%. For the period between September 2015 and December 2018, the rate was changed to 20%, according to Law No. 13,169/15 and the rate will be 15% again as from January 2019. For the other companies, the social contribution is calculated considering the rate of 9%.

Due to the amendment of the rate, the Organization recognized, in September 2015, an incremental amount to the deferred tax of social contribution, considering the annual expectations of realization and their respective rates in force in each period, according to the technical study produced.

Provisions were recognized for other income tax and social contribution in accordance with specific applicable legislation.

The breakdown of income tax and social contribution, showing the calculations, the origin and expected use of deferred tax assets, as well as unrecognized deferred tax assets, is presented in Note 33.

**i) Prepaid expenses**

Prepaid expenses consist of funds already disbursed for future benefits or services, which are recognized in the profit or loss on an accrual basis.

Incurred costs relating to assets that will generate revenue in subsequent periods are recognized in the Statement of Income according to the terms and the amount of expected benefits and directly recognized in the Statement of Income when the corresponding assets or rights are no longer part of the institution's assets or when future benefits are no longer expected.

In the case of the remuneration paid for the origination of credit operations or leases to the banking correspondents related to credit operations originated during 2015 and 2016, Bradesco opted to recognize part of the total value of compensation, pursuant to the provisions of Bacen Circular Letter No. 3,738/14. As of 2017, the remuneration mentioned is fully recognized as an expense.

Prepaid expenses are shown in detail in Note 11b.

**j) Investments**

Investments in unconsolidated companies, where Bradesco has significant influence over the investee or holds at least 20% of the voting rights, and jointly controlled companies, are accounted for using the equity method.

Tax incentives and other investments are stated at cost, less allowance for losses/impairment, where applicable.

Subsidiaries are consolidated – the composition of the main companies are disclosed in Note 2. The composition of unconsolidated and jointly controlled companies, as well as other investments, are disclosed in Note 12.

**k) Premises and equipment**

Relates to the tangible assets used by the Bank in its activities, including those resulting from transactions that transfer risks, benefits and control of the assets to the Bank.

Premises and equipment are stated at acquisition cost, net of accumulated depreciation, calculated by the straight-line method based on the assets' estimated economic useful life, using the following rates: real estate – 4% per annum; installations, furniture, equipment for use, security systems and communications – 10% per annum; transport systems – 10% to 20% per annum; and data processing systems – 20% to 40% per annum, and adjusted for impairment, when applicable.

The breakdown of asset costs and their corresponding depreciation, as well as the unrecognized surplus value for real estate and the fixed asset ratios, is disclosed in Note 13.

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***Notes to the Consolidated Financial Statements***

**l) Intangible assets**

Relates to the right over intangible assets used by the Bank in its activities.

Intangible assets comprise:

- Future profitability/acquired client portfolio and acquisition of right to provide banking services: they are recognized and amortized over the period in which the asset will directly and indirectly contribute to future cash flows and adjusted for impairment, where applicable; and
- Software: stated at cost less amortization calculated on a straight-line basis over the estimated useful life (20% p.a.), from the date it is available for use and adjusted for impairment, where applicable. Internal software development costs are recognized as an intangible asset when it is possible to show the intent and ability to complete and use the software, as well as to reliably measure costs directly attributable to the intangible asset. These costs are amortized during the software's estimated useful life, considering the expected future economic benefits.

Intangible assets and the movement in these balances by class are presented in Note 14.

**m) Impairment**

Financial and non-financial assets are tested for impairment.

Objective evidence of impairment may comprise the non-payment or payment delay by the debtor, possible bankruptcy process or the significant or extended decline in an asset value.

An impairment loss of a financial or non-financial asset is recognized in the profit or loss for the period if the carrying amount of an asset or cash-generating unit exceeds its recoverable value. Impairment losses are presented in Note 7.

**n) Deposits and funds obtained in the open market**

These are recognized at the value of the liabilities and include, when applicable, related interest accrued at the end of the reporting period, calculated on a daily pro-rata basis.

The composition of the securities recorded in deposits and funds obtained in the open market, as well as their maturities and amounts recorded in equity and income accounts, are presented in Note 15.

**o) Technical provisions relating to insurance, pension plans and capitalization bonds**

- Damage, health and group insurance lines, except life insurance with survival coverage (VGBL):
  - The unearned premium reserve (PPNG) is calculated on a daily pro-rata basis, using premiums net of coinsurance, including amounts ceded through reinsurance, and is comprised of the portion corresponding to the remaining period of coverage less initial contracting costs ( for contracts for the previous term to 2017), except for health and personal insurance. The portion of these reserves corresponding to the estimate for risks in effect but not yet contracted is designated 'PPNG-RVNE';
  - The unearned premium or contribution reserve (PPCNG) is calculated on a daily pro-rata basis based on the portion of health insurance premiums corresponding to the remaining period of coverage, of the currently effective contracts;
  - The mathematical reserve for unvested benefits (PMBaC) whose calculation methodology considers, in addition to the discount rate of 4% per year (4.5% in 2017), the difference between the current value of future benefits and the current value of future contributions, on obligations already assumed by Bradesco;

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- Regarding individual health care plan portfolio, as to the remittance coverage of five years for dependents of the holder, in the event of death of the holder, the mathematical reserve is constituted for unvested benefits (PMBaC) which is calculated using a 4% annual discount rate (4.5% in 2017), the time holders are expected to remain in the plan up to their death, and the projected costs of the five-year-period cover, excluding payment of premiums;
  
- For health insurance, the mathematical reserve of benefits granted (PMBC) is constituted by the obligations arising from the contractual clauses of remittance of installments, regarding the coverage of health assistance and by the premiums paid by insured participating in the Bradesco Saúde Insurance Plan - "GBS Plan" considering a discount rate of 4% (4.5% in 2017) per annum;
  
- The reserve for events incurred but not reported (PEONA) is calculated from the final estimate of claims already incurred and still not reported, based on the run-off triangles, monthly that consider the historical development of claims advised in the last 12 months for health insurance and last 18 months for dental care to establish a future projection per period of occurrence;
  
- For non-life insurance, the reserve for 'incurred but not reported' (IBNR) claims is calculated based on incurred but not paid' (IBNP) claims less the balance of the reserve for 'unsettled' claims (PSL) on the calculation date. A final estimate of IBNP is calculated using semi-annual run-off triangles. The run-off triangles consider the historical development of claims paid in the previous 10 semesters and in last 11 quarters to extended warranty segments to determine a future projection per occurrence period, and considers the estimated claims 'incurred but not sufficient' reported (IBNER), reflecting the changing expectation of the amount provisioned along the regulatory process;
  
- For life insurance, the provision of 'incurred but not reported claims (IBNR) is calculated based on semi-annual run-off triangles, which consider the historical development of claims paid and outstanding in the prior 10 semesters, to establish a future projection per period of occurrence; A residual cause study is performed to forecast the claims reported after 10 semesters that the event occurred;
  
- The reserve for unsettled claims (PSL), for life and health insurance, considers all claim notifications received up to the end of the reporting period, updated monetarily and includes all claims in litigation;

- For non-life insurance, the reserve for unsettled claims (PSL) is determined based on the indemnity payment estimates, considering all administrative and judicial claims existing at the reporting date, restated monetarily and with interest in case of judicial claims, net of the expected payments to be received;
  
- The technical surplus reserve (PET) corresponds to the difference between the expected value and the observed value for events occurred in the period for insurance of policyholders with a clause of participation in the technical surplus;
  
- The reserve for related expenses (PDR) for insurance of persons is recognized to cover expenses related to estimated claims and benefits for products structured in self-funding and partially regimes, the reserve covers claims incurred. For plans structured under a capitalization regime, the reserve is made to cover the expected expenses related to incurred claims and also claims expected to be incurred in the future;
  
- For damage insurance, the reserve for related expenses is (PDR) calculated on a monthly basis to cover the expenses related to indemnity payment, and it covers the expenses allocated individually to each claim, as well as expenses related to claims that have not been itemized, that is, those at the level of the portfolio;
  
- The reserve for redemptions and other amounts to be settled (PVR) comprises figures related to redemptions to settle, premium refunds owed and portability (transfer-outs) requested but not yet transferred to the recipient insurer;

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**Notes to the Consolidated Financial Statements**

- The complementary reserve for coverage (PCC) for damage insurance shall be recorded when there is an insufficiency in the technical provisions, as calculated in the Liability Adequacy Test (LAT), pursuant to the determinations specified in the regulations in force. As of the base date, there is no need to record complementary reserve for coverage;
  
- The complementary reserve for coverage (PCC) for life insurance, refers to the amount necessary to complement technical provisions, as calculated in the LAT. The LAT, which is prepared using statistical and actuarial methods based on realistic assumptions, taking into account the biometric table BR-EMS of both genders, adjusted as per longevity development criteria in compliance with the last versions disclosed (improvement), and forward interest rate curves (ETTJ) free from risk as authorized by SUSEP. The improvement rate is calculated from automatic updates of the biometric table, considering the expected increase in future life expectancy;
  
- The other technical provisions for damage insurance correspond to the provision for administrative expenses (PDA) arising from Personal Injury Caused by Motor Vehicles (DPVAT) insurance operations;
  
- Other technical provisions are recognized for the individual health portfolio to address the differences between the expected present value of future premiums and the expected present value of indemnities and related expenses, using an annual discount rate of 4% (4.5% in 2017) per annum; and
  
- In 2018, the amount recorded in other technical provisions includes the transfer of the mathematical reserves of benefits to be granted and benefits granted, upon SUSEP's authorization. The provision refers to the difference between the calculation of the mathematical provisions with realistic premises approved by authorities and the calculation with the technical bases defined on the technical notes of the product.
  
- Pension plans and life insurance with survival coverage (VGBL):
  
- The unearned premium reserve (PPNG) is calculated on a daily prorated basis using net contributions, and is comprised of the portion corresponding to the remaining period of coverage and includes an



estimate for risks covered but not yet issued (RVNE);

- The mathematical reserve for unvested benefits (PMBaC) is recognized for participants who have not yet received any benefit. In defined benefit pension plans, the reserve represents the difference between the present value of future benefits and the present value of future contributions, corresponding to obligations in the form of retirement, disability, pension and annuity plans. The reserve is calculated using methodologies and assumptions set forth in the actuarial technical notes;

- The mathematical reserve for unvested benefits (PMBaC) related to pension plans and life insurance with survival coverage, as well as the defined contribution plans, shows the value of participant contributions, net of costs and other contractual charges, plus income from investment in specially constituted investment funds (FIEs);

- The reserve for redemptions and other amounts to be settled (PVR) comprises figures related to redemptions to settle, premium refunds owed and portability (transfer-outs) requested but not yet transferred to the recipient insurer;

- The mathematical reserve for vested benefits (PMBC) is recognized for participants already receiving benefits and corresponds to the present value of future obligations related to the payment of those on-going benefits;

- The complementary reserve for coverage (PCC) refers to the amount necessary to complement technical provisions, as calculated in the LAT. The LAT, which is prepared semi-annually using statistical and actuarial methods based on realistic assumptions, taking into account the biometric table BR-EMS of both genders, improvement and forward interest

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**Notes to the Consolidated Financial Statements**

rate curves (ETTJ) free from risk as authorized by SUSEP. The improvement rate is calculated from automatic updates of the biometric table, considering the expected increase in future life expectancy;

- The reserve for related expenses (PDR) is recognized to cover expenses related to estimated claims and benefits, for products structured in self-funding and partially regimes. For plans structured under a capitalization regime, the reserve is made to cover the expected expenses related to incurred claims and also claims expected to be incurred in the future. The projections are performed through the liability adequacy test (TAP);

- The reserve for financial surplus (PEF) corresponds to the financial income exceeding the minimum assured profitability, transferred to contracts with a financial surplus participation clause;

- The provision for claims incurred but not reported (IBNR) is calculated based on semi-annual run-off triangles, which consider the historical development of claims paid and outstanding in the last 16 semesters for the creation of a new future projection by period of occurrence. As to acquired portfolios, a history of 10 semesters is used;

- The reserve for unsettled claims (PSL) considers all loss notices received up to the end of the reporting period. The provision is updated for inflation and includes all claims in litigation; and

- The financial charges credited to technical provisions, and the recording and/or reversal of the financial surplus, are classified as financial expenses, and are presented under "Financial income from insurance, pension plans and capitalization bonds".

• Capitalization bonds:

- The mathematical reserve for capitalization bond (PMC) is recognized for each active or suspended capitalization bond over the term set forth in the general conditions of the plan, and is calculated using the capitalization percentage, applicable to each of the payments made, plus the monthly accrual calculated

using the inflation index and the interest rate established in the plan until the bond is redeemed or canceled;

- The reserve for redemption (PR) comprises the values of matured and early-terminated capitalization bonds and is calculated by updating the balance of bonds whose terms have expired or canceled using the inflation index until the holder receives the redemption payment;

- Reserve for 'draws to be held' (PSR) is recognized to cover premiums for future prize draws, and the balance represents the present value of the draws that have already been funded but have not yet been held. The calculation methodology consists of the accumulation of the prize draw percentage applicable to each payment, as established in the plan, less the amounts related to prize draws that have already occurred. The percentages of payments designated for the prize draws is defined in advance in the actuarial technical note, and is not modified during the term of the bond;

- Reserve for draws payable (PSP) consists of the value of unpaid prize draw amounts, adjusted for inflation for the period between the date of the drawing and its effective settlement; and

- Reserve for administrative expense (PDA) is recognized to cover the cost for maintaining capitalization bonds.

Technical provisions shown by account, product and segment, as well as amounts and details of plan assets covering these technical provisions, are shown in Note 20.

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***Notes to the Consolidated Financial Statements***

**p) Provisions, contingent assets and liabilities and legal obligations – tax and social security**

Provisions, contingent assets and liabilities, and legal obligations, as defined below, are recognized, measured and disclosed in accordance with the criteria set out in CPC 25, approved by CMN Resolution No. 3,823/09 and CVM Resolution No. 594/09:

- **Contingent Assets:** these are not recognized in the financial statements, except to the extent that there are real guarantees or favorable judicial decisions, to which no further appeals are applicable, and it is considered virtually certain that cash inflows will flow to Bradesco. Contingent assets with a chance of probable success are disclosed in the notes to the financial statements;
- **Provisions:** these are recognized taking into consideration the opinion of legal counsel, the nature of the lawsuits, similarity with previous lawsuits, complexity and positioning of the courts, whenever an the Organization has a present obligation (legal or constructive) as a result of a past even, it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably measured;
- **Contingent Liabilities:** according to CPC 25, the term “contingent” is used for liabilities that are not recognized because their existence will only be confirmed by the occurrence of one or more uncertain future events beyond Management's control. Contingent liabilities do not meet the criteria for recognition because they are considered as possible losses should only be disclosed in the notes when relevant. Obligations deemed remote are not recognized as a provision nor disclosed; and
- **Legal Obligations: Provision for Tax Risks:** results from judicial proceedings in which Bradesco is contesting the applicability of tax laws on the grounds of legality or constitutionality, which, regardless of the assessment of the probability of success, are fully provided for in the financial statements.

Details on lawsuits, as well as segregation and changes in amounts recognized, by type, are presented in Note 17.

**q) Funding expenses**

Expenses related to funding transactions involving the issuance of securities reduce the corresponding liability and are recognized in the profit or loss over the term of the transaction, according to Notes 15c and 18.

**r) Other assets and liabilities**

Assets are stated at their realizable amounts, including, when applicable, related income and inflation and exchange variations (on a daily prorated basis), less provision for losses, when deemed appropriate. Liabilities are stated at known or measurable amounts, including related charges and inflation and exchange variations (on a daily prorated basis).

**s) Subsequent events**

These refer to events occurring between the reporting date and the date the financial statements are authorized to be issued.

They comprise the following:

- Events resulting in adjustments: events relating to conditions already existing at the end of the reporting period; and
- Events not resulting in adjustments: events relating to conditions not existing at the end of the reporting period.

Subsequent events, if any, are described in Note 34.

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**Notes to the Consolidated Financial Statements****4) MANAGERIAL STATEMENTS OF FINANCIAL POSITION AND STATEMENT OF INCOME BY OPERATING SEGMENT****a) Reconciliation of the Statement of Financial Position and Statement of Income – Accountings. Managerial**

Management uses a variety of information, including those from financial statements, prepared in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank, prepared by consolidation criteria that differ in part from the criteria of CPC 36, as described in Note 2.

The main differences of consolidation criteria are shown below, through the Reconciliation of the Statements of financial position and the Statements of Income – Accountings. Managerial:

	2018			2017		
	Accounting Statement of Financial Position	Proportionately consolidated Companies (1)	Adjustments of Consolidation (2)	Managerial Statement of Financial Position	Accounting Statement of Financial Position	Proportionately consolidated Companies (1)
<b>Assets</b>						
<b>Current and long-term assets</b>	<b>1,201,306,897</b>	<b>9,450,412</b>	<b>63,637,113</b>	<b>1,274,394,422</b>	<b>1,159,038,632</b>	<b>8,652,456</b>
Cash and due from banks	17,807,399	290,667	-	18,098,066	11,831,164	198,170
Interbank investments	140,870,167	(282,935)	(3,625)	140,583,607	188,007,983	674,998
Securities and derivative financial instruments	516,559,089	5,597,980	63,679,505	585,836,574	448,510,341	4,309,038
Interbank and interdepartmental accounts	72,287,341	-	-	72,287,341	63,595,452	-
Loans and leasing	325,300,203	462,093	-	325,762,296	338,809,899	459,157

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Allowance for Loan Losses (ALL)	(35,669,215)	(93,303)	-	(35,762,518)	(39,086,730)	(94,266)
Other receivables and assets	164,151,913	3,475,910	(38,767)	167,589,056	147,370,523	3,105,359
<b>Permanent Assets</b>	<b>30,102,191</b>	<b>(654,494)</b>	<b>-</b>	<b>29,447,697</b>	<b>30,342,236</b>	<b>(150,436)</b>
Investments	8,003,779	(5,870,189)	-	2,133,590	7,302,621	(5,576,220)
Premises and equipment	7,811,648	182,780	-	7,994,428	7,567,273	235,156
Intangible assets	14,286,764	5,032,915	-	19,319,679	15,472,342	5,190,628
<b>Total</b>	<b>1,231,409,088</b>	<b>8,795,918</b>	<b>63,637,113</b>	<b>1,303,842,119</b>	<b>1,189,380,868</b>	<b>8,502,020</b>

Bradesco

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**Notes to the Consolidated Financial Statements**

	2018			2017		
	Accounting Statement of Financial Position	Proportionately consolidated Companies (1)	Adjustments of Consolidation (2)	Managerial Statement of Financial Position	Accounting Statement of Financial Position	Proportionately consolidated Companies (1)
<b>Liabilities</b>						
<b>Current and long-term liabilities</b>	<b>1,116,664,441</b>	<b>7,696,908</b>	<b>63,637,113</b>	<b>1,187,998,462</b>	<b>1,083,909,165</b>	<b>7,403,378</b>
Deposits	271,658,595	(267,476)	-	271,391,119	235,455,338	(23,539)
Securities sold under agreements to repurchase	228,883,992	(2,289)	67,048,200	295,929,903	254,779,526	-
Funds from Issuance of Securities	142,589,826	-	-	142,589,826	140,302,853	-
Interbank and interdepartmental accounts	25,777,547	815,563	-	26,593,110	21,126,057	-
Borrowing and on-lending	47,734,757	2,317,144	-	50,051,901	56,417,438	-
Derivative financial instruments	18,277,419	-	(1,213,470)	17,063,949	15,705,212	-
Technical provisions for insurance, pension plans and capitalization bonds	251,231,249	-	-	251,231,249	229,432,544	-
Other liabilities	130,511,056	4,833,966	(2,197,617)	133,147,405	130,690,197	7,426,917
<b>Deferred income</b>	<b>369,743</b>	<b>-</b>	<b>-</b>	<b>369,743</b>	<b>426,172</b>	<b>-</b>
<b>Non-controlling interests in subsidiaries</b>	<b>599,011</b>	<b>1,099,010</b>	<b>-</b>	<b>1,698,021</b>	<b>487,081</b>	<b>1,098,642</b>
<b>Shareholders' equity</b>	<b>113,775,893</b>	<b>-</b>	<b>-</b>	<b>113,775,893</b>	<b>104,558,450</b>	<b>-</b>
<b>Total</b>	<b>1,231,409,088</b>	<b>8,795,918</b>	<b>63,637,113</b>	<b>1,303,842,119</b>	<b>1,189,380,868</b>	<b>8,502,020</b>

Accrued on March 31, 2017

2018

2017



	Accounting Statement of Income	Proportionately consolidated Companies (1)	Adjustments of Consolidation (2)	Managerial Statement of Income	Accounting Statement of Income	Proportionately consolidated Companies (1)	Adjustments of Consolidation (2)
Revenue from financial intermediation	32,232,127	283,606	(186,556)	32,329,177	41,647,914	299,407	1,906,000
Expenses from financial intermediation	(14,405,372)	(27,329)	(613,402)	(15,046,103)	(22,700,458)	-	(2,595,900)
<b>Financial margin</b>	<b>17,826,755</b>	<b>256,277</b>	<b>(799,958)</b>	<b>17,283,074</b>	<b>18,947,456</b>	<b>299,407</b>	<b>(689,900)</b>
Allowance for loan losses	(4,579,695)	(19,757)	-	(4,599,452)	(8,281,361)	(26,577)	
<b>Gross income from financial intermediation</b>	<b>13,247,060</b>	<b>236,520</b>	<b>(799,958)</b>	<b>12,683,622</b>	<b>10,666,095</b>	<b>272,830</b>	<b>(689,900)</b>
Income from insurance, pension plans and capitalization bonds	1,515,262	-	-	1,515,262	1,625,780	-	
Fee and commission income	6,035,809	1,130,873	668,384	7,835,066	5,788,892	1,083,518	566,000
Personnel expenses	(4,635,373)	(193,837)	-	(4,829,210)	(4,635,886)	(186,517)	
Other administrative expenses	(4,622,687)	(218,533)	31,064	(4,810,156)	(4,645,532)	(340,955)	134,000
Tax expenses	(1,510,122)	(160,607)	-	(1,670,729)	(1,650,878)	(120,064)	
Equity in the earnings (losses) of unconsolidated and jointly controlled companies	427,845	(400,680)	-	27,165	428,535	(371,031)	
Other operating income / expenses	(2,696,964)	(192,866)	100,510	(2,789,320)	(520,785)	(158,760)	(12,000)
<b>Operating income</b>	<b>7,760,830</b>	<b>200,870</b>	<b>-</b>	<b>7,961,700</b>	<b>7,056,221</b>	<b>179,021</b>	
Non-operating income	(209,938)	(4,682)	-	(214,620)	(132,926)	(1,154)	
IT/SC (Income Tax/Soc. Contrib.) and non-controlling interests	(3,084,171)	(196,188)	-	(3,280,359)	(2,852,608)	(177,867)	

<b>Net income</b>	<b>4,466,721</b>	-	-	<b>4,466,721</b>	<b>4,070,687</b>	-
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(1) Refers to the effects of the consolidation adjustments arising from the undertakings consolidated proportionally (Grupo Cielo, Grupo Alelo, Crediare, etc.); and

(2) Refers primarily to the effects of the consolidation adjustments arising from the "non-consolidation" of the exclusive funds.

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**Notes to the Consolidated Financial Statements****b) Statement of financial position and statements of income by segment – Managerial**

In accordance with CPC 22, the managerial information, hereinafter, was prepared based on reports available to the Management to evaluate the performance and make decisions regarding the allocation of resources for investments and other purposes.

	On March 31 - R\$ thousand						
	Financial (1) (2)		Insurance Group (2) (3)		Other Activities (2)	Eliminations (4)	Managerial Accounting Statement of Financial Position
	Brazil	Overseas	Brazil	Overseas			
<b>Assets</b>							
<b>Current and long-term assets</b>	<b>938,967,938</b>	<b>97,016,446</b>	<b>289,395,313</b>	<b>18,119</b>	<b>4,959,912</b>	<b>(55,963,306)</b>	<b>1,274,394,422</b>
Cash and due from banks	14,977,836	3,020,596	353,405	7,868	163,292	(424,931)	18,098,066
Interbank investments	139,449,722	1,133,885	-	-	-	-	140,583,607
Securities and derivative financial instruments	292,550,051	15,519,710	278,300,050	1,824	4,017,663	(4,552,724)	585,836,574
Interbank and interdepartmental accounts	72,287,341	-	-	-	-	-	72,287,341
Loans and leasing	296,424,644	77,685,197	-	-	-	(48,347,545)	325,762,296
Allowance for Loan Losses (ALL)	(34,152,971)	(1,609,547)	-	-	-	-	(35,762,518)
Other receivables and assets	157,431,315	1,266,605	10,741,858	8,427	778,957	(2,638,106)	167,589,056
<b>Permanent assets</b>	<b>111,575,092</b>	<b>33,088</b>	<b>6,314,247</b>	<b>2,209</b>	<b>757,032</b>	<b>(89,233,971)</b>	