



IN
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ED
report

2017

ABOUT THIS REPORT

Our Reporting Process

Bradesco's Integrated Report 2017 reviews our key practices, achievements and challenges throughout the year and our strategic vision for the future. We have continued to use the frameworks outlined by the Global Reporting Initiative (GRI) and International Integrated Reporting Council (IIRC) to integrate financial, social and environmental information.

In addition to this version in print, the Report will also be available online from April 2018 with supplementary information.

The contents of this report are flagged by icons indicating the relevant integrated reporting capitals, the stakeholders with which we engage and the Sustainable Development Goals that are supported by our activities.

CAPITALS

-  **MANUFACTURED**
-  **INTELLECTUAL**
-  **HUMAN**
-  **SOCIAL**
-  **FINANCIAL**
-  **NATURAL**

STAKEHOLDERS

- C** CUSTOMERS
- IS** INTERNAL STAKEHOLDERS
- SH** SHAREHOLDERS & INVESTORS
- S** SUPPLIERS
- G** GOVERNMENT (REGULATORS)
- CS** COMMUNITY/ SOCIETY/ THIRD SECTOR

SUSTAINABLE DEVELOPMENT GOALS

-  **1 NO POVERTY**
-  **2 ZERO HUNGER**
-  **3 GOOD HEALTH AND WELL-BEING**
-  **4 QUALITY EDUCATION**
-  **5 GENDER EQUALITY**
-  **6 CLEAN WATER AND SANITATION**
-  **7 AFFORDABLE AND CLEAN ENERGY**
-  **8 DECENT WORK AND ECONOMIC GROWTH**
-  **9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
-  **10 REDUCED INEQUALITIES**
-  **11 SUSTAINABLE CITIES AND COMMUNITIES**
-  **12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
-  **13 CLIMATE ACTION**
-  **14 LIFE BELOW WATER**
-  **15 LIFE ON LAND**
-  **16 PEACE AND JUSTICE**
-  **17 PARTNERSHIPS FOR THE GOALS**

CONTENTS

4

2017 HIGHLIGHTS

6

MESSAGE FROM
MANAGEMENT

8

LÁZARO DE MELLO
BRANDÃO

10

PROFILE

20

VALUE CREATION

34

CORPORATE
GOVERNANCE

40

SUSTAINABILITY

50

TECHNOLOGY &
INNOVATION

54

STAKEHOLDERS

2017 HIGHLIGHTS

Succession process

In October 2017, Chief Executive Officer Luiz Carlos Trabuco Cappi replaced Lázaro de Mello Brandão as the new Chairman of the Board of Directors. Cappi has held both positions since October until the Board appoints a new CEO in March*. Lázaro Brandão will remain as Chairman of the Board of Bradesco's Parent Companies.

*Subsequent event: on 2/5/2018 the Board of Directors approved the appointment of Octávio de Lazari Júnior to assume as Chief Executive Officer.

2017 at a glance

- A sharp decline in delinquency rates supported a decrease in provision for loan loss expense.
- Progress was made in capturing revenue and cost synergies from our recent acquisition.
- A significant rebound in loan origination, particularly in the personal and small business customer segments, supported resumed growth of our lending portfolio at year-end 2017.
- We advanced our Digital Strategy with further development of digital branches and with the launch of Next.
- Bradesco Seguros grew its market share to around 26%, the largest in recent years.
- We were again named to the Dow Jones Sustainability Index under World and Emerging Markets.
- We were named to the B3 Corporate Sustainability Index for the 13th consecutive year.

Sustainability Indices

MEMBER OF

**Dow Jones
Sustainability Indices**

In Collaboration with RobecoSAM 



**Índice
Carbono
Eficiente** **ICO2**

Awards

In 2017 we won awards in a number of areas and segments. See a selection of them below:

BRAZIL'S MOST VALUABLE BRAND

We were voted "Brazil's Most Valuable Brand" in the financial services industry for the sixth consecutive year in a survey by WPP Gorup consultants Kantar Vermeer in partnership with *IstoÉ Dinheiro*.

UNIBRAD - THE WORLD'S BEST CORPORATE UNIVERSITY

UniBrad was named the world's Best Overall Corporate University. The Global-CCU Awards 2017 recognized UniBrad's best-practice corporate education programs in an award ceremony held at the Global Council of Corporate Universities.

GREAT PLACE TO WORK

Great Place to Work, the world's leading people management consultancy, has ranked us among the 150 best places to work in Brazil. A total of 1,963 companies were assessed on their work environment, practices and employee benefits.

MOST INNOVATIVE COMPANY IN FINANCIAL SERVICES

We were voted the most innovative company in financial services in the Valor Inovação Brasil awards organized by *Valor Econômico* and PwC's Strategy&. We also ranked 5th in the most innovative category.

BEST CYBER SECURITY PROJECT OF THE YEAR

We won *The Banker's* Tech Projects of the Year award in the Cyber Security category. The award was presented for a case study titled *Using Big Data Technology to Prevent ATM Attacks*

BIA – BRADESCO ARTIFICIAL INTELLIGENCE

A case study titled "BIA – Bradesco Artificial Intelligence – Branch Support Center - with Watson" featured prominently in the "IT Executive of the Year" awards, in the Banking category (study by IT Media in partnership with Korn Ferry).

NATIONAL QUALITY OF LIFE AWARDS

We were presented with an award in the Gold Category for Management Excellence in the National Quality of Life Awards, organized by the Brazilian Quality of Life Association. This award is based on the principles of the National Quality Foundation's Management Excellence Framework, which has been adapted from the Quality of Life Program objectives and the WHO Healthy Workplace Framework and Model.



MESSAGE FROM MANAGEMENT

Dear sirs,

2017 remained a challenging year, but with Brazil's economy clearly on a path to recovery.

Despite the environment of uncertainty, we have written another chapter of important achievements and progress into our history as the result of a balanced strategy that generates business and revenues from a variety of sources to diversify the risks intrinsic to our industry. Driven by a pioneering spirit and a determination to keep current with the times, our technological capabilities have consistently evolved in tandem with society's evolving forms of interaction with digital media and mobile devices, and coupled with the technical and professional development of our employees, two essential pillars underpinning our Organization.

After more than 75 years of dedicated service with Bradesco, in which he has been a magnificent example of hard work, integrity and ethics, Lázaro de Mello Brandão resigned from his position as Chairman of the Board of Directors of Bradesco on 10/10/2017, while retaining his post as Chairman of the Board of Bradesco's parent companies. Originally joining Casa Bancária Almeida & Cia., a financial institution that in 1943 became Banco Brasileiro de Descontos S.A. and later Banco Bradesco S.A., he has skillfully led the principles and values that formed the bedrock of our Organization over these many years.

Inherent in our culture, our commitment to social responsibility has been underlined by

R\$ 19
billion
in Recurring Net Income

the continued work of Fundação Bradesco, one of the largest private social and educational programs in Brazil. With more than six decades of investment in education at its 40 schools, the Foundation provides free, high-quality education to children, adolescents and adults as well as providing school supplies, uniforms, meals and medical and dental care. In 2017, the Foundation benefited 96,754 students.

We navigated the year's headwinds through investment and constructive mindsets, posting recurring net income of R\$ 19.024 billion, with shareholders entitled to interest on equity of R\$ 7.204 billion, or 51.7% (net of withholding income tax: 44.0%) of book net income. Bradesco Seguros Group's share in recurring net income was a significant 29%. Total assets were R\$ 1.298 trillion, total equity was R\$ 110.457 billion and our Operating Efficiency Ratio was 40.8%. This positive performance is a testament to our strength as a Bank and renews our vision for the future and our commitment to globally recognized initiatives in sustainability and corporate governance.

We have reasons to be optimistic about Brazil's tomorrow and reiterate the positive outlook for the country's ability to grow. Confident in 2018, we will remain alert to the new business opportunities that arise in an increasingly competitive market. To exceed expectations and drive sustainable growth, we have continued to embed our principles into strategic planning to ensure we offer increasingly diversified products and services from an extensive, well-located and well-structured network.

Our achievements in the year are the result of the dedication of our employees and other partners, and to these and to our shareholders and customers, we would like to extend our thanks for their support, trust and preference.

Luiz Carlos Trabuco Cappi
Chairman of the Board and CEO

Confident in 2018, we will remain alert to the new business opportunities that arise in an increasingly competitive market.

LÁZARO DE MELLO BRANDÃO

A CAREER THAT HAS HELPED TO WRITE BRADESCO'S HISTORY

He was born and raised on a farm but became widely known for his career in banking. In resigning as chairman of the Board of Directors of Bradesco in October 2017, Lázaro de Mello Brandão closed a cycle in his unique career as a financial executive, which he began as a bank teller at the age of 16, in 1942, at Bradesco's predecessor, Casa Bancária Almeida & Cia.

At 91, he will continue to be linked to the Bank as chairman of Fundação Bradesco and Cidade de Deus Participações. When asked if he would change his routine with his new duties, he replied that he always arrived at the Bank at 7 a.m. and could now come in later: "About 15 minutes later." His answer could not be more illustrative of his professional track record.

According to the book *Lázaro de Mello Brandão – A Senda de um Executivo Financeiro* by Celso Castro and Sérgio Praça, published by Fundação Getúlio Vargas (FGV), at age 12 or 14 Brandão already knew he would not be following in his father's and grandparents' footsteps, working in agriculture. Born in Itápolis, in the interior of São Paulo, he aspired to a "more stable and prestigious" career in banking. Years later, as a trainee at the Casa Bancária branch in Vera Cruz (SP), he took a keen interest in obtaining "detailed information on accounting, customer relations, correspondent arrangements, etc".

In 1943 he crossed paths with Amador Aguiar, who had been hired to lead the transformation of Casa Bancária into Banco Brasileiro de Descontos. From the earliest days of his career, Brandão's diligence, his dedication and his interest in all aspects of banking escalated him from post to post: from clerk to deputy head, then department head, and so on. At a young age, he helped



to create entire departments, including the Audit Department—responsible for process control, performance, training and development, and quality of service—which he created in the 1940s and remains in place today.

When Bradesco relocated from the interior to the capital of São Paulo, it experienced a historical period of exponential growth: the Bank opened new branches prolifically, acquired competitors and set up its headquarters in Cidade de Deus, Osasco, guided by its vision of being "open and accessible to customers of any class, any time", as articulated by Amador Aguiar and often quoted by Brandão. Although the Bank has since grown and modernized, and opened branches in foreign jurisdictions, Bradesco is still referred to as a "domestic" bank by its leadership. "We believe there is still lots to do in Brazil," he says.

Lázaro de Mello Brandão helped instill Bradesco's culture of seeking a balance between short-term results and pursuing a sustainable vision



Profissão de fé (A profession of faith)

I am the only remnant of Casa Bancária Almeida & Cia., predecessor of Banco Bradesco S.A.

With a sense of pride, I run through the memories of a 75-year life journey at Bradesco. Profoundly committed I ascended through the hierarchical ranks, culminating in the position of Chief Executive Officer and Chairman of the Board of Directors, all of which were granted by the legendary Amador Aguiar.

The lesson that I learned is that the pride of self-dedication must succumb to the healthy practices of renovation. As it is quite explicit in the slogan "Cycle". We cannot neglect organic stimulus.

Bearing this in mind I have decided to resign from the position of Chairman of the Board of Bradesco. I will maintain the position as Chairman of the Holdings.

With a clear conscience and envisioning the continuity of unquestionable success, I appoint the honorable Chief Executive Officer who holds the Vice Chairmanship of the Board, to take over the Chairmanship of the Board of Directors.

He will undoubtedly perform his role with excellence, for the well-being of the High Management, Shareholders, Clients and Monetary Authorities and, therefore, of Brazil.

My heartfelt thanks to relatives and to those connected to Bradesco, as to those that brighten the primacy that Bradesco arises.

Prá Frente! (Forward!)

Lázaro de Mello Brandão

In 1981, Amador Aguiar appointed Lázaro Brandão to replace him as CEO of the Bank. In 1990, he appointed him as Chairman of the Board of Directors. Brandão held both positions for about nine years until Márcio Cypriano was appointed CEO, followed later by Luiz Carlos Trabuco Cappi.

Lázaro de Mello Brandão helped instill Bradesco's culture of seeking a balance between short-term results and pursuing a long-term, sustainable vision.

Trabuco Cappi will step up as Chairman and Lázaro de Mello Brandão can now change the routine that has characterized a life dedicated to Bradesco.

PROFILE

Tradition and innovation for any customer, anywhere



CAPITALS



SDG



STAKEHOLDERS



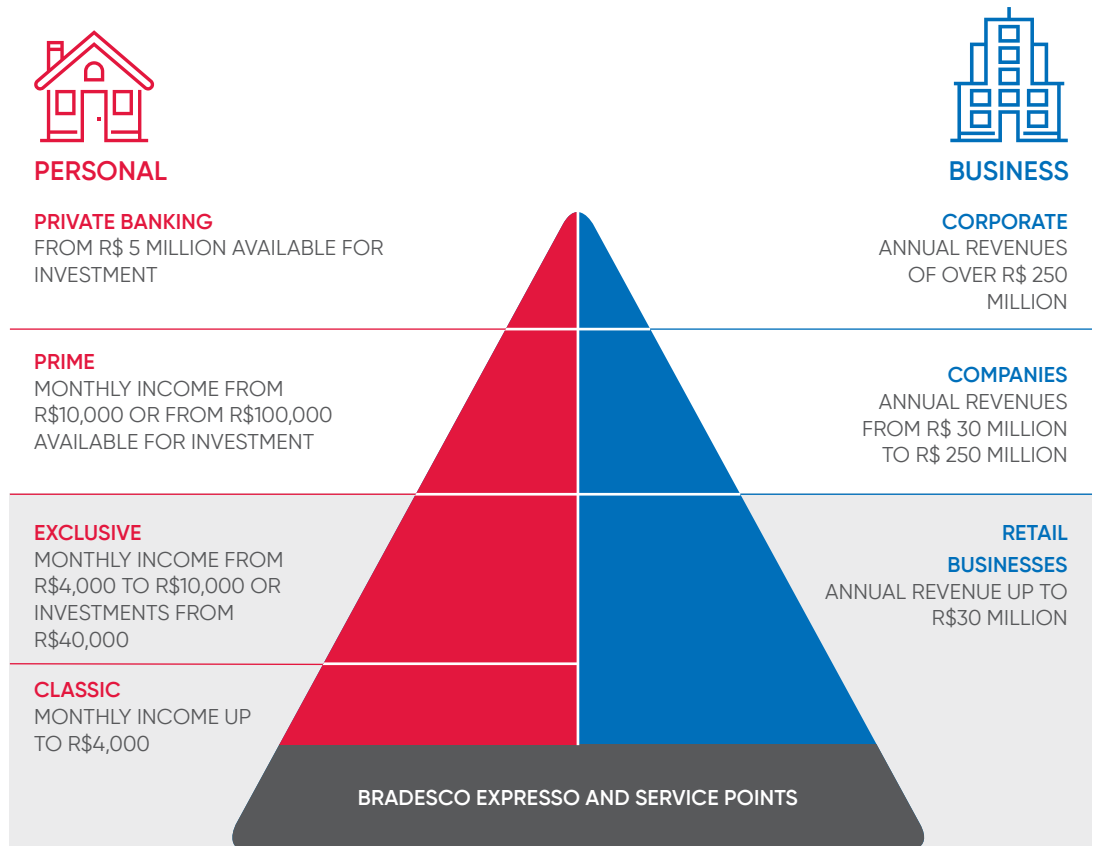
ABOUT BRADESCO

Solimões River, Amazonas. The riverboat *Voyager* sets sail from Manaus on a voyage down a 1,600 kilometer stretch of river, along which she will call on 50 riverside communities and 11 municipalities. Aboard the *Voyager* is one of Bradesco's floating branches, which since 2009 have provided banking inclusion, financial education and development in remote regions of northern Brazil. That same day, in a major Brazilian city, a young man picks up his mobile device and opens Next, Bradesco's 100% digital platform that, beyond making products and services readily available, provides a behavior-based user experience through interactive tools that transform money man-

agement into an intelligent, goal-oriented journey. The two situations described above are at opposite ends of a broad offering that epitomizes Bradesco's profile in its 74-year history.

With one foot in tradition and the other in innovation, we have built a publicly-traded institution that is present in all Brazilian municipalities, with a diversified product and service offering—including the largest insurance company in Latin America—designed for customers of all types, from personal customers in Brazil's remotest areas to the country's largest corporations.

SEGMENTATION



Structure G4-4 | G4-8

MAIN OPERATIONS

Banking/financial

Banco Bradesco S.A.
 Banco Bradescard S.A.
 Banco Bradesco Cartões S.A.
 Banco Bradesco Financiamentos S.A.
 Bradesco S.A. Corretora de TVM
 Ágora Corretora de TVM S.A.
 BRAM – Bradesco Asset Management S.A. DTVM
 Bradesco Leasing S.A.
 Bradesco Administradora de Consórcios Ltda.
 BEM DTVM

Insurance, supplementary pension plans and premium bonds

Bradesco Seguros S.A.
 Bradesco Auto/RE Cia. De Seguros
 Bradesco Capitalização S.A.
 Bradesco Vida e Previdência S.A.
 Bradesco Saúde S.A.
 OdontoPrev S.A.
 Mediservice Operadora de Planos de Saúde S.A.
 Atlântica Companhia de Seguros
 Bradesco Argentina de Seguros S.A.

BRADESCO IN NUMBERS

95%

of transactions through digital channels (Internet + Mobile + Telebanking + ATMs)



73.5

thousand
in-person service
points

70

million
customers¹

12

branches and
subsidiaries
abroad

4.7

thousand
branches

25.8

million
current accounts

¹ Customers with active transactions, products and services

INTERNATIONAL FOOTPRINT

OFFICES ■

New York
Grand Cayman
London

SUBSIDIARIES ●

Argentina
Luxembourg
New York
London
Hong Kong
Grand Cayman
Mexico



NETWORK

Total units

4,749

Retail and Prime
branches



3,899

service
points¹

38,708

Bradesco Expresso
points

928

Electronic Service
Points (PAEs)

56,849

ATMs²

¹ On-site service points at companies and city halls.

² Includes own network and supplementary networks

Resilience reaffirmed by the crisis

Our capabilities and performance have demonstrated that the management approach we have adopted under the adverse economic conditions in Brazil in recent years has been successful. With a focus on efficiency, driving technological innovation, achieving gains of scale and cost reduction, risk management and revenue stream diversification, we generated a return on average adjusted equity of 18.1% in a year in which Brazil's Gross Domestic Product (GDP) growth was only 0.9%.

18.1%

return

on average adjusted equity in 2017

Our approach builds on the foundations established by the Bank's founder, Amador Aguiar, who in the 1980s created a control framework designed to ensure the continuity of the business through any leadership successions or economic crises.

During that period, Aguiar created BBD Part. SA and allotted shares to senior management personnel as well as a minority interest to Fundação Bradesco, Brazil's largest education foundation. With this structure BBD Part. and Fundação Bradesco votes control the Bank.

Under this framework, shares in BBD Part. SA can only be redeemed when senior management personnel end their careers with the Bank, helping to secure a balance between generating short-term results and delivering on our vision for sustainability.

A sound management approach provides the Bank with solid foundation to evolve with confidence and both adopt and create innovative trends in step with the global digital revolution.

Our financial performance in 2017 is the result of a focus on efficiency, technological innovation, gains of scale and cost reduction, risk management and revenue stream diversification.

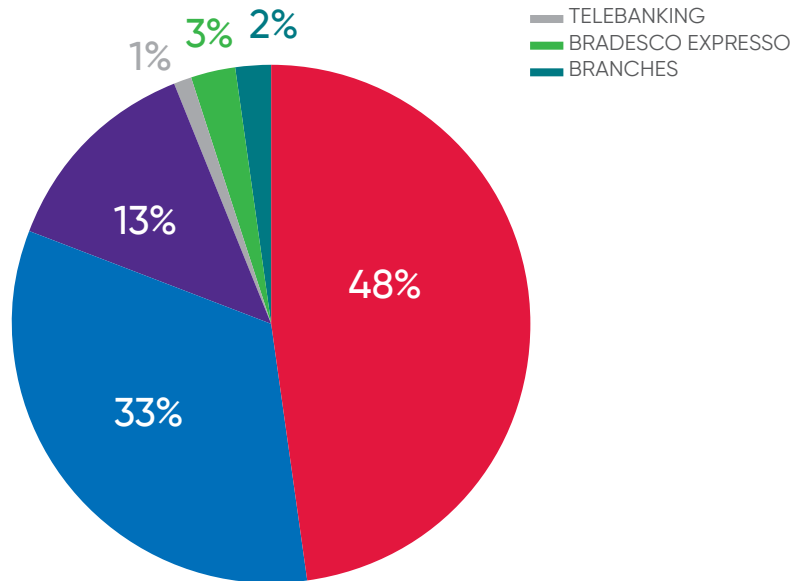
Innovation as a routine

We have processed 1.3 billion transactions for 31.6 million users via our digital channels each month, with 48% processed via Bradesco Celular.

We have recently implemented BIA (Bradesco Artificial Intelligence) as part of our efforts to use technology to improve the user experience. Based on IBM's Watson platform, BIA uses cognitive computing to interact with people in natural language, answering questions about products, services, and channels and processing transactions based on voice or text commands. BIA is available on the Bradesco app, having been first tested on employees and then rolled out to customers in 2017.

LEARN MORE
in Technology & Innovation.

BANKING TRANSACTION SHARE 2017



1.3
billion
transactions via digital self
service channels

BRADESCO SEGUROS

Bradesco Seguros Group is a market leader in Brazil and Latin America. The Bank operates a comprehensive business platform offering not only financial services, but also insurance products. In addition to bank branches, we have:

BRADESCO SEGUROS GROUP

BUSINESS	Market Share	Ranking
Pension Plans	27.9%	2 nd
Life	19.9%	1 st
Health	48.3%	1 st
Premium Bonds	29.1%	1 st
Auto	11.7%	2 nd
Basic Lines	5.3%	5 th
TOTAL	25.9%	1 st

+11,000
brokers,
out of more than 47,300 active brokers
in the market

38,000
bank
correspondents
marketing microinsurance.

25.9%
market share

R\$76
billion
resulting from 6.8% growth in
premiums in 2017

Bradesco Seguros Group Highlights



Líderes da Saúde 2017

Bradesco Saúde was presented with the *Líderes da Saúde* award in the Supplementary Health Insurance category by Grupo Mídia, the publishers of *Healthcare Management*.



Electronic Health Records

More than 200,000 policy holders had their electronic health records uploaded at Bradesco Saúde and Mediservice.



Electronic Portal

Launched a new business portal www.bradescoseguros.com.br/portaldenegocios, an enhanced upgrade from the previous version. Insurance Group online channels are currently accessed 1.5 million times by more than 40,000 registered users each month

BUSINESS CONTEXT & STRATEGY

Brazil's economy contracted sharply in 2015 and 2016, but began to gradually recover throughout 2017. Despite the severity of the recession, which affected credit delinquency, we succeeded in achieving a substantial ROE of approximately 18%. We believe this positive performance demonstrates the effectiveness of a strategy that combines revenue diversification, strong risk management and cost control.

Our performance has been the result of a strategy to continuously drive efficiencies through a combination of extensive revenue diversification and consistent and effective risk management. In 2017, our operations showed signs of recovery, with a 0.8 pp decline in delinquency and a 15.9% reduction in provision for loan loss (PLL) expense. Our loan portfolio returned to stability and closed the year with a decline of 4.3%.

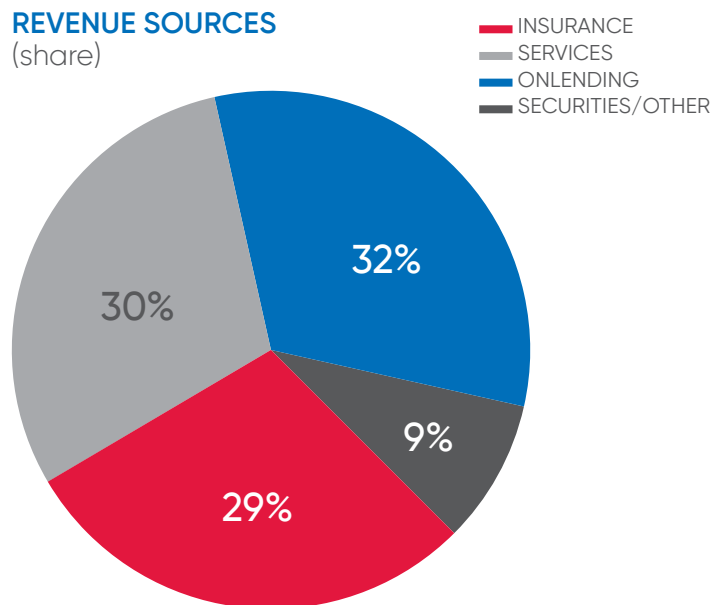
We believe Brazil is on a path to resuming growth and that we are well poised to significantly expand the business.

Scale and diversification

One of our greatest strengths is our operational scale. We also have a broad and diversified customer base, which allows us to deliver a more customer-centric offering that maximizes customer satisfaction.

In 2017 our revenue sources were distributed as follows:

REVENUE SOURCES
(share)



Acquisitions

We concluded the acquisition of HSBC Brazil in June 2016 and took over control of all HSBC operations on July 1. Three months later, we completed the systems integration between the two banks over a single weekend, placing all customers, branches and employees onto a single platform. Synergy capture progressed throughout 2017 and this is expected to be completed towards the end of 2018.

Leadership

The Bradesco brand is recognized as the most valuable in the financial services industry in Brazil. We have a leading position in strategic and important markets, such as asset management, in which BRAM (Bradesco Asset Management) is the market leader. In cash management, we are market leaders in receivables collection services. Our card business is equally strong, providing innovative platforms such as the Liveloyalty program, Elo cards and the entire Bradesco card range. In insurance, we are market leaders in Latin America in assets.

Service channels

Bradesco has the largest and most comprehensive network in the domestic market including branches, service points and Bradesco Expresso bank correspondents offering products and services for all social classes and business interests. Our physical network is supplemented by a broad range of digital and self-service channels.

NUMBER OF USERS

11.6
million

mobile users (personal and business customers)

6.8
million

Internet users (personal and business customers)

29.4
million

self-service users

Our channels are based on highly user-friendly platforms offering the market's most comprehensive, state-of-the-art solutions. In 2017 we invested R\$ 6 billion in technology.

An entrepreneurial culture

We have an entrepreneurial culture that is underpinned by respect for shareholders and customers, social responsibility, security and credibility. The three priority pillars on which our strategic planning rests are:

- 1 Growing organically, but without losing sight of potential business opportunities, delivering on our commitment to service quality, operating and financial efficiency and the security of our products and services;
- 2 Using stringent controls to identify, assess and mitigate the risks that are intrinsic to our business activities;
- 3 Doing business with a full commitment to transparency, ethics and providing adequate returns to shareholders.

People

As a company with a culture that largely revolves around careers, we invest continually in our employees' training and development. In 2017, we invested R\$ 170.775 million in training, delivering over 954,000 individual attendances.

98,808
employees

Risk management

Bradesco has a robust governance and risk management process that conforms to industry best practice. The recent financial crisis has helped to accentuate the effectiveness of our processes. Read more in Risk Management.

Business sustainability

Bradesco is managed to be an enduring business that creates value for society through ethical business practices, delivering short-term results without ever compromising on our commitment to be profitable and sustainable in the long term.



VALUE CREATION

Combining banking and insurance to serve customers across a broad range of profiles



CAPITALS



SDG



STAKEHOLDERS



BUSINESS MODEL

Our strategy uses a business model that combines banking and insurance businesses in a segmented platform offering products and services that will meet the needs of any customer profile. Our network footprint has a unique capillarity that differentiates us from the competition. We believe this is the right approach to deepen and broaden relations with stakeholders and create long-term value.

A successful model

In 2017 we reaffirmed and progressed further on each of our pillars.

In customer relations, we implemented **Investment Advisory Platforms** as an important step in improving our services for high-worth individuals, providing an advisory service that is more consistent, accurate and suited to the needs of this customer segment.

In innovation, a highlight in the year was the launch of **NEXT**, a platform designed for hyper-connected customers. We also implemented a range of initiatives to significantly reduce expenses.

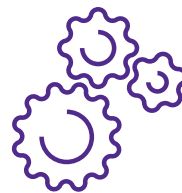
In **human capital**, our commitment to supporting employee development through UniBrad was recognized by a Best Overall Corporate University award presented by the Global Council of Corporate Universities.

Strategic Pillars



SUSTAINABLE AND PROFITABLE GROWTH

We are committed to sustainable and diversified growth, creating value for all stakeholders by striking an optimal balance between risks and returns.



EFFICIENCY AND INNOVATION

We recognize the importance of delivering efficiency and the best possible customer experience, and work to embed technology and innovation into our business models.



CUSTOMER RELATIONS

We aim to be the bank and insurer of choice for all customer profiles, and to continually uphold our commitment to our customers.



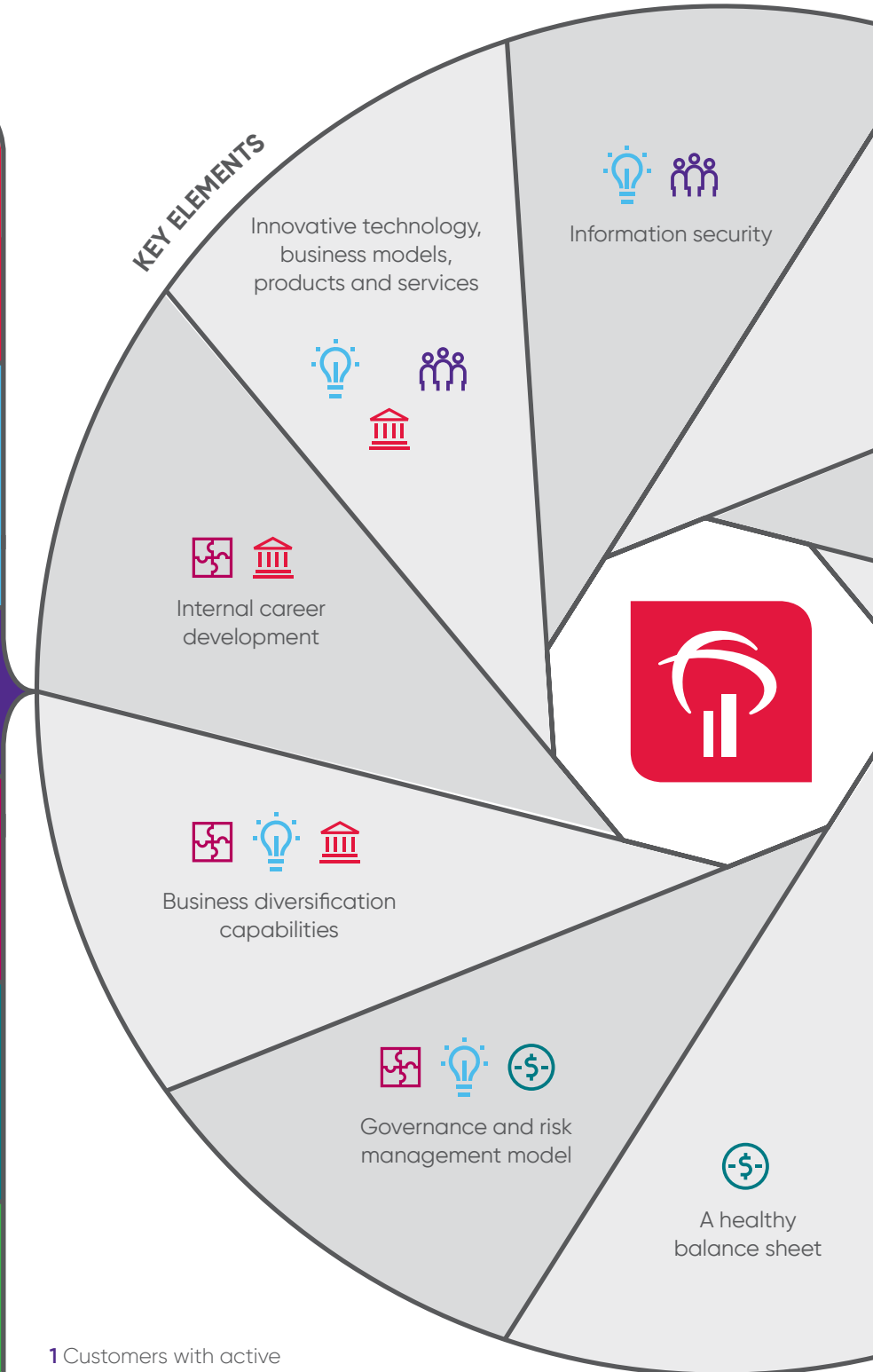
HUMAN CAPITAL

The foundation of our strategy is built on people. That is why we work continually to enhance our ability to develop, retain and attract the right talent for each business in support of our corporate strategy.

HOW BRADESCO CREATES VALUE

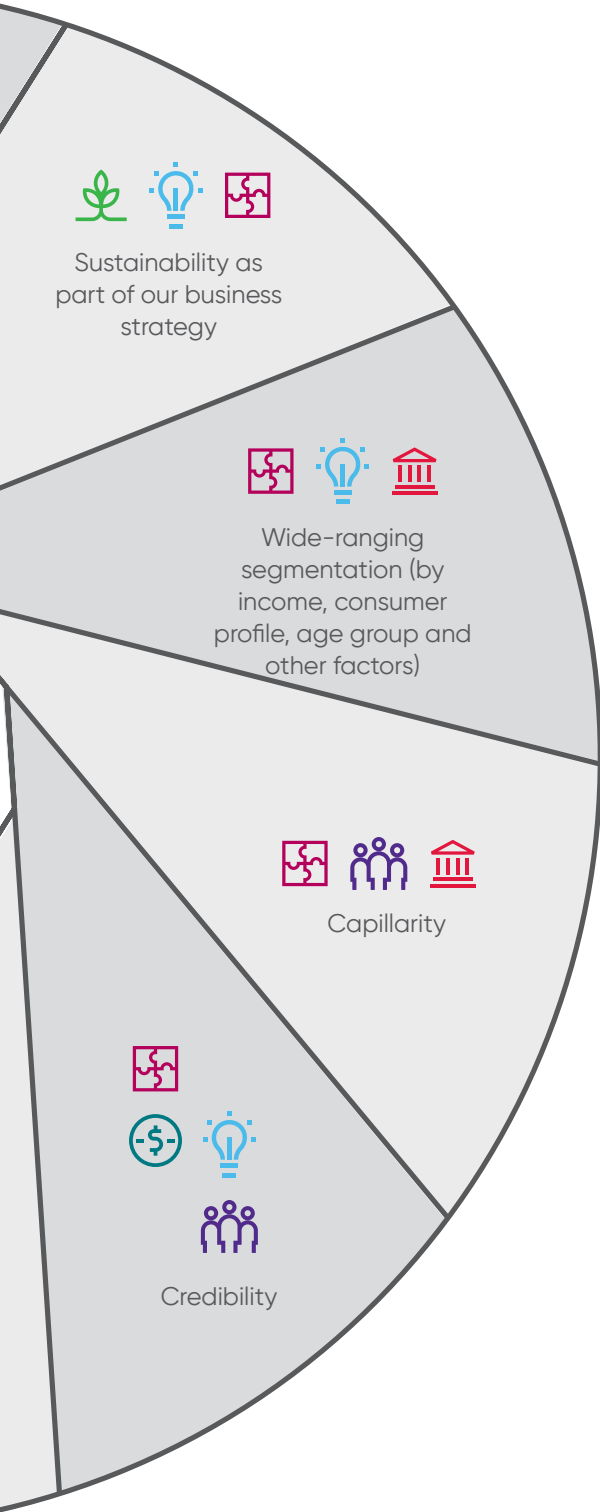
INPUTS

Capitals we rely upon



¹ Customers with active transactions, products and services

PRODUCTS AND SERVICES



BANKING



Personal Banking
lending (mortgage, payroll-deducted, personal and car loans), credit cards, microcredit, foreign exchange transactions and investments



Commercial Banking
working capital; BNDES onlending; advances; foreign exchange; exports; credit cards; foreign transactions; real estate finance; guarantees and loans; Advisory-Supported Business Microcredit (MPO), revolving credit facilities and overdraft facilities.



Financial services
cards; current accounts; payment and collection; lending; asset management; pooled finance; equity markets; derivatives; merchant card services

INSURANCE



Insurance Services
Insurance; pension plans; premium bonds

VALUE CREATION

CHAPTER

Customer satisfaction and customer-centric product and service offering

Profile, Value creation, Sustainability, Technology & Innovation, Stakeholders

Supporting economic growth through finance (businesses, partners and taxes)

Profile, Sustainability, Stakeholders

Social inclusion, accessibility and quality of life (nationwide presence, financial inclusion and tailored access channels; fostering a culture of financial planning and financial security)

Profile, Sustainability, Technology & Innovation, Stakeholders

Financial inclusion and financial planning education (for employees, customers and broader society)

Sustainability, Stakeholders

Balancing revenue, financial strength and solvency (revenue diversification) to ensure resilience

Profile, Value creation, Sustainability

Lending portfolio quality (lending growth versus reducing delinquency)

Profile, Value Creation

Continually improving our Operating Efficiency Ratio

Value Creation

BUSINESS AND FINANCIAL PERFORMANCE

As part of our commitment to serving the interests of both customers and shareholders and supporting Brazil's social and economic growth, Bradesco aims to deliver results that are sustainable in the long term, with the best possible balance of risk and return.

We track a range of key performance indicators including our Operating Efficiency Ratio, Return on Average Equity (ROAE), Operating Expense Ratio, Return on Average Assets and indicators related to insurance, pension plans and premium bonds.

We also gage the extent to which our business objectives are aligned with the aspirations and interests of communities in the regions where we operate. That way we ensure our corporate social and environmental investment incorporates initiatives designed to provide benefits to broader society.

The macro economic environment, industry-specific government policies and the regulatory framework have a material impact on our operations. The year 2017 saw positive signs of economic recovery in Brazil. Positive employment and consumer confidence indicators led to increased household consumption, while lower basic interest rates helped to stimulate both economic activity and investment.

With the economic stimulus measures currently in place, Brazil's economic growth is expected to further improve in 2018. In this context, we have tackled the challenges of today with continued determination, driving investment and providing equal access to credit. We have achieved this by expanding our offering of products, services and solutions and by prioritizing banking inclusion and social mobility across our extensive network.

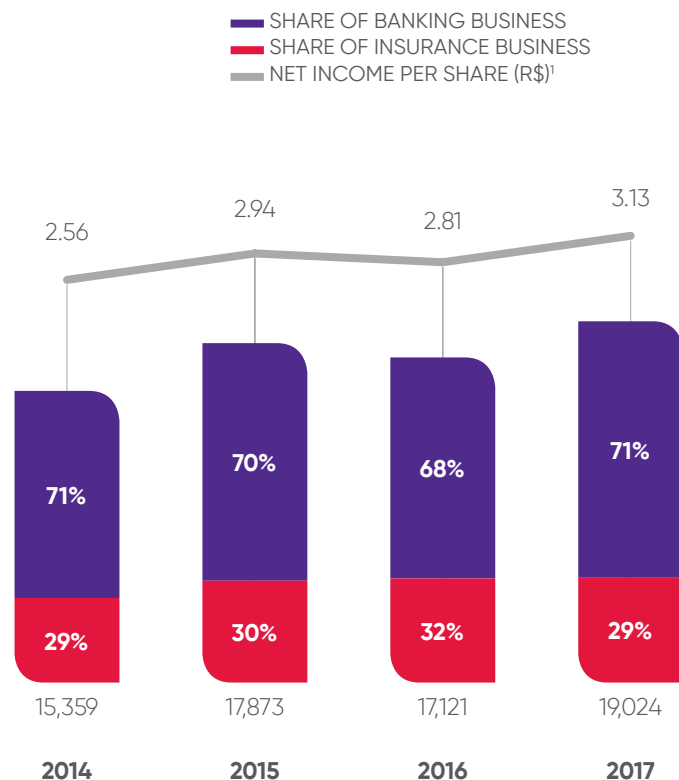
Net income

Recurring net income rose by 11.1%, or R\$ 19,024 million, year-on-year to R\$ 1,903 million, largely reflecting: (i) lower provision for loan loss expense due to decreased delinquency rates; and (ii) higher revenue from (a)

services and (b) insurance, pension plan and premium bond operations; and partly offset by: (iii) lower financial margins as a result of financial asset impairment; and (iv) higher operating (personnel and administrative) expenses which, along with other income statement line items, include the effects from the consolidation of HSBC Brasil from the third quarter of 2016; excluding these effects, these expenses declined by 2.9% in the period, despite the effect of the 2016/2017 pay raises and employment contract adjustments under collective labor agreements.

RECURRING NET INCOME

R\$ million



¹ For the 12-month period (shares were adjusted to reflect stock dividends paid and share splits during the relevant period).

Book net income in the year was R\$ 14,659 million. The table below reflects nonrecurring events for reconciliation of book and recurring net income:

R\$ million

	2017
Recurring Net Income	19,024
Nonrecurring Events (Net of tax effects)	(4,365)
Special Voluntary Redundancy Program (PDVE)	(1,262)
Amortization of Goodwill (Gross)	(2,302)
Impairment of Non-financial Assets	(325)
Other ¹	(476)
Book Net Income	14,659

¹ As detailed in the earnings release for 4Q17.

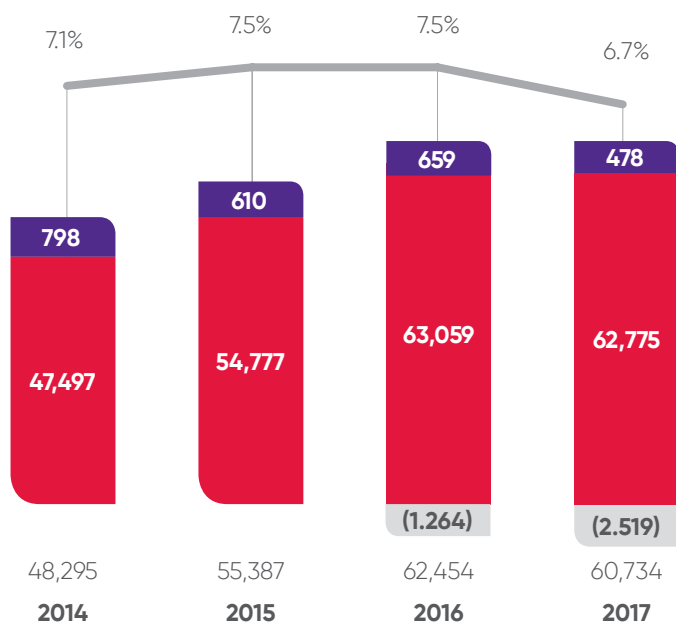
Financial Margin

Bradesco's financial margin was R\$ 60,734 million in 2017, a R\$ 1,720 million or 2.8% decrease compared with 2016, reflecting: (i) the effect of financial asset impairment, which increased by R\$ 1,255 million; and (ii) a decrease in (a) interest and (b) non-interest income margins of respectively R\$ 284 million and R\$ 181 million.

FINANCIAL MARGIN

R\$ million

- NON-INTEREST
 - INTEREST
 - IMPAIRMENT OF FINANCIAL ASSETS
 - AVERAGE INTEREST MARGIN RATE
- $INTEREST\ MARGIN \div (AVERAGE\ ASSETS - REPOS - FIXED\ ASSETS)$



Provision for loan loss expense

Provision for loan loss expense was R\$ 18,276 million in 2017, decreasing by 15.9%, or R\$ 3,463 million, compared with the previous year, reflecting: (i) strengthened lending policies and processes and better quality of collateral; (ii) enhanced loan recovery processes, which helped to improve loan recovery revenues in the period; and (iii) an improving business environment, with lower delinquency rates.

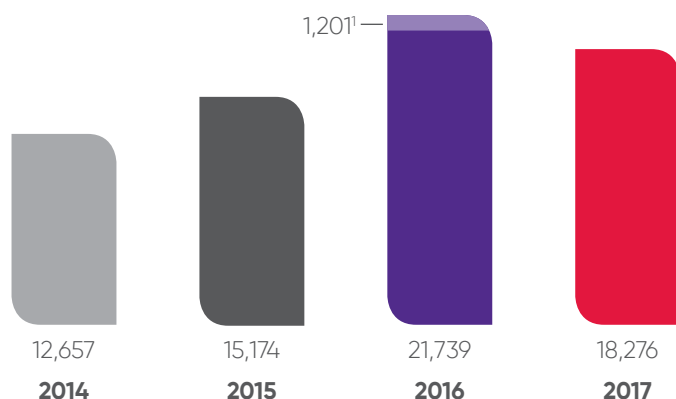
Income from insurance, pension plan and premium bond operations

Net income of R\$ 5.534 billion in 2017 was in line with the previous year (R\$ 5.551 billion), reflecting: (i) 6.8% growth in revenues; (ii) a sustained claims ratio; (iii) a 0.8 p.p. improvement in our expense ratio; and (iv) an improved administrative efficiency ratio; and partly offset by: (v) a decrease in financial revenue reflecting interest rates in the period; and (vi) lower equity in income of associates.

Revenue in 2017 was R\$ 76,289 million, an increase of 6.8%, or R\$ 4,870 million, compared with the previous year, driven by growth in life and pension plan (8.7%), health (6.9%) and premium bond (3.2%) products.

PLL (EXPENSE)

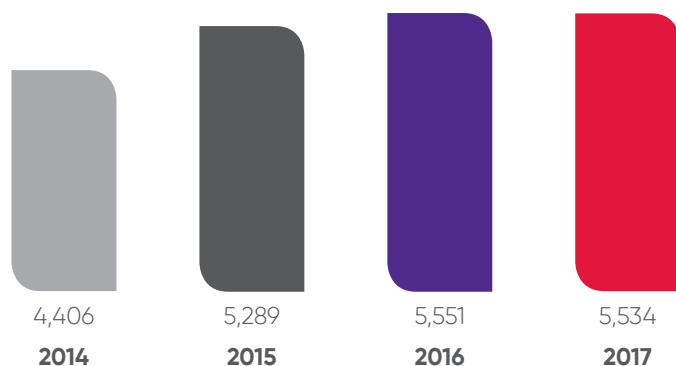
R\$ million



1 Effect from adjustment of provision levels for a specific corporate client

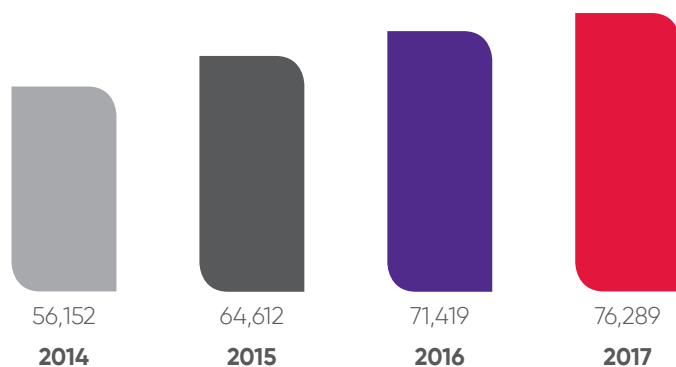
NET INCOME FROM INSURANCE, PENSION PLANS AND PREMIUM BONDS

R\$ million



WRITTEN INSURANCE PREMIUMS, PENSION PLAN CONTRIBUTIONS AND PREMIUM BOND INCOME

R\$ million



Fee income

Fee income was R\$ 30,810 million in 2017, an increase of 9.9%, or R\$ 2,786 million, year on year driven by higher transaction volumes reflecting (a) progress in customer segmentation, which has improved Bradesco's offering of products and services across our network channels and (b) the consolidation of HSBC Brazil from the third quarter of 2016. The positive results further reflect: (i) strong card business performance resulting from (a) higher transaction amounts and (b) transaction volumes; and (ii) higher revenue from: (a) current accounts, (b) fund management, (c) pooled finance management, (d) collection, (e) lending and (f) custody and brokerage services.

Personnel expenses

Personnel expenses were R\$ 19,500 million in 2017, an increase of 10.6%, or R\$ 1,863 million, over 2016 explained by an increase in: (i) "structural" expenses, due to higher expenses on salaries, payroll charges and benefits reflecting (a) the consolidation of HSBC Brazil from the third quarter of 2016 and (b) salary increases under 2016/2017 collective labor agreements; and (ii) "nonstructural" expenses, due to higher provision for labor claim expense.

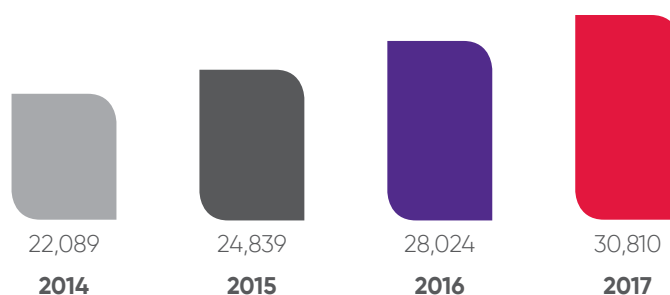
Administrative expenses

Administrative expenses were R\$ 20,122 million in 2017, 5.2% or R\$ 988 million higher than in 2016, reflecting: (i) growth in business and service volumes during the period; (ii) the consolidation of HSBC Brazil from the third quarter of 2016; and (iii) contract adjustments.

It is important to note that the expenses reported for 2017 include the effects of the gains of scale and synergies deriving from the acquisition and consolidation of HSBC's Brazil operations in October 2016.

FEE INCOME

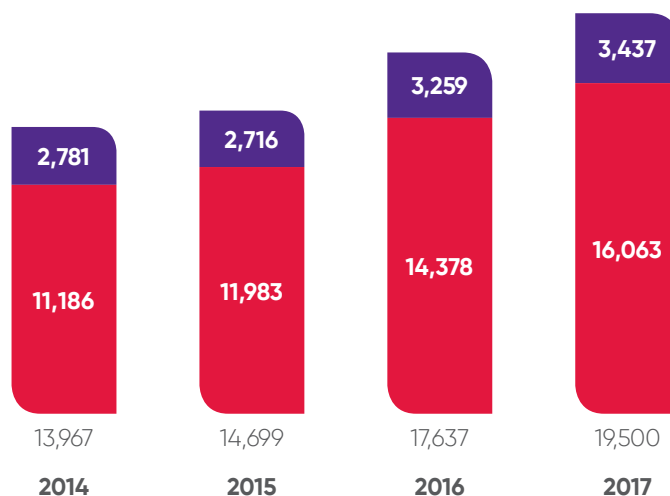
R\$ million



PERSONNEL EXPENSES

R\$ million

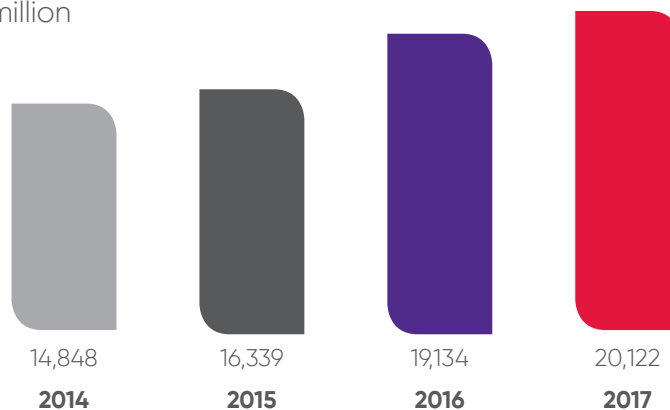
■ NON-STRUCTURAL
■ STRUCTURAL



NOTE: "Structural" = salaries + payroll charges + benefits + pension plan; and "nonstructural" = profit sharing + training + labor claim provision + severance costs.

MANAGEMENT EXPENSES

R\$ million



Operating Efficiency Ratio (OER)

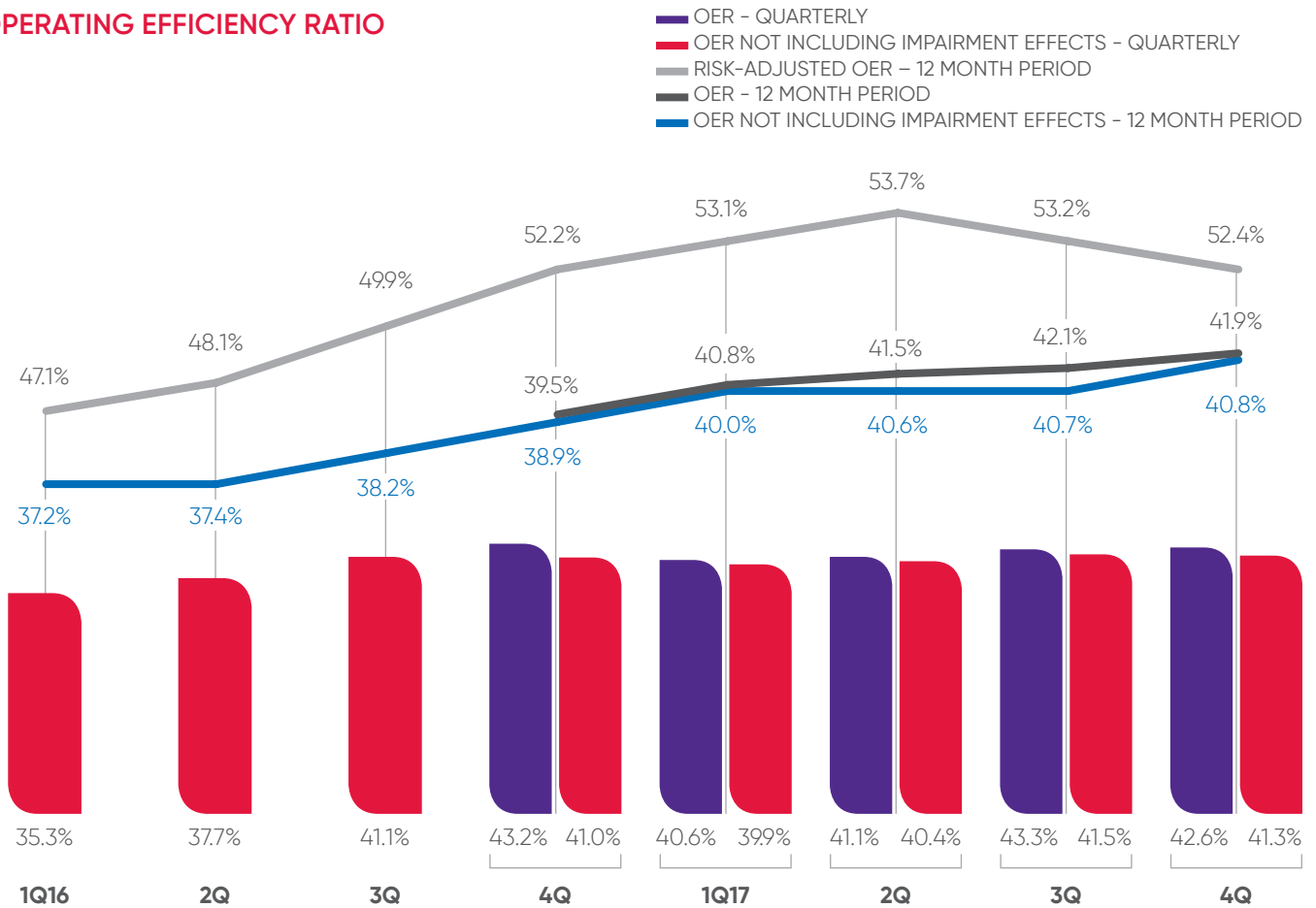
The twelve-month Operating Efficiency Ratio (1), not including the effect of financial asset impairment, was 40.8%, virtually on a level with the previous quarter. Particularly significant improvement in performance was seen in: (i) service fee income; (ii) operating expenses; and (iii) insurance, pension plan and premium bond operations. These factors were offset by decreased financial margins.

The quarterly operating efficiency ratio(1), not including the effect of financial asset impairment, was 41.3% in the fourth quarter of 2017, a decrease of 0.2 p.p. from the previ-

ous quarter, largely due to improvement in: (i) financial margins; (ii) insurance, pension plan and premium bond income; and (iii) fee income.

The twelve-month Operating Efficiency Ratio on a risk adjusted basis(2), which reflects the impact of risks associated with lending transactions, was 52.4%, a 0.8 p.p. improvement compared with the previous quarter, reflecting lower provision for loan loss expense.

OPERATING EFFICIENCY RATIO %



1 OER = (personnel expenses - profit sharing expense + administrative expenses) / (financial margin + fee and commission income + insurance income + equity in earnings of unconsolidated associates + other operating income - other operating expenses); **2** Including Provision for Loan Loss (PLL) expense adjusted for discounts granted, loan recovery and foreclosure, and other items.

Expanded lending portfolio³

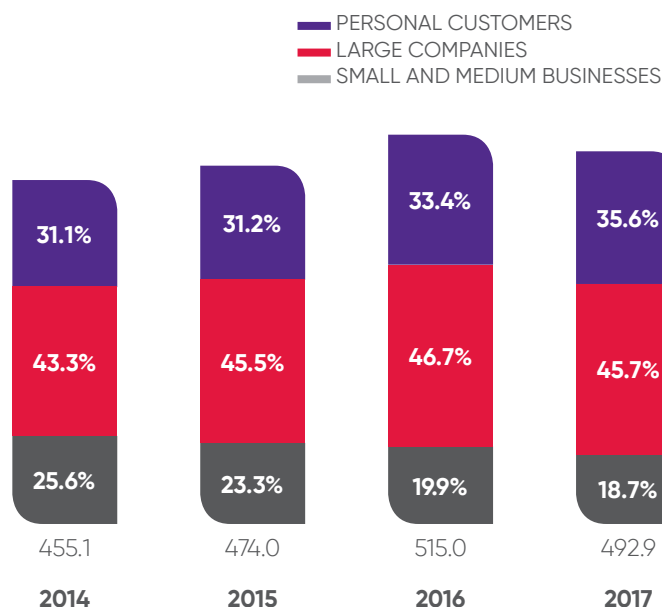
Bradesco's expanded lending portfolio totaled R\$ 492.9 billion as of December 2017, down 4.3% compared with the previous twelve-month period. Personal loans grew 2.0%, while business loans declined 7.4%. The highest-growth personal lending products in the previous twelve months were: (i) personal payroll-deducted loans; (ii) mortgage loans; and (iii) DTC car loans. The decline in business lending was primarily driven by a decrease in: (i) foreign lending; (ii) working capital; and (iii) BNDES/Finame onlending transactions.

> 90-Day Delinquency Ratio⁴

The delinquency ratio, or the ratio of loans more than 90 days past due to the total lending portfolio, continued on a downward trend throughout 2017, as shown in the chart on the bottom right hand, with a particularly significant decrease observed in the micro, small and medium business and personal lending segments, in which overdue balances declined by respectively 31.8% and 19.1%.

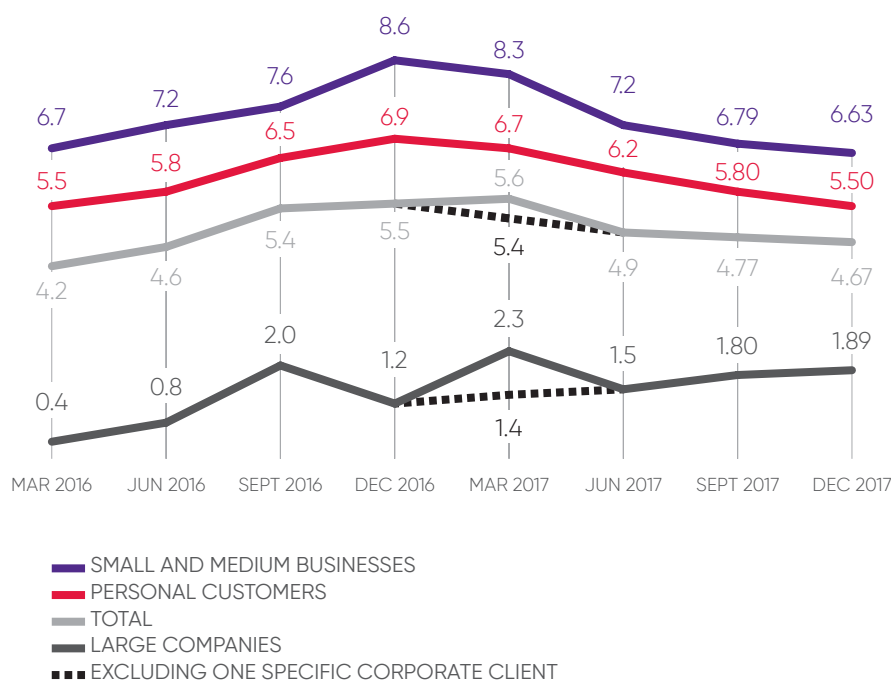
EXPANDED LENDING PORTFOLIO

R\$ billion



DELINQUENCY RATIO

R\$ billion



³ In addition to the lending portfolio as defined by the Brazilian Central Bank, the expanded lending portfolio includes guarantees, letters of credit, advances on credit card receivables, debentures, promissory notes, co-obligation under loan assignments to receivables investment funds, real estate receivables certificates and agricultural lending. ⁴ As defined by the Brazilian Central Bank.

Outlook for 2018

Below we present our market guidance for year 2018.

The lending portfolio will see resumed growth, especially in the retail, personal lending and small business lending segments, but with the medium business and large business lending segments expected to experience lower growth rates.

Our financial margin is likely to remain under stress in 2018, although improvement is possible in the second half of the year. The average lending portfolio in 2018 should remain flat compared with 2017, although growth is expected in 2018. We are also likely to feel some negative impact from a lower SELIC rate and lower spreads in some business lines.

In fee income, we will continue to benefit from synergy deriving from our HSBC acquisition and economic recovery in Brazil.

In operating expenses, we will continue to benefit from adjustments implemented throughout 2017 and further adjustments in 2018.

Insurance premiums will benefit from the economic recovery and from business optimization and development efforts, a continuing focus of the Insurance Group.

Lastly, PLL and impairment expense is expected to decrease significantly compared with 2017 as delinquency declines in line with expectations.

OUTLOOK




Expanded lending portfolio	3% to 7%
Interest-earning financial margin	-4% to 0%
Fee income	4% to 8%
Operating (administrative and personnel) expenses	-2% to 2%
Insurance premiums	4% to 8%
PLL + Financial Asset Impairment expense	R\$ 16 bn to R\$ 19 bn

NOTE: This guidance contains forward-looking statements based on our Management's assumptions and expectations and information available to the market as of February 1, 2017, the date on which our 2017 earnings were disclosed. Such forward-looking statements are subject to risks and uncertainties and therefore variance during the course of 2018. For further information, refer to the Report on Economic and Financial Analysis Press Release published quarterly and available on our Investor Relations website (bradescori.com.br > Market Information > Reports and Spreadsheets > Reports > Financial Information).

RISK MANAGEMENT

Risk management is strategic to our business due to the increasing complexity of our banking products and services and the business environment in which we operate. Risk control is exercised in both an integrated and independent manner, and continually evolves with the market. Bradesco has a robust risk management framework consisting of Committees that advise the Board of Executive Officers, the CEO and the Board of Directors on strategic decisions.

Risk management is a strategic activity

Risk map			
 <p>CREDIT RISK</p>	 <p>LEGAL OR COMPLIANCE RISK</p>	 <p>LIQUIDITY</p>	 <p>CONTAGION</p>
 <p>COUNTERPARTY</p>	 <p>REPUTATIONAL</p>	 <p>SOCIAL & ENVIRONMENTAL</p>	 <p>UNDERWRITING</p>
 <p>ANTITRUST</p>	 <p>MARKET</p>	 <p>STRATEGY</p>	 <p>OPERATIONAL</p>

Emerging Risks

We also seek to identify and monitor any emerging risks to ensure we either anticipate or mitigate their effects if they materialize. Examples of the risks currently being addressed include:

- Global growth rates below expectations;
- Higher inflation and interest rates in the US;
- Uncertainty about US economic policy;
- Geopolitical issues;
- Impacts from *Brexit* and elections in Europe and
- Deterioration of the economic and fiscal environment in Brazil.

Climate change

In the long term, the global economy will be severely impacted by human-induced climate change. Physical changes are already perceptible in our natural environment, including extended droughts, rainfall concentration leading to flooding, rising sea levels and more frequent and severe climate events such as tornadoes, hurricanes and naturally-caused fires. National, regional and local governments have adopted policies towards a transition to a low greenhouse gas economy. These include establishing Intended Nationally Determined Contributions (INDCs) to reduce emissions, undertaking studies on carbon pricing and/or emissions trading systems, and providing government incentives for renewable energy and energy efficiency.

These physical changes and the transition present both risks and opportunities for the financial sector, including direct implications related to operations and facilities, and indirect implications related to lending, investment, insurance and supplier relations.

As a participant of the Task Force on Climate-related Financial Disclosures (TCFD), which is developing a set of climate-related

financial risk disclosures for use by companies in providing information to lenders, insurers, investors, and other stakeholders, Bradesco is piloting pioneering approaches that will increase the amount of information made available about the exposure of financial institutions to climate-related risks and opportunities.

We continue to assess opportunities in our operations for eco-efficiency improvements, preparing for emissions reduction initiatives and conducting early risk management and assessments. In our businesses, we continually assess demand for financial and insurance products providing solutions for customers' needs, whether in transitioning to a low-carbon economy or securing themselves from the impacts from, or adapting to the changes brought about by, climate change.

Discussions on sustainability and climate change are monitored by the Board of Directors' Sustainability Committee. We believe that a multisectoral agenda is needed for continued progress on climate change. Therefore, in addition to undertaking internal studies, we actively participate in forums such as the thematic chambers of the Brazilian Business Council for Sustainable Development (CEBDS), the committees and working groups of the Brazilian Banking Federation (FEBRABAN) and the National Business Confederation (CNSEG) and the Business for Climate (EPC) platform of the Getulio Vargas Foundation (FGV-EAESP) School of Business Administration's Center for Sustainability Studies (GVces).

In terms of indirect risks, in project finance subject to the Equator Principles, we require that projects with expected emissions of more than 25,000 metric tons of carbon equivalent per annum consider feasible mitigation or offsetting options early in the project and keep inventories of emissions volumes in the operation phase.

In relation to supply-chain risks, since 2008 we have worked to raise awareness among suppliers of the risks and opportunities arising from climate change through the CDP Supply Chain Leadership Collaboration (SCLC).

LEARN MORE

We have worked to enhance a range of risk management tools. Read more in our Risk Management Report – Pillar 3, available at: banco.bradesco/ir

Cyber Attacks

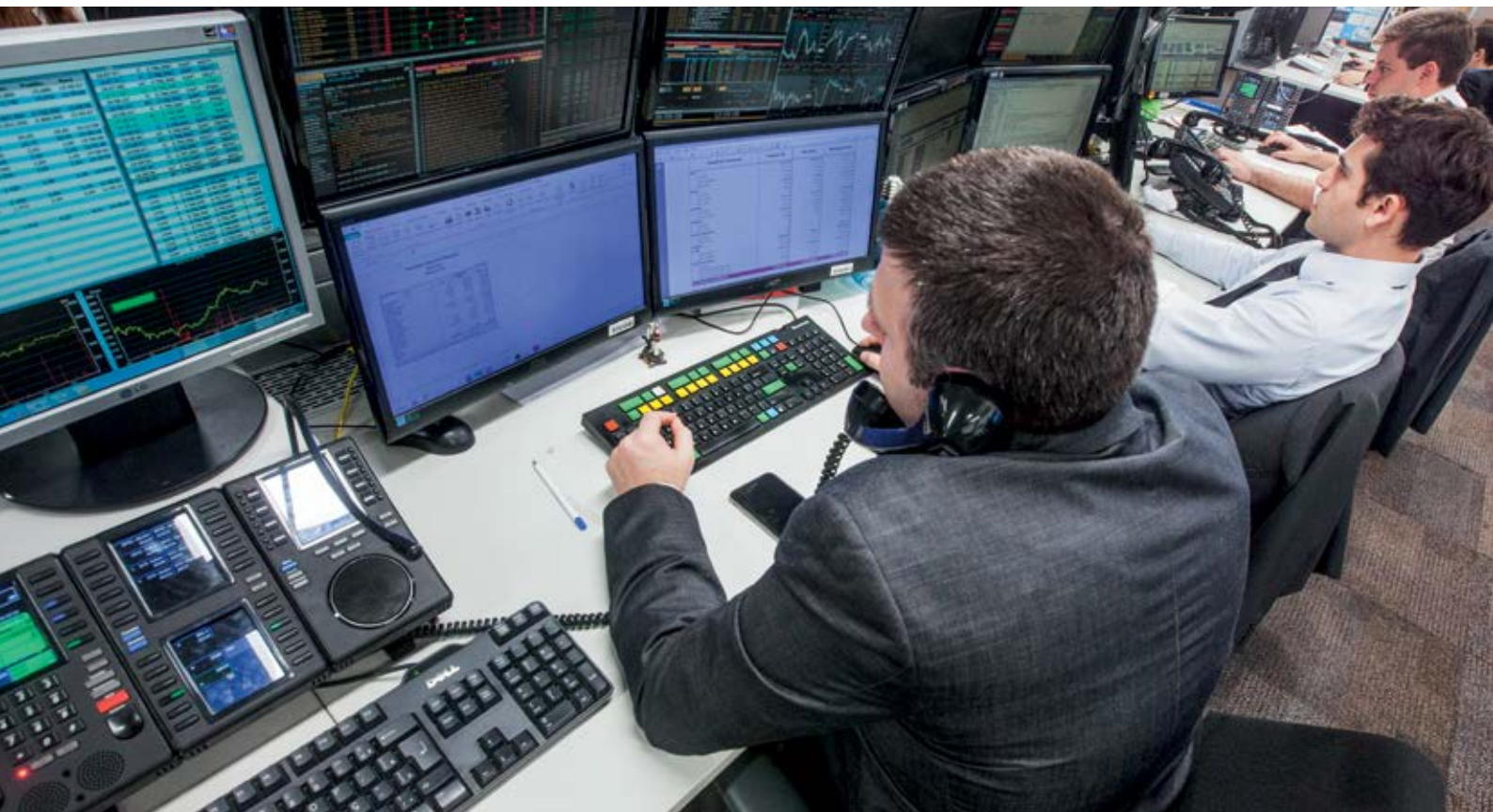
Information security and cyber security are of the highest strategic priority and are treated as such by our Board of Directors, Board of Executive Officers and other levels of the Organization. In addressing these risks, we use a set of controls that include procedures, processes and organizational frameworks, as well as IT rules and solutions designed to protect information confidentiality, availability and integrity.

Innovation in Financial Services Technology (FinTech)

The new ways in which information technology is used in the financial industry—such as crowd funding platforms, robo-advisers, artificial intelligence solutions for operational support and the development of block chain technology solutions—could increase the speed and ease with which information is exchanged between service providers. Because these developments have the potential to make the financial system more vulnerable, new banking services and business lines will need to be developed, emerging challenges and opportunities in the regulatory framework governing the development and dissemination of these technologies will need to be assessed, and measures will need to be taken to improve digital system security and resilience (cyber security).

LEARN MORE

View our: Information Security Policy, available at banco.bradesco/ir



CORPORATE GOVERNANCE

Equity, accountability and corporate responsibility



CAPITALS



SDG



STAKEHOLDERS



GOVERNANCE STRUCTURE

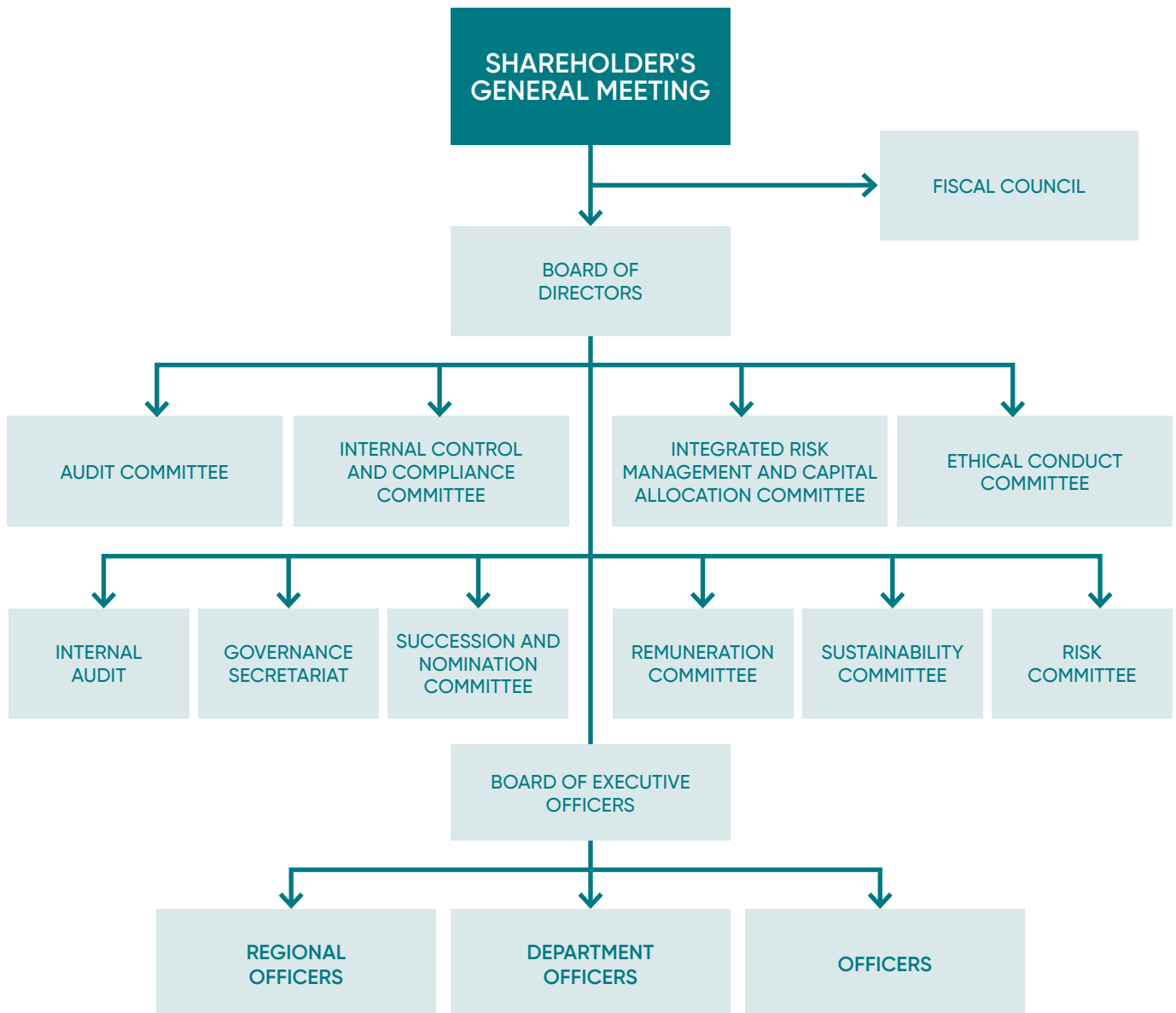
Bradesco's governance model is built on the principles of transparency, respect for shareholders, accountability and corporate responsibility and is designed to consistently integrate the economic, social and environmental aspects of sustainability.

The General Shareholders' Meeting, Board of Directors and Board of Executive Officers form the backbone of our governance structure. In this model, the General

Shareholders' Meeting is the organization's highest decision-making body, with powers to decide on any core business matters and to elect the members of the Board of Directors and the Fiscal Council.

Our Board of Directors is benefited by the experience of former executives who acquire a wealth of broad-ranging expertise during their careers with Bradesco through rotation across functions

LEARN MORE
Our Corporate Governance Policy guidelines are available at banco.bradesco/ir



BOARD OF DIRECTORS

Our Board of Directors is a collegiate body with six members appointed by the General Shareholders' Meeting. The Board adheres to the Best Practice Code of the Brazilian Corporate Governance Institute (IBGC) and the guidelines issued by the Securities and Exchange Commission (SEC). Our Board includes five external members who are former executives, and one internal member – our CEO.

Board members meet every quarter and special meetings may be held when necessary. An executive session is held at least once per year to assess the performance of our CEO. Board members serve a unified term of one year and together appoint the chair and vice chair. Under Bradesco's Bylaws, the chair is not permitted to serve as CEO concurrently other than in exceptional circumstances, and in any case for a period not exceeding 180 days.

The composition of the Board of Directors at year-end 2017 was as follows:

LUIZ CARLOS TRABUCO CAPPI¹
CARLOS ALBERTO RODRIGUES GUILHERME²
DENISE AGUIAR ALVAREZ²
JOÃO AGUIAR ALVAREZ²
MILTON MATSUMOTO²
AURÉLIO CONRADO BONI²

1 Internal member. **2** External member



Board of Directors and Board of Executive Officers succession process

In accordance with our Management, Succession and Nomination Policy, the Succession and Nomination Committee nominates candidates for positions on the Board of Directors and Board of Executive Officers. The Committee evaluates candidates against criteria that include organizational culture (highly qualified professionals who demonstrate the Bank's values); function rotation (professionals who possess the requisite expertise and capability to undertake more complex responsibilities and challenges); continual performance assessment (merit-based opportunity); diversity; and conformity to applicable laws and regulations.

LEARN MORE

To learn more about our governance structure, please visit banco.bradesco/ir

BOARD OF EXECUTIVE OFFICERS

The Board of Executive Officers is appointed by the Board of Directors for a term of one year, at the expiration of which members may be reappointed. Its primary duties include monitoring execution of the strategy outlined by the Board of Directors and managing and representing the Company. All Board members share the same working environment, which significantly expedites the decision-making process.

COMMITTEES

Several committees report either to the Board of Directors or directly to the CEO. In all, eight committees report to the Board—two statutory committees (Audit and Remuneration) and six nonstatutory committees (Succession & Nomination, Ethical Conduct, Integrated Risk Management & Capital Allocation, Internal Control & Compliance, Sustainability and Risk). Executive committees' primary duties are to advise the CEO and Board of Executive Officers on business matters. Each committee has its own bylaws establishing members' duties, committee composition, and the frequency of meetings.

FISCAL COUNCIL

The Fiscal Council is a standing body of independent members appointed by our shareholders. Their duties under applicable legislation are to oversee the activities of Bank directors and executives and to determine whether their statutory and legal duties are being performed.

GOVERNANCE SECRETARIAT

Operating under the Board of Directors, the Governance Secretariat advises all management bodies (Board of Directors and Board of Executive Officers), the Fiscal Council and the Executive Reporting Committee, and handles all business matters pertaining to the Bank.

Our Board of Directors adheres to the Best Practice Code of the Brazilian Corporate Governance Institute (IBGC) and the guidelines issued by the Securities and Exchange Commission (SEC)

ETHICS AND COMPLIANCE

Bank employees are expected to adhere to our Code of Conduct and Ethics, which outlines procedures on ensuring integrity and transparency in business conduct and provides guidance on conflict of interest, valuing people and social and environmental responsibility. All Bank employees have access to the code of conduct and receive training on its contents.

Sectoral codes

Our Sectoral Codes of Ethical Conduct set out standards that are specific to business functions such as securities, procurement and insurance professionals.

Reporting channels

We provide a number of channels through which employees and business partners can report any instances of violations of our Code of Ethics, including the: Ethical Conduct Committee, Compliance, Conduct & Ethics Department (DCCE) and the Audit Department.

BRDESCO INTEGRITY PROGRAM

The Bradesco Integrity Program is a framework of policies, standards and procedures for preventing, monitoring, detecting and responding to violations under Act 12.846/13 and related international regulations, and preventing misconduct by our directors, officers, employees and business partners, both in Brazil and in foreign jurisdictions.

The program extends across all functions within the Organization. For business units located in foreign jurisdictions, the Integrity Program is adapted for compliance with local regulations but is required, as a minimum, to adhere to the requirements applicable in Brazil.

Bradesco's core operational activities and business practices have all been taken into account in developing the Program and are addressed across three strategic pillars: Preventing Corruption Risk, Monitoring and Detecting Misconduct and Top Management Response.

In 2017 we implemented a range of improvements in our policies, standards, procedures, controls and systems as identified in a corruption risk mapping exercise. Anti-corruption training was provided to directors, officers, employees and third parties, and new anti-corruption training podcasts and handbooks focusing on the Bradesco Integrity Program were released. Our Corporate Anti-corruption Policy and the Bradesco Integrity Program were published on all Bradesco websites.

LEARN MORE

Our Integrity Program can be viewed at:
banco.bradesco/ir

Operation Zelotes

In May 2016, news media reported that our then CEO, Luiz Carlos Trabuco Cappi, had been indicted as part of Operation *Zelotes*, which investigates on bribes paid for favorable decisions by the Administrative Council for Tax Appeals (CARF). Cappi was cleared by a unanimous appellate decision of the fourth panel of the 1st Region Federal Court on June 13, 2017, dismissing Penal Action 0037645-54.2015.4.01.3400, pending before the 10th Federal Court of the Federal District, for lack of reasonable cause. We believe similar decisions will be made with respect to other executives implicated in the proceedings based on Brazilian case law.

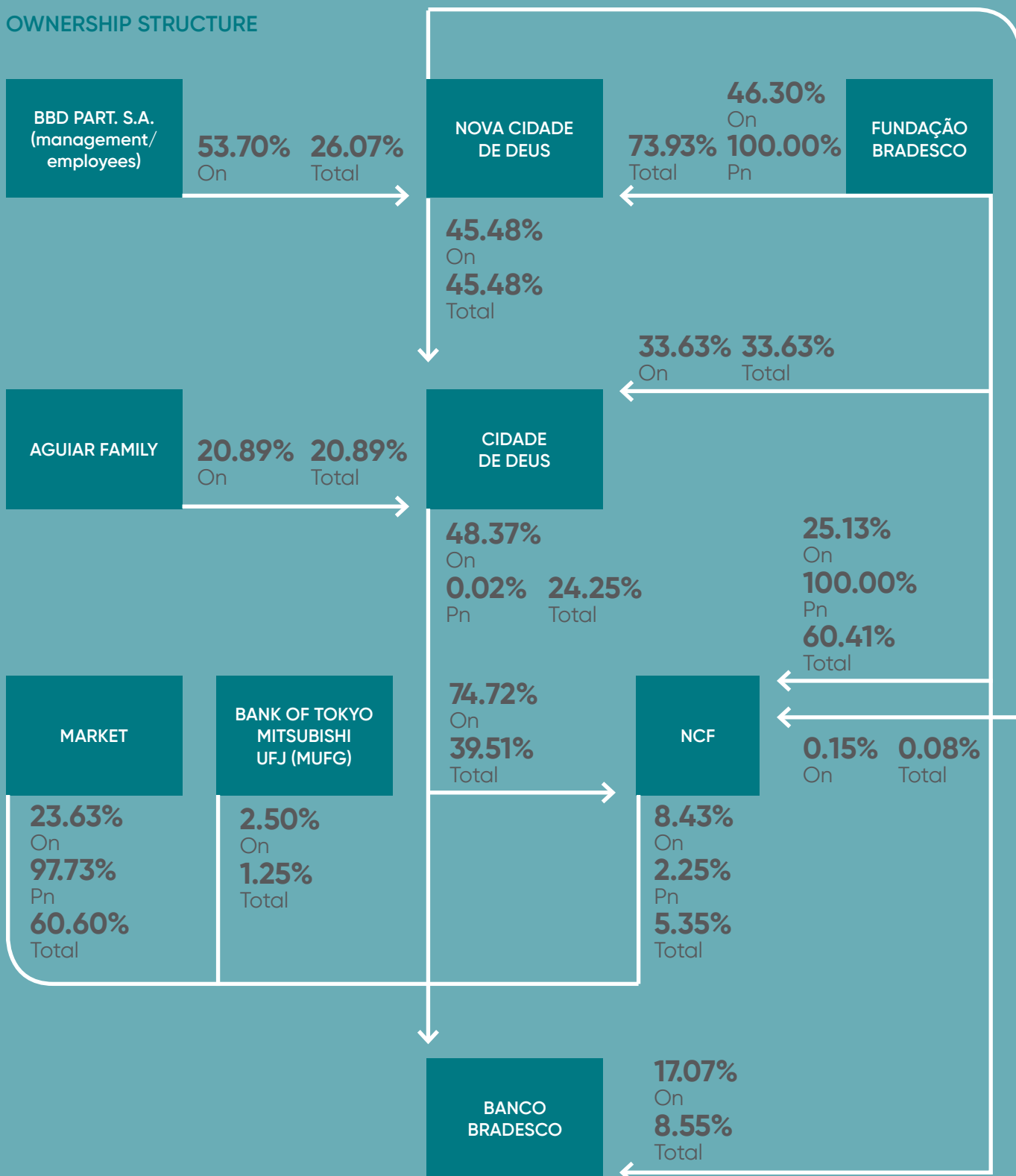
Bradesco reiterates its commitment to upholding the highest standards of ethical conduct and reaffirms its confidence in the proper operation of the Justice System and government oversight bodies.

A key program

Bradesco's Corporate Anti-Money Laundering and Terrorist Financing Program is governed by standards, procedures and systems designed to prevent and detect the use of our systems, products and services in unlawful activities related to money laundering and terrorist financing.

The program is linked to the Executive Anti-Money Laundering and Terrorist Financing Committee, which assesses program effectiveness and the extent to which the procedures and controls in place conform to applicable regulations and national and international best practice. Any concerns are reported to the Suspicious Transaction Assessment Commission for a determination on whether disclosures to the appropriate regulators are required.

OWNERSHIP STRUCTURE



* Bradesco senior managers (Board of Executive Officers and Board of Directors) make up Fundação Bradesco's highest governance body. As of: December 31, 2017.

SUSTAINABILITY

Our contribution to sustainable development



CAPITALS



SDG



STAKEHOLDERS



Bradesco is committed to embedding sustainability into our business activities so we are better able to thrive in the long term in a competitive and dynamic business environment. The current transition to a new economy that is better able to cope with sustainable development challenges requires us to incorporate social and environmental aspects into our approach to managing risks and opportunities in order to ensure we continue to deliver positive results and create shared value.

SUSTAINABILITY GOVERNANCE

Significant decisions on, and our strategy for, sustainability are the responsibility of our Sustainability Committee, which meets on a quarterly basis. The Committee includes members of the Board of Directors and Board of Executive Officers, including the CEO.

Bradesco also has a Sustainability Commission of executives from different departments who assist in developing plans, monitor ongoing projects and advise the Committee on its decisions.

SUSTAINABLE DEVELOPMENT GOALS (SDGS)

Bradesco works towards attaining the Sustainable Development Goals (SDGs) through our business activities and social investment. Our voluntary commitments and active participation in business forums enhance our support for the Agenda 2030, while also strengthening our practices and encouraging other companies to do the same.

Sustainability Policy

Our Corporate Sustainability Policy guidelines are designed to embed social and environmental responsibility in our operations and businesses. The Policy establishes internal procedures and a dedicated governance structure based on our Social and Environmental Responsibility and Risk Management standards and the requirements of Brazilian Central Bank Resolution 4.327.

LEARN MORE

To learn more about our Sustainability Policy, please visit: banco.bradesco/ir

The UN SDGs help guide our social and environmental investment decisions. Our objective for 2018 is to integrate the SDGs into our business sustainability strategy.

HUMAN RIGHTS

Human rights matters are addressed at Bradesco through a range of policies and standards that articulate our commitment to protecting and defending human rights, the Fundamental Principles and Rights at Work and the rights of children and adolescents.

Our Corporate Sustainability Policy establishes guidelines for our operations and businesses on ethical conduct, risk management, engagement with suppliers, and compliance. These guidelines also extensively cover human rights. Concurrently, our Social and Environmental Responsibility Standard specifically requires human rights to be upheld at the workplace and in all relations with internal and external stakeholders. Human Rights are also prominently addressed in our Code of Ethics, Environmental Risk Standard and Human Rights Management Policy.

We also have a Human Resources Management Policy containing guidelines on compliance with all applicable legal and regulatory requirements relating to workplace relations and on protecting human rights, children's rights, the Fundamental Principles and Rights at Work in accordance with nationally and internationally recognized principles, standards and treaties.

This strategy framework is translated into a range of processes and procedures on evaluating, monitoring and remediating human rights impacts.



Internal stakeholders

Bradesco's Corporate Social Responsibility Management System (SGRSC) ensures we deliver on our commitment to protecting human rights and the Fundamental Principles and Rights at Work.



Suppliers

Human rights matters are addressed when screening, contracting with and for the duration of our relationship with suppliers within the Bradesco Supply Chain Social Responsibility Program.



Customers

Human rights issues are also addressed as part of our social and environmental risk management process. In addition to ensuring adherence to the Equator Principles, we have processes and tools in place to help identify, mitigate and monitor risks.



Commitments

The complexity of human rights issues requires that our practices be continually reviewed and updated. Accordingly, in 2017 we revisited the internationally recognized human rights expressed in the United Nations Universal Declaration of Human Rights and the two relevant international conventions. In 2017, we identified the human rights risks affecting our operations to inform improvements to our processes, businesses and relationships with employees, customers and suppliers based on our commitment to: respecting and promoting diversity; safeguarding occupational health and safety; and combating child and slave labor; discrimination on the basis of gender, race, social status, culture, religion, sexual orientation and political beliefs; and bullying and sexual harassment.

Voluntary Commitments

Our sustainability vision and policy are supported by our adherence to the following voluntary commitments:



Financial Coalition Against Child Pornography

Business Charter for Human Rights and Promoting Decent Work



GREEN ECONOMY

The financial industry plays an important role in the transition to a green, low-carbon economy through targeted funding and by incorporating more stringent risk management requirements.

Bradesco offers products and services providing green economy funding, and we regularly review our portfolio to ensure we support the development of green economy sectors.

We are also members of and participate in business forums and organizations including the Brazilian Business Council for Sustainable Development (CEBDS), the Brazilian Bank Federation (FEBRABAN) and the Global Compact to contribute to the development of methods, studies, surveys and analyses.

In 2017, significant progress was made on the "Measuring Green Economy Funding", "Reforestation Funding" and "Deforestation Risk Management" studies led by FEBRABAN.



CLIMATE CHANGE

Climate change has created mitigation and business adaptation challenges for companies in a wide range of industries.

Across Bradesco, climate change is addressed in our approach to managing both our facilities and our lending, investment and insurance portfolios.

Indirect Impacts

Bradesco has quantified its greenhouse gas (GHG) emissions and has used emissions inventories as a strategy setting and management tool since 2006. The end-to-end monitoring and traceability process has been audited by an INMETRO-accredited independent third party and certified Gold within the GHG Protocol Brazil Program and for conformity to ISO 14064.

Since 2010, we have also pursued specific initiatives and targets for reducing water, electricity and paper consumption and greenhouse gas emissions under our Eco-Efficiency Master Plan. In addition to working continually to reduce our environmental impacts, we have undertaken commitments to annually offset our scope 1 and 2 emissions.

ENVIRONMENTAL PRODUCTS

SEGMENT	Products
Lending	Environmental Leasing, Compressed Natural Gas Retrofit DTC Loans, Solar Heater DTC Loans, Forest Certification DTC Loans, Environmental Working Capital, Forestry Working Capital, Solar Energy DTC Loans;
Investments	<i>FIC FIA Planeta Sustentável, Bradesco Prime FIC FIA Índice de Sustentabilidade Empresarial and Bradesco FIC FIA Governança Corporativa;</i>
Premium Bonds	<i>Pé Quente Bradesco Amazonas Sustentável, Pé Quente Bradesco SOS Mata Atlântica and Pé Quente Bradesco Projeto Tamar;</i>
Affinity Cards	Partnerships with organizations such as Fundação Amazonas Sustentável (FAS) and Fundação SOS Mata Atlântica.

LEARN MORE
FEBRABAN
publications are
available at:
portal.febraban.org.br

Climate change is a material issue for Bradesco and is addressed across all our businesses

Carbon Disclosure Project (CDP)

We have participated in the Carbon Disclosure Project (CDP) Climate Change Program since 2006. Our participation has included disseminating information about climate change management and incorporating mechanisms to protect long-term investments and support decision-making.

Our strategies have evolved in these more than 10 years and have placed Bradesco among the leading players in climate change management in 2017.

Our activities in addressing sustainability and climate change are monitored by the Board of Directors' Sustainability Committee.

Highlights

Water resource management

As part of our water security efforts since 2010, Bradesco has initiated a project at the Cidade de Deus Center that includes drilling five new deep cased wells and recommissioning an existing well as an alternative water source in addition to harvested rainwater. The project also includes a Wastewater Treatment Station at our headquarters producing enough recycled water to meet 1/3 of the local water requirement. This has significantly reduced the risk of water shortages.

Solar energy

In addition to the Bradesco Energy Efficiency Master Plan, other initiatives we have undertaken include the use of solar energy in our power systems. In 2016, we piloted the use of solar panels at two of our branches, generating average electricity savings of 35%. Based on the results of the pilot, plans have been made for a distributed generation solar farm in Minas Gerais with the capacity to produce 5 MW of electricity for 150 Bradesco branches in the state. The project is currently in the procurement phase and construction is expected to begin in the second half of 2018.

Energy efficiency

Some of the electricity savings initiatives currently being planned include: migrating business units to the free market; distributed generation solar farms; and developing power monitoring and automation systems for HVAC systems to improve loss management and control.

Bradesco has implemented a variety of initiatives designed to generate water and electricity savings while reducing greenhouse gas emissions

Eco-Efficiency Plan

Our current Eco-Efficiency Master Plan covers the period 2016-2018, establishing reduction targets for water, electricity and paper consumption and greenhouse gas emissions.

Water

In 2017 we set an absolute water consumption reduction target (including utility water, well water and harvested water) and have used our Cidade de Deus wastewater treatment plant to recycle waste water for flushing, avoiding the need to use utility-purchased water for these purposes. We also undertook other initiatives such as water consumption management and monitoring processes. These initiatives have helped to reduce water consumption by 4.5%.

TARGET FOR 2017
 reduce water consumption by

2.5%
 (from a prior-year baseline)

TARGET FOR 2018
 reduce water consumption by

2.0%
 (from a prior-year baseline)

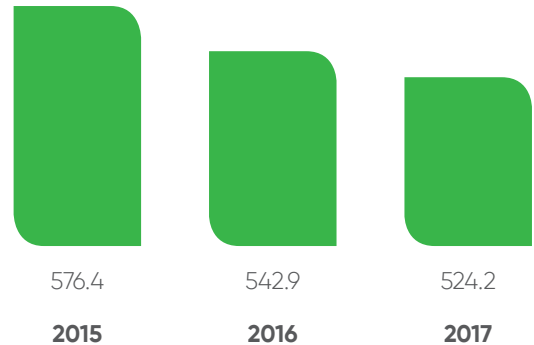
Electricity

We had set an electricity savings target of 1.5% for 2017. To achieve this target, we installed solar panels at two of our branches and invested in lighting system retrofits with energy-efficient lamps and lighting management and control systems, in addition to other initiatives. These initiatives provided electricity savings of 3.4%.

Bradesco's entire electricity requirement is sourced from Brazil's National Grid (SIN). This means that, wherever electricity is used and however it is measured (KWh or MJ), it is sourced from an energy mix combining both renewable and nonrenewable sources.

ENERGY CONSUMPTION WITHIN THE ORGANIZATION

(MM kWh)



4.5%
 reduction
 in water consumption within the
 Organization



Paper usage

We had set a paper usage reduction target of 5% for 2017. Internal memorandums on responsible use and other initiatives helped us to achieve a reduction of 7.7% in the year.

Greenhouse Gas (GHG) Emissions

We had set separate 2017 greenhouse gas emissions reduction targets by scope and by source: 1% for Scope 1; 4.7% for Scope 2; and 1.57% for Scope 3. All scope 1 and 2 emissions in 2017 will, reduction targets notwithstanding, be fully offset against atmospheric carbon sequestration through native forest reforestation and preservation projects.

Indirect impacts

Climate change presents both risks and opportunities for businesses and customers. Our integrated management approach looks at both the short and the long term.

Lending

Under our Social and Environmental Risk Standard, our credit approval process includes procedures for assessing and screening customers and funded projects for social and environmental (including climate) risks. This is supported by a dedicated team; screening checklists; social and environmental ratings; and georeferencing tools (satellite imagery) showing the locations of

Brazilian biomes, protected areas, indigenous lands, natural cavities, contaminated areas, biodiversity and other locations of interest.

As signatories since 2004, we also adhere to the Equator Principles in funding covered projects.

TARGET FOR 2017

Reduce electricity consumption by

1.5%

(from a prior-year baseline)

TARGET FOR 2018

Reduce electricity consumption by

1.3%

(from a prior-year baseline)

Task Force on Climate-Related Financial Disclosures

GRI 201-2

Bradesco is among the organizations supporting the Task Force on Climate-Related Financial Disclosures (TCFD). This task force has developed a set of financial risk disclosures allowing financial institutions and investors to assess exposure to risks and opportunities related to climate change.

Launched in June 2017, the TCFD recommendations are guiding studies by Bradesco towards the development of tools and methodologies to assess, measure, and disclose exposure to climate change. In the previous year, Bradesco and another 15 major banks around the world formed a Working Group that will pilot the TCFD recommendations in their lending portfolios. The initiative is coordinated by UNEP-FI, the financial arm of the United Nations Environment Program, and should be completed during the first half of 2018.

In our Integrated Report 2017, we provided information covering part of the new TCFD disclosure recommendations. The table below lists the content of the Report.

In June 2017, Bradesco Asset Management (BRAM) signed a Statement of Support for the TCFD Recommendations, affirming our commitment to promote the TCFD recommendations both among companies and among investors. BRAM has already embedded social, environmental and corporate governance criteria aligned with the Principles of Responsible Investment (PRI) into its investment decisions.

CORE ELEMENTS	Governance	Strategy	Risk Management	Metrics and targets
Compliant	Partially	Partially	Partially	Partially
Contents	Organizational structure, page 35	Business Model, pages 22 and 23	Emerging Risks, pages 32 to 33	Eco-efficiency, pages 45 to 47
	Sustainability, pages 40 to 49	Corporate strategy, pages 17 to 19	Social and Environmental Risk, Pages 32 and 33	Social and Environmental Risk, Pages 32 and 33
	Sustainability Governance, page 41	Products, pages 23 and 44	Supplier Management, page 57	GRI Summary – Energy, Emissions (Online version of Integrated Report)
	Risk Management, page 31 to 33	Eco-efficiency, pages 45 to 47	GRI Summary – Economic Performance, (Online Version of Integrated Report)	
		Supplier Management, page 57		

Asset management

Bradesco Asset Management (BRAM) is a signatory of the United Nations Principles for Responsible Investment (PRI) and since 2013 has used processes and methodologies to assess ESG (Environment, Social and Governance) risks, opportunities and impacts on the performance of its assets.

In 2017, BRAM developed an ESG assessment methodology for government securities covering Brazil, Argentina, Chile, Mexico, Peru and Colombia. This has expanded BRAM's assessment coverage from 15.21% to 72.67% of assets under management.

BRAM has set the following sustainability-related targets for the following years:

BRAM ASSET MANAGEMENT GOALS	Year	Status
1 100% of Brazilian assets, including government bonds, screened for ESG aspects	2017	Completed
2 Train 100% of analysts and managers on responsible investment screening policy	2018	Training held on October 26 and December 4, 2017
3 Train 100% of Commercial and Products teams on responsible investments	2018	Training held on October 26 and December 4, 2017
4 Reevaluate SRI product portfolio	2018	In progress
5 Review Responsible Investment Standard and develop sector procedures	2018	To be completed
6 Disclose portfolio carbon footprint data	2020	To be completed

Insurance

Bradesco Seguros recognizes that environmental and natural disaster risks, like financial and business risks, are part of doing business and that climate change has become an emerging trend in Brazil's insurance market, especially in basic lines.

Bradesco Auto Re's risk inspection reports include "risk mitigation recommendations/suggestions" to minimize losses, including losses related to wind storms, flooding and other events related to climate change.

Suppliers

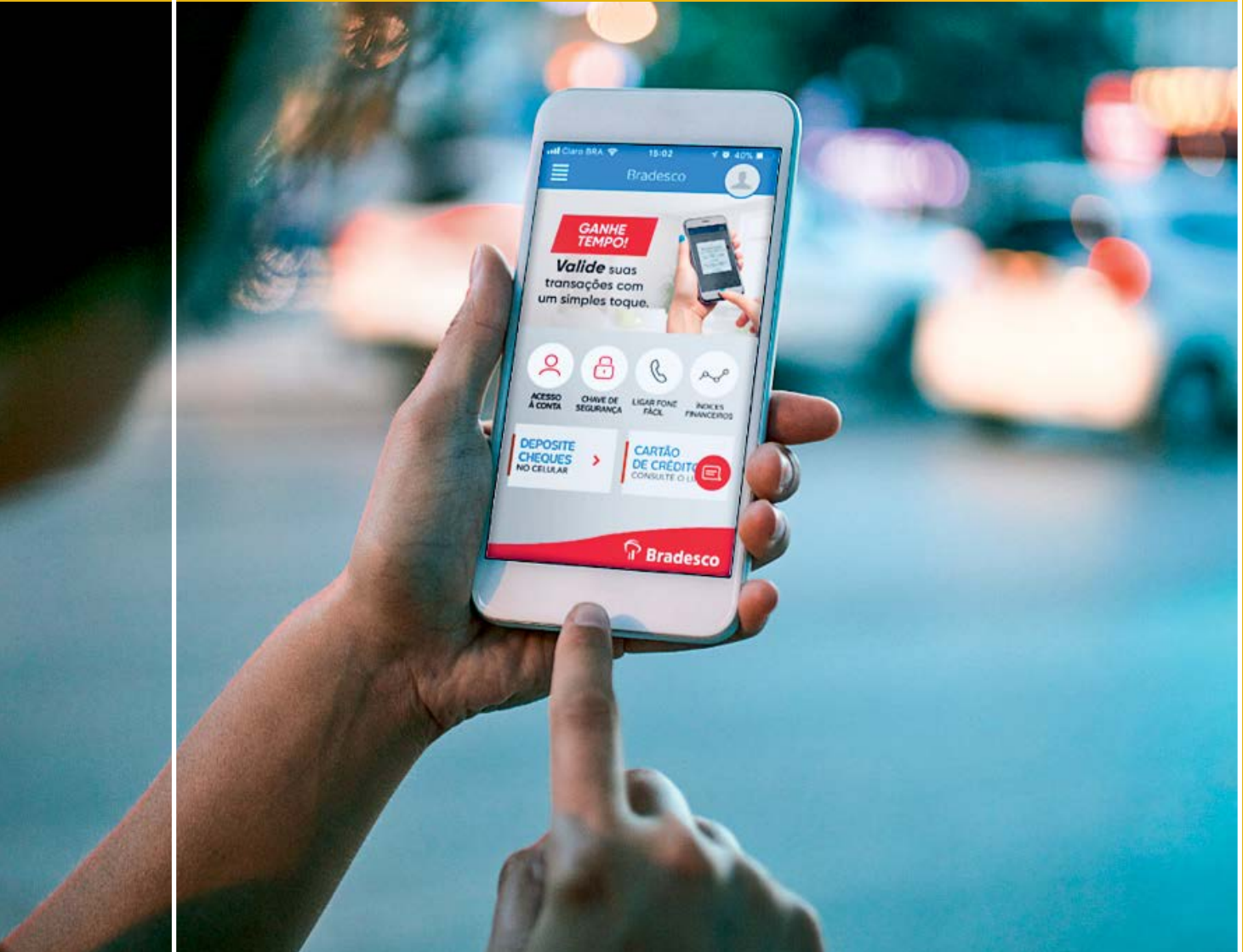
We encourage suppliers to improve eco-efficiency in their processes, products and services through social and environmental

assessments, collaborative events and the CDP Supply Chain Leadership Collaboration (SCLC). As a champion of this initiative since 2008, we have sought to raise awareness in our supply chain of the risks and opportunities deriving from climate change.

In 2017 we received a CDP Supplier Engagement B Rating on a scale of D to A, exceeding the industry average.

TECHNOLOGY & INNOVATION

Serving an increasingly connected world



CAPITALS



SDG

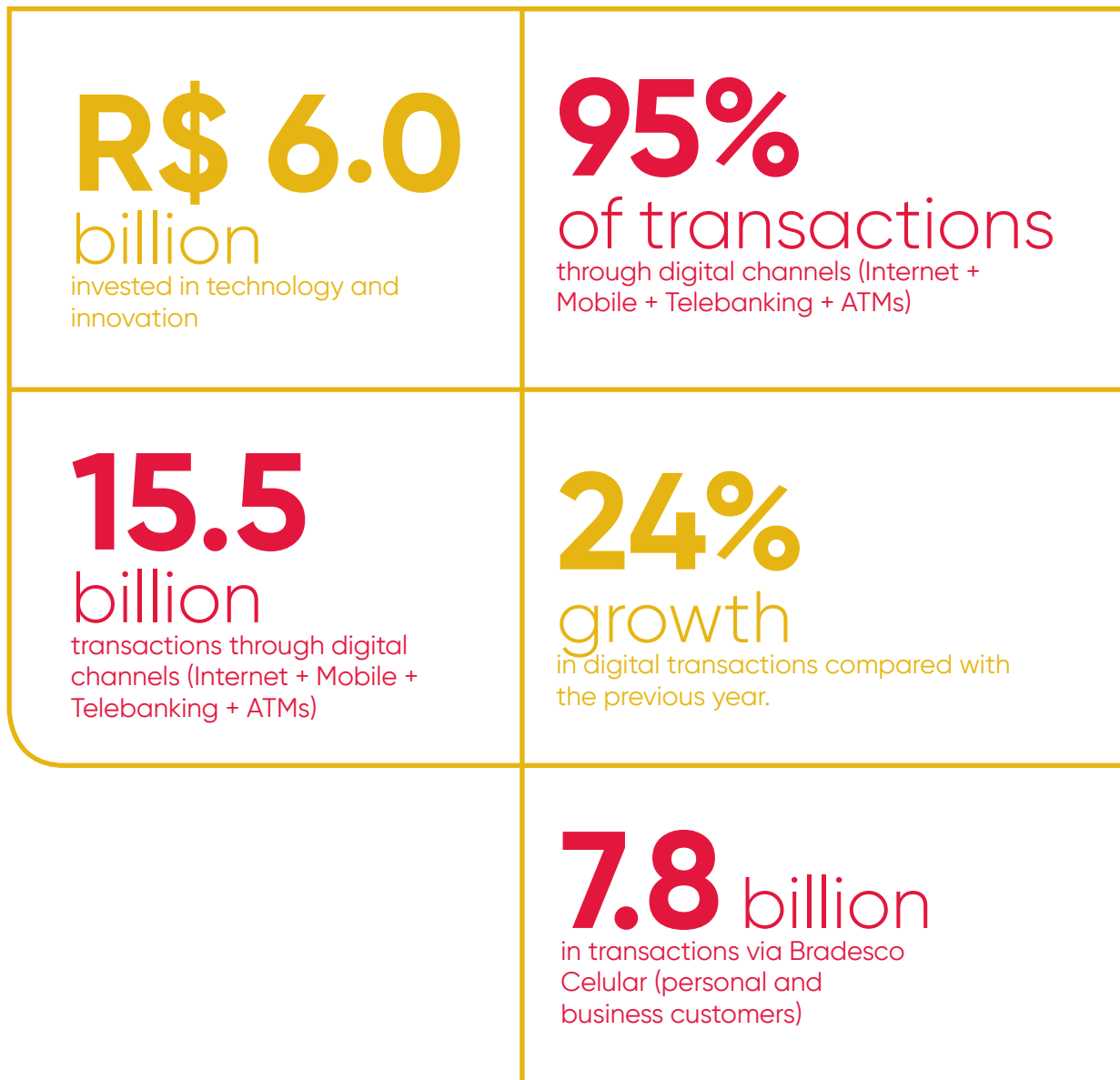


STAKEHOLDERS



In today's diverse and complex world amid a full-blown technological revolution, we believe a single business strategy is not sufficient to secure our continued sustainability. We recognize the need to attract and retain customers and to ensure this is consistent over time. Our challenge is to target products and services to a wide diversity of generations, income ranges and cultures in a country as geographically and demographically diverse as Brazil.

We believe that achieving this requires a human touch in customer-facing processes, hence the importance of our branches, which are also adapting to today's changing world by redesigning their structures to accommodate evolving regional potential and customer profiles. However, out of our 70 million customers, 31.6 million use our digital channels and need to be afforded the best possible customer experience and journey.



TECHNOLOGY PILLARS

Our technology strategy is based on three pillars:

1 ACCELERATING DEPLOYMENT OF EXISTING RESOURCES



Artificial Intelligence is a new technological paradigm that can profoundly transform interactions with customers. Bradesco identified the value-creating potential of Artificial Intelligence several years back. It has since undertaken studies, assessments and planning toward gradual and continuous adoption, including investment in the development of BIA (Bradesco Artificial Intelligence). BIA is designed to centralize, coordinate and disseminate artificial intelligence and cognitive computing projects across the Organization. This is among the initiatives through which we are delivering on our ambition to be at the leading edge of technology in the financial industry. BIA is continuously evolving and provides genuine innovation capabilities using a new paradigm, and this has attracted the notice of the market, the news media and, importantly, our customers.

The most recent and significant deployment of artificial intelligence at Bradesco was the BIA-Customers project launched in August 2017. It built on the successful deployment of BIA-Branches, which in 2016 provided artificial intelligence capabilities to all staff at Bradesco branches, in what became the world's largest-scale implementation of IBM-Watson to date.

The BIA-Customers project is an artificial intelligence deployment that offers customers convenience, efficiency and autonomy. The cognitive solution enhances standardization, accuracy, efficiency and proximity, providing customers with an autonomous and user-friendly way of finding information.

Reutilizing banknotes

We introduced a recycling machine technology that reutilizes deposited banknotes for cash withdrawals by other customers. This has helped to reduce both banknote transportation costs and ATM queues, making the process more efficient with quicker transactions and reduced back-office effort.

Digital Service Platform (PAD)

This provides account managers with full mobility to service customers on the go.

Paperless DTC car loan contracting

To make the loan contracting process more time- and cost-efficient while maintaining legal security, we developed a mobile app that is integrated with our back office and can collect signatures with digital stylus pens. Customers can securely view and sign their contracts directly on Bradesco Lending tablet screens.

2 INNOVATION TARGETING HYPER-CONNECTED AUDIENCES



In 2017 we launched NEXT, an all-digital platform that offers an innovative business model designed to assist customers on their service journey. Downloading the "NEXT – Make It Happen" app on a user's mobile device provides a comprehensive experience and functionality in plain, straightforward and intuitive language. Customers can set goals, crowd-source, create monthly budgets and define how they want to distribute their spending across different categories. NEXT alerts users when they are not achieving their goals.

LEARN MORE
about NEXT by clicking
next.me

3 AN INCREASINGLY INNOVATIVE FINANCIAL SERVICES HUB



inovaBra

inovaBra has been built to continually expand our innovation capabilities in a constantly changing environment. The platform is designed to drive innovation within and outside Bradesco through an ecosystem of programs largely based on co-innovation, i.e. collaboration between the Bank, businesses, startups, investors, mentors and internal teams to address long-term business challenges and sustainability. The platform comprises the following components:

inovaBra startups

Our open innovation program was created to establish strategic partnerships with startups to develop new business models that can be applied or adapted to Bradesco's products and services. The program provides startups with the opportunity to work with real-world customers, test solutions and build scale. Now in its fourth year, the program has a total of 2,500 participants.

inovaBra ventures

A corporate venture Investment Fund with R\$ 100 million in assets for investment in startups.

inovaBra centers

inovaBra centers is an internal innovation program bringing together more than 100 employees from different business functions, who interact with each other and with external startups with a focus on developing innovative solutions to improve the customer experience.

inovaBra artificial intelligence

A center of excellence where data scientists work to expand artificial intelligence and cognitive computing capabilities at Bradesco (Centro de Excelência Bradesco Inteligência Artificial – CEBIA).

inovaBra lab

This 1,700 square-meter facility at the Bradesco campus in Alphaville houses 16 technology and business laboratories to accelerate prototyping, experimentation, testing and *hackathons* using a collaborative approach involving large technology partners.

inovaBra habitat

A co-innovation center measuring more than 22,000 square meters in area, situated squarely in São Paulo's innovation and cultural hub, where large companies, startups, investors and mentors work collaboratively to innovate and develop business opportunities. In addition to driving entrepreneurship and a culture of innovation in organizations, Habitat will support Brazil's aspirations to take a leading position in global innovation.

inovaBra hub

To connect the different innovation fronts together, Bradesco has developed a collaborative digital platform where all participants in the ecosystem can seamlessly interact. Companies, startups, and entrepreneurship and innovation professionals can view exclusive content, share experience and do business.

inovaBra international

An innovation environment in New York and an observatory of global innovation, inováBra international is a collaborative space where internal teams can immerse themselves in global technology and behavioral trends and seek international startups as partners.

LEARN MORE

Visit

www.inovabra.com.br

STAKEHOLDERS

Value- and trust-based relations



CAPITALS



SDG



STAKEHOLDERS



PEOPLE MANAGEMENT

Bradesco's human resources management policy fosters excellence, respect and transparency in our relationships, continual investment in the development of our employees and business partners, knowledge sharing, and recognition of human value without any form of discrimination.

We believe that highly skilled teams, given the opportunity to build consistent careers, can exceed goals and deliver excellent performance, helping us to further strengthen the Bradesco brand and achieve our strategic objectives. For this reason, we are a career-centric Bank in which employees progress from entry-level positions to higher responsibilities as they develop their professional experience.

Our employee development process utilizes a competency map from which the Human Resources Department identifies each employee's individual strengths and development needs and creates a capacity building plan to prepare them to take on greater challenges. Competency Map-Based Potential Assessments use a predefined and standardized process.

We have also invested in training through UniBrad and the University of Insurance (Universeg), supporting professional knowledge and ensuring our employees can develop the new competencies emerging with the digital revolution.

Below are some of the key Human Resources highlights in 2017:

Succession Plan

In 2017 we decided to formalize our career building program and structure a Succession Plan to ensure we have an adequate talent pool from which to source candidates for strategic positions in order to deliver on our internal sourcing policy and support our strategy and business sustainability. This will ensure we maintain a continuing focus on innovation, competitiveness and realizing our full potential.

A specific methodology is used to identify critical positions within each department. Employees with the potential for leadership or specialized positions and key personnel with specific subject-matter expertise are then identified by leadership committees using tools such as competency mapping and assessment of performance, job descriptions, career progression and development potential.

Innovation Week and 1st Hackathon

In 2017 we marked Innovation Week and held our 1st Bradesco Hackathon, two events featuring a series of lectures on key innovation trends and new technologies. The Hackathon was organized with employees and attended by leaders from innovation functions. The goal of the event was to co-create "smart cities" solutions for our headquarters site, Cidade de Deus.

Leadership development

In 2017 we expanded the Mentoring program—which was implemented in 2015 at Bradesco Seguros to enhance performance in leadership roles—to several other functions within the Bank. The program provides a platform for alignment and sharing knowledge, fostering a culture of feedback and supporting the personal and professional development of both mentor and mentee.

Turnover

Our turnover rates have been historically lower than the market average. In 2017 they were affected by our Special Voluntary Redundancy Program (PDVE), to which 7,400 employees have subscribed, and which has provided R\$ 1.5 billion in recurring annual personnel expense savings. Due to its voluntary nature, the effect of the redundancy program constitutes an exception.

Best Place to Work

We share with our employees and business partners the sense of pride we have and the importance of being ranked among leading organizations for workplace relations. In 2017, around 14,700 employees at all levels of the organization and across all business lines and activities had the opportunity to respond voluntarily to organizational climate survey questionnaires and interviews. They rated items such as the work environment, benefits, compensation,

professional development, ethics, corporate citizenship and social responsibility. Our goal in participating in these processes is to foster the openness, respect and trust needed to provide a motivating and challenging organizational climate, and identify opportunities to improve our practices.

Our recognition in a broad range of rankings, recognition processes, surveys and studies in recent years shows we are on the right track.

- In 2017 we were ranked among the Guia Você S/A Best Places to Work for the 19th year.
- Guia Você S/A measures employee happiness at work, with Bradesco scoring highly in recognition of efforts to provide a corporate environment that supports employee well-being.
- In 2017 Bradesco was again voted one of the best places to work in Brazil in a survey by the Great Place To Work Institute (GPTW) published in a special edition of *Época* magazine.
- We ranked among the Top 35 in Brazil. GPTW also ranked Banco Bradesco second among the best places to work in the Barueri metropolitan area. Bradesco Seguros ranked fifth in this regional ranking.
- For the 14th year running, we were featured in the *Valor Carreira* Best in People Management survey by *Valor Econômico*.
- For the seventh consecutive year, we made the Guia Você S/A list of Best Companies for Career Beginnings. The underlying survey polled young respondents aged 18 to 26.
- We were also named one of the Companies Most Admired by HR Professionals in surveys conducted by *Gestão RH* magazine. The same consultancy also ranked us among the Top Companies for Human & Organizational Development, with particularly strong performance in the Sustainability dimension.

HR as a business partner

In line with the vision we articulated in 2015 in our human-resource strategic planning, the HR Department has progressed towards becoming increasingly a business partner and an agent of change in achieving business results and business continuity. These goals are translated into projects and monitored by the Project Management Office to successful delivery. Some of our key initiatives in 2017 include the following:

Bradesco's **Internal HR Advisory Model** included communication, advisory and training processes and on-site visits by consultants to internal clients to ensure Human Resources is aligned with our business strategies and involved in people-related decisions.

In **health and safety**, we implemented an integrated health management system in which we reviewed and restructured Human Resources' approach to health and safety, with a focus on well-being, prevention, risk management and providing a welcoming workplace.

Our **Quality Feedback** program was created to support leadership development by eliciting feedback from reports about their leaders' performance. In 2017, we ran pilots at some of our branches to encourage feedback between leaders and reports. During the first half of 2018, the new feedback model will be fully rolled out across the Organization.

By developing talent through professional training, supporting education and providing a fair and dynamic organizational structure, we provide the conditions needed for each employee to thrive and build a solid career under an employee policy based on respect and recognition.

Safety and well-being

Ensuring the safety and well-being of our employees is among the pillars of our People Management strategy, which translates into a set of guidelines on workplace health, safety and well-being as outlined in our Human Resources Management Policy. In 2017, we undertook a range of important initiatives to disseminate health and safety guidelines including face-to-face meetings involving all regional managers, conference calls with general and administrative managers and postural coaching sessions with physiotherapists at all departments.

Since 2013, our pioneering SIPAT Digital program has introduced innovative new formats and increased the attractiveness of Integrated Accident Prevention Week (SIPAT) events. The program encourages employees to strike a balance between their personal and professional lives and provides reminders on occupational safety. It supports quality of life and creating a healthier and happier work environment. In addition to providing a platform that is democratically accessible to all employees, it offers a more interactive and comfortable learning experience that can be flexibly adapted to employees' needs.

UniBrad

In 2017 UniBrad was presented with a Best Overall Corporate University award by the Global Council of Corporate Universities (GlobalCCU). The University works to ensure that our Corporate Education efforts support Bradesco's strategic objectives and raise awareness among employees of the importance of attending University for their career and for the Organization's performance, equipping them to achieve both individual and collective objectives.

Incorporating innovative and unique learning formats, our corporate education methodologies provide a comprehensive experience spanning the full career cycle from entry-level positions to senior leadership, and our education practices, tools and resources are continually improved in step with emerging technological and digital access trends. UniBrad has nationwide coverage. Besides lectures delivered in person and on podcasts at 15 campuses, we offer distance-learning resources including e-learning, video training, handbooks, a virtual library and mobile games.

Supplier Management

Our relations with suppliers are governed by our Procurement Policy, Procurement Code of Ethics, Sustainability Policy, Anti-corruption Policy and the BMF&BOVESPA Business Sustainability Index (ISE) and Dow Jones Sustainability Index (DJSI) guidelines.

These guidelines are followed at each step of the supplier management process (prospecting, approval, and social and environmental performance screening) as a way to continually improve our supply chain.

New vendors

In 2017 we approved 1,151 new vendors and developed three major projects to improve our supply chain management processes: Supplier Performance Assessment, enhancements to the Bradesco Supply Chain Social Responsibility Program (PBRSA CS) and Social & Environmental Ratings.

LEARN MORE

Visit the Bradesco vendor platform:
bradesco.fornecedores.com.br
 (portuguese only)

CUSTOMER RELATIONS

Customer relations are vital to our Organization. We have a wide range of customer service channels and teams equipped to respond to queries, feedback and suggestions from customers. Bradesco's quality of service earned recognition in 2017 in the form of a Brazil Ombudsperson's Award presented by the Brazilian Association of Customer Relations (ABRAREC) for the 6th consecutive time to Bradesco's banking and insurance ombudsperson's offices. We have been the only bank to receive this award in all editions.

Alô Bradesco

Alô Bradesco is a customer service channel for receiving questions and complaints from customers and users. In 2017 we implemented *Gestão Alô Bradesco* to ensure our Customer Service Desk, the first point of contact with customers, is effective.

Ombudsman's Departments

As a second tier in customer service, we provide separate Ombudsman channels for Banking and Insurance customers. With a mandate to represent our customers impartially, these channels are governed by a Strategic Plan comprising 15 strategic goals, 35 indicators and 54 initiatives to guide department activities in the medium term.

Synergy

In June 2017 we integrated *Gestão Alô Bradesco* with the Bank's Ombudsman's Department to achieve greater synergy and efficiency in handling customer- and user-reported concerns. This provides a big-picture view of the customer's journey throughout the Organization. Our Ombudsperson's Department is formally committed to responding to 80% of concerns reported via the *Alô Bradesco* channel within three business days, compared with the statutory five business days under Decree 6.523.

A focus on customer relations



Smart

Bradesco has used a CRM platform to enhance our customer relationship strategy. As part of this, we launched a digital platform providing a 360° view of the customer journey. The system provides an understanding of customer behaviors and inclinations, significantly enhancing sales rates. In the first half of 2017, sales rates through this channel increased by 30%.

Satisfaction survey

We also conduct systematic surveys across all functions to elicit feedback from our customers.

In 2017, we implemented an NPS (Net Promoter Score) survey to closely examine customer recommendations on our service channels, products and services. The results of this survey have been used to implement actions aimed at improving customer service quality and solutions. The survey has national coverage and included all segments in which we operate in Retail and Wholesale.

Social media

We use social media to create genuine and enduring connections with a wide range of communities. Using plain language suited for a social media environment, we publish content produced by Bradesco or co-created with independent authors (youtubers, bloggers, artists, etc).

5
million
likes

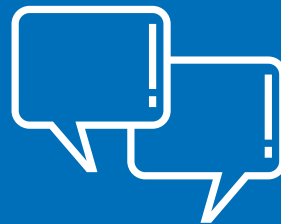
359
content
assets
produced by Bradesco were
viewed more than

82%
positive
ratings

377
million
times

5.6
million
followers.

262
million
views to date



SHAREHOLDER & INVESTOR RELATIONS

Bradesco's Investor Relations service is managed by our Market Relations Department, communicating information, insights and strategies to the financial community and supporting investors in making better-informed decisions about investing in Bradesco's shares and valuating our shares at fair market value. The IR team's duties also include keeping senior management informed of market perceptions of our performance.

RELATIONS WITH REGULATORY BODIES

We have a number of policies in place on compliance with laws and regulations. In 2017 we completed implementation of our Compliance, Conduct and Ethics Department (DCCE) to support the Board of Directors and the Board of Executive Officers in managing our Corporate Compliance Program, enforcing compliance across our businesses and ensuring our product offering conforms to applicable local and international laws and regulations and the industry standards to which we have subscribed.

Building on previous work, the DCCE Department developed a Corporate Compliance Policy and updated our Corporate Regulatory Compliance Standard to improve the consistency and comprehensiveness of our regulatory relations processes.

COMMUNITY RELATIONS

Bradesco's presence in all Brazilian municipalities enhances community relations and provides an opportunity to engage with people of all social classes and regions with a wide range of economic profiles. Our network comprises more than 60 thousand service points and more than 30 thousand multiplatform service managers representing both the Bank and our insurance business.

We have undertaken broad-reaching efforts to promote financial inclusion by creating products and services for customers of all income ranges, offering enhanced accessibility, digital channels and financial education.

Supporting initiatives

We are a member of the Brazilian Bank Federation (FEBRABAN) Financial Education Program, which aims to develop a sectoral, harmonized model for measuring customers' financial health and implement initiatives to encourage Brazilian consumers to better manage their finances and make better use of banking products.

We also support the Brazilian Financial Education Association (AEF) in related initiatives in Brazil, with a focus on developing social and educational technologies.

LEARN MORE

Visit our financial education portal at: banco.bradesco/html/classic/educacao-financeira/ (portuguese only)

Financial Inclusion and Education

At year-end 2017, Brazil had 60.4 million people in default, of which 40% were chronically indebted. Among emerging economies, we have the worst ratio of savings to Gross Domestic Product: just 14%. We recognize that financial education is essential in reversing this trend and promoting economic and social development in our country.

Products & Services:

We are the only private member in the financial industry of the Working Groups for Local Productive Arrangements, which are formed by 40 public institutions and led by the Ministry of Development, Industry and Foreign Trade (MDIC). In 2016, our membership led to an agreement with a bank syndicate and the World Bank's International Finance Corporation (IFC) to offer a US\$ 375 million financing package exclusively for small and medium enterprises. We have also launched specific products such as credit facilities, inventory replenishment and microcredit, among other products, specifically designed for companies within Local Production Arrangements.

LEARN MORE

Learn about our financial inclusion products and services at: goo.gl/hAV5WZ

Products and services providing financial inclusion

Losango Premium Accident Microinsurance

Starting at R\$ 9,60, this product provides coverage for personal accidents with an lump sum of R\$ 10,000 paid in the event of accidental death;

Double Protection Microinsurance

The first micro-insurance policy authorized by SUSEP. Coverage includes residential fire and accidental death, plus individual funeral expenses;

Losango Personal Protection Microinsurance

Includes coverage for involuntary unemployment, permanent invalidity due to injury and accidental death. This product can be purchased at Losango partner stores;

Bradesco First Protection Insurance

This product provides coverage for personal accidents at a monthly cost of R\$ 5.50 with individual funeral coverage.

Poupa Troco

This product helps customers build savings without realizing it by rounding up current account debits to the nearest Brazilian Real and placing the difference, plus a pre-fixed amount, into a savings account;

University Account

These accounts can be opened without proof of income and provide exclusive products and services;

Membership Rewards Program

Customers can donate points to charitable organizations, allowing them to contribute to social and environmental projects.

AACD Card

A portion of annuities is donated to charities;

Click Conta Bradesco

This product includes financial education guidance for young customers aged up to 17 years, who may use it to receive their monthly allowance from their parents or other sources;

Bradesco SOS Mata Atlântica Card

This product provides education and knowledge about the Atlantic Rain-forest biome, mobilizing, training and encouraging people to exercise social and environmental citizenship;

Mobile device access

We were among the first financial institutions to provide free access for customers to make transactions and view their account balances on the Bradesco app without being charged from their mobile data package.

Bradesco Fundação Amazonas Sustentável Card

This product promotes sustainable engagement, environmental preservation and quality of life in riverside communities in Amazonas.



Floating Branch

The *Voyager V* travels a 1,600 kilometer route between Manaus and Tabatinga, in the State of Amazonas, in a 15-day round-trip voyage touring 11 municipalities and 50 communities with a total population of 250,000 people, mostly indigenous, who previously had no access to financial services.

DEVELOPMENT SUPPORT

We have a range of social, sporting and cultural initiatives in place that promote development in the communities where we operate. Some of the program highlights in 2017 include:

Education Program

This program provides free educational activities, supplementing regular education, to approximately 400 children and adolescents at children's shelters in the metropolitan area of Curitiba. In partnership with local suppliers and with support from the local government, Bradesco offers health care, supplementary Portuguese and Mathematics lessons, and music appreciation and choir singing lessons.



Photo: Ronaldo Aguiar

Fundação Bradesco

Fundação Bradesco is the source of inspiration for our sustainability initiatives. The Foundation's activities are independent and Bradesco is aligned with its vision and philosophy. Founded in 1956, the Foundation is a not-for-profit organization and one of the largest private social investment programs in Brazil, working across the entire basic education spectrum from early childhood education through secondary education to associate-level professional education. It also provides young adult education and initial and continuing education, promoting entrepreneurship, employability and income opportunities in our communities. The Foundation currently benefits 96,754 students in 40 schools in regions of greater economic vulnerability from North to South. It is headquartered in Cidade de Deus, Osasco (SP). In addition, more than 608,000 students study via the Foundation's Virtual School, with more than 90 free online courses.

Comunitas Partnership - Together for Sustainable Development

This coalition of business leaders works to improve public administration, promote local development and improve community services, supporting social and economic development in Brazil. Bradesco has supported the initiative from its inception in Santos (SP). The Program reaches more than 24 million people across more than 70 work fronts in 12 cities.

Parceria Fundação Amazonas Sustentável – DICARA Project

This program focuses on the all-round development of children and adolescents in riverside communities in the Amazon, providing first-time access to information technology, music, recreational activities, basic civic engagement education and health care. The initiative has already benefited almost 1,300 children and adolescents from three protected areas.

Accessibility

We have offered accessibility solutions to people with disabilities since 1998. A variety of innovative devices are provided free of charge, including embossed cards, bank statements and bank kits in braille and large fonts, special security tokens to generate and spell out passwords (which can be requested from bank branches), among other solutions. In 2017 we implemented a number of initiatives aimed at strengthening relations with the hearing impaired community, such as the Libras Digital Interpreter for withdrawals in our self-service network.

Financial Education

Financial education is essential to promote economic and social development in our country.

Alongside the initiatives described on page 60, we provide a Financial Education portal with 24 free courses on responsible borrowing, financial planning and household budgets. Another resource is our *Saber para Crescer* (Knowledge to Grow) blog, with monthly content addressing around 12 topics related to financial education.

Governance Bodies

As published in our 4Q17 earnings release.

Board of Directors

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Luiz Carlos Trabuco Cappi

Deputy Chair

Carlos Alberto Rodrigues Guilherme

Members

Denise Aguiar Alvarez
João Aguiar Alvarez
Milton Matsumoto
Aurélio Conrado Boni

Board of Executive Officers

Executive Officers

Chief Executive Officer

Luiz Carlos Trabuco Cappi

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Maurício Machado de Minas
Marcelo de Araújo Noronha
André Rodrigues Cano
Octavio de Lazari Junior

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Carlos Wagner Firetti
Clayton Camacho
Edilson Wiggers
Edson Marcelo Moreto
Fernando Antônio Tenório
Frederico William Wolf
Glaucimar Peticov
Hiroshi Obuchi
João Albino Winkelmann
José Ramos Rocha Neto
José Sergio Bordin
Layette Lamartine Azevedo Júnior
Leandro José Diniz

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Marcelo Frontini
Marcelo Santos Dall'Occo
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Paulo Eduardo Waack
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Amadeu Emilio Suter Neto
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César Cabús Berenguer Silvano
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Joel Queiroz de Lima
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Osmar Sanches Biscuola
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Paulo Roberto Simões da Cunha
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- Coordinator
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Milton Matsumoto
Valdirene Soares Secato
(non-Management member)

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- Coordinator
Milton Matsumoto
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Domingos Figueiredo de Abreu
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Josué Augusto Pancini
Maurício Machado de Minas
Marcelo de Araújo Noronha
André Rodrigues Cano
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Moacir Nachbar Junior
Clayton Camacho
Edilson Wiggers
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Clayton Camacho
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Denise Pauli Pavarina
Moacir Nachbar Junior
Aurélio Guido Pagani
Marcos Aparecido Galende

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Octavio de Lazari Junior
Luiz Carlos Angelotti
Moacir Nachbar Junior
Antonio José da Barbara
Carlos Wagner Firetti
Marcelo Santos Dall'Occo
Marcos Aparecido Galende
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João Carlos de Oliveira
Walter Luis Bernardes Albertoni

Substitutes

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Nilson Pinhal
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João Sabino
Reginaldo Ferreira Alexandre

Ombudsperson's Department

Nairo José Martinelli Vidal Júnior
- Ombudsman

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT

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

Independent Limited Assurance Report for Banco Bradesco S.A. on the Sustainability Information included within the 2017 Bradesco Integrated Report short form

We were engaged by Banco Bradesco S.A. ("Bradesco" or "Bank") for preparing a Limited Assurance Report on the Sustainability Information included within the 2017 Bradesco Integrated Report short form, for the year ended on December 31, 2017, in the form of an independent limited assurance conclusion if, based on our work performed and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information contained in the 2017 Integrated Report short form are not adequately presented, in all material respects, based on the information referred to in the "Criteria for Preparing the Sustainability Information included within the Integrated Report short form" paragraph.

Responsibilities of Bradesco Management

The Bradesco Management is responsible for preparing and adequately presenting the Sustainability Information included within the Integrated Report short form based on the information referred to in "Criteria for Preparing the Sustainability Information included within the Integrated Report short

form" paragraph, and for other information contained within this report, as well as for the design, the implementation and maintenance of internal controls relevant for preparing and presenting the Sustainability Information included within the Integrated Report short form necessary to allow for such information that is free from material misstatement, whether due to fraud or error.

Responsibility of the Independent Auditors

Our responsibility is to examine the Sustainability Information included within the Integrated Report short form prepared by Bradesco and to report thereon in the form of a limited assurance conclusion based on evidence obtained. We conducted our engagement in accordance with NBC TO 3000 – Assurance Engagements other than Audit and Review and ISAE 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the Federal Accounting Council and International Auditing and Assurance Standards Board, respectively. These standards require that we plan and perform our procedures to obtain a meaningful level of limited assurance about whether the Sustainability Information included within the Integrated Report short form are adequately presented, in all material respect, as the basis for our limited assurance conclusion.

The KPMG Auditores Independentes ("KPMG") applies international and Brazilian standards about quality control, and therefore, maintains a comprehensive system of quality control, including policies and documented procedures related to fulfillment of ethical and professional standards, in addition to the legal and regulatory requirements applicable. We comply with the comprehensive code of ethics, including detailed requirements of independence, established based on ethical principles of integrity, ob-

jectivity, competence and professional care, confidentiality and professional behavior.

The procedures selected depends on our understanding of Sustainability Information included within the Integrated Report short form, as well as other circumstances of our work and our consideration of areas that may contain material misstatements.

The procedures performed in a limited assurance engagement change in terms of nature and time, and its extension is less than a reasonable assurance engagement. Therefore, the safety level obtained in a limited assurance engagement is significantly smaller than the security that would have been obtained, if a reasonable assurance engagement had been performed.

Scope and Limitations on the Sustainability Information included within the 2017 Bradesco Integrated Report short form

Our conclusion does not contemplate aspects related to any prospective information included in the Sustainability Information included within the 2017 Bradesco Integrated Report short form, nor offers any guarantee if the assumptions used by Management to provide 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 Sustainability Information included within Integrated Report short form

The Sustainability Information included within the 2017 Bradesco Integrated Report short form, for the year ended on December 31, 2017, has been prepared by the Management of Bradesco based on criteria

described on item "About the Report – Our reporting process" of 2017 Bradesco Integrated Report short form.

Conclusion

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

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Based on procedures performed and evidence obtained, we did not become aware of any fact that lead us to believe that the Sustainability Information included within the Integrated Report short form are not presented accurately, in all material respects, in accordance with the information referred to in the "Criteria for Preparing the Sustainability Information included within the Integrated Report short form" paragraph.

Osasco, March 7, 2018

KPMG Auditores Independentes

CRC 2SP028567/O-1 F-SP

Original report in Portuguese signed by

Rodrigo de Mattos Lia

Contador CRC 1SP252418/O-3

CORPORATE INFORMATION

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Shareholder Services

To exercise rights or to obtain information about shares, dividends or other matters, Bradesco company shareholders can contact the Bradesco branches where they hold their accounts. For other information, please contact:

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Bradesco

Pro frente.