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report

2017



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2017 HIGHLIGHTS

The most relevant facts of the year for the Organization

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 pending replacement by a person to be appointed by the Board as 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 as Chairman of the Board of Executive Officers; on 3/13/2018 the Board of Directors approved the appointment of Octávio de Lazari Júnior as Chief Executive Officer.

2017 at a glance

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.

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.

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

DJSI

We were again named to the Dow Jones Sustainability Index under World and Emerging Markets.

ISE

We were listed on the B3 Business Sustainability Index (ISE) for the 13th consecutive year.

ICO2

Bradesco was among the 26 companies named to the B3 Carbon-Efficient Index (ICO2).

Awards

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 Group consultants Kantar Vermeer in partnership with *IstoÉ Dinheiro*.

EMPRESA MAIS

We received the *Empresas Mais* award in the Banks category from *O Estado de S. Paulo* in partnership with Fundação Instituto de Administração (FIA) and Austin Rating.

AS MELHORES DA DINHEIRO

We were top-ranked for Corporate Governance in *IstoÉ Dinheiro* magazine's *As Melhores da Dinheiro 2017* list. Bradesco Vida e Previdência won an award as the top-ranked company in the industry and ranked high for Financial Sustainability and Innovation & Quality (*IstoÉ Dinheiro*).

GREAT PLACE TO WORK

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

EFINANCE

We were top-ranked in the *Efinance 2017* awards organized by *Executivos Financeiros* magazine in the following categories: CIO of the year, Back Office, Project Management, BYOD Security, Business Integration, IT Governance, ATM Exchange and Lending App.

MOST INNOVATIVE COMPANY IN FINANCIAL SERVICES

We were elected the most innovative company in financial services in the *Valor Inovação Brasil* awards organized by *Valor Econômico* and PwC's Strategy&.

IT EXECUTIVE OF THE YEAR

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

EFMA GLOBAL INNOVATOR

We won the Silver Award in the Established Player category of the Efma-Accenture Distribution & Marketing Innovation Awards.

UNIBRAD – THE WORLD'S BEST CORPORATE UNIVERSITY

UniBrad was named the world's Best Overall Corporate University. The GlobalCCU Awards 2017 recognized UniBrad's best-practice corporate education programs at the Global Council of Corporate Universities.

MOST INNOVATIVE COMPANY IN FINANCIAL SERVICES

We were elected 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 as one of the most innovative companies overall.

BEST CYBER SECURITY PROJECT OF THE YEAR

We won *The Banker* 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" (a study by IT Media in partnership with Korn Ferry) featured prominently in the "IT Executive of the Year" awards, in the Banking category.

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.

GUIA EXAME

We were selected among the most sustainable companies in Brazil by *Guia Exame de Sustentabilidade 2017* in the Financial Institutions, Banking & Insurance segment

VIGEO EIRIS

We were selected for the first time to the Best Emerging Markets Performers Ranking developed by Vigeo EIRIS, a European agency that has pioneered ESG (Environmental, Social and Governance) analyses.

ÉPOCA RECLAME AQUI

Banco Bradesco Financiamentos won the *Época Reclame Aqui 2017* award as the best company for Consumers in the vehicle loan segment. The event recognizes companies demonstrating successful customer service practices and respect for consumers.

This result demonstrates our respect for customers and how our values are translated in our response to complaints.

BEST COMPANY IN THE FINANCIAL INDUSTRY

Bradesco Financiamentos received a trophy from National Land Transportation Agency (ANTT) as the best company in the financial services industry. The event recognizes companies that have excelled in their industries and achieved superior bottom-line results through planning, investment and efficient management.

Certifications

OHSAS 18001

Occupational Health and Safety Assessment Series – This international standard establishes a set of procedures used within an occupational health and safety management system. Bradesco's certification currently covers 1,200 employees. The Occupational Health and Safety Management System used at locations certified to OHSAS 18001:2007 is being implemented at the same sites covered by the Corporate Social Responsibility Management System, which covers 98,808 employees.

ISO 14001 - ENVIRONMENTAL MANAGEMENT

Environmental management systems are designed to ensure that strategic and environmental business targets are met, especially electricity, water and waste generation targets. This certification covers the building on Avenida Paulista in São Paulo (SP), the CTI and the administrative building at the Cidade de Deus Center (including Fundação Bradesco), corresponding to a total area of 338,764 square meters housing more than 10,606 direct employees and 1,900 third-party employees.

GOODPRIV@CY - DATA PROTECTION AND PRIVACY

This international standard covers requirements for managing data protection and privacy. GoodPriv@cy certification attests that the certified user has a Data Management System (DMS) in place. Bradesco has three certificates granted for our products and services.

ISAE 3402

This certification addresses reports issued annually in accordance with the International Standard on Assurance Engagements 3402. Bradesco's independent auditors annually issue assurance reports on the description, design and operating effectiveness of controls related to investment fund custody and management, managed portfolio and investment fund management services.

ISO 9001 - QUALITY MANAGEMENT

This certification formally attests that all activities related to product or service quality are planned, implemented and controlled. Bradesco has 16 certified scopes aiming to continually improve the performance of business processes and increase customer satisfaction, taking the needs of all stakeholders into account.

ISO 27001 (INFORMATION SECURITY MANAGEMENT)

Bradesco has three certificates: one covering logical security processes for passwords used to access Bradesco's IT and applications and infrastructure; one applying to infrastructure, storage management and information technology processes; and one applying to the design, operational process, monitoring, management and quality of Bradesco Seguros e Previdência's Logical Security department.

ISO 20000 - IT SERVICE MANAGEMENT

Two certificates have been granted covering the following services: transaction routines and services, file transfers, customer report and document printing, data communications, software installation and equipment support on the premises of Bradesco users; and data transmission, processing, communication and printing at Bradesco Seguros.

**CORPORATE SOCIAL RESPONSIBILITY
MANAGEMENT SYSTEM**

In line with the corporate sustainability principles embedded in our business strategy, the system is designed to ensure the continual improvement of our workplace relations and environment, extending our commitment to human rights, children's rights, and the Fundamental Principles and Rights at Work to our suppliers.

MESSAGE FROM MANAGEMENT

GRI 102-14

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 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 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 Trabuço Cappi

Chairman of the Board and CEO

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.

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.

Letter from Mr. Lázaro de Mello Brandão

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



PROFILE

Tradition and innovation
for any customer,
anywhere

CAPITALS



ODS



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 accessible, provides a behavior-based user experience through interactive tools that transform money management into an intelligent, goal-oriented journey.

The two situations described above are at opposite ends of a broad offering that epitomizes Bradesco's profile and 74-year history. GRI 102-1, GRI 102-5

With one foot in tradition and the other in innovation, we have built a publicly-traded Institution that promotes banking inclusion through a multi-platform presence in all Brazilian municipalities and 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 corporation.

SEGMENTATION



PERSONAL

PRIVATE BANKING

FROM R\$ 5 MILLION AVAILABLE FOR INVESTMENT

PRIME

MONTHLY INCOME FROM R\$10,000 OR FROM R\$100,000 AVAILABLE FOR INVESTMENT

EXCLUSIVE

MONTHLY INCOME FROM R\$4,000 TO R\$10,000 OR INVESTMENTS FROM R\$40,000

CLASSIC

MONTHLY INCOME UP TO R\$4,000



BUSINESS

CORPORATE

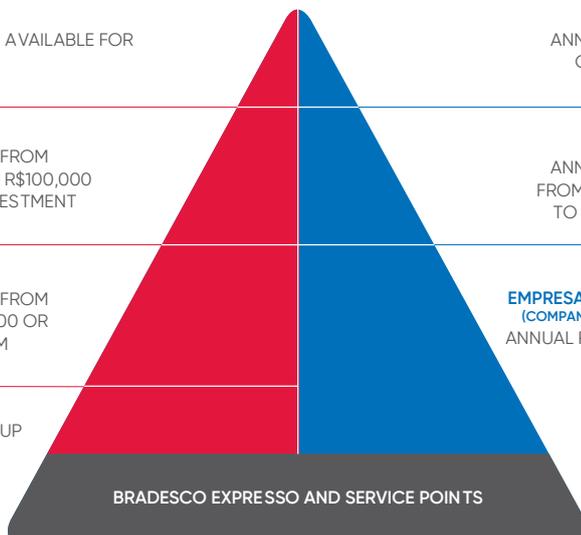
ANNUAL REVENUES OF OVER R\$ 250 MILLION

COMPANIES

ANNUAL REVENUES FROM R\$ 30 MILLION TO R\$ 250 MILLION

RETAIL

EMPRESAS E NEGÓCIOS (COMPANIES AND BUSINESS)
ANNUAL REVENUE UP TO R\$30 MILLION



BRADESCO EXPRESSO AND SERVICE POINTS

Structure GRI 102-2, GRI 102-6

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.

We provide 73,500 physical service points, including 4,700 branches, 38,000 banking correspondents and 12 foreign-based branches and subsidiaries, in addition to digital solutions—internet, ATMs, the Bradesco Expresso mobile app, among other solutions—with our Internet, Mobile, Telebanking and ATM Digital Channels, not including Bradesco Expresso, accounting for no less than 95% of total banking transactions. This structure, managed from our head offices in Cidade de Deus, Osasco (SP), provides a level of capillarity and scale that is unrivaled in Brazil’s private financial services industry, enabling us to serve 70 million customers*, including 25.8 million million checking account customers, across four generations and different income profiles. In 2016, with the acquisition of HSBC Brazil, the largest in our history, we further expanded our network and product portfolio, improving our services to high-worth individuals and multinational corporations. GRI 102-3, GRI 102-7

* Customers with active transactions, products and services.

International footprint GRI 102-4



Bradesco also has three branches and nine subsidiaries in foreign jurisdictions. Our foreign branches are in New York, Grand Cayman and London, a branch owned by our subsidiary Bradesco Europa. Bradesco's subsidiaries are Banco Bradesco Argentina S.A., in Buenos Aires; Banco Bradesco Europa S.A., in Luxembourg; Bradesco North America LLC and Bradesco Securities, Inc., in New York; Bradesco Securities UK Limited, in London; Bradesco Securities Hong Kong Limited and Bradesco Trade Services Limited, in Hong Kong; Cidade Capital Markets LTD., in Grand Cayman; and Bradescard México, Sociedad de Responsabilidad Limitada, in Jalisco.

Network

Total units

4,749 Retail and Prime branches

3,899 service points¹

928 Electronic Service Points (PAEs)

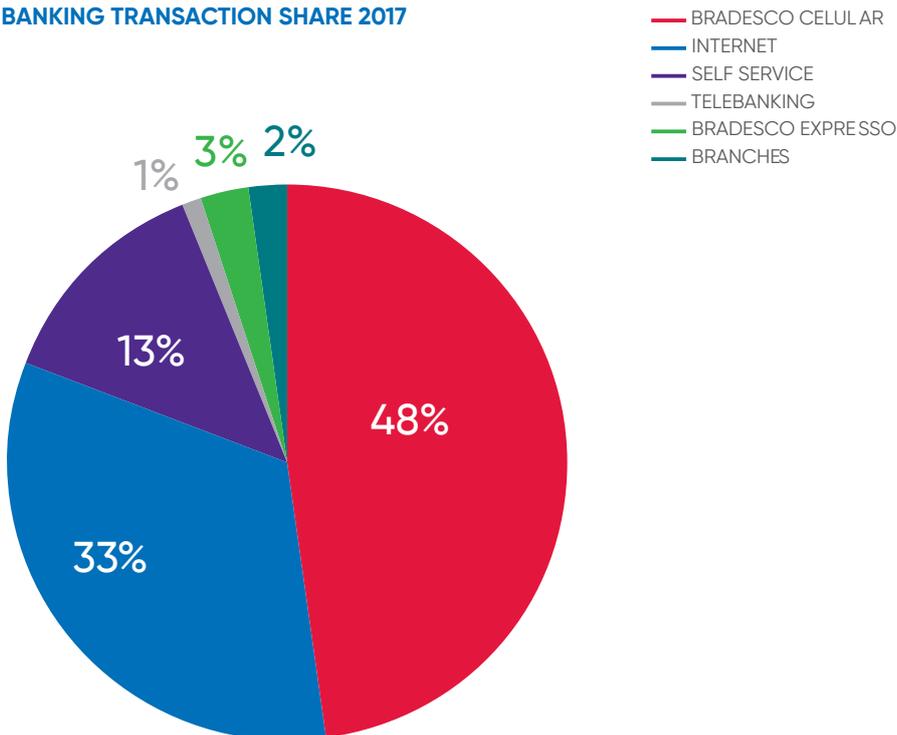
38.798 Bradesco Expresso points

56.849 ATMs²

1 On-site service points at companies and city halls.
2 Includes own network and supplementary networks.

SELF-SERVICE CHANNELS

BANKING TRANSACTION SHARE 2017



BRADESCO SEGUROS

Bradesco Seguros Group is a market leader in Brazil and Latin America. The Bank operates a large, diversified business platform offering not only financial services, but also insurance products. In addition to bank branches, Bradesco is served by 11,000 brokers, out of more than 47,300 active brokers in the market, and 38,000 banking correspondents. In 2017 our insurance business grew by 6.8% in premiums, generating revenue of R\$ 76 billion and growth in market share from 24% to 25.9%, in a market that grew by 5.7% in terms of premiums.

BRADESCO SEGUROS GROUP

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

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 policyholders had their electronic health records uploaded with Bradesco Saúde and Mediservice.

ELECTRONIC PORTAL

We launched a new business portal (www.bradescoseguros.com.br/portaldenegocios) for our sales force, 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.

COBERTURA PERFORMANCE AWARD

Our businesses won in five categories of the *Cobertura Performance* award presented by Cobertura Editora, the publishers of *Cobertura Mercado de Seguros* magazine. In Life and Private Pensions, Bradesco Seguros was awarded in the Private Pension, Credit Insurance and Individual Life categories. In Property & Casualty insurance, the Group won the award in the Homeowners and Multi-Peril Insurance categories.

DIRIJA BEM

Dirija Bem is a car owner's assistant app for iOS and Android designed to support better driving and vehicle maintenance practices that help to reduce fuel consumption, emissions and traffic accidents using telemetry technology.

Utilizing the device's GPS sensors, data such as journey time, distance, speed and driving smoothness are collected and this information is used to provide driving and vehicle maintenance tips. Drivers also receive an overall traffic behavior score. The higher the score, the better their driving performance.

The app is currently being tested and has 500 users, 458 assets, 8200 trips logged and 545,000 kilometers traveled.

GUARDIAN ANGEL

An initiative supporting Bradesco Auto/RE's new brand positioning by wowing policyholders with fast roadside breakdown or accident response

If a policyholder's car breaks down or is involved in an accident, in addition to requesting a tow truck to respond, Bradesco will also dispatch a motorcycle responder, or "Angel", who will arrive at the scene ahead of the tow truck and is trained to provide the policyholder with needed assistance.

The motorcycle responder will be equipped with the tools needed for minor repairs, ensuring a fast response. In the case of a dead battery, for example, the "Angel" responder can solve the problem immediately, avoiding the need to dispatch a tow truck to the scene and reducing fuel burn and emissions. Motorcycle responders are instructed to stay with the policyholder until help arrives. Policyholders can also opt to continue to their destinations and let the Angel responder watch their vehicles until the tow truck arrives. The service is complete with a snack kit.

The goal is to convey a sense of protection and support from the insurance company and responders, and to provide a quick solution to policyholders.

Mission, Vision, Values GRI 102-16

We have recently revised our Mission, Vision and Values to reflect the reformulation of our Code of Conduct & Ethics.

Access our code of conduct at banco.bradesco/ir > Corporate Governance > Compliance and Ethics > Code of Ethical Conduct.

MISSION

Contribute to people's fulfillment and sustainable development by offering highly diversified and accessible financial and insurance solutions, products and services.

VISION

To be the Bank of choice for customers in both the physical and digital environment, delivering differentiated, efficient service to all market segments.

VALUES

Our values are our fundamental beliefs and success factors that guide us in achieving our mission and vision:

- a. Customers are our reason to exist;
- b. We are ethical in all business activities and relations;
- c. We are transparent in providing needed information to stakeholders;
- d. We believe in people's value and capability to develop;
- e. We respect human dignity and diversity;
- f. We exercise social and environmental responsibility and promote initiatives towards sustainable development.

Our values are also translated into the following success factors:

- The strength of the Bradesco brand, with a long-standing presence in the financial, capitals and insurance markets;
- A solid culture and corporate governance framework focused on business continuity;
- One of the best networks in Brazil in terms of technology and coverage;
- A broad portfolio of products, services and solutions for all segments;
- Strong investment in technology.

Business Context & Strategy

Brazil has experienced complex and tough economic conditions in recent years but in 2017 we began to see signs in the economy that the headwinds have begun to subside. The period of recession, however, posed a number of significant challenges. Brazil's Gross Domestic Product (GDP) growth was negative 3.5% in 2015 and negative 3.5% in 2016, which had a profound impact on all sectors of the economy. Despite the adverse economic environment and the resulting credit crunch and surge in delinquency, we have delivered sustainable and significant results in recent years. Our operations successfully sustained a return on equity of approximately 18% in a year in which Brazil's Gross Domestic Product (GDP) growth was only 1%.

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

We believe Brazil is on a path to achieving resumed growth through inflation containment, lower interest rates and important reforms. It

is our view that, in this new stage, we are well poised to significantly expand the business, having sustained our investment and prepared for the recovery over the past few years.

SCALE AND DIVERSIFICATION

One of our greatest differentiators is our operational scale. We are market leaders in a number of segments and particularly lending, managed assets, insurance and cards. We pursue market leadership not as an end in itself, but as the result of our competitiveness, quality and long-standing positioning.

The scale of our operations supports increased operating efficiency and competitiveness in the different markets in which we operate. We have a broad customer base that is segmented by profile and size, allowing us to develop more targeted offerings and maximize customer satisfaction and our product marketing capabilities.

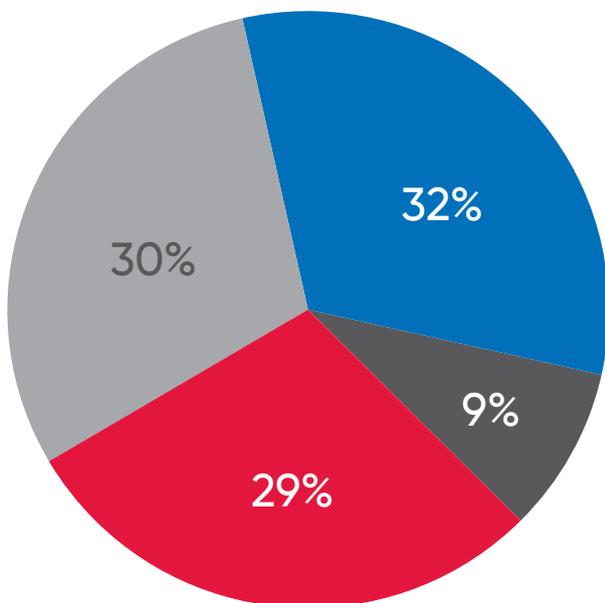
Bradesco's businesses have different and mutually offsetting performance and growth dynamics throughout cycles, which dramatically reduces earnings volatility. Our insurance business, in particular, offers substantial potential for growth and recurring income.

In 2017 our sources of revenue were distributed as follows:

REVENUE SOURCES

(Share)

- INSURANCE
- SERVICES
- ONLENDING
- SECURITIES/OTHER



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 among private banks, and cash management, in which we are also market leaders in the collection market.

In investment banking, we are well-positioned in business rankings and have been recognized for excellence in a range of publications. 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, with a presence in all Brazilian municipalities, enabling us to serve all social classes and business interests. This uniquely positions us to capture new business opportunities, especially in the new growth cycle that is expected over the coming years.

Alongside our physical network are digital and self-service channels (Internet, Mobile, Tele Banking and ATMs) which currently process 95% of all our transactions. Bradesco Celular has 11.6 million users. Our Internet Banking service has 6.8 million registered users, and 29.4 million customers use our ATMs.

Bradesco's network is continually evolving to better meet customers' needs, according to their profiles. Our branches and service points provide a home base for our business relations.

Digital branches serve customers with a high-tech profile, to whom we provide financial advisory as well as online chat service and special service fees. Our channels offer one of the broadest solutions portfolios in the market, with digital customer journeys designed to enhance the customer experience.

We invest continually, and massively, in technology and innovation. Bradesco's investment volumes in 2017 were a total of R\$ 6 billion. This is one of the most important pillars supporting our operations. Bradesco delivers state-of-the-art solutions that place us at the forefront of fintech development.

AN ENTREPRENEURIAL CULTURE

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

- Growing organically, but without losing sight of potential business opportunities provided they are in line with our commitment to service quality, operating and financial efficiency, and the security of our products and services;

- Using stringent controls to identify, assess and mitigate the risks that are intrinsic to our business activities and defining acceptable levels of risk depending on the transaction;
- Doing business with a full commitment to transparency, ethics and providing adequate returns to shareholders.

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 a sustainable business that creates value for society through ethical and responsible business practices, delivering short-term results while contributing to a profitable and sustainable future.

PEOPLE

As a company with a career-centric culture, 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 across a wide range of education solutions.

SOLUTIONS FOR THE CAPITAL MARKET

Bradesco offers partners in the capital market a diversified portfolio of services designed to deliver excellence and state-of-the-art technology. We are among the leading solutions providers in this segment and have a nationally and globally leading position in qualified custodian services. Our key services include: qualified custodian services for investors and issuers; controllership services for investment funds, investment clubs and managed portfolios; securities bookkeeping (shares, Brazilian Depositary Receipts (BDRs), investment fund quotas, Real Estate Receivable Certificates (CRIs), debentures); custodian services for shares underlying Depositary Receipts; securities lending; settlement; treasury management (fixed income, funding products, cash management, reserves steering, compulsory deposit management, etc); depositary services (escrow account - trustee); settlement agent services; tax and legal advisory services for nonresident investors; and fiduciary management for investment funds.

Bradesco Custódia has twelve ISO 9001:2008 Quality Management certificates, three GoodPriv@cy data protection certificates, as well as certification to ISAE 3402 on reports issued in accordance with the International Standard on Assurance Engagements 3402. These certifications enhance our controls framework, improving the effectiveness and quality of our processes.

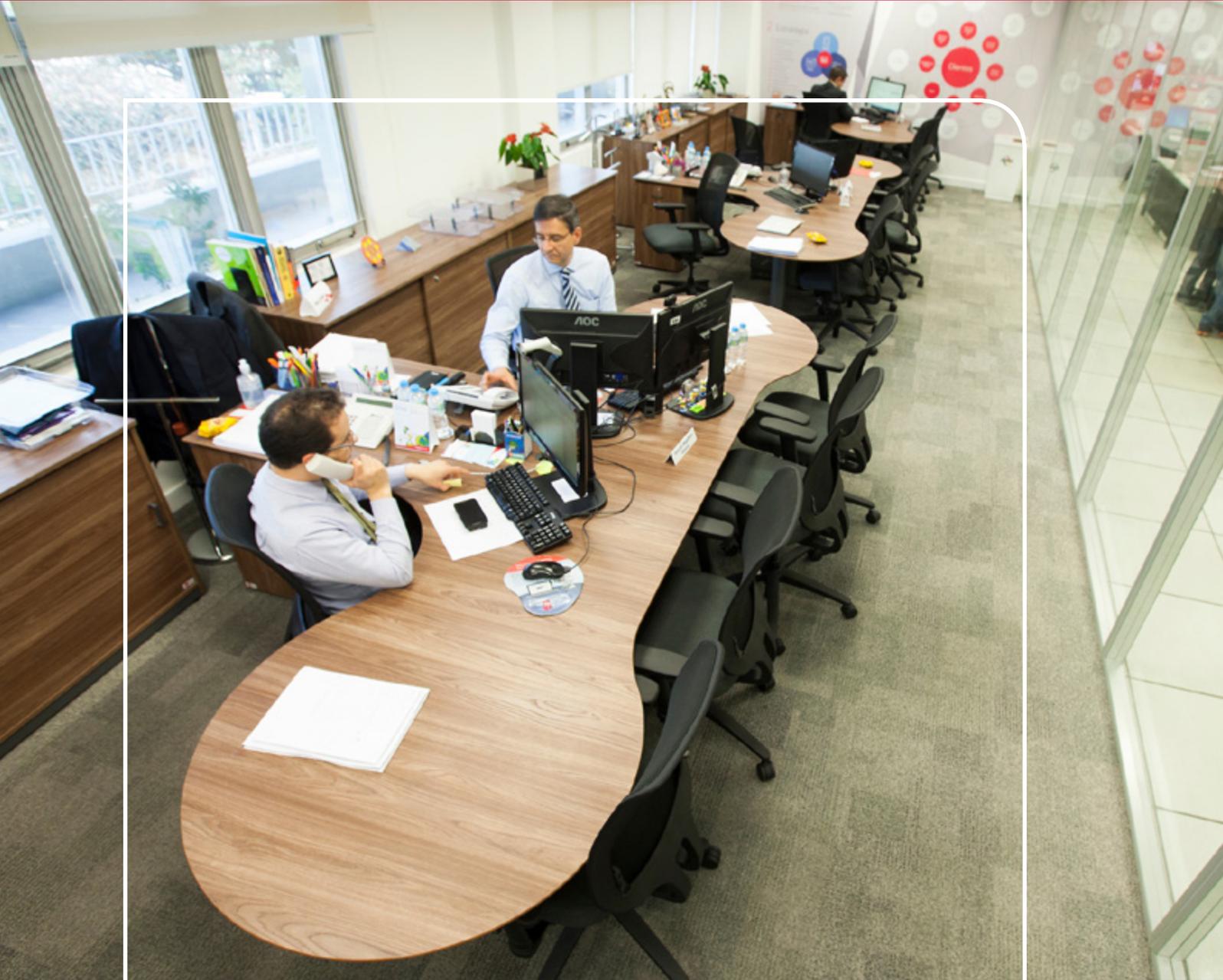
Our total assets in custody in Brazil amount to R\$ 6.034 trillion and Bradesco has a leading market share of 25.1% in this segment.

Source: ANBIMA Ranking – as of December 2017.

OUTLOOK

Our operations are well-positioned in terms of credit quality and we should benefit greatly from the lower provision expense, which should continue to decline over the following quarters. We are poised for growth, and uniquely positioned to capture the benefits from resumed economic growth. Cost reductions from our acquisition have continued to progress well and we will shortly see the impacts from revenue synergies.

In this context, we believe we are very well positioned to continue to deliver adequate and sustainable levels of returns.



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. Bradesco is strategically positioned in all Brazilian municipalities, with unrivaled coverage. We believe this is the right approach to deepen relations with stakeholders, including non-checking account customers, and create long-term value. In addition, we are pursuing a digital transformation that is creating new channels, services and experiences – positioning the Bradesco brand to reach more connected audiences.

We have built a strategy that is underpinned by four pillars:

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.



HUMANCAPITAL

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



MANUFACTURED

- Our network: present in all municipalities of Brazil
- Technological capabilities (95% of transactions via digital channels: Internet, mobile devices, telebanking and ATMs)



INTELLECTUAL

- Innovation
- Intellectual property
- Knowledge and customer relationship tools
- Brand equity and reputation



HUMAN

- Organizational culture
- 98,800 employees



SOCIAL

- 70 million customers ¹
- 358,000 shareholders and investors
- Suppliers and business partners

¹ Customers with active transactions, products and services



FINANCIAL

- Total assets: R\$ 1.298 trillion
- R\$ 110.4 billion in shareholders' equity at December 2017



NATURAL

- Water, energy and ecosystem quality

KEY ELEMENTS

Innovative technology, business models, products and services



Information security

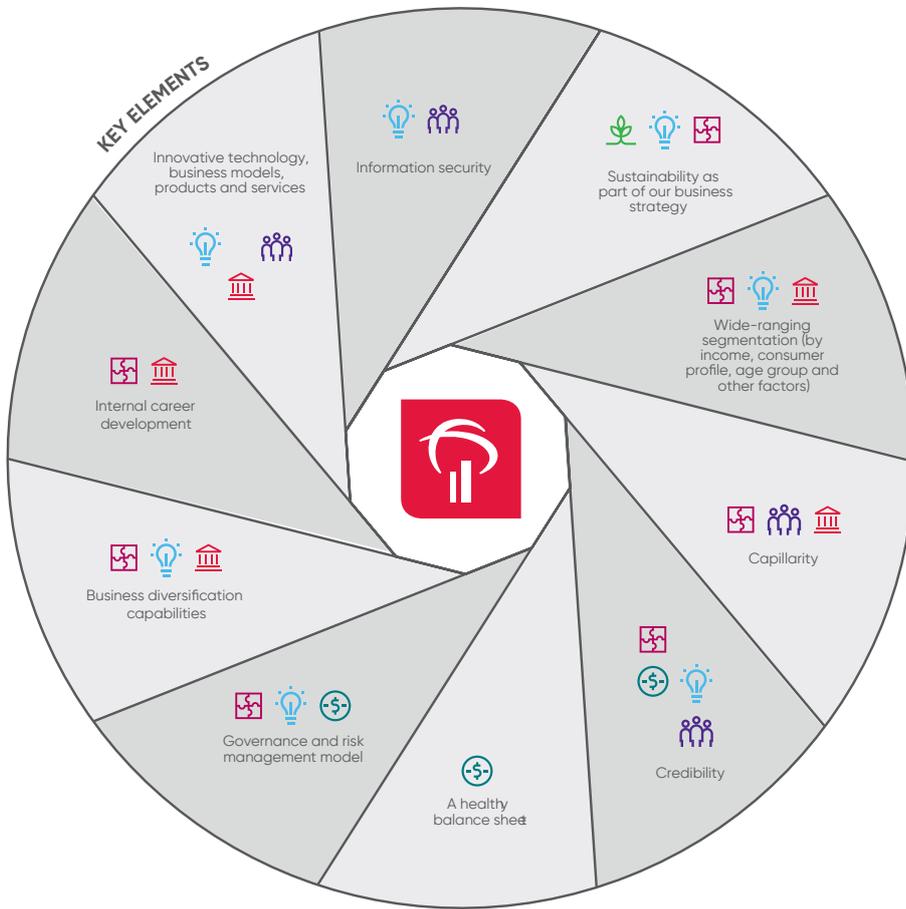


Sustainability as part of our business



NATURAL

• Water, energy and ecosystem quality



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

microcredit, foreign exchange transactions and investments	transactions; real estate finance; guarantees and loans; Advisory-Supported Business Microcredit (MPO), revolving credit facilities and overdraft facilities.	pooled finance; equity markets; derivatives; merchant card services
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VALUE CREATION

CHAPTER

Customer satisfaction and customer-centric product and service offering

Profile, Value creation, Sustainability, Technology and 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 and 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

CUSTOMER CONVERGENCE

We are continually focused on driving banking inclusion, offering a comprehensive range of service channels and investing in initiatives to gradually integrate the physical and digital environments to achieve growing customer convergence. Expanded access to digital channels and innovative service models is being achieved as part of a digital transformation to make the banking experience faster, more secure and more convenient for customers, with the added benefit of reducing costs and attracting hyper-connected audiences.

A SUCCESSFUL MODEL

In 2017 we reaffirmed and progressed further on each of our pillars. In a recessive environment, we succeeded in achieving positive performance primarily through revenue diversification.

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. Bradesco also implemented a range of initiatives deriving from our cost reduction programs 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.

CHALLENGES

When the recession in Brazil has abated, our challenges will be even greater as we will seek to emerge from this difficult period on a path to increased efficiency and competitiveness across the financial system. What will take Bradesco forward is our confidence in Brazil's development potential, our uniquely extensive footprint, diversification and segmentation. Just as in technology we have to think globally but act locally to expand available digital capabilities in order to meet Brazilians' day-to-day banking needs, our vision for our national presence is clear: we think nationally, but act locally with our 20,000 managers closely connected to customers' habitats so they are able to meet their needs.

Business and financial performance

GRI 103-1 GRI 103-2 GRI 103-3

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 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 gauge the extent to which our business objectives are aligned with the 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. Favorable employment and consumer confidence indicators led to increased household consumption. 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 increase in 2018. In this context, we have tackled the challenges of today with continued determination, driving investment and providing democratic 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.

Our performance in 2017 is outlined below:

Key results

HEADLINES	2014	2015	2016	2017	Change %	
					2017 x 2014	2017 x 2016
STATEMENT OF INCOME FOR THE PERIOD - R\$ MILLION						
Recurring Net Income ⁽¹⁾	15,359	17,873	17,121	19,024	23.9	11.1
Total Margin	48,295	55,387	62,454	60,734	25.8	(2.8)
Gross Credit Margin	38,366	42,788	49,897	48,748	27.1	(2.3)
Net Credit Margin	25,709	27,614	28,158	30,472	18.5	8.2
Allowance for Loan Loss Expense	(12,657)	(15,174)	(21,739)	(18,276)	44.4	(15.9)
Fee and Commission Income	22,089	24,839	28,024	30,810	39.5	9.9
Administrative and Personnel Expenses	(28,815)	(31,038)	(36,771)	(39,622)	37.5	7.8
Written Insurance Premiums, Pension Plan Contributions and Premium Bond Income	56,152	64,612	71,419	76,289	35.9	6.8
STATEMENT OF FINANCIAL POSITION - R\$ MILLION						
Total Assets ⁽²⁾	1,032,040	1,079,755	1,293,559	1,298,328	25.8	0.4
Securities	346,358	407,584	549,873	584,650	68.8	6.3
Loans ⁽³⁾	455,127	474,027	514,990	492,931	8.3	(4.3)
- Personal	141,432	147,749	172,045	175,469	24.1	2.0
- Business	313,695	326,278	342,945	317,462	1.2	(7.4)
Allowance for Loan Losses (ALL) ⁽⁴⁾	(23,146)	(29,499)	(40,714)	(36,527)	57.8	(10.3)
Total Deposits	211,612	195,760	234,214	265,278	25.4	13.3
Technical Provisions	153,267	177,835	223,342	246,653	60.9	10.4
Shareholders' Equity	81,508	88,907	100,442	110,457	35.5	10.0
Assets under Management	1,426,099	1,510,396	1,904,912	1,987,487	39.4	4.3
PERFORMANCE INDICATORS (%)						
Recurring Net Income per Share - R\$ ⁽⁵⁾	2.52	2.94	2.81	3.13	24.2	11.4
Book Value per Common and Preferred Share - R\$ ⁽⁵⁾	13.38	14.61	16.51	18.15	35.7	9.9
Return on Average Equity ⁽⁶⁾⁽⁷⁾	20.1	20.5	17.6	18.1	(2.0) P.P	0.5 P.P
Return on Average Assets ⁽⁶⁾	1.6	1.7	1.5	1.5	(0.1) P.P	0.0 P.P
Average Rate - (Adjusted Financial Margin / Total Average Assets - Repos - Permanent Assets)	7.3	7.5	7.5	6.5	(0.8) P.P	(1.0) P.P
Fixed Asset Ratio ⁽⁸⁾	47.2	35.2	44.8	43.4	(3.8) P.P	(1.4) P.P
Combined Ratio - Insurance ⁽⁹⁾	86.1	86.7	88.0	86.5	0.4 P.P	(1.5) P.P

HEADLINES	2014	2015	2016	2017	Change %	
					2017 x 2014	2017 x 2016
Efficiency Ratio (ER) ⁽¹⁰⁾	39.2	37.5	39.5	40.8	1.6 P.P	1.3 P.P
Coverage Ratio (Fee and Commission Income/ Administrative and Personnel Expenses)	76.7	80.0	76.2	77.8	1.1 P.P	1.6 P.P
Basel Ratio - Total ⁽⁸⁾	16.5	16.8	15.4	17.1	0.6 P.P	1.7 P.P
Market Capitalization - R\$ million ⁽¹¹⁾	145,536	100,044	160,813	200,521	37.8	24.7
LOAN PORTFOLIO QUALITY % ⁽¹²⁾						
ALL / Loan Portfolio ⁽⁴⁾	6.7	8.0	10.4	9.9	3.2 P.P	(0.5) P.P
Non-performing Loans (> 60 days ⁽¹³⁾ / Loan Portfolio)	4.3	5.0	6.5	5.6	1.3 P.P	(0.9) P.P
Delinquency Ratio (> 90 days ⁽¹³⁾ / Loan Portfolio)	3.5	4.1	5.5	4.7	1.2 P.P	(0.8) P.P
Coverage Ratio (> 90 days ⁽¹³⁾ ⁽⁴⁾	189.0	198.0	188.4	211.4	22.4 P.P	23.0 P.P
Coverage Ratio (> 60 days ⁽¹³⁾ ⁽⁴⁾	156.6	161.7	158.8	175.0	18.4 P.P	16.2 P.P
OTHER INFORMATION - UNITS						
Employees	95,520	92,861	108,793	98,808	3.4	(9.2)
Outsourced Employees and Interns	12,916	13,223	16,702	15,064	16.6	(9.8)
Branches	4,659	4,507	5,314	4,749	1.9	(10.6)
PAs ⁽¹⁴⁾	3,486	3,511	3,821	3,899	11.8	2.0
PAEs ⁽¹⁴⁾	1,145	736	1,013	928	(19.0)	(8.4)
Offsite ATM Network ⁽¹⁵⁾⁽¹⁶⁾	1,344	627	186	63	(95.3)	(66.1)
Banco24Horas ATM Network ⁽¹⁵⁾	12,450	11,721	10,972	11,050	(11.2)	0.7
Bradesco Espresso (Correspondent Banks)	50,006	43,560	38,430	38,708	(22.6)	0.7
ATMs (Bradesco and Banco24Horas networks) ⁽¹⁵⁾	48,682	50,467	56,110	56,849	16.8	1.3
Active Checking Accounts (Million) ⁽¹⁷⁾⁽¹⁸⁾	26.5	26.0	26.8	25.8	(2.6)	(3.7)
Savings Accounts (Million) ⁽¹⁹⁾	59.1	60.1	62.1	63.4	7.3	2.1

(1) As per the extraordinary events described on the next page of this section;

(2) For further information, please see Note 4 - Statement of Financial Position and Managerial Statement of Income in the Financial Statements for the year ended December 31, 2017;

(3) Expanded Loan Portfolio: includes guarantees, letters of credit, advances on credit card receivables, debentures, promissory notes, and co-obligation under real estate and agricultural credit receivables certificates.

(4) Up to December 2016, ALL included provision for guarantees provided, including sureties, guarantees, letters of credit and stand-by letters of credit, which were stated as "ALL - Excess".

(5) For comparability, shares were adjusted to reflect stock dividends paid and share splits during the relevant period;

(6) Recurring Net Income;

(7) Not including the effect of marking to market available-for-sale securities recorded under Equity;

(8) The ratio is calculated in accordance with the regulatory requirements under Resolution 4.192/13 (Prudential Conglomerate) and 4.193/13 (Basel III);

(9) Excluding additional provisions;

(10) Efficiency ratio excluding the effect of financial asset impairment;

(11) Number of shares (less treasury shares) x ON and PN share price on the last day in the period;

(12) As defined by the Brazilian Central Bank;

(13) Overdue loans;

(14) PAs (Service Branches): the aggregate of PABs (Banking Service Branches), PAAs (Advanced Service Branches) and Exchange Branches, in accordance with Resolution No. 4,072/12; and PAEs (ATMs located on companies' premises);

(15) Includes overlapping Bradesco Network and Banco24Horas Network ATMs, for which reason the Banco24Horas ATMs and customer service points relating to the consolidation of HSBC Brazil have not been segregated;

(16) This decrease is related to the off-site ATM network being shared with the Banco24Horas Network;

(17) Number of individual customers (corporate and individual taxpayer numbers);

(18) The first and second checking account holders; and Number of accounts

**NONRECURRING EVENTS
 (RECURRING NET INCOME VS BOOK NET INCOME)**

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

R\$ MILLION	2014	2015	2016	2017
Recurring Net Income	15,359	17,873	17,121	19,024
Nonrecurring Events (Net of tax effects)	(270)	(683)	(2,037)	(4,365)
Special Voluntary Redundancy Program (PDVE)	-	-	-	(1,262)
Amortization of Goodwill (Gross)	-	-	(577)	(2,302)
Excess Provision/Rating Downgrade/Carryover (HSBC Brazil)	-	(2,222)	(716)	-
Impairment of Non-financial Assets	(51)	(234)	(137)	(325)
Other ⁽¹⁾	(219)	1,773	(607)	(476)
Book Net Income	15,089	17,190	15,084	14,659

In addition to contingent liabilities, includes: (i) in 2017: (a) a special tax settlement program (PERT), in the amount of R\$ 241 million; (ii) tax installment payments (PPI) of R\$ 62 million; (iii) the IRB IPO of R\$ 149 million; (iv) reversal of the tax provision related to social security contribution – Odontoprev, in the amount of R\$ 101 million; and (v) a regulatory change at Cielo, in the amount of R\$ 210 million; in 2016: (i) gain on the partial sale of investments, in the amount of R\$ 91 million, (ii) HSBC Brazil migration/merger costs of R\$ 104 million, (iii) single salary bonus of R\$ 191 million, (iv) share impairment of R\$ 77 million, and (v) technical reserves of R\$ 592 million; in 2015: (i) tax credits of R\$ 2,341 million; (ii) technical provisions of R\$ 276 million; and (iii) share impairment of R\$ 238 million; and in 2014: (i) share impairment of R\$ 749 million; and (ii) technical provisions of R\$ 432 million.

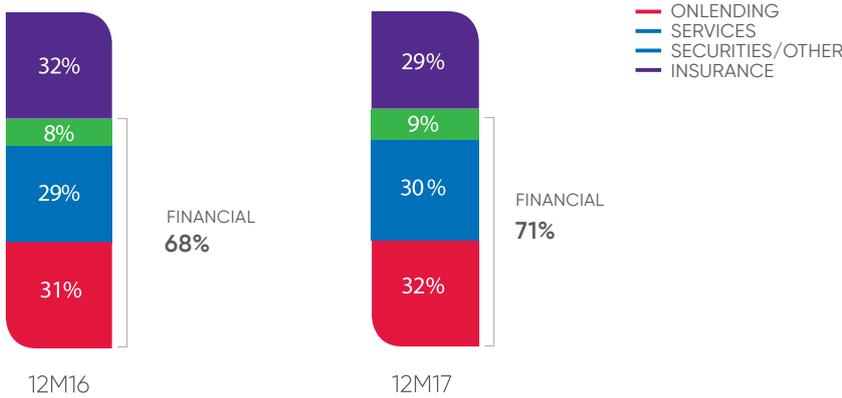
R\$ MILLION	2014	2015	2016	2017	Change %	
					2017 x 2014	2017 x 2016
Financial Margin	48,295	55,387	62,454	60,734	25.8	(2.8)
- Interest	47,497	54,777	63,059	62,775	32.2	(0.5)
- Non-interest	798	610	659	478	(40.1)	(27.5)
- Impairment of Financial Assets	-	-	(1,264)	(2,519)	-	99.3
ALL	(12,657)	(15,174)	(21,739)	(18,276)	44.4	(15.9)
Gross Income from Financial Intermediation	35,638	40,213	40,715	42,458	19.1	4.3
Income from Insurance, Pension Plans and Premium Bonds ⁽¹⁾	5,047	5,426	5,669	6,792	34.6	19.8
Fee and Commission Income	22,089	24,839	28,024	30,810	39.5	9.9
Personnel Expenses	(13,967)	(14,699)	(17,637)	(19,500)	39.6	10.6
Other Administrative Expenses	(14,848)	(16,339)	(19,134)	(20,122)	35.5	5.2
Tax Expenses	(4,627)	(5,640)	(6,048)	(6,944)	50.1	14.8
Equity in Income of Associates	187	144	218	192	2.7	(11.9)
Other Operating Income / (Expense)	(5,395)	(6,708)	(7,015)	(7,393)	37.0	5.4
Operating Income	24,124	27,236	24,792	26,293	9.0	6.1
Nonoperating Income	(183)	(283)	(180)	(127)	(30.6)	(29.4)
Income Tax/Social Contribution	(8,469)	(8,933)	(7,338)	(6,853)	(19.1)	(6.6)
Non-controlling Interests in Subsidiaries	(113)	(147)	(153)	(289)	155.8	88.9
RECURRING NET INCOME	15,359	17,873	17,121	19,024	23.9	11.1

(1) Income from Insurance, Pension Plans and Premium Bonds = Retained Insurance, Pension Plan and Premium Bond Premiums - Change in technical reserves for Insurance, Pension Plans and Premium Bonds - Retained Claims - Premium Bond Draws and Redemptions - Insurance Plan, Pension Plan and Premium Bond Selling Expenses.

Sources of income

Bradesco pursues a balanced strategy that generates business and revenues from a variety of sources to diversify the risks intrinsic to our industry, operating primarily on two business fronts: financial services and insurance, pension plans and premium bonds, which in 2017 accounted for respectively 71% and 29% of total revenues. Our focus is on generating reliable revenue streams across lending, investment, asset management, corporate, private banking, cards, pooled finance, insurance, private pensions, premium bonds and other products.

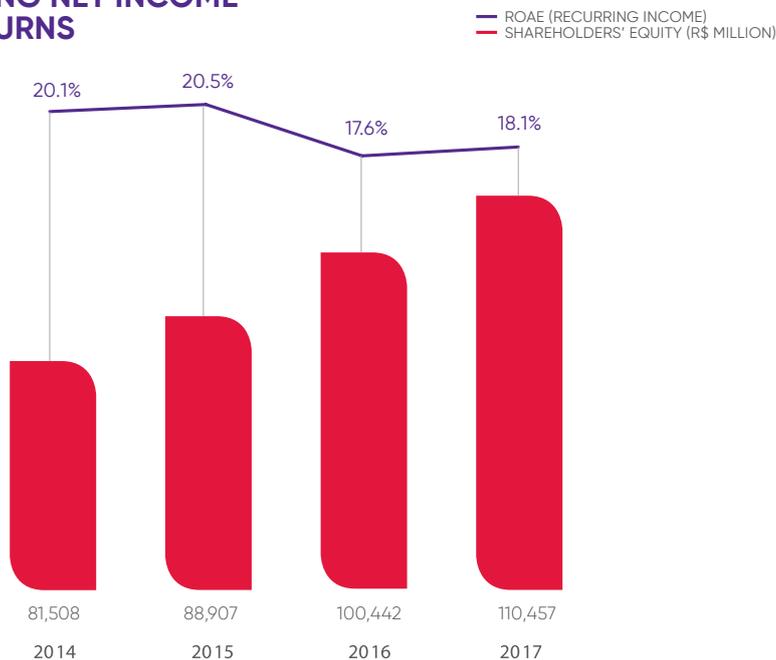
Bradesco's sources of revenue are shown in the chart below:



Recurring net income and returns

Return on Average Equity (ROAE) was 18.1% in December 2017. Recurring net income rose by 11.1%, or R\$ 19,024 million, year-on-year to R\$ 1,903 million, largely reflecting: (i) lower allowance 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 Brazil 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. Return on Average Assets (ROAA) was 1.5%. Total assets were R\$ 1.298 trillion at December 2017, an increase of 0.4% compared to December 2016.

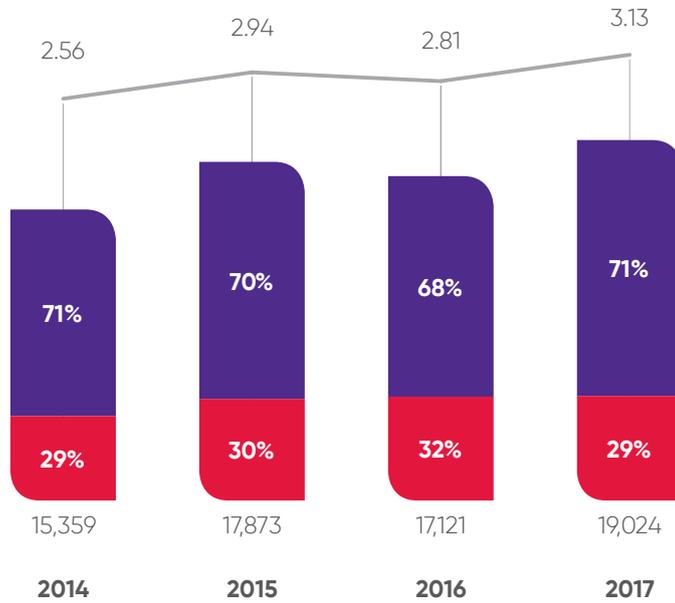
RECURRING NET INCOME AND RETURNS



RECURRING NET INCOME

(R\$ Million)

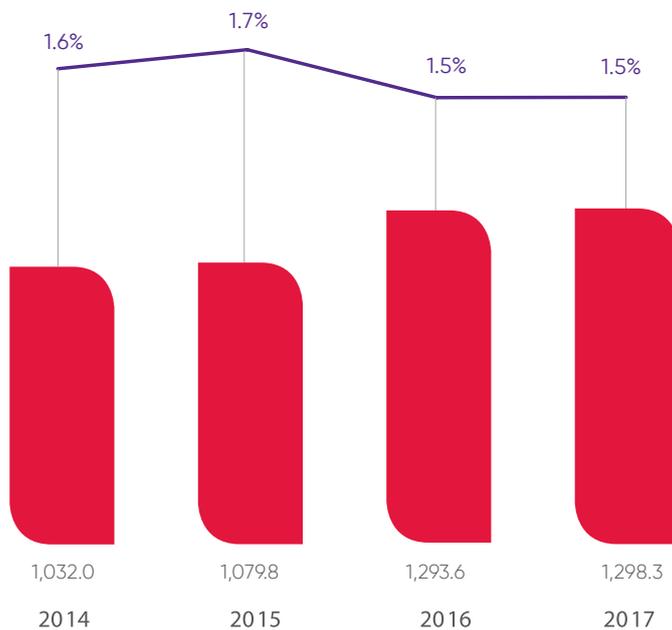
- SHARE OF BANKING BUSINESS
- SHARE OF INSURANCE BUSINESS
- NET INCOME PER SHARE (R\$)



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

TOTAL ASSETS

- ROAA (RECURRING INCOME)
- TOTAL ASSETS (R\$ BILLION)



Statement of added value

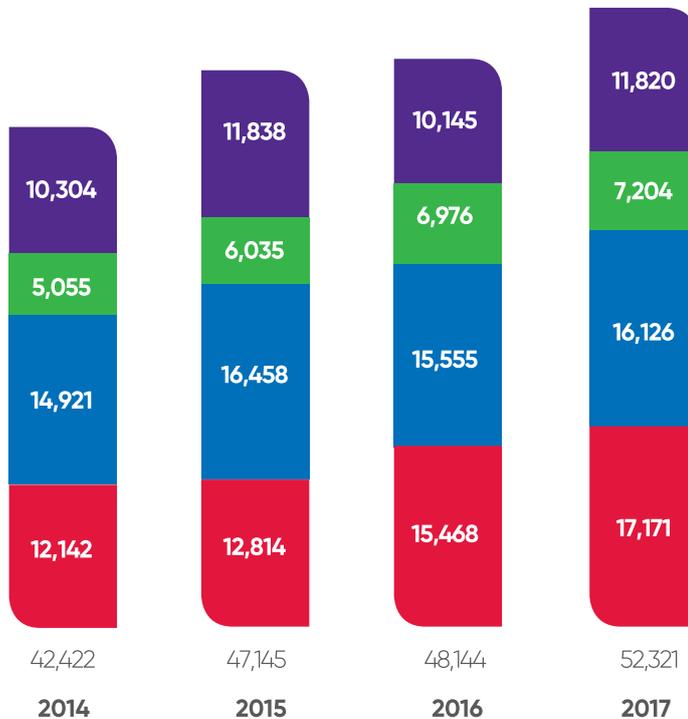
Added value describes the amount of wealth the Bank produces and how that wealth is distributed to society each year. Particularly significant in the year was the increase in value allocated to shareholders and employee remuneration.

Added Value at December 2017 was R\$ 52,321 million, up 8.7% from the previous year. Of this amount: (i) R\$ 17,171 million or 32.8% was allocated to employee remuneration; (ii) R\$ 16,126 million or 30.8% to government in taxes, contributions and charges; (iii) R\$ 11,820 million, or 22.6% to reinvestment in Bank operations; and (iv) R\$ 7,204 million or 13.8% to shareholders in interest on equity and dividends.

STATEMENT OF ADDED VALUE

R\$ million

- EMPLOYMENT COMPENSATION
- INTEREST ON EQUITY / DIVIDENDS (PAID AND PROVISIONED FOR)
- CONTRIBUIÇÃO AO GOVERNO
- REINVESTMENT OF INCOME



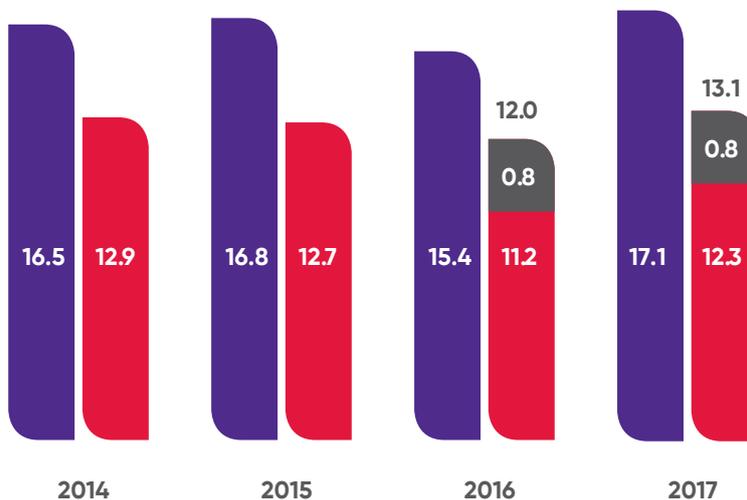
Basel ratio – Basel III

Prudential Conglomerate Regulatory Capital at December 2017 was R\$ 104,673 million, compared with risk-weighted assets of R\$ 611,442 million. The Basel Ratio increased by 1.7 p.p. from 15.4% at December 2016 to 17.1% at December 2017, exceeding the minimum of 10.5% required by the Brazilian Central Bank, driven by: (i) higher net income in the period; (ii) a decrease in weighted assets; and (iii) the effect of marking to market available-for-sale securities; and partially offset by: (iv) changes in the application of prudential adjustments under Resolution 4.192/13, which increased from 60% in 2016 to 80% in 2017; and (v) a larger provision for Interest on Equity: Tier II capital increased primarily due to: (i) the eligibility of subordinated financial instruments authorized by the Brazilian Central Bank in 2017; and partly offset by: (ii) a reduction in subordinated debt inventory, due to debt maturities (staggered).

BASEL RATIO – BASEL III

(%)

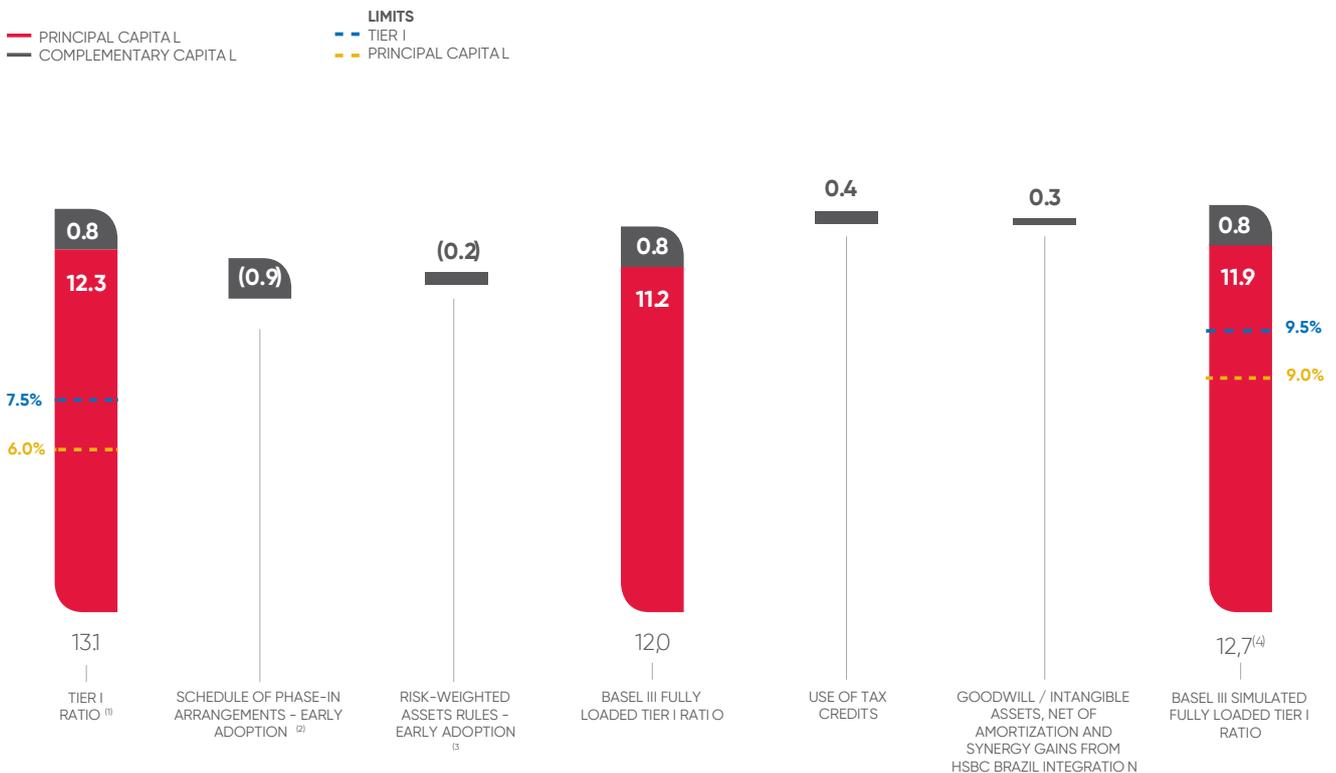
— TOTAL RATIO
— PRINCIPAL CAPITAL
— COMPLEMENTARY CAPITAL



Full impact – Basel III

A Basel III simulation has been made based on a breakdown of some of the main future adjustments, which include: (i) deductions of 100% according to the schedule of phase-in arrangements; (ii) re-allocation of funds via payment of dividends by our Insurance Group; (iii) use of tax credits; (iv) early adoption of the reduced market and operational risk multiplier, from 9.250% to 8%; and (v) the impact of the acquisition of HSBC Brazil (amortization of goodwill / intangible assets and synergies in the integration process), for a Tier I Capital ratio of 12.7% at year-end 2018.

FULL IMPACT – BASEL III



(1)Published (Schedule 80%)

(2)Effect of the full impact. Also includes the stock of Goodwill / Intangible assets paid for the acquisition of HSBC Brazil, net of amortizations and the re-allocation of funds via payment of dividends by the Insurance Group.

(3)Assumes a decrease in the market and operational risk multiplier (early adoption), from 9.250% to 8% in 2019;

(4)If the possibility of Management issuing additional capital up to 2018 (market conditions permitting) were considered, the Tier I capital ratio would be 13.4%; and

(5)This refers to the minimum required ratio in accordance with Resolution No. 4,193/13, in addition to the additional capital installments established by Circulars No. 3,768/15 and No. 3,769/15.

Financial margin

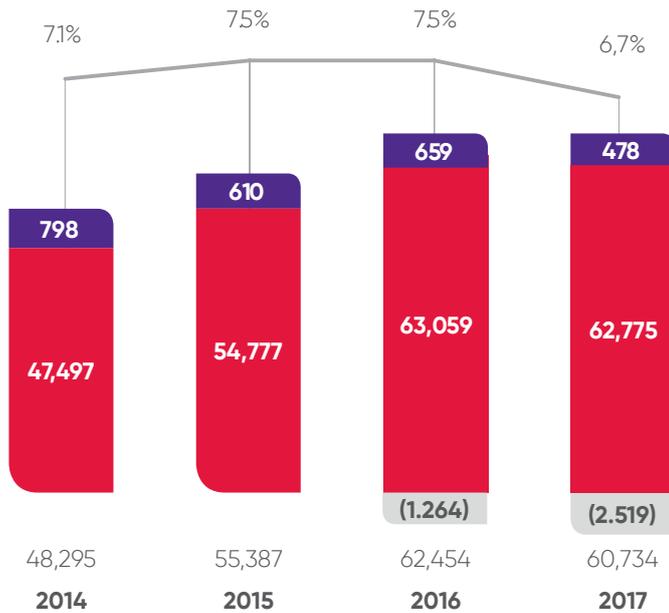
Financial margin

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
- $INTEREST\ MARGIN = (AVERAGE\ ASSETS - REPOS - FIXED\ ASSETS)$

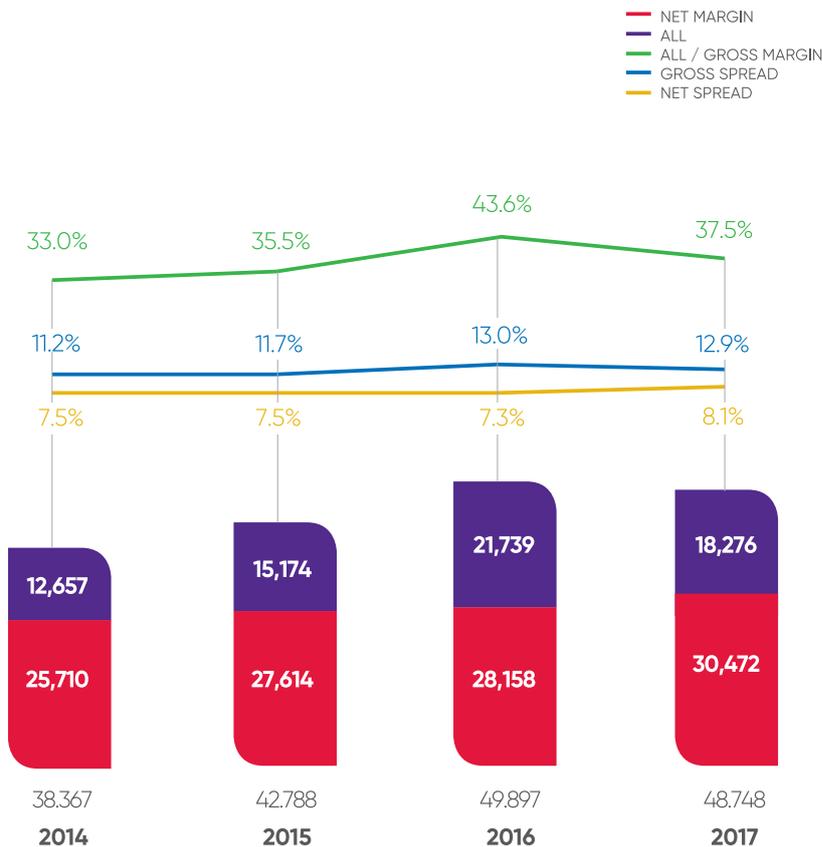


Net credit margin

The net margin bar, showing lending interest income net of ALL, was a total of R\$ 30,472 million in financial year 2017, an increase of 8.2% or R\$ 2,314 compared with the previous year, driven by: (i) a reduction in ALL expense in the period, reflecting (a) strengthened lending policies and processes and better quality of collateral; (b) enhanced loan recovery processes, which helped to improve loan recovery revenues in the period; and (c) an improving business environment, with lower delinquency rates; and partly offset by a reduction in: (ii) average business volumes; and (iii) average spread.

NET CREDIT MARGIN

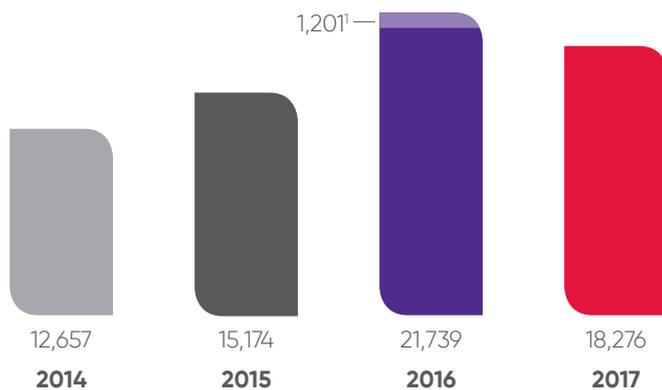
R\$ million



Allowance for loan loss expense

Allowance 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.

ALL (EXPENSE) R\$ million



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

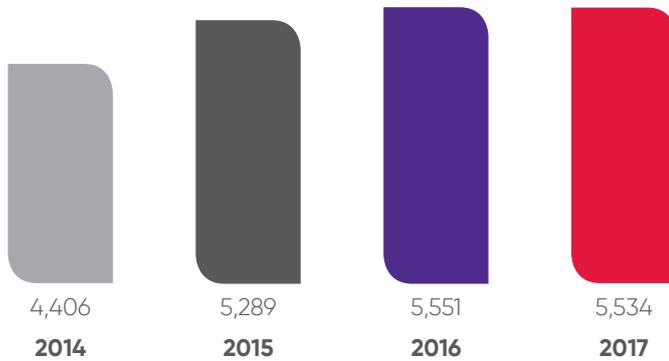
Income from insurance, pension plans and premium bonds

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.

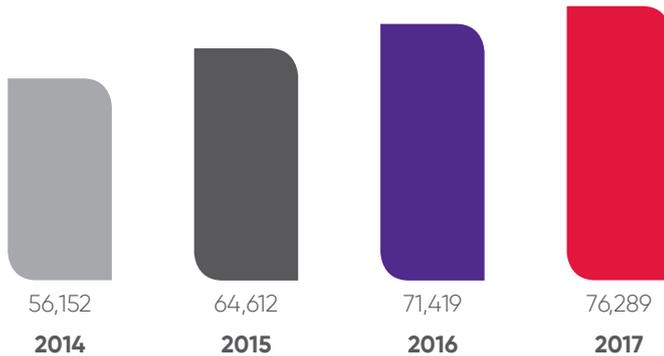
NET INCOME FROM INSURANCE, PENSION PLANS AND PREMIUM BONDS

R\$ million



WRITTEN INSURANCE PREMIUMS, PENSION PLAN CONTRIBUTIONS AND PREMIUM BOND INCOME

R\$ million



R\$ MILLION (EXCEPT WHERE OTHERWISE INDICATED)	2014	2015	2016	2017	Change %	
					2017 x 2014	2017 x 2016
Net Income	4,406	5,289	5,551	5,534	25.6	(0.3)
Written Insurance Premiums, Pension Plan Contributions and Premium Bond Income	56,152	64,612	71,419	76,289	35.9	6.8
Technical Provisions	153,267	177,835	223,342	246,653	60.9	10.4
Financial Assets	166,022	191,921	242,063	272,612	64.2	12.6
Claims Ratio (%)	71.0	72.0	74.7	74.8	3.8 P.P.	0.1 P.P.
Combined Ratio (%) (1)	86.1	86.7	88.0	86.5	0.4 P.P.	(1.5) P.P.
Policyholders / Participants and Customers (in thousands)	46,956	49,806	51,266	53,374	13.7	4.1
Number of Employees	7,113	7,023	7,120	6,871	(3.4)	(3.5)
Market Share in Written Insurance Premiums, Pension Plan Contributions and Premium Bond Income (%) (2)	24.4	25.5	25.4	25.8	1.4 P.P.	0.4 P.P.

(1)Excluding additional provisions; and

(2)For 2017, takes account of the latest data available from SUSEP (November 2017).

Fee and commission 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) checking accounts, (b) fund management, (c) pooled finance management, (d) collection, (e) lending and (f) custodian and brokerage services.

R\$ MILLION	2014	2015	2016	2017	Change %	
					2017 x 2014	2017 x 2016
Cards	8,129	9,612	10,374	11,025	35.6	6.3
Checking Account	4,021	4,946	6,012	6,658	65.6	10.7
Fund Management	2,449	2,617	3,090	3,731	52.3	20.7
Lending	2,582	2,801	2,811	2,984	15.6	6.2
Collection	1,566	1,574	1,778	1,966	25.5	10.6
Pooled Finance Management	880	1,040	1,279	1,526	73.4	19.3
Custody and Brokerage Services	520	557	725	878	68.8	21.1
Underwriting / Financial Advisory Services	637	541	745	801	25.7	7.5
Payments	373	383	374	410	9.9	9.6
Other	931	767	837	831	(10.7)	(0.7)
TOTAL	22,089	24,839	28,024	30,810	39.5	9.9

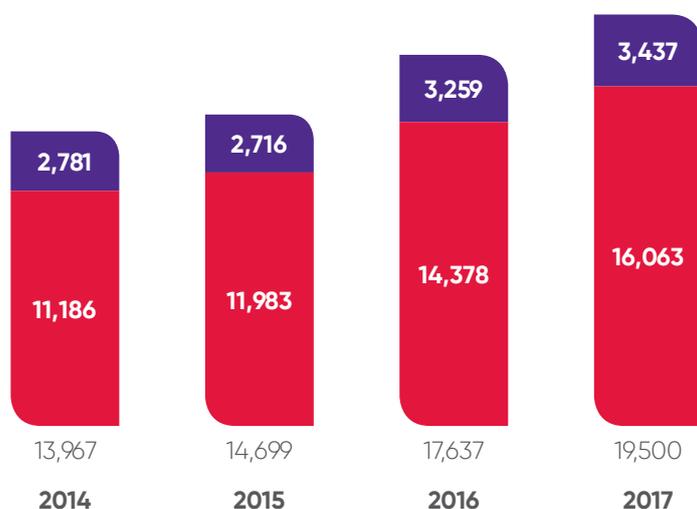
Personnel expenses

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.

PERSONNEL EXPENSES

R\$ million

— NON-STRUCTURAL
 — STRUCTURAL



Note: "Structural" portion = Salaries + Social Security Charges + Benefits + Pension Plans; and "Non-structural" portion = profit sharing + training + labor claim provision + severance costs.

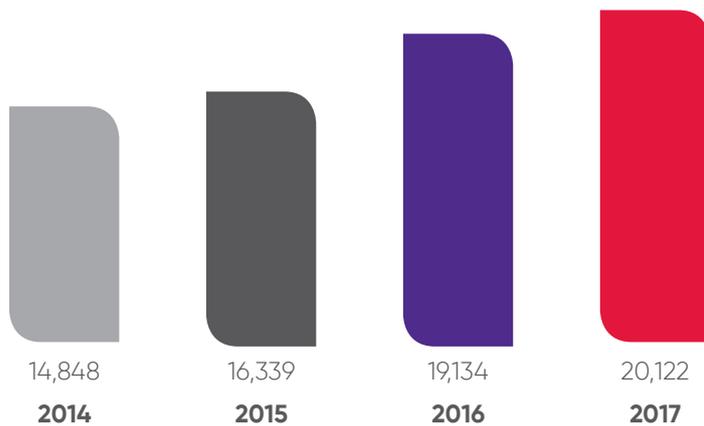
Administrative expenses

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.

MANAGEMENT EXPENSES

R\$ million



Breakdown of personnel and administrative expenses

Total personnel and administrative expenses were R\$ 39,622 million in 2017, an increase of 7.8% or R\$ 2,851 million compared with the previous year, partially offset by the consolidation of HSBC Brazil from the third quarter of 2016. Based on consolidated "pro forma" financial information, in which HSBC Brazil's results of operations for the first half of 2016 are included in total expenses, total Personnel and Administrative expenses would be 2.9% less than in the previous year, despite the effect of salary and employment contract adjustments.

R\$ MILLIONS	2014	2015	2016	2017	Change %	
					2017 x 2014	2017 x 2016
PERSONNEL EXPENSES						
Structural	11,186	11,983	14,378	16,063	43.6	11.7
Payroll/Social Charges	8,282	8,834	10,612	11,467	38.5	8.1
Rewards and Benefits	2,904	3,149	3,766	4,596	58.3	22.0
Non-Structural	2,781	2,716	3,259	3,437	23.6	5.5
Management and Employee Profit Sharing	1,536	1,580	1,846	1,850	20.4	0.2
Provision for Labor Claims	793	705	771	980	23.6	27.1
Training	145	145	176	171	17.9	(2.8)
Termination Costs	307	286	466	436	42.0	(6.4)
TOTAL	13,967	14,699	17,637	19,500	39.6	10.6
ADMINISTRATIVE EXPENSES						
Outsourced Services	3,942	4,124	4,772	4,899	24.3	2.7
Depreciation and Amortization	1,906	2,121	2,501	2,748	44.2	9.9
Data Processing	1,342	1,600	2,002	2,353	75.3	17.5
Communication	1,524	1,653	1,876	1,865	22.4	(0.6)
Advertising	934	1,064	1,279	1,079	15.5	(15.6)
Asset Maintenance	700	1,033	1,155	1,276	82.3	10.5
Rent	896	942	1,102	1,211	35.2	9.9
Financial System Services	774	835	1,022	1,020	31.8	(0.2)
Security and Surveillance	559	609	740	822	47.0	11.1
Transportation	776	642	727	796	2.6	9.5
Utilities (Water, Electricity and Gas)	237	345	390	411	73.4	5.4
Materials	342	336	335	287	(16.1)	(14.3)
Travel	156	168	179	270	73.1	50.8
Other	760	867	1,053	1,085	42.8	3.0
TOTAL	14,848	16,339	19,134	20,122	35.5	5.2
TOTAL PERSONNEL AND ADMINISTRATIVE EXPENSES	28,815	31,038	36,771	39,622	37.5	7.8

Efficiency Ratio (ER)

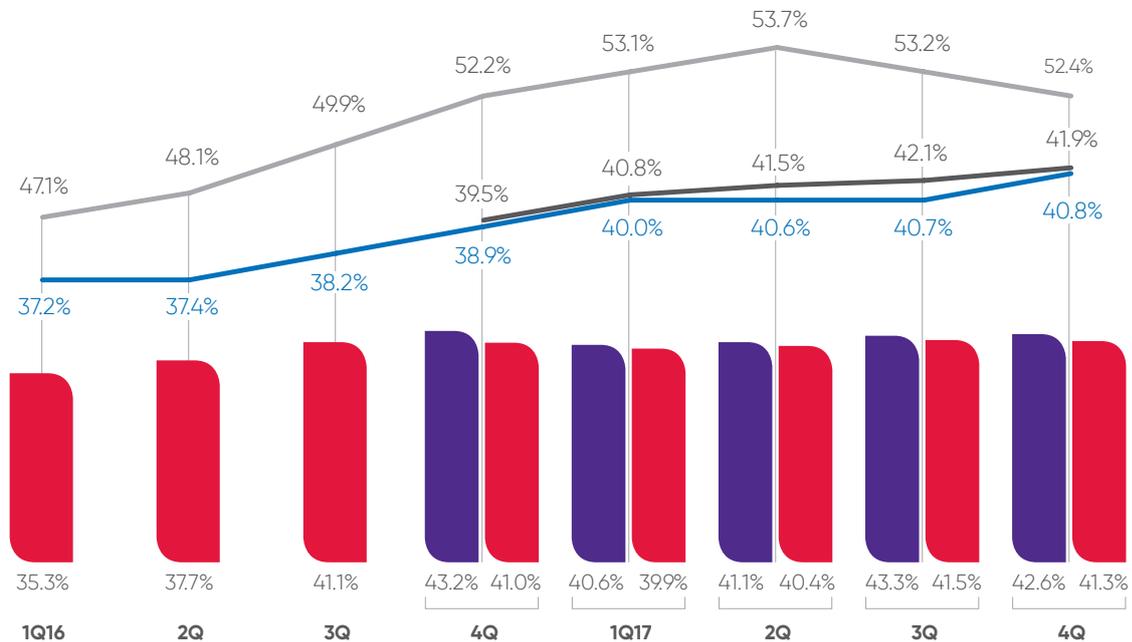
The twelve-month Efficiency Ratio (1), not including the effect of financial asset impairment, was 40.8%, virtually on a level with the previous quarter. Particularly significant improvement in performance was seen in: (i) service fee income; (ii) operating expenses; and (iii) insurance, pension plan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

The quarterly efficiency ratio (1), not including the effect of financial asset impairment, was 41.3% in the fourth quarter of 2017, down 0.2 p.p. from the previous 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 allowance for loan loss expense.

OPERATING EFFICIENCY RATIO
%

- OER - QUARTERLY
- OER NOT INCLUDING IMPAIRMENT EFFECTS - QUARTERLY
- RISK-ADJUSTED OER - 12 MONTH PERIOD
- OER - 12 MONTH PERIOD
- OER NOT INCLUDING IMPAIRMENT EFFECTS - 12 MONTH PERIOD



ER = (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); and Including Allowance for Loan Loss (ALL) expense adjusted for discounts granted, loan recovery and foreclosure, and other items.

Operating Coverage Ratio

In the fourth quarter of 2017, the twelve-month coverage ratio was 77.8%, improving 1.9 p.p. compared to the previous quarter.

The improvement in the quarter and sustained high coverage ratio levels essentially reflect: (i) ongoing efforts to control expenses, including (a) actions by our Efficiency Committee, in particular its work in the current year toward capturing synergies and economies of scale from the merger of HSBC Brazil, and (b) investment in Information Technology (IT), which in 2017 totaled R\$ 6.037 billion; and (ii) initiatives focused on increasing our offering of goods and services to our entire customer base. Also important to note are the partial effects of the Special Voluntary Redundancy Program (PDVE).

OPERATING COVERAGE RATIO



(1) Fee and Commission Income / Administrative and Personnel Expenses (twelve months).

Statement of financial position

Total Assets were R\$ 1.298 trillion at December 2017, an increase of 0.4% over December 2016. Shareholders' equity was R\$ 100.457 billion at December 2017, an increase of 10.0% compared with December 2016.

R\$ MILLION	Dec '14	Dec '15	Dec '16	Dec '17	Change %	
					2017 x 2014	2017 x 2016
ASSETS						
Current and Noncurrent Assets	1,016,970	1,059,768	1,262,273	1,267,893	24.7	0.4
Cash and Cash Equivalents	14,646	17,457	14,697	15,224	3.9	3.6
Interbank Investments	202,412	140,457	177,685	154,270	(23.8)	(13.2)
Securities and Derivative Financial Instruments	346,358	407,584	549,873	584,650	68.8	6.3
Interbank and Interbranch Accounts	52,004	55,728	59,007	68,197	31.1	15.6
Loans and Leases	318,233	333,854	347,489	324,439	2.0	(6.6)
Allowance for Loan Losses (ALL) (1)	(22,724)	(28,805)	(37,653)	(36,527)	60.7	(3.0)
Other Receivables and Assets	106,041	133,493	151,175	157,640	48.7	4.3
Permanent Assets	15,070	19,987	31,286	30,435	102.0	(2.7)
Investments	1,712	1,587	1,778	2,182	27.5	22.7
Property and Equipment and Leased Assets	4,887	5,772	7,965	7,949	62.7	(0.2)
Intangible assets	8,471	12,628	21,543	20,304	139.7	(5.8)
TOTAL	1,032,040	1,079,755	1,293,559	1,298,328	25.8	0.4
LIABILITIES						
Current and Non-current Liabilities	949,846	988,833	1,191,094	1,185,764	24.8	(0.4)
Deposits	211,612	195,760	234,214	265,278	25.4	13.3
Money Market	320,194	279,726	349,070	313,562	(2.1)	(10.2)
Borrowings and Funds from Issuance of Securities	84,825	109,547	150,807	135,011	59.2	(10.5)
Interbank and Interbranch Accounts ⁽²⁾	5,958	22,572	19,583	30,034	404.1	53.4
Borrowings and Onlendings	58,998	70,338	58,197	51,669	(12.4)	(11.2)
Borrowings and Onlendings	3,282	13,785	12,398	14,084	329.1	13.6
Technical Provisions for Insurance, Pension Plans and Premium Bonds ^{(2) (3)}	153,267	177,835	223,342	246,653	60.9	10.4
Other Liabilities ^{(2) (3)}	111,710	119,270	143,483	129,473	15.9	(9.8)
Deferred Income	293	529	477	410	39.9	(14.0)
Non-controlling Interest in Subsidiaries	393	1,486	1,546	1,697	331.8	9.8
Shareholders' Equity	81,508	88,907	100,442	110,457	35.5	10.0
TOTAL	1.032.040	1.079.755	1.293.559	1.298.328	25,8	0,4

(1) Up to December 31, 2016, ALL included provision for guarantees provided, including sureties, guarantees, letters of credit and standby letters of credit, which were stated as "excess" provision in an amount of R\$ 3,060,090 thousand. Under Resolution 4,512/16, in the first quarter of 2017 part of this balance (R\$ 604,623 thousand) was allocated to a specific account under "Other Liabilities - Miscellaneous" (Note 19b - chapter 6), and the remaining balance (R\$ 2,456,367 thousand) was allocated to "Excess Provision".

(2) Under BACEN Circular No. 3,828/17, in 2015, 2016 and 2017 payment arrangement (Credit Card) transactions in the amount of R\$19,464,867 thousand were reclassified from "Other Liabilities - Miscellaneous" to "Interbank accounts - Receipts and Payments to be Settled"; and

(3) In 2015, 2016 and 2017 "Provisions for Tax Risks" were reclassified from "Other Liabilities - Tax and Social Security" to "Other liabilities - Miscellaneous" pursuant to BACEN Circular 3,782/16.

Statements of changes in equity

R\$ MILLION	Dec '14	Dec '15	Dec '16	Dec '17
Opening Balance	70,940	81,508	88,907	100,442
Acquisition of Treasury Shares	(29)	(133)	(10)	-
Asset Valuation Adjustments	563	(3,623)	3,437	2,560
Net Income	15,089	17,190	15,084	14,659
ALLOCATIONS:				
- Interest on Shareholders' Equity Paid	(3,595)	(5,123)	(6,976)	(7,204)
- Dividends Paid and/or Provisioned for	(1,460)	(912)	-	-
CLOSING BALANCE	81,508	88,907	100,442	110,457

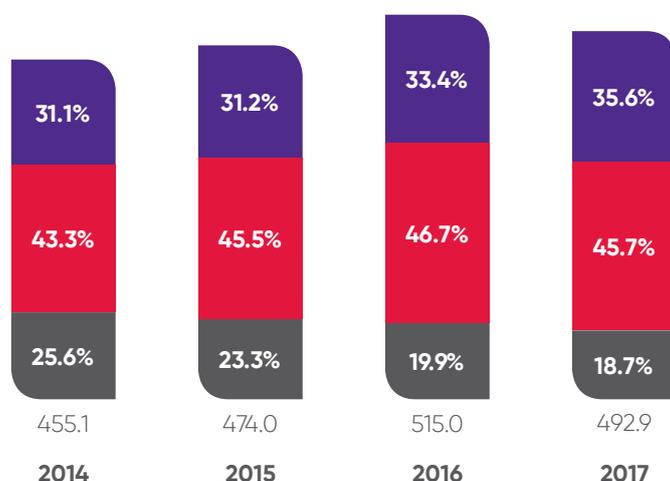
Expanded lending portfolio ⁽¹⁾

Bradesco's expanded lending portfolio totaled R\$ 492.9 billion as of December 2017, down 4.3% compared with the previous 12-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.

EXPANDED LENDING PORTFOLIO

R\$ billion

■ PERSONAL CUSTOMERS
■ LARGE COMPANIES
■ SMALL AND MEDIUM BUSINESSES



(1) 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, and real estate and agricultural credit receivables certificates.

Expanded loan portfolio by product and type of customer (personal and business loans)

R\$ MILLION	Dec '14	Dec '15	Dec '16	Dec '17	Change %	
					2017 x 2014	2017 x 2016
PERSONAL						
Payroll-Deducted Loans	29,619	34,565	38,804	43,968	48.4	13.3
Credit Cards	26,233	28,592	35,622	34,437	31.3	(3.3)
Mortgages	17,919	22,781	32,298	33,687	88.0	4.3
DTC / Vehicle Leasing	24,858	21,689	19,952	20,784	(16.4)	4.2
Personal Loans	16,354	15,201	18,437	16,877	3.2	(8.5)
Agricultural Loans	10,300	8,215	7,887	7,947	(22.8)	0.8
BNDES/FINAME Onlending	7,334	7,029	6,685	6,394	(12.8)	(4.3)
Overdraft Facilities	3,666	3,905	4,509	3,582	(2.3)	(20.6)
Endorsements and Guarantees	458	707	644	600	31.0	(6.8)
Other	4,693	5,065	7,208	7,192	53.3	(0.2)
TOTAL	141,432	147,749	172,045	175,469	24.1	2.0
BUSINESS						
Working Capital	45,004	42,432	45,943	40,075	(11.0)	(12.8)
Foreign Transactions	36,119	48,453	37,250	29,776	(17.6)	(20.1)
Export Financing	15,839	23,158	27,829	26,335	66.3	(5.4)
BNDES/FINAME Onlending	34,835	31,129	29,261	24,261	(30.4)	(17.1)
Mortgages	23,560	26,508	29,466	27,179	15.4	(7.8)
Overdraft Account	10,462	9,794	8,606	6,566	(37.2)	(23.7)
DTC / Leasing	12,388	9,666	8,091	7,249	(41.5)	(10.4)
Agricultural Loans	6,657	5,404	6,531	5,618	(15.6)	(14.0)
Endorsements and Guarantees	71,611	69,176	78,304	78,267	9.3	-
Transactions bearing Credit Risk - Commercial Portfolio ⁽¹⁾	33,185	34,319	41,605	39,980	20.5	(3.9)
Other	24,035	26,238	30,061	32,155	33.8	7.0
TOTAL	313,695	326,278	342,945	317,462	1.2	(7.4)

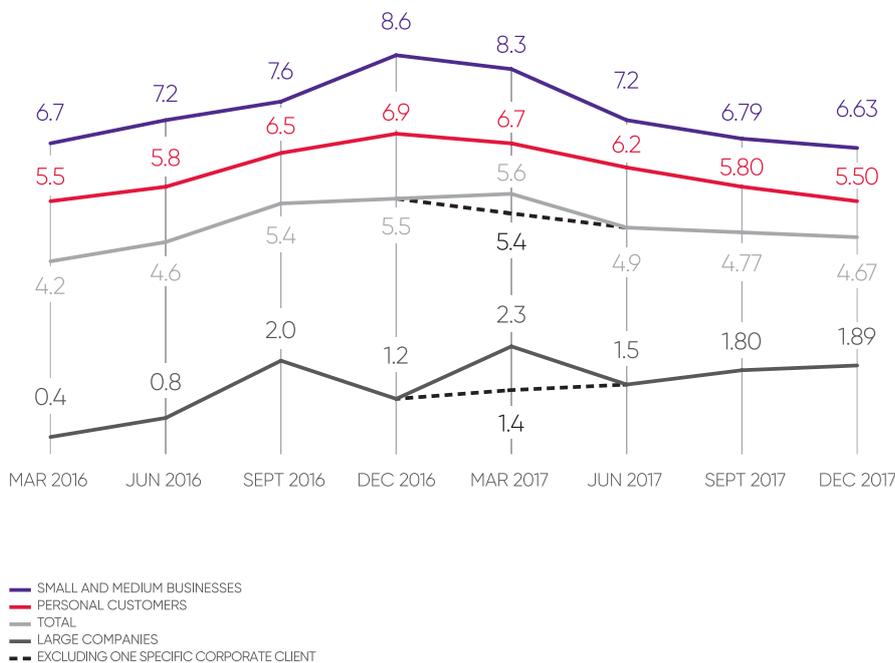
(1) Includes transactions of debentures and promissory notes.

90-day delinquency ratio ⁽¹⁾

The 90-day 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, 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%.

DELINQUENCY RATIO

%



(1) As defined by the Brazilian Central Bank.

15-90 day delinquency ratio ⁽¹⁾

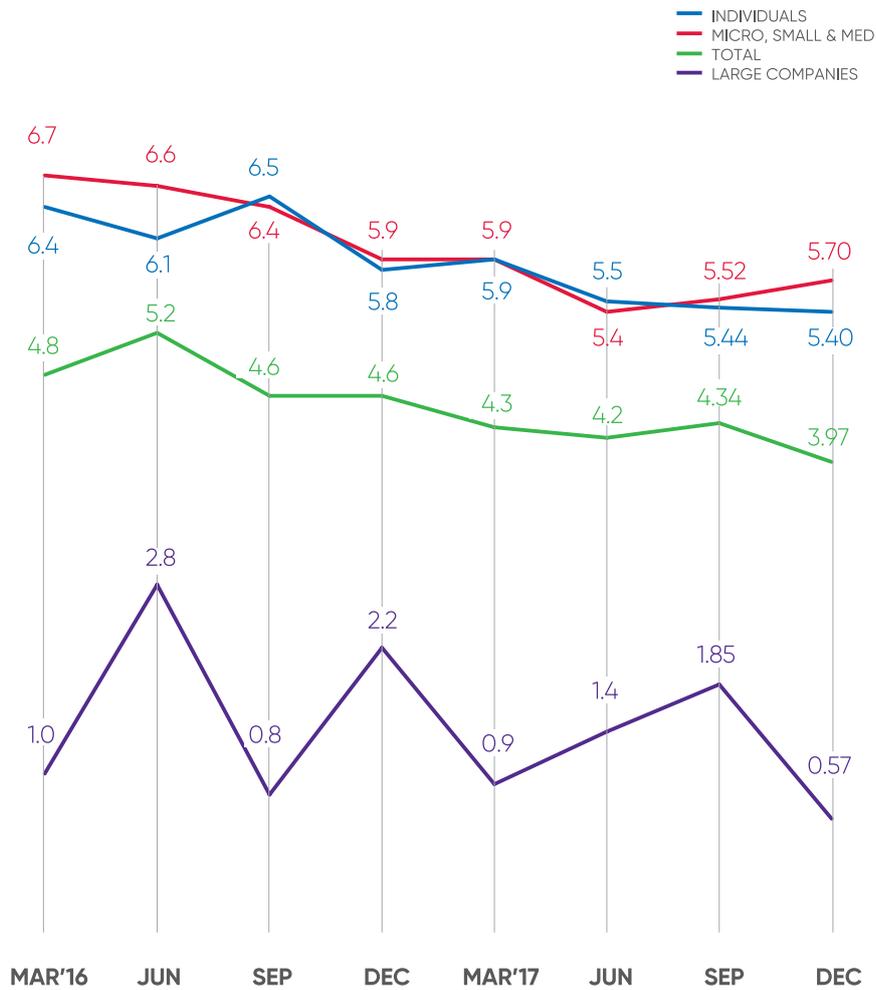
Short-term delinquency, or the ratio of loans between 15 and 90 days overdue to the total lending portfolio, was 3.97% at December 2017, the lowest level in the period considered. The improved short-term delinquency ratio occurred for both Personal and Large Corporates loans. In the Micro, Small and Medium-Sized Enterprise segment, the increase recorded in the quarter is concentrated in the Medium-Sized Enterprise segment and does not represent a trend.

The improvement in the quarter and sustained high coverage ratio levels essentially reflect: (i) ongoing efforts to control expenses, including (a) actions by our Efficiency Committee, in

particular its work in the current year toward capturing synergies and economies of scale from the merger of HSBC Brazil, and (b) investment in Information Technology (IT), which in 2017 totaled R\$ 6.037 billion; and (ii) initiatives focused on increasing our offering of goods and services to our entire customer base. Also

15-90 DAY DELINQUENCY RATIO ⁽¹⁾

%



(1) As defined by the Brazilian Central Bank.

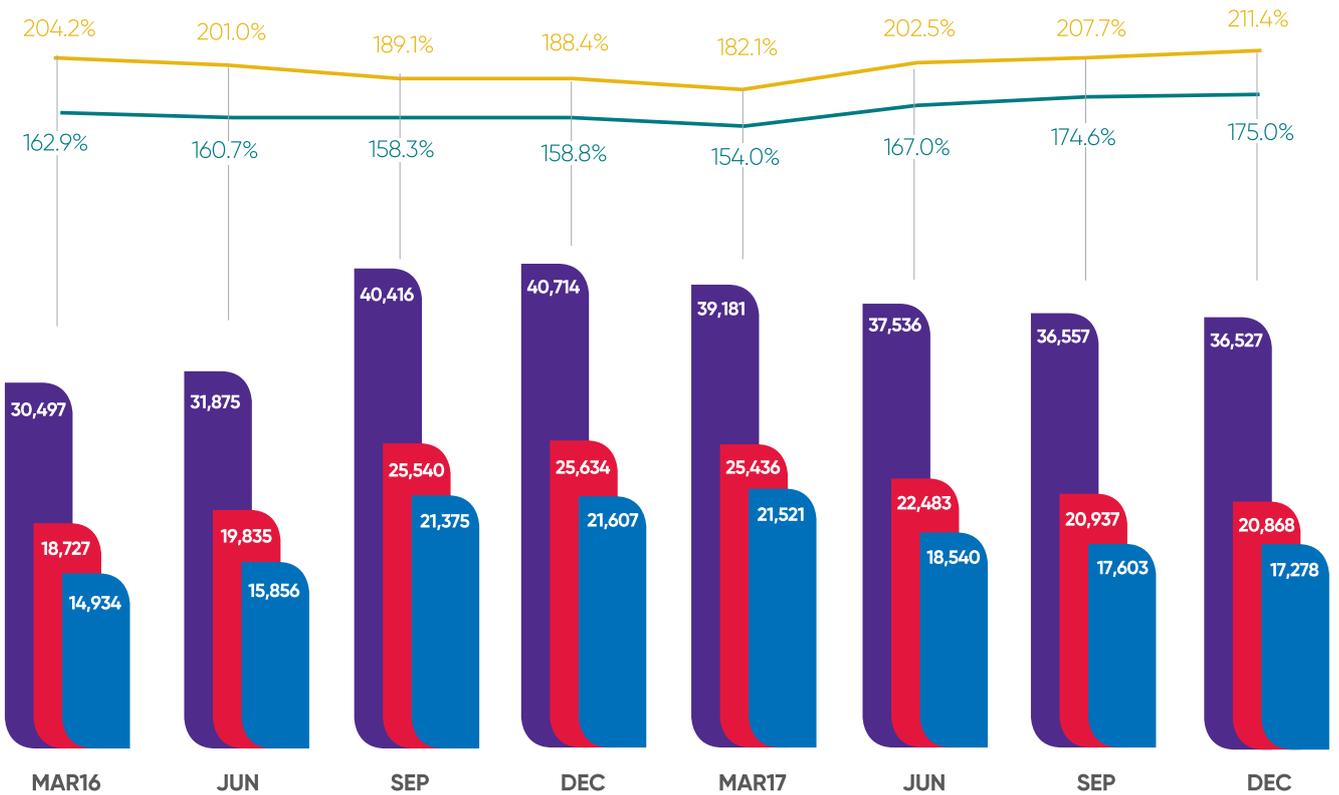
Coverage ratios

The graph below shows the coverage ratios for the allowance for loan losses in relation to loans more than 60 and 90 days past due. In December 2017, these ratios were at very comfortable levels of 175.0% and 211.4%, respectively. In addition to the allowance for loan losses required by the Brazilian Central Bank, Bradesco has an excess provision of R\$ 6.9 billion to cover adverse conditions and other transactions/commitments carrying credit risk.

COVERAGE RATIOS

R\$ million

- TOTAL PROVISION (A)
- LOANS MORE THAN 60 DAYS PAST DUE (B)
- LOANS MORE THAN 90 DAYS PAST DUE (C)
- COVERAGE RATIO - MORE THAN 90 DAYS PAST DUE (A/C)
- COVERAGE RATIO - MORE THAN 60 DAYS PAST DUE (A/B)



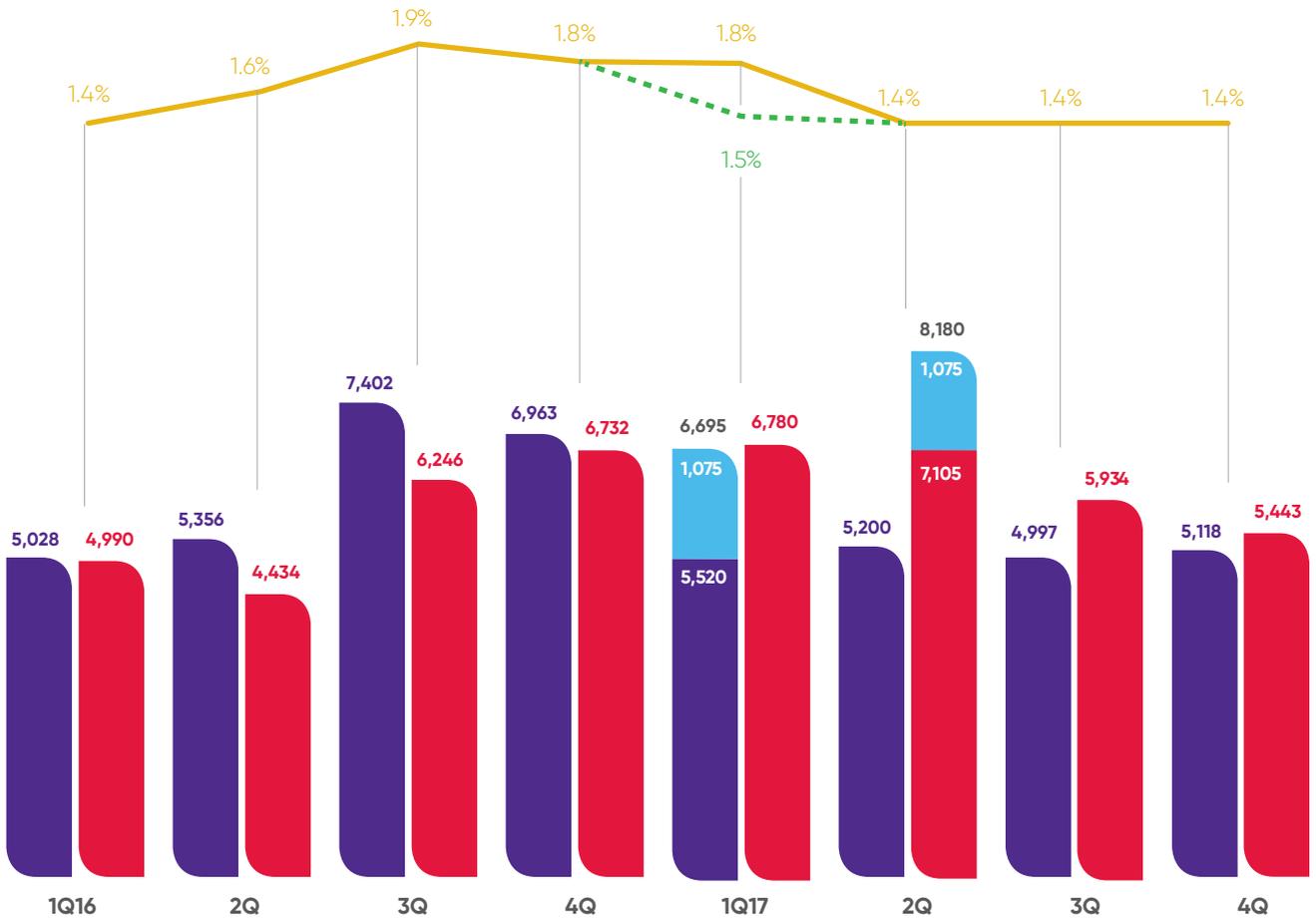
NPL Creation – 90 days x Write-offs

In the fourth quarter of 2017, total NPL Creation was R\$ 5,118 million, representing 1.4% of the loan portfolio as defined by the Brazilian Central Bank.

NPL CREATION – 90 DAYS X WRITE-OFFS

(R\$ million)

- NPL CREATION – 90 DAYS
- WRITE-OFFS
- NPL CREATION – 90 DAYS / BACEN LENDING PORTFOLIO
- EXCLUDING ONE SPECIFIC CORPORATE CLIENT



Assets under management

Assets under Management stood at R\$1.987 trillion, a 4.3% increase compared with December 2016 primarily explained by an increase in: (i) managed funds and portfolios in local currency; (ii) deposits; (iii) technical provisions for insurance, pension plans and premium bonds; and (iv) working capital.

R\$ MILLION	Dec '14	Dec '15	Dec '16	Dec '17	Change %	
					2017 x 2014	2017 x 2016
Funding	937,369	960,113	1,148,424	1,152,841	23.0	0.4
Deposits	211,612	195,760	234,214	265,278	25.4	13.3
Open-Market Funding	320,194	279,726	349,070	313,562	(2.1)	(10.2)
Funds from Acceptances and Issuance of Securities	82,335	106,275	147,749	132,547	61.0	(10.3)
Borrowing and Onlending	58,998	70,338	58,197	51,669	(12.4)	(11.2)
Subordinated Debt	35,822	50,283	52,611	50,180	40.1	(4.6)
Securitization of Future Financial Flows	2,490	3,272	3,058	2,464	(1.0)	(19.4)
Bradesco/Managed Working Capital ⁽¹⁾	66,831	70,406	70,702	81,719	22.3	15.6
Collection of Taxes and Similar Duties	435	601	732	1,114	156.1	52.2
Foreign Exchange Portfolio	5,385	5,617	8,749	7,655	42.2	(12.5)
Technical Provisions for Insurance, Private Pension Plans and Premium Bonds	153,267	177,835	223,342	246,653	60.9	10.4
Managed in Domestic Currency	488,730	550,284	756,488	834,646	70.8	10.3
TOTAL	1,426,099	1,510,396	1,904,912	1,987,487	39.4	4.3

(1) Net Assets Under Management (-) Permanent Assets.

Direct economic value generated and distributed

GRI 201-1

201-1. A.I DIRECT ECONOMIC VALUE GENERATED (R\$ MILLION)

GENERATED	2015	2016	2017
Gross income on financial intermediation (R\$)	R\$ 63,914	R\$ 67,611	R\$ 72,859

201-1. A.II ECONOMIC VALUE DISTRIBUTED (R\$)

DISTRIBUTED	2015	2016	2017
Operating costs	R\$ 11,838	R\$ 10,145	R\$ 11,820
Employee salaries and benefits	R\$ 12,814	R\$ 15,468	R\$ 17,171
Payments to providers of capital	R\$ 6,035	R\$ 6,976	R\$ 7,204
Payments to government	R\$ 16,458	R\$ 15,555	R\$ 16,126
TOTAL	R\$ 47,145	R\$ 48,144	R\$ 52,321
Community investments	R\$ 901	R\$ 928	R\$ 880

201-1. A.III ECONOMIC VALUE RETAINED (R\$ MILLION)

RETAINED	2015	2016	2017
"direct economic value generated" less "economic value distributed"	R\$ 16,769	R\$ 19,467	R\$ 20,538

ECONOMIC VALUE DISTRIBUTED (%)	2015	2016	2017
Operating costs	25.11	21.07	22.59
Employee salaries and benefits	27.18	32.13	32.82
Payments to providers of capital	12.80	14.49	13.77
Payments to government	34.91	32.31	30.82
TOTAL	100.00	100.00	100.00
Community investments	100.00	100.00	100.00

Expanded Lending Portfolio by Business Sector

R\$ MILLION	Dec '17	%	Sep '17	%	Dec '16	%
SECTOR						
Public Sector	13,518	2.7	14,179	2.9	12,939	2.5
Oil, oil products and related activities	11,097	2.3	11,129	2.3	10,876	2.1
Electric Power	1,260	0.3	1,885	0.4	2,008	0.4
Other Sectors	1,161	0.2	1,165	0.2	55	-
Private Sector	479,413	97.3	472,685	97.1	502,051	97.5
Companies	303,944	61.7	300,478	61.7	330,006	64.1
Real estate development and construction activities	36,380	7.4	35,312	7.3	41,728	8.1
Retail	33,565	6.8	31,964	6.6	36,992	7.2
Transportation and concessions	23,159	4.7	24,710	5.1	29,055	5.6
Services	25,485	5.2	22,073	4.5	22,676	4.4
Wholesale	13,307	2.7	16,123	3.3	14,338	2.8
Automotive	13,370	2.7	15,603	3.2	16,970	3.3
Food	10,453	2.1	11,625	2.4	14,122	2.7
Other Sectors	148,225	30.1	143,068	29.4	154,125	29.9
Individuals	175,469	35.6	172,207	35.4	172,045	33.4
Total	492,931	100.0	486,864	100.0	514,990	100.0

Risk management GRI 102-11

Risk management is essentially strategic to our business due to the increasing complexity of our banking products and services and the globalization of our businesses. Risk control is exercised in both an integrated and independent manner.

Bradesco has a dedicated function for evaluating, measuring and managing identified material risks. Where a risk cannot be quantified, a qualitative analysis is performed and a capital buffer is specified to cover that risk. Bradesco also has a robust risk management framework consisting of Committees that advise the Executive Board, the CEO and the Board of Directors on strategic decisions. These committees include the:

- Integrated Risk Management and Capital Allocation Committee, which advises the Board of Directors on its risk and capital management duties;
- Supporting this committee is an Executive Capital Management Committee and Executive Risk Management Committees for a) Credit Risk, b) Market and Liquidity Risk; c) Operational, Social

and Environmental Risk; and d) Bradesco Seguros Group and BSP Empreendimentos Imobiliários;

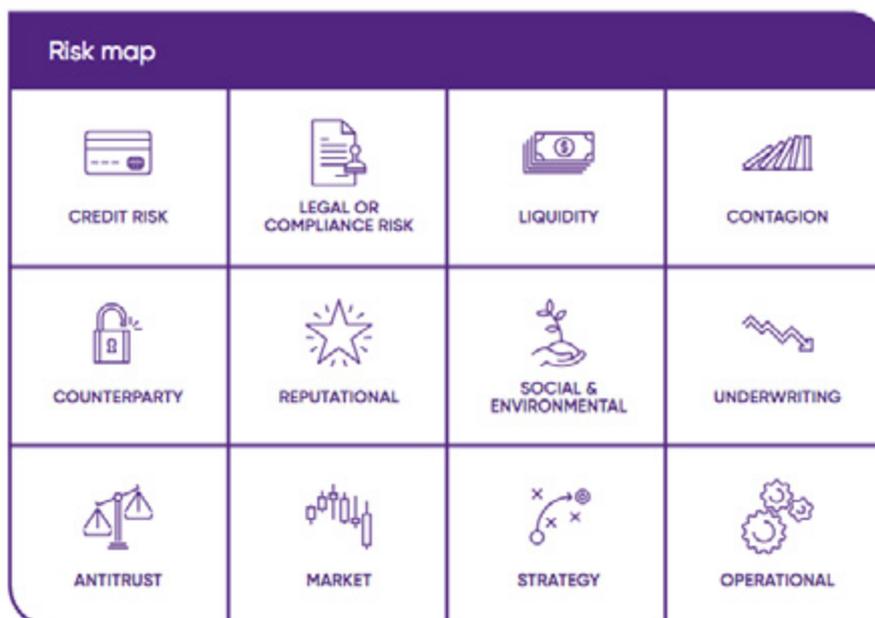
- Executive Committee for Products and Services;
- Business segment-specific Executive Committees which, among other things, suggest exposure limits and the relevant risks and develop and submit mitigation plans to the Integrated Risk Management and Capital Allocation Committee and the Board of Directors

In addition, in 2017 a Risk Committee was created to advise the Board of Directors on its duties related to risk and capital management.

Our policies, standards and procedures are consistent with Brazilian and international best practice and with applicable laws and regulations, and are reviewed annually by the Board of Directors. Any changes are disseminated to all employees at all businesses through our corporate intranet.

In our management approach, we maintain and encourage a collegiate decision-making environment and continually develop and implement risk measurement and management methods, models and tools to proactively identify, and mitigate or prevent, risks.

Due to the complexity and wide range of products and services we offer to our customers in all market segments, we are exposed to a variety of different types of risks deriving from internal and external factors. It is therefore essential that we continually monitor all risks to provide security and assurance to all parties involved. Some of the main types of risks include:



RISK MANAGEMENT

In 2017 we further enhanced several of our risk management tools, as follows:

Integrated Risk Management

- Enhanced our Stress Testing Program through a reformulation of the governance process and by involving business functions, the Integrated Risk Management and Capital Allocation Committee and the Board of Directors in defining and approving scenarios and assumptions;
- Established a Risk Committee to advise the Board of Directors;
- Reviewed our risk appetite framework, which included developing and publishing a public Risk Appetite Statement in our Risk Management Report – Pillar 3 (available on the Bradesco Investor Relations Website) and a Risk Management Standard;
- Participated in the risk management processes of unconsolidated subsidiaries to assess any Contagion Risk.

Market Risk

- Perfected managerial stress testing methodology for options and interest rate risk estimation within the Banking Portfolio (Delta EVE);
- Restructured market risk reports;
- Expanded performance assessment metrics for market risk management models to provide greater assurance to Senior Management about the metrics used by the Bank;
- Enhanced counterparty risk assessment in over-the-counter derivatives transactions, improving accuracy in calculating the risk involved in these transactions;
- Improved economic and regulatory capital projection models to better inform Internal Capital Adequacy Assessments (ICAAP) and reviews of our Recovery Plan;
- In partnership with our modeling function, we developed deposit stability and prepayment assessment models to improve the effectiveness of interest rate risk management by the Treasury department and the accuracy of key metrics;
- Submitted a new application to the Central Bank for use of the internal market risk model for capital calculation purposes.

Liquidity Risk

- Adopted the Liquidity Coverage Ratio (LCR) as an internal liquidity risk management metric;
- Segregated Market Risk and Liquidity Risk policies, and reformulated Liquidity Risk Standard and the Liquidity Risk Contingency Plan.

Credit Risk

- Developed provision models for conformity to IFRS 9/ CPC 48;
- Optimized regulatory and economic capital calculation process;
- Enhanced Economic Capital and Stress models, particularly with respect to Concentration Risk.

Operational Risk

- Strengthened operational risk management framework with the implementation of a corporate standard;
- Created an e-learning (treinet) training program on operational risk.

Business Continuity Management (GCN)

- Enhanced Business Continuity Governance with the creation of a dedicated Committee to monitor and address the business continuity and crisis management program;

Social and Environmental Risk

- Reviewed the scope of supplier assessments to include a larger number of vendors.

Internal Controls

- Reviewed our Internal Control framework to centralize control testing activities for improved efficiency and an increased focus on managing the on-site controls permits;
- Created a dedicated team to perform end-to-end performance reviews, providing a better understanding of interdependencies among the different Bank departments and their inherent risks.
- Reviewed the method used to test controls, expanding the scope to include re-tests on controls mitigating the most material risks, or expanding the scope of automated testing (CAATs).

EMERGING RISKS

We also seek to identify and monitor any emerging risks to ensure we either anticipate or mitigate their effects. This is done by a Committee spanning the risk, finance, treasury, economic, credits and insurance functions that reports to the Integrated Risk Management and Capital Allocation Committee. Examples of emerging risks include:

- Deterioration of the economic and fiscal environment in Brazil;
- 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;
- Climate change;
- Cyber Attacks;
- Use of Fintechs for financial transactions.

CORPORATE SECURITY

We provide security solutions that are appropriate for our businesses. This includes creating, implementing and maintaining related rules, processes and technologies.

To achieve our business objectives, we work at a strategic and corporate level to enhance the security of our electronic channels and information systems, addressing and recommending improvements and providing a focal point for issuing technical opinions on strategic security aspects and implementing products, services, and processes.

Bradesco works to achieve a "Global Corporate Security Vision" across the following primary fronts:

- Information Security, a function responsible for establishing Corporate IS Policies and Standards, assessing IS risks, managing Asymmetric Encryption Keys and Digital Certificates, ensuring our Registration Authority (RA) is compliant with the standards established by Instituto de Tecnologia da Informação (ITI), managing information security incidents and maintaining our Corporate Information Security Awareness and Education Program to ensure employee engagement around information security.
- An Information Security Transformation Program (PTS) currently being implemented will establish an Information Security Operating Model (MOSI) and further enhance our information security maturity so it is consistent with the Bank's strategic vision. The Corporate Security function is responsible for delivering improvement across Governance, Risk Management and Information Security Compliance.
- Bradesco is also applying for accreditation with the Timestamp Authority within the Brazilian Public-Key Infrastructure (ICP Brasil) to support the Bank's digital processes.
- These initiatives are for the protection of Bradesco's and client information, and any critical matters within these initiatives are approved by a multidisciplinary group appointed by the Information Security Committee and confirmed by the Executive Corporate Security Committee.
- Our Electronic Fraud Prevention (Internet Banking, Net Empresa, Bradesco Celular, Fone Fácil and Debit Cards), Document Fraud Prevention (account opening via the branch network and NEXT Digital Banking, Bradesco App, Payroll-Deducted Loans, Vehicle Loans and Pooled Finance) and Security Solutions functions manage processes and projects to identify and

mitigate financial-loss and reputational risks affecting the Bank. They monitor transactions processed by our electronic service channels, conduct preventive and corrective document reviews, and implement strategic and corporate initiatives – supported by our Data Analytics and Modeling function – that use analytics and statistical methods to recommend solutions to Technical and Business functions designed to achieve an optimal balance between usability and security for our products, electronic service channels and debit cards.

- Bradesco's Access and Identity Management function is responsible for strategic and operational management of Identity and Logical Access processes for corporate applications in order to protect system resources. It also works with business and technology functions to meet minimum access and segregation of duties requirements by defining automated controls and managing Access Management processes within the Organization. In addition, this function manages the security devices (Token/M-Token, TanCode and Biometric) used as a second authentication layer for employees and customers (distributed across the branch network).
- Our Corporate Information Security Policy is available on the investor relations website.

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 the 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 effects related to operations and facilities, and indirect effects 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, anticipating future emissions reduction initiatives and risk management 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 Equator Principles, we require that projects with expected emissions of more than 100,000 metric tons of carbon equivalent per annum consider feasible mitigation or offsetting options 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).

CYBER ATTACKS

Information and cyber security are critical issues that are addressed at the highest strategic level by our Board of Directors, Executive Board and other levels of the Organization.

Supporting our information and cyber security efforts are a set of controls comprising procedures, processes, organizational frameworks, policies, standards and IT solutions that conform to the principles of information confidentiality, availability and integrity.

The risks inherent to information security are an integral part of our risk management framework. Financial losses resulting from cyber attacks are managed by our Operational Risk function with support from several other functions within the risk management process.

We have a robust framework centered on an Internal Controls and Operational Risk Commission, which is responsible for reviewing operational losses across our businesses/sites and ensuring the processes and controls in place are efficient and effective. The commission reports to the Operational, Social and Environmental Risk Management Executive Committee. Material issues discussed at this level are reported to the Integrated Risk Management and Capital Allocation Committee, which reports to the Board of Directors. Our Corporate Security Department is tasked with information security governance,

which includes managing identities and access, policies and standards, awareness raising, risk assessment, fraud prevention and electronic channel security. This function also has technical committees for Information Security, Fraud Prevention and Limits, with the executive in charge also leading the Corporate Security Executive Committee.

Within this structure, a Data Processing and Communication Department is responsible for cyber border security, IT security and other activities related to infrastructure security. At a corporate level, our Information Security function participates in meetings, forums, working groups, internal and external commissions and sub-commissions, and technical events to assist the Corporate Security Executive Committee. In Human Resources, we have an extensive training program that includes handbooks, e-learning programs (*treinet*) and videos. Our Corporate Information Security Policy and Standards are made available to all employees and stakeholders on our Investor Relations website.

BUSINESS RISKS - INNOVATION IN FINANCIAL SERVICES TECHNOLOGY (FINTECH)

The impact from digital technology on financial services globally will change the way products and services are offered to customers in the short term.

In the long term, financial services offerings will be affected by new business models and technologies, with new players in the market and increased collaboration and partnership between fintechs, startups and banks. Much of the innovation and technological breakthroughs in this sector are coming from fintechs.

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).

Bradesco sees this change as an opportunity to invest in Innovation. This is addressed and prioritized in our materiality matrix, reinforcing our strategy and institutional positioning.

Further strengthening our positioning, Bradesco promotes innovation both inside and outside the Organization through our innovation platform, InovaBra, as well as investing in and building strategic partnerships.

GOING FORWARD

In 2018 we plan to continue to improve our risk management capabilities through initiatives that include the following:

INTEGRATED RISK MANAGEMENT

- Perform an overall review of the risk governance process and Committees and Commissions;
- Improve the use of Stress Testing and Reverse Stress Testing as a basis for setting limits, risk appetite, strategic planning, budgeting, and capital planning.

CREDIT RISK

- Improve our provision recognition models for compliance with IFRS9/CPC48, including provisions for limits (affecting business management);
- Use guarantees for short-term investments and consider perfecting the provision recognition process;
- Adopt a Monte Carlo modeling approach to estimating counterparty risk.

MARKET AND LIQUIDITY RISK

- Implement Basel requirements on Liquidity Risk (NSFR metric);
- Restructure governance metrics related to interest-rate risk for the Banking Portfolio – IRRBB (Delta EVE and Delta NII metrics);
- Review the market risk management framework.

BUSINESS CONTINUITY MANAGEMENT (GCN)

- Implement a Corporate Crisis Management program.

INTERNAL CONTROLS

- Review Internal Controls methodology in line with COSO, ERM 2017;
- Review the internal controls and risk appetite management processes to ensure continual improvement;
- Improve our approach to disseminating an internal controls culture within the Organization.

SOCIAL AND ENVIRONMENTAL RISK

- Organize the 16th Bradesco Supplier Conference;
- In collaboration with a working group created by UNEP FI, develop scenarios, models and methods to enhance disclosure about climate change-related opportunities and risks, in accordance with the recommendations laid down by the Financial Stability Board Task Force on Climate-related Financial Disclosure (FSB TCFD).

OPERATIONAL RISK

- Develop an approach to assess and manage the risk model.



CORPORATE GOVERNANCE

Equity, accountability and corporate responsibility

CAPITALS



SDG



STAKEHOLDERS



GRI 103-1, GRI 103-2, GRI 103-3

Bradesco's governance model is kept continually aligned with best practice through continual improvement of our management system based 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.

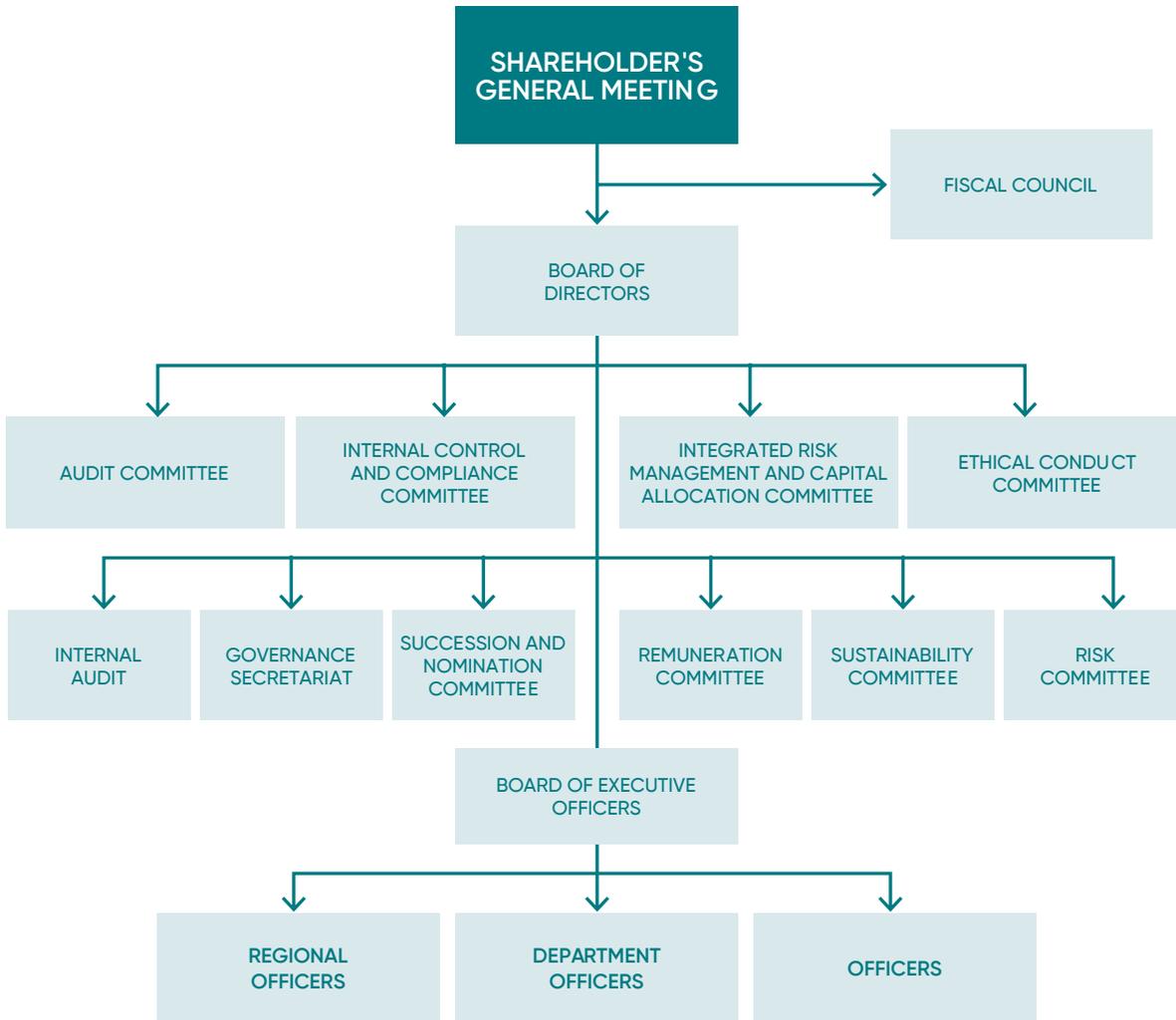
Our governance structure is formed by our General Shareholders' Meeting, Board of Directors and Executive Board. In this model, the General Shareholders' Meeting is the organization's highest decision-making body, with powers to decide on any core business matters and to elect the members of the Board 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. We have also adopted a Director Nomination Policy establishing nomination criteria such as diversity and gender equality, creating opportunities for appointment to vacant positions on the Board of Executive Officers and Board of Directors.

GOVERNANCE RESOURCES

- B3 Level 1 Corporate Governance;
- Compliance with the Listed Company Self-Regulation Code and Good Practices outlined by the Brazilian Association of Public Stock Corporations (ABRASCA);

Governance framework GRI 102-18



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 Executive Board 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 Executive Board. 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.

ASSESSMENT OF THE BOARD OF DIRECTORS

On an annual basis, Bradesco's controlling shareholders conduct an assessment of the Board of Directors as a body and each individual director, including the Chairman.

The assessment is performed against previously established criteria related to the sustainable management of the business.

In February 2018 the Board of Directors was assessed on its performance in 2017, with the results at both the individual director and Board level deemed to be satisfactory.

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 reelected. 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.

Executives meet on a weekly basis and extraordinary meetings may be held when necessary.

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 non-statutory committees (Sustainability, Ethical Conduct, Integrated Risk Management & Capital Allocation, Internal Control & Compliance, Risk and Succession & Nomination). Executive committees' primary duties are to advise the CEO and Executive Board 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 Office

Bradesco's Governance Office operates under the Board of Directors. Governance Office duties include:

- Advising the Board of Directors and Board of Executive Officers;
- Managing and directing the entire process of organizing General Shareholders' Meetings and issuing press releases and notices to the market;
- Advising the institutional relations department, the Fiscal Council and the Executive Disclosures Committee; and
- Addressing corporate issues related to group companies.

Subsidiaries

To ensure that a unified corporate governance framework is in place across the group, our executives are also members of the Board of Executive Officers of subsidiaries. The governance bodies of parent companies and subsidiaries are interdependent and executives at our subsidiaries periodically report to senior management on planning and results in meetings of the Board of Executive Officers, which are also attended by representatives of the Board of Directors.

The committees advising the Board of Directors and Fiscal Council are also active at all subsidiaries, advising their Management and overseeing business matters Bank-wide.

Ethics and Compliance

GRI 103-1, GRI 103-2, GRI 103-3

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

Management and all employees are committed to complying with applicable laws and regulations and to doing business in accordance with the highest standards of conduct and ethics. These commitments are enforced by policies, such as our Corporate Compliance Policy, as well as standards, procedures and systems for monitoring conduct, channels and mechanisms for addressing reports on violations, as well as a function accountable for the broader program. Supporting these components are Committees under the Board of Directors, including the Ethics, Integrated Risk Management & Capital Allocation, Internal Controls and Compliance committees, which are supported by training on Conduct, Controls and Compliance developed by the Bradesco University (Unibrad) for all employees.

DEPARTMENT CODES

We also have Department Codes of Ethical Conduct setting out standards that are specific to business functions such as securities, procurement, insurance, and financial professionals.

REPORTING CHANNELS

We provide a number of channels through which employees, business partners and external stakeholders can report any instances of violations of our Code of Ethical Conduct. These include etica@bradesco.com.br, which is responsible for addressing reports on ethical violations, evidence of unlawful activity and ethical dilemmas, and ensuring reports are kept confidential and persons reporting concerns in good faith are protected from retaliation.

Reports are submitted to the departments designated to address them and, when confirmed, mitigation action is taken and any applicable penalties are applied locally..

BRADESCO SAÚDE

To build trust and continually contribute to sustainable organizational development, our corporate governance system supports engagement with external and internal stakeholders; accountability based on the principles of equity, transparency and ethics; a management approach that continually strives for excellence in our processes; and efficient monitoring tools to ensure compliance with regulatory requirements and the values set out in our Code of Ethical Conduct and Department Codes of Ethical Conduct.

Based on these principles, Bradesco Seguros Group has a framework of Committees supporting Management in upholding the highest standards of ethics and corporate responsibility. Bradesco Saúde has bolstered its governance through a framework that is aligned with industry best practice, comprising the Board of Directors, Fiscal Council, and Audit, Strategic and Specific Risks Committee.

BRADESCO INTEGRITY PROGRAM

The Bradesco Integrity Program is a framework of policies, standards and procedures for preventing, monitoring, detecting and responding to violations under Act 12.846/2013 and related international regulations. This program permeates all functions of the Organization in Brazil, in foreign jurisdictions and wherever we have business units, and is aligned with local regulations addressing the same subject matter. The Program is mandatory for all members of management, employees and business partners both in Brazil and in foreign jurisdictions.

The program is based on three strategic pillars, as follows:

- Preventing Bribery Risk: clear and objective policies and standards are developed and communicated, and an ongoing culture and training program is conducted comprising workshops and lectures for all members of management and employees.
- Monitoring and Detecting Misconduct: bribery risks and controls are monitored to promptly identify any conduct in violation of Bradesco's Code of Ethical Conduct through compliance tests, indicators, internal and external audits and reporting channels.
- Senior Management Response: Investigations are conducted on any reports received and on the findings of internal and external audits, internal controls and compliance agents, and regulatory and law enforcement bodies. Disciplinary action is taken and the Integrity Program is continually monitored and reported on to the Ethics and Audit Committees, Board of Directors, and regulatory and oversight bodies.

In 2017 these pillars were further enhanced through:

- Implementation of a map of the Organization showing bribery risks and required improvements;
- Dissemination of the Bradesco Integrity Program through our corporate intranet;

- Appropriate training for management, employees and business partners;
- Development and dissemination of training videos on the program;
- Development of a handbook on the Bradesco Integrity Program to disseminate anti-bribery practices and mitigate the risk of incurring sanctions for violations of applicable legislation.

FIGHTING CRIME

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

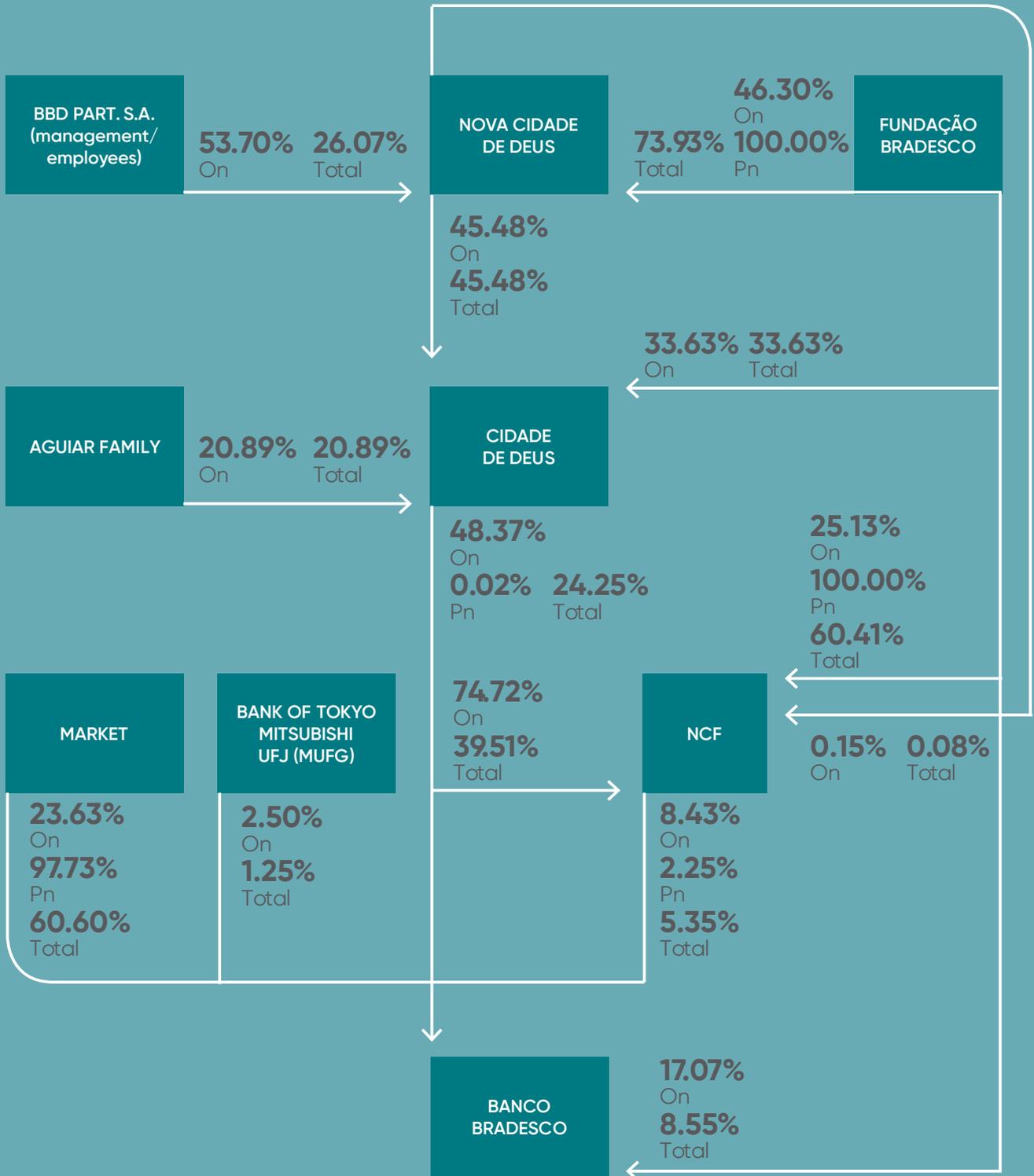
The program is linked to the Executive Anti-Money Laundering and Terrorist Financing Committee, which assesses program effectiveness and the extent to which the procedures and controls in place conform to applicable regulations and national and international best practice. Any concerns are reported to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

OPERATION ZELOTES

In May 2016, news media reported that our then CEO, Luiz Carlos Trabuco Cappi, had been indicted as part of the Operation *Zelotes* probe 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.

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



GRI 103-1, GRI 103-2, GRI 103-3

Sustainability

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.

Corporate governance, ethical conduct and a long-term vision are central to how we manage the Organization and support us in achieving our sustainability objectives.

Significant decisions on, and our strategy for, sustainability are the responsibility of our Sustainability Committee, which meets on a quarterly basis and includes members of the Board of Directors, the Board of Executive Officers and, since 2017, the CEO. The Committee is advised on its decisions by a Sustainability Committee formed by executives from across the organization, to assist in implementing plans and monitoring projects. In addition to these governance structures, different departments across the Organization develop initiatives addressing social and environmental challenges and opportunities, taking our different stakeholders into account.

Sustainability Policy

Our Corporate Sustainability Policy guidelines are designed to ensure the continuity of our operations and businesses through social and environmental responsibility. Social & Environmental Responsibility and Social & Environmental Risk standards supplement the Policy and align our practices with the requirements of Brazilian Central Bank Resolution 4.327. Social & Environmental Responsibility standards set out procedures applying to our businesses, stakeholder relations and related governance processes. Social & Environmental Risk standards establish the scope of reviews on social and environmental risk exposure in transactions with customers and suppliers.

This set of guidelines and procedures forms our Social & Environmental Responsibility Policy (SERP). Progress on the themes contained in the SERP are described throughout this Report.

Sustainable Development Goals (SDGs)

Bradesco works towards attaining the Sustainable Development Goals (SDGs) through business sustainability practices, our corporate strategy and private social investment.

We have undertaken and actively work towards achieving voluntary commitments as part of the Agenda 2030.

Since 2017, the UN SDGs have informed our decisions on social and environmental investment. Our goal going forward from 2018 is to further align our sustainability initiatives and measure the extent of our contribution to attaining the SDGs.

Voluntary Commitments GRI 102-12, GRI 102-13

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.

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

 Network Brazil WE SUPPORT	 OBJETIVOS GLOBAIS <small>para o Desenvolvimento Sustentável</small>	 <small>DISCLOSURE INSIGHT ACTION</small>  FINANCE UNEP INITIATIVE <small>CHANGING FINANCE, FINANCING CHANGE</small>	Financial Coalition Against Child Pornography
 PSI Principles for Sustainable Insurance		 EQUATOR PRINCIPLES	
 PRI Principles for Responsible Investment		 TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES	

Human rights

GRI 103-1, GRI 103-2, GRI 103-3, GRI 408-1, 409-1, 412-3

Human rights matters are addressed at Bradesco and have been incorporated into 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, which also extensively cover human rights. Concurrently, our Social 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, Social and Environmental Risk Standard and Human Rights Management Policy.

This strategy framework is translated into a range of processes and procedures on evaluating, monitoring and remediating human rights impacts. Since 2017, all transactions within the scope of our social and environmental risk assessments have been assessed for human rights aspects by monitoring the news media, including for transactions and/or projects requiring monitoring for environmental issues only.

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.

The Management System covers the provision of confidential, anonymous reporting channels as well as aspects related to health, safety and well-being. Activities within the Management System include independent audits, the findings from which are discussed in reviews at various levels of the Organization, including executive levels such as the Sustainability and Ethical Conduct Committees.

SUPPLIERS

Human rights matters are addressed with respect to suppliers: during the supplier approval process, using the Request for Information (RFI) and social and environmental ratings; as part of the contracting process, through appropriate contract clauses; and for the duration of our relationship with suppliers, within our RFI, Bradesco's Supply Chain Social Responsibility Program.

CUSTOMERS

Human rights management for customers is part of a broader social and environmental risk management framework. In addition to ensuring adherence to the Equator Principles, we have processes and tools in place to help identify, mitigate and monitor risks.

In 2017, three new projects under the Equator Principles were evaluated: two were contracted and one is being contracted, and there were no rejections.

INFORMATION ABOUT SOCIAL AND ENVIRONMENTAL MONITORING IN PROJECT FINANCE:

PROJECTS		2015		2016		2017	
		Qty	Amount financed (R\$ million)	Qty	Amount financed (R\$ million)	Qty	Amount financed (R\$ million)
Subject to the Equator Principles	A	12	3994	10	3994	10	3994
	B	20	1348	16	1626	16	1980
	C	13	2077	8	2319	7	1973
Not subject to the Equator Principles		142	7319	136	8592	96	6266
TOTAL		187	14738	170	16531	129	14214

PROJECT PORTFOLIO BEING MONITORED AT DECEMBER 2017 BY INDUSTRY/REGION

INDUSTRIES	North		Northeast		Southeast		South		Midwest		Total	
	no.	R\$ (million)	no.	R\$ (million)								
Energy	4	1,651	4	603	11	666	1	315	8	715	28	3,969
Real estate	1	77	13	453	44	4,160	8	432	3	119	69	5,241
Infrastructure	1	20	0	0	7	3,348	0	0	0	0	8	3,368
Mining	0	0	1	100	0	0	0	0	0	0	1	100
Oil and gas	0	0	0	0	0	0	0	0	0	0	0	0
Other	4	320	4	254	11	595	3	311	1	0	23	1,537
TOTAL	10	2,068	22	1,410	73	8,769	12	1,058	12	833	129	14,214

SLAVE AND CHILD LABOR

If evidence is found that a customer and/or supplier is involved in unlawful activities, Bradesco seeks to obtain all relevant information through meetings and documentary reviews, and after all required explanations and evidence have been provided, the findings from the review are reflected in the social and environmental rating.

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 analysis.

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

The studies help to support social and environmental risk management and identification of related business opportunities (including in relation to climate change). They also inform discussions with policymakers in developing incentives and policies for a transition to a green economy.

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	Bradesco Prime FIC FIA Índice de Sustentabilidade Empresarial, Bradesco FIC FIA Governança Corporativa and Prime FIC FIA Governança Corporativa;
Affinity Cards	Partnerships with organizations such as Fundação Amazonas Sustentável (FAS) and Fundação SOS Mata Atlântica.

Bradesco Prime FIC FIA Índice de Sustentabilidade Empresarial: available to clients looking to diversify their investment in funds investing in sustainable companies that adopt good corporate governance practices. Fund managers allocate a minimum of 67% of assets to shares in companies listed on the B3 Corporate Sustainability Index.

Bradesco FIC FIA Governança Corporativa and Prime FIC FIA Governança Corporativa: these funds provide returns that are superior to the Premium Corporate Governance Index (IGC). Potential investors are clients looking to diversify their investment in funds investing in companies with high standards of corporate governance. These products invest a minimum of 67% of assets in these companies.

Assets and number of quota holders in each fund in 2017:

- Bradesco Prime FIC FIA – Índice de Sustentabilidade Empresarial: R\$ 5.7 million and 276 quota holders;
- Bradesco FIC FIA Governança Corporativa: R\$ 3.2 million and 133 quota holders;
- Bradesco Prime FIC FIA – Governança Corporativa: R\$ 1.3 million and 69 quota holders.

Products and services

Learn below about our portfolio of products and services providing social and environmental benefits:

SOCIAL BENEFITS GRI-FS7

SOCIAL					DEC '16		DEC '17	
NAME OF PRODUCT/ PROJECT	AREA	DESCRIPTION / MAIN FEATURES	FROM	TARGET AUDIENCE	BALANCE IN R\$	QTY	BALANCE IN R\$	QTY
Payroll-deducted loans – private sector	Social/ Economic	Payroll-deducted loans for employees of private companies who are members of labor unions.	2004	Personal Customers	353,910,566	56,806	1,779,047,783	287,278
DTC Construction Materials	Social/ Economic	Loans to purchase construction materials from members of the Brazilian Association of Construction Materials Retailers (ANAMACO).	2001	Personal Customers	17,597,356	5,154	9,081,046	2,504
Personal Microcredit	Social/ Economic	Loans for low-income customers.	2003	Personal checking-account customers and sole proprietorships	16,730,522	8,272	53,701,350	22,040
APL Working Capital	Social/ Economic	Loans offered to micro and small businesses within Local Productive Arrangements (APL).	2005	Retail customers	44,434,607	819	47,885,340	759
Pre-approved overdraft for students with University Accounts	Social/ Economic	Pre-approved credit limits for customers with University Student Accounts.	2005	Personal Customers (university students)	1,112,365	1,749	360,203	589

SOCIAL					DEC '16		DEC '17	
NAME OF PRODUCT/ PROJECT	AREA	DESCRIPTION / MAIN FEATURES	FROM	TARGET AUDIENCE	BALANCE IN R\$	QTY	BALANCE IN R\$	QTY
DTC Local Productive Arrangements (APL)	Social/Economic	Machinery and equipment loans for micro and small businesses within Local Productive Arrangements (APL).	2005	Retail Business Loans	102,792	7	84,878	9
Business Microcredit	Social/Economic	Loans for low-income micro-entrepreneurs.	2003	Micro business current account holders	6,679,424	1,737	56,409,600	12,468
DTC MBA/ Graduate Education	Social/Economic	Loans for specialization, graduate and MBA programs.	2005	Current account holders who have completed graduate education	162,570	17	176,997	15
DTC School Materials/ Enrollment	Social/Economic	Loans to purchase school materials and pay for enrollment.	2005	Personal Customers	1,892	2	0	0
DTC – Accessibility – Goods	Social/Economic	Loans for vehicle retrofit equipment, wheelchairs, prosthetic devices, Braille equipment, sports equipment, among other items, for people with special needs.	Jan '07	Personal customers with special needs and business clients interested in purchasing goods for accessibility purposes.	125,019	35	138,263	45
DTC Accessibility – Services	Social/Economic	A credit line for people with special needs to finance vehicle and facilities adaptations (access ramps, etc.).	Dec '06	Business customers and personal customers with special needs	115,667	7	135,254	9
DTC – Seminars / Conferences	Social/Economic	Loans to pay entry fees for conferences, seminars, fairs or events.	2006	Personal Customers	24,364	4	27,986	4
TOTAL					440,997,143	74,609	1,947,048,699	325,720

SOCIAL – WITH BNDES FUNDS					DEC '16		DEC '17	
NAME OF PRODUCT/PROJECT	AREA	DESCRIPTION / MAIN FEATURES	FROM	TARGET AUDIENCE	WBALANCE IN R\$	QTY	BALANCE IN R\$	QTY
Modermaq	Social/Economic	Financing for machinery and equipment to modernize and develop Brazilian industrial capabilities and the health care sector.	2004	Companies of any size engaged in mining, processing, construction and health care industries.	0	0	0	0
Moderinfra	Environmental / Social/Economic	Financing for irrigation and water storage projects, supporting the development of sustainable irrigated agriculture.	2004	Moderinfra	167,771,233	498	392,139,901	931
Progeren	Social/Economic	Financial support in the form of working capital to boost production, employment, and wage income.	2004	Micro-, small- and medium-sized enterprises (MSMEs) located in production clusters.	114,649,234	78	382,156,914	697
TOTAL					282,420,467	576	774,296,815	1,628

ENVIRONMENTAL BENEFITS GRI-FS7, GRI FS-8

ENVIRONMENTAL					DEC '16		DEC '17	
NAME OF PRODUCT/PROJECT	AREA	DESCRIPTION / MAIN FEATURES	FROM	TARGET AUDIENCE	BALANCE IN R\$	QTY	BALANCE IN R\$	QTY
Environmental Leasing	Environmental / Economic	Leases with special terms and conditions to purchase goods that help preserve the environment and drive sustainable development.	Jun '07	Personal and Business Clients	356.51	1	0	0
DTC Gas Retrofit	Environmental / Social / Economic	Loans for compressed natural gas (CNG) aftermarket retrofits (with INMETRO-certified retrofit kits)	2005	Personal and Business Clients	317,088	95	154,337	55
Environmental Working Capital	Environmental / Social / Economic	Loans for business customers engaged in activities related to social development and environmental protection and certified to ISO 14,000, or engaged in the recycling of metals or plastics.	2005	Business customers engaged in activities related to social development and environmental protection and certified to ISO 14,000, or engaged in the recycling of metals or plastics.	409,252	19	248,531	10

Forestry Working Capital	Environmental / Social / Economic	Loans for business clients that have forestry stewardship/custody chain certification or a contract demonstrating they are obtaining certification.	2006	Business Clients who have Forestry Stewardship/ Custody Chain certification or a Contract demonstrating they are obtaining certification.	29,494	4	0	0
DTC Solar Heaters	Environmental / Social / Economic	Loans to purchase solar heating equipment (INMETRO-certified).	2005	Personal and Business Clients	16,191	7	585	1
DTC - Forestry Certification	Environmental / Social / Economic	A line of credit for clients intending to obtain Forestry Certification.	Dec '06	Business Clients	0	0	0	0
DTC Water Recycling	Environmental / Social / Economic		Jul '16	Personal and Business Clients	853,050	152	765,923	114
CDC Solar Energy	Environmental / Social / Economic		Jul '16	Personal and Business Clients	0	0	0	0
TOTAL					772,382	126	403,452	66

ENVIRONMENTAL - WITH BNDES + FGTS ONLENDING

DEC '16

DEC '17

NAME OF PRODUCT / PROJECT	AREA	DESCRIPTION / MAIN FEATURES	FROM	TARGET AUDIENCE	BALANCE IN R\$	QTY	BALANCE IN R\$	QTY
Moderagro Solo / Produsa	Environmental / Social / Economic	Loans for soil improvement, degraded pasture rehabilitation, agricultural development of wetlands and environmental rehabilitation of farm properties, particularly legal reserves and permanent protected areas.	2004	Farmers (Personal and Business Customers) and their cooperatives	42,237,721	450	11,289,364	131
ABC Program	Environmental / Social / Economic	Financing to reduce greenhouse gas emissions from farm operations and deforestation.	2011	Personal and Business Customers	1,025,686,293	5,896	1,121,187,138	8,126
Moderagro	Environmental / Social / Economic	Agricultural project finance to increase productivity, product quality and sanitary/environmental compliance (BNDES onlending).	2004	Farmers (Personal and Business Customers) and their cooperatives	159,137,199	1,267	119,125,950	890

Sanitation for All (FGTS) *Formerly Pró-Saneamento	Environmental / Social / Economic	Financing for sanitation projects such as water supply, sewage, solid waste treatment, among others (FGTS onlending).	2004	Business Clients	0	0	0	0
Propflora	Environmental / Social / Economic	Financing for the development and maintenance of forest plantations for industrial use and for the maintenance and repopulation of legal reserves and protected areas (BNDES onlending).	2005	Farmers (Personal and Business Customers) and farmer associations and cooperatives.	113,390,910	86	102,551,527	71
Profruta - Prodefruta	Environmental / Social / Economic			Farmers (Personal and Business Customers) and farmer associations and cooperatives.	2,306,018	23	425,933	11
Prodecoop	Environmental / Social / Economic			Farmers (Personal and Business Customers) and farmer associations and cooperatives.	47,166,207	51	86,335,940	56
TOTAL					1,389,924,348	7,773	1,440,915,851	9,285
SUSTAINABLE PRODUCTS TOTAL					2.114.114.340	83.084	4.162.664.817	336.699

In 2017, we maintained “Operação Calamidade”, an innovative insurance process that identifies, analyzes and prioritizes situations which are related to a catastrophe, concentrating efforts to quantify and indemnify the insured party involved in natural disasters as quickly as possible.

Climate Change

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

Related issues are addressed by the Board of Directors through a Sustainability Committee formed by our CEO, executive officers and directors, who meet on a quarterly basis.

Climate change is a material issue for Bradesco and is addressed across all our businesses and operations. Our approach addresses two dimensions: direct impacts related to our operations and facilities; and indirect impacts deriving from the different aspects of our business and especially lending, investment, insurance and suppliers.

DIRECT 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 NBR ISO 14064.

We take environmental aspects into account through an integrated approach in our operations and, through Bradesco's Eco-Efficiency Management Program, we have invested in initiatives designed to achieve specific goals in reducing our environmental impact and improving operational efficiency.

We have also undertaken a commitment to annually offset Bradesco's scope 1 and 2 emissions.



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 actors in climate change management in 2017.

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.

Below are some of the highlights of our activities in the year:

WATER GRI-303-1

As part of water security efforts ongoing 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, reducing water shortage risk.

In 2017 we also undertook other initiatives such as water consumption management and monitoring processes. These initiatives have helped to reduce water consumption by 4.3% compared with the previous year, exceeding our 2.5% target.

	2015	2016	2017
Consumption (m ³)	1,558,625 (1)	1,669,605	1,597,760
Target (%)	-3.0	-4.2	-2.5
Actual (%)	-1.7	-7 (2)	-4.3

(1) 2015 data assuming HSBC Brazil = 1,794,829 m³

(2) From the 2015 baseline including HSBC Brazil operations, we achieved a reduction of -7.2%

Target for 2018

Reduce water consumption by 2%.

TOTAL WATER WITHDRAWAL BY SOURCE

METHOD OF DISPOSAL	2015	2016	2017
Well water (groundwater)	210,306 M ³	192,569 M ³	183,734 M ³
Harvested rainwater	1,024 M ³	1,046 M ³	1,786 M ³
Recycled water	68,124 M ³	74,752 M ³ ,	71,045 M ³
Municipal water supplies or other water utilities	1,279,171 M ³	1,401,238 M ³	1,341,195 M ³
TOTAL	1,558,625 m³	1,669,605 m³	1,597,760 m³

ENERGY GRI 302-1

We had set an electricity savings target of 1.5% for 2017. To achieve this target, we 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 3.6%.

	2015	2016	2017
Consumption (kWh)	472,698,000 (1)	542,880,000 (2)	523,178,855
Target (%)	-2.5	-2.4	-1.5
Actual (%)	-2.3	-5.9 (3)	-3.6

(1) Data for Bradesco only. Bradesco (472,698 MWh) + HSBC Brazil (104,743 MWh) = 577,441 MWh

(2) Aggregate for Bradesco and HSBC. Bradesco (445,727 MWh) + HSBC Brazil (97,153 MWh) = 542,880 MWh

(3) From the 2015 baseline including HSBC Brazil operations, we achieved a reduction of 5.9%

Target for 2018

Reduce electricity consumption by 1.3%.

Initiatives currently being planned include migrating business units to the free market and developing power monitoring and automation systems for HVAC systems to improve waste management and control.

Solar Energy

Alongside the Bradesco Energy Efficiency Master Plan, other initiatives we have undertaken include the use of solar energy in our power systems. Bradesco's entire electricity requirement is sourced from the 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. 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 for 150 Bradesco branches in that state. The project is currently in the procurement phase and construction is expected to begin in the second half of 2018.

Insurance

In addition to adhering to good sustainability practices, Bradesco Seguros' head office building has been built in conformity with international LEED sustainability requirements and has been certified LEED Gold. The LEED system was developed by the United States Green Building Council (USGBC) as the most internationally recognized voluntary environmental performance assessment system.

The system addresses five assessment categories across the three dimensions of sustainability (economic, environmental and social): Sustainable Land; Water Efficiency; Energy Efficiency; Materials & Resources and Interior Quality.

Because materials consumption is monitored under the system, issues related to materials consumption and disposal are addressed by Bradesco Seguros. A waste management plan is in place covering construction waste, disposal of organic matter and recyclables and technological waste materials.

GHG GRI 305-1, GRI 305-7

The current Master Plan foresees annual targets for absolute reduction by scope and by source of emission of greenhouse gases. The targets set for 2017 were to reduce 1% of Scope 1 emissions, 4.7% of Scope 2 emissions and 1.57% of Scope 3 emissions.

At the end of May 2018, you can follow our performance at the sustainability website, Relacionamento com Stakeholders/ Ecoefficiency Management Program.

Access: <https://www.bradescosustentabilidade.com.br/site/>

Environmental protection

(total investment and expenditure by type)

R\$ 130,000

Environmental Management System Expense (Consulting and Audits)

R\$ 5.9 million

Waste disposal (landfill)

USE OF MATERIALS GRI 103-1, GRI 103-2, GRI 103-3

Paper

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. These initiatives included:

- Initiatives in the card business to reduce the amount of paper correspondence sent to customers by encouraging them to seek supplementary or more detailed information on the internet (digital welcome kits). For debit cards, for example, the paper welcome kit has been reduced to a card holder or card insert letter and an envelope without the complete card rules (these are available on the internet).
- Other initiatives that have been ongoing for some time include initiatives to significantly reduce paper usage, such as self-enveloping invoices (eliminating the use of envelopes) and only issuing paper invoices from a given invoice threshold, which not only eliminates paper usage, but also reduces greenhouse gas emissions from document transportation (postage).

Target for 2018

Reduce consumption by 1.3% compared with the previous year.

INDIRECT IMPACTS

Climate change presents both risks and opportunities for businesses and customers.

Credit

Under our Social and Environmental Risk Standard, our credit approval process includes processes for assessing and screening customers and funded projects for social and environmental (including climate) risks. The screening process 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, and socio-environmental rating.

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

In our businesses, we offer social and environmental credit lines using our own funds or onlending. Our DTC Water Recycling, DTC Solar Heater, DTC Gas Retrofit, DTC Forestry, DTC Solar Energy and Environmental Working Capital products were created based on perceived opportunities related to climate change and societal change.

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 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 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.

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

CORE ELEMENTS	GOVERNANCE	STRATEGY	RISK MANAGEMENT	METRICS AND TARGETS
COMPLIANT	Partially	Partially	Partially	Partially
CONTENTS	Organizational structure	Business Model	Emerging Risks	Eco-efficiency
	Sustainability	Corporate strategy	Social and Environmental Risk	Social and Environmental Risk
	Sustainability Governance	Products	Supplier Management	GRI Summary – Energy, Emissions
	Risk Management	Supplier Management	GRI Summary – Economic Performance,	

Asset management GRI 103-1, GRI 103-2, GRI 103-3, GRI FS-10, GRI-FST1

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

In 2017

We met our target of assessing 100% of corporate securities and government bonds against ESG criteria

For 2018

Our target is to continue to assess 100% of corporate securities and government bonds against ESG criteria.

Alongside incorporating social and environmental aspects into business, BRAM is committed to providing superior and sustainable returns in asset management. In 2017 BRAM had R\$ 607.9 billion in assets under management, including R\$ 446 billion in assets assessed for Environmental, Social and Governance (ESG) matters, representing 72.67% of total assets – a significantly higher percentage than at the time ESG factors were incorporated into the asset management process.

PERCENTAGE OF AUM* ASSESSED FOR ESG ASPECTS

2015	2016	2014	2017
2.52%	15.21%	1.84%	72.67%

*Assets under Management.

Insurance

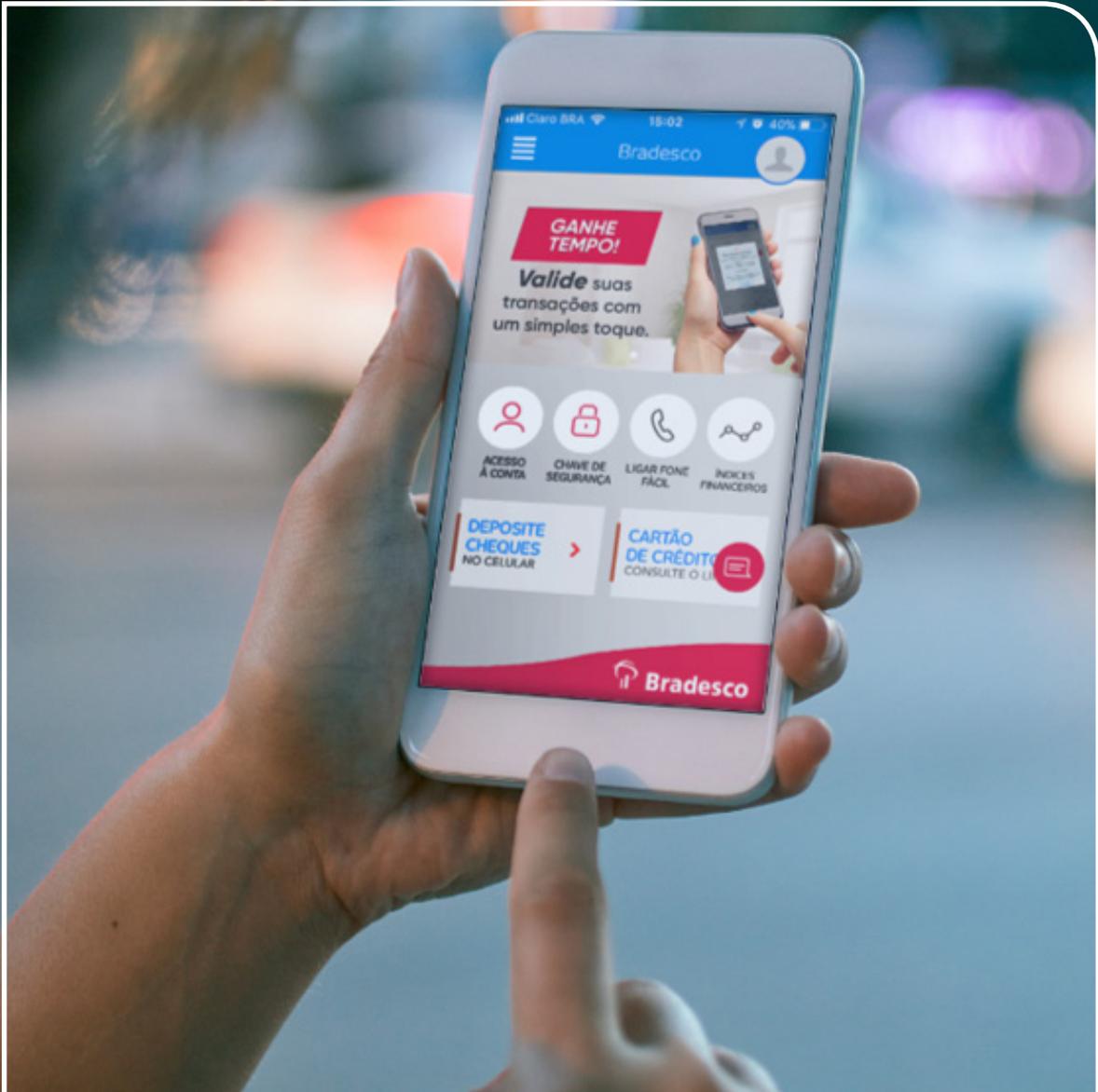
Bradesco Seguros recognizes that environmental and natural disaster risks, like financial and business risks, are part of doing business and that climate change, especially in property and casualty insurance, has become an emerging trend in Brazil's insurance market.

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



Digital solutions

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. With 70 million customers, including 25.8 million current account customers, 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 will require a human touch in customer-facing processes, hence the importance of our branches adapting to today's changing world, likely becoming smaller and providing more complex and customized services than they do today. However, out of our 70 million customers, 31.6 million already use our digital channels and these need to be afforded the best possible customer experience and journey.

Growth in digital channel usage demonstrates that customers are increasingly engaged with technology and that Bradesco is evolving with consumer trends and continually preparing for the digital era by developing disruptive, unique solutions.

In 2017 we invested R\$ 6 billion in technology and innovation, and processed R\$ 1.3 billion in transactions through digital channels each month. In 2017, digital channels processed 95% of transactions, or a total of 15.5 billion transactions, an increase of 24% compared with the previous year. Of these transactions, 13.2 billion were processed via the Internet and Bradesco Celular, accounting for 81% of transactions.

We use social media to create genuine and enduring connections with a wide range of communities, 24 hours per day. 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). We currently have a presence on Facebook, Instagram, Twitter, YouTube, Snapchat, LinkedIn and Medium.

* Customers with active transactions, products and services.

Technology pillars

1. Accelerating established capabilities, with a targeted focus on mobility:

ACCOUNT OPENING

Bradesco launched a new app-based account opening process in which the entire process, including document submission, can be completed using a mobile device.



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 Inteligência Artificial). 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 for our customers. 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.

ATM RECYCLING

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

DIGITAL SERVICE PLATFORM (PAD)

This platform allows account managers to work anywhere, anytime, on the go. An online, non-back-office platform available 24 hours per day, seven days per week.

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 the Bradesco Lending back office and can collect signatures with digital stylus pens. Customers can view and sign their contracts directly on Bradesco Financiamentos tablet displays. In addition to digital signatures, the solution captures other biometric signature data (speed, pressure, air points, and other data). These types of solutions have also eliminated paper usage and reduced contract storage costs. Some of Bradesco Financiamentos' partners have shown particular satisfaction with the benefits from the platform and have requested that we deploy the solution at their stores. Customers have also shown a highly positive response to this innovative and practical contracting solution.

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). We currently have a presence on Facebook, Instagram, Twitter, YouTube, Snapchat, LinkedIn and Medium.

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 simple, plain and intuitive language. Customers can set goals, crowdsource, 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.

As of December 2017, more than 480,000 users had downloaded the app and more than 280,000 had subscribed.

NEXT has earned Bradesco the following awards:

- Fintech Americas 25 Most Innovate Bank 2017, in Miami;
- El Ojo Iberoamerica, in Buenos Aires, Argentina, where it earned 12 awards;

3. An increasingly innovative financial services hub:



One of the ways to better explore the future, its possibilities and opportunities is by helping to shape the future, anticipate its new frontiers, and bring this all into practical use in people's day-to-day lives. In the corporate world, this vision applies not only to ethical and transparent dealings between people or with customers, but also to developing technology and leveraging all its possibilities. One thing is clear: the more intensively and productively we engage in building the future, the more positive the results, and the more tangible the benefits.

At Bradesco, one of the most important and promising initiatives to foster innovation was launched in 2010, and in 2016 was named "inovaBra". The inovaBra Ecosystem was created to drive innovation within and outside the Organization through programs based on collaboration between the Organization and companies, startups, investors and mentors to address challenges, meet customers' changing needs and secure the long-term sustainability of the business. The inovaBra Ecosystem provides an optimal platform for sharing business insights, materializing fintech innovation, developing partnerships, and accelerating research into disruptive solutions. By combining all of these into a single formula, inovaBra has quickly become a powerful strategic driver for our innovation efforts, accelerating progress and further extending the broad-ranging benefits for participants in the ecosystem.

Some of the key milestones in the development of the inovaBra Ecosystem are described below:

inovaBra centers

In place since 2010, inovaBra centers is an internal innovation program that encourages creativity and entrepreneurship in our employees by disseminating a culture of innovation across the Organization, with projects carried out using a collaborative approach involving multidisciplinary teams and in alignment with other programs within the inovaBra Ecosystem. The goal with the program is to generate innovative business solutions providing a better experience for our customers. The program launched the Bradesco Insurance Innovation Center in 2010; the Payment Methods, Digital Channels, Bank of the Future and Product centers in 2012, and the BackOffice Center in 2018.

inovaBra startups

In 2014 we launched inovaBra startups, an open innovation program designed to support strategic partnerships between Bradesco and startups offering solutions that can be applied or adapted to financial and non-financial services offered or used at Bradesco.

The program provides startups with the opportunity to work with real-world customers, tests solutions and build scale. Now in its fourth year, the program has a total of 2,500 participants. In all, 3,115 startups have registered for the program to date (across its four editions), including 553 in the first edition, 549 in the second, 507 in the third and 1,506 in the fourth. Our goal for 2018 is to attract 600 registrations.

inovaBra ventures

Launched in 2016, inovaBra ventures is a private equity fund managed by our Private Equity Department. The fund was created to invest in startups while also supporting entrepreneurship and boosting startup valuations.

inovaBra hub

In 2017 we launched inovaBra hub, a digital platform that seamlessly connects players in Brazil's entrepreneurship and innovation ecosystem. Companies, startups, and entrepreneurs and innovation professionals can view content, share experience and do business.

inovaBra international

In early 2018 we launched inovaBra international, a program structured within a New York-based innovation environment to provide an observatory of the innovation ecosystem and global startup activity.

A dedicated team works in a collaborative environment, in partnership with a specialized firm, to identify solutions that can create value for the business, and to monitor emerging technologies and consumer trends.

inovaBra lab

Opened in 2017, inovaBra lab is a 1,700 square-meter facility at the Bradesco campus in Alphaville that houses 16 technology laboratories designed to operate within a collaborative working model alongside large technology partners co-hosted within the environment. This approach drives operational efficiencies by optimizing and accelerating the assessment and certification of new technologies (hardware and software), new product launches and solutions to new challenges, as well as providing optimal connectivity between business functions and IT departments and technology partners and bringing the Organization closer to emerging frontier technologies.

inovaBra habitat

In 2018 we launched the largest co-innovation platform in Brazil: inovaBra habitat. In a building measuring more than 22,000 square meters in area, situated squarely in São Paulo's innovation and cultural hub (between Avenida Angélica and Rua Consolação, near Avenida Paulista), 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 artificial intelligence

inovaBra artificial intelligence is a Bradesco Artificial Intelligence Center of Excellence with a team dedicated to pushing the frontier for advanced research on cognitive computing and artificial intelligence, cascading the knowledge produced across the Organization and materializing artificial intelligence solutions in our businesses.

Going forward

In 2018, Bradesco's Research & Innovation Department will continue to evaluate emerging technologies and consumer trends, implement Blockchain solutions, evolve our artificial intelligence applications and build further on our digital models through APIs (Application Programming Interface).



STAKEHOLDERS

Value- and trust-based relations

CAPITALS



SDG



STAKEHOLDERS



People Management

GRI 103-1, GRI 103-2, GRI 103-3

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 enhance 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 development and ensuring our employees can develop the new competencies emerging with the digital revolution.

PERFORMANCE ASSESSMENT GRI 404-3

EMPLOYEE CATEGORY	2016 % of employees		2017 % of employees	
	Men	Women	Men	Women
Board of Executive Officers + Board of Directors	96	100	100	100
Superintendent Management	100	100	100	100
Middle Management	86	85	100	100
Supervisory/Administrative	77	78	100	100
Operational	63	64	100	100
Apprentices	7	4	100	100
Interns	25	25	100	100
TOTAL	73	72	100	100

Assessments have been phased in and gradually expanded across the Organization. Currently 100% of employees participate in the process.

The performance of Executive Officers and Directors is assessed through a formal process in accordance with the requirements of the relevant CMN Resolution.

SUCCESSION PLANS

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.

UNIBRAD

The Bradesco Corporate University (UniBrad), which in 2017 was recognized by a Best Overall Corporate University award presented by the Global Council of Corporate Universities, 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 country-wide 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.

Throughout 2017 we also had the opportunity to deepen our knowledge about collaborative environments, providing new learning insights and unique content. We also increased our participation in international development and senior management events providing an opportunity to network and share experience, which is then cascaded across our organization and translated into strategic actions.

This approach, which furthers UniBrad on a path of best practice through out-of-the-box, bold and critical thinking, is so deeply rooted that the University looks to startups and fintechs to drive the transformational process of human development.

Another of our Corporate University's strengths is the level of alignment with external stakeholders to ensure our culture and values are aligned across all fronts.

Under agreements with a range of education institutions, we offer discounts on tuition fees for undergraduate, graduate and language programs for employees and their dependents.

To maintain this structure and continually meet our stakeholders' expectations, we rely on the quality of our human capital at UniBrad: employees from across the Organization with a variety of backgrounds and a diversity of skill sets and mindsets. They have developed over time to become either subject-matter experts or generalists, tailoring their knowledge to adapt to changing market trends and engaging with large strategic partners.

We invest annually in University staff training to ensure our teams are kept continually up-to-date on market trends and innovation developments and ensure compliance with important financial system certifications. Team meetings are held every year, including campus team meetings, to drive collaboration and co-creation. This ensures that teams are strategically aligned on planning.

Since our Corporate University's first anniversary, we have organized a large knowledge-sharing event called UniBrad Week, with lectures and activities on a range of topics linked to the theme Learning to Learn.

In 2017, the theme of the event was Connect, addressing the four dimensions in which humans connect: body, mind, work and social life. Around 3,500 participants registered for the event and took part in activities in Cidade de Deus, Vila Mariana and Alphaville.

Read below about some of our key initiatives and solutions in 2017:

Differential is ME

A new cycle of topics strategically aligned with our account manager training programs, designed to improve relations with customers to ensure we continue to meet their needs and develop sustainable business for the Organization.

Digital Mindset

This initiative disseminates knowledge and fosters discussion about the social and economic impacts created by the 4th Digital Revolution. Activities include identification of opportunities created by these transformations and creating feasible product and service prototypes.

Corporate RPG

Participants engage in role play to develop skills such as empathy, communication, teamwork, creativity and problem-solving.

Codesign

An event in which participants discuss the future of spaces and apply Codesign and Impact Hub methodology based on the principles of Design Thinking.

Thematic Breakfast

A talk show-styled breakfast event to discuss relevant issues. The first event was themed around Reputation.

Top Tier-Prime Advisory

This initiative provides guidance on compiling the information needed to develop a financial plan (financial management, assets and investments, insurance, retirement planning and asset management); identify personal and financial goals, needs and

priorities; analyze customers' risk appetite and expectations on returns, and design the right investment portfolio for their profile.

Socratic Sales Techniques – Private

This initiative teaches effective techniques to improve dialogue with a focus on customers' needs and addressing potential objections to reach a more sustainable compromise for the business.

Pension Plan and Fund Offering

A classroom-based training program designed to exercise knowledge about pension plan and investment fund products and how to present them to customers, using case studies designed to improve our customer advisory services. A total of 400 people were trained in São Paulo, Curitiba, Belo Horizonte, Campinas and Rio de Janeiro.

Global Market

Building on the previous BBI program, 14 leaders participated in this initiative. Of these, 9 are located in São Paulo and 05 are located in New York.

The Learning Process and Continued Education

A conference call titled "Papo com o Gerente – Depois do café eu me expresso": A total of 6 conference calls were held with 5225 Business Account Managers, and 7 Conference Calls with 7,825 Personal Account Managers.

Identifying Potentially Counterfeit Banknotes Video

This initiative is designed to prepare bank tellers to identify potentially counterfeit banknotes and report them to the Brazilian Central Bank.

Antitrust Compliance Booklet

An Antitrust Compliance Program has been implemented under an Antitrust Management Agreement (ACC) concluded as a result of the HSBC Brazil acquisition. The aim of the program is to ensure compliance with antitrust laws and regulations and prevent and combat anti-competitive practices.

Auditor Technical Training

A solution developed to improve the skills of Audit Department staff through refresher training to improve the quality of activities, such as audits on lending transactions and preventing fraud or situations creating business risks. The initiative covers all auditors country-wide – 300 people in total.

Ethics Roadshow

Bank executives hold discussions with branch network staff across all positions to provide an opportunity to discuss ethics subjects and issues affecting the business. Discussion sessions were held in São Paulo, Recife, Salvador, Curitiba and Porto Alegre. Our goal is for the initiative to achieve country-wide coverage.

Communication laboratory

A program designed to enhance communication skills. Participants develop a real-world project and participate in lectures about scripting, presentation design, oral and written communications, corporate image and posture in public presentations.

Lectures and Recruiting Fairs

Held under the theme "Getting to Know Bradesco", these lectures aim to expand university students' knowledge about the bank. Using a talk show format, the event features invited speakers in the areas of Social Media, Wholesale Banking, Research & Innovation and Insurance.

Bradesco Empresas e Negócios (Companies and Business) Meeting

This initiative aims to strengthen our financial education culture at Bradesco and help our micro, small and medium-sized business customers to develop sustainable business. It also fosters change in businesses' strategic planning and consumption practices. We also aim to strengthen our business relations with customers, retain our position as their bank of choice, and support business growth in Brazil. These meetings are geared to micro, small and medium-sized business clients and their account managers. In 2017 we held more than 400 events attended by 13,953 clients throughout Brazil, supporting the best of entrepreneurship and developing closer and more valued relationships.

Sustainable Value Chain (On-line)

This course provides important information on achieving quality and innovation in supplier relations. Employees are trained to draft contracts based on Bradesco's social and environmental responsibility and risk management requirements. This course is also open to external stakeholders and to small and medium-sized businesses interested in doing business with Bradesco as suppliers.

ILP Global Markets

This is the first international program to connect our leadership team in New York with leaders in São Paulo through a video-conference link to auditorium-based meetings. The program is run in English and includes distance knowledge sharing and learning activities, as well as individual development meetings with local consultants.

Efficiency Program

We launched three new cycles within this program – an Efficiency Committee initiative in partnership with UniBrad – which is primarily aimed at promoting an efficiency culture among employees and teaching them how to put the concept into practice in their day-to-day activities. It also teaches critical thinking to help employees identify opportunities for improvement and cost drains, streamline processes, and eliminate rework.

Change Maker, Leading for Transformation

This initiative aims to develop leaders who are conscious of their role in driving sustainable value for the business, understand the macro and micro economic environment that is being impacted by exponential organizations, and can implement actions to deliver business results.

Flexibility 3.0 - Improvising

This solution is part of a program to develop Flexibility skills. It trains employees to be flexible and adapt their approach as opportunities arise (resilience and adaptability) and to deliver results despite adverse conditions. It also encourages employees to expose themselves to challenges and constant change.

Empathy Workshop

The goal of the workshop is to foster discussion about difference, acceptance and respect. Fun, experience-based activities develop empathy towards people, which facilitates and improves interpersonal relations. They also inspire employees to develop harmonious, empathy-based relations.

Learning to use stress to your advantage

This solution addresses the nature of stress and discusses how to manage stressors so they become an asset.

Your Choices, Your Future

The goal of this initiative is to provide the knowledge and tools for development, making our employees masters of their choices and helping them to recognize their role and purpose, and the importance of leading a life of fulfillment in all dimensions.

Self-Awareness and Temperament

The goal of this initiative is to discuss the importance of self-awareness, with a focus on the different types of personality affecting people's mindsets and performance.

Processes in Transformation

We present to Human Resources Leaders the results of the challenges they tackled during project execution. The goal of the program is to train and strengthen the HR team through a thematic journey designed to identify and fast-track projects and solutions through a user-centered approach.

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 Cidade de Deus.

LEADERSHIP AGENDA

A monthly communication channel geared to Bradesco Seguros Group leadership. The goal is to achieve alignment on strategic issues.

Held on the first business day of each month, the sessions are for a target audience of G1 and G2 level managers at the Insurance Group (approximately 750 people).

UNIVERSEG

Created in 2004, Universeg (Insurance Universe) aims to disseminate and build knowledge and a culture of insurance among employees and brokers, preparing them for an increasingly competitive, agile and innovative market through a range of activities throughout Brazil – both in person and online – focusing on technical and behavioral development.

In 2017, capacity building and development activities were attended by a total of 130,632 people, of which 68,610 were in person and 62,022 online.

Our Universeg Portal provides access to online courses as well as “Bradesco Seguros Video Lectures” and materials with content related to insurance.

In leadership development, we launched a “Leadership Journey” in partnership with the Bradesco Corporate University (UniBrad). Comprising 60 integrated solutions focused on the challenges faced at each level of Management, the “Leadership Journey” aims to develop and enhance essential leadership skills with a focus on succession, business sustainability and delivering results.

We also have an “Executive Coaching” program that supports and prepares leaders in their professional and personal development through tools and methodologies to help them manage for high performance and achieve superior results.

Our goal for 2018 is to expand existing programs, with the number of trained managers increasing by 70%.

UNIBRAD RESULTS MANAGEMENT

UniBrad Results Management measures and evaluates the results from the education solutions developed for Bank employees. The assessment methodology consists of 5 levels (Response, Learning, Application, Business Impact and Return on Investment (ROI)) providing the ability to measure efficiency and effectiveness at each stage, assess whether the purpose of each Solution has been achieved and recommend needed improvements.

Assessment levels are set depending on the purpose of the Solution, the target audience, the hour load, cost and available indicators. The most commonly made assessments are: Response, Learning and Application.

In 2017 the UniBrad Results Management function was expanded by an additional employee, who is being trained on the methodology. A number of different assessment formats were applied during the year, with the active participation of employees in training. Our goal for 2018 is to expand the number of training solutions assessed at the Application, Business Impact and ROI levels.

In 2017 we also completed the implementation of a Performance Assessment process to establish alignment on goals and provide direction to the teams. All Bank and Associate sites have now been included in the process.

Our goal for 2018 is to extend the Performance Assessment process to Executive Management and to align indicators with each site's strategic plans.

SAFETY AND WELL-BEING

One of the pillars of Bradesco's People Management strategy is Care, which translates our approach to workplace health, safety and well-being as outlined in two principles of our Human Resources Management Policy: encouraging wholesome relations between all employees within the Organization, maintaining a safe and healthy workplace and providing the conditions for optimal performance and productivity; and contributing to improve the quality of life of our employees by allowing them to strike a balance between work, health and family.

Our approach to caring for people is based on the concept of All-round Health, which in addition to occupational health, encompasses all aspects affecting the physical, mental and emotional well-being of employees in their day-to-day activities.

Corporate Occupational Health & Safety (OHS) Management at Bradesco is grounded on the 20 Strategic Guidelines on Health & Safety (ILO) and covers all entities within the Organization.

We invest in programs and methodologies that allow us to map out and identify disease symptoms and causes arising from the workplace and workplace activities, and broadly promote health and well-being.

Bradesco's Workplace Risk Prevention and Ergonomics Assessment program covers all employees and annually identifies physical (lighting, humidity, noise, air quality and temperature), chemical, biological and ergonomic risks at the workplace, and outlines actions to improve and address identified issues, conforming to the requirements set out in Brazilian regulatory standard NR 9.

Whenever risks are identified, OHS managers and the Facilities Department investigate those risks and develop an action plan to be implemented by the department responsible and/or by the Facilities Department under the oversight of OHS.

Local compliance with our Occupational Health & Safety (OHS) Policy is assessed through visual monitoring by an OHS technician and/or engineer, with this monitoring also covering third-party services. Monitoring is supported by members of the Internal Accident Prevention Committee (CIPA).

As part of an action plan, a dedicated training module for branch managers and administrative managers has been developed with a focus on prevention and health, broadening our leaders' understanding of how to engage effectively on health and safety. More than 630 leaders have received training since 2016.

Our employees take occupational health checks every 120 days and supplementary exams, when necessary, in order to prevent and/or identify any health problems and take preventive action accordingly. Since 2016, we have broadened our partnerships with other suppliers to improve the quality of medical exams. Flu and H1N1 virus vaccination is provided free of charge to employees and offered at subsidized prices to their dependents. Since 2016, we have broadened our partnerships with other suppliers to improve the quality of medical exams.

In 2017 we exceeded our 65% target. Our goal for 2018 is to vaccinate 67% of employees.

**FLU VACCINATION
(% OF EMPLOYEES VACCINATED)**

2014	2015	2016	2017	Target for 2018
62.2	62.5	63.3	66.3	67

We have an emergency service at locations with large employee headcounts and in 2017 offered an outpatient healthcare service providing greater comfort, quality and safety to employees in urgent/emergency care and specialist consultations. We have 07 Health Space units in the states of São Paulo, Rio de Janeiro and Curitiba. In December 2017 a Novamed outpatient clinic was opened at Cidade de Deus as a partnership with Bradesco Saúde to provide health care to employees working at the complex.

We conduct periodic evacuation drills involving our firefighting team and emergency responders. In São Paulo, drills are conducted every six months and cover 100% of Administrative Centers certified to the Social Responsibility Standard.

Bradesco is also a member of the National Business Council on HIV/AIDS Prevention (CEN), which aims to strengthen efforts to combat the epidemic at the workplace by disseminating information about preventing HIV transmission to a significant portion of our employees, their family members and the broader community.

Bradesco believes it is essential that employees strike a good work-life balance. As part of this objective, we have undertaken a range of initiatives within *VIVA BEM*. Initiated in 2012, this program organizes initiatives such as healthy motherhood and exercise

through partnerships with fitness centers, encouraging employees to manage their health and broaden their knowledge about the subject, supporting a change of lifestyle among participants. Partnerships are also established with child recreation centers, and beauty and aesthetic salons.

Through UniBrad, we offer a variety of training courses to raise awareness among employees about the importance of taking care of their health and well-being.

Another important channel is *LIG VIVA BEM*. This employee support program offers a toll-free, confidential, 24/7 support hotline for employees and dependents. This initiative demonstrates Bradesco's concern about employees' well-being at all times. Telephone agents are professionals specializing in providing psychological, social, legal, financial, and nutrition support. In 2017 the service recorded 48,259 inbound and outbound calls and in-person consultations.

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. 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 also provides a variety of solutions to help employees tackle their day-to-day challenges and manage stress, such as the title "Learning to use stress to your advantage", which addresses the nature of stress and discusses how to manage stressors so they can become an asset in certain situations. The solution "Balancing choices" helps employees make better day-to-day personal choices, such as healthy eating habits and the right choice of exercise. "Strategy & Longevity" is a solution that provides information about dietary habits that help to preserve the cingulate cortex, an area of the brain responsible for assigning tasks to other areas of the brain. The title "Habits that make the difference" teaches basic principles about diet and fitness to promote all-round health. The title "Brain challenges", meanwhile, addresses the theme of quality of life as it relates to brain vitality, helping employees achieve the brain health, well-being and motivation needed to meet the challenges of day-to-day life.

To provide better quality of life and a healthy work environment to professionals working with digital channels, especially employees working in high-stress functions such as the Contact Center, we offer amenities such as a Decompression Lounge to provide emotional and motivational support and stress relief and relaxation. We also conform to Directive 09 of Regulatory Standard 17 (NR 17) – Appendix II, which establishes minimum requirements for the different types of call center/telemarketing activities, ensuring that employees are provided with the optimal levels of comfort, safety and health needed to perform efficiently.

Employees working with digital channels on six hour and 20 minute shifts are eligible to:

- A 30-minute snack break.
- 10 minutes of rest after the first hour of work.
- 10 minutes of rest before the last hour of work.

Digital Channels Department employees can also participate in the "Digital Channels Voices Choir", a recreational activity designed to build teamwork while also improving vocal performance.

Weekly yoga sessions are also held that provide an opportunity to relax and let off steam, while also supporting a better balance of body and mind. To encourage employees to engage in sports activities, we also organize cycling and hiking excursions, and have partnerships with fitness centers providing discounts to Digital Channels Department employees.

Our absentee rate in 2017 (3.64%) was higher than in 2016 (3.02%) but consistent with our expected (target) rate of 3.80% accounting for the HSBC Brazil acquisition. Absentee rates among former HSBC employees were 127.52% higher than among Bradesco employees in 2017. This trend is observable in the fourth quarter of 2016. Absentee rates in 2018 are expected to be similar to the rates reported in previous years.

TOTAL LOST DAYS	2013	2014	2015	2016	2017
Absentee rate	3.75	3.90	3.87	3.02	3.64

CLIMATE SURVEY

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.

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.

Volunteerism

At Bradesco we believe in the transformational power of volunteerism and, through the Bradesco Volunteers Program, we encourage employees the exercise civic engagement by either organizing initiatives or supporting employee-led initiatives throughout Brazil.

Activities are organized and conducted on different fronts.

Just through "*Voluntários MAIS*", the primary corporate initiative within the program, 1,070 volunteers, including employees and relatives, participated in 42 activities, dedicating over 4,000 hours to volunteer work. These activities are related to the UN Sustainable Development Goals and benefited approximately 3,741 people at 29 organizations.

With its 5th National Voluntary Blood Donation Campaign, the Program involved 121 volunteers who donated 115 units of blood, benefiting 28 institutions throughout Brazil.

Employees and their families also participated as volunteers in the traditional Christmas pageant at Palácio Avenida, in Curitiba. Dubbed as "Christmas Angels", they assisted the young choir singers throughout their performances. In 2017 the pageant was titled "The Enchanted Palace" and was supported by 136 volunteers, who dedicated a total of 4,896 hours of work.

In 2017 the program completed its 10th anniversary with 2 thousand documented activities to date. More information about these activities is available on the Bradesco Volunteers Portal (www.voluntariosbradesco.com.br), Bradesco's official communication and engagement platform, with nearly 18,000 registered employees.

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:

Internal Advisory

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.

Integrated Health Management

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.

Quality Feedback

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 offices 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.

EMPLOYEES GRI 405-1, GRI 405-2, GRI 401-1, GRI 404-1, GRI 404-3, GRI 102-8

TOTAL WORKFORCE

NUMBER OF EMPLOYEES AND MANAGERS BY EMPLOYEE CATEGORY AND GENDER

	2015	2016		2017	
		Men	Women	Men	Women
Board of Executive Officers + Board of Directors	132	148	10	129	7
Superintendent Management	153	145	23	145	22
Middle Management	10,115	10,564	5,632	10,044	5,174
Supervisory/Administrative	55,591	25,740	30,421	23,334	27,451
Operational	27,002	15,937	19,059	14,685	16,780
Apprentice	-	442	830	445	728
Subtotal	-	52,828	55,965	48,782	50,162
Third-party	11,858	14,908		13,497	
TOTAL	92,861	123,859*		98,808*	

*The total headcount does not include members of the Board of Directors, the Statutory Board or third-party employees.

TOTAL WORKFORCE BY GENDER, EMPLOYMENT CONTRACT AND REGION

	2015	2016				2017			
		Employees with indefinite employment agreements		Employees with definite employment agreements (apprentices)		Employees with indefinite employment agreements		Employees with definite employment agreements (apprentices)	
		Men	Women	Men	Women	Men	Women	Men	Women
North	3,345	2,051	1,624	13	33	2,021	1559	16	34
Northeast	12,326	6,801	6,119	69	108	6,862	5785	75	109
Midwest	4,435	2,943	2,525	5	27	2,862	2,402	8	32
Southeast	63,840	32,113	36,394	329	617	29,531	32,749	328	517
South	8,673	8,323	8,360	26	45	6,767	6,804	18	36
Outside Brazil	242	155	113	0	0	165	128	0	0
TOTAL	92861	52,386	55,135	442	830	48,222	49,442	431	713

WORKFORCE BY GENDER AND AGE GROUP

	2015	2016		2017	
		Men	Women	Men	Women
Under 30	44,094	20,514	22,103	18,744	19,737
30 to 50	40,695	25,590	29,904	24,733	27,984
Over 50	8,072	6,724	3,958	5,176	2,434
TOTAL	92,861	108,793	98,808		

GOVERNANCE BODY AND STAFF COMPOSITION GRI 404-1

GOVERNANCE BODIES BY AGE GROUP, ETHNICITY/COLOR AND GENDER	2016	2017
	%	%
AGE GROUP		
30 to 50	9.1%	18.5%
Over 50	90.9%	81.5%
RACE/COLOR		
White	97.7%	97.01%
Asian	2.3%	2.9%
GENDER		
Women	9.1%	11.1%
Men	90.9%	88.9%

EMPLOYEES - AGE GROUP	2017	2017	2017	2017	2017
	UP TO 30 (%)	31 TO 40	41 TO 50	% OVER 50	GRAND TOTAL
Board of Executive Officers	0.0%	0.0%	0.0%	0.1%	0.1%
Superintendent Management	0.0%	0.0%	0.1%	0.1%	0.2%
Middle Management	2.9%	6.0%	4.6%	1.7%	15.2%
Supervisory/Administrative	18.8%	19.2%	8.7%	3.7%	50.4%
Operational	20.8%	5.5%	3.0%	2.0%	31.4%
Apprentice	1.2%	0.0%	0.0%	0.0%	1.2%
Intern	1.6%	0.0%	0.0%	0.0%	1.6%
TOTAL	45.2%	30.8%	16.4%	7.6%	100.0%

WORKFORCE - ETHNICITY	2017	2017	2017	2017	2017
	White	Black	Asian	Indigenous	Total
Board of Executive Officers	0.1%	0.0%	0.0%	0.0%	0.1%
Superintendent Management	0.2%	0.0%	0.0%	0.0%	0.2%
Middle Management	11.4%	3.5%	0.3%	0.0%	15.2%
Supervisory/Administrative	38.8%	10.6%	0.8%	0.1%	50.4%
Operational	21.6%	9.4%	0.3%	0.1%	31.4%
Apprentice	0.6%	0.6%	0.0%	0.0%	1.2%
Intern	1.1%	0.5%	0.0%	0.0%	1.6%
TOTAL	73.8%	24.5%	1.5%	0.2%	100.0%

WORKFORCE - GENDER	2017	2017	2017
	Women	Men	Grand total
Board of Executive Officers	0.0%	0.1%	0.1%
Superintendent Management	0.0%	0.1%	0.2%
Middle Management	5.2%	10.0%	15.2%
Supervisory/Administrative	27.2%	23.2%	50.4%
Operational	16.7%	14.6%	31.4%
Apprentice	0.7%	0.4%	1.2%
Intern	0.8%	0.8%	1.6%
TOTAL	50.7%	49.3%	100.0%

EMPLOYEES WITH DISABILITIES	2016	2017
Middle Management	2.9%	2.9%
Supervisory/Administrative	28.8%	25.0%
Operational	68.3%	72.0%
TOTAL	100.0%	100%

RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN GRI-405-2

EMPLOYEE CATEGORIES	2015	2016	2017
	ratio of basic salary (%) women to men	ratio of basic salary (%) women to men	ratio of basic salary (%) women to men
Statutory Board + Board Of Directors	100	104	129
Superintendent Management	100	97	99
Middle Management	82	85	85
Supervisory/ Administrative	88	85	88
Operational	99	94	95

TURNOVER

The rate of employee turnover in 2017 remained stable, not including the effect of the Special Voluntary Redundancy Program (PDVE). Our turnover rates, which are historically low compared with our peers, reflect our belief in the value of human capital.

In 2017 our turnover rates were affected by the first Special Voluntary Redundancy Program in our history, due to a number of factors requiring a reorganization of our workforce to ensure that synergies and gains of scale primarily as a result of the HSBC Brazil acquisition effectively contribute to our results. The plan was concluded in August, with 7,400 subscribing employees and providing R\$ 1.5 billion in recurring annual personnel expense savings.

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2017 (not including PDVE)
Total employee turnover rate	9.54	8.87	7.90	15.51	8.74
Voluntary employee turnover rate	1.69	1.36	1.08	8.12	1.35

HIRES AND TURNOVER GRI 401-1
NUMBER AND RATES OF NEW EMPLOYEE HIRES BY GENDER

NUMBER OF NEW EMPLOYEE HIRES BY GENDER	2015	2016	2017
Men	2,782	1,449	3,029
Women	2,633	1,360	2,737

RATE OF NEW EMPLOYEE HIRES BY REGION (%)	2015	2016	2017
Men	6	3	6
Women	6	2	6
NUMBER AND RATES OF NEW EMPLOYEE HIRES BY REGION			
NUMBER OF NEW EMPLOYEE HIRES BY REGION:	2015	2016	2017
North	216	128	260
Northeast	472	461	984
Midwest	262	114	329
Southeast	4,063	1,771	3620
South	383	279	513
Outside Brazil	19	56	60
RATE OF NEW EMPLOYEE HIRES BY GENDER (%)	2015	2016	2017
North	6	3	7
Northeast	4	4	8
Midwest	6	2	6
Southeast	6	3	6
South	4	2	4
Outside Brazil	8	21	20
NUMBER AND RATES OF NEW EMPLOYEE HIRES BY AGE GROUP:			
NUMBER OF NEW EMPLOYEE HIRES BY AGE GROUP:	2015	2016	2017
Under 30	5152	2694	5188
30 to 50	262	111	578
Over 50	1	4	0
RATE OF NEW EMPLOYEE HIRES BY AGE GROUP (%):	2015	2016	2017
Under 30	12	6	13
30 to 50	1	0	1
Over 50	0	0	0
NUMBER AND RATE OF EMPLOYEE TURNOVER BY GENDER:			
TERMINATIONS BY GENDER:	2015	2016	2017
Men	3,984	1,449	7410
Women	4,278	1,360	8710
RATE OF TURNOVER BY GENDER (%):	2015	2016	2017
Men	9	3	15
Women	9	2	17
NUMBER AND RATE OF EMPLOYEE TURNOVER BY REGION			
TERMINATIONS BY REGION:	2015	2016	2017
North	306	255	354
Northeast	713	971	1365
Midwest	384	404	576
Southeast	6,088	5,479	10247
South	755	871	3525
Outside Brazil	16	16	53
RATE OF TURNOVER BY REGION (%):	2015	2016	2017
North	9	7	10
Northeast	6	7	11
Midwest	9	7	11

Southeast	9	8	16
South	9	5	26
Outside Brazil	6	6	18

NUMBER AND RATE OF EMPLOYEE TURNOVER BY AGE GROUP

TERMINATIONS BY AGE GROUP:	2015	2016	2017
Under 30	4,579	3,574	3884
30 to 50	3,075	2,970	7159
Over 50	608	1,452	5077

RATE OF TURNOVER BY AGE GROUP (%):	2015	2016	2017
Under 30	10	8	10
30 to 50	8	5	13
Over 50	8	14	67

TRAINING AND DEVELOPMENT GRI 404-1, GRI 404-2

Through our Bradesco Corporate University (UniBrad), our training and development solutions provide employees with comprehensive, deep experience throughout the learning journey. One of our primary assets in achieving our mission is the team's multidisciplinary human capital and the variety of educational tools and methodologies available, which in 2017 received international recognition in the form of a GlobalCCU Award.

EMPLOYEE CATEGORY	2015 Average number of hours of training per employee		2016 Average number of hours of training per employee			2017 Average number of hours of training per employee		
	Men	Women	Men	Women	Total	Men	Women	Total
Board of Executive Officers + Board of Directors	60	103	78	53	77	40	68	41
Superintendent Management	79	144	83	201	99	65	120	72
Middle Management	40	30	27	22	25	34	31	33
Supervisory and Administrative	26	23	25	26	26	32	31	32
Operational	17	18	11	8	9	20	19	19
Apprentices	0	0	0	0	0	10	8	9
Interns	6	5	3	2	2	40	31	35
TOTAL	25	22	21	19	20	29	27	28

In 2017, 74% of employees attended at least 4 courses. Our goal for 2020 is to achieve an 80% attendance rate.

To support our employees' development, UniBrad has partnerships with some of the top education institutions in Brazil. Through these programs, schools and universities offer employees discounts and special payment terms for a range of programs. Some of these discounts extend to family members. Where training needs are not covered by our corporate portfolio, Bradesco sponsors external

courses as well as graduate and MBA programs related to the stage where employees are at in their careers.

For employees who have been terminated without cause, the program provides a professional requalification grant of up to R\$ 1,497.77. This can be used in language, computer and prep courses for civil service positions, among other courses.

Bradesco does not offer assistance on transitioning to a non-working life. However, in 2010 we implemented *LIG VIVA BEM*, a channel providing 24/7 support to employees and family members (including emergency support during late-night hours and on weekends). The telephone number is toll-free and staffed by professionals specializing in providing psychological, nutritional, legal and financial advice, as well as assistance in situations such as dealing with differences, family issues and relationship problems. There is no limit to the number of consultations, and all are treated in confidence and security.

REWARDS AND BENEFITS GRI 401-2

Bradesco has structured a benefits package that far exceeds legal requirements and is designed to provide employees and their dependents with the means to comfortably meet their basic needs while also supporting their professional development. We also offer special lending conditions to purchase consumer goods and real estate. Bradesco’s investment in employee and dependent benefits was R\$ 4.638 billion in 2017, covering 238,653 people, including employees and beneficiaries.

Benefits are awarded based on Bradesco’s Human Resources Management Policy to all employees, regardless of their position in the Organization. Our benefits include:

- Health and dental insurance – Bradesco employees and their dependents are eligible to health and dental insurance with single-room (suite) accommodation and premiums fully paid by the Bank. Our health insurance plan covers consultations, urgent, emergency and elective surgery (including all types of transplants), obstetric care, refractive surgeries for myopia and hypermetropia, inpatient care (with no limit on the period of inpatient care, including ICU care), outpatient care, tests, therapies, psychiatric consultations, ambulance transportation, family planning, and AIDS treatment (with reimbursement for AIDS drugs). Dental insurance plans cover preventive, surgical, restorative, odontopediatric, endodontic, periodontal and prosthetic treatment. Implants are offered at lower-than-market costs through partners.

EMPLOYEES COVERED BY HEALTH INSURANCE (%)

2014	2015	2016	2017	Target for 2018
100%	100%	100%	100%	100%

- Pension Plans – Our employees are offered a Pension Plan in which Bradesco matches 5% of participants’ basic income, including their 13th month salary. The plan covers retirees and their widowers and children up to the age of 24.

- Group Life, Personal Accident and Funeral Insurance – All Bradesco employees are eligible to Group Life and Personal Accident Insurance at lower costs and with greater coverage than available in the market. Employees receiving social security pensions who have been terminated without cause have the option of retaining the policy at a reduced cost.
- Social Service and Psychological Assistance – Our employees and their dependents have access to a Social and Psychological Assistance Service when in need and in emergency situations. This service covers consultations on a variety of situations and needs.
- Snacks – Bradesco distributes snacks and drinks on a daily basis to all employees to support their health, well-being and quality of life.
- Meal and Grocery Allowance – Meal and grocery allowances are offered to all Bank employees from the time they are hired. Monthly allowances are credited monthly to their magnetic cards. Bradesco employees can opt to receive meal allowances in addition to food allowances according to their needs.
- Day Care and Babysitter Allowance – A day care allowance is offered to 100% of eligible employees. This benefit is paid for children up to 71 months (5 years and 11 months) old. For children with disabilities requiring permanent care there is no age limitation, and the daycare allowance extends to special schools. Allowances paid in 2017 exceeded R\$ 86.4 million.
- Funeral Assistance – Employees and dependents are eligible to assistance in handling formalities and paying funeral costs. This includes handling all documentation and making arrangements for the funeral. Expenses are paid by the service provider up to the established limit, providing beneficiaries with greater comfort in these delicate moments.
- Transportation Tickets – We offer our employees transportation tickets that are credited monthly to payroll. The percentage of costs paid by employees is less than typically paid in the market, providing a better commuting experience, savings and well-being for employees.
- Medicines – Bradesco Saúde has partner drugstore networks throughout Brazil, where employees and their health insurance dependents can purchase medicines at lower costs.
- Flu Vaccination – Bradesco conducts annual flu vaccination campaigns offering free vaccines to employees and vaccines at subsidized prices to dependents.
- Recreational Activities – Recreational facilities are available to employees and dependents at Cidade de Deus, Osasco, including swimming pools, athletics tracks, soccer pitches and sports courts (basketball, volleyball, tennis and soccer). In 2017 we recorded more than 85,500 visits to these facilities.
- Social Loans – We offer financial assistance to our employees, including loans at subsidized interest rates for emergency

situations, education expenses, dental braces, glasses, funerals, psychologist, psychiatrist and speech therapist consultations, and other expenses.

- Credit Lines - We offer our employees credit lines at special rates including: Overdraft facilities, personal loans (normal, on-line loans with vehicles and real estate as collateral); mortgages; DTC loans - vehicles and motorcycles, MBA/graduate education, and other goods and services; Leasing - vehicles and other goods; prepaid income tax; and prepaid 13-month salary. First-degree relatives (parents and children) of Bradesco employees are eligible to the same benefits for the following products: Mortgages; DTC - vehicles; Leasing - vehicles.
- Maternal leave - In addition to the maternal leave period established in Brazil's Consolidated Labor Regulations (CLT), mothers are eligible to an additional sixty (60) days of leave, for a total of 180 days of paid maternity leave. This benefit is also extended to adopted children, including children adopted by homosexual couples.
- Together for Healthy Motherhood - This program provides preventive care and education to expecting mothers during the prenatal period, childbirth and the puerperium period. It caters to mothers' preventive and educational needs during the pregnancy-puerperal cycle and helps to reduce pregnancy risks through telephone support provided by obstetric nursing staff under the guidance of the expectant mother's physician.
- Paternal leave - In addition to the paternal leave period established in Brazil's Consolidated Labor Regulations (CLT), fathers are eligible to an additional fifteen (15) days of leave, for a total of 20 days of paid paternal leave. This benefit is also extended to adopted children.
- Online Shopping Channel - ShopFácil Funcionário is a restricted online shopping channel offering benefits to Bradesco employees. The shopping portal offers special discounts that are negotiated directly with suppliers for a range of products and services. Partnerships are established with a number of suppliers offering employees special prices and payment terms.
- These initiatives demonstrate Bradesco's concern for employees' well-being through their lifetime. We provide exceptional care and benefits that further demonstrate the way we value our employees.

Going forward

In 2017 Human Resources procured an integrated solution to support Bradesco's Recruiting and Selection and People, Career and Development Management processes. The solution will be implemented throughout 2018 across three major fronts: Self-Development, Career Management and Compensation and Succession.

Further investment is also planned for training and developing our staff. One of UniBrad's approaches is to use on-the-job experience to support development, so that learning extends beyond the classroom. Our goal for 2018 is to expand the reach of our Corporate University into communities.

In digital media, B.quest, Bradesco's employee development app, was one of the highlights in 2017 and will continue to play an important role in 2018, with added functionality and content.

B.quest is a platform designed around a question-and-answer format to support self-development and collaboration among Bradesco employees, using a light, fun and motivational approach. Categorized questions provide strategic alignment with the business and ensure that corporate competencies, our banking businesses and subjects such as health and well-being are adequately addressed, supplementing existing training solutions.

The initiatives described above and planned for 2018 are all aligned with our mission of maintaining and continually improving our management of human capital to positively influence the Organization's strategy.

Supplier Management

GRI 102-9, GRI 103-1, GRI 103-2, GRI 103-3, GRI 308-1, GRI 308-2, GRI 414-1

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.

In 2017 we developed three major projects to improve our supplier management:

Bradesco Supply Chain Social Responsibility Program (PBRSA CS)

Implemented in 2016, this program was reformulated to improve development from 2018.

The program will expand the scope of audits on critical suppliers and subsequent action plans will be periodically followed up on to ensure that identified opportunities for improvement are implemented. In 2017 we audited 77% more suppliers than in 2016 and in 2018 we plan to audit 100% of critical suppliers.

Supplier Performance Assessment

The goal in these assessments is to provide a standard corporate vision of our suppliers and improve supplier relations with the Organization. The focus is on evaluating and developing our supplier base by supporting productive, managerial, compliance and other practices. The pilot project began in 2017 and will be completed in 2018, and aims to ensure that 100% of strategic suppliers and suppliers in categories deemed essential to the Organization are assessed.

Social and Environmental Rating

This methodology rates our suppliers at four levels of social and environmental risk as established in our Social and Environmental Risk Standard (Low Risk, Medium Risk, High Risk and Very High Risk). The rating takes account of any evidence of unlawful activities (slave, forced or child labor), whether they have been fined for environmental violations, and other aspects.

NEW SUPPLIERS

Since implementation of our electronic supplier screening tool in 2016, all suppliers have been screened against social and environmental requirements. This has ensured that all suppliers doing business with Bradesco are screened against these criteria prior to being included on our database.

We also perform document reviews for critical suppliers and a rating process that identifies the level of social and environmental risk, according to the supplier's business activity and the quality of its risk management systems.

Despite the change in the number of suppliers engaged, 100% have continued to be screened for environmental requirements. No targets for new contracts have been established. In 2018, however, 100% of new suppliers will be screened against social criteria.

As of December 31, 2017, 1,151 new suppliers had been screened for a total of 7,096 screened suppliers. All of these suppliers were assessed on social and environmental performance prior to being included in our database.

	2015	2016	2017
NEW SUPPLIERS THAT WERE SCREENED USING SOCIAL CRITERIA	1836	888	1151

TARGETS

We achieved the following targets established for 2017: expand audits performed on suppliers within the Bradesco Supply Chain Social Responsibility Program (PBRSA CS); initiate implementation of the Supplier Performance Assessment program; and continue to run the Purchasing Training Program at the basic and intermediate level, with a range of external and internal training taken by employees.

Next steps

The following targets have been set for 2018:

- Perform social and environmental audits on 100% of critical suppliers within the Bradesco Supply Chain Social Responsibility Program;
- Implement Supplier Performance Assessment for 100% of strategic and essential suppliers;
- Organize a new edition of the Bradesco Supplier Conference;
- Ensure that 100% of screened suppliers are compliant with Bradesco’s commitments;
- Continue to source most goods and services locally to support national economic development;
- Continue the Procurement Training Program for employees within the Department, providing training on negotiation, tax, procurement intelligence, TCO, and other subjects.

Customer relations

GRI 103-1, GRI 103-2, GRI 103-3, GRI 417-1

Respect for customers and excellence in service are principles inscribed in Bradesco's DNA. These pillars guide our organization and are translated into a range of customer service channels staffed by teams who are structured to efficiently handle customers' and users' queries. Our respect and care for customers earned recognition in 2017 in the form of a Brazil Ombudsman's Award. The award was presented by the Brazilian Association of Customer Relations (ABRAREC) for the 6th consecutive time to Bradesco's banking and insurance ombudsman's offices. We have been the only bank to receive this award in all editions.

ALÔ BRADESCO

In 1985, we created *Alô Bradesco*, five years before Brazil's Consumer Protection Code was promulgated. This was the first channel for addressing customer concerns in the financial sector. *Alô Bradesco's* mission is to efficiently handle issues raised by customers at the first tier (Customer Service) to prevent those issues from escalating into complaints at tiers further up, and to improve our relations with customers.

Ombudsman's Departments

At the second-tier we have two independent ombudsman's departments, one for addressing issues raised by customers and users of banking products and services, in accordance with the requirements established by the Brazilian Central Bank, the Securities Commission (CVM), and consumer protection bodies throughout Brazil (Consumer Protection Services and Legal Aid Departments); and the other to handle issues related to Bradesco Seguros in compliance with the standards established by the Brazilian Private Insurance Authority (SUSEP) and Private Health Care Agency (ANS).

Synergy

In June 2017 the Ombudsman's Department took over the management of our Customer Service/*Alô Bradesco* channels 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 to inform the continual improvement of our processes, products and services.

With this integration, we have improved our quality control in handling concerns. As part of this, we created a Customer Experience function to identify customer perceptions of their banking journey and help to build loyalty.

In the second half of 2017, we reformulated our Indicators and Results function to continually monitor the most frequently raised matters. These functions add to the efforts of our Improvement Management Function, which uses statistical and quantitative analytics to assess the root causes of complaints about our products and services. The findings from these assessments are shared with our units and associated entities to develop lasting solutions to customers' problems and prevent recurrence in other situations.

We also perfected our complaint handling tool to improve the above processes, maintaining high standards of excellence in the quality of analyses and response times.

Bradesco also created the Ouvinova program in 2017 to encourage employees to be proactive, inquisitive and develop innovative, out-of-the-ordinary solutions to customers' concerns.

CUSTOMER PRIVACY GRI 418-1, GRI 417-2

Our Ombudsman's Department received 159,015 customer complaints from the National Financial System, but no formal proceedings were brought by the regulator. There were also no instances of leaks, theft or loss of identified client data.

We were party to 40 legal proceedings in 2017 for breach of banking secrecy, of which 13 were concluded during the period with payment of R\$ 23,500.00 in damages.

ANNUAL CHANGES IN NUMBER OF CONCERNS – BRADESCO

	2015	2016	2017
Ombudsman's Department	20,479	26,058	28,475
Consumer Protection Services	67,682	69,350	79,158
Central Bank	40,579	44,187	45,027
Letter/Print	4,307	5,705	6,341

ANNUAL CHANGES IN NUMBER OF CONCERNS – BRADESCO SEGUROS

	2015	2016	2017
Complaints	14,137	19,562	31,934
Suggestions	22	19	13
Compliments	818	65	101
TOTAL	14,977	19,646	32,048

2017 TARGETS	STATUS
<p>Reduce response time on the Central Bank, Customer Protection Service and Toll-Free Ombudsman channels by 5%.</p>	<p>Not met.</p> <p>Reason: The HSBC migration increased the volume of customer inquiries, preventing the reduction target from being met. We will maintain the same commitment for 2018.</p>
<p>Improve the SACL System and expand its features to build scale and performance.</p>	<p>Met.</p> <p>Reason: The system has continued to be enhanced. In 2017 we discontinued the workflow system and began recording and reviewing complaints within a single system (SACL). This has helped to speed up complaint processing by providing a smoother, single-system process for the Ombudsman's Department and product and services managers. We will continue to implement positive improvements.</p>
<p>Make the Customer Protection Service toll-free number available to other customer protection services throughout Brazil (providing a faster response and higher resolution rates for customer complaints made to customer protection services)</p>	<p>Met.</p> <p>Reason: The Ombudsman's Department has continued to offer and communicate its Customer Protection Service toll-free number to all customer protection services in Brazil, providing a faster response to customers seeking customer protection services for a solution to their complaints. The toll-free number is communicated during visits by our managers as well as through phone calls directly to customer protection services that are not yet using this channel. The number of customer protection services using the toll-free number has increased as described.</p>
<p>Expand the number of Ombudsman's Department agents liaising between Bank branches and customer protection services by 10%.</p>	<p>Met.</p> <p>Reason: The number of Ombudsman's Department agents throughout Brazil met the expansion target, improving our communication and directly benefiting customers and users of our services throughout Brazil.</p>

Tracking customer perceptions

Smart

Bradesco has used CRM 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 both our own and our competitors' customers. In 2017, we implemented an NPS (Net Promoter Score) survey to closely examine customer recommendations on our service channels, products and services compared with our primary competitors. The results of this survey have been used to inform actions aimed at improving customer service quality and solutions. The survey has country-wide coverage and included all segments in which we operate in Retail and Wholesale.

FINANCIAL MARKET MAPPING (MMF)

We also conducted surveys to monitor and track a range of indicators on Bradesco and key competitors, including Overall Satisfaction. We calculate an average score for each bank on a scale of 0 to 10 – where 0 is very dissatisfied and 10 is very satisfied. The survey has been conducted by Bridge Research since 2011 and has countrywide scope.

Bradesco's satisfaction score in 2017 was higher than the previous year (as shown in the graph below):

2015	8.2
2016	8.0
2017	7.9

The satisfaction score met our 7.9 target for 2017 and our target for 2018 is to retain the same score.

Shareholder & Investor Relations

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

BROKERAGE

Bradesco's Investor Relations service is managed by our Market Relations Department. Its primary function is to transmit Bradesco's information, insights and strategies to the financial community to support valuation of our shares at fair market value, as well as keeping senior management informed of market perceptions of our performance.

We have undertaken a continuous effort to enhance transparency in reporting in a way that meets the needs of all our stakeholders.

Bradesco S.A. CTVM, or "Bradesco Corretora", operates in the financial market as a broker in the trading of stocks, futures and commodities, financial assets, index-linked securities, options, securities lending and forward contracts in the primary and secondary markets. We also offer a wide range of products such as investment clubs, government bonds through Treasury Direct, private fixed-income securities, public offerings and all assets traded on B3 and on the over-the-counter market, providing differentiated services to personal and business clients, institutional investors and non-resident investors.

Personal and business current-account clients can also use our Home Broker through our Internet Banking and Bradesco Mobile channels to make transactions online efficiently, quickly and securely.

In 2017 Bradesco Corretora traded R\$ [248.5] million in variable income securities and [38.33] million futures, forward contracts, swaps and options worth a total of R\$ [3.76] trillion on B3.

Within the B3 Operational Qualification Program (PQO), Bradesco Corretora has 5 marks of excellence (Agro Broker, Carrying Broker, Execution Broker, Retail Broker and Nonresident Investor Broker) denoting high-quality service. It is also certified by a CETIP (Clearing House – now B3) mark.

Financial Products

VARIABLE INCOME

Stock
Options
Equity Forewords
Securities Lending
ETF
FII
Primary Offerings

B3

Index-Linked Securities
US Dollar
Agricultural Derivatives
Gold

FIXED INCOME

Treasury Direct
Public and Private Securities
Primary Offerings

OTHER

Corporate Stock Options
Scheduled Transactions
Investment Clubs
Derivatives solutions

Regulator Relations

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 Executive Board 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 has a Regulator Relations function dedicated to improving the consistency and comprehensiveness of our regulator relations processes. In 2017 the DCCE Department updated our Regulatory Compliance Standard.

Community Relations

GRI 103-1, GRI 103-2, GRI 103-3

Bradesco's presence in all Brazilian municipalities places us in contact with people of all social classes and regions with a wide range of economic profiles. Through our network of more than 60,000 service points and more than 30,000 multi-platform service managers, we actively seek to promote financial inclusion by offering products and services for customers of all income ranges, providing enhanced accessibility, digital channels and financial education. 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.

Products and services providing financial inclusion and/or generating social and environmental benefits:

- **Floating branch:** the *Voyager V* tours 11 municipalities and 50 communities with a total population of 250,000 people, mostly indigenous, who previously had no access to financial services;
- **Two Bradesco Expresso units in remote locations** within protected areas in the Amazon, in partnership with Fundação Amazonas Sustentável, benefiting 5000 people with banking and account opening services in an area greater than 1 million hectares;
- **Bradesco First Protection:** At a monthly cost of R\$ 5.50, this product provides coverage for personal accidents as well as individual funeral coverage.
- **Double Protection Microinsurance:** This product provides coverage for fire, lightning strikes, gas explosions and accidental death with premiums starting at R\$ 4.50 per month;
- **Personal Protection Microinsurance:** a product offered at Losango Stores offering coverage for death, permanent invalidity due to injury and involuntary unemployment
- **Bradesco Premium Accident Microinsurance:** available exclusively from Losango Stores with premiums of only R\$12,00, this insurance product offers coverage for Accidental Death with a payout of

R\$10,000.00.

- **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;
- **By SMS:** clients can pay bills, check their balance, top up their cell phone or configure notifications for their account;
- **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 Rainforest biome, mobilizing, training and encouraging people to exercise social and environmental citizenship;
- **Bradesco Fundação Amazonas Sustentável Card:** this product promotes sustainable engagement, environmental preservation and quality of life in riverside communities in Amazonas;
- **Charitable institution cards (AACD):** part of the annual card fee goes to charities;
- **BNDES Card:** BNDES onlending to purchase machinery, equipment and production inputs available for sale on the BNDES Card website. The objective is to facilitate the use of credit and help companies to invest and modernize. Target Social Group: micro, small and medium-sized businesses;
- **Membership Rewards Program (Amex – Donation):** a Membership Rewards points donation campaign for partner charities enables members to contribute to social and cultural projects. Partner charities: Tuca, IBCC, Ibase, Graac, AACD, Abrinq, Doutores da Alegria, Casa Hope, ADJ, Olga kos, Gol de Letra, Beit Lubavich, SOS, FAZ, WWF and the NGO Parceiros Voluntários. Volume of points redeemed from January to December 2017: 3,038,750 million points. Estimated financial volume R\$ 31,362.00;
- **Bradesco Cards, Loyalty Program/ Lívolo:** donating redeemed Lívolo points to partner charities allows members to contribute to social projects and engage in unique experiences with the chosen partner, such as: participating in a class at an AACD school for children with special needs, participating in a visit from a clown duo from Doutores da Alegria, contributing towards a child's monthly food requirements through Casa Hope, among other initiatives. To see the entire catalog, visit: <http://www.pontoslivelo.com.br/doi-pontos> 'Partner charities: AACD, GRAAC, CASA HOPE, APAE, CONIACC, Doutores da Alegria, Médicos sem fronteiras, Pastoral da Criança and UNICEF. Volume of points redeemed in 2017: 14,016,340 million points Estimated financial volume: R\$171,966,000.00;
- **Bonus Club Program:** Donating redeemed bands within the Bonus Club Program to charitable organizations allows members

to contribute to social and environmental programs. Partner charities: AACD, GRAAC, CASAS HOPE, APAE, and SOS Mata Atlântica. Volume of bands redeemed from January to December 2017: 511 redemptions. Estimated financial volume: R\$16,615.00;

- **Bradesco Seguros Cards Loyalty Program:** members can redeem program points according to the amount they have spent with their cards, and use those points to get discounts on vehicle or life insurance, air travel miles, catalog products, among other options.
- **EBTA Account Virtual Card (American Express):** this card eliminates the need to issue plastic cards by providing a virtual solution to centralize expenses on air travel, providing companies with greater control and security through managerial reports that optimize spending reporting and financial reconciliation;
- **Hotel Account Virtual Cards (American Express):** this card eliminates the need to issue plastic cards. An American Express Hotel Account centralizes companies' accommodation expenses and offers:
 - Specialist consulting for implementation: advice on implementing the product provided by trained professionals specializing in market best practice;
 - Centralized invoices: the company has the convenience of receiving a single invoice covering all accommodation expenses, improving cost control and cash flow management;
- **BTB Virtual Card:** this card eliminates the need to issue plastic cards. The card is designed to manage expenses on accommodation, events or vehicle rental through a web platform that allows managers to issue Online Virtual Cards (Bearer VCN) and add appropriate settings supporting full management of corporate expenses;
- **CPB Account Virtual Cards (Visa and Mastercard):** this card eliminates the need to issue plastic cards. It is the perfect payment method for companies to manage and control expenses on air travel with partner travel agencies. It provides the perfect combination of convenience and speed, using a single card that:
 - Reduces bureaucracy in booking and purchasing air tickets;
 - Uses a single invoice per card, company and due date; and
 - Reduces costs on optimizing administrative procedures.
- **Bradesco Continued Benefit Payment Card:** an exclusive card for INSS pensioners to operate their accounts, with transactions debited directly from their accounts without any fees being charged.
- **INSS Benefit Payment Card:** this card allows retirees and pensioners to debit expenses from their account and make purchases at establishments within the Cielo network;

- **Bradesco Universitário:** The strategic positioning of Bradesco University Accounts further enhances our relations with young people in university. Customers are offered exemption from banking fees during the first six months, exemption from the first annual credit card fee, special rates for pooled finance and DTC products and discounts at partner language schools and student exchange agencies.
- **We provide special service to retirees** at our branch network through standardized service procedures for these customers. Retirees can use the Bradesco Espresso network, including in locations where there are no bank branches. On opening a Bradesco bank account, retirees are also entitled to a range of benefits, including pension-deducted loans at special rates and repayment periods of up to 72 months, credit cards with special benefits for installment-paid purchases, revolving credit, among other benefits. To assist beneficiaries in the proof of life process, which is mandatory in accordance with INSS rules, this may be done via biometrics, providing increased security and speed in servicing retirees required to complete this process.
- **Account opening via the Bradesco App:** app-based account opening for personal customers.
- **Tranquilidade Familiar:** An insurance product providing coverage for death, as well as funeral coverage in Individual, Family or Plus categories, with premium payments starting at R\$ 5.00 per month.
- **ABS Senior:** a late-life insurance product for customers aged 60 to 80, with monthly premiums starting at R\$ 33.73.
- **Prev Classic - 3 in 1.** A pension plan with monthly contributions starting at R\$ 79.00, providing 3 benefits in a single product: accumulation, survivor's benefit and draws.
- **SobMedida Prev Jovem:** A pension plan for children and youth with contributions starting at R\$ 50.00 per month, helping to provide financial education to this audience.
- **Asset Management Platform:** Bradesco offers customers its Asset Management Platform, a remote advisory service provided by certified professionals who are qualified and prepared to offer investors expert Asset Management advice on the best investment opportunities according to their investor profile, stage of life, goals and macro-economic trends.
- **"Learn to Grow":** an educational channel with a platform that fosters close relations with the target audience, providing tips and ideas in plain and objective language. The content covers subjects that include Extra Income, World & Culture, Conscientious Spending, Thinking about the Future, Smart Routines and Entrepreneurship. Around 8 posts are published each month on the blog (blogsaberparacrescer.com.br) and Facebook page (facebook.com/saberparacrescerbradescard), which currently has approximately 512 fans.

SUPPORTING DEVELOPMENT GRI 103-1, GRI 103-2, GRI 103-3, GRI FS13

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

Education Program

This program provides free educational activities, supplementary to 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.

Students from municipal schools in Curitiba also participate in the choir activities. At the end of the year, these children star in the Bradesco Christmas Pageant through the windows of the historical building Palácio Avenida, which houses our offices and branch. In 2017 this program received total investment of R\$ 920,753.68*.

* Of this total, R\$ 300,000 was donated by Bradesco and the remainder by HSBC.

Comunitas Partnership - Together for Sustainable Development

Created in 2012 and present in 12 cities, this coalition of business leaders works to improve public administration, promote local development and improve community services. In addition to funding for projects, the program helps to disseminate experience and technical skills, supporting social and economic development in Brazil. The program aims to empower society to engage in municipal public policy decisions. The first effort aims to achieve fiscal balance, which supports expanded investment in public services benefiting the population. 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.

Bradesco Sports and Education Program

The Bradesco Sports and Education Program supports the development of children and adolescents through women’s basketball and volleyball. Sports are used as a key educational strategy in a continuing process that teaches values so that participants become not only better athletes, but also better citizens, through a combination of health and education. During the year, 2,008 students participated in the Training Programs and 180 in the Specialist Programs. Some athletes and professionals from the program were selected to state and national basketball and volleyball teams.

Fundação SOS Mata Atlântica

Our partnership with SOS Mata Atlântica began in 1989 and, since 2001, Bradesco and the NGO have planted 33,954,313 (33.9 million) native Atlantic Rainforest trees, enough to cover an area as large as 24,694 soccer pitches.

A total of 135,928 native saplings were planted in 2017. The Atlantic Rainforest is Brazil’s most threatened biome – only 12.5% of the original Atlantic Rainforest has survived, making reforestation highly important and necessary. In addition, Bradesco Cartões is the

exclusive partner of the Atlantic Rainforest Atlas program, which annually monitors deforestation within this biome.

In 2017 the first Atlantic Rainforest Regeneration Atlas was published showing the forest areas that are recovering either naturally or through sapling planting projects.

Fundação Amazonas Sustentável (FAS)

FAS's mission is to protect the Atlantic Rainforest and offer quality of life to communities in the region, who play an important role in the preservation of this natural heritage. In 10 years of activities, FAS has developed an ecosystem services compensation program that has become a global benchmark for poverty reduction and environmental preservation in forest areas. During this period, the program has benefited 39,420 people living in 583 communities in 16 protected areas, through activities providing sustainable income, community empowerment, better quality of life, education and health.

From a community development perspective, FAS recognizes the importance of budget management for households and entrepreneurs. For this reason, throughout 2017 FAS continued to run its financial education program through the UniBrad Sustainability School. Two lectures on the subject were held with residents in remote areas of the State.

Another significant initiative in 2017 was FAS's participation in the Vatican working group deriving from Pope Francis's Laudato Si encyclical to plan the implementation of the SDGs in the Amazon, both in Brazil and in other countries within the Amazon basin.

SOCIAL AND ENVIRONMENTAL INVESTMENTS GRI 203-2

BRADESCO (R\$ MILLION)					
PROJECTS	2013	2014	2015	2016	2017
Business-School Integration Project	0.680	0.743	0.785	0.823	0.918
Bradesco Sports (tax-deducted)	5.481	5.580	7.859	9.933	11.370
Fundação Amazonas Sustentável (FAS)	12.039	8.000	7.667	6.000	5.000
Fundação SOS Mata Atlântica	10.000	9.000	8.000	7.000	4.500
Other	8.861	7.672	4.670	4.820	0.180
TOTAL	37.061	30.252	28.196	27.753	21.968

TAX DEDUCTED INITIATIVES (R\$ MILLION)

TAX INCENTIVE LAWS	2013	2014	2015	2016	2017
<i>Rouanet</i>	97.994	100.613	82.862	54.371	77.524
Audiovisual	0.800	0.070	0.000	1.800	4.474
Sports	24.974	24.488	19.577	17.888	12.486
Statute on Children and Adolescents	16.308	22.569	19.499	15.695	20.686
PRONON and PRONAS*	14.000	42.144	28.361	2.656	7.118
Elderly	0.800	23.128	19.806	17.750	20.643
Other	0.835	-	-	-	-
TOTAL	153.276	213.012	170.105	110.160	142.931

*PRONON: Programa Nacional de Apoio à Atenção Oncológica. PRONAS: Programa Nacional de Apoio à Atenção da Saúde da Pessoa com Deficiência.

INSTITUTIONAL SUPPORT (R\$ MILLION)

BANK FUNDS	2013	2014	2015	2016	2017
Donations	31.515	40.068	65.593	57.543	21.270
Sponsorship	76.885	110.824	133.774	136.150	66.618
Trade shows					2.054
TOTAL	108.400	150.892	199.367	193.693	89.942

FUNDAÇÃO BRADESCO (R\$ MILLION)

	2013	2014	2015	2016	2017
Amount invested	451.816	515.093	499.779	592.973	621.128
Bradesco Sports & Education*	5.150	5.184	2.942	2.580	3.231
TOTAL	456.966	520.277	502.721	595.553	624.359

*Program supported by Fundação Bradesco.

BRADESCO SEGUROS PROJECTS AND PARTNERSHIPS

Longevity – increasingly a reality

Brazil is currently one of the fastest aging countries in the world. According to IBGE forecasts, Brazil's elderly population will increase by one million each year over the next 10 years, and 73.5 million people will be over 60 by 2060, the equivalent of one third of the country's estimated population of 218 million people.

Preparing for longevity means ensuring one's well-being, a high-quality social life, feeling fulfilled and preparing financially for the many years still ahead. Longevity is about the present and not some distant end of life.

Through initiatives such as our Longevity Portal; the Longevity Circuit, Awards and Forum; and *Movimento Conviva*, Bradesco Seguros Group aims to encourage discussion about these important changes in Brazil's population age structure. Our Longevity Awards are part of a set of broader initiatives developed by Bradesco Seguros Group since 2006 to raise awareness about the importance of aging actively and healthily. The awards ceremony, held during the Bradesco Seguros Longevity Forum, reached its seventh edition in 2017 with awards for "Journalism," "Life Stories," and "Longevity Research", the latter geared to the academic community.

"Long Live Longevity" is a Bradesco-sponsored portal that for more than a decade has fostered debate about the subject (Longevity Forum and Awards), built relations of trust and social interaction (Elderly-Friendly Doorkeepers, Longevity Circuit and *Movimento Conviva*) and disseminated knowledge to improve well-being for the broader population (Together for Health program).

Advisory – an essential partner

The "Long Live Longevity" program is advised by the International Longevity Center Brazil (ILC-Brazil), an independent think-tank developing knowledge and policy recommendations based on qualitative research and civic engagement projects. ILC-Brazil is chaired by Alexandre Kalache, who is also president of the ILC Global Alliance. He has a PhD in Public Health from Oxford and is a member of the World Economic Forum and a global ambassador from HelpAge International. He formerly served as director of the World Health Organization's aging and health program between 1995 and 2007, and has been a longevity consultant to Bradesco Seguros since 2008.

Elderly-Friendly Doorkeepers Program

The Elderly-Friendly Doorkeepers Program is a free training course focused on serving elderly citizens. It helps doorkeepers to build rapport with the elderly and understand the aging process in all its aspects. Participants share experience and are encouraged to use a warm and preventive approach in dealing with elderly residents, through dynamic activities in which they experience and can reflect on the limitations inherent to aging.

Longevity Circuit – health first

The Longevity Circuit encourages people to engage in exercise through short marathons (6 km) and walks (3 km). Amateur runners, athletes and sedentary people of all ages meet around the same objectives: improving health and social life through sports.

The circuit runs from July to December, with 41,000 entrants. R\$ 300,000.00 were collected for donations this year, benefiting a number of charities.

Longevity Awards and Forum – recognizing initiatives

The Bradesco Seguros Longevity Awards aim to recognize and showcase great stories about longevity, foster discussion about the subject in Brazil, as well as recognizing locally developed research on longevity.

Organized annually since 2006, the Longevity Forum (in which national and international experts meet in São Paulo and Rio de Janeiro) is an event organized by Bradesco Seguros to foster debate and discussion about longevity and active aging. It also discusses the importance of combining financial protection and planning with future quality of life and well-being. The initiative brings together scientists, economists, sociologists and other experts and stakeholders to discuss developments and attend debates and lectures about longevity.

Cultural Circuit – art with quality

Bradesco Seguros Group invests substantially in relationship-building and cultural support programs through the Bradesco Seguros Cultural Circuit. This includes sponsoring drama plays, exhibitions and dance and music performances. The Circuit aims to provide culture and entertainment to Brazilian audiences by supporting art and culture projects that contribute to collective well-being and societal improvement.

Movimento CONVIVA – cycling for good citizenship

We support a harmonious coexistence between drivers, cyclists and pedestrians. Since 2009, Bradesco Seguros' *Movimento CONVIVA* encourages people to exercise good citizenship through the healthy practice of cycling.

The initiative was inspired by projects and programs around the world and especially in Europe, where collective efforts to encourage a harmonious relationship between different transportation modes have delivered benefits in major cities such as Amsterdam, Copenhagen and Paris. These benefits, which are now also making their way into the US, are the result of government policy and private initiatives similar to *Movimento CONVIVA* which emphasized the importance of cultivating tolerance and harmony in traffic.

Movimento CONVIVA in numbers

- Bicycle checkouts along the Recreational Bike Lane in 2017: 22,406;

- Bike lane users per activation: around 120,000 people;
- Km of bike lanes: 124.3 km;
- 1.000 safe crossing volunteers;
- 21,500 traffic cones along the route improve cyclist safety;
- 180 bicycles available for loan;
- An average of 1,000 bicycle checkouts per activation.

Incentive Campaigns – recognizing great professionals

“Bradesco Seguros Insurance Talent” is one of the longest standing sales initiatives in Brazil’s insurance industry. In 2017 the initiative was themed around “Earning your place among the best”, providing motivation to 35,000 brokers and broker assistants registered with Bradesco Seguros Group. The goal was to encourage Brokers to take on challenges, develop their skill set and work towards higher achievement to become stars in the insurance world. The campaign covers all products available from Bradesco Seguros across Vehicle Insurance, Property & Casualty Insurance (mass and corporate), Health, Dental and Life Insurance, Pension Plans and Pooled Finance. The Insurance Talent Campaign 2017 ran until the end of December.

Emotion, celebration and passion set the tone for the two nights of the award ceremony in which Locomotive Trophies were delivered to the winners of the Bradesco Seguros Training & Motivation (T&M) campaign. Styled as a locomotive, the trophy epitomizes the strength and tradition of the award, which for more than 30 years has recognized the best sales professionals in the insurance market.

Annual campaign themes are designed to provide motivation and recognition to brokers. The theme of the Bradesco Seguros Training & Motivation campaign 2017 was “Towards New Paths”, with engagement as the primary objective. This campaign motivated sales departments to increase productivity to achieve their targets.

Business-School Integration Project

Created in June 2004, the Business-School Integration Project works with Fundação Bradesco on education initiatives designed to contribute to social integration, civic engagement and quality of life by supporting sports and cultural activities.

Insurance Culture Multipliers

Our Insurance Culture Multipliers initiative ran from March to May 2017 to mark National Financial Education Week. The initiative trained Bradesco Seguros Group employees in Rio de Janeiro and São Paulo to disseminate an insurance culture through lectures delivered to janitorial, security and maintenance service providers; parents and students within the Business-School Integration Project; and doorkeepers and facilities managers within the Elderly-Friendly Doorkeepers Program.

Plant a Tree

In mid-2017 we also organized a Plant a Tree initiative, in which Bradesco Seguros Group employees and business partners planted around 6,000 Atlantic Rain Forest tree saplings in Rio de Janeiro and São Paulo.

Bradesco Seguros - #muitoorgulho

All of these initiatives provide a sense of pride in being present in and changing the lives of our customers, employees and brokers, so that we are always, and increasingly, a company to be proud of.

Other Initiatives – Bradesco Seguros

Bradesco Seguros was the first insurance company in Brazil to become a signatory of the Principles for Sustainable Insurance (PSI) established by the financial arm of the United Nations Environment Programme (UNEP-FI), and has a seat on the Council.

Bradesco Seguros actively participates in the National Insurance Confederation (CNseg) Sustainability & Innovation Commission (CSI), which promotes integration around ESG (Environmental, Social and Governance) issues in insurance operations and the insurance value chain by generating knowledge and establishing industry commitments to foster the development of new business, strengthen risk management and improve the industry's reputational capital. Bradesco Seguros is also active on the Inclusive Insurance Commission (CS Inclusivos), which promotes initiatives to address barriers to the development and marketing of insurance products for low-income consumers, who are more financially vulnerable to risks. The commission works towards this objective through sectoral debates, interaction with regulators, and other government bodies and national and international organizations with subject matter expertise.

Bradesco Seguros Group is also a member of the Brazilian Business Council for Sustainable Development (CEBDS), in which it participates in Thematic Chambers bringing together member companies to build and develop projects related to major sustainability issues.

The Bradesco Seguros Group Board of Executive Officers approved the creation of a Sustainability Commission for Bradesco Seguros Group and BSP Empreendimento Imobiliário in December 2017, which will initiate activities in the first quarter of 2018. This governance body will develop strategies and solutions to implement best corporate sustainability practices in the activities and businesses of Bradesco Seguros Group and BSP Empreendimento Imobiliário, improving their ability to create sustainable value.

ACCESSIBILITY GRI-FS14

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 font, special tokens to generate and spell out passwords (which can be requested from 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.

Some of our key initiatives are described below:

Brazilian Sign Language Conference (CONALI)

Hosted by the National Education and Integration Federation for the Deaf (FENEIS), the conference brought together more than 450

people with hearing disabilities for discussions between the deaf community and subject matter professionals from across Brazil. An employee from the Digital Channel Department delivered a presentation entirely in Brazilian Sign Language about Bradesco's accessibility solutions. This was the first time a financial institution presented a demonstration of its products and services in a manner that is inclusive for the deaf community.

International Rehabilitation, Inclusion and Accessibility Technology Fair (Reatech)

We were the only bank to participate the largest accessibility technology fair in Latin America, showcasing our accessibility solutions. The 2017 edition included participation on the "É Libras" YouTube channel. The goal was to build empathy and foster discussion about inclusion for the deaf in day-to-day activities. Video recordings from the event had a high impact on social media, reaching more than 1 million people.

Unimonte University/Santos-SP

We delivered a lecture in Brazilian Sign Language on our university account product and its benefits to more than 150 deaf students.

People with Disability Day

An initiative for employees at the Digital Channels Department to promote discussion and empathy around the issue of working with people with disabilities. A deaf employee moderated the discussions and delivered the lecture in sign language, with the help of a Portuguese interpreter.

Direct Connection

Messages from Bradesco's CEO are translated into Brazilian Sign Language.

Fidelize Paraíba

We provide service (in person or through videoconferences) in Brazilian Sign Language in formalizing accounts for civil servants in the state of Paraíba.

SOCIAL MEDIA

We use social media to create genuine and enduring connections with a wide range of communities, 24 hours per day.

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). We currently have a presence on Facebook, Instagram, Twitter, YouTube, Snapchat, LinkedIn and Medium.

In 2017, Bradesco's 359 published content assets impacted people more than 377 million times. Our content has achieved more than 262 million views, 5 million likes, and 82% positive ratings on average. In all, Bradesco has 5.6 million followers.

FINANCIAL 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.

Bradesco sees financial education as a strategic issue.

Accordingly, we offer and continually expand our training solutions for employees to help support and advise customers through a variety of channels and especially the Financial Education portal, which provides training options on responsible borrowing, financial planning, personal finances, and other topics. Our users also have access to guides, handbooks, book recommendations, and an online calculator for financial management.

The Portal provides more than 20 free courses, including Business Planning and Budgeting, Financial Mathematics, Personal Finances and Energy Savings. Since 2013, these courses have attracted more than 1,350,000 visiting users.

Another available education channel is the Learning to Grow Facebook blog, which has more than 510,000 followers.

Information and our target for 2018 related to Financial Education courses are provided below:

TOTAL EMPLOYEES TRAINED IN FINANCIAL EDUCATION COURSES

2014	2015	2016	2017	Target for 2018
13,103	8,619	4,718	13,844	14,000

We are also members of FEBRABAN's Financial Education working group. The current objective of the working group is to develop a harmonized model to measure customers' financial health, in order to inform initiatives to promote better management of personal finances and better use of banking products by Brazil's population.

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

BRADESCO EXPRESSO

Our Bradesco Expresso and Service Point (PA) network provides a banking presence in municipalities with a limited offering of banking products and services. Bradesco has a total of 2,482 service points, with 1,329 located in municipalities without any other bank available. In addition, Bradesco has a presence in another 1,285 municipalities through the Bradesco Expresso network with 2,899 correspondents, of which 854 are also in municipalities without any other bank available.

This is related to our commitment to expanding the network and offering financial services to communities.

We identify regions with a potential to expand our banking services or with repressed demand, and assess movements by other financial

institutions (branches being opened or closed), regional demand, requests by government bodies and the need for expansion of captive services (payroll services for municipal governments and companies). Our goal is to expand our banking network efficiently, providing superior service to customers and returns to shareholders.

Bradesco's network is assessed from a financial performance perspective by our Budgeting and Control Department. Internal audits are also conducted, and managers are evaluated within our performance assessment program (PADE).

The findings from these assessments are confidential and only disclosed internally.

MICRO-ENTREPRENEURS

One of Bradesco's primary aims is to serve customers according to their profile and support their development. For micro-entrepreneurs, it is highly important that they receive support in starting or building their business. There are two types of entrepreneurs: those doing business as a vocation and those doing business out of necessity. But whatever their needs, we are prepared to assist them.

We offer a range of initiatives to support these customers. Read about a selection of them below:

- Bradesco has groups from our Microcredit, Sole Proprietorship and Internal Commission functions to help align strategies and discuss action that can be taken to better serve customers' product and service needs;
- We organize lectures about Entrepreneurism and Financial Education, addressing subjects such as management and capacity building, as well as providing supporting materials.
- A Guided Production Microcredit offering for personal and business customers across Loans and Working Capital, an important product supporting small businesses. Our Guided Production Microcredit balance was R\$ 581,586,499.00 at December 2017. Since 2012 we have served 51,828 clients, with an average transaction amount of R\$ 3,434.54;
- Special branch service for Micro-entrepreneurs, with dedicated business account managers available to address matters related to small business;
- Close interaction with the Office for Micro and Small Businesses to discuss improvements and trends in the Sole Proprietorship, Micro and Small Business Segment;
- We have a partnership agreement with the Brazilian Micro and Small Business Support Service (SEBRAE) to develop initiatives geared to micro-entrepreneurs;
- Bradesco participates in Entrepreneur Fairs in partnership with SEBRAE.

REGIONAL FINANCIAL EDUCATION EVENTS GRI FS13

Throughout 2017 we held 312 Regional Bradesco Events in underdeveloped locations where banking service is provided through PAs and/or correspondent banks. These events feature lectures on responsible borrowing and other products and services, and about managing personal finances. During the year, more than 15,000 people attended lectures presented by the Bradesco Expresso commercial team. In many presentations, booklets with financial advice were distributed to participants. Since the program was implemented in 2010, more than 55,000 people have attended the lectures.

Our target for 2018

Is to organize another 320 Regional Financial Education Events.

NUMBER OF SESSIONS IN UNDERDEVELOPED MUNICIPALITIES AND LOCATIONS IN WHICH BANKING SERVICE IS PROVIDED THROUGH PAS AND/OR CORRESPONDENT BANKS

2014	2015	2016	2017	Target for 2018
300 events; around 7,000 participants	300 events; around 8000 participants	319 events; around 13500 participants	312 events; 15,917 participants	320 events

AVERAGE PARTICIPANTS PER REGIONAL EVENT

2014	2015	2016	2017	Year to date
23	26	42	51	The number of participants has improved by 24.99% compared with 2016.

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 social education projects in Brazil, offering free, high-quality education to children, adolescents and adults. 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. The Foundation employs more than 3,000 people, of which 1,600 are teachers, instructors, and coordinators.

The Foundation works 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. Our schools have a full range of educational, administrative and technological support from the Foundation, as well as a Virtual School on the Foundation's distance-learning portal, offering over 90 free, online courses.

From 2016 to 2017, the Foundation's investment budget increased from R\$ 595.5 million to R\$ 624.4 million.

ABOUT THIS REPORT

GRI 102-40, GRI 102-42, GRI 102-43, GRI 102-44, GRI 102-46, GRI 102-47, GRI 102-49

Reporting process

Our Integrated Report is the result of a collective effort across several of our functions to provide transparency about subjects of interest to our many stakeholders.

This report has been developed in accordance with GRI Standards as part of an effort to continually improve our reporting approach.

Our Materiality Matrix is reviewed every two years, with the next review due to be conducted in 2018. Accordingly, this year's Materiality Matrix is the result of the review in 2016, which took into account quantitative and qualitative assessments and analysis of these results, in three steps as outlined in the GRI – Global Reporting Initiative guidelines:

1st Step

Review of the list of material topics

Understanding the sustainability context and ensuring it is reflected in business strategy is essential for a well substantiated process of determining the most material topics for management and for the reporting process. We accordingly reviewed the list of topics defined in the last update of our Matrix, and benchmarked them against the material topics identified by other Brazilian and overseas banks; research into news articles about us and the financial industry; the Global Risks Report 2016 – World Economic Forum; market guidance mechanisms such as the FEBRABAN self-regulatory system (SARB 14); the Dow Jones Sustainability Index (DJSI) and the ISE/ BOVESPA Corporate Sustainability Index; and internal information. We also included the perceptions of strategic stakeholder groups as voiced in a meeting held to assess the 2015 Integrated Report, which was attended by 24 representatives.

2nd Step

Consultation and analysis

After internal analysis, we aligned the relevant topics and their respective sub-topics for submission to the strategic stakeholder groups. The main modification was the exclusion of the topic "Economic-financial business results" and its sub-topic, "Share appreciation". Two sub-topics were also redistributed: "Brand management (intangible asset)" and "Pursuing operational efficiency".

These topics were entered in an electronic system for a survey of the following groups: employees, clients, investors, suppliers, government and community/society/third sector.

We used a methodology that intersects influence and impact to define what is material for the Organization.

The following influences were considered:

- Stakeholder perceptions about the organization's impact.
- Stakeholder expectations in relation to action and response.

The following impacts were considered:

- The probability and seriousness of the impact.
- Criticality for long-term performance.
- The opportunity for the organization to grow or gain advantage.

The findings from the survey were assessed using the following weighting system:

- **Influence:**
 - Online survey of priority stakeholders (clients, investors, suppliers, government and community/society/third sector): 60%.
 - Media research: 20%.
 - Industry research: 20%.
- **Impact:**
 - Executive surveys: 40%.
 - Online supplier survey: 30%.
 - Competitors: 25%.
 - Megatrends: 5%.

3rd Step

validation of material topics

The topics and respective sub-topics selected were assessed, reviewed and validated by the Executive Board. The prioritized list informing this report is as follows:

1. Managing capital, risks and opportunities
2. Client relations and satisfaction
3. Innovation and technology
4. Governance
5. Adapting to the external context
6. Internal stakeholders
7. Supplier management
8. Financial inclusion

Within these topics, the first three were considered priorities, and are the same topics identified in the previous Matrix, however, in a different order.

Managing Capital, Risks and Opportunities: this topic is material in that it is related to issues such as risk management, compliance, delinquency, climate change, tax strategy and the incorporation of social and financial aspects into the business. Risk management, for example, seeks to anticipate market events and situations so that our instruments are adequately managed and we are able to mitigate and anticipate potential adverse effects. This is an essential factor in enabling us to provide stakeholders with security and assurance.

Client Relations: we seek to deliver high quality service and client satisfaction. An example of this is the tools we have to optimize this goal. We have a Customer Relationship Management (CRM) structure that interacts with the other organizational functions, receiving a variety of inputs and insights about clients. This information is assessed so that client profiles can be thoroughly assessed and we can develop commercial initiatives, products and services to meet the specific needs of each client. Within this same context, we have two independent Ombudsman services: one dedicated to banking customers, which conforms to the requirements established by the Brazilian Central Bank (BACEN) and Securities Commission (CVM); and the other for Bradesco Seguros Group clients, which is compliant with the standards established by the Brazilian Private Insurance Authority (SUSEP) and Private Health Care Agency (ANS). Their mandate is to represent our customers impartially, transforming a complaint into an experience that strengthens the client's relationship with us and drives improvements that generate mutual benefits.

Innovation and Technology: increasingly efficient and with friendlier and simpler interfaces, our digital channels are essential in client relations, enabling us to fully meet client needs and offer them mobility and independence as a means of increasing the business they do with us. With the current trend toward convergence, the challenge is to make the banking experience even faster, more secure and more convenient so that our diverse types of clients can choose how to access us, as well as to attract new audiences to our solutions. In this context, Innovation and Technology are directly linked with ensuring the best possible performance in client service and relations, one of the Organization's priority topics.

REFERENCE ICONS

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



STAKEHOLDERS



SUSTAINABLE DEVELOPMENT GOALS



Material topics

STAKEHOLDER WHO CAUSES IMPACT	MATERIAL TOPICS MATERIAL SUBTOPICS RELATED GRI ASPECTS	STAKEHOLDER WHO SUFFERS IMPACT
MANAGING CAPITAL, RISKS AND OPPORTUNITIES		
S Suppliers C Customers G Government CS Community BO Bradesco Operations	Integrated risk management and emerging risks Anti-corruption and anti-money laundering Compliance with laws and regulations Incorporating social and environmental aspects into business, including our position on controversial industries, such as guns and tobacco Climate change Delinquency: credit quality Tax strategy Economic performance Compliance (environmental, society, products) Supplier human rights assessment Labor practices grievance mechanisms Human rights screening Non-discrimination Anti-corruption Public policy Product portfolio Audit Active ownership	S Suppliers SI Shareholders & investors C Customers CS Community
STAKEHOLDER WHO CAUSES IMPACT		
IS Internal stakeholders BO Bradesco Operations	Quality of service Training and education Investments Compliance (product) Communications & marketing Product and service labeling Customer health and safety Local communities	C Customers

STAKEHOLDER WHO CAUSES IMPACT	MATERIAL TOPICS MATERIAL SUBTOPICS RELATED GRI ASPECTS	STAKEHOLDER WHO SUFFERS IMPACT
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INNOVATION AND TECHNOLOGY

BO Bradesco Operations	Information security: data protection (bank and customers) CRM: information intelligence	C Customers
	Customer privacy Product portfolio	

STAKEHOLDER WHO CAUSES IMPACT	MATERIAL TOPICS MATERIAL SUBTOPICS RELATED GRI ASPECTS	STAKEHOLDER WHO SUFFERS IMPACT
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GOVERNANCE

BO Bradesco Operations G Government	Corporate governance and transparency (including incorporation of social and environmental criteria in performance evaluation)	BO Bradesco Operations S Suppliers SI Shareholders & investors IS Internal stakeholders C Customers CS Community
	General Disclosures	

STAKEHOLDER WHO CAUSES IMPACT	MATERIAL TOPICS MATERIAL SUBTOPICS RELATED GRI ASPECTS	STAKEHOLDER WHO SUFFERS IMPACT
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ADAPTING TO THE EXTERNAL CONTEXT

S Suppliers G Government	Adapting to change in the macroeconomic environment (including monetary policy, changes in purchasing power, etc.)	S Suppliers BO Bradesco Operations SI Shareholders & investors C Customers
	Economic performance Indirect economic impacts Procurement practices	

STAKEHOLDER WHO CAUSES IMPACT	MATERIAL TOPICS MATERIAL SUBTOPICS RELATED GRI ASPECTS	STAKEHOLDER WHO SUFFERS IMPACT
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INTERNAL STAKEHOLDERS

BO Bradesco Operations	Internal career development Attracting and retaining talent Working conditions and benefits	BO Bradesco Operations IS Internal stakeholders C Customers CS Community
	Grievance mechanisms Equal pay Employment Training and education Diversity and equal opportunity Product and service labeling	

STAKEHOLDER WHO
CAUSES IMPACT

MATERIAL TOPICS
MATERIAL SUBTOPICS
RELATED GRI ASPECTS

STAKEHOLDER WHO
SUFFERS IMPACT

SUPPLIER MANAGEMENT

S Suppliers

Compliance and human rights
Developing suppliers to adopt best practices
in management and including social and
environmental screening and selection criteria

Supplier human rights assessment
Supplier environmental assessment
Slave and child labor
Supplier human rights assessment
Human rights grievance mechanisms
Freedom of association and collective
bargaining
Supplier assessment for impacts on society

S Suppliers
BO Bradesco Operations
SI Shareholders & investors
CS Community

STAKEHOLDER WHO
CAUSES IMPACT

MATERIAL TOPICS
MATERIAL SUBTOPICS
RELATED GRI ASPECTS

STAKEHOLDER WHO
SUFFERS IMPACT

FINANCIAL INCLUSION

BO Bradesco Operations

Financial education
Local communities
Product and service labeling

BO Bradesco Operations
C Customers
CS Community

GRI CONTENT INDEX

GRI 102-55

GENERAL DISCLOSURES

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
ORGANIZATIONAL PROFILE				
GRI 102: General disclosures 2016	102-1 Name of the organization	Page 13		
	102-2 Activities, brands, products, and services	Page 14		
	102-3 Location of headquarters	Page 14		
	102-4 Location of operations	Page 15		
	102-5 Ownership and legal form	Page 13		
	102-6 Markets served	Page 16		
	102-7 Scale of the organization	Page 14		
	102-8 Information on employees and other workers	Page 117		8
	102-9 Supply chain	Page 127		
	102-10 Significant changes to the organization and its supply chain	There were none.		
	102-11 Precautionary principle or approach	Page 59		
	102-12 External initiatives	Page 80		
	102-13 Membership of associations	Page 80		
STRATEGY				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	Page 8		
ETHICS AND INTEGRITY				
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	Page 18		16
GOVERNANCE				
GRI 102: General disclosures 2016	102-18 Governance structure	Page 71		
STAKEHOLDER				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	Page 151		
	102-41 Collective bargaining agreements	Page 185		8
	102-42 Identifying and selecting stakeholders	Page 151		
	102-43 Approach to stakeholder engagement	Page 151		
	102-44 Key topics and concerns raised	Page 151		

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
REPORTING				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	Our consolidated financial statements include the financial statements for Bradesco, its foreign branches, subsidiaries in Brazil and foreign countries, Special-Purpose Entities (EPE) and investment funds in which Bradesco companies are the primary beneficiary or the primary obligation-holder pursuant to CPC Accounting Standard 36 (R3), under "Control". Source: Report on Economic and Financial Analysis 4Q16. Note 2 to the Consolidated Financial Statements, Page 112.		
	102-46 Defining report content and topic Boundaries	Page 151		
	102-47 List of material topics	Page 151		
	102-48 Restatements of information	There were none.		
	102-49 Changes in reporting	Page 151		
	102-50 Reporting period	Ano de 2017		
	102-51 Date of most recent report	2016		
	102-52 Reporting cycle	Annual		
	102-53 Contact point for questions regarding the report	Contact for market analysts, institutional investors and other stakeholders: Market Relations Department Phone: (55) (11) 2194-0922 banco.bradesco/ir-en investors@bradesco.com.br Accounting Department Phone: (55) (11) 3684-3702 investors@bradesco.com.br		
	102-54 Claims of reporting in accordance with the GRI Standards	Core		
	102-55 GRI content index	Page 158		
	102-56 External assurance	Page 169		

MATERIAL TOPICS

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
ECONOMIC				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 172		
	103-2 The management approach and its components	Page 172		1, 5, 8 and 16
	103-3 Evaluation of the management approach	Page 172		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Pages 58 and 172		2, 5, 7, 8 and 9
	201-2 Financial implications and other risks and opportunities due to climate change	Pages 93 and 174		13
INDIRECT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 135		
	103-2 The management approach and its components	Page 135		
	103-3 Evaluation of the management approach	Page 135		
GRI 203: Indirect economic impacts 2016	203-2 Significant indirect economic impacts	Page 140		1, 2, 3, 8, 10, 17
PROCUREMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 194		
	103-2 The management approach and its components	Page 194		
	103-3 Evaluation of the management approach	Page 194		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on locally-based suppliers at significant locations of operation	Page 194		12
ANTI-CORRUPTION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 200		
	103-2 The management approach and its components	Page 200		
	103-3 Evaluation of the management approach	Page 203		

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 201	Information not available – Total number of operations assessed – Each assessed operation has different criteria and therefore quantitative data cannot be provided, but only percentages.	16
	205-2 Communication and training on anti-corruption policies and procedures	Page 200		16
MATERIALS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 92		
	103-2 The management approach and its components	Page 92		
	103-3 Evaluation of the management approach	Page 92		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	-	This year Bradesco adjusted its selection of disclosures on the understanding that the topic "Materials" was not adequately related to its material issues. This disclosure has therefore not been reported in this cycle.	8 and 12
ENERGY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 79 and 178		
	103-2 The management approach and its components	Pages 79 and 178		
	103-3 Evaluation of the management approach	Pages 79 and 178		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Page 90		7, 8, 12 and 13
WATER				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 79 and 178		
	103-2 The management approach and its components	Pages 79 and 178		
	103-3 Evaluation of the management approach	Pages 79 and 178		
GRI 303: Water 2016	303-1 Water withdrawal by source	Pages 90		6 and 7

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
EMISSIONS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 79 and 179		
	103-2 The management approach and its components	Pages 79 and 179		
	103-3 Evaluation of the management approach	Pages 79 and 179		
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Information not available - Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.		3, 12, 13, 14 and 15
	305-2 Indirect (Scope 2) GHG emissions	Information not available - Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.		3, 12, 13, 14 and 15
	305-3 Other indirect (Scope 3) GHG emissions	Information not available - Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.		3, 12, 13, 14 and 15
	305-4 GHG emissions intensity	Information not available - Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.		13, 14, 15
	305-5 Reduction of GHG emissions	Information not available - Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.		13, 14, 15
	305-6 Emissions of ozone-depleting substances (ODS)	Information not available - Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.		3, 12, 13
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Information not available - Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.		3, 12, 13, 14 and 15

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
EFFLUENTS				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 179		
	103-2 The management approach and its components	Page 179		
	103-3 Evaluation of the management approach	Page 179		
GRI 306: Effluents and waste 2016	306-2 Waste by type and disposal method	Page 179		3, 6, 12
ENVIRONMENTAL				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 180		
	103-2 The management approach and its components	Page 180		
	103-3 Evaluation of the management approach	Page 180		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	Page 180		12, 13, 14, 15, 16
SUPPLIER ENVIRONMENTAL ASSESSMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 127 and 193		
	103-2 The management approach and its components	Pages 127 and 193		
	103-3 Evaluation of the management approach	Pages 127 and 193		
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Pages 127 and 193		
	308-2 Negative environmental impacts in the supply chain and actions taken	Pages 127 and 191		
EMPLOYMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 181		
	103-2 The management approach and its components	Page 181		
	103-3 Evaluation of the management approach	Page 181		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 117		5, 8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 123		8
	401-3 Parental leave	Page 181		5, 8

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
TRAINING AND EDUCATION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 104		
	103-2 The management approach and its components	Page 104		
	103-3 Evaluation of the management approach	Page 104		
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Pages 117, 118 and 122		8
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 122		3,8
	404-3 Percentage of employees receiving regular performance and career development reviews	Pages 104 and 117		3,8
DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 104 and 185		
	103-2 The management approach and its components	Pages 104 and 185		
	103-3 Evaluation of the management approach	Pages 104 and 185		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Page 117		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	Page 117 and 120		5, 8, 10
NONDISCRIMINATION				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 186		
	103-2 The management approach and its components	Page 186		
	103-3 Evaluation of the management approach	Page 186		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 186		5, 8, 16
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 184		
	103-2 The management approach and its components	Page 184		
	103-3 Evaluation of the management approach	Page 184		
GRI 407: Freedom of association and collective bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 184		8

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
CHILD LABOR				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 81, 184 and 187		
	103-2 The management approach and its components	Pages 81, 184 and 187		
	103-3 Evaluation of the management approach	Pages 81, 184 and 187		
GRI 408: Child labor (2016)	408-1 Operations and suppliers at significant risk for incidents of child labor	Pages 81, 184 and 187		8, 16
FORCED OR COMPULSORY LABOR				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 81, 184 and 187		
	103-2 The management approach and its components	Pages 81, 184 and 187		
	103-3 Evaluation of the management approach	Pages 81, 184 and 187		
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Page 81		8
HUMAN RIGHTS ASSESSMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 81 and 194		
	103-2 The management approach and its components	Pages 81 and 194		
	103-3 Evaluation of the management approach	Pages 81 and 194		
GRI 412: Human rights assessment 2016	412-1 Operations that have been subject to human rights reviews or impact assessments	Page 194		
	412-2 Employee training on human rights policies or proceduress	Page 194		
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Pages 81 and 194		
LOCAL COMMUNITIES				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 139		
	103-2 The management approach and its components	Page 139		
	103-3 Evaluation of the management approach	Page 139		
Financial Services Sector Supplement - Local communities	FS13 Access points in low-populated or economically disadvantaged areas by type	Pages 139 and 149		1, 8, 10
	FS14 Initiatives to improve access to financial services for disadvantaged people	Page 145		1, 8, 10

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
SUPPLIER SOCIAL ASSESSMENT				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 127 and 190		
	103-2 The management approach and its components	Pages 127 and 190		
	103-3 Evaluation of the management approach	Pages 127 and 190		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Pages 127 and 190		
	414-2 Negative social impacts in the supply chain and actions taken	Page 191		5, 8, 16
PUBLIC POLICY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 200		
	103-2 The management approach and its components	Page 200		
	103-3 Evaluation of the management approach	Page 200		
GRI 415: Public policy 2016	415-1 Political contributions	Page 200		16
CUSTOMER HEALTH AND SAFETY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 189		
	103-2 The management approach and its components	Page 189		
	103-3 Evaluation of the management approach	Page 189		
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 189		
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Page 189		16
MARKETING AND LABELING				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 129 and 188		
	103-2 The management approach and its components	Pages 129 and 188		
	103-3 Evaluation of the management approach	Pages 129 and 188		
GRI 417: Marketing and labeling 2016	417-1 Requirements for product and service information and labeling	Page 129 and 188		12, 16
	417-2 Incidents of non-compliance concerning product and service information and labeling	Pages 130 and 188		16
	417-3 Incidents of non-compliance concerning marketing communications	Page 188		

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
CUSTOMER PRIVACY				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 129		
	103-2 The management approach and its components	Page 129		
	103-3 Evaluation of the management approach	Page 129		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	Page 130		16
SOCIAL AND ECONOMIC COMPLIANCE				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Page 200		
	103-2 The management approach and its components	Page 200		
	103-3 Evaluation of the management approach	Page 200		
GRI 419: Social and economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	Page 200		16
PRODUCT PORTFOLIO				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 175 and 196		
	103-2 The management approach and its components	Pages 175 and 196		
	103-3 Evaluation of the management approach	Pages 175 and 196		
Financial Services Sector Supplement - Product portfolio	FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector	Page 175		1,8,9
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	Pages 84, 86 and 175		1,8,9, 10, 11
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Pages 175 and 196		

GRI STANDARD	DISCLOSURES	PAGE/URL	OMISSION	SUSTAINABLE DEVELOPMENT GOALS
ACTIVE OWNERSHIP				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Pages 94 and 176		
	103-2 The management approach and its components	Pages 94 and 176		
	103-3 Evaluation of the management approach	Pages 94 and 176		
Financial Services Sector Supplement - Active ownership	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	Pages 94 and 176		10
	FS11 Percentage of assets subject to positive and negative environmental or social screening	Pages 94 and 176		10

ASSURANCE REPORT

GRI 102-56

INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

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

INTRODUCTION

We were engaged by Banco Bradesco S.A. ("Bradesco") to present our limited assurance report on the compilation of the Sustainability Information contained in the 2017 Integrated Report ("Integrated Report") of Bradesco for the year ended December 31, 2017.

RESPONSABILITIES OF BRADESCO MANAGEMENT

The Bradesco management is responsible for the adequate elaboration and presentation of the Sustainability Information contained in Integrated Report in accordance with the guidelines for Global Reporting Initiative Sustainability reports (GRI Standards), as described in the "GRI Content Index" of Integrated Report and with the internal controls it determined were necessary to permit the elaboration of this information free from material misstatement, whether due to fraud or error.

RESPONSIBILITY OF THE INDEPENDENT AUDITORS

Our responsibility is to express a conclusion on the Sustainability information contained in the Integrated Report, based on limited assurance work conducted in accordance with Technical Communication CT 07/2012, approved by the Federal Accounting

Council and elaborated based on NBC TO 3000 (Assurance Engagements other than Audit and Review), issued by the Federal Accounting Council (CFC), which is equivalent the international ISAE 3000 standard, applicable to non-historical information. These standards require that we comply with ethical requirements, including independence requirements, and that we perform the work to obtain limited assurance as to whether the Sustainability Information contained in the Integrated Report, taken as a whole, is free of material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists primarily of questioning the Bradesco management and other Bradesco staff involved in preparing the Sustainability Information contained in the Integrated Report, and in applying analytical procedures to obtain evidence that allow us to reach a conclusion, in the form of limited assurance, on the information taken as a whole. A limited assurance engagement also requires additional procedures, when the independent auditor becomes aware of matters leading him/her to believe that the Sustainability Information contained in the Integrated Report, taken as a whole, may contain material misstatements.

The selected procedures are based on our understanding of aspects relative to compiling and presenting the Sustainability Information contained in the Integrated Report and of other circumstances related to the engagement, as well as our consideration of areas in which material misstatements might occur. The procedures included:

- (a) planning the work, taking into account the relevance, the volume of quantitative and qualitative information and the operating and internal control systems that served as a basis for preparing the Sustainability Information in the 2017 Bradesco Integrated Report;
- (b) understanding the calculation methodology and the procedures used to compile the indicators, by means of interviews with the managers responsible for preparing the information;
- (c) applying analytical procedures to the quantitative information and making inquiries about the qualitative information and its correlation with the indicators corresponding to the Sustainability Information in the Integrated report; and
- (d) comparing the financial indicators with the financial statements and/or accounting records, when applicable.

The limited assurance work also encompassed verification of adherence to the Global Reporting Initiative (GRI Standards) guidelines and the reporting framework applicable in the preparation of Sustainability Information contained in the Integrated Report for the year ended December 31, 2017.

We believe that evidence obtained in our work is sufficient and appropriate as a basis for the limited scope of our conclusion.

SCOPE AND LIMITATIONS

The procedures performed in a limited assurance engagement are substantially lower extensive than those applied in a reasonable assurance engagement aimed at issuing an opinion on the Sustainability Information contained in the Integrated Report. It is, therefore, not possible for us to be sure that we are aware of all the matters that would be identified in an assurance engagement aimed at issuing an opinion. Had we performed an engagement for the purpose of issuing an opinion, we might have identified other matters and possible misstatement that may exist in the Sustainability Information contained in the Integrated Report. Consequently, we are not expressing an opinion on this information.

Non-financial data is subject to more inherent limitations than financial data, given the nature and the diversity of the methods used to determine, calculate or estimate it. Qualitative interpretations of the materiality, relevance and accuracy of the data subject to individual assumptions and to judgments. Furthermore, we did not undertake any work related to future projections and goals.

CONCLUSION

Based on the procedures performed, as described in this report, nothing has come to our attention that causes us to believe that the Sustainability Information contained in the Integrated Report, was not compiled, in all material respects, in accordance with the Global Reporting Initiative Sustainability Reports (GRI Standards), as described in the "GRI Content Index" of Bradesco Integrated Report.

Osasco, April 27, 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

SUPPLEMENTARY INFORMATION

Economic performance

GRI 103-1, GRI 103-2, GRI 103-3, GRI 201-1

Economic performance is an essential part of the decision-making process for management, which must direct and outline strategies that deliver sustainable results and achieve the best possible ratio of risk to return. Investors also use this performance indicator to compare us against our competitors and secure optimum returns on their investments.

The risk from this impact directly affects the valuation of our stocks by investors, our reputational risk and the risk ratings assigned by rating agencies. Bradesco could contribute to related impacts if it fails to implement adequate compliance and internal control systems for our financial reporting.

Our Investor Relations Department is primarily responsible for transmitting information about Bradesco's financial performance, insights and strategies to the financial community to support valuation of our shares at fair market value. This department plays an active role in the process through conference calls and participation at conferences, lectures, and roadshows in Brazil and overseas, using supporting and presentation materials published by Bradesco on its Investor Relations website (especially our Institutional Presentation, Fact Sheet, Financial Statements, and Report on Economic and Financial Analysis). It also plays a passive role by managing our Investor Relations Website, which is regularly accessed by the investor community for reference.

We also offer service channels such as *Fale Conosco* and telephone service, and hold public meetings with analysts and investors (APIMEC).

The department is also responsible for keeping senior management informed about the market's perceptions so we can manage investors' expectations. These objectives are monitored against quantitative and qualitative indicators. Quantitative metrics include analysts' valuations of Bradesco stocks, and qualitative metrics include aspects related to the Bank's reputation. Our Accounting department is responsible for establishing accounting guidelines for the Organization and for managing, preparing and disclosing financial information to regulators, the market and internal stakeholders. It is also responsible for reviewing and making payments and conducting our annual Customer and employee satisfaction surveys.

The Accounting Department's Strategic Plan is reviewed annually in terms of strategies, objectives, initiatives, indicators, targets, owners and time frames. Our processes and businesses are managed using a framework of metrics that are drilled down from the strategic to the operational level and tracked during periodic forums across the different levels of the Organization. All department managers are in some way involved in all existing action plans.

The Accounting Department plans and implements the measurement and monitoring processes needed to ensure compliance with product requirements and the conformity of our Quality Management System and to identify and implement improvements based on: customer satisfaction perceptions; process/product indicators and monitoring; nonconformity management and corrective and preventive action; and continual improvement data.

At Bradesco Seguros, a significant part of our approach to monitoring financial performance is our Risk Management Framework, which primarily aims to ensure that the risks to which we are exposed are adequately identified, reviewed, measured, addressed and monitored. Integral to this context is our solvency ratio, i.e. the extent to which regulatory risks such as underwriting, operational, market and credit risk are covered, through our Minimum Capital Requirement (CMR) as compared with the individual Adjusted Net Assets of each company and on a consolidated basis for Bradesco Seguros Group. Another challenge for the Risk Management department is to ensure a formal risk management process is in place and to disseminate a risk management culture in the corporate environment, seeking to ensure that standards, criteria, controls and procedures are in place to achieve an adequate level of risk management at Bradesco Seguros Group and that a strategy and action plans exist in the event of a crisis.

Also within the context of monitoring economic performance, climate change is an aspect that is highly material to Bradesco Seguros as it can result in an increase in insurance claims and ultimately reduce the Organization's revenues due to the increase in claims payments.

FINANCIAL IMPLICATIONS AND OTHER RISKS AND OPPORTUNITIES DUE TO CLIMATE CHANGE GRI 201-2

Risks and opportunities related to climate change are identified and monitored across different aspects. Assessments to measure potential losses or new revenue streams for the Organization cover risks arising from regulatory developments and risks arising from changes in physical climate processes or other implications related to climate change.

From a regulatory perspective, the Brazilian Government's Partnership for Market Readiness (PMR) project is developing a carbon pricing model to be implemented in different sectors of Brazil's economy. Although the regulatory risk for the financial industry is low, banks can be indirectly affected by industry-specific mitigation and adaptation plans through their customers and business partners.

Floods in vulnerable areas could affect access roads and damage administrative buildings, branches and offices, as well as causing power system outages and consequent disruption of power supply to administrative buildings, IT centers and branches.

The potential impact from operational disruptions at our branches is considered low due to our extensive network and wide range of available digital channels. Although the risk is low, we have placed an increased focus on our digital channels and Business Continuity Plan. In the event of any climate-related disruptions, a communication plan is in place to instruct employees and customers to seek other branches nearby and/or use other service channels (Internet, Fone Fácil, etc.). Bradesco's business is dispersed by nature, with an extensive, country-wide network comprising a total of 73,474 service points, including 4,749 branches, 3,899 service points (PAs), 928 Electronic Service Points (PAEs) and 38,708 Bradesco Expresso Points (Correspondents). Bradesco customers also have access to 35,590 Bradesco Network ATMs and 21,259 Banco24Horas ATMS.

Disruption risks at our administrative centers are deemed low as they have been designed for reduced exposure to flood risks and impacts on logistics, and critical business processes are reviewed through Business Impact Analysis (BIA) and appropriate Business Continuity and disaster recovery plans have been developed.

At technology centers, data centers have been designed with preventive measures to reduce exposure to outages and with appropriate protection and disaster recovery resources in place.

Torrential rainfall, floods and power outages can also adversely affect the supply of products and services from suppliers related to Bradesco's core activities.

For critical (third-party) service providers, a management process is in place to mitigate the risk from disruptions in their activities. This risk is mitigated by engaging two or more firms for the same service/product or by developing and implementing a Business Continuity Plan for the relevant services.

In terms of our businesses, and our banking activities in particular, impacts in certain industries could result in higher lending

delinquency (both personal and business customers). These include crop failure, droughts or heavy rainfall.

Default risk is managed by improving our policies, the quality of required guarantees and loan recovery processes, as well as through delinquency metrics and loan interest modeling.

As a result of newly implemented emissions targets under Act 12.187/2009 and Nationally Determined Contributions (NDC) pledges ratified by the Brazilian government under the Paris Agreement, additional investment is expected in reducing emissions, especially in carbon-intensive industries such as energy, steelmaking, mining, agriculture and transportation. This is expected to provide opportunities to build our project finance and lending portfolio. In investment banking, Bradesco has the opportunity to increase its portfolio as a lead arranger in project finance for major renewable energy infrastructure projects.

BRAM: BUSINESS PORTFOLIO, CLIENT PROFILES AND PROJECTS MONITORED GRI 103-1, GRI 103-2, GRI 103-3, GRI FS6, GRI FS7, GRI FS8

SEGMENTATION OF NET ASSETS UNDER MANAGEMENT (R\$ MILLION): 613,734 AT DEC '17

SEGMENTATION	2016		2017	
	RESULTS (R\$ MILLION)	% CONTRIBUTION TO BRAM EARNINGS	RESULTS (R\$ MILLION)	% CONTRIBUTION TO BRAM EARNINGS
Short term		0.00%		0.00%
Referenced DI		0.00%		0.00%
Fixed income	342,358	60.12%	350,161	57.05%
Multimarket	42,433	7.45%	54,106	8.82%
Exchange	454	0.08%	466	0.08%
Foreign debt		0.00%		0.00%
Shares	7,109	1.25%	9,122	1.49%
Private pension	168,938	29.66%	191,592	31.22%
Closed exclusive		0.00%		0.00%
FIDC	8,105	1.42%	8,086	1.32%
Real estate	90	0.02%	201	0.03%
Equity		0.02%		0.00%

SIZE OF CLIENT/COMPANY PROFILE (E.G. PERSONAL CUSTOMER, BUSINESS CUSTOMER, HIGH INCOME, SMALL BUSINESS, LARGE BUSINESS, ETC.)

	2016		2017	
	RESULTS (R\$ MILLION)	% CONTRIBUTION TO BRAM EARNINGS	RESULTS (R\$ MILLION)	% CONTRIBUTION TO BRAM EARNINGS
EFPC – government-owned companies	9,922	1.74%	14,635	2.38%
EFPC – privately owned companies	37,457	6.58%	40,776	6.64%
Insurance company	16,199	2.84%	15,134	2.47%
EAPC	191,731	33.67%	212,301	34.59%
Capitalization	4,403	0.77%	2,313	0.38%
Corporate	149,160	26.19%	138,237	22.52%
Middle market	17,883	3.14%	21,952	3.58%
Private	29,065	5.10%	32,089	5.23%
High-end retail	41,804	7.34%	51,790	8.44%
Retail	41,260	7.25%	48,804	7.95%
Government	12,164	2.14%	11,765	1.92%
RPPS	6,278	1.10%	7,205	1.17%
Investments funds	11,372	2.00%	16,284	2.65%
Foreign	775,878	0.14%	435	0.07%
Other	12,813	0.00%	14	0.00%

BRAM has a sectoral ESG methodology that establishes different weights for environmental, social and corporate governance aspects. The methodology was defined by sectoral financial analysts jointly with a sustainability consulting firm. No separation is made by region, size and industry.

In data collection Bradesco uses the geographical and client segmentation methods used internally and the regional divisions established by Brazilian Institute of Geography and Statistics (IBGE).

Customer segmentation used: Business: revenues between R\$ 30 mn and R\$ 250 mn. Corporate: revenue exceeding R\$ 250 mn, Retail: revenue not exceeding R\$ 30 mn.

BRAM: ACTIVE OWNERSHIP

GRI 103-1, GRI 103-2, GRI 103-3, GRI-FS10, GRI-FS11

Environmental, Social and Governance (ESG) analysis is one of the ways in which BRAM exercises its fiduciary duties. Using this approach, BRAM works closely with investees to propose improvements that can enhance returns for all stakeholders. These assessments of corporate assets are performed in both the variable and fixed income portfolios.

BRAM also has a Responsible Investment Standard that consolidates related initiatives, including:

- Integration of ESG issues into active asset management
- Exercising voting rights
- Engaging with investees
- Relations with stakeholders
- Transparency and reporting

In 2010 Bradesco Asset Management (BRAM) became a signatory of the Principles for Responsible Investment (PRI). BRAM currently adheres to the PRI Reporting Framework, in which an assessment report is issued on BRAM's initiatives.

BRAM: SOCIAL AND ENVIRONMENTAL ANALYSIS

BRAM's Company Investment Analysis Department interacts continuously with investees on social and environmental matters. All covered investees (126 companies) are reviewed for social and environmental aspects.

The number has changed from 2016 due to adjustments to the investment portfolio. However, the percentage of covered companies remains unchanged at 100%.

PERCENTAGE OF ASSETS SUBJECT TO POSITIVE AND NEGATIVE ENVIRONMENTAL OR SOCIAL SCREENING:

BRAM has developed a methodology that integrates ESG (environment, social and governance) issues ubiquitously across all asset classes (Variable Income, Fixed Income – corporate and government securities and Funds of Funds). Our analysis workflow is based on public information and close interaction with investees to develop an ESG Rating.

For socially responsible funds, assets undergo positive screening with priority given to assets found to be better prepared for sustainability challenges. For other BRAM assets, ESG risk and opportunity analyses inform managers' asset allocation decisions.

BRAM monitors fund ESG Ratings on a monthly basis to measure exposure to sustainability risks and opportunities.

A dedicated analyst assesses environmental, social and governance aspects.

Environmental management

ELECTRICITY GRI 103-1, GRI 103-2, GRI 103-3

Energy management at Bradesco is based on raw electricity consumption data collected from our facilities throughout Brazil. An information system has also been in place since December 2012 to monitor and assess monthly consumption against monthly targets by location. Also significant are the energy efficiency projects we have developed and implemented each year, such as: lighting circuit zoning at the 33 buildings in Cidade de Deus; LED lighting retrofits throughout our administrative buildings and branch network since 2015 (during any branch moves, new branch launches or refurbishments); a pilot project involving the installation of solar panels at two branches to evaluate the technology and measure results. These systems should supply on average 40% of the total electricity requirement at these branches; in addition to studies on migration to the Free Electricity Market; and development of an Energy Efficiency Master Plan, including monitoring and automation (BMS) projects covering a horizon of 6 years (2018 - 2023), allowing better management and reducing waste and costs. Also significant was our Efficiency Campaign involving communication and education actions throughout the Organization, in which facilitators were trained to disseminate the contents to other direct and third-party employees. Awareness lectures were also organized in partnership with utilities to minimize electricity consumption.

Reviews are performed by specialist consultants in which data is weighted and indicators and targets are established. After indicators have been consolidated and analyzed, the results are submitted to Senior Management for approval. The energy management process is also audited in accordance with ISO 14064 and ISO 14001.

INVESTMENTS IN ENERGY EFFICIENCY

	Air-conditioning retrofits:	LED lamp retrofits:
2015	R\$ 47,653,439	R\$ 2,000,000
2016	R\$ 46,952,705	R\$ 1,916,692
2017	R\$ 60,517,118	R\$ 3,374,884
2018*	R\$ 91,850,000	R\$ 2,025,000

*Investment budgeted for 2018

WATER GRI 103-1, GRI 103-2, GRI 103-3

Water management at Bradesco is based on raw data on water consumption collected from our facilities throughout Brazil and also includes figures on water derived from water recycling (Water Treatment Plants), deep cased wells and harvested rainwater. We also use an information system, available since December 2012, to monitor and analyze monthly water consumption, and establish monthly targets by location. Also significant are the water efficiency projects we have developed and implemented each year, such as: installation of tap aerators, replacement of toilet bowls, leak hunting, tap replacement, among other actions.

Information and recommendations for improvement are validated through monthly/quarterly reports to the Board of Executive Officers.

Efficiency Campaign

We ran an Efficiency Campaign involving communication and education actions throughout the Organization, in which facilitators were trained to disseminate the water and energy efficiency content to other direct and third-party employees. Awareness lectures were also organized in partnership with utilities to minimize water and electricity consumption.

EMISSIONS GRI 103-1, GRI 103-2, GRI 103-3

We were the first bank in Brazil to publish a greenhouse gas (GHG) emissions inventory, in 2006. We have continued to publish inventories annually since, reporting on our Scope 1, 2 and 3 emissions across all entities over which we have operational control. All indicators are compiled and reviewed on a quarterly basis, and inventory reports are prepared in accordance with ABNT NBR ISO 14064-1 and the specifications set out in the Brazilian GHG Protocol Program. This allows us to plan and implement reduction targets, as well as offset our Scope 1 and 2 emissions. Emissions for 2017 will now be computed and published in a Greenhouse Gas (GHG) Emissions Inventory to be completed in May.

EFLUENTES E RESÍDUOS GRI 103-1, GRI 103-2, GRI 103-3, GRI 306-2

Managing effluents and waste is essential to ensure our processes are optimally efficient and to reduce materials consumption without compromising our quality of service. Under our Eco-Efficiency Master Plan (2016-2018 Cycle), Bradesco has undertaken a range of initiatives to increase water production volumes at the Wastewater Treatment Plant in Cidade de Deus, and reduce waste volumes (including technological waste volumes) going to landfill, taking account of the impacts from our departments, associated entities and branch network.

Of the total solid waste generated at Bradesco, approximately 85% goes to landfill, especially regular waste (organic, paper and plastic). These waste materials are quantified using two methods: by weighing for administrative buildings equipped with weighing scales; and by estimation on a sampling basis for branches and administrative buildings not equipped with weighing scales.

In maintaining the 115,000 square meters of grounds in Cidade de Deus and 110,000 square meters in Alphaville, we use a grinder to shred the raked up leaves and twigs. The shredded material (approximately 2.5 metric tons per month) is composted and used as a fertilizer in landscaping, helping to naturally fertilize the soil and

avoiding the need for disposal in a landfill. Grass cuttings are also mulched into fertilizer.

Technological waste materials (from electronic equipment maintenance and replacement) are hazardous and are therefore collected by our internal logistics department or directly by suppliers and sent for recycling. From the implementation of this process in 2008 to 2017, approximately 11,607 metric tons of these materials were sent for proper disposal. Our Eco-Efficiency Master Plan includes continued implementation of a Corporate Solid and Technological Waste Management Plan (PGRST) comprising activities such as waste segregation, increasing recycling rates, reducing waste and decreasing hazardous waste streams with RoHS restrictions. This commitment was recognized by certification of our Cidade de Deus Center in Osasco-SP to ISO 14.001. At our Wastewater Treatment Plant, in 2017 we treated 71,045 cubic meters for reuse, accounting for approximately 20% of our total water consumption at Cidade de Deus.

WASTE (TOTAL WEIGHT BY TYPE AND METHOD OF DISPOSAL)

NONHAZARDOUS WASTE				
METHOD OF DISPOSAL	2015	2016	2017	Types of waste
Composting (kg)	91,450	91,480	101,703	SOLID WASTE
Recycling (kg)	810,692	1,194,242	3,972,503	SOLID WASTE
Sanitary landfill (kg)	14,440,404	19,318,782	12,107,498	SOLID WASTE
TOTAL	15,342,546	20,604,504	16,181,704	
HAZARDOUS WASTE				
METHOD OF DISPOSAL	2015	2016	2017	Types of waste
Decontamination (units)	13,685	14,796	2,065	LAMPS AND REACTORS
TOTAL	13,685	14,796	2,065	

*Waste materials are collected and sent to landfills or for recycling by third-party firms

ENVIRONMENTAL COMPLIANCE GRI 103-1, GRI 103-2, GRI 103-3, GRI 307-1

Bradesco has an Environmental Management System (ISO 14001) in place at our Cidade de Deus, Paulista and CTI Sites. Controls are reviewed through an information system and worksheets completed by direct as well as third-party employees, who are contractually required to meet the legal requirements established in the standard. To ensure compliance with applicable legislation, certified locations use an information system to update and monitor applicable requirements on a monthly basis.

Data is also reviewed and indicators and targets are established. After indicators have been consolidated, the results are submitted to Senior Management for approval. In addition to these controls, at all locations service providers are contractually required to comply with environmental regulations and are monitored by department managers.

Bradesco did not incur any fines or sanctions related to noncompliance with environmental regulations in 2017.

Employment

GRI 103-1, GRI 103-2, GRI 103-3, GRI 401-3

Human capital is a strategic priority at Bradesco, as employee performance and achievement is at the heart of sustainable business. Our Human Resources Department is responsible for maintaining and continually improving our management of human capital to positively influence the Organization's strategy.

One of the pillars of our management strategy is Care, which translates our approach to workplace health, safety and well-being as outlined in two principles of our Human Resources Management Policy: encouraging wholesome relations between all employees within the Organization, maintaining a safe and healthy workplace and providing the conditions for optimal performance and productivity; and contributing to improve the quality of life of our employees by allowing them to strike a balance between work, health and family.

We have unwavering confidence in the development potential of our team, as demonstrated by one of the most notable and long-standing aspects of our culture: we are a career-centric Bank, and recruit and develop employees internally so all staff have the opportunity to develop professionally either through promotions to new positions or by redirecting their careers. Any employee is potentially able to rise to any level of the organization.

Our Corporate Social Responsibility Management System aims to improve the quality of our employee relations and workplace conditions for employees, business partners and other stakeholders. It establishes requirements that include policies, standards and commitments expressed through our Corporate Social Responsibility Program.

Through concerns boxes, our RespSocial toll-free number, electronic forms, e-mail or Employee Representatives, all employees and business partners can report concerns for investigation and response.

An internal HR committee meets on a weekly basis to review reported concerns and take appropriate action. On a quarterly basis, a consolidated report on concerns involving ethics matters is prepared and submitted to the Ethical Conduct Committee, which evaluates any violations and takes appropriate action. The performance of our Corporate Social Responsibility Management System is periodically reported on to the Executive Sustainability Committee.

In the second independent audit cycle, certification was retained for our 321 branches in Greater São Paulo and 20 sites in major cities throughout Brazil, including our head offices at the Cidade de Deus Center in Osasco, SP. The scope of certification covers approximately 27,300 employees and 4,500 business partners.

RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER

	Gender	2015	2016	2017
Total employees entitled to parental leave	MEN	1,912	1,984	2,531
	WOMEN	3,502	3,414	3,121
Total employees who took parental leave	MEN	1,616	1,484	2,166
	WOMEN	3,502	3,414	3,121
Total employees who returned to work after parental leave ended	MEN	1,616	1,484	2,165
	WOMEN	3,464	3,400	3,090
Total employees who did not return to work after parental leave ended	MEN	0	0	1
	WOMEN	38	14	31
Total number of employees who returned to work after parental leave ended and were still employed 12 months after their return to work	MEN	1,562	1,433	2,080
	WOMEN	3,309	3,299	3,012
Rate of employees who returned to work after parental leave ended	MEN	100.0%	100.0%	100.0%
	WOMEN	98.91%	99.59%	99.0%
Rate of employees who returned to work after parental leave ended	MEN	96.7%	96.56%	96.3%
	WOMEN	95.5%	97.0%	96.5%

TRAINING AND EDUCATION GRI 103-1, GRI 103-2, GRI 103-3

The Bradesco Corporate University (UniBrad) evolved out of our Training & Development Department. Its mission is to provide the education needed to achieve professional excellence and social mobility, and to set the standard for skills and leadership training, strengthening the value of our brand and our social commitment to business continuity.

UniBrad undertakes efforts to achieve our organizational strategies and uses a largely proactive approach, anticipating any weaknesses in professional development. All employees understand that their participation is crucial for their careers and for business results, and equips them to achieve both individual and collective goals.

The UniBrad structure comprises an education advisory office, corporate education schools, executive education, an academic office, a knowledge community, performance management, and regional service units.

Regional UniBrad units ensure all staff are covered by educational resources. Through these capabilities, the Bradesco Corporate University is present in 146 cities, offering a wide range of education solutions both to employees and to local communities, creating added value. Our extensive presence strengthens a culture that seeks to meet the needs of all stakeholders, including communities lacking bancarization, driving local economies and sustainability.

UniBrad works beyond its mission of training employees to bring education solutions to remote locations. Our education solutions reach across the private, public and third sector. Initiatives such as financial education, information security, financial fraud and social media outreach, among others, provide all social classes with the opportunity to understand the importance of financial management

and the nature of their local economies, which generates clear impacts on delinquency levels and helps to build citizen awareness and social responsibility.

In line with our strategy, UniBrad works continually to improve our education practices, tools and resources in step with emerging technological and digital access trends. Classroom-based training is provided using internally developed content and methodologies, internal facilitators and partnerships with major firms and universities in Brazil for customized MBA programs. This category includes technical, behavioral and specialization solutions and case studies. Distance-learning resources such as e-learning, videos, and booklets and pocket solutions such as the B.quest virtual library are also available to supplement our education offering and promote collaborative knowledge building.

Through our Learning Needs Assessment, we seek to gain an understanding of each department, its strategic objectives, the behaviors expected following implementation of the solution, and metrics to assess results.

In line with Bradesco's strategic drivers (People, Technology & Sustainability), our Corporate Education Schools ensure the Bradesco Corporate University is relevant to our businesses, and its employee development activities are aligned with the Organization's objectives. A strategic map and its co-relation with our corporate education schools ensures UniBrad aligns its educational activities with organizational objectives.

UniBrad is prepared to adjust its course, reinvent itself and implement better strategies to reflect changes and trends in the market and within the Organization. An example of how the Bradesco Corporate University is connected to the surrounding environment was the creation of our Digital School near the end of 2015, with the mission of addressing digital transformation Bank-wide and driving the Organization's culture and results in the current era of constant change.

The Academic Office is responsible for applying education solutions and developing optimal physical solutions to provide a comprehensive experience to clients, from invitation to application of newly acquired knowledge at the workplace. Some of the best practices used for physical resources at UniBrad include the responsible and efficient use of educational materials in the classroom. We are currently developing new and more efficient ways to deliver content and improve environmental performance, such as replacing lengthy workbooks and printed material.

Our Knowledge Community is responsible for mapping, sharing, documenting and retaining strategic knowledge generated within UniBrad and the broader Organization. It helps our corporate departments to create knowledge sharing environments and implement knowledge management methods such as: practice communities, study groups, crowd sourcing, seminars, workshops, storytelling, chats, polls and other strategies to share, document and retain knowledge. This team is also responsible for managing educational partnerships with education institutions; negotiating discounts and payment terms for employees and their dependents;

and customizing and monitoring investment in in-company graduate and MBA programs developed in collaboration with some of the most prestigious education institutions in Brazil.

Closing the development cycle, we have a Performance Management department responsible for defining criteria for measuring and assessing performance and assessing and implementing education solution performance metrics. Assessment criteria (response, learning, application, business impact and return on investment (ROI)) are selected based on the nature of each solution.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

GRI 103-1, GRI 103-2, GRI 103-3, GRI 407-1, GRI 408-1, GRI 409-2

Freedom of association and collective bargaining is required by law and provides additional assurance of transparency in labor relations between Bradesco and our employees. Bradesco respects and ensures compliance with all concluded collective bargaining agreements. Employees are free, if they so wish, to participate in collective bargaining through union assemblies and meetings, without any type of restriction or retaliation.

Bradesco also recognizes unions as legitimate legal representatives of our employees. All employees have freedom of association, union representation and are covered by collective bargaining agreements.

Bradesco supports unionization campaigns conducted by unions on our premises, and holds negotiations for the renewal of collective labor agreements. Our Human Resources Management Policy contains an express commitment to comply with applicable regulations and the fundamental principles and rights at work.

Our union relations function maintains dialogue and interaction with union representatives at a national level, responding to queries and concerns and fostering a relationship characterized by ease of access, efficiency and pro-activeness between the parties.

Through our Social Responsibility and Climate function and its reporting channels, Human Resources receives and addresses reports on concerns and submits them to the Social Responsibility Evaluation Group for referral to the persons responsible for defining solutions, which are then reported to executive bodies such as the Ethical Conduct Committee. An amendment on preventing conflict at the workplace establishes that the Banking Union should also receive reports on harassment and improper or discriminatory behavior and submit those reports for investigation. In 2017, Bradesco documented no reports related to this topic.

In relation to suppliers, Bradesco seeks to continually improve and work closely with our supplier base to ensure all suppliers are compliant with the Organization's commitments.

Our screening process requires suppliers in all segments to comply with our code of conduct and ethics and principles, which include adherence to the principles of freedom of association and collective bargaining with respect to their employees.

In addition to the screening process, Bradesco has a Supply Chain Social Responsibility Program that applies to critical suppliers post-contract. The program includes supplier audits to ensure compliance with legal requirements and social and environmental practices applicable to the supplier's industry.

This commitment extends beyond legal compliance and seeks to mitigate all risks that can potentially arise in our supplier relations.

This topic is addressed by our Procurement Department, which has employees who are dedicated to managing social and environmental aspects related to suppliers and invests in continually improving the Bradesco Supply Chain Social Responsibility Program (PBRSA CS) and supplier performance assessments.

COLLECTIVE BARGAINING AGREEMENTS GRI 102-41

We recognize unions as legitimate legal representatives of our employees. All employees have freedom of association, union representation and are covered by collective bargaining agreements.

DIVERSITY AND EQUAL OPPORTUNITY GRI 103-1, GRI 103-2, GRI 103-3

The Bradesco Code of Ethical Conduct establishes principles and values that underpin our conduct towards all stakeholders, and not only employees and business partners. Our Human Resources Management Policy establishes guidelines on management processes to ensure we provide equal opportunity to all employees based on technical and performance aspects and not on personal traits.

We implement programs and establish partnerships to raise awareness about and promote respect for diversity and human dignity. Our diversity practices cover all locations in which we do business.

Bradesco's Diversity Management department is responsible for ensuring underrepresented groups of society are adequately represented in our staff. This department is essential in promoting real inclusion, ensuring people can achieve their full potential in a respectful and welcoming environment. Programs are in place for the hiring and inclusion of specific groups, including the Bradesco Hiring Program for People with Disabilities, in partnership with Fundação Bradesco, and the Bradesco Professional Qualification Program (UniPalmares), which provides inclusion for black students in partnership with Zumbi dos Palmares University.

Through our Social Responsibility and Climate function, Human Resources receives and addresses reports on concerns and submits them to the social responsibility evaluation group for a solution, which is then reported to executive bodies such as the Ethical Conduct Committee.

Human rights

GRI 103-1, GRI 103-2, GRI 103-3, GRI-406-1

Our Human Rights Management Policy establishes guidelines on relations between internal and external stakeholders and establishes criteria to be used in decision-making.

Bradesco's Corporate Social Responsibility Management System addresses the quality of employee relations and conditions at the workplace, delivering on our commitment to improve and strengthen interaction between employees, business partners and the Organization. Open dialogue is encouraged in our employees' day-to-day activities, supporting human rights and the fundamental principles and rights at work.

Through our Corporate Social Responsibility Management System, Bradesco encourages, and provides effective means for, sharing and disclosing information to support the implementation and monitoring of our processes.

Human rights grievance mechanisms are provided through reporting channels available to employees, business partners and other stakeholders. Reports are received, documented and handled anonymously and in confidence. Reports are submitted on a weekly basis to the Corporate Social Responsibility Evaluation Group and on a quarterly basis to the Executive Ethical Conduct Committee.

HUMAN RIGHTS GRIEVANCE MECHANISMS

GRIEVANCES	2015	2016	2017
Total number of grievances about human rights impacts filed through grievance mechanisms	783	617	731
Number of grievances addressed	783	617	731
Number of grievances resolved	783	617	720
Total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period	120	147	52
Number of grievances resolved through mediation and the form of remediation	244 CONFIRMED OR PARTLY CONFIRMED	218 CONFIRMED OR PARTLY CONFIRMED	339 CONFIRMED OR PARTLY CONFIRMED

We adopt the principle of Equity, in which fairness is based on equal rights and is materialized by respecting individuality and privacy, and not tolerating any discrimination on the basis of origin, social status, hierarchical position, level of education, religion, belief or world view, disability, color, race, gender, sexual orientation, marital status, family situation, political ideology or union association.

GRIEVANCES RELATED TO DISCRIMINATION	2015	2016	2017
Total grievances identified	24	10	29
Grievances addressed	24	10	29
Grievances resolved	24	10	28
Grievances filed prior to the reporting period that were resolved during the reporting period	6	2	1
Grievances resolved by remediation	1 CASE CONFIRMED	1 CASE CONFIRMED	15 CASES CONFIRMED OR PARTLY CONFIRMED

CHILD AND SLAVE LABOR

GRI 103-1, GRI 103-2, GRI 103-3, GRI 408-1

Bradesco's Human Resources Management Policy contains an express commitment to applicable legislation and the fundamental principles and rights at work.

No employee is required or permitted to perform any activity they have not been hired to perform, paid or otherwise. In addition, Bradesco does not withhold the original documents of employees at the commencement or during the course of their employment, and complies with all applicable legal requirements and collective bargaining agreements.

Bradesco does not impose any restriction on employees terminating their employment if they so wish. Employees wishing to terminate their employment should do so in accordance with our policies and applicable legal requirements.

Bradesco's approach to this requirement also includes raising awareness among employees and business partners and systematically monitoring employment practices at suppliers providing services involving a high level of social risk (resident and construction workers).

Bradesco also prohibits the use of child labor as previously defined, with this requirement also extending to suppliers. In addition, young employees are not exposed to hazardous, unsafe or unhealthy situations.

This aspect is managed for new hires above the age of 16. Employees are required to produce identity documents demonstrating their age before they are assigned to tasks. Service providers with resident employees formally express their commitment to observe this requirement.

Through our Corporate Social Responsibility Management System, Bradesco has a commitment to raising awareness among

employees and business partners and systematically monitoring employment practices at suppliers providing services involving a high level of social risk.

Reports are received through available channels and are documented and handled anonymously and in confidence. Reports are submitted on a weekly basis to the Corporate Social Responsibility Evaluation Group and on a quarterly basis to the Executive Ethical Conduct Committee.

Marketing and labeling

GRI 103-1, GRI 103-2, GRI 103-3, GRI 417-1, GRI 417-2, GRI 417-3

The Marketing Department is responsible for institutional communications across Bradesco's segments, products and services and for protecting our reputation, identity and brand and ensuring it is correctly applied. All marketing materials conform to good-practice advertising principles as recommended by the Brazilian Self-Regulatory Advertising Code. The following guidelines are observed:

- Act ethically and responsibly toward the market, the media and competitors.
- Use communication tools transparently, ethically and truthfully.
- Promote consistent marketing and communications initiatives that take the principles of sustainability into account.
- Promote disclosure and knowledge about banking, financial education, accessibility, mobility and social inclusion among stakeholders.
- Through our Ombudsman's Department, we seek to ensure high-quality service and the satisfaction of our clients and users, who are treated impartially so that complaints are transformed into an experience that strengthens their relationship with us and drives improvements that generate mutual benefits. Through our Ombudsman's Department, we are able to interact with all areas of the Bank and, based on reviews of each complaint, we determine the root cause to inform improvements to our processes, products and services.

Client and user complaints are documented in an integrated system covering all areas of the Organization, allowing users to identify the product/service, the issue/problem, the root cause and the manager responsible for handling the case, and applicable advertising standards, codes and/or regulations.

In 2017 Bradesco did not incur any penalties for noncompliance with regulations and codes relating to communication and marketing. With "penalty" deemed to mean a court decision for an act in violation of laws and regulations, categorized according to the

nature of the laws or regulations which were violated, Bradesco Seguros did not commit any violations of standards, codes and/or regulations on advertising.

INSURANCE

All Bradesco Seguros products conform to the same standards and requirements established by the Private Insurance Authority (SUSEP).

We provide general content about responsible consumption through a range of channels: the Together for Health Program portal was created by Bradesco Saúde to help policyholders mitigate the primary risk factors for diseases, either through preventive or health-promotion initiatives.

Cuide BEM is a channel through which policyholders can obtain information on how to use their health insurance correctly, their rights and duties, and how to benefit most from and ask the right questions during doctor consultations. We provide general content and printed materials on insurance education: Bradesco's Policyholder's Manual provides information on regulations applying to health insurance and the policyholder's rights and obligations towards Bradesco Saúde. It was created to keep policy holders well informed about all the details of their plan and to teach them how to use it correctly. Policy holders can view the manual via the Bradesco Saúde website, logging in using their identification card.

We provide simulators and other free tools to help clients make decisions: reimbursement preview is a service offered by Bradesco Saúde to give policyholders prior notification of the reimbursement they are entitled to for a given service covered by their health insurance. The information is provided by telephone through our Customer Relations Center.

Explicit notifications about the suitability of each product for the client are provided on the individual promotional materials for each product, as well as recommendations of alternative products: via the Bradesco Portal, clients can view the benefits available for each client profile, the suitability of insurance products, and alternative products.

CUSTOMER HEALTH AND SAFETY

GRI 103-1, GRI 103-2, GRI 103-3, GRI 416-1, GRI 416-2

Percentage of significant product and service categories for which health and safety impacts are assessed for improvement. This aspect is undergoing an internal assessment. We are working internally to make available this information.

Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcome: currently not available. This aspect is undergoing an internal assessment. We are working internally to make available this information.

Suppliers

SUPPLIER SOCIAL ASSESSMENT GRI 103-1, GRI 103-2, GRI 103-3, GRI 414-1

Suppliers are encouraged to prevent, mitigate and remediate actual or potential, significant negative impacts. This is done through our screening process, standard contractual clauses, social and environmental responsibility ratings for critical suppliers, the Bradesco Supply Chain Social Responsibility Program (PBRSA CS), ISO 14001 and our Social Responsibility System.

The screening process addresses aspects of social and environmental responsibility such as labor practices, freedom of association and collective bargaining, forced labor, child labor, environmental risks, and social and environmental risk ratings for suppliers deemed critical from a social and environmental perspective.

The compliance framework all suppliers are required to conform to comprises our Code of Ethical Conduct, the relevant Department Code of Ethics, and Corporate Procurement, Information Security and Anticorruption Policies.

The Bradesco Supply Chain Social Responsibility Program also applies to critical suppliers post-contract. The program involves supplier audits to ensure compliance with legal requirements and social and environmental practices applicable to the industry.

In 2017 the Bradesco Supply Chain Social Responsibility Program (PBRSA CS) underwent an independent risk audit. A Supplier Performance Assessment Program was also initiated to evaluate and develop suppliers during their contractual relationship with Bradesco.

In all contracts negotiated by our procurement function, suppliers are required to formalize their commitment to adhere to Bradesco's principles as outlined in our Code of Ethical Conduct, the relevant Department Code of Ethical Conduct, our Procurement, Information Security and Anti-corruption Policy, and our Social and Environmental Responsibility System. Suppliers must also commit not to use unlawful labor practices, forced labor or child labor, whether directly or through their product and service suppliers, and not to tolerate any discrimination on the basis of: gender, origin, ethnicity, physical condition, religion, marital status, age, family situation or pregnancy.

Managed by our Human Resources Department, the Bradesco Supplier Engagement Program aims to promote engagement among critical suppliers around the requirements of our Corporate Social Responsibility Management System on preventing and addressing potential risks.

Critical suppliers undergo in-person or distance training to improve their knowledge about Bradesco's Corporate Social Responsibility Management System and provide evidence of their commitment and conformity to our practices.

Periodic inspections are performed at suppliers' workplaces or head offices. Independent compliance assessments and audits are performed once per year. Also on an annual basis, a Supplier Monitoring Checklist is submitted to suppliers and then returned for review.

Bradesco also provides grievance mechanisms for suppliers. Reports are received, documented and handled anonymously and in confidence. Reports are submitted on a weekly basis to the Corporate Social Responsibility Evaluation Group and on a quarterly basis to the Executive Ethical Conduct Committee.

NEGATIVE IMPACTS AND MEASURES TAKEN GRI 308-2, GRI 414-2

In 2017 the Procurement Department had contracts with 2,914 suppliers, among which two were confirmed to be implicated in forced labor and/or negative media coverage (alleged violations without the supplier providing an explanation). Based on these reports, our relationship with these suppliers was terminated. (As part of our continual improvement process, the criteria used for disclosures in 2017 have been modified in relation to 2016 to optimize and provide greater accuracy in disclosures. A comparison can therefore not be made with the previous report).

All suppliers are subject to social and environmental risk reviews before they are included in the Bradesco vendor database. Based on this analysis, suppliers identified as posing any social or environmental risk undergo an assessment process covering aspects such as: compliance with environmental and social regulations, identification of any environmental violations and penalties and/or contaminated areas reported by the appropriate environmental authorities, the Ministry of Employment's Blacklist and searches for negative media coverage. This process is conducted in collaboration with the Procurement and Integrated Risk Management (DCIR) departments.

A total of 20 suppliers were assessed for social and environmental risk in 2015, 60 suppliers in 2016 and 136 suppliers in 2017, of which 40 were identified as having significant negative social impacts, and 39 were identified as having potential significant environmental impacts. Following these assessments, the Integrated Risk Management Department issues risk-rating opinions which are submitted to the relevant contract managers for review and a decision.

The DCIR's assessments cover suppliers undergoing screening, as well as suppliers previously identified as posing a risk, which are also subsequently assessed.

The number of suppliers assessed and social impacts identified reflects the fact that in 2017 a number of frequent suppliers were reclassified and segregated from critical suppliers (suppliers sporadically providing products and/or services on Bradesco's premises which are classified as critical due to the risk exposure inherent to their activities).

The Human Resources and Social Responsibility and Climate departments have maintained a program called the Bradesco Supplier Engagement Program (PEF Bradesco) since 2009. The PEF program is geared to service providers and comprises 04 stages. It conforms to applicable laws and conventions and Bradesco's internal supplier

management guidelines.

Investment in technological innovation related to training and development initiatives for significant suppliers and personnel working on Bradesco's premises has delivered positive results from the PEF Bradesco program, as shown below:

1. Total number of site visits: 194, involving 88 suppliers.
2. Total number of employees trained: 18,752.
3. Total number of employees who have been certified or are undergoing certification: 4,538.
4. Number of suppliers that participated in the Social Responsibility Engagement Workshop for Supplier Leadership: 103.

Our supply chain social responsibility practices are evaluated against monthly performance indicators which are validated through annual independent audits and six-monthly reviews by SGRSC.

In 2017 we undertook intensive efforts to update our database and request pending documentation. We also increased our focus on visits to suppliers' head offices and workplaces, and on training on our RespSocial Standard.

In 2017, 845 suppliers underwent assessments for social impact, with the following composition:

- 149 resident suppliers: Critical suppliers of services and/or materials that are physically allocated to perform activities on Bradesco's premises.
- 30 construction suppliers: Suppliers of services and/or materials deemed critical due to their exposure to risk in their activities on Bradesco's premises.
- 666 critical frequent suppliers: Suppliers of services and/or materials which perform activities sporadically on Bradesco's premises, which are classified as critical due to their exposure to risks in their activities;

Of this total, 179 (149 resident suppliers and 30 construction suppliers) require maximum engagement because of their significant, actual or potential, negative social impact. Under our new Corporate Social Responsibility Management System, reports received through our reporting channels in 2017 involved a total of 17 suppliers with potentially significant risks. Reported issues were as follows: Discrimination, Harassment and Inappropriate Conduct; Internal Policies, Processes and Procedures; Compensation and Benefits.

The number of suppliers generating significant, actual or potential, negative social impacts with which agreements were concluded based on assessments was 17 suppliers, representing 9% of the total.

SUPPLIER ENVIRONMENTAL ASSESSMENT

GRI 103-1, GRI 103-2, GRI 103-3, GRI 308-1

Environmental and social impacts related to financial institutions are largely indirect impacts deriving from business relationships which may pose a risk to the Bank and result in financial, reputational and legal damages.

Bradesco has a Social and Environmental Risk Standard establishing the scope of supplier and client screening processes, covering project finance proposals as well as transactions involving industries posing greater social, environmental, health, safety and quality risks. The scope of screening also includes transactions with clients and suppliers implicated in environmental violations or suspected to be involved in illicit activities.

Bradesco has committees, policies and standards establishing guidelines on social and environmental responsibility in business and in relations with stakeholders, as well as a social and environmental risk management process which, among other aspects, establishes the required scope of analysis.

Supporting the Procurement Department, our Integrated Risk Management Department is in charge of the social and environmental risk assessment and risk management process for clients and suppliers. This process consists of periodically verifying whether any violations and fines have been published by the appropriate environmental authorities, and assessing clients and suppliers engaged in activities/industries with a high potential for social and environmental risks through periodic reviews of documents and information provided by clients and suppliers and through news monitoring.

Based on Social and Environmental Risk Assessments, opinions are issued with a social and environmental risk rating (Low, Medium, High and Very High) to inform managers' decisions.

Bradesco works to raise awareness about best practices in supplier management and, as part of this, we conduct supplier meetings on an annual basis.

We also conform to Brazilian Central Bank Resolution 4.327 and Self-Regulation SARB 14 of the Brazilian Banking Federation, which contains requirements on social and environmental risk management at financial institutions, among other aspects. Social and environmental risk assessment includes verifications as part of our Environmental, Quality, and Occupational Health & Safety Certification System and on whether commitments have been undertaken to implement best practice, in addition to legal compliance.

For projects subject to the Principles, Bradesco incorporates the International Finance Corporation (IFC) Performance Standards and the World Bank Group Environmental, Health, and Safety Guidelines. Our approach to managing environmental and human rights issues therefore goes beyond legal compliance.

In 2017 we invested approximately R\$ 200,000 in initiatives to raise

awareness about social and environmental aspects among our clients and suppliers, and to train our specialist team, which is also responsible for conducting internal awareness training. Also in 2017, we reviewed and expanded the scope of supplier screening for social and environmental risk.

Bradesco has a Risk Management Governance framework consisting of Committees that address the indicators and assessments conducted by the Social and Environmental Risk Review and Management function, as well as reviews of existing processes by the Internal Audit, the Audit Department, and independent audits by the Central Bank as the industry's oversight body.

LOCAL SOURCING GRI 103-1, GRI 103-2, GRI 103-3, GRI 204-1

Across the extensive footprint of Bradesco and entities linked to Fundação Bradesco, we support local sourcing of products and services as we believe this creates direct, positive environmental, social and environmental impacts in our suppliers' markets.

Where any negative impacts are identified, especially environmental and social impacts, Bradesco undertakes actions and activities to minimize and mitigate those impacts, working in partnership with suppliers (Actions: Risk Control 233 and 311, PBRSA CS, Social Responsibility – HR – and Onboarding/Monitoring for resident suppliers – Assets).

Bradesco's Procurement Policy encourages procurement personnel to seek out new suppliers for screening and subsequent bidding for contracts, supporting the economic development of new suppliers. In addition, we ensure that all selection processes are equitable and ethical, and compliant with Bradesco's principles.

All suppliers undergo a screening process in which they are assessed against social and economic criteria (financial information and legal compliance documentation). Suppliers' location is also taken into account and must be near the location in which the services will be provided. This is consistent with our practice of stimulating local economies in minor locations and supporting small suppliers.

Bradesco allocates 100% of its procurement expenditure to local suppliers.

HUMAN RIGHTS ASSESSMENT

GRI 103-1, GRI 103-2, GRI 103-3, GRI-412-1, GRI 412-2, GRI 412-3

At Bradesco, 100% of our 731 transactions underwent human rights assessments.

In June 2016, Bradesco created a new Corporate Social Responsibility System (SGRSC) with new certification in replacement of SA8000. With the implementation of the new certification mark requirements, we have strengthened our commitment to improving engagement with employees and service providers, fostering open dialogue in their day-to-day activities.

The varying numbers over the years are due to the acquisition of

HSBC and the dissemination of our RespSocial reporting channels, including the toll-free RespSocial number implemented alongside the new certification process. With the continual improvement of our SGRSC system, employees, business partners and other stakeholders feel more confident in accessing our RespSocial reporting channels.

Bradesco's targets on managing and handling concerns about human rights are related to the continual improvement of our Corporate Social Responsibility Management System, which establishes requirements in accordance with our Human Resources Management Policy and reaffirms our commitment to quality in employee relations and conditions at the workplace.

TOTAL HOURS OF TRAINING ON HUMAN RIGHTS POLICIES

EMPLOYEES TRAINED ON HUMAN RIGHTS	2016	2017
Total hours of training on human rights	190794	199192
Total workforce ¹	108793	98808
Total workforce trained on human rights	51132	41306
Percentage of workforce trained on human rights	47.00%	41.80%

1. Total workforce not including the Board of Directors, the Statutory Board and third-party employees.

Bradesco organized training on human rights subjects totaling 199,192 hours, with 41.83% of employees attending. The change in headcount and the 105% increase in new hires in 2017 compared with the previous year is reflected in the number of employees trained on human rights.

In 2017 it became a practice to evaluate human rights aspects for 100% of projects in our portfolio by monitoring the news media in all social and environmental risk assessments, including for projects requiring monitoring for environmental but not social issues. In other words, all 129 contracts in 2017 were assessed for human rights.

Accessibility

GRI-203-1, GRI 103-1, GRI 103-2, GRI 103-3, GRI-FS8

In accessibility, Bradesco has built a channel migration model that connects our products and services in the physical world to the digital world.

We use social media to establish closer, more fluid and genuine relations with our different niche audiences, and use segmentation to create enduring connections with different communities. Our strategy is guided by Bradesco's institutional brand attributes: Brazilianess, reach and democracy.

In 2017, our digital channels accounted for 95% of banking transactions. (Learn more in Technology & Innovation).

Bradesco's Portal features articles related to financial developments, current events, tips on saving during seasonal periods, as well as tools that aid customers in organizing their personal finances and taking financial decisions, guides, manuals, book recommendations, and even free courses about written communication, financial mathematics, business planning and budgeting, and other subjects.

The Bradesco Portal also provides Financial Education solutions for business customers. Subjects such as Starting a Business, Managing a Business, Sole Proprietorships, Partnerships, Economic Trends and Case Studies are featured on "Business Society", a website designed to provide market information and updates to entrepreneurs and contribute to the success of new ventures.

We also provide free, inclusive products and services for customers with special needs, allowing them to independently manage their finances.

On our Internet Banking channel, we provide simulators, free tools, guides and manuals, online courses and financial management applications to support customers in decision making. In social media, Bradesco publishes a range of videos and clips about the subject, addressing real issues and inviting economics experts to provide financial information and democratic access to financial education.

We contribute to people's access to the financial system and credit, as a matter of citizenship.

Under an agreement between Bradesco and Brazil's leading telecommunications carriers, customers can access their accounts via mobile apps without being charged from their mobile data package. (For more information, visit bradesco.com.br/acessogratis.)

In addition to the above portal, which is accessible to the visually impaired, we offer the following solutions and resources:

- **Bradesco Card Welcome Kit in Braille:** offered free of charge to current account customers, the kit contains an explanatory leaflet, a benefits guide and a cardholder with information printed in braille and in large font.

- **Bradesco Security Key for the Visually Impaired:** an electronic device that allows customers to hear their passwords spelled out loud from built in speakers or headphones when accessing their accounts using digital channels.
- **Virtual Vision:** since 1998, our Virtual Vision screen reading software has enabled the visually impaired to access their accounts via internet banking. It also enables them to use the Windows operating system, the Office suite and the web. Free licenses are provided to both checking account holders (permanent license) and non-checking account holders (provisional license). Total requests: 10,535 (from 2010 to 2017).
- **Embossed debit and credit cards** make it easier for the visually impaired to complete banking transactions using ATMs, which are accessible via voice software.
- **Transactions using voice software** – The visually impaired can make banking transactions using voice software by simply connecting a personal headset to receive instructions. As soon as a visually impaired customer inserts their embossed card, the ATM display blacks out. Available services include: withdrawal, account balance, bank statements and wire transfers between Bradesco accounts.
- **Monthly bank statements in braille or large font:** With this format, visually impaired customers can access their checking account financial movements (providing greater independence).
- **Template for filling out checks in Braille or enlarged font:** This template allows the visually impaired to fill out checks without assistance. They can simply place the check into the template and fill it out with a pen.
- **Withdrawals in Brazilian Sign Language (for the hearing impaired)** – Customers receive assistance from the Bradesco Digital Interpreter during the transaction using Brazilian Sign Language.
- **Bradesco Easy Withdrawal:** ATMs with accessibility features provide a unique service that informs customers of the amount, position and denominations of the banknotes dispensed by means of voice software. This makes withdrawals more practical and secure.
- **Visual Mouse** – Exclusive software for people with upper limb motor impairment (unable to move the upper limbs). Using a web cam, they can control the mouse cursor with head movements. To type, they can use the virtual keypad on the computer by moving the mouse cursor to the desired key or letter and opening and closing their mouth to click. From 2010 to 2017, 265 requests were received for the Visual Mouse software.
- **Self-Service ATMs**– Our ATM network is compliant with the ABNT Accessibility Standard (No. 15.250) and offers special features such as “Bradesco Easy Withdrawal”, a service for the visually impaired that speaks out the amount, position and denominations of the banknotes dispensed.

- **Mobile device access:** we are the only financial institution offering customers mobile access to their accounts without their data packages being charged, thanks to an agreement with Brazil's leading telecommunications carriers.
- **Environmental:** With the current trend toward convergence, the challenge is to make the banking experience even faster, more secure and more convenient so that our diverse types of clients can choose how to access us, as well as to attract new audiences to our solutions.

A significant development in this context was our "Banknote-Recycling Quick Deposit" service, with more than 405 branch ATMs equipped to credit deposited cash to customers' accounts in real-time without using envelopes, and recycle the banknotes for use in other customers' withdrawals, making the entire process more efficient.

BENEFITS:

- Reduced expenses on consumables from not using envelopes;
- Lower banknote transportation costs, as deposited cash is reutilized for withdrawals;

Another significant digital option is our mobile-based check deposit solution, and desktop solution for large volumes. Personal and business customers can deposit checks by uploading an image of the check to the Bradesco application using their mobile devices. Business customers can also deposit checks on the Bradesco website using a scanner.

BRADESCO SAÚDE

Bradesco Saúde positively impacts business productivity by providing access to a private health care network on a national level and by offering health promotion and risk and disease prevention programs. Additionally, we indirectly generate employment in the supply chain by paying claims in the supplementary health care value chain as well as by expanding our network and paying additional claims for services used.

Our positive impact also includes access to a private health care network at a national level and health promotion and disease prevention initiatives such as our Health Promotion and Risk & Disease Prevention Programs (PROMOPREV).

BRADESCO SAÚDE NETWORK

- **Countrywide Presence:** in 1,405 municipalities
- **46,312 network providers** throughout Brazil
- **18,202 specialist clinics**
- **14,238 doctors' offices**
- **1,783 hospitals**
- **1,541 emergency centers**
- **10.417 diagnostics services**
- **108 ambulance services**

Other products also generating indirect economic impacts include premium bonds, with monthly savings amounts suited for all social classes so that all customers can have access to savings products, as well as life insurance and private pension products with more affordable premiums and contributions, allowing low-income customers to purchase insurance and pension products.

Another form of indirect influence from our operations is the proportion of Brazil's agricultural output enabled by agricultural lending provided by Bradesco. We also create indirect impact on Brazil's economy from financial margins, wages, suppliers, investments and taxes. We estimate our economic impact to be approximately 2.5% of Brazil's GDP.

Estimates suggest that every R\$1.00 in agricultural loans accounts for R\$ 4.20 in gross agricultural production value. This estimate is based on aggregate variables, and does not take account of any particularities.

SOURCE	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	Total, five years
Agricultural loans provided by Bradesco	8,936	13,586	11,661	9,877	10,559	54,618
Agricultural loans provided by the market	102,640	135,397	131,920	132,920	129,647	632,524
Gross agricultural production value	507,771	528,701	540,078	530,965	547,926	2,655,441
Ratio of lending/gross production value	20%	26%	24%	25%	24%	24%
Estimated production value created from Bradesco loans	44,205	53,052	47,739	39,454	44,623	229,074
Bradesco Multiplier (production value from Bradesco loans)	4.95	3.90	4.09	3.99	4.23	4.19

R\$ millions

Public Policy

GRI 103-1, GRI 103-2, GRI 103-3, GRI 415-1

Contributions to political parties, candidates and campaigns were prohibited by a decision of the Federal Supreme Court on 9/17/2015 in Direct Constitutionality Action No. 4650. The court ruled that legal provisions related to political contributions by legal entities are unconstitutional, and the decision remains in effect. As a result, no political donations were made in 2017.

MEMBERSHIPS OF ASSOCIATIONS AND ORGANIZATIONS

Contributions to Trade Associations, Embassies, Election campaigns¹, and other.

	2015	2016	2017
	17,552,814.40	22,620,223.85	35,908,296.03

¹ Main contributions in 2017: FEBRABAN (Brazilian Banking Federation – BRL 26 MM), FenaSaúde (Brazilian Private Health Insurance Federation – BRL – 5.3 MM), FenaPrevi (Brazilian Federation of Private Pensions and Life Insurance – BRL – 903M), Abecs (Brazilian Association of Credit Card and Services Companies – BRL 852M), ABECIP (Brazilian Association of Mortgage Entities – BRL 852M).

Social and economic compliance

GRI 103-1, GRI 103-2, GRI 103-3, GRI 419-1

Bradesco seeks at all times to remain compliant with applicable laws and regulations. Our legal department uses communication and management tools to inform Group companies about any increase in proceedings brought with respect to specific subject matter, allowing them to establish and implement preventive action.

This information is discussed in committee meetings and reported monthly to the Board of Executive Officers.

In relation to the monetary value of significant fines and total number of nonmonetary sanctions resulting from noncompliance with environmental laws and regulations, Bradesco paid a total of R\$ 40,819,707.32 in 2017, of which R\$ 40,137,719.37 were fines imposed by: PROCON, SUSEP, ANS and GEFIN.

ANTI-CORRUPTION GRI 205-2

NUMBER AND PERCENTAGE OF MEMBERS OF GOVERNANCE BODIES INFORMED AND/OR TRAINED ON ANTI-CORRUPTION PROCEDURES

CORPORATE	2016		2017	
	Total	Percentage	Total	Percentage
Board of Directors	8	100%	6	100%
Statutory Board	138	100%	157	100%

TOTAL NUMBER AND PERCENTAGE OF EMPLOYEES INFORMED AND/OR TRAINED ON ANTI-CORRUPTION PROCEDURES - 2017

EMPLOYEE CATEGORY	South		Southeast		Northeast		North		Midwest		Outside Brazil	
	Total	Per-centage	Total	Per-centage	Total	Per-centage	Total	Per-centage	Total	Per-centage	Total	Per-centage
Superindent Management	2	100%	177	100%	2	100%	0	0%	2	100%	6	100%
Middle Management	1509	100%	6306	100%	2188	100%	596	100%	727	100%	28	100%
Supervisory/ Administrative	2317	100%	8649	100%	2548	100%	685	100%	1176	100%	62	100%
Operational	9504	100%	47045	100%	7865	100%	2294	100%	3311	100%	114	100%
Apprentices	54	100%	845	100%	184	100%	50	100%	40	100%	0%	0%
Interns	100	100%	1462	100%	29	100%	7	100%	18	100%	0%	0%

OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION GRI 205-1

In 2017, 100% of our operations underwent corruption risk assessments. Initiatives are planned for 2018 to strengthen all pillars of our integrity program. These initiatives include in-person training, improved controls on government officials, third parties, donations, sponsorship, acquisitions, mergers and joint ventures. In addition, Bradesco will conduct due diligence on compliance and on the effectiveness of the Bradesco Integrity Program.

Credits

OVERALL COORDINATION

Bradesco – Market Relations Department

PARTNER CONSULTANTS

(EDITORIAL COORDINATION,
GRI CONSULTING AND DESIGN)
Report Sustentabilidade

PHOTOGRAPHS

Alexandre Fatori
Clodoir Oliveira
Egberto Nogueira
Maurino Borges

ILLUSTRATIONS

Bruno Algarve

AUDIT

KPMG

Corporate Information

Corporate Information

Banco Bradesco S.A.
Cidade de Deus – Osasco (SP)
ZIP: 06029-900
www.bradesco.com.br

CONTACT FOR MARKET ANALYSTS, INSTITUTIONAL INVESTORS AND OTHER STAKEHOLDERS: GRI 102-53

Market Relations Department

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Accounting Department

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PLANNING, BUDGETING & CONTROL DEPARTMENT

Corporate Sustainability
Phone: (55) (11) 3684-8777
www.bradescosustentabilidade.com.br

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:

Shares & Custody Department

Phone: 0800 701 1616
bradescocustodia@bradesco.com.br