

BANK BRADESCO
Form 20-F
April 30, 2015

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this annual report, the terms "Bradesco," the "Company," the "Bank," the "Bradesco Group," "we," the "Organization," and "us" refer to Banco Bradesco S.A., *sociedade anônima* organized under the laws of Brazil and, unless otherwise indicated, its consolidated subsidiaries.

All references herein to "real," "reais" or "R\$" refer to the Brazilian real, the official currency of Brazil. References herein to "U.S. dollars," "dollar" and "US\$" refer to United States dollars, the official currency of the United States of America (USA).

Our audited consolidated financial statements as of and for the years ended December 31, 2014, 2013 and 2012, with the corresponding notes, are included under "Item 18. Financial Statements" of this annual report and were prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

For certain purposes, such as reports for Brazilian shareholders, filings with the Brazilian Securities and Exchange Commission (CVM) and determining dividend and federal income tax payments, we use accounting practices adopted in Brazil for financial institutions authorized to operate by the Brazilian Central Bank (Banco Central do Brasil), or the "Central Bank."

Some data related to economic sectors presented in this annual report was obtained from the following sources: Brazilian Association of Credit Card Companies and Services (*Associação Brasileira das Empresas de Cartão de Crédito e Serviços*), or ABECS; Brazilian Association of Leasing Companies (*Associação Brasileira de Empresas de Leasing*), or ABEL; Brazilian Association of Financial and Capital Markets Entities (*Associação Brasileira das Entidades dos Mercados Financeiros e de Capitais*), or ANBIMA; Brazilian Health Insurance Authority (*Agência Nacional de Saúde Suplementar*), or ANS; Central Bank; Brazilian Bank of Economic and Social Development (*Banco Nacional de Desenvolvimento Econômico e Social*), or BNDES; National Association of Private Pension Plans and Life (*Federação Nacional de Previdência Privada e Vida*), or FENAPREVI; Getulio Vargas Foundation (*Fundação Getulio Vargas*), or FGV; and Private Insurance Superintendence (*Superintendência de Seguros Privados*), or SUSEP.

Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

References in this annual report to the "common shares" and "preferred shares" are to our common shares and preferred shares, respectively, and together our "shares."

References to “preferred share ADSs” in this annual report are to preferred share American Depositary Shares, each representing one preferred share. The preferred share ADSs are evidenced by preferred share American Depositary Receipts, or preferred share ADRs, issued pursuant to an Amended and Restated Deposit Agreement, dated as of July 22, 2009, by and among us, The Bank of New York Mellon, as depositary, and the holders and beneficial owners of preferred share ADSs evidenced by preferred share ADRs issued thereunder (the “Preferred Share ADS Deposit Agreement”).

References to "common share ADSs" in this annual report are to common share American Depositary Shares, with each common share ADS representing one common share. The common share ADSs are evidenced by common share American Depositary Receipts, or common share ADRs, issued pursuant to a Deposit Agreement dated as of March 13, 2012, by and among us, The Bank of New York Mellon, as depositary, and the holders and beneficial owners of common share ADSs evidenced by common share ADRs issued thereunder (the "Common Share ADS Deposit Agreement" and, together with the “Preferred Share ADS Deposit Agreement”, the "Deposit Agreements").

References throughout this annual report to "ADSs" are to our preferred share ADSs and common share ADSs, together.

Throughout this annual report, we may indicate that certain information is available at different websites operated by us. None of the information on the websites referred to or mentioned in this annual report is part of or is incorporated by reference herein.

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FORWARD LOOKING STATEMENTS

This annual report contains forward looking statements as defined in Section 27A of the Securities Act of 1933, as amended, or "Securities Act," and Section 21E of the Securities Exchange Act of 1934, as amended, or "Exchange Act." These statements are based mainly on our current expectations and projections of future events and financial trends that currently affect or might affect our business. In addition to the items discussed in other sections of this annual report, there are many significant factors that could cause our financial condition and results of operation to differ materially from those set out in our forward-looking statements, including, but not limited to, the following:

- global economic conditions;
- economic, political and business conditions in Brazil and in the other markets in which we operate;
- risks of lending, credit, investments and other activities;
- our level of capitalization;
- cost and availability of funds;
- higher levels of delinquency by borrowers, credit delinquency and other delinquency events leading to higher impairment of loans and advances;
- loss of customers or other sources of income;
- our ability to execute our investment strategies and plans as well as to maintain and improve our operating performance;
- our revenues from new products and businesses;
- adverse claims, legal or regulatory disputes or proceedings;
- inflation, fluctuations in the value of the *real* and/or interest rates, which could adversely affect our margins;
- competitive conditions in the banking, financial services, credit card, asset management, insurance sectors and related industries;
- the market value of securities, particularly Brazilian government securities; and

- changes by the Central Bank and others in laws and regulations, applicable to us and our activities, including, but not limited to, those affecting tax matters.

Words such as "believe," "expect," "continue," "understand," "estimate," "will," "may," "anticipate," "should," "intend," and other similar expressions are intended to identify forward looking statements. These statements refer only to the date on which they were made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or any other event.

In light of these risks and uncertainties, the forward looking statements, events and circumstances discussed in this annual report may not be accurate, and our actual results and performance could differ materially from those anticipated in our forward-looking statements. Investors should not make investment decisions based solely on the forward-looking statements in this annual report.

PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

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ITEM 3. KEY INFORMATION

3.A. Selected Financial Data

We present below our selected financial data derived from our consolidated financial statements which have been prepared in accordance with International Financial Reporting Standards (IFRS) as of and for the years ended December 31, 2014, 2013, 2012, 2011 and 2010. The data as of and for the years ended in 2014, 2013 and 2012 is derived from our consolidated financial statements, which were audited by KPMG Auditores Independentes, an independent registered public accounting firm, as stated in their report included in this annual report. The data for the years ended December 31, 2011 and 2010 is derived from our consolidated financial statements, which are not included herein and which were audited by KPMG Auditores Independentes and PricewaterhouseCoopers Auditores Independentes, respectively, both independent registered public accounting firms, as stated in their respective reports that are not included herein.

The following selected financial data should be read together with the "Presentation of Financial and Other Information" and "Item 5. Operating and Financial Review and Prospects."

Selected Financial Data

Year ended December 31,	US\$ in		R\$ in thousands			
	thousands (1)					
2014	2014	2013	2012	2011	2010	
Data from the Consolidated Statement of Income						
Interest and similar income	32,385,628	103,893,096	90,682,625	83,031,854	82,152,096	63,772,183
Interest and similar expenses	(16,785,327)	(53,847,329)	(41,382,142)	(39,646,131)	(46,763,775)	(31,000,892)
Net interest income	15,600,301	50,045,767	49,300,483	43,385,723	35,388,321	32,771,291
Fee and commission income	5,224,433	16,759,980	14,535,723	12,757,131	10,932,237	9,421,485
Fee and commission expenses	(6,460)	(20,724)	(36,041)	(36,391)	(33,978)	(26,947)

Net fee and commission income	5,217,973	16,739,256	14,499,682	12,720,740	10,898,259	9,394,538
Net gains/(losses) on financial instruments classified as held for trading	(602,557)	(1,933,003)	(5,790,089)	2,110,112	(608,271)	2,212,733
Net gains/(losses) on financial assets classified as available for sale	(309,194)	(991,894)	(6,100,782)	1,895,974	365,302	754,416
Net gains/(losses) on foreign currency transactions	(387,993)	(1,244,680)	(1,093,597)	(1,087,595)	2,625,816	(682,961)
Income from insurance and pension plans	1,686,984	5,411,845	6,933,680	1,413,016	3,076,175	2,577,730
Impairment of loans and advances	(3,208,038)	(10,291,386)	(9,623,870)	(11,451,383)	(8,239,358)	(5,756,125)
Personnel expenses	(4,260,486)	(13,667,639)	(12,354,418)	(11,559,002)	(11,094,794)	(8,794,017)
Other administrative expenses	(4,043,492)	(12,971,521)	(12,151,537)	(11,803,989)	(11,380,270)	(9,761,445)
Depreciation and amortization	(914,179)	(2,932,687)	(2,740,830)	(2,488,182)	(2,117,666)	(1,966,433)
Other operating income/(expenses)	(3,186,747)	(10,223,083)	(7,622,240)	(8,674,178)	(5,106,092)	(6,002,663)
Income before income taxes and equity in the earnings of associates	5,592,573	17,940,975	13,256,482	14,461,236	13,807,422	14,747,064
Equity in the earnings of associates and joint ventures	433,234	1,389,816	1,062,687	980,212	803,820	577,053
Income before income taxes	6,025,808	19,330,791	14,319,169	15,441,448	14,611,242	15,324,117
Income tax and social contribution	(1,220,172)					