



2016

INTEGRATED REPORT



Bradesco



SUMMARY

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MESSAGE FROM MANAGEMENT

GRI G4-1

2016 was a year of major accomplishments. The conclusion of the acquisition of HSBC Bank Brasil S. A. – Banco Múltiplo, the largest ever of our history, enabled us to expand our account holder base and our activities in strategic markets, such as the Southeast, Midwest and South of the country. In a short space of time, the platforms were integrated, the work force was engaged and the entire brand was substituted fully in line with the targets established.

The sponsorship of the 2016 Rio Olympic and Paralympic Games was yet another demonstration of confidence in the country's capacity to get things done. The Games provided the Bradesco brand with global exposure and made our commitment to a constructive mindset that motivates and involves people, a nation's most valuable asset, visible to the world.

Faced with the challenges posed by the current economic conjuncture, we reacted by growing investments and incentives for businesses. Our budget and strategic planning were adhered to successfully, we improved processes aimed at greater efficiency and innovated in all areas of activity, supported by a service network covering the entire country.

Our work force is committed and determined to always do its best, aligned with the demands of the moment.

Committed to the Sustainable Development Goals (SDG), we commemorated the 60th anniversary of the Fundação Bradesco, our main social action. With 40 schools for children and young people located primarily in disadvantaged regions, the Fundação has become a benchmark in education in Brazil, illuminating the path towards social inclusion and driving the common good.

Our robust performance in the year is evident in our numbers. Adjusted net income totaled R\$17.121 billion, with shareholders receiving interest on own equity totaling R\$6.976 billion, corresponding to 48.7% (net of income tax – IRRF – 41.4%) of adjusted earnings. Our insurance arm, Bradesco Seguros Group, made a significant 32% contribution to this result. Total assets reached R\$1.294 trillion, growing 19.8% over the previous year, equity totaled R\$100.442 billion and the Operating Efficiency Ratio reached 39.5%.

GRI G4-1

The dimensions of these numbers demonstrate our robustness and renew our future vision: we adopt the most efficient corporate sustainability practices, strengthening our long-term prospects.

Brazil has the credentials to advance and to resume growth. Confident that in 2017 we will achieve further conquests, we reaffirm our disposition to overcome obstacles with investments and a constructive mindset, offering our clients, shareholders and investors the best products and services.

We would like to thank everyone for their support, their preference and, mainly, for the confidence they deposit in Bradesco. We also wish to thank our employees and third-party employees for their dedication and total commitment, which were fundamental for the results achieved.

Lázaro de Mello Brandão
Chairman of the Board of Directors

Luiz Carlos Trabuco Cappi
CEO

**OUR SPONSORSHIP
OF THE 2016
OLYMPIC AND
PARALYMPIC GAMES
WAS YET ANOTHER
DEMONSTRATION OF
OUR CONFIDENCE IN
BRAZIL'S CAPACITY TO
GET THINGS DONE**

PRESENTATION

Our Integrated Report is the product of a collective effort in which diverse areas undertook an exercise in transparency related to the topics of interest to our most diverse stakeholder groups (clients, investors, suppliers, community and others). We believe that the report has continued to evolve, with a higher number of indicators and the enhancement of our Relevance Matrix. **GRI G4-18**
[Further information in the GRI Attachment](#)

For the 2016 reporting cycle, we reviewed our Relevance Matrix via a process that took into account quantitative and qualitative assessments and analysis of these results, in three stages proposed by the GRI– Global Reporting Initiative G4 guidelines:

1st stage: review of the list of relevant topics

Understanding the sustainability context and reflecting business strategy is a fundamental point for a well grounded process for determining the most relevant topics for management and for the reporting process. Therefore, we reviewed the list of subjects defined the last time we updated our Matrix, considering relevant topics considered to be benchmarks for Brazilian and overseas banks; research into news items about us and the financial sector; the Global Risks Report 2016 – World Economic Forum; market guidance mechanisms such as the FEBRABAN self-regulatory system Sistema de Autorregulação Bancária – SARB 14; the Dow Jones Sustainability Index (DJSI) and the ISE/ BOVES-PA Corporate Sustainability Index; and internal information. We also included the perceptions of strategic stakeholder groups aired in a meeting held to assess the 2015 Integrated Report, which was attended by 24 representatives. **GRI G4-26**
[Further information in the GRI Attachment](#)

2nd stage: consultation and analysis process

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 result” and its sub-topic “Share appreciation”. Two sub-topics were also redistributed: “Brand management (intangible asset)” and “Pursuit of operational efficiency”.

These topics were inserted in an electronic system for consultation by the following groups: employees, clients, investors, suppliers, government and community/society/ third sector.

We used a methodology that cross references the axes of influence and impact to define what is relevant for the Organization.

Influences were considered to be:

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

Impacts were considered to be:

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

The result of the consultation was assessed using the following weighting system:

Influence:

- Online consultation with priority stakeholders (clients, investors, suppliers, government and community/society/ third sector): 60%.
- Media research: 20%.
- Sector studies: 20%.

Impact:

- Consultation with executives: 40%.
- Online consultation with employees: 30%.
- Competitors: 25%.
- Megatrends: 5%.

3rd stage: validation of the relevant topics

The topics and respective sub-topics selected were assessed, reviewed and validated by the Executive Board. There follows the prioritized list that orientates our report:

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 public
7. Supplier management
8. Financial inclusion

Within these topics, the first three were considered priorities, representing the same subjects raised in the previous Matrix, however, in a different order.





Managing Capital, Risks and Opportunities: its relevance is due to the fact that the topic is related to questions such as risk management, compliance, delinquency, climate change, tax strategy and the incorporation of social and financial aspects into the businesses. Risk control, for example, seeks to anticipate market events and situations so that our instruments may be controlled, allowing us to mitigate and anticipate possible adverse effects. This is an essential factor in enabling us to ensure stakeholder security and comfort.

Client Relations: for us guaranteeing high quality service and client satisfaction is a principle. An example is the tools we have to optimize this goal. In this respect, we have a Customer Relationship Management (CRM) structure that interacts with the other organizational areas, receiving diverse types of specific information about cli-

ents. This information is assessed to enable painstaking analysis of client profiles so that we can develop commercial measures, products and services to meet the specific needs of each client. Within this same context, we have two independent Ombudsman services, one dedicated to client contacts in accordance with the rulings of the Brazilian Central Bank (Bacen) and the Comissão de Valores Mobiliários (CVM) and the other to address contacts from Bradesco Seguros Group clients, which is compliant with the standards of the insurance authority Superintendência de Seguros Privados (SUSEP) and its private health insurance equivalent Agência Nacional de Saúde Suplementar (ANS). The objective here is to represent the client 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, the 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. In the current scenario of convergence, the challenge is to make the banking experience even faster, safer and more convenient so that the diverse types of client may choose how to access us, as well as to attract new people 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.

The capitals used by the Organization are indicated throughout the Report by the following symbols:

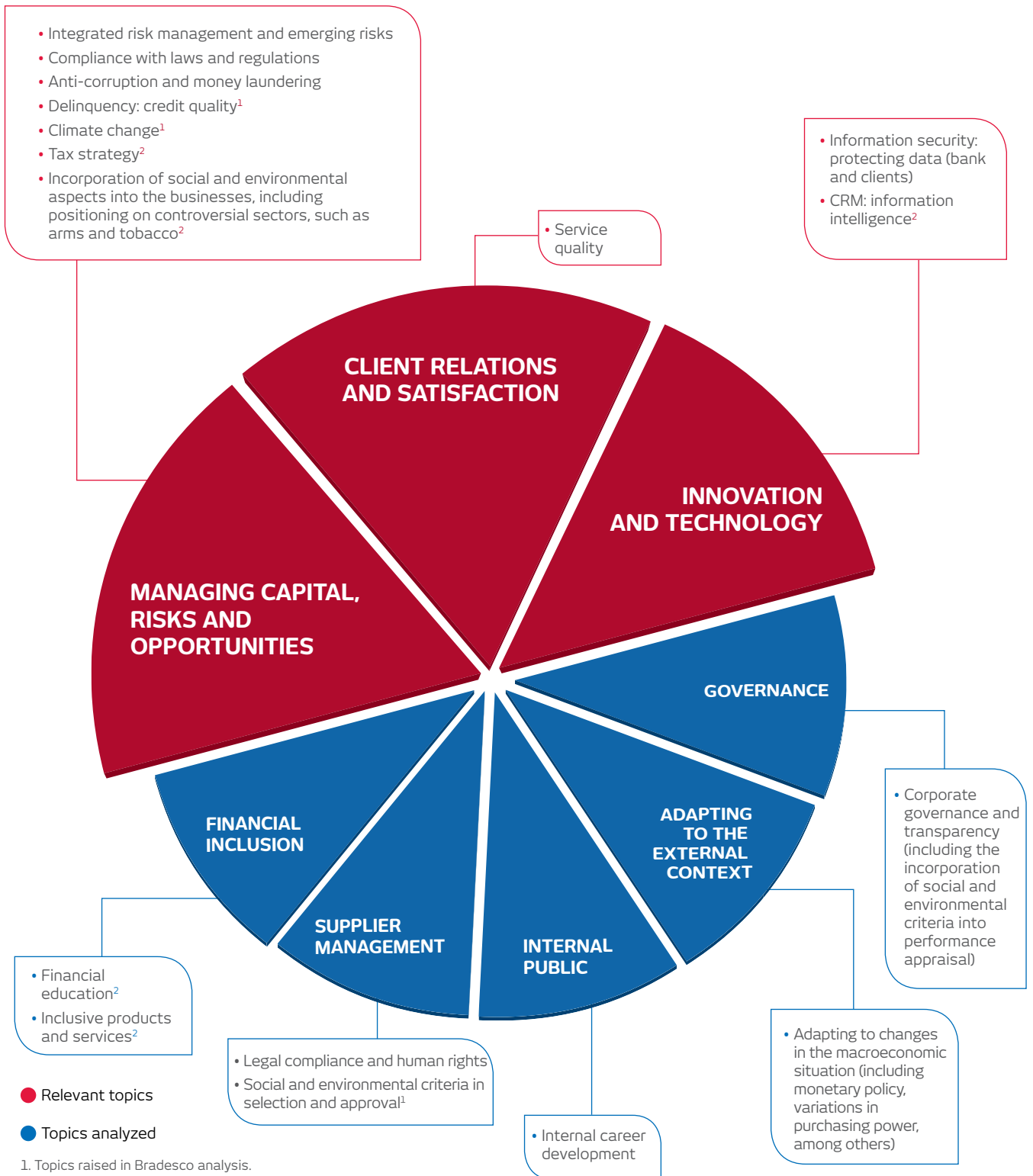
-  FINANCIAL
-  SOCIAL
-  HUMAN
-  INTELLECTUAL
-  MANUFACTURED
-  NATURAL

The stakeholder groups in one way or another related to or impacted by the Organization's activities are also identified throughout the report by the symbols below:

-  CLIENTS
-  INTERNAL PUBLIC
-  SHAREHOLDERS AND INVESTORS
-  SUPPLIERS
-  GOVERNMENT (REGULATORY AUTHORITIES)
-  COMMUNITY/SOCIETY/THIRD SECTOR



TOPICS PRIORITIZED GRI G4-27 Further information in the GRI Attachment



1. Topics raised in Bradesco analysis.
 2. DJSI topics.
 Obs.: the sub-topics are in the boxes associated with each topic.



VALUE GENERATION

BASED ON A GLOBALIZED VISION,
WE PROMOTE THE INTEGRATION
OF THE PHYSICAL AND DIGITAL
ENVIRONMENTS, DRIVING INCREASED
CONVERGENCE FOR CLIENTS

CAPITALS



STAKEHOLDERS



One of the factors that position us as one of the most solid global financial institutions is the diversification of our earnings, which are generated by four main sources of products and revenues, with loans accounting for 31%, insurance, 32%, services, 29%, and securities/others, 8%.

Credit has been under greater pressure due to the economic situation, which has led to increased delinquency and low volume growth. However, in the medium term diversification in the individual account portfolio, with an increased share of products with lower delinquency rates, such as housing loans and payroll credit, associated with the prospect of improvements in the economy in 2017, will ensure improved performance in this activity.

The share of service revenues in earnings has been increasing, worthy of note being cards (29%) and checking accounts (28%) – percentage of total service revenues (book value) –, which have been growing due to segmentation initiatives in the retail base. We have a multiple product line in insurance with private pensions accounting for a significant part of the policies. This diversification ensures stability in producing solid, consistent results.

The breakdown in value generation is reinforced by our capillarity, represented by the fact that we have the largest distribution network of financial and insurance products in Brazil and a competitive presence which enables it to serve more than 73 million clients spanning four generations and having different income profiles. At their disposal, they have more than 60,000 physical service points and a broad range of mobility solutions and access to products, services and transactions in both the physical and digital environments.

Another strategic differential is the broad segmentation offered to the more than 26 million business and individual account holder, in accordance with their income, revenues and needs. To elaborate, develop and offer the best solutions for each of these segments, we map consumption and relationship habits (physical and digital) and provide credit, finance and insurance options based on real needs and life phases.

Adopting a global vision, we are engaged in a series of initiatives to gradually integrate the physical and digital environments, driving growing convergence for clients. Worthy of note is the growth in the volume of transactions undertaken via digital channels from 3.6 billion in 2008 to 12.5 billion in 2016.

We are also committed to constantly creating and offering inclusive products and services, enabling the disabled to manage their finances. We are boosting the use of CRM and optimizing the branch structure to drive the increased efficiency of our service channels.

In this context, quality, innovation and efficiency, risk and opportunity management, ethical conduct, the generation of shared long-term value, leveraging results and employee training are key elements designed to guarantee ongoing business continuity. Value generation takes into account the risks and opportunities associated with social and environmental responsibility, which include eco-efficiency initiatives and social investment in promoting educational, cultural, artistic, sporting and environmental preservation measures.

HOW BRADESCO GENERATES VALUE GRI G4-4

INPUTS

Perspective of the main capitals we use

MANUFACTURED

- Service network: nationwide presence
- Technological infrastructure (94% of transactions undertaken via digital channels)

INTELLECTUAL

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

SOCIAL

- 73.3 million clients
- 362,200 shareholders and investors
- Suppliers and business partners

HUMAN

- Organizational culture
- 108,800 employees

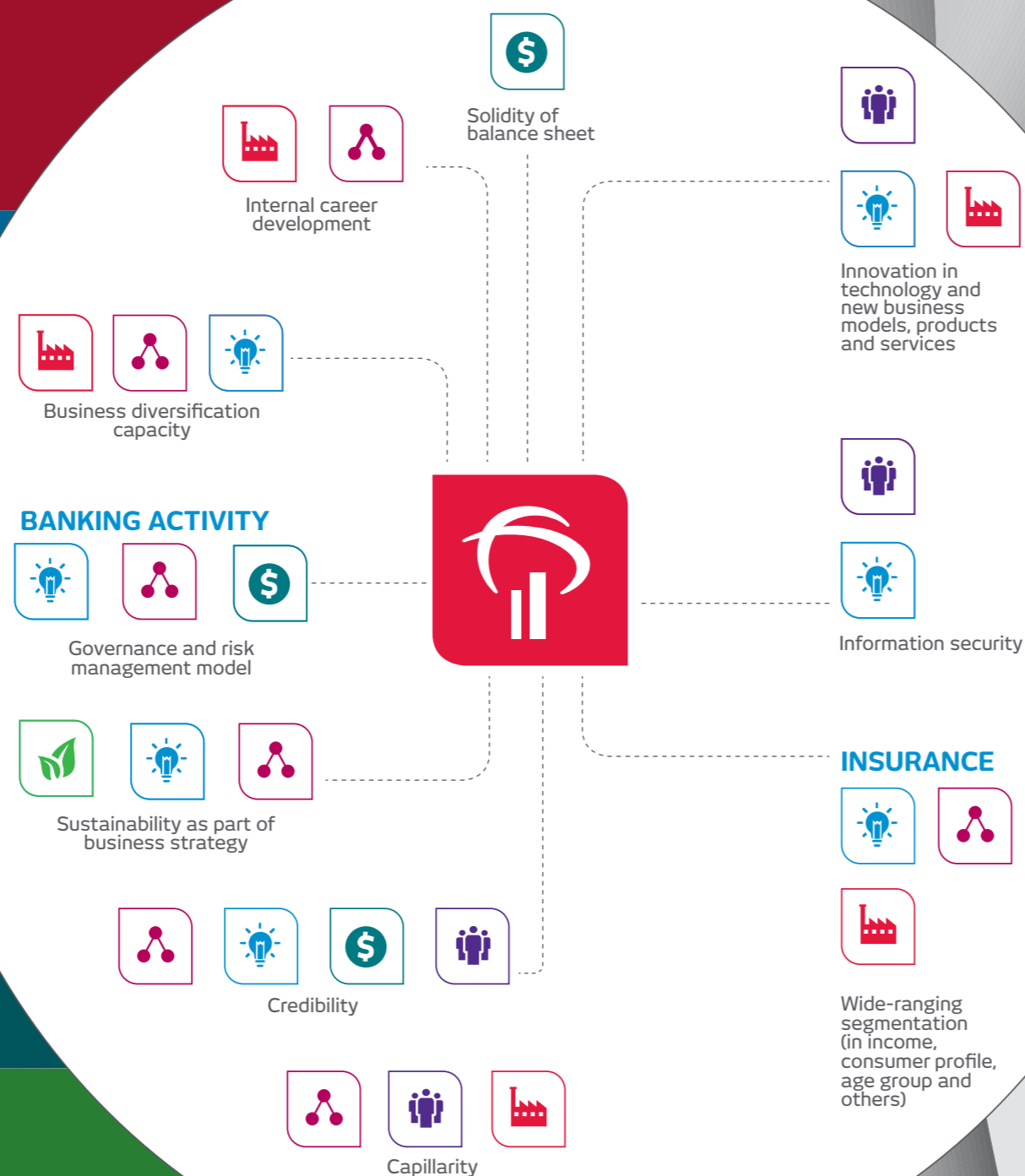
FINANCIAL

- Total assets : R\$1.294 trillion
- Net Equity totaled R\$100.4 billion in December 2016

NATURAL

- Water, energy and quality of eco-system

KEY ELEMENTS



PRODUCTS AND SERVICES GRI G4-4

IN BANKING ACTIVITY

Services for individuals: loans (real estate; payroll; personal; vehicles), credit cards; microcredit; exchange operations and investments

Corporate services: working capital; BNDES onlending; advances; exchange; exports; credit cards; over-seas operations; real estate finance; guarantees and loans

Financial services: cards; checking accounts; payment and receipt of bills; credit operations; asset management; consortium-capital market; derivatives

IN INSURANCE

Insurance, Supplementary Pension Plans and Capitalization Bonds

VALUE GENERATED

Client satisfaction and offer of suitable products and services

Fomenting economic growth based on finance (for other companies, partnerships and taxes)

Social inclusion, accessibility and quality of life (nationwide presence, bancarization and customized means of access; development of culture focused on provision of economic security and financial provision for people)

Inclusion and education in finance and security (for employees, clients and society in general)

Social inclusion through basic education, sport, foment for culture and the environment

Stakeholder engagement and development

Attraction and retention of talent

The scale of the business increases its influence and its potential to create a positive impact

Balanced revenues; solidity and solvency (diversified revenues) ensure resilience

Distribution of wealth

Quality of credit (expansion of credit versus reduction in delinquency)

Ongoing improvement in operational efficiency rating

MORE IN CHAPTER

- Risk management strategy
- Client relations
- Innovation and technology

- Economic-financial performance
- Risk management strategy

- Risk management strategy
- Client relations
- Community relations

- Client relations
- Community relations

- Community relations

- Personnel management
- Community relations
- Risk management strategy

- Personnel management

- Economic-financial performance
- Risk management strategy

- Economic-financial performance

- Economic-financial performance

- Risk management strategy

- Risk management strategy
- Economic-financial performance



Bradesco



Our service network covers every region of the country

We have been efficient in driving people's access to the financial system, with at least one branch, service point or banking correspondent in each Brazilian municipality, adapting the physical structure in accordance with each region's economic potential, driving local development and adding value for our businesses, which is only possible by means of investments in technology.

We constantly and systematically adopt a series of measures that enable recognition both of excellence in terms of financial results and perception of service quality by clients.

Five years before the publication of Brazil's Consumer Defense Code, we created Alô Bradesco, a channel for receiving contacts and listening to clients and non clients. In the social networks, we react non-stop with clients and non clients, providing rapid responses through our own specialized team. This totals more than 35,000 interactions per month.

Aligned with the goal of banking inclusion, our financial education project is aimed at driving the financial well-being of employees, clients and non-clients, as well as helping to prevent indebtedness through the rational use of money, responsible use of credit, incentives for savings and investments appropriate for specific profiles and needs. During the course of 2016, 320 regional meetings were held in underdeveloped locations where banking services are provided through service points or banking correspondents. Some 13,000 people participated.

Through the Portal Sociedade de Negócios we make exclusive contents for companies available, providing information and updates on the market and novelties for entrepreneurs, as well as helping ensure the success of new businesses.

It has always been a principle for us to guarantee service quality and drive client satisfaction, ensuring that they may perceive the real meaning of each one of our actions and pursuing greater quality in the contacts made by our managers. The segmentation process favors this strategy of grouping clients with the same profile, enabling differentiated service and gains in productivity. Created in 2003, Bradesco Prime, for example, which is dedicated to high-income clients, is noted for the high levels of satisfaction with service quality.

Bradesco Prime also provides an Asset Management Platform for clients who live far from large urban centers and a service structure for expatriates and clients who are out of the country. To serve these clients, we remodeled our internet banking, offering a series of international services, including the issue of payment orders for sending and receiving remittances and solutions to facilitate withdrawals and financial transactions overseas.

Aligned with new consumer trends, we restructured the concept of the digital platform with the launch of Digital Platforms, introducing the convenience of the digital world without sacrificing personalized service, with expanded working hours. Currently clients in the Exclusive, Prime and Private segments are entitled to use this platform.

In the post-sale process, we assess client satisfaction with commercial and relationship measures frequently and systematically, ranging from the opening of accounts, to service standards to migration from one segment to another. The consolidated data enable us to draft a general satisfaction index for each one

G4-DMA

Product and service labeling

**OUR SEGMENTATION
PROCESS IMPROVES
MANAGERS' CONTACTS
WITH CLIENTS, BOOSTING
THEIR PERCEPTION OF THE
REASONS FOR OUR ACTIONS
AND OF SERVICE QUALITY**



Our employees, managers and senior managers constantly take part in encounters aimed at driving strategic alignment

of our sites. These results directly impact our Programa de Objetivos (Goal Program).

In 2016, we launched the Financial Review, a commercial methodology which permits the offer of financial consultancy by means of a detailed, attentive interview with the client. The tool enables managers to assess clients' needs and expectations and to identify opportunities for the offer of tailor-made solutions. Based on the Financial Review, the client is better able to understand his/her own needs and to take advantage of the benefits

of the financial planning we provide, including the possibility of participating in relationship events in areas of their preference, such as sports, music and cinema.

Additionally, more than 99% of our managers are CPA10 and CPA20 certified. In 2016, more than 30,000 employees were trained.

HEIGHTENED PERCEPTION

On an annual basis, we conduct research in all segments, seeking to understand the perception of our clients and our competitors' clients with respect to the diverse relationship areas in the banking market and to monitor potential gaps in performance indicators. Worthy of note among these surveys are:



MAPPING OF FINANCIAL MARKET (MMF) – This is aimed at assessing our own and our competitors' performance. It is conducted among individuals and companies that have relations with banks. With nationwide coverage, there were 10,718 interviews. The main indicators investigated are: Use of banks, Client's 1st bank, Awareness, Attractiveness, Recommendation, Satisfaction, Reasons for using the bank, Possession of products and Channels used in each bank. This mapping takes place in two stages: in May/June and in October/November.



IMAGE SURVEY – This assesses the current state of our image in relation to our competitors, verifying how we are positioned in the perception of the diverse segments with whom we relate. The survey is conducted nationwide among a universe of 5,782 interviewees, broken down into: Low income, Classic, Exclusive, Prime and Company Retail (Varejo PJ), Companies and Corporate. The main indicators measured are: Awareness, Bank in which respondent has an account, Main bank and Image attributes associated with the banks.



CORPORATE IDENTITY

PRESENT IN EVERY MUNICIPALITY
IN THE COUNTRY, WE PROVIDE A
WIDE RANGE OF PRODUCTS AND
SERVICES FOR 73 MILLION CLIENTS

CAPITALS



STAKEHOLDERS



PROFILE GRI G4-8

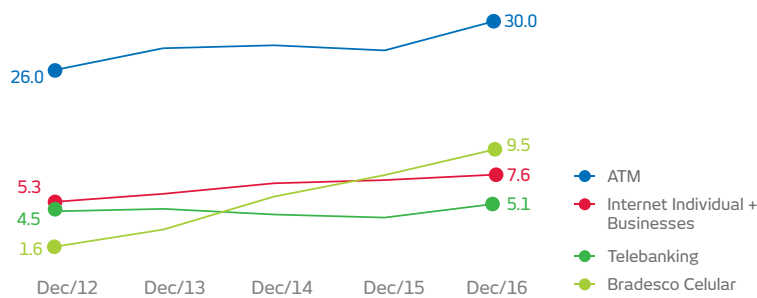
With a nationwide presence and capillarity, we are active in every municipality in the country with more than 10,100 branches, service points (PAs) and electronic service points in companies (PAEs) – an increase of over 15% in 2016 in function of the acquisition of HSBC Brasil –, in addition to almost 40,000 correspondents which, together with its digital channels (self-service network, telephone, internet and mobile telephone), provide ease of access and banking inclusion for the entire population.

We provide a broad portfolio of products and services, such as checking and savings accounts, loans, the issue and management of credit cards, consortia, receipt and processing of payments,

insurance, supplementary pensions and capitalization bonds, investment banking, commercial leasing, asset management and intermediation services, as well as security brokerage services for over 26 million clients.

Worthy of note are the digital channels, which accounted for 94% of transactions in 2016, 41% of which through Bradesco Celular (more than 5.4 billion transactions) – an increase of 49% compared with 2015. Moreover, we are the only financial institution in Brazil that offers access to accounts via applications without incurring data package charges from the carrier.

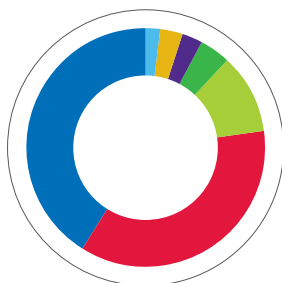
RELATIONSHIP CHANNELS – ACTIVE USERS BY DIGITAL CHANNEL (MILLIONS OF USERS)



11%

of our clients are exclusively digital

ELECTRONIC SELF-SERVICE CHANNELS GAIN PREFERENCE (%)



* File transmission.

Electronic and digital platforms account for

94%

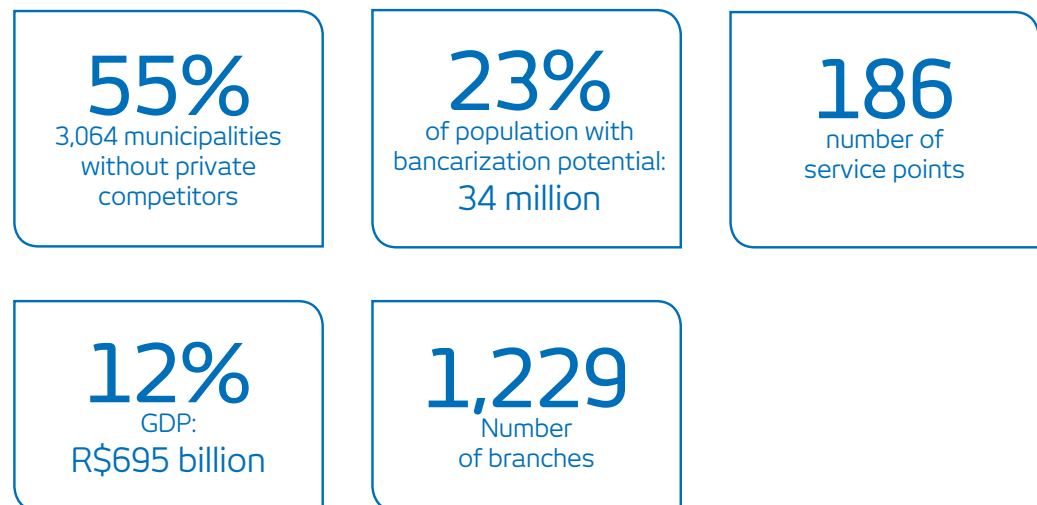
of bank transactions

SERVICE NETWORK	
	Total
Retail and Prime branches	5,314
Service points ¹	3,821
Electronic service points (PAEs)	1,013
Bradesco Expresso	38,430
ATMs ²	56,110

1. Service points in companies and municipalities.

2. Encompasses the Bradesco and Banco24Horas networks.

PRESENCE OF BRADESCO X COMPETITION



Our culture of quality and constant innovation, our determination and pioneering spirit are underpinned by a work force of over 100,000 employees – an excellent technical and professional body that was reinforced by the entry of 20,280 HSBC employees, the result of our largest acquisition ever.

We seek to strengthen our positioning in sustainability by boosting our governance bodies. In 2016, we were once again listed on the New York stock exchange's Dow Jones Sustainability Index (DJSI) in the Dow Jones Sustainability Emerging Markets portfolio, as well as the BM&FBOVESPA Corporate Sustainability Index (ISE). We are also a signatory to the Global Compact, to the Equator Principles, the Principles for Sustainable Insurance (PSI) and the Principles for Responsible Investment (PRI).



Market leader, The Bradesco Seguros Group promotes corporate social and environmental awareness measures

BRADESCO SEGUROS GROUP

The insurance arm, Bradesco Seguros Group, is the market leader in Brazil and in Latin America, supported by strategic differentials such as multiple product lines and a strong nationwide presence. It operates through 5,314 bank branches, supported by 11,000 dedicated brokers, 22,000 active market brokers, in addition to 38,000 banking correspondents and 7.6 million clients via its digital channels. The group has 200 facilities, including service units, offices and branches.

Aligned with the directives of our Strategic Sustainability Policy, Bradesco Seguros Group has promoted measures to raise awareness of corporate social and environmental questions and encouraged conscious water and energy consumption and waste management.

BRDESCO SEGUROS GROUP COMPANIES

BRDESCO AUTO/RE COMPANHIA DE SEGUROS S.A.: specialized in auto insurance and basic property insurance.

BRDESCO CAPITALIZAÇÃO S.A.: the largest private portfolio in the capitalization segment, some of its products invest in and promote social and environmental actions and in combating breast cancer.

BRDESCO SAÚDE S.A.: administers health and dental plans with an extensive accredited network. In 2016, the area had 3.7 million policy holders.

BRDESCO VIDA E PREVIDÊNCIA S.A.: develops and administers retirement, pension, savings and life insurance plans. In supplementary pensions, the company has 2 million private participants and around 40,000 company plans. More than 10 million people and 70,000 companies are covered by the plans.

BSP EMPREENDIMENTOS IMOBILIÁRIOS: works with the administration, rental and acquisition of corporate properties, with a portfolio of more than 750 units.

MEDISERVICE: dedicated to the operation of postpaid health plans with services based on management concepts.

BRDESCO DENTAL: dental plans managed by OdontoPrev.

MULTIPENSIONS: provides exclusive retirement plans for sponsoring companies.

SERVICE AND PRODUCT DISTRIBUTION AND SUPPORT IN DIVERSE CHANNELS

200 PREMISES
(including service units, offices and branches)

38,000 banking correspondents

22,000 active brokers (market)

5,314 bank branches

11,100 ATMs (outside branches)

7.6 million internet users

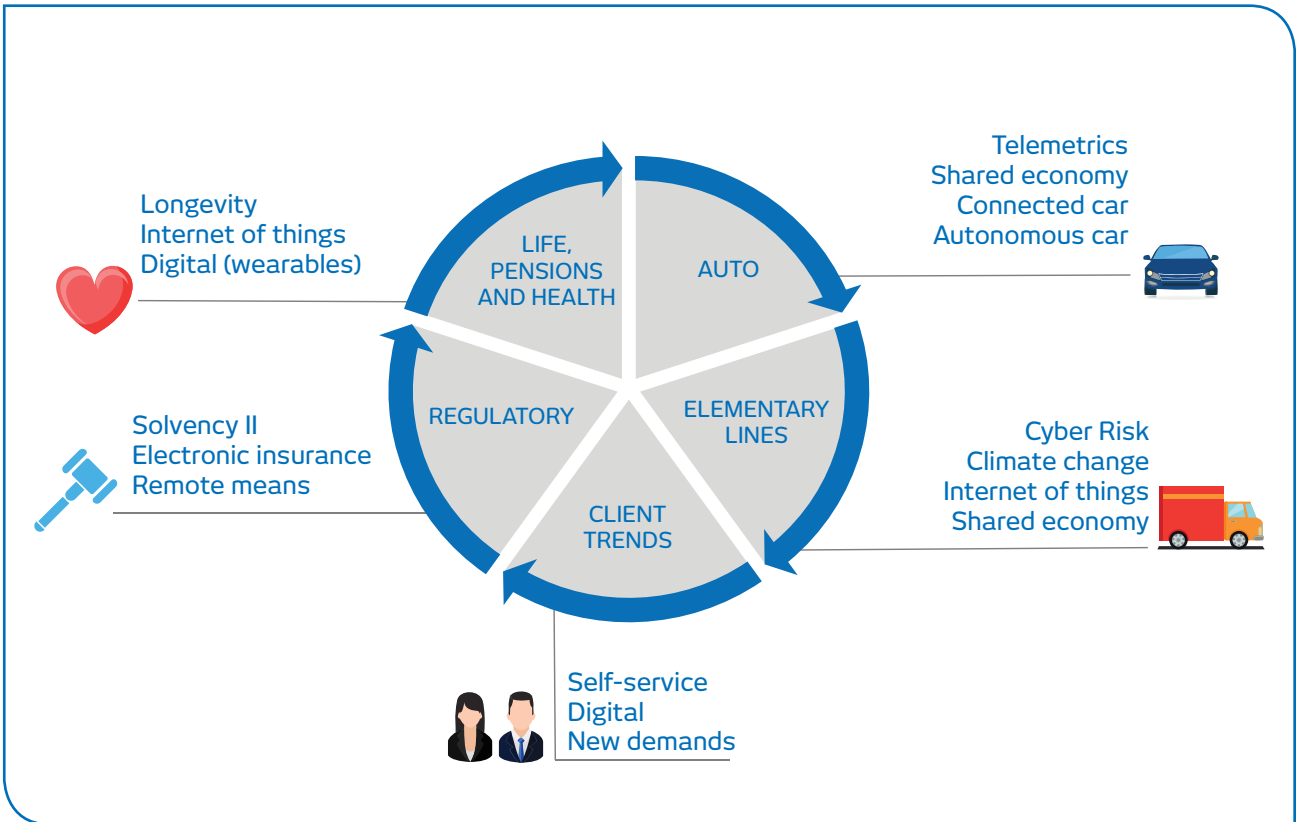
11,000 dedicated brokers

POLICIES ISSUED, PENSION PLAN CONTRIBUTIONS AND CAPITALIZATION REVENUES

ADJUSTED RESULT (Millions of R\$)				Pro forma		
	12M16	12M15	Variation 12 M (%)	12M16	12M15	Variation 12 M (%)
Life and Pension Plans	37,381	33,766	10.7	38,618	36,270	6.5
Health	22,127	19,290	14.7	22,127	19,289	14.7
Auto/P&C	5,786	5,794	(0.1)	5,786	5,794	(0.1)
Capitalization Bonds	5,863	5,507	6.5	6,109	6,030	1.3
Subtotal	71,157	64,357	10.6	72,639	67,383	7.8
DPVAT	262	256	2.3	262	256	2.3
Total	71,419	64,612	10.5	72,901	67,639	7.8
Shareholders' Equity	27,269	20,837	30.9	27,269	21,711	25.6
Net Income	5,551	5,289	5.0	-	-	-
ROAE*	23.0%	24.2%	(1.2) p.p	-	-	-
Financial Assets	242,063	191,921	26.1	242,063	206,897	17.0
Technical reserves	223,342	177,835	25.6	223,342	192,226	16.2

* From 1Q16, we started calculating the return on a linear basis. To permit comparability we recalculated the period 12M15.

TRENDS



2016 BRADESCO HIGHLIGHTS

Presence:
3,064
municipalities with no
private competitors

94%
of client transactions
undertaken via digital
channels

Greater commercial
efficiency by means of
Customer Relationship
Management (CRM),
with a positive impact
on service revenues,
particularly in checking
accounts

INTEGRATION

2.9
million clients had used
the digital channels by
December 31, 2016

5.4
million clients migrated,
of which 2.9 million had
used the digital channels
by December 31, 2016

247.3
million transactions
conducted via internet
and mobile channels up
to December 31, 2016

R\$135
billion in credits,
portfolios, securities and
assets migrated

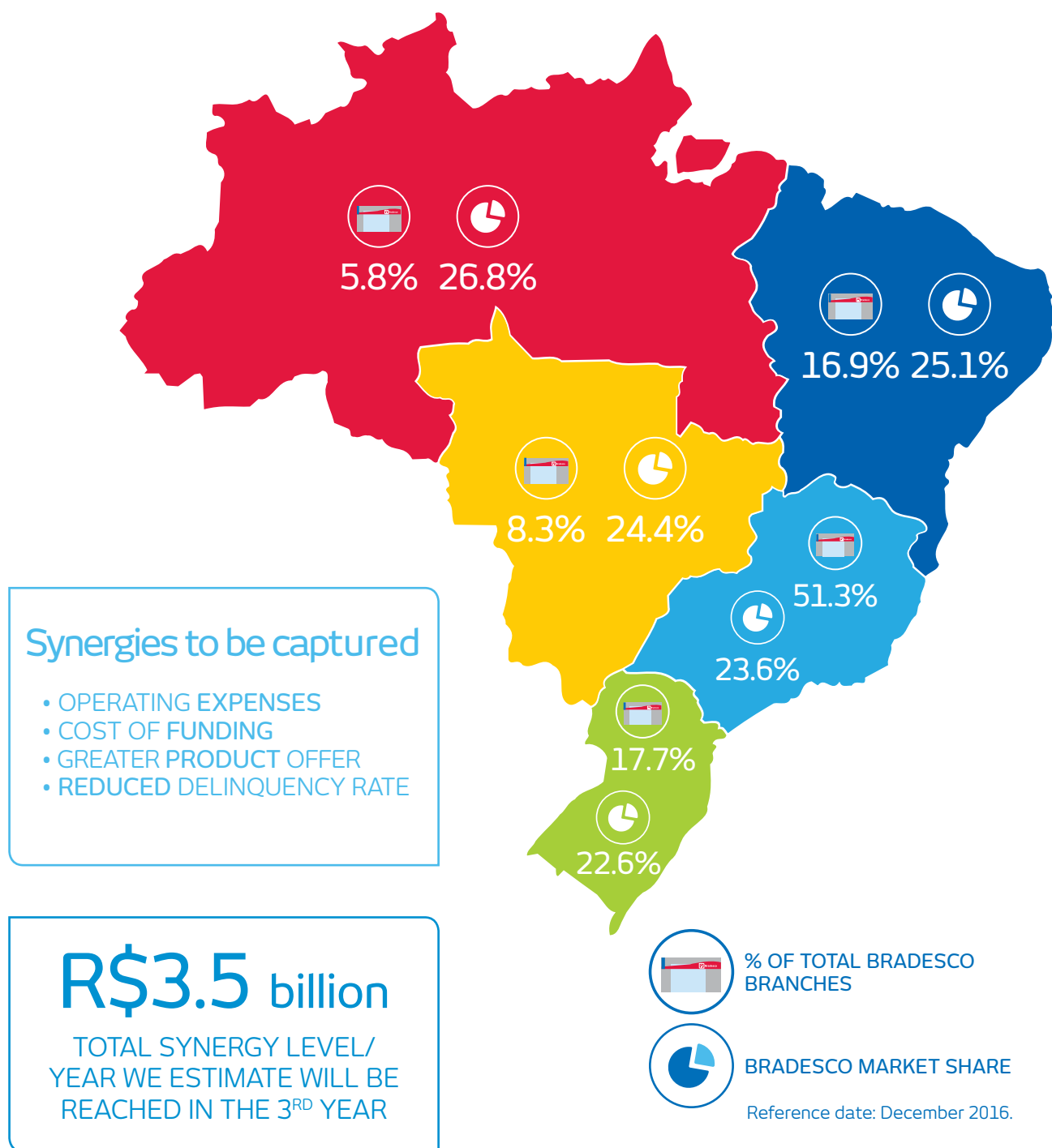
100%
of HSBC Brasil mobile
users have already
migrated

6,000
calls a day
to the
Welcome Center

Rebranding of
851
branches in one
weekend

7,900
interactions with former
clients in the social
networks

Watson:
100%
of the branches
interlinked



MAIN FUND
RAISING SOURCES:
R\$581 billion

EXPANDED
CREDIT PORTFOLIO:
R\$515 billion

TOTAL ASSETS
R\$1,294 billion

MISSION, VISION AND VALUES

GRI G4-56

Mission

The rapid and effective provision of financial and insurance-related solutions, products and services, primarily through banking inclusion and the promotion of social mobility, contributing to sustainable development and building lasting relationships that generate value for shareholders and for society as a whole.

Vision

To be recognized as the best and most efficient financial institution in the country and for active involvement in promoting banking inclusion and sustainable development.

Values

- The client as the reason for the Organization's existence
- Transparency in all internal and external relationships
- Respect for the competition
- Belief in the value of people and their capacity to develop
- Respect for human dignity and diversity
- Social and environmental responsibility and the promotion of sustainable development
- Commitment to continuous improvement in the quality of customer care, products and services

PROFESSIONAL PRINCIPLES

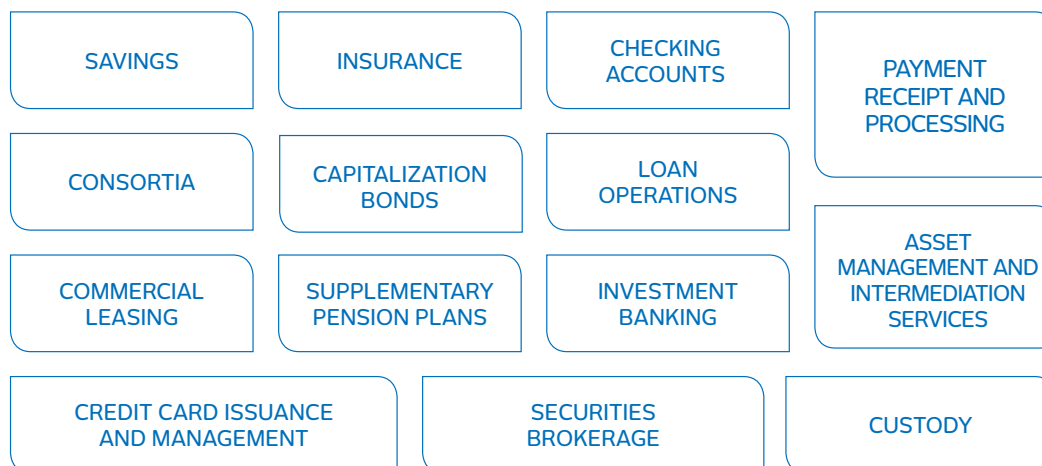
Our principles are set forth in the Bradesco Organization Code of Ethical Conduct, which guides the conduct of managers, employees and third parties in promoting adoption of the highest standards of integrity and transparency.

**OUR VALUES ATTEST THE
INTERNAL COMMITMENT
TO DIVERSITY AND
TRANSPARENCY, THE
BELIEF IN THE INDIVIDUAL'S
CAPACITY TO DEVELOP
AND THE DETERMINATION
TO DRIVE SUSTAINABLE
DEVELOPMENT INITIATIVES**

STRUCTURE GRI G4-4 | G4-8

MAIN COMPANIES	
Banking/financial activities	Insurance, supplementary pension plans and capitalization bonds
Banco Bradesco S.A.	Bradesco Seguros S.A.
Banco Bradescard S.A.	Bradesco Auto/RE Cia. de Seguros
Banco Bradesco Cartões S.A.	Bradesco Capitalização S.A.
Banco Bradesco Financiamentos S.A.	Bradesco Saúde S.A.
Bradesco S.A. Corretora de TVM	Bradesco Vida e Previdência S.A.
Ágora Corretora de TVM S.A.	OdontoPrev S.A.
BRAM – Bradesco Asset Management S.A. DTVM	Mediservice Operadora de Planos de Saúde S.A.
Bradesco Leasing S.A. Arrendamento Mercantil	Atlântica Companhia de Seguros
Bradesco Administradora de Consórcios Ltda.	Bradesco Argentina de Seguros S.A.
BEM DTVM	

PRODUCTS



SERVICE POINTS	
Branches	5,314
PAS + PAEs ¹	4,834
Bradesco Expresso	38,430
Overseas Branches/Subsidiaries	14
External ATMs – own network	186
Others ²	11,832
Total service points	60,610

1. PAS: result of the consolidation of PABs (Posto de Atendimento Bancário), PAAs (Posto Avançado de Atendimento) and Exchange Bureaus (Postos de Câmbio), in accordance with CMN Resolution No. 4,072/12. PAEs are ATMs located in a company.

2. Includes 10,972 assisted points of the Banco24Horas network (96 points shared between the Bradesco network and the Banco24Horas network), 797 Bradesco Promotora de Vendas points and 63 Losango posts.

MORE THAN 30,000 MANAGERS WORKING ON MULTIPLE SERVICE PLATFORMS

BRANCHES PROVIDE SERVICES FOR MULTIPLE SEGMENTS



COMPANIES AND BUSINESSES



DIGITAL PLATFORMS

- Remote service in accordance with profile
- Invitation for clients to migrate to the digital platform

INTEGRATED NETWORK

BRANCHES

- Focus on business
- Consulting and advice
- Asset management

FLAGSHIPS

- Communication of concepts
- Space for trial
- Spaces for sharing

BRADESCO EXPRESSO

- Transactional support and routing of businesses/deals

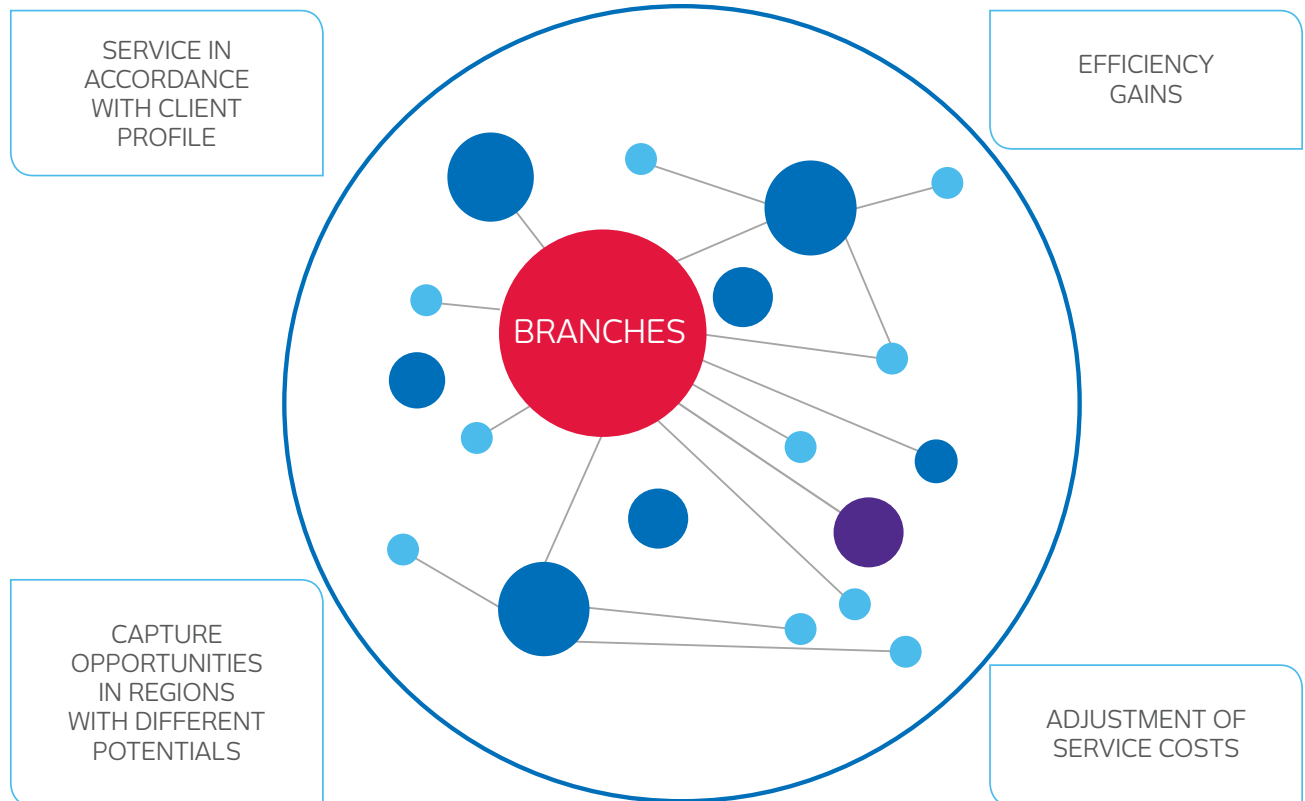
SERVICE POINTS

- Focus on business
- Consulting and advice
- Possible specialization in niches and segments
- Self-service

DIGITAL PLATFORM

- Remote service for segmented clients (Prime and Exclusive)

DIGITAL PLATFORM



STRATEGY

In 2016, the economic conjuncture was challenging both internally and externally, with a prolonged deceleration that had a negative impact on Brazilian industry. Once again there was a retraction in Gross Domestic Product (GDP), which deepened the internal crisis and caused further deterioration in the business environment, resulting in lower productivity, a retraction in credit and higher unemployment and delinquency rates.

In 2017, however, there are signs of a possible recovery in levels of activity, mainly in important sectors such as industry and agriculture. It is expected that the basic Selic interest rate will continue to drop, with inflation remaining around the target of 4.5%. The country is seeking to recuperate the confidence of overseas investors and its dynamism, as well as improving social and economic efficiency. This movement should be favored by the promotion of a fiscal adjustment, with the approval of the proposal of the constitutional amendment to establish a ceiling on spending and the introduction by the government of important discussions in the National Congress, such as social security reform, alterations to labor laws, privatizations and concessions.

With our sights on the future and attentive to the opportunities emerging with the recovery of the economy, in the medium and long term we have consolidated our business structures. We continue to be one of the major investors in technology in the country, driving operational efficiency with a view to improving services for our more than 73 million account holders, as well as clients who do not have accounts.

Segmented by profile, clients benefit from the large scale distribution of products and services that are adapted to the needs and features of regional economies. In order to grow and consolidate our activities, we have adopted diverse measures to promote the gradual integration of the physical and digital environments, driving growing convergence among our clients. We serve four generations of clients and seek to provide solutions in accordance with the expectations and phase of life of each one.

As a complement to this local focus and to provide support for Brazilian companies and their needs overseas, as well as for overseas investors and companies interested in Brazil, we operate internationally, maintaining a presence in strategic markets such as New York, London, Hong Kong, among others.

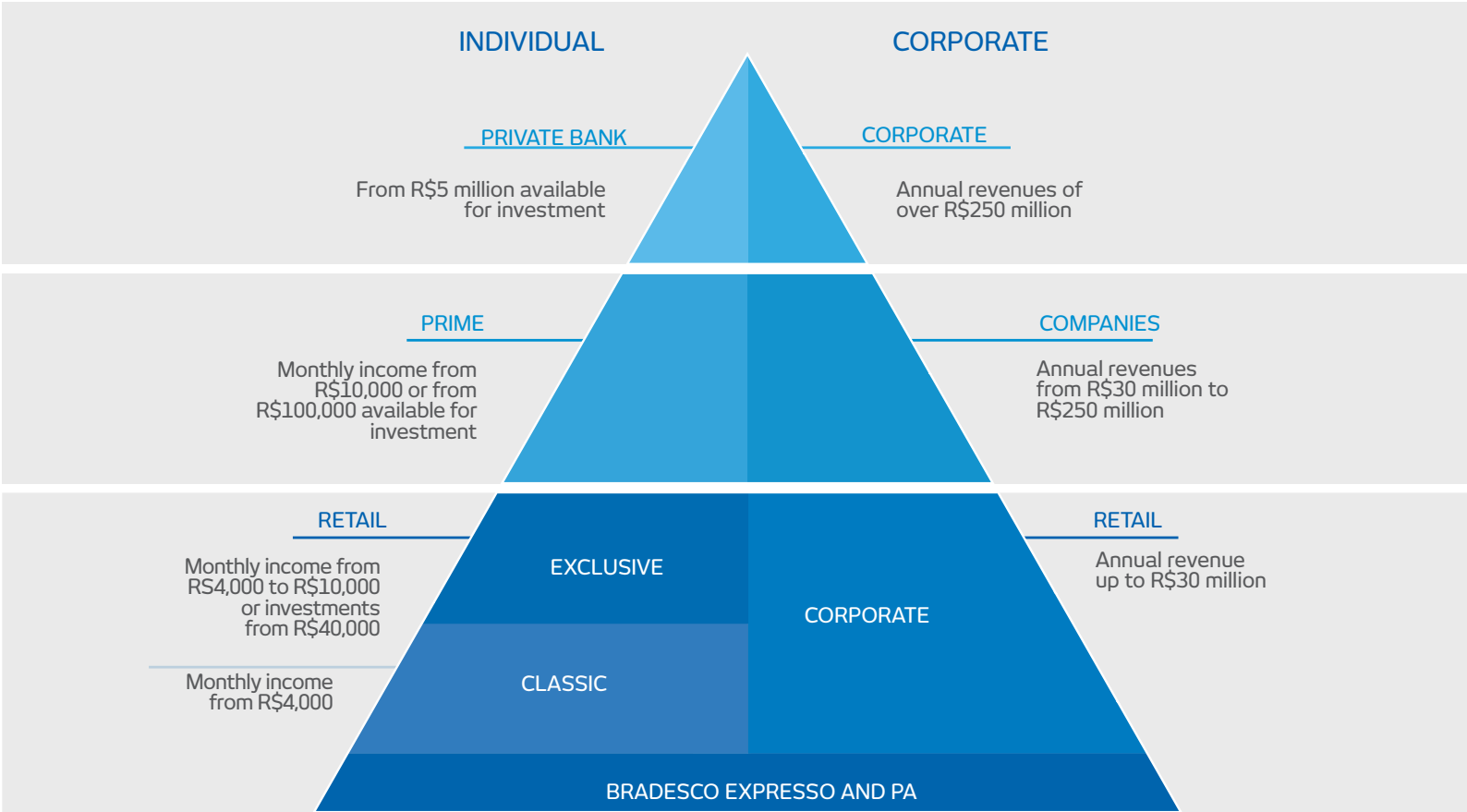
Our sources of revenue are balanced and insurance plays an important role in mitigating volatility in results, as do services, which are gaining importance due to their diversity. Credit activity should resume growth in the coming years as the economy recovers.

**WE SEGMENT OUR CLIENTS
BY PROFILE IN ORDER
TO PROVIDE THEM WITH
PRODUCTS AND SERVICES
TAILORED TO THEIR NEEDS
AND TO THE ECONOMIC
CHARACTERISTICS OF
EACH REGION**

It was this vision that drove our acquisition of HSBC Brasil in 2016, consolidating our share in the Brazilian market. In addition to the commercial gains generated by business with these new clients, the operation reinforces our human capital and will result in gains in synergy in oper-

ational processes, reduced operational expenses and funding costs and a higher return once the adjustments have been undertaken.

PRODUCT LINE BASED ON CLIENT PROFILE



CORPORATE INTEGRITY PROGRAM

We are committed to:

- Conducting business and developing our diverse relationships based on ethics, integrity and transparency, which are the pillars of our organizational culture, whose values and principles are set forth in the Corporate and Sector Codes of Ethical Conduct and supported by senior management
- Preventing and combating corruption in all its forms, in particular bribery

These commitments are sustained permanently by the Corporate Integrity Program, which corresponds to set of mechanisms and measures comprising the Codes of Ethical Conduct, the Corporate Anti-Corruption Policy and Standard and other standards, as well as the procedures, processes and controls established therein, aimed at detecting, preventing and remediating any harmful acts of corruption and bribery, including fraud against public administration.

The program, supported by the Ethical Conduct Committee and Board of Directors, sets forth the guidelines, responsibilities, procedures and controls to be employed with respect to presents, gifts and entertainment, donations, sponsorship, third parties and due diligence, tenders involving public authorities, political contributions, relations with public agents, reports of violations and non-retaliation against those making such reports in good faith, in compliance with the laws and regulations applicable in Brazil and in the countries in which the bank has business units.

To ensure the greater effectiveness of the Corporate Integrity Program it is continually assessed and improved to promote alignment between governance and controls and domestic and international anti-corruption best practices. To this end, in 2016 we concluded a new corruption risk mapping exercise and reassessment in all units, including those overseas. Face-to-face anti-corruption training was provided for senior management, employees in the areas with higher exposure to risk and for third parties. An interactive talk on reputation was organized for an exclusive audience on a pilot basis. With respect to ethical conduct, a series of training videos was made available, including a 7-part series on choices, the video clip Melhor Lugar (Best Place); and the training video Liberdade e Respeito (Freedom and Respect). For 2017, a series of measures aimed at reinforcing all the pillars has been programmed, including the implementation of new controls related to dealings with public agents, third-parties, donations and sponsorships, as well as the implantation of an automated risk monitoring and control system based on specific metrics and indicators, and innovative training programs based on a new methodology. **GRI G4-57 | G4-SO3**

During 2016 there were no indications of non-compliance with the Corporate Anti-Corruption Policy and Standard. All reports of ethical breaches were investigated and the appropriate disciplinary measure applied in each case. Reports involving discrimination and psychological harassment are disclosed in the section on personnel management.

G4-DMA
Anti-corruption

G4-DMA
Social compliance

G4-DMA
Anti-corruption



Procedures and controls are constantly aligned with best Brazilian and international practices

PREVENTING AND COMBATING MONEY LAUNDERING AND FINANCE FOR TERRORISM PROGRAM

The Corporate Preventing and Combating Money Laundering and Finance for Terrorism program is based on specific policies, standards, procedures and systems that establish guidelines for preventing and identifying the use of our structure and/or products and services to launder money and to finance terrorism. This program is overseen by the Preventing and Combating Money Laundering and Finance for Terrorism Executive Committee, which is

responsible for ensuring its effectiveness and determining the need to align procedures and controls with established regulations and best Brazilian and international practices. Suspicious or atypical cases identified are channeled to the Suspicious Transaction Assessment Commission, with representatives from various company areas, which evaluates the need to report the transaction to the regulatory authorities.

Anti-corruption

G4-DMA



CORPORATE GOVERNANCE

WE MAINTAIN A SERIES OF POLICIES, WHICH INCLUDES THE NOMINATION OF MANAGEMENT COMMITTED TO DIVERSITY AND GENDER EQUALITY

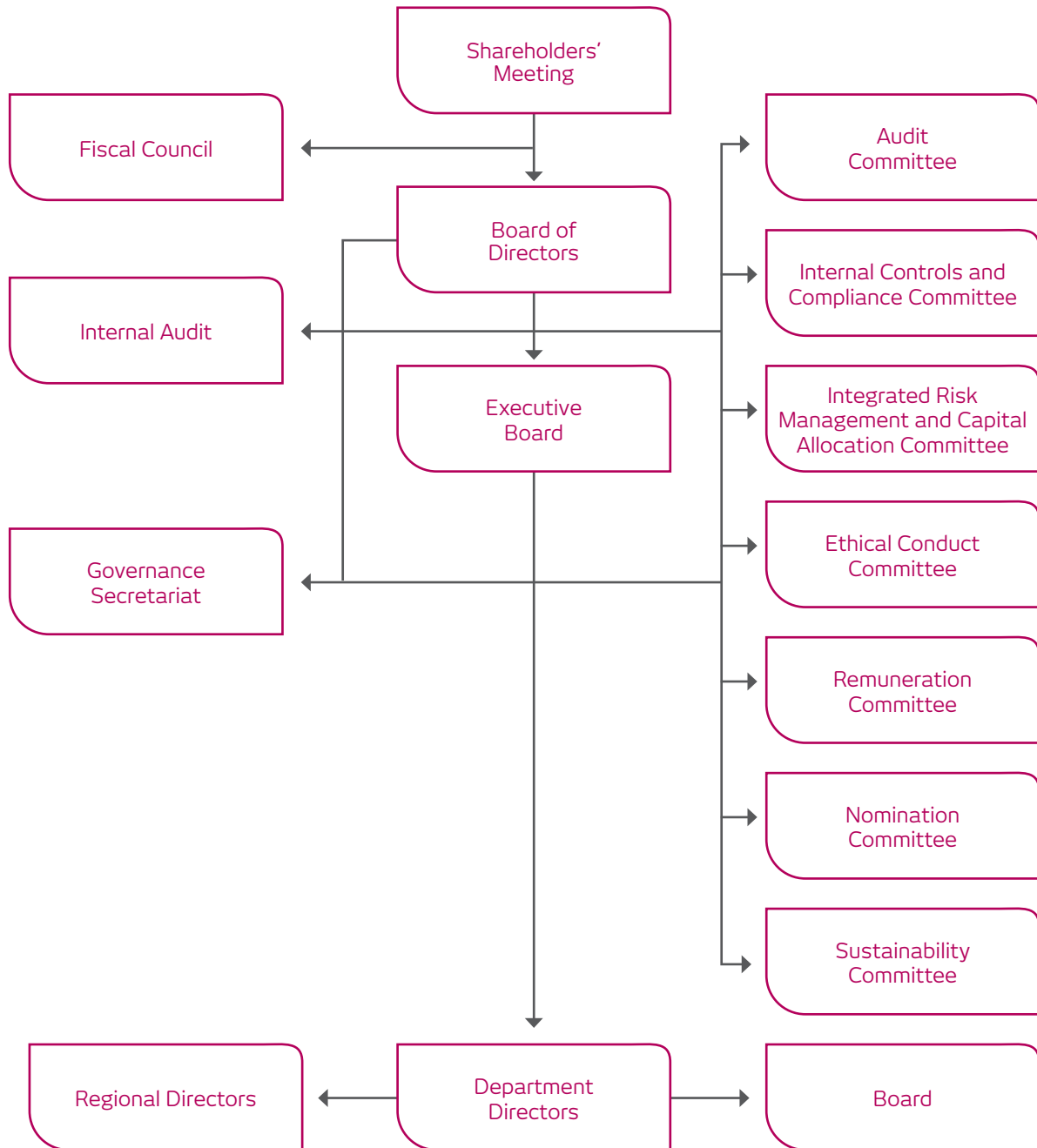
CAPITALS



STAKEHOLDERS



GOVERNANCE STRUCTURE GRI G4-34





Members undergo a rotation in functions to acquire knowledge about diverse areas

Our governance is based on the General Shareholders' Meeting, the Board of Directors and the Executive Board. The General Shareholders' Meeting is sovereign in the organization's decision making process, with the power to decide on any business related to its goals and to elect the members of the Board of Directors and the Fiscal Council.

The presence of former executives on the Board of Directors reinforces our internal career development policy. The members' experi-

ence is also the result of the rotation of functions to which they were submitted when they were executives. This enables them to acquire knowledge of diverse internal areas, thus enriching strategic discussions that contribute to the joint decisions.

The Management Nomination Policy is committed to promoting diversity and gender equality, respecting the process of indicating candidates for vacancies on the Board of Directors and the Executive Board.

BOARD OF DIRECTORS

This body bases its conduct on the Code of Best Corporate Governance Practices issued by the IBGC, the Brazilian Corporate Governance Institute (Instituto Brasileiro de Governança Corporativa) and the guidelines laid down by the Securities and Exchange Commission (SEC). It is also monitored by regulatory authorities such as Brazil's Central Bank (Bacen) and the CVM, the Brazilian Securities and Exchange Commission (Comissão de Valores Mobiliários). Its attributions are set forth in the bylaws and in our internal regulations.

There are eight board members who normally meet once every quarter and whenever necessary under extraordinary circumstances. The board members are fully aware of the benefits of adopting best governance practices and are committed to improving them, ensuring effective and independent risk management and internal control processes.

They have unified mandates of one year and are responsible for choosing the chairman and vice chairman. In accordance with the bylaws, the chairman may not hold the position of CEO.

At the end of 2016, the board comprised the following members:

Lázaro de Mello Brandão – Chairman (external member and former executive)

Luiz Carlos Trabuco Cappi – Vice Chairman (internal member – CEO)

Denise Aguiar Alvarez – External member

João Aguiar Alvarez – External member

Carlos Alberto Rodrigues Guilherme – External member and former executive

Milton Matsumoto – External member and former executive

José Alcides Munhoz – External member and former executive

Aurélio Conrado Boni – External member and former executive

THE EXECUTIVE COMMITTEES HAVE THEIR INTERNAL REGIMES AND ARE CHARGED WITH ADVISING AND SUPPORTING THE EXECUTIVE BOARD IN DECISION MAKING

This composition corroborates our preference for prioritizing former executives as board members given their experience and their capacity to bring greater experience and knowledge to the task of drafting guidelines for strategic planning aligned with our culture.

EXECUTIVE BOARD

The Executive Board is elected for a one-year term by the Board of Directors. Members may be reelected and their main functions are to manage and represent the organization, in addition to drafting and monitoring the execution or the strategic orientation established by the Board of Directors. The CEO is Luiz Carlos Trabuco Cappi and the CFO is Alexandre da Silva Glüher.

The Executive Board meets on a weekly basis and on an extraordinary basis whenever necessary.

COMMITTEES

Of the seven committees that provide support for the Board of Directors, two are statutory (Audit and Remuneration) and five are non-statutory (Ethical Conduct, Internal Con-

trols and Compliance, Integrated Risk Management and Capital Allocation, Nomination and Sustainability). They are coordinated by a member of the Board of Directors. The exceptions are the Integrated Risk Management and Capital Allocation and the Sustainability Committees, for which the Board opted to nominate the executives responsible for the respective areas as coordinators. These committees were constituted by the Board of Directors, which also establishes their attributions.

The CEO and the Executive Board are advised by diverse Executive Committees, which discuss and advise on relevant matters in their sphere of interest on a joint basis. Each has its own internal regime, composition, attributions and meeting schedule. Decision making processes are wide ranging and involve a number of internal areas.

Audit: supports the Board of Directors in monitoring the accounting practices adopted for the Company's and its subsidiaries financial statements and in indicating and assessing the effectiveness of the independent auditors.

Remuneration: its function is to advise the Board of Directors in overseeing the Management Remuneration Policy, drafting Remuneration Policy and proposing the overall amount of remuneration for management to the Board of Directors, as well as conducting an annual review of this policy, suggesting corrections and improvements.

Ethical Conduct: this committee proposes measures to communicate and ensure compliance with the Codes of Ethical Conduct of the Bradesco Organization, the corporate area and the diverse sectors, in addition to the rules of conduct related to anti-corruption and fair competition, ensuring their effectiveness and efficiency.

Internal Controls and Compliance: provides support for the Board of Directors in relation to strategies, policies and measures aimed at disseminating our culture of internal controls, risk mitigation and compliance with applicable standards.

Integrated Risk Management and Capital Allocation: its role is to assist the Board of Directors in matters related to managing and controlling risks and capital.

Nomination: constituted in April 2016, this committee advises the Board of Directors on policy for nominating managers as well as succession-related processes.

Sustainability: the Sustainability Committee supports the Board of Directors in the foment of sustainability-related strategies, including the establishment of corporate guidelines and measures and reconciling economic development with social and environmental responsibility.



For additional information on the governance structure, please see:
banco.bradesco/ir

GOVERNANCE SECRETARIAT

The Governance Secretariat, officially denominated General Secretariat, is a department subordinated to the Board of Directors but which also provides support for the Executive Board on a day to day basis.

Worthy of note among its attributions are:

- Managing the appointments and commitments of the eight members of the board and the 23 executive directors
- Managing the Chairman's blog, the main link between the Chairman and employees
- Coordinating and overseeing the shareholders' meetings
- Supporting the Fiscal Council by managing its agenda and preparing the minutes of meetings
- Providing direct support for the Executive Dissemination and Corporate Governance Committees
- Managing the minutes for the committees subordinated to the Board of Directors
- Providing support in institutional relations
- Addressing corporate governance matters, undertaking proposals and implementations
- Disclosing Notices for Shareholders, Communications to the Market and Material Facts
- Managing the corporate governance page in the Investor Relations website

SUCCESSION PROCESS

The process of indicating and nominating candidates for places on the Board of Directors and the Executive Committee is conducted by the Nomination Committee, based on the Management Nomination Policy, instituted in April 2016. The considerations involved include:

- Organizational culture, whereby positions should be occupied by highly qualified professionals who identify with the organization's values and have preferably built their career within the Organization
- A rotation involving different functions to provide executives with development opportunities, preparing them to take on new challenges and responsibilities, reinforcing the internal career system
- A constant assessment process for the nomination and succession of managers, ensuring that candidates are indicated based on merit
- Aspects of diversity, such as gender, race and ethnic origin are taken into account in the indication of candidates to occupy positions on the Executive Board and the Board of Directors
- Nomination of managers in compliance with the pertinent laws and regulations

CORPORATE GOVERNANCE IN THE SUBSIDIARIES

To ensure a uniform approach to corporate governance, the boards of Bradesco subsidiaries also comprise company executives. In the subsidiaries with boards of directors, these directors are essentially directors of the Bank. This interdependence between the central organization and the subsidiaries drives synergy in strategy and corporate practices.

In the ordinary Executive Board meetings, which are attended by members of the Board of Directors, the executives in charge of the subsidiaries make periodic reports on their planning and results to our senior management. This ensures alignment between the strategic planning of the controlling organization and the subsidiaries.

The scope of the activities of committees that report to the Board of Directors spans the entire Bradesco conglomerate. Thus these committees in effect support the management bodies in the subsidiaries. The same is true of the Fiscal Council, whose attributions include oversight of the activities of the entire organization.

With a view to enhancing corporate governance in the subsidiaries on an ongoing basis,

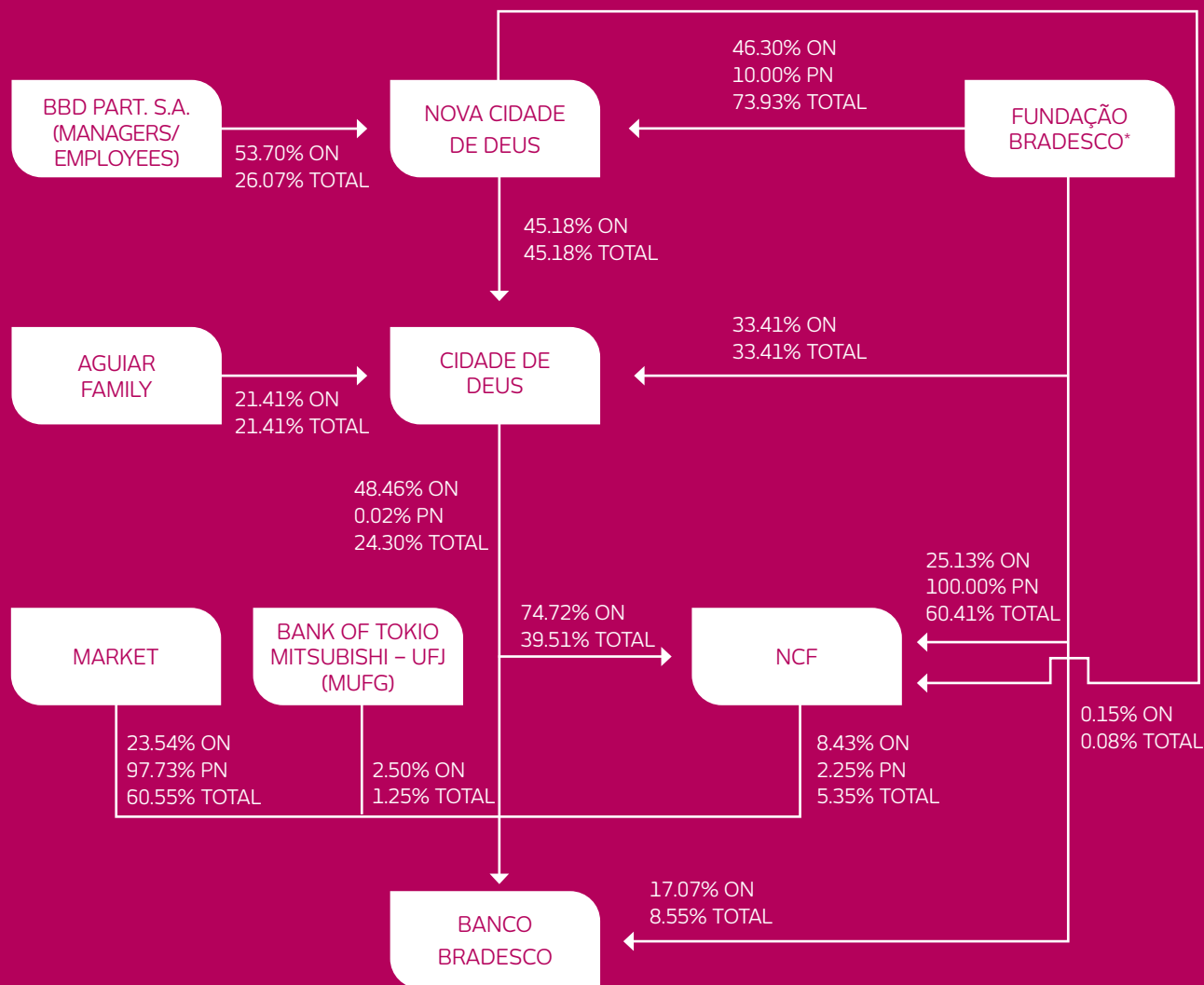
in 2016 the structure of Bradesco Saúde was altered in order to promote best market practice. This entailed the constitution of a seven-member Board of Directors, one of whom is independent, and the organization of quarterly ordinary meetings. There is an Executive Board to put into practice the strategies drafted by the Board of Directors. Four committees subordinated to the Board of Directors were formed to provide support:

- Strategic Committee
- Audit Committee
- Risk Committee
- Internal Controls and Compliance Committee

The company also has a permanent Fiscal Council comprising three effective members and three alternates. The corporate governance framework is based on the bylaws, the Code of Ethical Conduct, the Material Act or Fact Disclosure Policy and the Regimes of the Fiscal Council, the Board of Directors and the Committees.

THE INTERDEPENDENCE BETWEEN THE EXECUTIVE BOARD AND THE BOARD OF DIRECTORS AND THE EQUIVALENT BODIES IN THE SUBSIDIARIES DRIVES SYNERGY IN STRATEGY

ORGANIZATIONAL CHART



* Bradesco senior managers (Executive Board and Board of Directors) make up the Fundação Bradesco's principal governance body.
Base: December 31st, 2016.



TECHNOLOGY AND INNOVATION

IN A CONVERGENT ENVIRONMENT, WE EMPLOY A NUMBER OF CHANNELS TO WIN CLIENTS OVER, ENABLING THEM TO CHOOSE THE MOST CONVENIENT MEANS OF ACCESS

CAPITALS



STAKEHOLDERS



BRDESCO CELULAR	2014	2015	2016
Number of transactions – in billions	1.9	3.7	5.4

TELEBANKING	2014	2015	2016
Number of transactions – in millions	409.9	278.3	231.2
Number of calls – in millions	346.3	312.5	276.3

INTERNET	2014	2015	2016
Number of transactions – in billions	4.5	4.6	4.8
Number of websites – total	56	57	55
Number of websites – transactional	15	15	15

SELF-SERVICE	2014	2015	2016
Number of transactions – in billions	2.1	2.0	2.0
Number of cardless transactions, with biometrics – in millions*	35.9	39.1	72.3

* Until April 2016, only withdrawals and balances

INFOCELULAR/INFOEMAIL	2014	2015	2016
InfoCelular sent – in millions	352.2	480.4	618.2
InfoEmail sent – in millions	308.9	328.9	299.0

SELF-SERVICE – ATM PARK	2014	2015	2016
Branches, PABs, PAAs and PAEs	29,163	30,535	35,832
External points	1,926	992	287
Total – Bradesco-owned network	31,089	31,527	36,119
Total – complementary networks	17,593	18,940	19,991

SELF-SERVICE	2014	2015	2016
% ATMs with biometrics	85	100	100

94%
of total
banking
transactions

41%
Bradesco Celular

36%
Internet

15%
Self-service

2%
Telebanking
(Telebanco)

DIGITAL CHANNELS/ INNOVATION

Improving constantly, with simpler and more friendly interfaces, the digital channels are an essential feature in client relations in order to fully meet their needs, providing them with mobility and independence to boost their business with us.

In the current convergent environment, the challenge is to ensure a faster, safer and more convenient banking experience to enable different client profiles to choose where to access the bank's services and to attract new clients to our solutions.

In addition to the traditional and consolidated service channels, self-service, telephone service and internet banking, clients and users have at their disposal a broad range of products and services via the mobile telephone channel Bradesco Celular, available for all cell phones, from the most simple to the most sophisticated.

In 2016, 94% of our transactions took place via digital channels, totaling 12.5 billion operations – of which 41% via Bradesco Celular (more than 5.4 billion transactions). The segmentation model also provides company clients with mobile telephone services by means of Bradesco Net Empresa.

Overall, Bradesco Celular accounted for 41% of all transactions in 2016, the Internet, 36%, Self-Service, 15% and Telebanking (Telebanco), 2%.

Bradesco also maintains an active presence on the main social platforms, seeking to establish and reinforce connections on a daily basis, with relevant content for the public, co-creation with digital content developers and seamless relations with clients and the general public.

We launched the 3rd edition of the inovaBra start-up program.

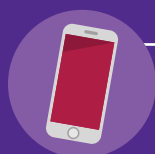
DIGITAL ECO-SYSTEM



PHYSICAL AND DIGITAL INTEGRATION

* Wi-fi, BYOD, Watson and CRM.

INNOVATIONS IN ONLINE CHANNELS IN 2016



BRDESCO CELULAR

Application for individual account holders

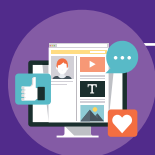
- Modern navigation and improved usability experience with fewer steps to complete the transaction
- New services: smart payment (it differentiates tax bills), PDF reader – payment of bills received via email directed to the application with the bar code filled out automatically, consultation of balances, investments and capitalization bonds, consultation of credit card limits
- Biometrics technology (Touch ID/Fingerprint): implantation of new resources, such as 3D Touch (iOS system)
- Programmed self-service withdrawal via Near Field Communication (NFC –Android system)

Net Empresa business application for mobile telephones

- Biometrics technology (Touch ID/Fingerprint) for access to account and to security key and the use of QR Codes to approve transactions
- New services: credit card (to consult balance, statement and limit, rotating credit and unblocking), Automatic Direct Debit (DDA – for consulting and paying payment orders), requesting and unblocking check books and investments (Funds and Certificates of Deposit -CDB)

Launch of new applications

- Bradesco Cartões (Cards) – access to key information about Bradesco and Bradescard credit cards, as well as services to make life easier for the credit card holder, all in one place
- Bradesco Financiamentos (Finance) – access to information about contracts, as well as services such as copies of bills, early settlement, among others
- Private segment



SOCIAL NETWORKS

- Contents published on all Bradesco proprietary platforms (Facebook, Instagram, Twitter, YouTube, Google+, Snapchat)
- Newsroom in Rio de Janeiro in operation every day of the Olympic and Paralympic Games, when we gained the highest share of voice in the social networks and an average positive rating of 80%
- Launch of our profile on Snapchat
- Use of live format on Facebook
- Co-creation of contents with youtubers and digital content creators
- 24-hour service on the social networks with more than 1.8 million mentions of the brand, 310,000 interactions and 2,000 acclaims



SELF-SERVICE

- Immediate deposit: more than 100 machines installed in branches permitting real time deposits without envelope
- 100% cardless transactions – in which the client operates the account just with biometrics and a password
- Withdrawals in Brazilian sign language Libras in ATMs
- Programmed withdrawal via mobile telephone: the amount is configured on the application and when the client approaches the NFC enabled ATM, he/she makes the withdrawal more rapidly without using a card
- Activation of MToken via ATM, with greater convenience, speed and flexibility for the client



INTERNET BANKING

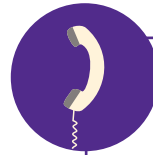
Individual

- Remittance of supporting documents in batches via email
- Consortium room (Automobiles/Real Estate/HGV) – proposals, simulations and contracting
- New home broker
- Launch of access via CPF (individual tax number) to special area for credit card clients who are not account holders
- Online commercialization of Bradesco travel and residential insurance
- Online commercialization of tailor-made Bradesco Seguros PGBL and VGBL private pension plans

Companies

Net Empresa

- Transaction authorization service using QR Code technology for alteration of limits, registration of accounts and tax payments
- Implantation of economic group in Net Empresa, enabling management of more than one company simultaneously
- Check deposit via scanner – capture and remittance of image of check for cash deposit
- Version of Exclusivo Bradesco navigator for users of Macintosh computers
- Multipag Bradesco (service for paying suppliers, salaries and taxes): options include consultation, payment authorization/de-authorization and printouts of supporting documentation for payments
- Improvement in usability experience: up to 45 days notice of expiry of power of attorney of legal representatives, enabling user to take advantage of transactions that have expired or been refused; increase from 30 to 100 transactions per batch in the inclusion of operations; alerts about transactions requiring approval upon entering or leaving the channel and the possibility of the user altering the type of access
- Bradesco Collection: possibility of using negative credit rating as an alternative to notarial protest



TELEBANKING

- Bradesco Artificial Intelligence (BIA) – Global launch of partnership with IBM for development of cognitive technology platform with intelligent solutions, Watson, available for all the branches
- New electronic services via voice commands, such as payment orders/electronic transfers, authorization to use internet banking and Bradesco Celular, cancellation of cards and checks
- Private client service cell via Telebanking Bradesco
- Tourist Support Center – support for tourists during the Rio de Janeiro Olympic Games
- Client and employee support – incorporation of HSBC Brasil
 - Welcome Center for Branches
 - Welcome Center for Clients
 - Portability Support Center

INOVABRA

In 2016, inovaBra was transformed into our innovation platform. In addition to producing results by means of the startup partnership program (inovaBra Startups) and our innovation centers (inovaBra Polos), an additional three innovation instruments were created: inovaBra Ventures, inovaBra Hub and inovaBra Algoritimos. For the year 2016, InovaBRA aimed at 400 enrollments per issue in the InovaBra Startups Program. As a result, it reached 1,609 enrollments in total (considering the three issues), 553 in the 1st issue, 549 in the 2nd and 507 in the 3rd. For 2017, the goal of 400 enrollments will be maintained.

inovaBra Hub – This is a digital platform aimed at connecting participants in the Brazilian entrepreneurial and innovation ecosystem to promote the exchange of knowledge, experience and business opportunities. The large scale launch of the platform is scheduled for the first quarter of 2017.

inovaBra Ventures – The corporate venture capital fund for partnerships and strategic acquisitions of startups is aimed at generating innovative experiences for clients. With a starting capital of R\$100 million and a focus on startups, Fintech is investing in three areas: a) Algorithms and intelligent machines: systems for adding intelligence, reducing back office and promoting mass customization; b) Digital platforms: service and process digitalization aimed at zero marginal cost and improved customer service; and c) agile, modern infrastructure to support the velocity of technological changes, such as blockchain, Investor Profile Analysis, cloud computing and infra big data.

inovaBra Algorithms – has the mission of pioneering research in advanced models and algorithms for big data and communicating its findings to the organization. In conjunction with the business units, the area develops proofs of concept in the use of predictive and prescriptive algorithms in the technological research environment. It produces predictive and descriptive algorithms and advanced data analyses in the production environment of our analytical platform to provide data solutions that add value for the business units. Additionally it ensures the predictive and prescriptive algorithm knowledge base in our big data environment is maintained up-to-date.

We have expanded our research area, which is now called inovaBra Pesquisa, whose mission is to investigate and identify trends in new business models, technologies and consumer behavior to assist in strategic decision making

for the creation of products, services and business models. We have been actively researching and testing the technologies Blockchain and Distributed Ledger. In 2016: 1) we created a cross functional working group involving the technical, operational, business, research and innovation areas to develop an understanding of the technologies, the ecosystem, the opportunities, the risks, the applications and the business models possible; 2) since June 2016, we have been members of the R3 global consortium, together with the largest financial institutions in the world. Within the scope of this venture, we held an international event together with other partners in October 2016; 3) we assess bitcoin cases and solutions together with brokers and startups by means of the InovaBra program; 4) we are studying the main platforms available on the market, such as R3 Corda, IBM Hyperledger Fabric and Ethereum, among others, and have already undertaken a number of proofs of concept. We have attended the main Brazilian Blockchain and Distributed Ledger events, and we are members of the banking association FEBRABAN's Blockchain working group.

By means of face-to-face and remote road shows nationwide, in 2016 the inovaBra startups open innovation program organized the third selection process for companies with solutions focused on means of payment, digital channels, insurance, Bank of the Future, and processes and technologies that streamline and facilitate contracting financial services.

It is the innovation program that enables the startups to test their solutions on real clients. The goal is to establish partnerships with startups to accelerate the delivery of innovative experiences for clients. In return, the startups have the possibility of scaling their businesses up rapidly, given that the solutions may be distributed to our more than 69.4 million clients via over 61,000 service points. The program was created with a view to establishing strategic partnerships with startups rather than treating them as competitors. In this respect, the startups act as a technology arm that delivers innovations for us. These partnerships are governed by contracts which set forth the duties and rights of both parties. For the startups selected one of the major benefits is the opportunity to work on innovations focused on real demands, gaining practical knowledge of the financial market as well as access to the structure needed to access large markets. In the program it is also possible to share future visions of businesses and experience in making innovations happen in the financial market. Most importantly, the startups have the opportunity of partnering with us.

First edition:

Portfolio focused on open APIs, digital platforms, gamification and wearables.

- **ScreenCorp**: managing interactive content on TVs.
- **Nue**: interactive shop window solution.
- **QueroQuitar**: online self-service platform for negotiating debts.
- **Atar**: wearable device permitting digital payments (NFC).
- **Rede Frete Fácil**: road freight supply and demand management solution.
- **Qranio**: mobile training platform (gamification).
- **ShopMobi**: queue management solution for the branches.
- **Sensedia**: API management solution.

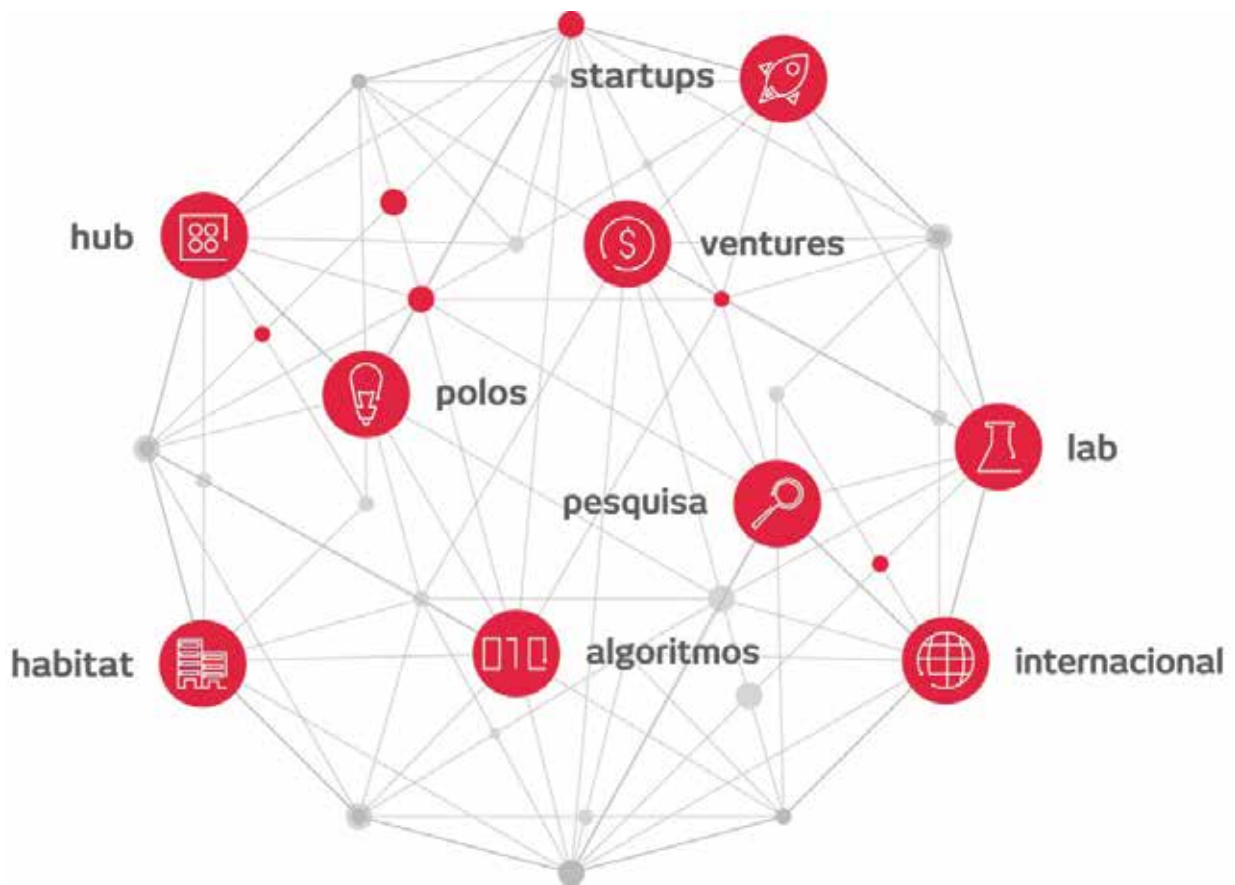
Second edition:

Portfolio focused on mass customization, blockchain, investment robots, client engagement, digital platforms and algorithms.

- **Bit.One**: platform for sending remittances using blockchain technology, enabling the exploration of potential models for using the technology.
- **Cinnecta**: monitors the client's experience in mobile channels aimed at promoting improvements.
- **Cuponeria**: digital coupon platform enabling client engagement in strategic campaigns.
- **EasyCrédito**: platform for the offer of credit focused on classes C and D that will permit the concession of credit to people without bank accounts and enable greater understanding of the risk profiles of non-clients.
- **Ewally**: financial services wallet application using blockchain technology to distribute financial products and services to non-clients, with custody of amounts involved.
- **Itera**: big data/analytics solutions that enables improved knowledge of clients' financial services usage profile, for targeting strategic campaigns.
- **Konduto**: anti-fraud solution that could improve the current prevention model for remote transactions with Bradesco cards.
- **Nama**: permits automated digital service (robots), improving customer service operating efficiency.
- **Percycle**: this monitors the client in different digital channels, permitting the offer of personalized experiences based on the client's behavior in the use of financial services.
- **Tá.Na.Hora Digital**: natural language algorithms to change behavior and boost engagement of Bradesco Seguros Group clients in preventive measures.
- **Allgoo**: dedicated to personalizing the offer of investment portfolios for clients.



Further information in:
www.inovabra.com.br/startups (only in Portuguese)



SOCIAL RESPONSIBILITY MANAGEMENT SYSTEM

Our Corporate Social Responsibility Management System drives commitment to the advocacy and defense of human rights and basic labor rights. This system is audited by an independent certifying body and establishes procedures to raise the awareness of employees and third-parties with respect to human rights, risk identification, control and monitoring and corrective measures. **GRI G4-58 | G4-HR3**

Our channels are prepared to receive reports of breaches or deviations, with the guarantee of confidentiality and non-retaliation. All reports are investigated and corrective or mitigation measures taken when necessary. In 2016, 10 cases of discrimination were recorded. These were analyzed and action plans were taken. This support is available at all of our sites.

In relation to clients and suppliers, the organization employs mechanisms (specific restrictions and news monitoring) that enable the identification of those involved in forced or slave labor, thus representing an elevated risk from the legal standpoint, as well as in terms of image and reputation. All clients identified as presenting risks of this nature are subject to social and environmental risk analysis, regardless of the nature or amount involved in the operation.

Additionally, when the operation involves finance or assistance for projects, social and environmental factors are assessed to ensure the incorporation of safe human rights practices.

In the case of project finance, when necessary, conditions that must be met by the borrower are imposed before the signature of the contracts. The contracts also include obligations and terms of rescission in the event of non-compliance related to environmental, labor and occupational health and safety legislation, as well as the directives of the Equator Principles, when applicable.

After the contract has been brought into effect, the social and environmental monitoring of the projects is initiated. This consists of visits, analysis of reports from independent consultants and the environmental studies of the ventures, which will result in internal reports on compliance with the specific social and environmental clauses established in contract, checks run with public authorities and the company and monitoring of news disclosed in the media. If this monitoring indicates that the client has not fully complied with the social and environmental clauses, the bank may suspend future disbursements of funds or even decide to rescind the contract.

For suppliers, we apply the solution Request for Information (RFI), which addresses human rights. The Certifica System is also used to assess clients in terms of respect for human rights, social, environmental and labor issues, including child and slave labor, occupational health and safety, among others. The system requires the supplier to adhere formally to the Procurement Professional Code of Ethical Conduct, to our Code of Ethical Conduct, to Corporate Anti-Corruption Policy and to comply with Corporate Social Responsibility Certification. **Further information in the GRI Attachment**

The Certifica system also checks supplier data in the national business tax registry (CNPJ), the national classification of economic activities (CNAE), in addition to other registration and commercial information, in order to identify illegal practices. The Bradesco Supplier Code of Conduct will be implanted by the second quarter of 2017.

G4-DMA
Non discrimination

G4-DMA
Procurement Practices
Child labor
Forced labor or Slave labor Assessment

G4-DMA
Investments
Product portfolio



SUSTAINABILITY

GENERATING SHARED VALUE FOR EMPLOYEES, SUPPLIERS AND CLIENTS IS A KEY COMPONENT OF OUR STRATEGY

CAPITALS



STAKEHOLDERS



Our sustainability strategy is centered on risk management and inclusive business opportunities aligned with the green economy; on reinforcing governance and ethical conduct; on generating shared value for employees, suppliers, clients and shareholders and on social and environmental investment aimed promoting the transformation of society and preserving the environment.

We recognize that the financial sector can play an important role in the transition to a low carbon economy, both by selectively channeling investments and by incorporating more rigorous risk management criteria. In this respect, we adapt our financial instruments with a view to providing funding for the green economy, as well as measuring the volumes directed to sectors aligned with this concept so that they may improve their approach to business.

It is also possible to drive social development and reduce inequality through an inclusive financial system, capable of serving the needs of everyone, regardless of their location, income and level of schooling, by means of the offer of appropriate products and services, physical and digital channels and financial education.

The movement towards integrity and ethics which has reverberated throughout Brazilian society reinforces the belief that a prosperous future will depend on increasingly robust governance practices and ethical conduct. For this reason, we invest continuously in tools to promote compliance and initiatives to raise the awareness of employees and managers.

Providing opportunities for development, good working conditions and quality relations are a priority for us. Our work force is our major asset, comprising the agents of transformation that will drive our performance in sustainability. Partnerships with suppliers have been reinforced with the aim of promoting operational efficiency and assuring the quality and innovation which

WE BELIEVE THAT BUILDING A PROSPEROUS FUTURE DEPENDS ON INCREASINGLY ROBUST GOVERNANCE PRACTICES AND ETHICAL CONDUCT

permeate our value chain, driving an improved experience for the client. As such, we strive to develop strong relations based on generating shared value.

The benefits for society go beyond the positive impact on business and the economy. Through private social investment we support civil society organizations in promoting activities related to education, culture and sports, as well as preserving the environment.

GOVERNANCE FOR SUSTAINABILITY

GRI G4-35 | G4-36

Sustainability-related decisions are the remit of the Sustainability Committee and are overseen by the Board of Directors. To bring both the Board of Directors and senior management closer to sustainability-related questions, our CEO will sit on the Sustainability Committee.

It should be noted that the Sustainability Commission was restructured and now has four executive members as well as the departmental directors of ten sites. This measure promotes greater interaction between the commission and the Sustainability Committee, facilitating decision making and streamlining project execution.



Selective collection and the proper disposal of waste are some of our practices

SUSTAINABILITY POLICY

Corporate Sustainability Policy contains directives aimed at promoting the future continuity of our operations and businesses through social and environmental responsibility.

The document orientates the Social and Environmental Responsibility Standard, which sets forth the main guidelines for social and environmental measures in the businesses and in relations with stakeholders, establishing lines of action, governance, roles and responsibilities.

We also have as a reference the Social and Environmental Risk Standard, which determines the scope of analysis for our exposure to social and environmental risks in loan operations and with suppliers. In 2016, this scope was expanded to take into account the assessment of real estate and private equity investment guarantees. We strive to constantly enhance this, involving relevant internal areas, as well as external specialists and suppliers. The standard is reviewed on an annual basis; all suggestions are analyzed and, when appropriate, incorporated into the analytical scope.

G4-DMA

Investments
Product portfolio

G4-DMA

Investments
Product portfolio

Among the operations subject to social and environmental risk analysis, particularly worthy of note is financing for large projects, with the application of a mechanism to identify stakeholder (NGOs, local communities and specialists) perceptions of the project to be financed and its impacts. This mechanism consists of monitoring and analyzing information in online communication channels,

social media, search websites and blogs, covering data which may indicate the potential risks involved in the project and which should be incorporated into the social and environmental risk analysis. **GRI G4-14**

The table below provides information on the portfolio of projects subject to social and environmental monitoring:

GRI G4-HR1

PROJECTS	Risk category	2014		2015		2016	
		Qty.	Amount financed (R\$ million)	Qty.	Amount financed (R\$ million)	Qty.	Amount financed (R\$ million)
Classified under Equator Principles	A	10	2,275	12	3,994	10	3,994
	B	19	1,144	20	1,348	16	1,626
	C	8	890	13	2,077	8	2,319
Not classified under Equator Principles		77	4,052	142	7,319	136	8,592
Total		114	8,361	187	14,738	170	16,531

GRI G4-FS6

PORTFOLIO OF PROJECTS BEING MONITORED IN DECEMBER 2016 BY SECTOR AND REGION													
		North		Northeast		Southeast		South		Midwest		Total	
		No.	R\$ millions	No.	R\$ millions	No.	R\$ millions	Nº	R\$ millions	No.	R\$ millions	No.	R\$ millions
Sectors	Energy	5	1,859	4	523	14	859	1	315	9	772	33	4,329
	Real Estate	2	122	19	652	64	5,326	9	512	4	143	98	6,756
	Infrastructure	1	20	0	0	7	3,342	0	0	0	0	8	3,362
	Mining	0	0	1	100	0	0	0	0	0	0	1	100
	Oil and Gas	1	3	0	0	0	0	0	0	0	0	1	3
	Others	3	317	5	337	16	837	4	431	1	57	29	1,981
Totals	No. of Projects	12		29		101		14		14		170	
	R\$ (in millions)		2,321		1,612		10,365		1,259		973		16,531

The policy and the standards constitute the framework of directives responding to the requirements set forth in Bacen Resolution No. 4,327 concerning Social and Environmental Responsibility Policy.

SUSTAINABLE DEVELOPMENT GOALS (SDG)

With the objective of promoting sustainable development by 2030 and driving the effective participation of governments, companies and society, encompassing the economic, social and environmental dimensions, the 17 goals and 169 targets established by the United Nations Organization (UNO) are aimed at reducing the growing inequalities that threaten to reverse a major part of the development achieved in recent decades and at impeding the exhaustion of natural resources and the negative impacts of environmental degradation.

Our alignment with the SDGs reinforces our concern about contributing to economic devel-

opment in Brazil, boosting opportunities to generate value internally and externally through the construction of business models and the accumulation of knowledge that generate synergy and promote productive cooperation among the most diverse stakeholders.

Our activities on fronts such as micro-credit, financial education, social and environmental risk are aimed at driving social development. With a view to complying with the 2030 Agenda, we will seek to include the Sustainable Development Goals and Targets in our relevance matrix as a means of reinforcing strategy.

CLIMATE CHANGE GRI G4-EC2

This question is addressed simultaneously throughout the Bank based on two perspectives:

a. Direct activities, measuring and projecting the impacts in our operational processes, working on opportunities to improve eco-efficiency indicators, including the reduction of greenhouse gases (GHG) and enhancing risk management, among others.

b. Businesses, measuring the indirect impacts of financing activities, assessing their probable effects on the supplier chain and on clients, and promoting opportunities for mitigation and adaptation by means of products and services that encourage a transition to a low carbon economy.

In 2016, we launched CDC Energia Fotovoltaica, a direct consumer credit product for solar energy, developed in partnership with companies in the industry to finance renewable solar energy projects, focused particularly on distributed micro-generation.

Encouraging the harmonious co-existence between drivers, pedestrians and cyclists, Bradesco Seguros Group promotes the Conviva movement, which since 2009 has installed leisure-oriented bicycle lanes in São Paulo and Osasco, encouraging the public to ride bicycles.

Also in the insurance area, regarding the impact of climate-related disruptions, Bradesco Seguros Group created the Calamity Operation, which consists of an innovative process for identifying, analyzing and prioritizing situations arising from catastrophes, focusing efforts on assessing and processing the claims of policy holders affected by natural disasters as rapidly as possible. The purpose is to ensure the company is present when policy holders most need it.

This care for its clients was the reason Bradesco Seguros Group won the Innovation in Insurance Award in the Claims Management category. The award is granted by Efma, an international organization representing the largest banks and insurance companies in the world. The company also was recognized with the Silver Award Trophy. Furthermore, the project came in first place in the Processes category of the Innovation in Insurance Award promoted by CNseg.

GREEN ECONOMY

The banking federation FEBRABAN has been conducting studies on ways to drive the transition to a green economy in Brazil using funds intermediated by the National Financial System (SFN). Examples of these studies are: The National Financial System and the Green Economy and Green Bonds. We have participated actively in this process, contributing with the development of methodologies, the preparation of content and the gathering and analysis of information.

NATIONAL FINANCIAL SYSTEM AND THE GREEN ECONOMY

GRI G4-EC2

Studies on the National Financial System and the green economy, which started in 2014, advanced significantly in terms of measurement methods in 2015 and 2016. The objective is to ensure consistent ongoing identification of the amount of funding financial institutions are allocating to the green economy and to sectors that may potentially generate environmental impacts.

The green economy concept is aligned with the United Nations' definition, encompassing the following sectors: renewable energy, energy efficiency, sustainable construction, sustainable transportation, sustainable tourism, water, sustainable fisheries, forestry activities, sustainable agriculture and waste. The segments with the potential to generate environmental impacts were based on resolution No. 237/97 issued by Conama, Brazil's National Environment Council, which sets forth the activities or ventures subject to environmental licensing and which, consequently, are submitted to detailed environmental risk analysis on the part of financial institutions.

This work helps the financial institutions to identify business opportunities and to manage climate, as well as social and environmental risks. It also provides inputs for dialogue with the government aimed at encouraging the creation of public policy to drive the transition towards a green economy.

GREEN BONDS GRI G4-EC2

The studies on green bonds are aimed at contributing to the discussion on the opportunities for and the limitations to the development of a green bond market in Brazil, similar to those overseas, as well as providing participants and other actors with guidance on the issuance process.

We have been participating actively in discussions about the business opportunities related to this market in forums promoted by FEBRABAN, the *Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável* (CEBDS), *Skandinaviska Enskilda Banken* (SEB), *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) and the Climate Bonds Initiative, because we believe that this type of instrument is important for stimulating the transition to a low carbon economy. We acted as bookrunner in the July 2016 Suzano green bond offer totaling US\$500 million, the second green bond issue by a Brazilian company.

Alignment with the CDP

Signatories to the Carbon Disclosure Project (CDP) since 2006, we are part of the group of investors committed to disclosing information on climate change management and the incorporation of suitable economic mechanisms by companies and governments with the purpose of supporting decision making and protecting investments over the long term. We also assumed the role of multiplier of the Supply Chain Leadership Collaboration (SCLC) in 2008, promoting the engagement of our suppliers who have more significant emissions volumes.

HUMAN RIGHTS

Our management system includes directives that ensure compliance with the United Nations Organization's (UNO) Universal Declaration of Human Rights, the Fundamental Rights at Work and Children's Rights. Our internal policies, standards and practices reflect our commitment in this area.

In June 2016, based on the maturity of its management system 10 years after implementation and the realignment of organizational strategies, we decided to institute a new Corporate Social Responsibility certification.

Furthermore, in our assessment of projects classified under the Equator Principles, we take into account working conditions and impacts on communities and the environment, including workers' rights, the rights of indigenous people and the right to health. Additionally we assess human rights questions in other operations that come under the scope of our Social and Environmental Risk standard by means of specific internal restrictions and monitoring news channels.

G4-DMA

- Assessment
- Non discrimination
- Human rights grievance mechanisms

WE MAINTAIN POLICIES, STANDARDS AND MANAGEMENT PRACTICES ALIGNED WITH THE UNO'S UNIVERSAL DECLARATION OF HUMAN RIGHTS



Further information at:
portal.febraban.org.br > Sustentabilidade
> SFN e Economia Verde (only in Portuguese)



Seedling nursery – Cidade de Deus



COMMITMENTS ASSUMED **GRI G4-15**

UN GLOBAL COMPACT

www.unglobalcompact.org/what-is-gc/participants/1111-Banco-Bradesco-S-A-

EQUATOR PRINCIPLES

www.equator-principles.com/index.php/members-reporting

FINANCIAL COALITION AGAINST CHILD PORNOGRAPHY

business-humanrights.org/en/the-financial-coalition-against-child-pornography---fact-sheet

UNITED NATIONS ENVIRONMENT PROGRAM (UNEP)

[www.unepfi.org/signatories/?tx_phpadd_pi1\[orgid\]=4297](http://www.unepfi.org/signatories/?tx_phpadd_pi1[orgid]=4297)

CARTA EMPRESARIAL PELOS DIREITOS HUMANOS E PROMOÇÃO DO TRABALHO DECENTE (ONLY IN PORTUGUESE)

www3.ethos.org.br/conteudo/projetos/em-andamento/empresas-e-direitos-humanos/#.VOybYeblamA

Internally we also encourage the adoption of best preservation practices

ECO-EFFICIENCY

Eco-efficiency is integral to our strategic management, linking environmental and financial performance by means of process optimization, recycling, technological innovation and savings in the use of natural resources and materials. The objective is to reduce environmental impact and drive operational efficiency.

In an integrated manner, we consider environmental questions into our activities and, by means of the Eco-efficiency Management Program, we invest in initiatives that have specific reduction targets for energy, water and paper consumption, waste generation and greenhouse gas (GHG) emissions. An environmental management system is implanted in the Cidade de Deus, Paulista and Information Technology sites and we manage materials from all areas via the platform Online Supplies, which enables control of the flow of materials requested by all company areas, preventing wastage.

G4-DMA

General Environmental compliance

From 2010 to 2015, the first cycle of the Eco-efficiency Steering plan was successfully finalized, achieving all its targets. To ensure the continuity of the improvement process, a new cycle was initiated in 2016 and will extend to 2018, with absolute annual targets, using 2015 as a base year. All of the indicators are compiled and analyzed on a quarterly basis. Part of these data are used in the GHG emissions inventory, which is prepared annually in accordance with the Brazilian ABNT NBR ISO 14064-1 standard and the specifications of the Brazilian GHG Protocol program.

We were the first Brazilian bank to elaborate a greenhouse gas emissions inventory in 2006, and since then we have published this inventory annually, encompassing scope 1, 2 and 3 emissions by all the companies over which we have operational control.

The targets for water and energy are as follows:

WATER

Target for 2016	Realized in 2016	Target for 2017
-4.2%	-7.2%	-2.5%*

* Targets for the Eco-efficiency Master Plan (2016 – 4.2%; 2017 – 2.5% and 2018 – 2.0%)

ENERGY

Target for 2016	Realized in 2016	Target for 2017
-2.4%	-5.8%	-1.5%*

* Targets for the Eco-efficiency Master Plan (2016 – 2.4%; 2017 – 1.5% and 2018 – 1.3%)



Further information on the website:
www.bradescosustentabilidade.com.br (only in Portuguese)

PRODUCTS AND SERVICES

The financial product and service creation and enhancement process incorporates social and environmental risk analysis and the improvement of sustainability criteria. Social and environmental risk is assessed along the same lines as other types of risk.

We receive support from external stakeholders, such as universities, research centers, non-governmental organizations (NGOs), private institutions and government agencies in the creation, development and offer of products.

We provide specific products in accordance with social and environmental criteria. The special credit lines in this area include Environmental Leasing, Gas Kit loans, Solar Heater loans, Forestry Certificate loans, Environmental Working Capital, Forestry Working Capital, and the ABC (Low Carbon Agriculture) Working Capital Program, which help reduce GHG emissions and drive the transition to a low carbon economy.

In 2016, we launched a Solar Energy credit line, developed in partnership with specialized companies in the industry. This is aimed at the Prime and Private individual and Company and Corporate segments to finance renewable photovoltaic energy projects, with a specific focus on the distributed micro-generation area.

In the investment area, Bradesco Asset Management (BRAM) offers products with a social and environmental bias, including funds such as Bradesco FIC FIA Planeta Sustentável, Bradesco Prime FIC FIA Índice de Sustentabilidade Empresarial and Bradesco FIC FIA Governança Corporativa.

In the capitalization area, there are products in which part of the funds raised are dedicated to environmental conservation, the promotion of the biological and cultural diversity of the Atlantic Rainforest biome and the Amazon biome and the recuperation and conservation of marine life. These include the Pé Quente Bradesco Amazonas Sustentável, Pé Quente

Bradesco SOS Mata Atlântica and Pé Quente Bradesco Projeto Tamar. In 2016, the capitalization bonds oriented to social and environmental businesses represented 65.3% of total business volume.

The list of sustainability-oriented solutions also includes the Afinidade card which has an environmental focus. These are maintained in partnership with NGOs such as the Fundação Amazonas Sustentável (FAS) and Fundação SOS Mata Atlântica. The cards are made from post-consumer PET bottles. Other sustainable products are:

- BNDES Card: aimed at micro, small and mid-size companies, it enables access to BNDES funding for ISO 9000 and ISO 14000 certification. We were the first bank to issue this card.
- Forest Allowance Card: used to pay the beneficiaries of the program.
- Virtual Cards: eliminate the need for plastic cards.
- Bonus Club Program and Membership Rewards® Program: these enable donations to partnering organizations and permit members to contribute to environmental projects.

**OUR PORTFOLIO
INCLUDES PRODUCTS
ALIGNED WITH SOCIAL
AND ENVIRONMENTAL
DEVELOPMENT FOR ALL
CLIENT SEGMENTS**

ASSET MANAGEMENT

GRI G4-EC2

Bradesco Asset Management (BRAM) has a clear positioning on the way climate change will impact society. The institution's participation as vice president of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) reinforces our commitment to incorporate the issue of climate change into the world of finance.

For all the companies analyzed in corporate variable and fixed income, BRAM adopts a methodology that assesses them with respect to risks and opportunities related to climate change, verifying where these companies stand in terms of the transition to a low carbon economy.

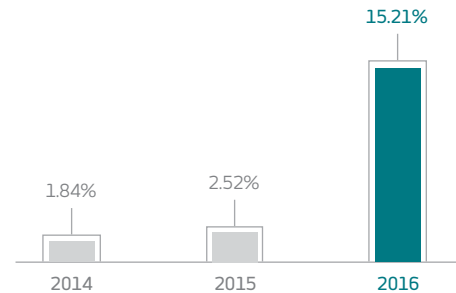
In 2016, the subject of climate change was examined by the BRAM sustainability consulting body, which assessed the implications of diverse global initiatives, legislations and the Paris Agreement for Brazilian companies and how we are positioned in relation to these new challenges.

Given the advance of carbon pricing worldwide, the area conducted a study to see how sensitive companies are in relation to the possibility of pricing carbon in Brazil. The idea is to draft scenarios in which companies are required to help the country reach the targets it established at COP21.

Aligned with the incorporation of social and environmental questions into businesses, BRAM has the mission of providing superior and sustainable returns in managing clients' investments. In 2016, the area had R\$569.5 billion under management, of which R\$86.6 billion involved the assessment of Environmental, Social and Governance (ESG) factors, representing 15.2% of total assets – a significant increase since the introduction of evaluation of ESG factors into company assessments.

IN 2016, WE WERE LISTED ON THE DOW JONES SUSTAINABILITY EMERGING MARKETS INDEX AND THE BM&FBOVESPA CORPORATE SUSTAINABILITY INDEX (ISE)

PERCENTAGE OF AUM* SUBJECT TO ESG ASSESSMENT



* Assets under management.

It should be noted that due to the high interest rate in Brazil, investments in public securities exceeded the demand for investments in companies, whether variable income or corporate fixed income. Thus considering the amount invested in companies, currently BRAM has ESG coverage for 100% of its assets.

G4-DMA

Training and education

The area also works on engaging companies and business partners in the adoption of best practices in their areas of activity and discloses the results in the Transparency Report of the Principles of Responsible Investment (PRI), to which it is a signatory. Staff receive training on metrics and assessment methodologies to incorporate the ESG dimensions into all aspects of investment decisions.

Among the diverse products and services offered to clients is the ISE Fund, which has its benchmark the BM&FBOVESPA Corporate Sustainability Index (ISE), with investments in the shares of companies that demonstrate a concern for sustainability; governance funds comprising the shares of companies traded on the BM&FBOVESPA Differentiated Corporate Governance Index (IGC); and an SRI (Socially Responsible Investment) credit fund, the only one in the Brazilian market with this bias towards companies which demonstrate that they are better prepared to meet social and environmental challenges.

The application of the Principles of Responsible Investment, which permeates investment and relationship activities with BRAM stakeholders, has the following scope:

- Integration of ESG questions into the analysis and management of assets
- Engagement of the investee companies
- Creation of a data bank with the ESG information on the investee companies
- Training of BRAM staff in ESG questions, underscoring their importance in investment activities

- Participation of BRAM in working groups and forums dedicated to the question of responsible investment
- An information collection flow for reporting on progress in the application of the principles to the Bradesco organization, to PRI and to BRAM



Further information in:
www.bradescoasset.com.br/SiteBram/en

Highlights of the targets achieved by BRAM in 2016:

STATUS	THEME	GOAL	Progress 2014	Progress 2015	Progress 2016	Target attainment year
●	Asset management	100% Brazilian corporate assets analyzed for ESG aspects	100%	100%	100%	2014
●		100% of the variable and non-fixed income — credit analysis team was trained in incorporation of ESG aspects	100%	100%	100%	2014
●		Engage 100% of companies invested in ESG best practices	0,12%	11%	100%	2016
●		Monitor key investment strategies in relation to portfolio ESG ratings	0%	0%	100%	2016
●	Proxy voting	Evaluate 100% of materials of special and annual shareholders' meetings of the companies within in our portfolios	100%	100%	100%	2014
●	Brokerage firms	Every two years, analyze ESG practices in 100% of due diligences carried out with the brokerage firms	0%	100%	n/a	2015
●	Fund of funds	Every two years, analyze ESG practices in 100% of the due diligence carried out on management houses	0%	n/a	100%	2016
●	Governance	Hold regular meetings of the Sustainability Commission, with internal and independent experts	100%	100%	100%	2014
●		Increase participation in activities related to responsible investment	0%	100%	100%	2015
●	Communication	Increase internal communication on BRAM initiatives on the subject	n/a	- PRI Engagement Working Group Participation - Global PRI Steering Committee Participation	- Coordination of ESG Practices Working Group for PRI in Brazil - BRAM was a speaker at: • 3 rd LATAM ESG held by Apimec and EFFAS • Capital Aberto magazine event on "IR Activity and ESG Indicators"	2015
●		Keep BRAM's website updated about its initiatives on the subject	n/a	n/a	- Notes in the Bank newsletter about initiatives	2016
●		Obtain market's recognition for the initiatives in the subject	-	-	- BRAM was awarded by ALAS 20 - Agenda Lideres Sustentables 20, for their work and leadership on the agenda of responsible investment: • 1 st place in the Leadership in Responsible Investment category • 2 nd place in the Leadership in Corporate Governance category • 3 rd place in the Leadership in Research for Sustainability category	2016

BRAM reaffirms its commitment to maintaining and to expanding these initiatives, establishing and disclosing its targets for the coming years:

STATUS	THEME	GOAL	Target attainment year
○	Asset Management	100% of Brazilian government bonds analyzed for ESG aspects	2017
○	Training	Train 100% of analysts and managers on responsible investment evaluation policy	2018
○		Train 100% of Commercial and Products teams on responsible investments	2018
○	SRI products	Reevaluate the SRI product grid	2018
○	Formalization	Review the Responsible Investment Standard and develop sector procedures	2018
○	Communication	Portfolio carbon footprint publication	2020



RISK MANAGEMENT STRATEGY

OUR CORPORATE RISK CONTROL MODEL IS BASED ON JOINT DECISION MAKING, INCORPORATING INPUTS FROM VARIOUS COMMITTEES

CAPITALS



STAKEHOLDERS



Corporate risk control is exercised in an integrated and independent manner. The process preserves and values the joint decision making environment by means of methodologies, models and measurement and control instruments.

Committees provide support for the Board of Directors, the CEO and the Executive Board in strategic decisions related to capital and risk management.

The Integrated Risk Management and Capital Allocation Committee is supported by the Executive Capital Management Committee and the Executive Risk Management Committee. The Board of Directors is also aided by the Internal Controls and Compliance Committee in relation to the adoption of strategies, policies and measures aimed at installing a culture of internal controls, risk mitigation and compliance with applicable standards.

RISK MAP

Given the complexity and variety of products and services offered to our clients in all market segments, we are exposed to diverse types of risks stemming from either internal or external factors. Therefore, constant monitoring of all types of risks is indispensable to guarantee security and ease of mind for all company stakeholders. The main types of risk include:

MAP OF MAIN RISKS	
Credit	Strategy
Counterpart credit	Legal or compliance
Concentration	Legal unpredictability (regulatory risk)
Market	Reputation
Liquidity	Social and environmental
Underwriting	Contagion*
Operational	Model*

* Included in 2016.

As a line of defense, risk management seeks to anticipate events and market situations, constantly improving management and control tools in order to mitigate potential adverse effects. In 2016, the following enhancements were implemented:

Integrated risk

- Restructuring and optimization of the Risk Management Report – Pillar 3, taking into account the recommendations of the Basel Committee on Banking Supervision, as well as disclosing information on the leverage ratio, short-term liquidity ratio, emerging risks and the Global Systemic Importance Assessment Rate.
- Review of governance structure, expanding the attributions of the Integrated Risk Management and Capital Allocation Committee and the Capital Management Executive Committee to cover actions related to the Banking Recovery Plan.
- Institution of the Risk Management Policy, Standard and the Risk Management and Controls Committee for private equity funds under management.

Credit risk

- Optimization of capital needs given the enhancement of operations involving credit clearance, credit limits, exchange and Credit Valuation Adjustment (CVA).
- Improvement in the use of the value of vehicle and real estate guarantees in calculating the Allowance for Loan Losses (ALL).

Social and environmental risk

- Development of a social and environmental rating methodology to calculate the level of risk involved in loan, financing and real estate guarantee operations, as well as suppliers and investments.
- Extension of the scope of analysis with the inclusion of real estate guarantees, private equity operations, donations, as well as the inclusion of tobacco in the list of sectors with greater social and environmental exposure.
- Development of a Social and Environmental News Bulletin, which consists of monitoring, analyzing and disseminating information gathered from online communication media, social media, search websites and blogs, covering data that may indicate risks from a legal, operational and image standpoint, in support of social and environmental risk analysis.

Operational risk

- Expansion of use of indicators and scenarios in the internal risk measurement model.
- Enhancement of operational risk mitigation instruments, with improvements in controls and monitoring of indicators.

**CONSTANT MONITORING
OF RISKS STEMMING FROM
INTERNAL AND EXTERNAL
FACTORS ENSURES SECURITY
AND PEACE OF MIND FOR
STAKEHOLDERS**



Business Continuity Management (BCM)

- Implantation of the annual BCM cycle, comprehending the review of critical business processes, the assessment of third-parties considered important, the review and updating of business continuity plans, driving awareness, training and assessment in tests for these plans. This systematization will enable the creation of performance appraisal indicators to identify the degree of maturity of the organization's sites in order to ensure the effective provision of support resources.

Market risk

- Enhancement of the statistical tests applied in monitoring the performance of the Value at Risk (VaR) model.
- Enhancement of the Banking Portfolio interest rate risk governance model.

- Improvement of share valuation process governance.

- Improvement of counterpart risk methodology for over-the-counter derivatives.

Liquidity risk

- Implantation of process for the daily calculation of the short-term liquidity indicator, scheduled to begin in January 2017.

Model risk

- Review of quantitative model governance aimed at enhancing the process of approving and monitoring models.
- Creation of methodology for rating quantitative models, enabling the identification and proposal of mitigation measures for those generating greater model risk.

We incorporate social and environmental rating methodology into our risk assessments

EMERGING RISKS

In addition to the main risks in the abovementioned map (page 61), the adoption of mechanisms for identifying and monitoring emerging risks is fundamental, enabling us to bring forward and implement measures to minimize potential adverse impacts related to our exposures.

We have our Risk Indicator Tracking Commission, comprising the risk, finance, treasury, economic, credit and insurance areas and which reports to the Integrated Risk Management and Capital Allocation Committee. The following emerging risks are particularly worthy of note:

MACROECONOMIC FACTORS

- Unpredictability of North American economic policy: uncertainty about commercial policies involving China and Mexico and the geopolitical stance of the new government and the risk of an increase in inflation in the USA, accompanied by higher increases in the basic and future interest rates.
- Europe: risk of insolvency of European banks and the impacts of Brexit on the real economy and on financial markets.

**WHILE CLIMATE CHANGE
MAY REPRESENT
RISKS FOR CLIENTS,
IT CAN ALSO OFFER
OPPORTUNITIES**

To identify, assess, mitigate and control exposures to risk, we have a robust risk management structure comprising committees that aid the Board of Directors, the CEO and the Executive Board in strategic decision making.

Worthy of note in this structure is the Integrated Risk Management and Capital Allocation Committee whose function is to support the Board of Directors in managing and controlling risks and capital. This committee is supported by the Executive Capital Management Committee, by the following executive risk management committees: a) Credit, b) Market and Liquidity, c) Operational and Social and Environmental, as well as by d) Bradesco Seguros Group and BSP Empreendimentos Imobiliários and the Risk Indicator Tracking Commission. For further details, see the Risk Management Report – Pillar 3 (www.bradesco.com.br/ri).

CYBER ATTACKS

We consider information security and cybernetic security to be highly critical and these are addressed at the highest strategic level by the Board of Directors, the Executive Board and the other hierarchical levels.

To provide support in this area, there is a set of controls, comprising procedures, processes, organizational structures, policies, standards and IT solutions to guarantee the confidentiality, availability and integrity of information.

The risks inherent to information security are an integral part of the risk management structure. Financial losses resulting from cyber attacks are consolidated in the Operational Risk area, with support from diverse other areas involved in the risk management process.

We maintain a robust structure comprising the Internal Controls and Operational Risk Commission, charged with analyzing operational losses in the business areas/sites and ensuring the efficiency and effectiveness of the processes and controls adopted. The commission reports to the Operational, Social and Environmental Risk Management Executive Committee. Relevant questions discussed in this area are reported to the Integrated Risk Management and Capital Allocation Committee, which is subordinated to the Board of Directors.

Regarding responsibilities, the Corporate Security Department is charged with the governance of information security, which encompasses managing identity and access, policies and standards, awareness and assessment of related risks, as well as fraud prevention and security in electronic channels. The area also has technical commissions for Information Security, Fraud Prevention and Limits, and the executive in charge coordinates the Corporate Security Executive Committee.

Within this structure, the Data Processing and Communication Department is responsible for border defense cybernetic security, IT security and other activities related to infrastructure security.

The Information Security area takes part in encounters, forums, working groups, internal and external commission and sub-commissions to assist the Corporate Security Executive Committee.

In the Human Resources area, we have a wide-ranging training program that includes written materials, e-learning programs (treinet) and videos. The Corporate Information Security Policy and Standards are made available to all employees and stakeholders on the Investor Relations website.

Corporate Information Security Policy

- To ensure the confidentiality, integrity and availability of the Organization's information through the use of information security mechanisms, balancing risk factors, technology and cost;
- To ensure the proper protection of information and systems against access, modification, destruction or unauthorized disclosure;
- To ensure that information is used only for the purposes approved by the Organization, subject to monitoring and audit;
- To ensure the participation of employees in the Corporate Information Security Awareness and Training Program; and
- To ensure the compliance with the Organization's Corporate Information Security Policies and Rules.

THE BOARD OF DIRECTORS TRACKS DISCUSSIONS ON SUSTAINABILITY AND CLIMATE CHANGE THROUGH THE SUSTAINABILITY COMMITTEE

CLIMATE CHANGE GRI G4-EC2

Climate change represents a major challenge in the short and long terms, presenting risks and opportunities for our businesses and those of our clients. Broadly speaking, we recognize the potential impacts, either direct, related to our operations and installations, or indirect, arising from their effects on diverse segments of the real economy and potential interference in the areas of credit, investment and insurance.

As such, in our operations we constantly assess opportunities for improvements in eco-efficiency, working on measures to reduce emissions and seeking to anticipate factors related to risk assessment and management. In business, we constantly assess the demand for financial and insurance products that provide appropriate solutions for clients, both in terms of driving a low carbon economy and of protecting them from impacts or helping them to adapt to the transformations made necessary by climate change.

Discussions on sustainability and climate change are monitored by the Board of Directors through the Sustainability Committee.

We believe that a multi-industry agenda is fundamental for progress to be made in this area. For this reason, in addition to undertaking internal studies, we participate actively in forums such as the discussion groups promoted by the Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável (CEBDS), the commissions and working groups organized by the banking association FEBRABAN (Federação Brasileira de Bancos) and the national insurance company confederation CNSeg (Confederação Nacional das Empresas de Seguros), in addition to the Empresas pelo Clima (EPC) platform run by the Center for Studies in Sustainability (GVces) at Fundação Getulio Vargas (FGV-EAESP).

In 2016, we participated in the Task Force on Climate-Related Financial Disclosures, the objective of which was the development of a set of recommendations for reporting climate-related risks in financial reports in order to meet the needs of creditors, insurers, investors and other users of disclosures, so that they may understand these material risks.

The overall recommendations for disclosures encompass governance, business strategy, risk management, metrics and assessment targets, as well as managing climate-related risks and opportunities. These will be evaluated by the Financial Stability Board (FSB) prior to the establishment of rules in this area.



We recognize the potential direct and indirect impacts of climate change

INDEPENDENT VALIDATION OF RISK AND CAPITAL MANAGEMENT AND MEASUREMENT MODELS

We use internal models, developed based on statistical, economic, financial, mathematical theories and the contributions of specialists, with the objective of supporting and facilitating the organization of subjects, the development of standards and streamlining decision making related to risk and capital management.

To identify, mitigate and control the risks inherent to our model, represented by potential adverse consequences arising from decisions based on incorrect or obsolete models, inadequate

calibration of the models, failures in the development stage or inappropriate use, there is an independent validation process that undertakes a painstaking evaluation of these aspects, challenging the methodology, the underlying premises, the data used, the way the models are used, as well as the integrity and robustness of the environment in which they are implanted, reporting its results to managers, to internal audit and to the Internal Controls and Compliance Committee and the Integrated Risk Management and Capital Allocation Committee.



MANAGING SUPPLIERS

WE SEEK TO DRIVE BEST PRACTICES WITH THE SUPPLY CHAIN SOCIAL AND ENVIRONMENTAL RESPONSIBILITY PROGRAM

CAPITALS



STAKEHOLDERS



SOCIAL AND ENVIRONMENTAL CRITERIA

We strive continuously to improve relations with suppliers. These efforts are supported by our codes of ethical conduct and our sustainability and anti-corruption policies. All the information required of suppliers is also aligned with BM&FBOVESPA Corporate Sustainability Index (ISE) and Dow Jones Sustainability Index (DJSI) principles.

Our supplier chain comprises companies in diverse areas of activity and product and service categories. In 2016, 2,084 active approved suppliers from all over the country effectively provided services for us. From a social and environmental standpoint, the main supplier categories are: security, call center, data and voice communication, transportation and custody of cash and valuables, cards, civil construction works and services and IT equipment. **GRI G4-12**

In 2016, the supplier approval model was concluded, resulting in a more efficient supplier registration management tool. The methodology is more selective, streamlining the process and making it more efficient. The manager

of each area may invite the chosen company to participate in the selection process, while approval of this company is the exclusive preserve of the Procurement Department.

Further information in the GRI Attachment

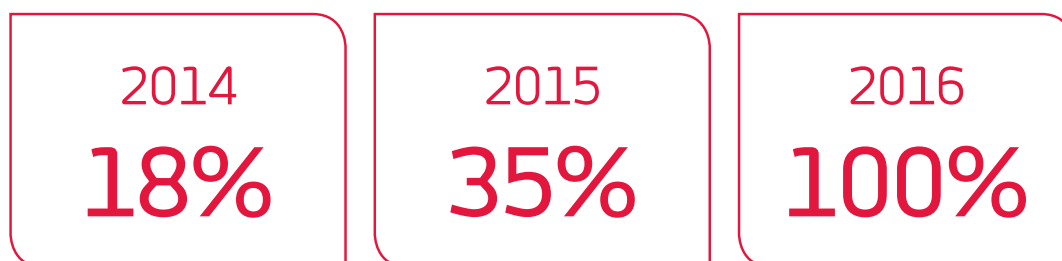
The tool addresses social and environmental responsibility, labor practices and slave and child labor, which permits the mitigation of risks with suppliers considered to be critical from a social and environmental standpoint.

With the approval method implanted, all managers in the area are able to visualize the profile of our suppliers. They have a broader view and may accompany the process online, with information about the supplier (registration, financial, commercial, social and environmental), as well as the essential documents for signing a contract, such as the articles of association and latest amendment, company records and certificates.

G4-DMA

Procurement practices
Child labor
Forced or slave labor

PERCENTAGE OF SUPPLIERS EVALUATED UNDER SOCIAL AND ENVIRONMENTAL ASPECTS FOR THE APPROVAL



For 2017, the target is to keep reaching 100% of suppliers.

14th SUPPLIERS' ENCOUNTER

With the goal of engaging our suppliers in fomenting sustainability, we promote the Bradesco Suppliers' Encounter on an annual basis. In 2016, the central theme of the event was governance and sustainability initiatives. There was a presentation of the CDP Supply Chain on Climate Change – Global View and Regulatory Compliance, enabling participating companies to assess market trends in terms of regulation, legislation and the business environment, with a view to encouraging them to adopt preventive measures to ensure compliance with best market practices. During the event, three of the bank's business partners were invited to share their experiences and practices in governance and sustainability, generating reflections for event participants and reinforcing relations, as well as driving benefits for the future of the planet and society.

**MORE THAN 2,000
ACTIVE APPROVED
SUPPLIERS PROVIDED
SERVICES FOR THE
BANK NATIONWIDE**

To promote best practices, in 2016 the Social and Environmental Responsibility in the Supply Chain program was launched aimed at analyzing and certifying management of social and environmental responsibility in the supply chain. An independent auditor was contracted to verify suppliers in critical categories, focusing on questions such as health and safety, freedom of association, discrimination, remuneration and management systems. **GRI G4-HR4**

NEGOTIATION: training for the Procurement area focused on international negotiation processes and models, based on strategic sourcing.

PROCUREMENT PLANNING, MANAGEMENT AND OPERATION: training focused on the role of procurement in adding value and opportunities in direct and indirect purchases, capital goods and services.

TAXES IN PROCUREMENT: training aimed at preparing professionals in tributary matters, including legal and financial implications and decision making to ensure the safest and most effective purchase.

EXCEL PIVOT TABLE: training in the use of pivot table resources, a tool which streamlines and ensures the accuracy of analyses that support management reports and decision making in account.

GARTNER SYMPOSIUM: initiative dedicated to assessing new technology opportunities for the corporate market, adding knowledge and value in Bradesco Information Technology (IT) acquisition processes.



READ MORE

CODES OF ETHICAL CONDUCT (ONLY IN PORTUGUESE)
www.bradescofornecedores.com.br/html/fornecedores/conheca-portal-fornecedores/index.shtm

PURCHASING PROFESSIONAL'S CODE OF ETHICAL CONDUCT (ONLY IN PORTUGUESE)
www.bradescofornecedores.com.br/html/fornecedores/conheca-portal-fornecedores/index.shtm

ANTI-CORRUPTION CORPORATE POLICY (ONLY IN PORTUGUESE)
www.bradescofornecedores.com.br/html/fornecedores/conheca-portal-fornecedores/index.shtm

SUPPLIER RELATIONS (ONLY IN PORTUGUESE)
www.bradescofornecedores.com.br/html/fornecedores/quer-ser-fornecedor/index.shtm

CORPORATE INFORMATION SECURITY POLICY (ONLY IN PORTUGUESE)
www.bradescoseguranca.com.br/html/seguranca-corporativa/pf/seguranca-da-informacao/index.shtm

PRIVACY DIRECTIVES (ONLY IN PORTUGUESE)
www.bradescoseguranca.com.br/html/seguranca-corporativa/pf/seguranca-da-informacao/index.shtm

BRADESCO SOCIAL AND ENVIRONMENTAL RESPONSIBILITY IN THE SUPPLY CHAIN PROGRAM (ONLY IN PORTUGUESE)
www.bradescofornecedores.com.br/html/fornecedores/sustentabilidade/index.shtm

BRADESCO ORGANIZATION'S CORPORATE SUSTAINABILITY POLICY (ONLY IN PORTUGUESE)
www.bradescofornecedores.com.br/html/fornecedores/sustentabilidade/index.shtm

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY STANDARD (ONLY IN PORTUGUESE)
www.bradescofornecedores.com.br/html/fornecedores/sustentabilidade/index.shtm



PERSONNEL MANAGEMENT

WE ARE A CAREER-ORIENTED BANK, ENABLING THE WORK FORCE TO DEVELOP, AND RECOGNIZING EMPLOYEES AS A KEY DRIVER OF OUR SUCCESS

CAPITALS



STAKEHOLDERS



With a Human Resources Management Policy that values personal and professional training and development for the entire work force, we invest in programs concentrated in the Bradesco Corporate University (UniBrad) and the University of Insurance (UniverSeg). This is proof of our career orientation, which recognizes employees as a key driver of our success, favoring the promotion of professionals at initial levels capable of developing and assuming higher positions over time. The model provides everyone with the opportunity to take charge of their professional development, either through promotion or internal movements. This internal career development is a differential. The majority of our executive positions and intermediate functions are occupied by employees who developed internally, reflecting our confidence in our human capital. **GRI G4-LA10**
[Further information in the GRI Attachment](#)

By means of competencies mapping, which encompasses all employees, the Human Resources Department identifies the employee's individual strengths and development needs, providing training and preparing them to assume new challenges. The Assessment of Potential based on Competencies Mapping is predefined and standardized. In 2016, it involved 80,627 employees (72.8% of the active work force).

The performance appraisal process spans two dimensions: quantitative, based on the definition of targets, using indicators related to sustainable financial results and the operations; and qualitative, which encompasses efficiency, commitment, engagement and people management – for employees in leadership roles. During the year 75,310 (66% of the work force) were submitted to performance appraisals. **GRI G4-LA11**

For senior management and first line managers in the business areas, the performance appraisal model is based on management by objectives and targets. The expected financial, overall and business area results are established annually by area and approved by the Board of Directors. These results are tracked on a monthly basis by means of indicators and are presented to the Board of Directors, the aim being to ensure business sustainability.

This process is transmitted to the other hierarchical levels, with an emphasis on dialogue between managers and teams in order to align targets. In the internal climate survey held in 2016, 82% of the employees declared that they were satisfied with the clarity with which leaders convey their expectations. Over recent years, recognition in diverse rankings, recognition processes, surveys and studies demonstrate that we are on the right path.

Our target for 2017 is to maintain and enhance policies for the work force, focused on our strategic objectives and sharing our satisfaction and belief in the importance of being included in indices based on relationship quality and working environment with the entire work force.

HEALTH, SAFETY AND WELL-BEING

One of the pillars of our personnel management strategy is the Care dimension, with involves our attention to the health, safety and well-being of each employee. In this way, we underscore the principles of encouraging good relations among all, maintaining a healthy and safe work place and ensuring conditions that enable excellent levels of performance and productivity, as well as driving improved quality of life for professionals and enabling balance between work, health and family.

G4-DMA

Employment

The basis for caring for people is the concept of Integral Health, which in addition to the occupational perspective, encompasses all factors capable of impacting physical, mental and emotional well-being. This ensures ongoing improvement in safety and health promotion for the entire work force.

From the time they enter the company, employees receive orientation on health promotion and improved quality of life. Upon admission, all new employees receive a welcome kit containing our Internal Procedures manuals, Internal Regulations, Code of Ethical Conduct, Booklets on Social Inclusion, Manual of Physical Exercises for Relaxation and Personal Safety Tips, information that reinforces the care we take with our work force.

Employees undergo occupational medical examinations every 120 days and additional examinations, when necessary, to avoid and/or identify any problems and take the necessary preventive measures. We also promote special vaccination campaigns.

The following data and related health goal, occupational safety and well-being:

PERCENTAGE OF EMPLOYEES VACCINATED AGAINST INFLUENZA			
2014	2015	2016	Target for 2017
62.2%	62.5%	63.3%	65.0%

PERCENTAGE OF EMPLOYEES WITH HEALTH CARE			
2014	2015	2016	Target for 2017
100%	100%	100%	100%

WE ADOPT THE CONCEPT OF INTEGRAL HEALTH, WHICH IS PROMOTED VIA PROGRAMS SUCH AS VIVA BEM, EMPLOYEE SUPPORT AND THE LIG VIVA BEM CHANNEL

We are an active member of the AIDS prevention council CEN (Conselho Empresarial Nacional de Prevenção ao HIV/AIDS), whose focus is combating the epidemic in the work place, providing information on how to avoid infection by the HIV virus to a significant proportion of workers, their families and the community in general.

For us, it is fundamental that employees achieve a balance between their professional and personal lives. To reinforce this goal, we maintain the Viva Bem (Live Well) program, with diverse measures aimed at promoting the well being of our team. Initiated in 2012, the program promotes initiatives such as Healthy Pregnancy, Nutritional Guidance, as well as encouraging physical activities by means of partnerships with gyms, stimulating employees to manage their own health by boosting their knowledge in this area and helping them to make positive life style choices.

Unibrad offers a series of courses to raise consciousness about the importance of health care and well being. The channel Lig Viva Bem offers the Employee Support Program for our employees and their dependents. This free service is available 24 hours a day, 7 days a week, and is fully confidential. The service is provided by specialized professionals who offer psychological, social, legal, financial and nutritional advice, among others.

Since 2013, we have also run Sipat Digital. This is a pioneering project that is updated every year. It promotes balance between employees' private and professional lives and productivity, as well as emphasizing questions such as occupational safety. It also encourages quality of life and the maintenance of a healthier, more productive and happier work environment.

From 2014, we revised our occupational health and safety policy, adopting directives based on the International Labor Organization (ILO) in reaffirmation of our commitment to the continuous improvement of the employees' working environment, conditions and relations. Since then, a number of processes have been reviewed and new solutions implemented. The new Occupational Health and Safety Management System, for example, is a clear advance in reinforcing this objective and has been enabling more effective monitoring of indicators and the development of improvement measures.

Aware of the importance of leaders in promoting employee health and well-being, in 2016 we launched a specific program to reinforce the role of managers in creating a healthy, safe and cooperative environment. The 28-session program involved more than 600 managers.

UNIBRAD

Bradesco Corporate University (UniBrad), launched in 2013, aims to promote education for professional excellence and social mobility, become a reference in talent and leadership education, strengthening the brand's value and the social commitment to perpetuate our business.

UniBrad, in essence, ensures that the system of Corporate Education dedicates efforts to meet organizational strategies, so that the employees' participation becomes decisive for their career and for the Organization's results, creating conditions for their individual and collective goals to be achieved.

In 2016, the Digital School was consolidated. It is a project to expand disseminate concepts and skills needed to boost the banking service digitization trend in all its aspects. Today, we have ten units that plan educational actions based on corporate strategies linked to the development of competencies, with an integrated approach.

Other noteworthy measures in 2016 were the launch of the Civic Awareness and Sustainability Path and the Leadership Path to drive the development of all internal leadership levels. The latter was supported by the Lidera Platform (portal and application), an online community for organizational leaders that provides diverse learning solutions for these professionals in the form of courses.

UniBrad was also essential in driving the integration of employees joining us from HSBC Brasil, with more than 12,000 participations in the modules dedicated to this purpose

UniBrad Schools

- Business
- Organizational identity
- Operational excellence
- Civic awareness and sustainability
- Business intelligence
- Client relations
- Operational security and solutions
- People
- Leaders
- Digital

UniBrad also provides training courses aimed at the general public, such as Internal Training in Financial Education, Financial Education for Retirees, Financial Education for Young People up to 17 years, Financial Education for Entrepreneurs, Training for Multipliers in Financial Education and Financial Education at Scale. All the courses are available on our website.

In the Civic Education and Sustainability School, in 2016 UniBrad consolidated seven new learning paths: Financial Education for Leaders; Financial Education in Your Hands; Mottainai and Financial Planning; Mottainai: Eliminating Wastage of Money; Your Choices, Your Future; Financial Planning and Financial Education and Personal Finance – the last two open to the general public.

Data related to training attendance is as follows:

NUMBER OF COURSES PER EMPLOYEE/YEAR	PERIOD		
	2014 (%)	2015 (%)	2016 (%)
1	9.7	12.7	10.3
2	9.3	10.8	8.4
3	9.1	9.9	7.7
4	9.0	9.1	8.1
5	8.4	8.1	8.4
6	7.0	6.9	7.7
7	6.3	6.0	6.9
8	5.4	5.3	6.1
9	4.6	4.4	5.2
10	3.9	3.8	4.4
11	3.2	3.2	3.6
12	2.7	2.7	3.5
13	2.4	2.1	2.7
14	2.0	1.8	2.4
15	1.6	1.4	2.0
16	1.4	1.2	1.5
17	1.1	1.0	1.3
18	1.0	0.8	1.0
19	0.8	0.7	0.9
20	0.8	0.6	0.8
> 20	10.1	7.5	7.0

For 2020, the target is that 80% of staff attend at least 4 courses per year.

PARTICIPATION IN FACE TO FACE AND REMOTE COURSES AND TALKS



Men



Women

Average number of hours training.

73
Directors

25
Supervisors/
Administrative staff

83
Superintendents

42
Directors

26
Supervisors/
Administrative staff

201
Superintendents

27
Managers

11
Operational

21
Total

23
Managers

8
Operational

19
Total

INVESTMENTS IN TRAINING (MILLIONS OF R\$)

2016	175.6
2015	145.1
2014	144.7
2013	126.8
2012	132.6
2011	161.4

UNIVERSEG

Created in 2014, the Insurance University (UniverSeg) is aligned with our corporate directives and is dedicated to managing knowledge with the key objective of preparing employees and brokers for an increasingly competitive market that requires constant renewal and the agility to drive improved results. It encompasses diverse measures and initiatives aimed at enhancing technical and personal knowledge, as well as promoting an environment that disseminates an insurance culture.

The different learning paths applied in the training courses are aimed at enhancing the competencies essential for the function and are based on Competencies Mapping and the technical knowledge necessary to perform the work activities. Aligned with the strategic objective of the Learning and Growth perspective in the area's strategic map, in 2016 UniverSeg created learning paths that encompass technical, operational, strategic and business management areas, as well as people and results. These are available for the commercial area and for all the other Insurance Group areas.

In partnership with the Bradesco Corporate University (UniBrad), there are programs aimed at developing and/or enhancing the essential leadership competencies, focused succession, business sustainability and results, including Elos, Coaching and Mentoring, in addition to programs

run in partnership with renowned teaching institutions such as the University of São Paulo business school FIA, Fundação Getulio Vargas (FGV) and IESE/ISE, among others.

Worthy of note among the actions undertaken are the 7th edition of the Knowledge Marathon, a program that stimulates personal and professional development; the in-company classroom and online MBA focused on business management, with an emphasis on insurance; and the Leadership Development Program.

In 2016, the classroom and online training programs totaled 136,625 participations, of which 68,835 in the classroom and 67,790 remote, involving a total investment of R\$15.123 million.

Participation in online courses increased 29% compared with the previous year, confirming the fact that distance education is gaining importance due to the fact that employees need to remain updated.

In 2017, the target is to review the Network Formation Programs to boost adherence to company strategy, consolidate the leadership path and leverage an innovation mindset to drive digital transformation, working on leveraging client facing experiences and relations and promoting awareness of the importance of human relations and quality of life.

G4-DMA

Employment
Training and
education



Further information in:
www.universeg.com.br (only in Portuguese)



More than 17,000 people engaged in the National Volunteer Day initiatives

VOLUNTEER WORK

The Volunteer Work program encourages and provides support for employees in undertaking transformational civic engagement activities in communities nationwide, providing them with opportunities to make a positive contribution to improving the environment and quality of life in the communities in which they live and work, prioritizing those which are socially and economically disadvantaged.

The program directives include the promotion of volunteer activities aimed at developing skills and competencies and driving benefits for all those involved, and encouraging and supporting employees in the exercise of citizenship, taking into account the skills and wishes in actions that help reduce social inequalities.

Developed in collaboration with representatives from diverse internal areas, the initiative is overseen by the Human Resources Department and is designed to connect the employee volunteers with society. These activities help develop an awareness of the community and social responsibility, in addition to contributing to the personal and professional growth of the employee and driving business sustainability. At the end of the year, 16,168 people were registered in the Volunteer Portal.

On National Volunteer Day, we mobilized 17,347 volunteers, with employees from diverse areas, as well as Fundação Bradesco students, teachers and collaborators. There were more than 255,000 beneficiaries and a total of 124,662 products were collected and donated to 150 social institutions.

In the fourth edition of Voluntários MAIS, participants engaged in activities centered on Sustainability, Quality of Life and Financial Education. 1,081 volunteers from 14 cities in four states and three regions of the country took part in this initiative, working in one of 29 teams or individually, benefiting 19 institutions and more than 4,900 people.

Other initiatives included a new edition of the Aprender para o Bem program, with workshops on subjects suggested by the volunteers; the 3rd National Blood Donation campaign, involving employees, family members and friends; and the Winter Clothing campaign, which collected 7,492 garments.



Further information at:
www.voluntariosbradesco.com.br (only in Portuguese)

INTEGRATION

One of the key reasons we were interested in acquiring HSBC Brasil was the institution's qualified human capital, given that we place enormous value on people and recognize that they are one of the main drivers of our success. We incorporated all HSBC employees who were

DURING THE INTEGRATION PROCESS, A POINT WAS MADE OF ENSURING THAT THE CULTURE AND POLICIES OF THE ACQUIRED BANK WERE UNDERSTOOD AND RESPECTED

interested in joining our team, which represented 99.6% of the HSBC Brasil headcount.

During the integration process, our Human Resources team made a point of ensuring that the culture and policies of the bank acquired were understood and respected. A temporary team was established to oversee the operational management of the transition. The new employees were subject to functional adaptation studies, which meant initiating their career planning in accordance with our structure, integrating them into our unique internal career development model.

The experience acquired in the more than 40 previous acquisitions we have made demonstrates that the integration of people and cultures is highly positive and helps drive our ongoing success.



BANKING AUTOMATION

The banking automation process in Brazil is recognized as one of the most successful worldwide, whose progress over the years has also had a positive influence on labor relations.

The changes have been accompanied by the natural adaptation of bank workers to the new means of production and services, resulting in an innovative perception of the importance of competencies development and ongoing education – aspects that characterize the qualification of those working in the sector. Additionally, there are the facilities afforded by digital solutions, which drive and intensify the efficiency of processes for employees and clients.

Our vision of this question, formalized in our Strategic Declarations for Managing Human Resources, is committed to promoting the constant development and improvement of our employees' technical and behavioral skills and potential, and providing mechanisms that enable them to manage their personal and professional growth in order to ensure the ongoing enhancement of management processes.

CLIMATE

We provide our employees with a healthy, safe and ethical environment that facilitates personal and professional growth. Our aim is to promote and value transparency, respect and trust with a view to ensuring a motivating and challenging organizational climate. So much so, that we are always open and attentive to opportunities to improve our practices. Over recent years, recognition of the bank in diverse rankings, surveys and studies proves that we are on the right path.

In 2016, for the 18th year we were featured in the *Guia Você S/A – As Melhores Empresas para Você Trabalhar* for ranking. The publication highlighted factors such as our massive investment in corporate education and the broad range of benefits offered to employees.

Yet again in 2016, we were elected one of the Best Companies to Work for in Brazil in a survey conducted by the Great Place To Work Institute (GPTW), published in a special edition of *Época* magazine. We were placed among the 30 Best in Brazil, with an honorable mention for being featured in the ranking for 17 years. Also in the GPTW ranking, we were placed third among the Best Places to Work in Barueri and the surrounding region.

Furthermore, for the 11th year running, we received a distinction in the Best in Personnel Management survey in *Valor Carreira* magazine, published by the newspaper *Valor Econômico*.

For the ninth year running, we were featured among the Best Companies in Organizational Human Development Index, with a distinction in the category Governance. For the seventh year in a row we were recognized as one of the 10 Best Companies in People Management Practices in a survey by the *Gestão RH* magazine.

We were elected one of the Best Companies in Corporate Citizenship with honorable mentions in the dimension of Diversity and Social Inclusion, as well as being chosen as the Most Admired Company by HR Professionals in 2016, in a survey conducted by the magazine *Gestão RH*.



Our traditional support for sport is the reason for our sponsorship of the 2016 Olympic and Paralympic Games

In the III Award for the Best Companies for Disabled Workers granted by the São Paulo State Department for the Disabled, our inclusive organizational culture was recognized with distinction.

In the 2016 HR Top of Mind award we were one of five companies with the highest recall in a vote among HR professionals in the category Corporate Education/E-Learning, receiving a tribute from the HR association ABRHBrasil. UniBrad won the Learning & Performance Brazil Award, for its high performance e-learning practices.

We also received a distinction as one of the three best companies in the National Quality of Life Award granted by the Associação Brasileira de Qualidade de Vida, which recognizes corporate health promotion and quality of life programs characterized by best practices and effective results.

Providing an appropriate work environment, developing talent through education and the provision of a fair and dynamic organizational structure, we seek to enable each employee to grow and develop a robust career based on a relationship policy marked by respecting and valuing the individual.



CLIENT RELATIONS

OUR INTEGRATED SYSTEMS
ENABLE MORE ACCURATELY
TARGETED PRODUCT LAUNCHES
AND GREATER EFFICIENCY IN
COMMERCIAL APPROACH

CAPITALS



STAKEHOLDERS



To ensure service quality and improved client satisfaction we have a Customer Relationship Management (CRM) structure that is interrelated with all of our other areas, enabling the receipt of data and information. This is organized, measured, standardized and used to provide inputs for commercial and client relationship actions. The model enables more accurately targeted product launches and greater efficiency in commercial approaches, enhancing the clients' experience in their relations with us.

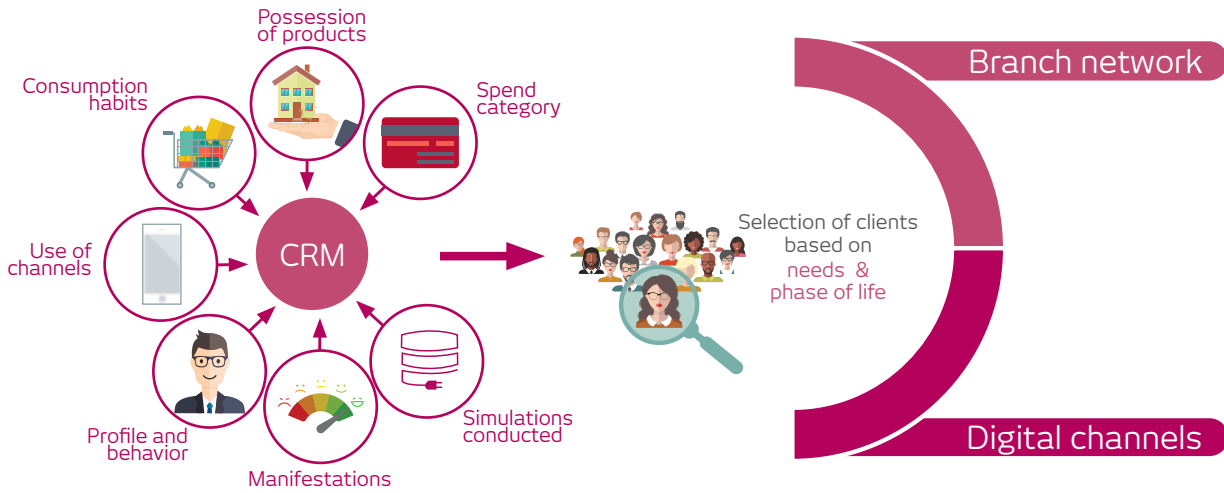
To further knowledge about clients, the CRM area runs its Visão Única de Clientes project which, by structuring and analyzing a set of data, reveals preferences, behaviors and trends that orientate commercial and relationship strategies.

Based on digital data banks and statistical models of behavioral analysis and the client life cycle, among other tools, we obtain an individualized view that includes registration data and information on transactions and credit card use, among others, enabling alignment between sales targets and real client needs.

**WE USE A MANAGEMENT
SYSTEM THAT GENERATES
ACCURATE AND RELEVANT
INFORMATION TO
DRIVE CONTINUOUS
IMPROVEMENT IN OUR
CLIENT RELATIONS**

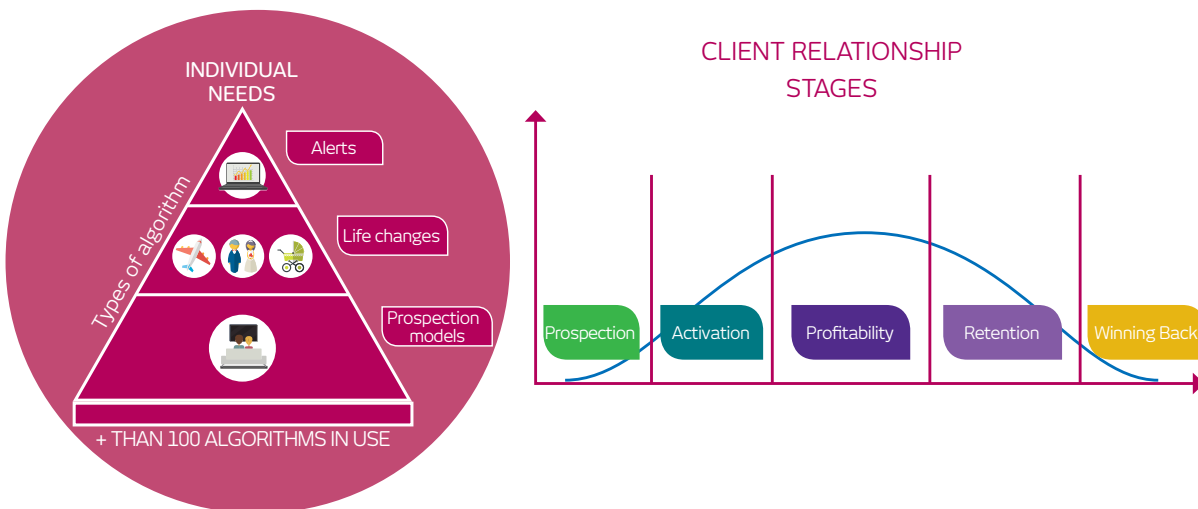
GREATER EFFICIENCY IN COMMERCIAL APPROACH | CRM

Information from different sources is fed to **Corporate CRM**, enabling mapping of **consumption** and **relationship habits** aimed at developing actions targeting the clients' **preferred channels**.



GREATER EFFICIENCY IN COMMERCIAL APPROACH | CRM

Personalized measures to enhance relations



Other initiatives along the same lines are:

Bradesco Asset Management (BRAM): has an area dedicated to capturing information on clients, used for strategic reporting.

Bradesco Seguros Group: uses data in the Data Warehouse of each company in the Insurance Group.

Retail: post-sale process when checking accounts are opened to measure client satisfaction and accessibility to service channels, as well as verifying whether the products and services offered have fulfilled their needs. In 2016, 208,000 post-sale calls were made, contacting 125,981 clients. The average satisfaction level in 2016 was 85%.

TAILOR-MADE PRODUCTS

We have an Executive Committee and a Product and Services Commission which, in conjunction with managers, assesses opportunities and the financial and operational feasibility of proposals to create and alter products and services, as well as tracking their performance.

There is also the Executive Innovation Committee (Cein), responsible for deciding on innovation initiatives, in alignment with strategic guidelines, in order to make differentiated business models, products, services, solutions and consumption experiences available for clients. Strategic innovation nuclei, such as inovaBra, are subordinated to this committee.

Examples which involved the participation of external stakeholders are:

Bradesco Seguros Group

- Bradesco Seguros Digital Portfolio
- Bradesco Seguros Portal – Accessibility

Bradesco Saúde

- Meu Doutor program
- Orthotic, Prosthetic and Special Materials Direct Delivery Program
- Second Medical Opinion for Spine Disorders Program
- Drugstore Discount

Bradesco Capitalização

- Pé Quente Bradesco Amazonas Sustentável
- Pé Quente Bradesco O Câncer de Mama no Alvo da Moda
- Pé Quente Bradesco SOS Mata Atlântica
- Pé Quente Bradesco Tamar Project

Bradesco Bank

- Highly Scalable Security and Mobility Research Program
- Electronic transaction fraud detection mechanisms
- Image capture system
- Safety device for digital signature transactions
- SMS-based security framework
- New interaction and collaboration technologies for integrating social networks in financial transaction contexts
- Contactless technologies
- Proof of life via biometrics
- Voice biometrics in internet banking and the telebanking
- Transportation card

BRDESCO

OMBUDSMAN

For us, ensuring service quality and the satisfaction of clients and non clients is a fundamental principle. In 1985, the Alô Bradesco channel was created to receive client and user complaints and contacts five years before the introduction of Brazil's consumer defense code. We also constituted the Alô Bradesco Management area, with the mission of ensuring efficient handling of initial contacts (Contact Service) focusing on the clarity of the information provided and the effective contact with the client.

As secondary contact channels we have two independent Ombudsman services: one dedicated to contacts from our clients, aligned with the requirements of the Brazilian Central Bank (Bacen) and the Comissão de Valores Mobiliários (CVM) and another to deal with contacts from Bradesco Seguros clients, compliant with the standards established by the private insurance regulatory body SUSEP and the national supplementary health agency ANS.

Both channels are distinguished by their pioneering structure and the manner in which they handle consumer contacts. The Bradesco Seguros Group Ombudsman has been in place for 13 years and the bank Ombudsman for 11 years, preceding the mandatory requirement of the establishment of this client relationship tool by the regulatory authorities.

Our Ombudsman's mission is to represent clients impartially, transforming their complaints into an experience that strengthens their relationship with us and drives improvements that generate mutual benefits. This mission was reinforced with the drafting of the Ombudsman Strategic Planning, which introduced 15 strategic objectives, 35 indicators and 54 initiatives that will orientate the activities of the Ombudsman for the next five years.

Based on statistical surveys and qualitative analyses, the Ombudsman assesses the root causes of the complaints made about our products and services.

The relevant company areas are invited to reassess the effectiveness of the measures used to correct the causes of the complaints so that these do not recur or increase in volume.

FIVE YEARS BEFORE THE CREATION OF THE CONSUMER DEFENSE CODE, WE LAUNCHED THE ALÔ BRADESCO CHANNEL TO LISTEN TO OUR CLIENTS AND LEARN THEIR NEEDS

The channel also participates actively in the Product and Services Commissions and the Commercial Actions Commission, in addition to having a consolidated governance process involving periodic reports to senior management. The Ombudsman also works directly with the business units, sites and associated companies to provide a definitive solution to the client's complaint in the shortest time possible.

In 2016 the Ouvidoria + process was adopted. This is a specific cell with a flow designed to provide a speedy and efficient response to complaints. As a result, in the first semester 57.2% of the clients who resorted to the channel received a definitive response within six working days, and 27.1% received a response within seven and eight working days, less than the ten working day deadline established by law 4,433/15, which regulates ombudsman services. Also during 2016, around 98.6% of the clients submitting complaints to the channel obtained definitive solutions to their problems.

The service is also supported by regional agents, called ombudsman agents, who have been in place in the main regions of the country since 2012. Their activities were reinforced in 2016 focused on improving the resolution rate for complaints.

Clients and users who want to register any complaints with receipt of proof of the complaint may use the primary service channels (branches, transaction centers and bank correspondents). They receive a numbered receipt which may be used in the Ombudsman service, as well as a deadline for the resolution of their case. If they do not agree with the response they may resort to the Ombudsman service, which will re-analyze the case.

In 2016, we constituted the Corporate Conduct Tracking Commission (CACC), comprising senior managers. The objective is to drive greater integration and coordination in dealing with complaints, addressing the root cause of the contacts and complaints received in the channels and proactively identifying ways to prevent the repetition of such cases.

We also adopted the Competition Compliance Program. This involved the development of a specific policy and standard aimed at driving the compliance of managers, employees and other workers with fair competition standards. Senior management and our representatives in sector associations are directly involved. There is an exclusive channel (concorrencial@bradesco.com.br) for reporting incidents or suspected incidents involving anti-competitive conduct.

BRADESCO SEGUROS GROUP OMBUDSMAN

Bradesco Seguros Group implanted its Ombudsman service in September 2003, adopting the standards established by Resolution No. 110, and was recognized by SUSEP in January 2005, via the SUSEP/GABIN Charter No. 011/2005, currently based on the CNSP rulings No. 279/2013 and No. 337/2016. In February 2008, it was recognized by ANS, by means of the communication No. 10/2008/GGRIM/DIFIS, currently based on RN No. 323/2013, on IN 2/2014 (DOU) and on RN No. 395/2016.

To drive continuous improvement in client relations, we have worked with the Ombudsman Award since 2006. This recognizes the best instances of the Service Culture, rewarding employees/workers and areas for quality performance and demonstration of a sense of urgency.

From 2012 to 2016, the Bradesco Seguros Group Ombudsman was recognized as one of the best in the country in the Brazil Ombudsman Award, based on the development of the Strategic Ombudsman Planning and its review in 2015.

All these stimuli reinforce Bradesco Seguros' commitment to offering the public quality service. The stimuli are aligned with the directives that guide our corporate governance and compliance policies, ensuring transparency and the provision of reliable information.

In 2011, we developed the Strategic Ombudsman Planning, which underwent a review in the first half of 2015.

The Ombudsman Department Goals for 2017 are:

Target for 2017

Reduce by 5% the timeframe for customer response of the BACEN, Procon and Ombudsman 0800 channels.

Enhance the SACL System and extend its functionalities to gain scale and performance.

To continue making 0800 Procon and the other Procons in Brazil available (to provide faster service and more litigation resolutions for the Organization's customers that contact the agency).

Increase by 10% the amount of Ombudsmen located at the Branches. They are responsible for narrowing the relationship with Procon offices.

**SINCE 2006, THE BRADESCO
OMBUDSMAN AWARD
HAS VALUED PEOPLE AND
AREAS WITH OUTSTANDING
PERFORMANCE IN MEETING
CLIENTS' REQUIREMENTS**

INTEGRATION **GRI G4-13**

In a communication to the Consumer Defense Agencies (Procons) nationwide from October 8, 2016, the Bradesco and Bradesco Seguros Group Ombudsmen fully absorbed all the demands arising from the subsidiaries of the Banco HSBC Brasil and the companies of the HSBC Brasil insurance arm. This integration involved the following companies:

Banco HSBC Brasil subsidiaries assumed by the Bradesco Ombudsman:

HSBC Bank Brasil S.A. – Banco Múltiplo
HSBC (Brasil) Administradora de Consórcio Ltda.
HSBC Corretora de Títulos e Valores Mobiliários S.A.
HSBC Leasing Arrendamento Mercantil (Brasil) S.A.
Banco Losango S/A – Banco Múltiplo

Subsidiaries of the HSBC Brasil Insurance arm assumed by the Bradesco Seguros Ombudsman:

HSBC Capitalização (Brasil) S.A.
HSBC Corretora de Seguros (Brasil) S.A.
HSBC Seguros (Brasil) S.A.
HSBC Empresa de Capitalização (Brasil) S.A.
HSBC Vida e Previdência (Brasil) S.A.

CLIENT

SATISFACTION **GRI G4-PR5**

One of the indicators measured in the Financial Market Mapping survey is the overall satisfaction of our clients. The survey is conducted by the company Bridge Research, which has partnered in this project since 2011. The survey is aimed at assessing our performance and that of our competitors. Conducted nationwide, the survey is broken down into the following categories: Individual Retail (individuals – 6,000 interviewees including Low Income, Classic and Exclusive), Prime (2,000) and Corporate Retail (companies – 2,500), totaling 10,500 respondents per year. The score is on a scale from zero to ten, where zero is completely dissatisfied and ten completely satisfied.

See the scores from the surveys conducted in recent years and the target set for 2016 below:

CLIENT SATISFACTION	UNIT	2013	2014	2015	2016	What was the target for 2016?
Financial Market Mapping Survey	Specify the unit: Scores from 1 to 10	8.6	8.5	8.2	8.0	8.0

The research is conducted annually at two moments in the year: first wave in May/June and the second in October/November. The result of the two waves summed represents the annual figure for each indicator.

RESULTS IN EACH SEGMENT¹

SEGMENTS	2016 ²	2015
Individual Retail	7.9	8.2
Prime	9.0	9.1
Corporate Retail	8.6	8.5

1. The survey margin of error for each segment is: 1.2% Individual Retail, 2.2% Prime and 2.7% Retail.
2. The 2016 data only include the 1st wave of the survey, because the 2nd wave was not finalized in time for inclusion in this report.

COMPLAINTS RATES GRI G4-PR4

CONTACTS PER YEAR – BRADESCO ORGANIZATION				
	2013	2014	2015	2016
Ombudsman	20,457	17,396	20,479	26,058
Procons	75,697	84,074	67,682	69,350
Central Bank	33,747	41,540	40,579	44,187
Letter/Print	5,126	3,570	4,307	5,705

CONTACTS PER YEAR – BRADESCO SEGUROS GROUP				
	2013	2014	2015	2016
Ombudsman	10,872	16,115	14,137	19,562
Procons	84	53	22	19
Central Bank	79	541	818	65
Letter/Print	11,035	16,709	14,977	19,646

ACCESS CHANNELS TO THE OMBUDSMEN*	
BRADESCO ORGANIZATION	BRADESCO SEGUROS GROUP
Ombudsman: 0800 727 9933	Ombudsman: 0800 701 7000
SAC Alô Bradesco: 0800 704 8383	SAC Bradesco Saúde e Auto/RE: 0800 727 9966
Hearing or speech disabled: 0800 722 0099	SAC Bradesco Vida e Previdência: 0800 721 1144
By email: Fale Conosco (available on website www.bradesco.com.br – only in Portuguese)	SAC Bradesco Capitalização: 0800 721 1155
Twitter: @alobradesco	By email: suggestions, complaints and praise via the website www.bradescoseguros.com.br (only in Portuguese)
Facebook: facebook.com/bradesco	Twitter: @alobradescoseg
	Facebook: facebook.com/BradescoSeguros
Websites: Reclame Aqui and www.consumidor.gov.br (only in Portuguese)	

* Available for clients and non-clients.



COMMUNITY RELATIONS

OUR STRUCTURE AND CAPILLARITY ENABLE DIFFERENT SOCIAL CLASSES TO ACCESS THE FINANCIAL SYSTEM, AS WELL AS DRIVING LOCAL ECONOMIES

CAPITALS



STAKEHOLDERS



FINANCIAL INCLUSION

GRI G4-EC8

With more than 60,000 service points and over 30,000 managers in attendance via multiple platforms nationwide, our wide-ranging presence is a key competitive differential. After all, this structure enables access to the financial system and to credit for different social classes, in addition to offering a strong stimulus for regional economies.

With the highest number of financial and insurance product distribution points in the country, we operate in places where the other private financial institutions are not present – the case of 3,060 Brazilian municipalities in which our presence is consolidated by means of 1,221 branches and 1,959 service points (PAs). Among these locations, we are the only option for the public in 686 municipalities, with 1,935 Bradesco Expresso units.

Among the strategies employed to achieve financial inclusion targets, we work on the creation of products and services aimed specifically at lower-income social classes, as well as on measures to improve physical and digital access and financial education.

FINANCIAL SERVICES FOR THE LOW-INCOME POPULATION (CLASSES C, D, E)

Floating branches: two vessels (Voyager III and Voyager V) that serve 11 municipalities and 50 communities totaling some 250,000 people, mostly indigenous, who previously had no access to financial services.

Bradesco First Protection Insurance: developed based on studies of the low-income market, covering personal accidents at a monthly cost of R\$5.50 with individual funeral coverage.

Double Protection Microinsurance: the first microinsurance policy authorized by SUSEP. The contracting process is simplified and coverage includes fire in the residence. The policy-holder is covered for accidental death and individual funeral expenses. Cost from R\$4.50 a month.

Losango Personal Protection Microinsurance: includes coverage for involuntary unemployment, permanent invalidity due to accident and accidental death. It may be contracted in the partnering Losango stores for R\$65.00.

Losango Accident Microinsurance with Premium: from R\$9.60, it provides coverage against personal accidents, paying R\$10,000 in case of accidental death. Policy holders also participate in monthly draws for R\$20,000.

G4-DMA

Indirect economic impacts

G4-DMA

Product and service labeling

THE SERVICES DESIGNED SPECIFICALLY FOR THE LOW-INCOME PUBLIC INCLUDE TWO BOATS THAT SERVE 250,000 PEOPLE – MOSTLY FROM INDIGENOUS COMMUNITIES



Through our products, we provide financial and technological assistance to everyone who needs it

OTHER PRODUCTS AND SERVICES THAT HELP DRIVE FINANCIAL INCLUSION FOR THE PUBLIC GRI G4-EC8

Access via mobile telephone: we are the only financial institution that provides access to accounts with no charge on the client's data package, thanks to an agreement made with the main telephone carriers.

Via SMS: clients can pay bills, check their balance, top up their cell phone or configure notifications for their account.

Bradesco Click account: this includes financial education guidance for young people aged up to 17 years, who may use it to receive their monthly allowance from their parents or other credits.

University account: aimed at university students, the account may be opened without proof of income and provides exclusive products and services.

Cartão Bradesco SOS Mata Atlântica: this promotes education and knowledge about the Atlantic Rainforest biome, mobilizing people and promoting social and environmental awareness. The cards are made from post-consumer PET bottles.

Bradesco Fundação Amazonas Sustentável: this also encourages engagement in sustainability, environmental conservation and improved quality of life for riverside communities in the state of Amazonas. The cards are also made from post-consumer PET bottles.

Philanthropic institutions cards (AACD and APAE): part of the annual card fee goes to the institutions.

Bradesco Cards Loyalty Program: redemption of the points for charitable institutions enables the member to contribute to social projects.

Membership Rewards Program (American Express®): the campaign to donate points to charitable institutions enables the member to contribute to environmental, social and cultural projects.

Business Life Insurance (Vida Segura Empresarial): aimed at micro and small companies with a minimum of three and a maximum of 15 employees aged from 16 to 55 years.

Bonus Club Program: redemption of bands contributes to social and environmental programs run by partnering charity institutions.

First Protection, Double Protection Microinsurance and Microinsurance Protection with Premium, Losango Personal Protection and Microinsurance Losango Accident with Premium: tailor-made for class C, D and E individuals.

ABS Sênior: can be contracted by people up to 80 years, with no requirement of personal health declaration.

SobMedida Prev Jovem: PGBL and VGBL supplementary pension plans with lower payments, deductible or exempt from income tax.

Bradesco for retirees: the organization provides an exclusive portal for retirees with information on health, well-being, culture and leisure, free online courses and exclusive discounts for theater plays and travel, as well as benefits and financial solutions. We also have the INSS social security benefit payment card, which permits payment of expenses by direct debit.



Further details at:
www.bradescoaposentados.com.br/html/aposentados/index.shtm (only in Portuguese)

Local Production Arrangements

GRI G4-EC8

Since 2004 we have been the only private financial institution to participate in the Local Production Arrangement permanent working group (GTP APL), comprising 40 public institutions and coordinated by the Ministry of Development, Industry and Overseas Trade.

In 2016, we arranged a US\$375 million loan with the International Finance Corporation (IFC), the financial arm of the World Bank, and a group of international banks, to provide financing for small and medium companies participating in the Local Production Arrangements. A series of products was also launched, including:

CRED INVESTIMENTOS APL: a credit line for companies in the APLs to finance simplified production investment projects.

COMPOR ESTOQUE FÁCIL APL: aimed at clients participating in the APLs who require funding for stocks and the acquisition of goods and services from suppliers.

VENDOR APL: an overdraft facility for companies (suppliers) to finance the sale of their products to clients (buyers).

MICRO-CREDIT: the balance of Guided Production Microcredit (Microcrédito Produtivo Orientado or MPO) was R\$625,853,960.34, with the average amount for first tier operations (the offer of microcredit to the end client) being R\$2,920.00. A total of 2,601 municipalities were served, with 287,000 operations undertaken via service points (PAs). Micro-credit also operates with onlending via interfinance microcredit deposits for credit cooperatives in the South of Brazil. These organizations foment economic and agricultural activities, generating jobs and driving the economy.

BNDES CARD: onlending of foment bank BNDES (Banco Nacional de Desenvolvimento Econômico e Social) funding for the acquisition of machinery, equipment and production goods.



Further information:
banco.bradesco/html/pessoajuridica/parcerias-e-oportunidades/apl.shtm (only in Portuguese)

Individual micro-entrepreneur:
banco.bradesco/html/pessoajuridica/parcerias-e-oportunidades/empreendedor-individual.shtm (only in Portuguese)

G4-DMA

Indirect economic impacts

ACCESSIBILITY GRI G4-EC8

We are committed to creating and offering products and services for the disabled with the objective of conferring greater financial autonomy and independence for people with disabilities. These solutions may be accessed via personal computer and mobile telephone and are available in Brazilian sign language (Libras) – in the Bradesco Portal (item Abra sua Conta, Home, Acessibilidade e página de Educação Financeira) and on the Bradesco Seguros Group and Bradesco Saúde websites (institutional area).

Some initiatives are:

Bradesco Card Welcome Kit in Braille with enlarged font: offered to completely or partially visually impaired clients, it provides an explanation of the benefits with data such as numbers, validity and security code.

Virtual Vision: screen reading software which enables access to checking accounts via internet banking. It also permits use of the Windows operating system, the Office suite and the web.

Bradesco Visual Mouse: this enables people with upper limb motor impairment to control the mouse cursor with head movements.

Statement in Braille or Enlarged Font: we were the first financial institution in Brazil to offer bank statements in Braille.

Template for filling out checks in Braille or Enlarged Font: permits the visually impaired to fill out checks with no help from others.

Bradesco security key: projected for visually impaired clients enabling them to hear the password numbers by means of speakers built into the device or headset while accessing their account via digital channels. It has a larger screen and numeric keypad, making it easier to read for the visually impaired.

Telebanking: personalized service for clients with visual, hearing or speech impairments.

Hearing or speech impaired call center: digital telephone communication for the hearing or speech impaired.

Bradesco Continuous Benefit Payment Card – INSS beneficiaries: aimed at the disabled with a proven income of less than 1/4 of a minimum salary.

Other innovative solutions providing the disabled with greater autonomy and independence are:

- Embossed debit and credit cards
- Debit and credit card holder in Braille with enlarged font
- Credit solutions via Accessibility direct consumer credit
- Free information technology courses using Virtual Vision
- Talks and workshops about autonomous banking for employees and clients

The majority of the branches have access ramps, tactile flooring, visual signage, restrooms, adapted fixtures and exclusive parking spaces for the disabled, people with reduced mobility and the elderly – some units are currently undergoing adaptation.

**A NUMBER OF OUR
PRODUCTS AND
SERVICES ENABLE THE
DISABLED TO MANAGE
THEIR FINANCES MORE
INDEPENDENTLY**

We are compliant with Brazil's ABNT standards for our ATMs, with translation into Brazilian sign language and voice software (which verbalizes the denominations and the positions of the bills dispensed) for withdrawals, tactile markings and machines appropriate for use by wheelchair users or little people.



Further information:
Accessibility (accessible in sign language – only in Portuguese)
banco.bradesco/html/classic/acesibilidadade/index.shtm

Hearing accessibility (accessible in sign language – only in Portuguese)
banco.bradesco/html/classic/acesibilidadade/acesibilidadade-auditiva/index.shtm

Motor accessibility (accessible in sign language – only in Portuguese)
banco.bradesco/html/classic/acesibilidadade/acesibilidadade-motora/index.shtm

Visual accessibility (accessible in sign language – only in Portuguese)
banco.bradesco/html/classic/acesibilidadade/acesibilidadade-visual/index.shtm

FINANCIAL INCLUSION

GRI G4-EC8 | G4-DMA Product and services labeling

Financial Education as a strategic issue for us. Therefore, we provide our employees with training to support and guide customers through various relationship channels, especially the Financial Education portal. You can also access the portal in the language LIBRAS (Brazilian Sign Language), with training options for responsible lending, financial planning and household budget. You can also access guides, manuals, reference books and an online calculator designed for financial control.

The portal has 24 free courses, including Business Planning and Budget, Financial Mathematics, Personal Finance and Economics of Energy. In 2016, they accounted for 378,962 visits. There is another educational channel, the blog Saber para Crescer (Know to Grow), which covers, every month, approximately 12 topics from the existing categories and also has a Facebook page with more than 480,000 followers.

The data and target related to the Financial Education courses for 2017 are as follows:

TOTAL EMPLOYEES TRAINED IN FINANCIAL EDUCATION COURSES			
2014	2015	2016	Targets for 2017
13,103	8,619	4,718	7,000

PRACTICAL LEARNING

In the Fundação Bradesco, financial education is part of the primary and secondary level curriculum, considered to be one of the basic premises for civic awareness, insertion in society and the labor market. The contemporary world demands understanding, mastery and the use of knowledge of economics and finance, from the simplest to the most complex skills. These include shopping, pre-planning of spending, checking change and preparing personal and family budgets, perception of the strategies embedded in costs – in particular interest – and resourcefulness in dealing with and understanding how public, commercial and financial institutions work.

Throughout 2016, 320 Bradesco Regional Meetings were held in locations with development deficit, where banking services are offered in service stations and/or correspondent banks. In these meetings, lectures are delivered on responsible use of credit and other products and services, as well as on proper management of personal finance. During the year, over 13,000 people attended the classes taught by Bradesco Expresso's sales team.

In 2016, the 3rd National Financial Education Week was held, with actions to raise awareness about healthy financial habits, the importance of saving and investing, managing time well and using resources responsibly.

The Credit Regional Meetings, a nationwide initiative which includes training focused on financial education, gathered more than 11,000 people, including employees, representatives of partner companies and people in the communities. They had access to lectures, workshops and guidance booklets about the theme.

Here is the data and target related to the Regional Financial Education Meetings in the last three years:

NUMBER OF SESSIONS AND PARTICIPANTS IN LOW DEVELOPMENT LOCATIONS AND CITIES WHERE BANK SERVICES ARE PROVIDED BY BANK SERVICE STATIONS OR BRADESCO EXPRESSO UNITS			
2014	2015	2016	Target for 2017
300 meetings, about 7,000 participants	300 meetings, about 8,000 participants	319 meetings, about 13,500 participants	319 meetings

AVERAGE OF PARTICIPANTS PER REGIONAL MEETING			
2014	2015	2016	Tracking
23	26	42	We had a 42% growth compared to 2015.



Further information in:

Financial education (site accessible in sign language – only in Portuguese)
banco.bradesco/html/classic/educacao-financeira/

Personal finance (only in Portuguese)
institucional.bradesco.com.br/hotsites/treinet/financaspeessoais/

Financial mathematics and the Office suite (only in Portuguese)
www.bradesco.com.br

3rd National Financial Education Week
banco.bradesco/html/classic/educacao-financeira/dicas/3-semana-nacional.shtm

THE 2016 RIO OLYMPIC AND PARALYMPIC GAMES

The 2016 Rio Games consolidated the construction of a legacy based on the transformational power of sport. We believed in this from the beginning, supporting Rio's bid to host the games and becoming the first official sponsor of the event in the Bank and Insurance categories. We also sponsored the Olympic and Paralympic Torch relays, which spread the Olympic spirit and the emotions associated with the games throughout 320 cities.

During the largest sporting event in the world, a number of surveys demonstrated the growth in our attractiveness and popularity, as well as revealing that our brand had one of the highest recall rates among all the sponsors.



Roving museum attracts more than 200,000 visitors

One of our successful initiatives was organized by Bradesco Seguros Group. The Se Prepara Brasil – O Caminho do Esporte até o Rio Roving Museum spread the Olympic spirit throughout the five regions of the country with parades in 45 cities before reaching Rio de Janeiro, where it remained on show in the Parque de Madureira and Porto Maravilha Olympic Boulevards until the end of the Paralympics. More than 200,000 people visited the Roving Museum.

SOCIAL CONTRIBUTION

Social mobility, longevity, health and well-being are recurrent topics in our measures to drive improved quality of life for communities.

Aligned with the strategy to promote longevity with quality of life, the Insurance Group organizes the Longevity Forum in São Paulo and the International Longevity Forum in Rio de Janeiro. We also created the Longevity Award, which is aimed at discussing this question on a national level via Journalism, Life Histories and Research into Longevity – involving the academic community.

Another initiative is the Longevity Circuit which in 2016 was organized in 13 cities. Since 2007, it has mobilized more than 380,000 people in walks and races and raised more than R\$2 million in donations for social institutions through participants' enrollment fees.

The Porteiro Amigo do Idoso of the Elderly program is aimed to promoting a space for exchanging experiences, consolidating knowledge and contributing to the professional enhancement of doormen, focused on improving services for the elderly.

The Conviva Movement encourages harmonious co-existence between drivers, cyclists and pedestrians through measures such as the leisure-oriented bicycle lanes in São Paulo and Osasco. The bicycle lane CicloFaixa in the City of São Paulo alone is used by an average of 120,000 cyclists whenever it is in operation.

In the field of education, the Company School Integration Program partners with the Fundação Bradesco with the main goal of promoting the transformation of the foundation's students through sport, culture, integration and civic awareness. In 2016, 1,025 students benefited from the program.



Further information in:

Cultural Circuit
www.bradescoseguros.com.br/wps/portal/TransforDigital/Site/outros-portais/CircuitoCultural (only in Portuguese)

Conviva
movimentoconviva.com.br (only in Portuguese)

Longevity Circuit
www.corridadalongevidade.com.br/Circuito.aspx (only in Portuguese)

FUNDAÇÃO BRADESCO

The Fundação Bradesco completed 60 years of activities as one of the largest private networks of free quality formal education in the country. A non-profit organization whose objective is to promote equality of opportunity through education, the foundation is headquartered in Cidade de Deus, in Osasco (São Paulo), employs more than 3,000 professionals and maintains 40 schools located in disadvantaged regions in every state of the country and in the Distrito Federal.

In 2016, the institution benefited a total of 108,533 students. The levels range from kindergarten to secondary education and secondary level technical education, as well as basic and ongoing vocationally oriented education for young people and adults aimed at generating employment and income. The foundation's budget for the year was R\$595,553 million, of which R\$85,035 million was invested in infrastructure and educational technology. Over the last ten years the Fundação Bradesco has invested a total R\$5.853 billion at current values.

The innovation in the foundation's work in 2016 was the conclusion of the curricular guidelines for educational measures in the schools – another step in the improvement measures initiated in 2014. Since then, the Fundação Bradesco has been updating its reference documents and guidance for the schools, based on educational quality indicators and the interpretation of the results of large scale learning and institutional assessments.

ESCOL@ VIRTUAL (VIRTUAL SCHOOL)

Staying abreast of new technological trends, courses were updated to include formats accessible via mobile devices, with the creation of new modules such as Teaching with the Web and Learning on the Web, dedicated to familiarizing teachers and students with new tools that have educational potential, such as applications, games and simulators. The Escol@ Virtual offers courses in the areas of Financial Administration, Data Banks, Behavioral/Enhancement, Application Development, Photography, IT Governance, Informatics, Infrastructure, Security and Operational Systems.

PROGRAMA EDUCA + AÇÃO

Launched together with us in 2007, this program helps to enhance learning for students in the first three years of primary school. The initiative involves teacher training, the distribution of educational materials, monitoring visits, meetings with managers and assessments in Portuguese Language and Mathematics. In 2016, more than 5,000 students and 259 teachers in 43 schools in São Paulo and Mato Grosso de Sul benefited.

YOUNG APPRENTICE PROGRAM

To facilitate the entry of young secondary school students in the labor market, the Fundação Bradesco conducts its National Apprentice Program, which is also supported by us as a whole. Employees are transformed into educational agents and tutors in the young people's development process. The model adopted by the foundation is oriented to Learning centered on Management and Business Technologies, Control and Industrial Processes, Information and Communication.

BRADESCO TRAINING PROGRAM FOR THE DISABLED

The Banking Training program promotes diversity and the professional inclusion of people with disabilities in our branches and departments. In the foundation's classrooms, the students have fittings and resources especially adapted to their needs. In 2016, 40 employees with physical disabilities and hearing and visual impairments took the course.

SCHOOL-COMPANY INTEGRATION PROJECT

In the educational area, the Bradesco Seguros Group partners with the Fundação Bradesco in promoting the School Company Integration Project for Fundação Bradesco students in Rio de Janeiro. The program contributes to social integration, civic awareness and quality of life by means of sport and culture.



*Education permeates
a number of our
social projects,
benefiting thousands
of children*

SOCIAL AND ENVIRONMENTAL INVESTMENTS

BRADESCO (R\$ MILLIONS)				
PROJECTS	2013	2014	2015	2016
School Company Integration Project	0.680	0.743	0.785	0.823
Bradesco Sports (using incentive funding)	5.481	5.580	7.859	9.933
Fundação Amazonas Sustentável (FAS)	12.039	8.000	7.667	6.000
Fundação SOS Mata Atlântica	10.000	9.000	8.000	7.000
Others	8.861	7.672	4.670	4.820
Total	37.061	30.995	28.981	28.576

INITIATIVES FUNDED BY INCENTIVES (R\$ MILLIONS)				
INCENTIVE LAWS	2013	2014	2015	2016
Rouanet	97.994	100.613	82.862	54.371
Audiovisual	0.800	0.070	0.000	1.800
Sport	29.974	24.488	19.577	17.888
Children's and Adolescents' Statute	16.308	22.569	19.499	15.695
Pronon and Prona*	14.000	42.144	28.361	2.656
Elderly	0.800	23.128	19.806	17.750
Others	0.835	-	-	-
Total	155.711	213.012	170.105	110.160

* Pronon: Programa Nacional de Apoio à Atenção Oncológica (Oncology Support Program). Prona: Programa Nacional de Apoio à Atenção da Saúde da Pessoa com Deficiência (Health Support for the Disabled).

INSTITUTIONAL SUPPORT (R\$ MILLIONS)				
PRIVATE FUNDING	2013	2014	2015	2016
Donations	31.515	40.068	65.593	57.543
Sponsorship	76.885	110.824	133.774	136.150
Total	108.400	150.892	199.367	193.693

FUNDAÇÃO BRADESCO (R\$ MILLIONS)				
	2013	2014	2015	2016
Amount invested	451.816	515.093	499.779	592.973
Bradesco Sports and Education*	5.150	5.184	2.942	2.580
Total	456.966	520.277	502.721	595.553

* Program supported by Fundação Bradesco.

BRADERCO SPORTS

The Bradesco Sports and Education Program aims to develop girls and young women through the practice of women's basketball and volleyball. The sport is used as the key educational strategy in an ongoing value transmission process that develops not only athletes but also citizens, through the combination of health and education.

During the year, 1,922 girls took part in the Training Centers and 169 in the Specialist Centers. One teacher in the specialist segment was a referee in the World Volleyball League and in the 2016 Rio Olympic Games. Athletes, coaches and physiotherapists on the program participated in the state and national basketball and volleyball teams.

FUNDAÇÃO SOS MATA ATLÂNTICA

Celebrating its 30th anniversary in 2016, the Fundação SOS Mata Atlântica disseminated important results achieved throughout its history. These include the planting of more than 36 million native trees in the Atlantic Rainforest, sponsored by forestry reclamation programs. By means of these initiatives we raise funds that the NGO invests in sustainable development, environmental education and reclamation measures. This is the case of Bradesco Hiper-Fundo, for which the carbon emissions of the vehicles awarded in its promotions are offset by means of the forestry reclamation program.

Bradesco is the major partner in this initiative, with more than 30 million seedlings planted. With the Atlantic Rainforest Atlas Project, also sponsored by us, the foundation monitors fragments of the Atlantic Rainforest in 3,429 municipalities.

With our support, in 2016 the NGO initiated the Tijuca National Park: Horizon 2030 project, aimed at building a long-term vision for one of the most emblematic national parks in the city of Rio de Janeiro and in Brazil.

The protected area occupies 3,950 hectares of forest in the center of the city, protecting water supplies and species and promoting climatic stability. The forest is home to tourist attractions such as the Corcovado and the Vista Chinesa, as well as areas listed by IPHAN and recognized by the United Nations Educational, Scientific and Cultural Organization (Unesco) as World Heritage sites. It is the most visited park in Brazil, having received some 3 million visitors in the last two years.

In 2016, Bradesco Seguros Group provided the foundation with R\$3.8 million for forestry reclamation. A total of 102,000 seedlings were planted, enabling the offsetting of 20,400 metric tons of CO₂.



The partnership with FAS places value on the forest and enhances quality of life for local communities

FUNDAÇÃO AMAZONAS SUSTENTÁVEL (FAS)

In partnership with the state of Amazonas, we created the Fundação Amazonas Sustentável (FAS). With our ongoing support, the institution's mission is to place value on the Amazon forest and to drive quality of life for the communities in the region, who play an important role in conserving this heritage. The FAS programs are noted for driving improved income, health and entrepreneurship among families living in conservation units in the state of Amazonas.

One of the focuses of the FAS is identifying entrepreneurs in riverside communities in the Amazon region. The innate potential of these

individuals is harnessed and developed via management courses and specialized accompaniment, which has enabled the creation of community-based companies in diverse forest economy areas. An example is the forestry product processing unit (UBPF) in the Bauana community, located 1,500 km from Manaus, which processes vegetable oils such as mururu and andiroba. Staffed by young graduates of the post-secondary technical course promoted by FAS, the venture is supported by SAP software and ended 2016 with more than 4 metric tons of seeds processed and 600 kg of mururumu butter commercialized.

Another pilot-project was initiated in 2016 dedicated to the conservation of threatened species in conservation units. This involved the organization of environmental education workshops, the selection of monitors, training in environmental monitoring and a seminar on the conservation and stewardship of turtles and crocodiles. The project is being restructured for development on three fronts: Environmental Education, Income Generation and Scientific Research. It will be applied in Sustainable Development Reservations that have FAS Conservation and Sustainability Centers.

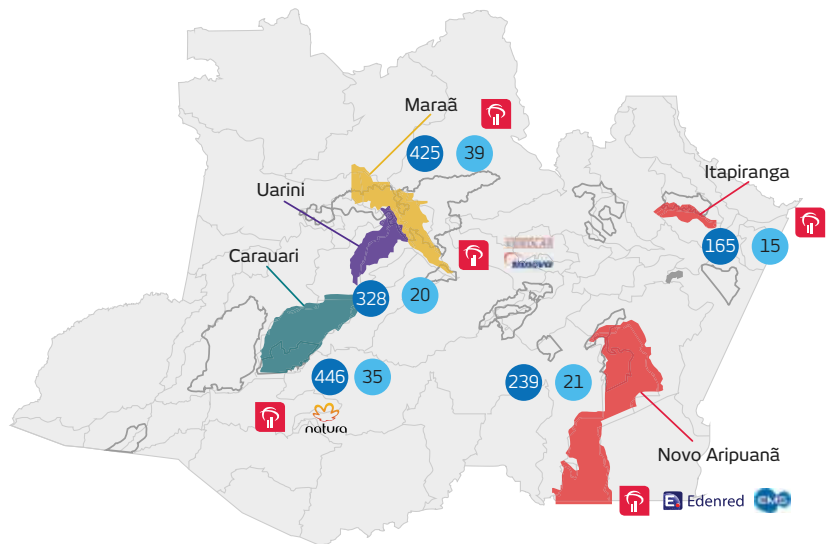
The foundation also has a program for the Integral Development of Children and Adolescents in Riverside Communities in the Amazon (DICARA), idealized to support the integral development of these young people and to reduce urban migration. The program is financed by the municipal children's and adolescents' rights fund.

The strategy is to generate opportunities for transforming the reality of the community by means of access to information technology, music, sport, leisure and basic orientation on civic awareness, in addition to healthcare. We are one of the sponsors of the program, which has benefited 2,093 children and young people in 71 communities in its two years of activity.

Further progress was made in FAS with the financial inclusion program for riverside communities in the Amazon. A consultation and co-creation process was conducted with local leaders in the Community Leaders' Meeting in Manaus. The initiative involved 15 professionals from FAS and seven from our staff, who promoted discussions on financial education, support for entrepreneurship, the implementation and assessment of indicators for the program with 60 leaders from 16 conservation units in the Amazon.

Key:

- FAS Activities
- 2014 - 2015
- 2015 - 2016
- 2015 - 2016 - 2017
- 2016 - 2017
- Children and adolescents
- Communities served



1,603 children and adolescents
130 communities served



Further information about the program:
fas-amazonas.org/



OTHER INFORMATION

THE MARKET RECOGNIZES
OUR ROBUST PERFORMANCE
IN SUSTAINABILITY THROUGH
AWARDS, TITLES AND
CERTIFICATIONS

CAPITALS



STAKEHOLDERS



RECOGNITION

RATINGS

FITCH RATINGS							
INTERNATIONAL SCALE						NATIONAL SCALE	
VIABILITY	SUPPORT	LOCAL CURRENCY		FOREIGN CURRENCY		NATIONAL	
bb+	3	Long-term BB+	Short-term B	Long-term BB+	Short-term B	Long-term AAA (bra)	Short-term F1+(bra)

MOODY'S INVESTORS SERVICE					
GLOBAL SCALE				NATIONAL SCALE	
LOCAL CURRENCY DEPOSIT		FOREIGN CURRENCY DEPOSIT		LOCAL CURRENCY DEPOSIT	
Long-term Ba2	Short-term NP	Long-term Ba3	Short-term NP	Long-term Aa1.br	Short-term BR-1

STANDARD & POOR'S						AUSTIN RATING		
GLOBAL SCALE – ISSUER CREDIT RATING				NATIONAL SCALE		CORPORATE GOVERNANCE	NATIONAL SCALE	
FOREIGN CURRENCY		LOCAL CURRENCY		ISSUER CREDIT RATING			LONG- TERM	SHORT- TERM
Long-term BB	Short-term B	Long-term BB	Short-term B	Long-term brAA-	Short-term brA-1	AA+	brAAA	brA-1

INSURANCE				CAPITALIZATION	
FITCH RATINGS			STANDARD & POOR'S		STANDARD & POOR'S
NATIONAL SCALE		GLOBAL SCALE		NATIONAL SCALE	NATIONAL SCALE
				LONG-TERM	LONG-TERM
National insurer financial strength rating		International insurer financial strength rating		Financial capacity rating	Issuer credit rating
AAA(bra)		BB+		brAA-	brAA-

AWARDS

- We were considered the Best Bank in the Country in the 2016 edition of the Awards for Excellence by the English magazine *Euromoney*.
- 2016 Bank of the Year in E-finance, from the magazine *Executivos Financeiros*.
- Distinction in *Global Finance* magazine's 2016 Global Finance Award, with two prizes: Receba Fácil, in the Trade Finance category, and Novo Net Empresa para Celular, in the Transaction Services category.
- Most valuable brand in Brazil in the last ten years, in the *IstoÉ Dinheiro* magazine ranking in partnership with the consultancy Kantar Vermeer.
- Best investment bank in Brazil in 2016 (Bradesco BBI), in the 17th edition of *Global Finance* magazine's Best Investment Banks in the World.
- Recognized for the second time as the Best Investment Bank in Brazil (Bradesco BBI), in *Euro-money* magazine's 2016 Awards for Excellence.
- BRAM as best short-term share and fund manager in a survey conducted by Fundação Getulio Vargas (FGV).
- BRAM as best investment fund manager according to *Exame* magazine.
- BRAM has 23 funds recognized as excellent in the Best Funds for *Institutional Investors* ranking prepared by Luz Engenharia Financeira.
- BRAM receives distinction in the *Investidor Institucional* magazine ranking of the best institutional fund managers.
- BRAM received awards in ALAS 20 – Agenda Lideres Sustentables 20, for its activities and leadership in the responsible investment agenda in the following categories: 1st place in Leadership in Responsible Investments, 2nd place in Leadership in Corporate Governance and 3rd place in Leadership in Research into Sustainability.
- Leader of the ranking of large companies most featured in the *Valor Carreira* annual editions, published by the newspaper *Valor Econômico* in partnership with the consultancy Aon-Hewitt.
- Bradesco BBI coordinates the first capital market offering with acceptance of documents in digital format.
- Distinction in the Valor Inovação Brasil Award, coming 8th among the 100 Most Innovative Companies ranking developed by the newspaper *Valor Econômico*.
- Winner of Premios Latinoamérica Verde, in the Sustainable Finances Category, with the case Financial Inclusion and Sustainable Development in the Amazon, promoted by CAF (Development Bank of Latin America).
- For the 17th time listed as one of the 150 Best Companies to Work for in Brazil, according to a survey by *Época* magazine in partnership with the Great Place to Work Institute.
- Leader in the Folha Top of Mind survey in the category Top Finanças, with a recognition rate of 25%, and placement in the "Insurance" category for the 15th year running. One of the brands with the highest recall in savings, health plans, insurance and credit cards.

- For the fifth time running, the Ombudsman services of Bradesco and the Bradesco Seguros Group came among the 10 Best Ombudsmen services in Brazil, according to a survey conducted by the Associação Brasileira de Ouvidores (ABO) and the Associação Brasileira das Relações Empresa-Cliente (Abrarec), with support from *Consumidor Moderno* magazine.
 - Distinction in the survey The Best in Personnel Management, in the newspaper *Valor Econômico*.
 - Winner of The Best Companies for the Consumer Award, in the Insurance category, from *Época* magazine and the Reclame Aqui website.
 - Considered the largest privately held business group in Brazil in the Big Groups annual published by the newspaper *Valor Econômico*.
 - Our 2015 Integrated Report won the 18th Abrasca Award for the Best Annual Report in the Publicly Traded Company category – companies with annual net revenues of R\$3 billion or more.
 - For the fifth time running, the Bradesco Seguros Group won the annual *Época Negócios* 360° Award in the Insurance category.
 - For the 10th year, Bradesco Seguros Group gained a distinction in the *Valor 1000* annual, promoted by the newspaper *Valor Econômico*, in the categories Operational Earnings, Net Income, Investments and Shareholders' Equity.
 - The Bradesco Seguros Group gained a distinction in the Melhores da Dinheiro Award in the categories Insurance, Private Pensions and Best Innovation and Quality. The annual is promoted by the magazine *IstoÉ Dinheiro*.
- Oi Tela Viva Móvel Award
 - Mobile Cash category, with the case Use of Apple Touch ID in Bradesco Apps to Access Security Key.
 - Mobile Cash category, with the case Depositing checks via Bradesco Celular for Companies.
 - Internet of Things category, with the case Bradesco Exclusive App for Android, integrated into Ford's connected car.
 - Efinance Award
 - Category Wearable Application, with the case Bradesco Applications for the Apple Watch.
 - University Student Application, with the case Bradesco University Student Application for Android.
 - Accessibility Category, with the case Self-service withdrawal using Brazilian sign language.
 - Collaboration category, with the case Collaboration through Business Focused Digital Platform Management.
 - Health Applications category, with the Health Plans – Automation of Integrated Coverage.
 - Datacenter category, with the case Datacenter Modernization.

Further information at:
banco.bradesco/ir





Due to the best practices we adopt, we have won a number of awards and certifications

CERTIFICATIONS

ISO 14001 – Environmental Management

ISAE 3402

ISO 14064 – Verification of Quantification and Reporting of Greenhouse Gas (GHG) Emissions

GoodPriv@cy – Data Protection and Privacy

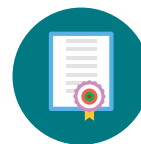
ISO 9001 – Quality Management

OHSAS 18001 – Occupational Health and Safety Management System

ISO 27001 – Information Security Management

Bradesco Social and Environmental Responsibility in the Supply Chain Program Standard – PBRSA – CS

ISO 20000 – IT Service Delivery Management



Further information at:
banco.bradesco/ir
www.bradescofornecedores.com.br/html/fornecedores/sustentabilidade/index.shtml (only in Portuguese)

LEGAL ACTION

On May 31, 2016, we were informed that three members of our Executive Board were facing accusations from the Federal Police in the so-called Operation Zelotes, which is investigating the alleged misconduct of members of the CARF (Conselho Administrativo de Recursos Fiscais). On July 28, 2016, the Federal Public Prosecution Service made accusations against three members of our Executive Board and a former member of the Board of Directors. This was heard by the judge of the 10th Federal District Court in the Distrito Federal. The executives have already presented their responses to the criminal process, indicating the facts and evidence that prove their innocence.

Our management conducted a painstaking internal examination of records and documents related to the charges and found absolutely no evidence of any illegal conduct on the part of our representatives. We are cooperating with the competent authorities and regulatory bodies both in Brazil and abroad and providing all the documents and information requested.

In consequence of the news of an indictment resulting from the Zelotes Operation, a class action was filed in the New York District Court on June 3rd, 2016, based on Section 10(b) and 20(a) of the Securities Exchange Act of 1934. On October 21st, 2016, the plaintiff nominated by the court presented an amended class action complaint indicating us as defendant, as well as the three members of the Executive Board who had been indicted. The suit alleges that investors who had acquired our preferred American Depositary Shares (ADS) between April 30th, 2012 and July 27th, 2016, suffered losses due to the supposed violation of North American capital market laws. We appeared voluntarily in the class action hearings and, on December 23rd, 2016, filed a motion to have the charges dismissed. Since the suit is at a preliminary phase, at this moment it is not possible to measure our exposure and there are insufficient elements to conduct a risk assessment.



ECONOMIC AND FINANCIAL PERFORMANCE

GENERATING SUSTAINABLE RESULTS AND THE BEST RISK RETURN RATIO ARE THE MAIN PRIORITIES IN DEFINING OUR STRATEGY

CAPITALS



STAKEHOLDERS



Our economic-financial performance is underpinned by a management decision making process based on generating sustainable long-term results with the best risk return ratio.

We track our main performance indicators, such as Operational Efficiency Ratio (ER), Return On Average Equity (ROAE), Coverage of Operational Expenses, Return on Average Assets and those related to Insurance, Private Pension and Capitalization activities. The results, which have been robust and aligned with our strategic goals, are disclosed to the market on a quarterly basis by means of our Economic and Financial Analysis Report.

We are committed to the interests of our clients and shareholders and to the country's social and economic growth. This involves the provision of efficient, quality banking and insurance services, based on best corporate governance practices with a focus on consistent results. Our future vision encompasses improving our position among private institutions. This is aligned with the acquisition of HSBC Brasil S.A., which drove significant growth in the client base and capillarity.

We face the constant market challenges with determination, we stimulate investment and the opening up of credit, we expand our offer of products, services and solution, as well as promoting banking inclusion and social mobility by means of our extensive service network.

We will maintain this course in 2017 with the expansion of our loan portfolio, focused on financing consumption, with an emphasis on payroll deductible loans and housing finance, as well as boosting our activities in the insurance segment. To do this, we will maintain effective security criteria, which include rigorous assessment in credit concession processes and the continuous collection of amounts overdue with credit recovery programs and control over claims in insurance activities.

Just as important for our strategy is business related to investment banking and corporate, private banking, third-party asset management (BRAM), cards and consortia. Overseas, we are present in strategic markets, providing support for Brazilian companies, clients resident outside the country and foreign companies interested in Brazil. Bradesco Securities, with operations in New York, London and Hong Kong, is fundamental in raising funding and distributing securities in these financial centers, as is Banco Bradesco Europa, located in Luxemburg and London, which provides finance services for corporate clients and private banking services.

We adopt a cautious approach in all markets. In the decision making process for granting loans to finance clients' projects, we assess and monitor social and environmental factors, including those related to climate change. In specific cases, we adopt the Equator Principles guidelines. With the adoption of the 2012 version of the International Finance Corporation's (IFC) performance standards, we require that projects classified under the Equator Principles and that have projected carbon emissions in excess of 25,000 metric tons per year perform emissions inventories and study financially viable alternatives for reducing or offsetting emissions.

In investment analysis, through Bradesco Asset Management (BRAM) we adopt a positive triage process for the funds with environmental, social and corporate governance criteria. Since 2013, BRAM has been developing a project to drive the simultaneous integration of the Principles for Responsible Investment (PRI) throughout its management activities.

We consider corporate social and environmental actions to be any investment that benefits society, because our objective is to drive convergence between business goals and the wishes and interests of the communities in

the regions in which we operate. Projects are subjected to an approval flow that identifies those capable of promoting social transformation and environmental preservation. Our Corporate Social and Environmental Investment Standard contributes to this to the extent that it provides guidelines and orientation on investments and support for social and environmental projects. Our Sustainability Policy addresses best practices that drive economic performance. Our Social and Environmental Responsibility Standard complements this with the directive of “providing added value for shareholders through financial results through businesses that adopt social, environmental and corporate governance criteria aligned with long-term interests”.

Our pursuit of growth implies substantial investments in infrastructure, information technology (IT) and the Human Resources area – indispensable pillars for the banking and insurance markets. In 2016, we invested R\$6.5 billion on innovating, updating and maintaining our IT environment to ensure the implementation of the best practices and technologies in existence, and we invested another R\$143.6 million in training programs for staff through the Bradesco Corporate University (UniBrad) with a view to promoting motivation, innovation and client focus.

Regarding clients and shareholders, social and environmental responsibility, security and credibility are integral to our business culture, and three broader fronts underpin our strategic planning:

- a. Growing organically, without losing sight of the possibility of acquisitions, associations and partnerships, as long as these are aligned with service quality, product, solution and service security and with the effective improvement of operational and financial efficiency ratios.
- b. Maintaining rigorous controls to identify, assess and mitigate risks in our activities, as well as defining the acceptable levels for each operation.

- c. Doing business with total transparency, ethical conduct and appropriate remuneration for shareholders.

To provide the market with an outlook on future performance of our main revenues and expenses in 2017, with the disclosure of our 2016 results we presented a guidance, subject to risks and uncertainties, since it is based on management assumptions and on information available on the date they were published: February 2nd, 2017.

The macroeconomic conjuncture, sector policies and the regulatory framework have an important impact on our operations. In recent years, deceleration in the growth of Gross Domestic Product (GDP) led to moderation in the expansion of credit and an increase in the level of delinquency, while the increase in the basic interest rate boosted the cost of raising funds in banking intermediation activities. However, the macroeconomic adjustments proposed by the new government have been helping to raise the confidence of families and the business community, driving the prospect of stabilization and economic growth in 2017 and even more so in 2018, which will also be favored by the decreases in the basic interest rate.

The banking sector is subject to intense regulation and consequently suffers the influence of alterations in different dimensions. In recent years, examples of this have been the macroprudential measures which altered the capital requirements for financing vehicles; the changes in taxes on financial operations (IOF) for the concession of loans and for external fund raising; the change in the rules for the remuneration of savings accounts; interest rates and maximum terms for payroll loans; rules on sharing credit card transaction systems; and changes in the liabilities and remuneration of mandatory deposits. The most important, however, was the application of Basel III, which modifies a set of measures relative to capital, risk control and liquidity requirements, among others. In this context, we have demonstrated our capacity and readiness to guarantee adherence to the regulatory environment.

MAIN FINANCIAL INDICATORS GRI G4-9 | G4-EC1

HIGHLIGHTS	2013	2014	2015	2016	Variation (%)	
					2016 x 2013	2016 x 2015
Adjusted income statement for the period (R\$ million)¹						
Book net income	12,011	15,089	17,190	15,084	25.6	(12.3)
Adjusted net income	12,202	15,359	17,873	17,121	40.3	(4.2)
Total net interest income	43,286	48,295	55,387	62,454	44.3	12.8
Gross credit margin	35,127	38,366	42,788	49,897	42.0	16.6
Net credit margin	23,082	25,709	27,614	28,158	22.0	2.0
Provision for loan losses	(12,045)	(12,657)	(15,174)	(21,739)	80.5	43.3
Fee and commission income	19,786	22,089	24,839	28,024	41.6	12.8
Administrative and personnel expenses	(27,573)	(28,815)	(31,038)	(36,771)	33.4	18.5
Insurance written premiums, pension plan contributions and capitalization bond income	49,752	56,152	64,612	71,419	43.6	10.5
Statement of financial position (R\$ million)¹						
Total assets ¹	908,139	1,032,040	1,079,755	1,293,559	42.4	19.8
Securities	313,327	346,358	407,584	549,873	75.5	34.9
Loan operations ²	427,273	455,127	474,027	514,990	20.5	8.6
- Individual	130,750	141,432	147,749	172,045	31.6	16.4
- Corporate	296,523	313,695	326,278	342,945	15.7	5.1
Allowance for Loan Losses (ALL) ³	(21,687)	(23,146)	(29,499)	(40,714)	87.7	38.0
Total deposits	218,063	211,612	195,760	234,214	7.4	19.6
Technical reserves	136,229	153,267	177,835	223,342	63.9	25.6
Shareholders' equity	70,940	81,508	88,907	100,442	41.6	13.0
Assets under management	1,260,056	1,426,099	1,510,396	1,904,912	51.2	26.1
Performance indicators for adjusted net income (% unless otherwise indicated)						
Adjusted net income per share (R\$) ⁴	2.20	2.77	3.23	3.09	40.5	(4.3)
Book value per share (common and preferred – R\$) ⁴	12.81	14.72	16.07	18.16	41.8	13.0
Return on average equity ^{5,6}	18.0	20.1	20.5	17.6	(0.4) p.p	(2.9) p.p
Annualized return on average assets ⁶	1.4	1.6	1.7	1.5	0.1 p.p	(0.2) p.p
Average rate 12 months (adjusted net interest income/total average assets – repos – permanent assets)	7.0	7.3	7.5	7.5	0.5 p.p	-
Fixed assets ratio ⁷	45.4	47.2	35.2	44.8	(0.6) p.p	9.6 p.p
Combined ratio – Insurance ⁸	86.1	86.1	86.7	88.0	1.9 p.p	1.3 p.p
Operating efficiency ratio (ER)	42.1	39.2	37.5	39.5	(2.6) p.p	2.0 p.p
Coverage ratio (fee and commission income/administrative and personnel expenses)	71.8	76.7	80.0	76.2	4.4 p.p	(3.8) p.p
Basel ratio – total ^{7,9}	16.6	16.5	16.8	15.4	(1.2) p.p	(1.4) p.p
Market capitalization (R\$ million) ¹⁰	128,085	145,536	100,044	160,813	25.6	60.7

HIGHLIGHTS	2013	2014	2015	2016	Variation (%)	
					2016 x 2013	2016 x 2015
Loan portfolio quality (%)¹¹						
ALL/loan portfolio ³	6.7	6.7	8.0	10.4	3.7 p.p	2.4 p.p
Non-performing loans (> 60 days ¹² /loan portfolio)	4.2	4.3	5.0	6.5	2.3 p.p	1.5 p.p
Delinquency ratio (> 90 days ¹² /loan portfolio)	3.5	3.5	4.1	5.5	2.0 p.p	1.4 p.p
Coverage ratio (> 90 days ¹²) ³	192.3	189.0	198.0	188.4	(3.9) p.p	(9.6) p.p
Coverage ratio (> 60 days ¹²) ³	158.9	156.6	161.7	158.8	(0.1) p.p	(2.9) p.p
Other information						
Employees ¹³	100,489	95,520	92,861	108,793	8.3	17.2
Outsourced employees and interns	12,614	12,916	13,223	16,702	32.4	26.3
Branches	4,674	4,659	4,507	5,314	13.7	17.9
PAs ¹⁴	3,586	3,486	3,511	3,821	6.6	8.8
PAEs ¹⁴	1,180	1,145	736	1,013	(14.2)	37.6
External ATM network points – Bradesco ^{15,16}	3,003	1,344	627	186	(93.8)	(70.3)
Banco24Horas network points ¹⁵	11,583	12,450	11,721	10,972	(5.3)	(6.4)
Bradesco Expresso (correspondent banks)	46,851	50,006	43,560	38,430	(18.0)	(11.8)
ATMs (Bradesco and Banco24Horas networks)	48,203	48,682	50,467	56,110	16.4	11.2
Active checking account holders (million) ^{17,18}	26.4	26.5	26.0	26.8	1.5	3.1
Savings account holders (million) ¹⁹	50.9	59.1	60.1	62.1	22.0	3.3

1. For further information please refer to explanatory note 5 – Statement of Financial Position and Statement of Managerial Income for year ended on December 31, 2016.

2. Expanded loan portfolio, includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligation of loan assignments (FIDC – credit right investment funds and CRI – certificates of real estate receivables), co-obligation of rural loan assignments and operations involving credit risk – commercial portfolio, including debentures and promissory note transactions.

3. Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letters of credit, comprising the concept of excessive ALL.

4. For purposes of comparison, shares were adjusted in accordance with bonuses and share splits.

5. Excluding mark-to-market effect of Available-for-Sale Securities recorded under Shareholders' Equity.

6. Adjusted net income.

7. From March 2015, considers the ratio calculated based on prudential consolidated in accordance with CMN Resolution no. 4,192/13. It should be noted that the prudential consolidated is calculated in line with the regulatory guidelines of CMN Resolution no. 4,280/13.

8. Excludes additional provisions.

9. From October 2013, the calculation of the Basel ratio is in accordance with the regulatory guidelines of CMN resolutions no. 4,192/13 and no. 4,193/13 (Basel III).

10. Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the last trading day in the period.

11. Concept defined by the Brazilian Central Bank (Bacen).

12. Overdue loans.

13. In 2016, includes 21,016 HSBC Brasil employees; and in 2014, includes the transfer of 2,431 Scopus Tecnologia employees to IBM Brasil.

14. PAs (Service branches): resulting from the consolidation of Bank Service branches (PAB), Advanced Service Points (PAA) and exchange branches, in accordance with CMN Resolution no. 4,072/12; and in-company ATMs (PAE); points located in company with electronic service.

15. Includes points shared between the Bradesco network and the Banco24Horas network.

16. The reduction was due to the sharing of external network ATMs by the Banco24Horas Network ATMs.

17. Number of single clients (individual and corporate).

18. Refers to the first and second checking account holders.

19. Number of accounts.

STATEMENT OF INCOME GRI G4-9 | G4-EC1

R\$ MILLION	2013	2014	2015	2016	Variation (%)	
					2016 x 2013	2016 x 2015
Net interest income	43,286	48,295	55,387	62,454	44.3	12.8
- Interest earning portion	42,389	47,497	54,777	63,059	48.8	15.1
- Non-interest earning portion	897	798	610	659	(26.5)	8.0
- Impairment of financial assets	-	-	-	(1,264)	-	-
Provision of loan losses (PLL)	(12,045)	(12,657)	(15,174)	(21,739)	80.5	43.3
Gross income from financial intermediation	31,241	35,638	40,213	40,715	30.3	1.2
Income from insurance premiums, pension plans and capitalization bonds, net of variation in technical reserves, retained claims and others*	4,471	5,047	5,426	5,669	26.8	4.5
Fee and commission income	19,786	22,089	24,839	28,024	41.6	12.8
Personnel expenses	(13,061)	(13,967)	(14,699)	(17,637)	35.0	20.0
Other administrative expenses	(14,512)	(14,848)	(16,339)	(19,134)	31.8	17.1
Tax expenses	(4,381)	(4,627)	(5,640)	(6,048)	38.1	7.2
Equity in the earnings (losses) of unconsolidated companies	43	187	144	218	407.0	51.4
Other operating income/(expenses)	(4,743)	(5,395)	(6,708)	(7,015)	47.9	4.6
Operating result	18,844	24,124	27,236	24,792	31.6	(9.0)
Non-operating results	(120)	(183)	(283)	(180)	50.0	(36.4)
Income tax/Social Contribution	(6,425)	(8,469)	(8,933)	(7,338)	14.2	(17.9)
Non-controlling interest	(97)	(113)	(147)	(153)	57.7	4.1
Adjusted net income	12,202	15,359	17,873	17,121	40.3	(4.2)

* "Others", includes: draws and redemption of capitalization bonds and expenses with sales of insurance, pension plans and capitalization bonds.

NON-RECURRING EVENTS

The following table presents a comparison between the main non-recurring events that impacted book net income.

BOOK NET INCOME X ADJUSTED NET INCOME (R\$ MILLION)	2013	2014	2015	2016
Book Net Income	12,011	15,089	17,190	15,084
Non-recurring events (net of tax effects)	191	270	683	2,037
Tax credit	(462)	-	(2,341)	-
Technical reserves ¹	(1,471)	(432)	(276)	592
Excessive ALL/worsening of rating/drag (HSBC Brasil)	-	-	2,222	716
Asset Impairment ²	451	800	472	214
Contingent liabilities ³	58	(98)	606	(266)
Law no. 12,865/13 (REFIS)	(1,950)	-	-	-
Rate adjustment at market value – NTNs	3,565	-	-	-
Amortization of goodwill	-	-	-	577
Single salary bonus	-	-	-	191
Others ⁴	-	-	-	13
Adjusted net income	12,202	15,359	17,873	17,121

1. In 2016, this refers basically to the constitution of: (i) provision for insufficient premiums; and (ii) provision for claims occurred and not informed (IBNR), both referring to the Health segment.

2. Refers basically to the impairment of: (i) shares in the amount of R\$77 million (2015 – R\$238 million; 2014 – R\$749 million; 2013 – R\$361 million); and (ii) other permanent/intangible assets amounting to R\$137 million (2015 – R\$234 million; 2014 – R\$51 million; 2013 – R\$90 million).

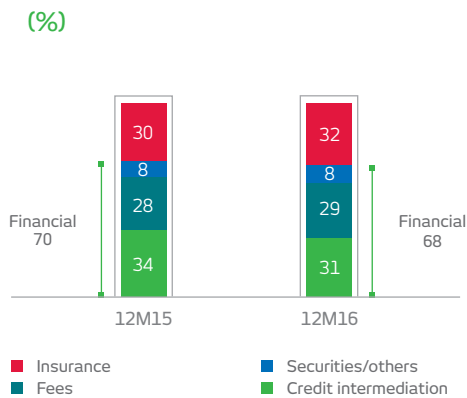
3. In 2016 and 2015, this refers in great part: (i) to the reversal of contingent liabilities relative to social security contributions (INSS) on remuneration paid to freelance service providers (doctors), due to the favorable decision in the Higher Court and in the Federal Supreme Court in the third quarter of 2016, amounting to R\$595 million; and (ii) to the constitution of a provision for contingent liabilities arising from loan obligations – FCVS, amounting to R\$235 million in 2016 (2015 – R\$307 million).

4. In 2016, this refers: (i) to the gain from the partial divestment of investments amounting to R\$91 million; and (ii) other non-recurring expenses, such as costs incurred with the migration/incorporation of HSBC Brasil, amounting to R\$104 million.

INCOME ORIGINATION

In its daily operations, we strive to maintain a balance, with different businesses and sources of income as a means of diversifying the risks inherent to its activities.

It operates mainly on two fronts: in the banking/financial area and in insurance, supplementary pension plans and capitalization bonds. They account respectively for 68% and 32% of the our income. This ensures a secure diffusion of income, encompassing loans, investments, asset management, corporate and private banking, cards, consortia, insurance, supplementary pensions, capitalization bonds and others. The following charts show the breakdown of our net income.

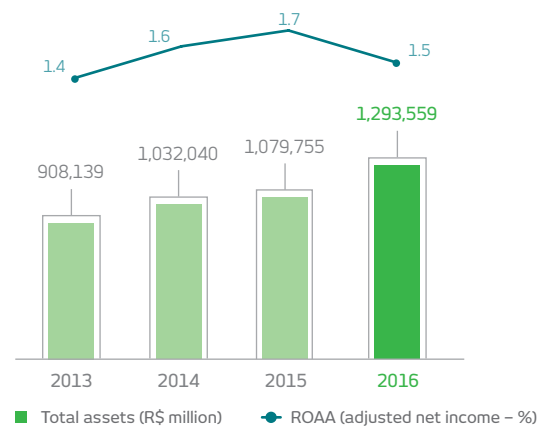
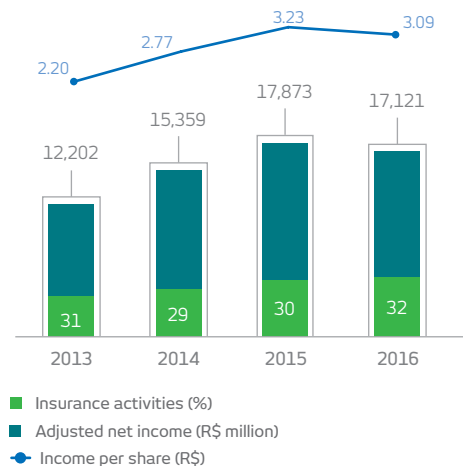
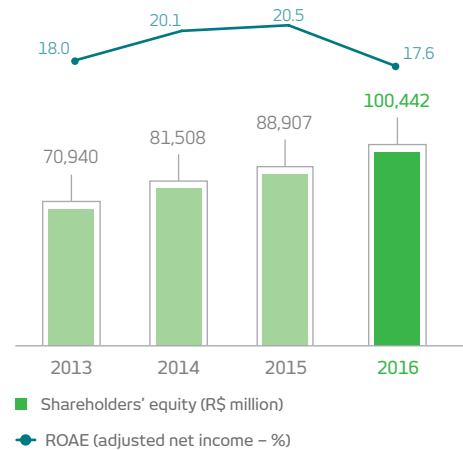


NET INCOME AND PROFITABILITY

Shareholders' equity totaled R\$100,442 million in December 2016, growing 13.0% over 2015. The return on average equity (ROAE) was 17.6% at the end of the period.

Adjusted net income for the period was R\$17,121 million (a reduction of 4.2% compared with the adjusted net income of R\$17,873 million in 2015), corresponding to R\$3.09 per share.

Total assets reached R\$1.294 trillion, an increase of 19.8% over the previous year, driven by the higher business volume and by the consolidation of HSBC Brasil from the third quarter of 2016. The return on average assets (ROAA) was 1.5%.



VALUE ADDED STATEMENT

The added value represents how much wealth we produce and how this wealth is distributed in society year on year. Worthy of note is the growth in added value for shareholders and in remuneration of work.

At the end of 2016, added value totaled R\$48,144 million, up 2.1% over the previous year. Of this amount: (i) R\$15,555 million, or 32.3%, went to the government in the form of contributions, taxes and fees; (ii) R\$15,468 million, or 32.1%, corresponded to employee remuneration; (iii) R\$10,145 million, or 21.1%, was reinvested in the business; and (iv) R\$6,976 million, or 14.5%, was distributed to the shareholders as interest on own equity.

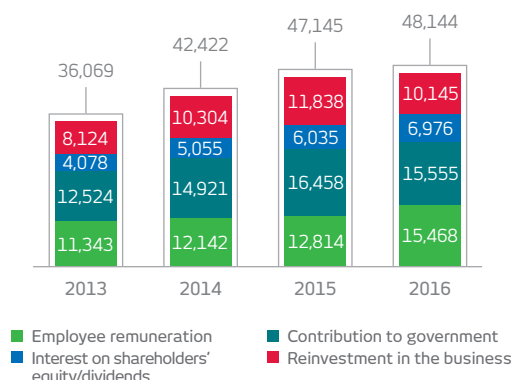
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BASEL RATIO – BASEL III

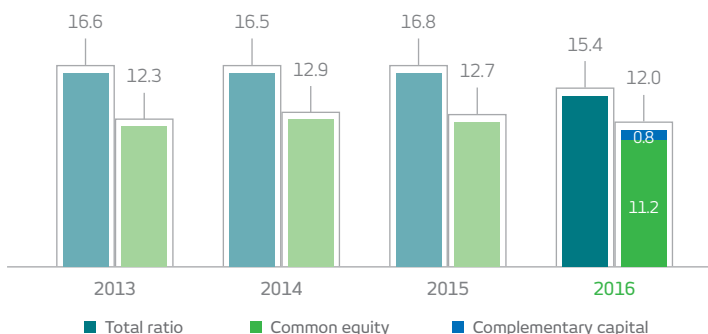
Our capital structure is compliant with Basel III requirements, ensuring that management is better positioned to achieve strategic targets and inspire trust and peace of mind for shareholders and investors.

At the end of the year, Reference Equity totaled R\$101,127 million, compared with risk weighted assets of R\$656,189 million. The total Basel ratio reached 15.4%, 10.5% above the required by the Brazil's Central Bank (Bacen), and Tier I Capital reached 12.0%, a 0.7 percentage point reduction compared with December 2015, impacted basically: (i) by the effect of the consolidation of HSBC Brasil, which influenced (a) the weighted assets, (b) goodwill/intangible assets (c) the other prudential adjustments, which were also impacted by the alteration of the application of the adjustment factor in accordance with CMN Resolution no. 4,192/13, which increased from 40% in January 2015 to 60% from January 2016; and partially offset: (ii) by the issuance of subordinate debt, authorized by the Central Bank in November 2016 to make up Tier I/ Complementary Capital amounting to R\$5.0 billion.

(R\$ MILLION)

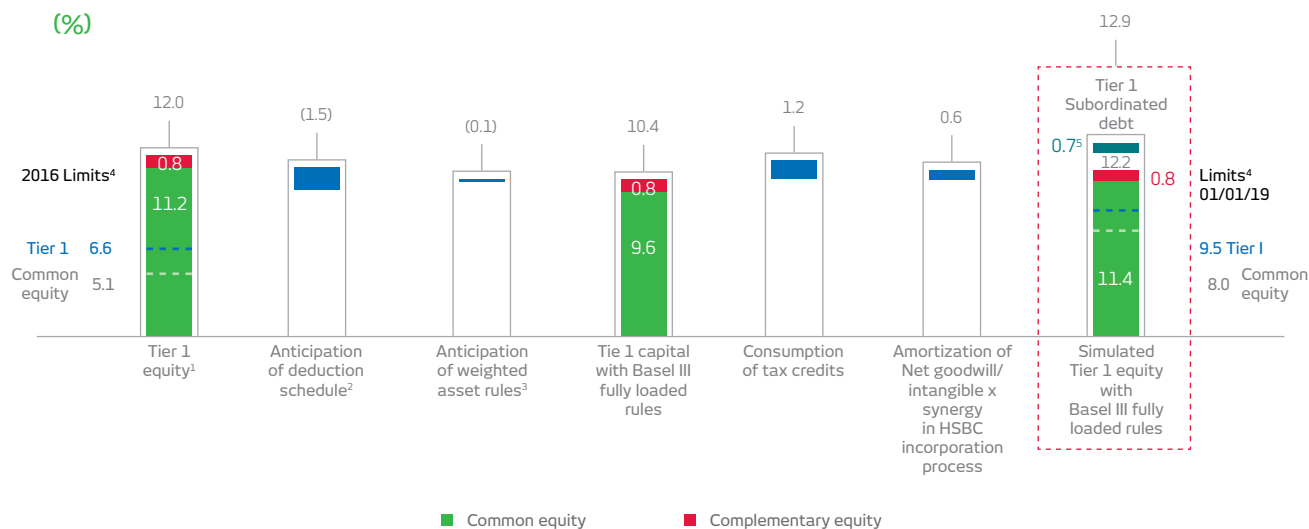


(%)



FULL IMPACT – BASEL III

There follows a simulation for Basel III, considering some of the main future adjustments, which include: (i) the application of 100% of the deductions in the implantation schedule; (ii) the reallocation of funds by payment of dividends by the insurance business; (iii) the application of tax credits; (iv) the anticipation of the multiplier of portions of market and operational risk, from 9.875% to 8% and the impact of CMN Resolution no. 4,517/16; and (v) the impact of the acquisition of HSBC Brasil (amortization of goodwill/intangible assets and synergy in the incorporation process), resulting in a common equity ratio of 12.2% which, with potential funding via subordinate debt, may total a Tier 1 Basel ratio of approximately 12.9% at the end of 2018.



1. Published (Schedule 60%).

2. Effect of full impact. Includes the stock of goodwill/intangible paid for in the purchase of HSBC Brasil, net of amortizations and reallocation of funds, via payment of Bradesco Seguros Group dividends.

3. Considers the anticipation of the multiplier of portions of market and operational risk, from 9.875% to 8% in 2019, and the change in rules for the consolidation of proportional companies in accordance with CMN Resolution No. 4,517/16.

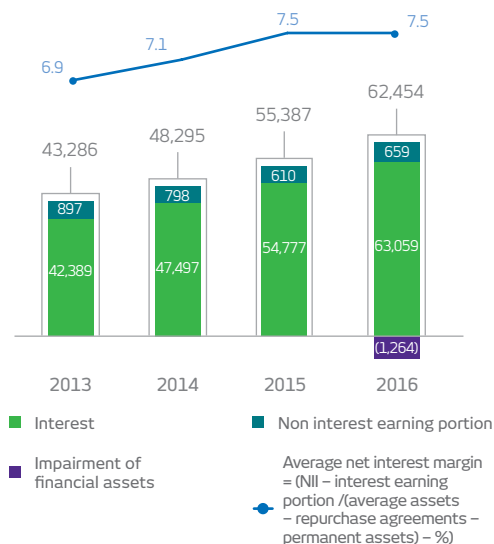
4. Refers to the required minimums in accordance with the Bacen communications No. 3,768/15 and 3,769/15. It should be noted that Bacen established the counter-cyclical portion of equity required at 0%, which may reach 2.5% by 2019, and includes 1% for the systemic importance portion in 2019.

5. Considers the possibility of management issuing complementary equity by 2018, if market conditions permit this.

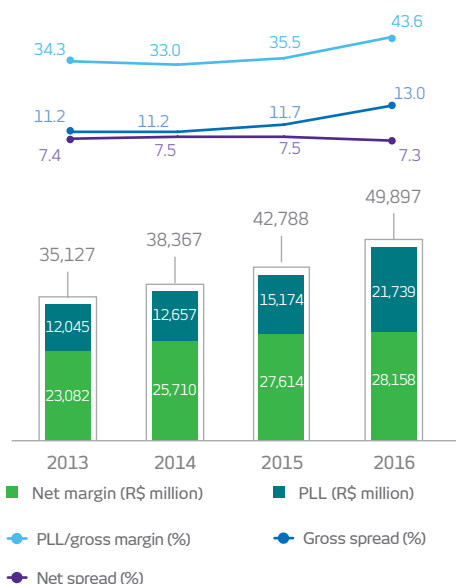
CAPITAL BUFFER MARGIN

In 2016, the financial margin reached R\$62,454 million, growing by R\$7,067 million or 12.8%, compared with 2015, reflecting growth in operational earnings: (i) yielding interest of R\$8,282 million, worthy of note being loan intermediation driven in part by the consolidation of HSBC Brasil from the third quarter of 2016; (ii) non-interest earning portion of R\$49 million; offset: (iii) by the effect of losses from the impairment of financial assets (previously stated as shareholders' equity) amounting to R\$1,264 million.

(R\$ MILLION, UNLESS OTHERWISE INDICATED)



INTEREST EARNING PORTION OF NET CREDIT INTERMEDIATION



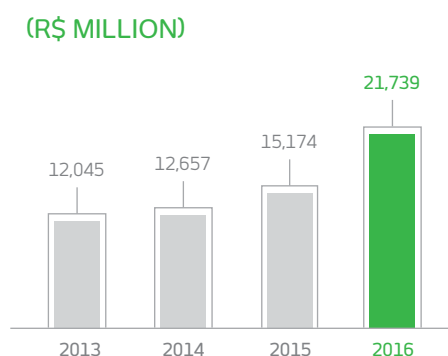
In 2016, the net interest margin on loans varied 2.0% compared with 2015, due basically: (i) to the increase in the (a) average spread and (b) the average volume of business, justified in part by the consolidation of HSBC Brasil from the third quarter; offset: (ii) by the increase in delinquency, due particularly to the intensification of the deceleration in economic activity in the period; and (iii) by the impact produced by the effect of aligning the level of provisioning for determined operations with corporate clients during the first half of 2016, worthy of note being one specific case whose demotion to an H rating produced an impact of R\$1,201 million.

EXPENSES WITH PROVISION FOR LOAN LOSSES

In 2016, the expenses from the provision for loan losses totaled R\$21,739 million, a variation of 43.3%, or R\$6,565 million, compared with the previous year, due in great part: (i) to the increase in delinquency, impacted mainly by the intensification of the deceleration in economic activity in the period; (ii) to the impact produced by the effect of aligning the level of

provisioning for operations with corporate clients, worthy of note being one specific case whose worsened rating produced an impact of R\$1,201 million in the first half of the year; and (iii) the effect of the consolidation of HSBC Brasil from the third quarter of 2016.

The reinforcement of the policy and loan concession processes, the quality of the guarantees obtained and the improvement of loan recovery processes mitigated the effects of the growth in delinquency.

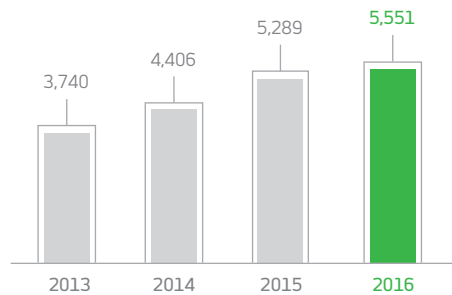


INSURANCE WRITTEN PREMIUMS, PENSION PLAN CONTRIBUTIONS AND CAPITALIZATION BOND INCOME

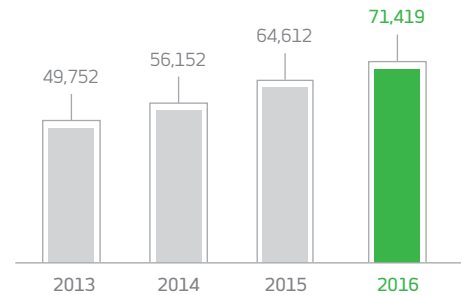
The Bradesco Seguros Group is one of our main sources of earnings, showing resilience even in more volatile years. Net income in 2016 was R\$5.551 billion, 5.0% up on the previous year due: (i) to a 10.5% increase in revenue; (ii) the increase in financial and asset income; (iii) the 0.4 percentage point decrease in the commercialization rate; (iv) the improvement in the administrative efficiency ratio, even taking into account the category's collective agreement in January; offset in part: (v) by the 2.7 percentage point increase in the claim rate; (vi) by the effect of the R\$101.9 million from the review of the extended guarantee operation business plan; and (vii) by the effect of the increase in the Social Contribution (CSLL) rate.

Revenue from insurance written premiums, pension plan contributions and capitalization bonds reached R\$71.419 billion, growing 10.5% compared with 2015, influenced by Health, Life, Pension Plan and Capitalization products, which grew 14.7%, 10.7%, and 6.5% respectively. Technical reserves reached R\$223.342 billion, growing 25.6% in the period.

NET INCOME (R\$ MILLION)



INSURANCE WRITTEN PREMIUMS, PENSION PLAN CONTRIBUTIONS AND CAPITALIZATION BOND INCOME (R\$ MILLION)



R\$ MILLION (UNLESS OTHERWISE STATED)	2013	2014	2015	2016	Variation (%)	
					2016 x 2013	2016 x 2015
Net income	3,740	4,406	5,289	5,551	48.4	5.0
Insurance written premiums, pension plan contributions and capitalization bond income	49,752	56,152	64,612	71,419	43.6	10.5
Technical reserves	136,229	153,267	177,835	223,342	63.9	25.6
Financial assets	146,064	166,022	191,921	242,063	65.7	26.1
Claims ratio (%)	71.2	71.0	72.0	74.7	3.5 p.p.	2.7 p.p.
Combined ratio (%) ¹	86.1	86.1	86.7	88.0	1.9 p.p.	1.3 p.p.
Policyholders/participants and clients (thousands)	45,675	46,956	49,806	51,266	12.2	2.9
Employees (unit)	7,383	7,113	7,023	7,120	(3.6)	1.4
Market Share of insurance written premiums, pension plan contributions and capitalization bond income (%) ²	24.2	24.4	25.5	24.8	0.6 p.p.	(0.7) p.p.

1. Excludes additional provisions.

2. In 2016, considers the latest data made available by Susep (November).

FEE INCOME

Our fee income, which accounts for around 30% of our earnings, has been growing steadily with excellent prospects for continued expansion, mainly due to the improvement of the client segmentation process.

In 2016, fee income totaled R\$28,024 million, an increase of R\$3,185 million or 12.8% over 2015, driven mainly by: (i) the increase in op-

erational volume, the result of ongoing investment in the service channels and in technology, allied with the growth provided by the acquisition of HSBC Brasil in the third quarter of 2016; and (ii) by progress in the client segmentation process, to ensure an improved offering of products and services. The revenues that most contributed to this result were from: (i) the growth in checking account rev-

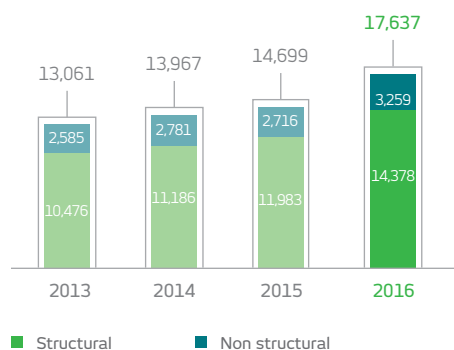
venues, basically the result of improved client segmentation; (ii) the robust performance of card activities, due to (a) the increase in the financial volume transacted and (b) the higher number of transactions; and the growth in revenues from: (iii) fund management; (iv) consortium management; (v) underwriting/financial advisory services; (vi) collection; and (vii) custody and brokerage services.

(R\$ MILLION)	2013	2014	2015	2016	Variation (%)	
					2016 x 2013	2016 x 2015
Card income	7,165	8,129	9,612	10,374	44.8	7.9
Checking accounts	3,608	4,021	4,946	6,012	66.6	21.6
Fund management	2,324	2,449	2,617	3,090	33.0	18.1
Loan operations	2,242	2,582	2,801	2,811	25.4	0.4
Collection	1,471	1,566	1,574	1,778	20.9	13.0
Consortium management	722	880	1,040	1,279	77.1	23.0
Underwriting/financial advisory services	568	637	541	745	31.2	37.7
Custody and brokerage services	511	520	557	725	41.9	30.2
Payments	340	373	383	374	10.0	(2.3)
Others	835	931	767	837	0.2	9.1
Total	19,786	22,089	24,839	28,024	41.6	12.8

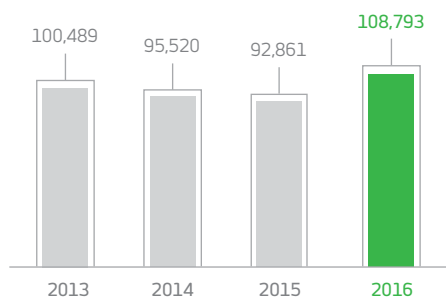
PERSONNEL EXPENSES

During the year, personnel expenses totaled R\$17,637 million, growing R\$2,938 million or 20.0% against the previous year, explained mainly by the variations in the (i) structural portion, related to increased expenses with salaries, social charges and benefits, impacted by the (a) increase in salary levels in accordance with the collective agreements for 2015 and 2016, and (b) the effect of the consolidation of HSBC Brasil from the third quarter of 2016; and (ii) the non structural portion, a reflex, in part, of higher expenses with (a) management and employee profit share and (b) severance costs.

PERSONNEL EXPENSES (R\$ MILLION)



EMPLOYEES*



* In 2016, includes 21,016 HSBC Brasil employees; and in 2014, includes the transfer of 2,431 Scopus Tecnologia employees to IBM Brasil.

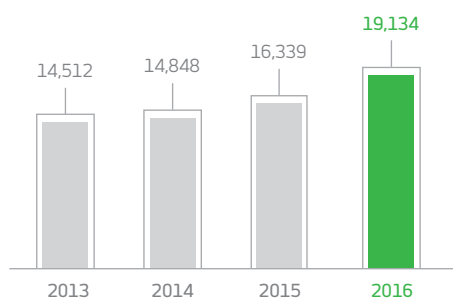
Obs.: Structural = salaries + social charges + benefits + pension plan; and
Non structural = Profit share plan + training + Labor provision + severance costs.

ADMINISTRATIVE EXPENSES

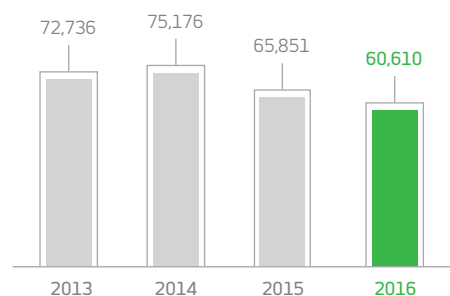
Due to the efforts of the Efficiency Committee, we have been able to maintain our administrative expenses at a controlled level, helping to improve the Operating Efficiency Ratio.

In 2016, administrative expenses totaled R\$19,134 million, 17.1% or R\$2,795 million higher than in 2015, reflecting the increase in expenses caused by: (i) the growth in business and service volume in the period, impacted partially by the effect of the consolidation of HSBC Brasil from the third quarter of 2016; (ii) by contract readjustments; and (iii) by the cost of advertising and marketing actions, mainly related to the 2016 Rio Olympic and Paralympic games in the third quarter of the year.

ADMINISTRATIVE EXPENSES (R\$ MILLION)



SERVICE POINTS (UNITS)*



* In 2016 and 2015, the reduction refers to: (i) the migration of Bradesco ATM Network external points to the Banco 24Horas network; (ii) the deactivation of ATMs in the Banco24Horas network; and (iii) the decrease in the number of Bradesco Expresso correspondents.

BREAKDOWN OF PERSONNEL AND ADMINISTRATIVE EXPENSES

In 2016, personnel and administrative expenses totaled R\$36,771 million, an increase of 18.5% or R\$5,733 million, caused in part by the effect of the consolidation of HSBC Brasil from the third quarter of the year.

(R\$ MILLION)	2013	2014	2015	2016	Variation (%)	
					2016 x 2013	2016 x 2015
Personnel expenses						
Structural	10,476	11,186	11,983	14,378	37.2	20.0
Salaries/social charges	7,798	8,282	8,834	10,612	36.1	20.1
Benefits	2,678	2,904	3,149	3,766	40.6	19.6
Non structural	2,585	2,781	2,716	3,259	26.1	20.0
Management and employee profit share plan	1,407	1,536	1,580	1,846	31.2	16.8
Provision for labor claims	806	793	705	771	(4.3)	9.4
Training	127	145	145	176	38.6	21.4
Severance costs	245	307	286	466	90.2	62.9
Total	13,061	13,967	14,699	17,637	35.0	20.0

(R\$ MILLION)	2013	2014	2015	2016	Variation (%)	
					2016 x 2013	2016 x 2015
Administrative expenses						
Outsourced services	4,134	3,942	4,124	4,772	15.4	15.7
Depreciation and amortization	1,665	1,906	2,121	2,501	50.2	17.9
Data processing	1,297	1,342	1,600	2,002	54.4	25.1
Communication	1,608	1,524	1,653	1,876	16.7	13.5
Advertising and marketing	793	934	1,064	1,279	61.3	20.2
Asset maintenance	661	700	1,033	1,155	74.7	11.8
Rental	830	896	942	1,102	32.8	17.0
Financial system services	732	774	835	1,022	39.6	22.4
Security and surveillance	495	559	609	740	49.5	21.5
Transportation	832	776	642	727	(12.6)	13.2
Water, electricity and gas	225	237	345	390	73.3	13.0
Materials	310	342	336	335	8.1	(0.3)
Travel	138	156	168	179	29.7	6.5
Others	793	760	867	1,053	32.8	21.5
Total	14,512	14,848	16,339	19,134	31.8	17.1
Total personnel and administrative expenses	27,573	28,815	31,038	36,771	33.4	18.5

OPERATING EFFICIENCY RATIO (ER)¹

The Operating Efficiency Ratio (ER) ended 2016 at 39.5%, 2.0 percentage points higher than 2015. If we were to not consider the effect of the impairment of financial assets (previously stated in shareholders' equity) amounting to R\$1,264 million in the fourth quarter, the indicator would be 38.9%. The factors that most contributed to this performance were: (i) the increase in operational expenses in the period, impacted by the effect of the consolidation of HSBC Brasil from the third quarter of the year; offset: (ii) by the growth in revenue from (a) service provision due to the higher volume of business and services provided and (b) by the financial margin.

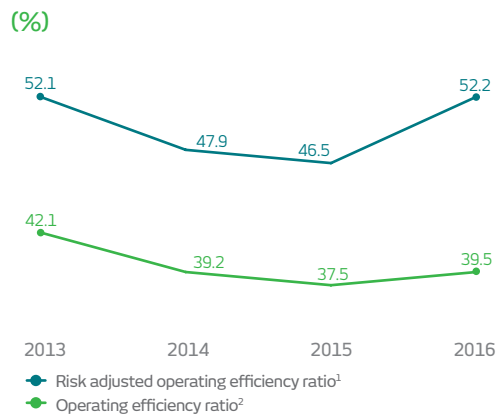
The Operating Efficiency Ratio on a risk adjusted basis, which reflects the impact of risk associated with lending operations², reached 52.2% (51.2% not considering the effect of impairment), mainly due to the effect of the alignment of the level of provisioning for corporate client operations in the first half of the year.

Excluding the impacts of the consolidation of HSBC Brasil and the impairment of financial assets, the performance of the Operating Efficiency Ratio reflects our sustainable growth strategy, which includes, among others, (i) the provision of products and services suitable for clients by means of the segmentation of the client base and the digital channels, (ii) the optimization of the service points and (iii) ongoing control of operational expenses, the result of

1. ER = (personnel expenses - profit share + administrative expenses)/(financial margin + fee and commission income + insurance income + equity in the earnings of unconsolidated companies + other operating income - other operating expenses).

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

the actions of the Efficiency Committee and investments in Information Technology, which totaled R\$6.595 billion in the year.

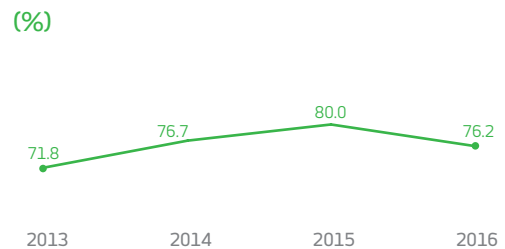


- Including ALL Expenses adjusted for discounts granted, loan recovery and sale of foreclosure assets, among others.
- ER = (personnel expenses - profit share + administrative expenses)/(financial margin + fee and commission income + insurance income + equity in the earnings of unconsolidated companies + other operating income - other operating expenses).

OPERATING COVERAGE RATIO

The ratio* was 76.2% at the end of 2016, impacted in part by the increase in operational expenses caused by the consolidation of HSBC Brasil from the third quarter of the year. However, maintenance of this indicator at a high level is due essentially to the ongoing expense control efforts, including (a) the actions of the Efficiency Committee, (b) investments in information technology, which totaled R\$6.595 billion in the year, and (c) measures to expand the product and service offering to the entire client base.

* Fee and commission income/administrative and personnel expenses.



ADJUSTED BALANCE SHEET

In December 2016, the balance of total assets was R\$1.294 trillion, growth of 19.8% over the same period the previous year.

Shareholders' equity was R\$100.442 billion, 13.0% up on 2015.

(R\$ MILLION)	Dec/13	Dec/14	Dec/15	Dec./16	Variation (%)	
					2016 x 2013	2016 x 2015
Assets						
Current and long term assets	892,495	1,016,970	1,059,768	1,262,273	41.4	19.1
Cash and cash equivalents	12,196	14,646	17,457	14,697	20.5	(15.8)
Interbank investments	135,456	202,412	140,457	177,685	31.2	26.5
Securities and derivative financial instruments	313,327	346,358	407,584	549,873	75.5	34.9
Interbank and interdepartmental accounts	56,995	52,004	55,728	59,007	3.5	5.9
Loan and leasing operations	296,629	318,233	333,854	347,489	17.1	4.1
Allowance for loan losses (ALL)*	(21,349)	(22,724)	(28,805)	(37,653)	76.4	30.7
Other receivables and assets	99,241	106,041	133,493	151,175	52.3	13.2
Permanent assets	15,644	15,070	19,987	31,286	100.0	56.5
Investments	1,830	1,712	1,587	1,778	(2.8)	12.0
Premises and leased assets	4,668	4,887	5,772	7,965	70.6	38.0
Intangible assets	9,146	8,471	12,628	21,543	135.5	70.6
Total	908,139	1,032,040	1,079,755	1,293,559	42.4	19.8

(R\$ MILLION)	Dec/13	Dec/14	Dec/15	Dec/16	Variation (%)	
					2016 x 2013	2016 x 2015
Liabilities						
Current and long term liabilities	835,917	949,846	988,833	1,191,094	42.5	20.5
Deposits	218,063	211,612	195,760	234,214	7.4	19.6
Federal funds purchased	256,279	320,194	279,726	349,070	36.2	24.8
Funds from issuance of securities	57,654	84,825	109,547	150,807	161.6	37.7
Interbank and interdepartmental accounts	6,864	5,958	6,384	7,089	3.3	11.0
Borrowing and onlending	56,095	58,998	70,338	58,197	3.7	(17.3)
Derivative financial instruments	1,808	3,282	13,785	12,398	585.7	(10.1)
Reserves for insurance, pension plans and capitalization bonds	136,229	153,267	177,835	223,342	63.9	25.6
Other reserve requirements	102,925	111,710	135,458	155,977	51.5	15.1
Deferred income	677	293	529	477	(29.5)	(9.8)
Non-controlling interest in subsidiaries	605	393	1,486	1,546	155.5	4.0
Shareholders' equity	70,940	81,508	88,907	100,442	41.6	13.0
Total	908,139	1,032,040	1,079,755	1,293,559	42.4	19.8

* Including the provision for sureties in December 2016, the coverage ratios for doubtful debtors totaled R\$40,714 million, which classifies as excessive ALL.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(R\$ MILLION)	Dec/13	Dec/14	Dec/15	Dec/16
Opening balance	70,047	70,940	81,508	88,907
Acquisition of treasury shares	(72)	(29)	(133)	(10)
Asset valuation adjustments	(6,969)	563	(3,623)	3,437
Net profit	12,011	15,089	17,190	15,084
Allocations:				
- Interest on own shareholders' equity paid and/or provisioned	(3,224)	(3,595)	(5,123)	(6,976)
- Interim dividends paid and/or provisioned	(854)	(1,460)	(912)	-
Final balance	70,940	81,508	88,907	100,442

CONSOLIDATED CASH FLOW STATEMENT

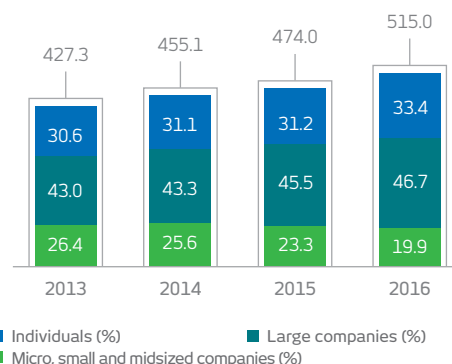
(R\$ MILLION)	Dec/13	Dec/14	Dec/15	Dec/16*
Cash flow from operational activities	104,243	110,463	(29,044)	52,664
Cash flow from investment activities	(30,561)	(19,137)	(38,749)	(13,954)
Cash flow from financing activities	(3,412)	(4,340)	10,400	(4,720)
Net increase/(decrease) in cash and cash equivalents	70,270	86,986	(57,393)	33,990
Cash and cash equivalents – beginning of period	47,555	117,825	204,812	147,419
Cash and cash equivalents – end of period	117,825	204,812	147,419	181,409

* For further information please refer to explanatory note no. 5 – Balance Sheet and Income Statement from the Financial Statements of the year ended on December 31, 2016.

EXPANDED LOAN PORTFOLIO*

At the end of the year, we expanded loan portfolio totaled R\$515.0 billion, growing 8.6% over the previous year. This included the consolidation of HSBC Brasil from the third quarter, with the corporate segment growing 5.1%, impacted by the large company segment, while loans for individuals grew 16.4%. The products for individuals that grew most over the last 12 months were: (i) real estate financing; and (ii) credit cards. For corporations, worthy of note were: (i) credit risk operations – commercial portfolio (bonds and promissory notes); and (ii) export finance.

(R\$ BILLION, UNLESS OTHERWISE STATED)



* In addition to the credit portfolio – according to the Bacen definition – it includes sureties, guarantees, letters of credit, advances on credit card receivables, debentures, promissory notes, co-obligation in loan assignments to investment funds, real estate and agricultural credit receivables

BREAKDOWN OF EXPANDED LOAN PORTFOLIO BY PRODUCT AND TYPE (INDIVIDUAL AND CORPORATE)

(R\$ MILLION)	Dec/13	Dec/14	Dec/15	Dec/16	Variation (%)	
					2016 x 2013	2016 x 2015
Individual						
Payroll-deductible loans	26,786	29,619	34,565	38,804	44.9	12.3
Credit card	23,915	26,233	28,592	35,622	49.0	24.6
Real estate financing	13,602	17,919	22,781	32,298	137.5	41.8
CDC/Vehicle leasing	27,251	24,858	21,689	19,952	(26.8)	(8.0)
Personal loans	16,476	16,354	15,201	18,437	11.9	21.3
Rural loans	8,393	10,300	8,215	7,887	(6.0)	(4.0)
BNDES/Finame onlending	6,803	7,334	7,029	6,685	(1.7)	(4.9)
Overdraft facilities	3,313	3,666	3,905	4,509	36.1	15.5
Sureties and guarantees	187	458	707	644	244.4	(9.0)
Others	4,025	4,693	5,065	7,208	79.1	42.3
Total	130,750	141,432	147,749	172,045	31.6	16.4

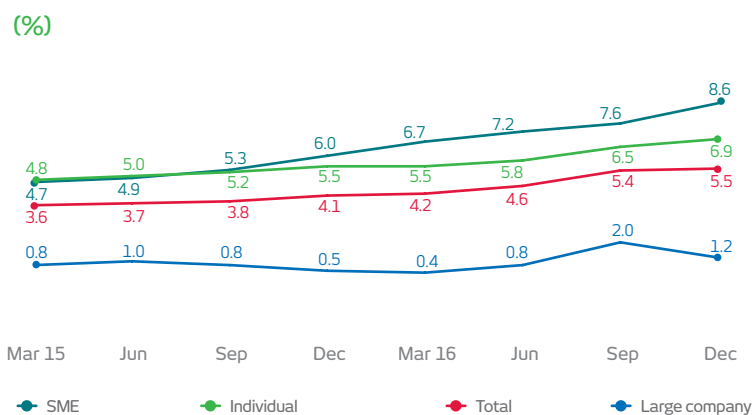
(R\$ MILLION)	Dec/13	Dec/14	Dec/15	Dec/16	Variation (%)	
					2016 x 2013	2016 x 2015
Corporate						
Working capital	45,599	45,004	42,432	45,943	0.8	8.3
Operations abroad	32,003	36,119	48,453	37,250	16.4	(23.1)
Export financing	15,366	15,839	23,158	27,829	81.1	20.2
BNDES/Finame onlending	33,740	34,835	31,129	29,261	(13.3)	(6.0)
Real estate financing	15,870	23,560	26,508	29,466	85.7	11.2
Overdrafts	10,410	10,462	9,794	8,606	(17.3)	(12.1)
CDC/Leasing	13,008	12,388	9,666	8,091	(37.8)	(16.3)
Rural loans	5,258	6,657	5,404	6,531	24.2	20.9
Sureties and guarantees	67,399	71,611	69,176	78,304	16.2	13.2
Operations bearing credit risk – commercial portfolio*	33,104	33,185	34,319	41,605	25.7	21.2
Others	24,765	24,035	26,238	30,061	21.4	14.6
Total	296,523	313,695	326,278	342,945	15.7	5.1

* Includes debenture and promissory note operations.

DELINQUENCY RATIO > 90 DAYS*

The indicator, encompassing the balance of operations more than 90 days overdue, **grew in 2016, reflecting the low demand for loans and the intensification of the deceleration of economic activity, which has impacted payment capacity, particularly for companies. However, worthy of note is the improvement in delinquency in the large company segment in the last quarter, with a decrease from 2.0% to 1.2%.**

Also in the last quarter, loans totaling R\$2.0 billion that had already been written off as losses were negotiated without retention of risks or benefits. This did not affect the delinquency rates in the period nor did it have a significant effect on results.

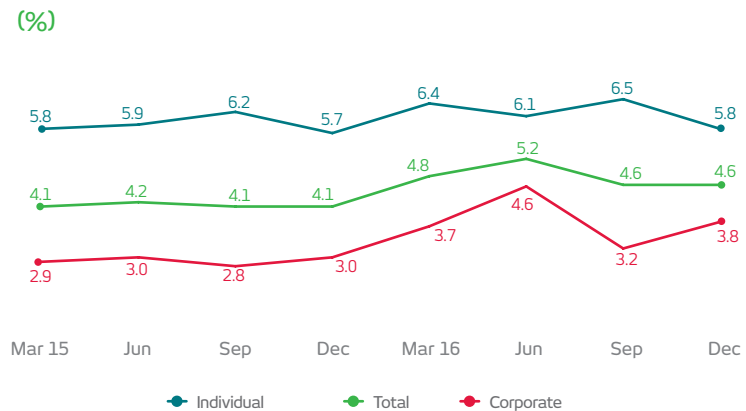


* As defined by the Central Bank, Bacen.

DELINQUENCY RATE FROM 15 TO 90 DAYS*

In the last quarter of 2016, short-term delinquency involving operations overdue between 15 and 90 days grew due to a fully provisioned client in the Large Company segment migrating from one overdue category band to another.

Noteworthy is the improvement of this indicator in the Individual segment, with a reduction of 0.7 of a percentage point in the same period.



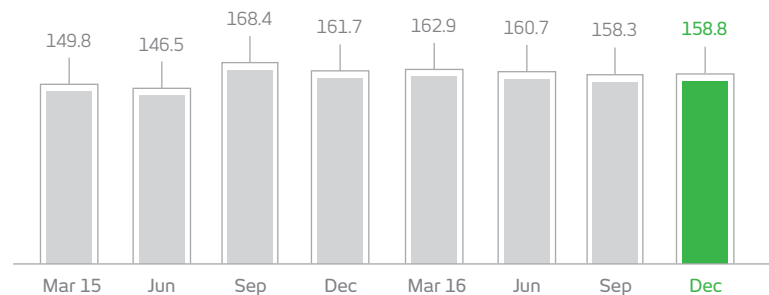
* As defined by the Central Bank, Bacen.

COVERAGE RATIOS ABOVE 60 AND 90 DAYS^{1,2}

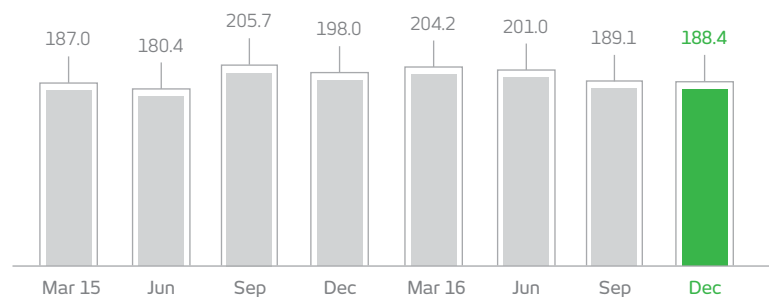
The charts at the side show the behavior of the coverage ratios for doubtful debtors overdue more than 60 and 90 days, taking HSBC Brasil into account from July. In December, the ratios showed very comfortable levels, with 158.8% and 188.4% coverage respectively.

This indicator reflects the consistency and robustness of credit concession policies and processes, as well as the quality of the guarantees obtained. We have a greater coverage level than required by regulatory bodies, helping to ensure business continuity. In addition to the allowance for loan losses required by Bacen, We have a R\$7.5 billion excess provision to enable it to overcome potential situations of stress, as well as other operations/commitments involving credit risk.

COVERAGE RATE ABOVE 60 DAYS (%)



COVERAGE RATE ABOVE 90 DAYS (%)



1. As defined by Bacen.

2. Includes a provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, in line with the concept of excess allowance for loan losses.

FUNDS UNDER MANAGEMENT

The funds raised and under management totaled R\$1.905 trillion, a variation of R\$394,516 million or 26.1% compared with 2015. This is due mainly to the increase: (i) in funds managed in Brazilian currency, amounting to R\$206,204 million; (ii) funds raised on the open market, amounting to R\$69,344 million; (iii) the technical reserves for insurance, pension plans and capitalization bonds, amounting to R\$45,507 million; and (iv) the revenues from the issuance of securities amounting to R\$41,474 million.

We present limited dependence on interbank and external funds due to the efficiency with which it raises funds from clients in the domestic market. This efficiency is the result of (i) the exceptional positioning of its service points, (ii) the broad diversity of the products on offer and (iii) market confidence in our brand.

(R\$ MILLION)	Dec/13	Dec/14	Dec/15	Dec/16	Variation (%)	
					2016 x 2013	2016 x 2015
Raised	824,692	937,369	960,113	1,148,424	39.3	19.6
Deposits	218,063	211,612	195,760	234,214	7.4	19.6
Securities sold under agreements to repurchase	256,279	320,194	279,726	349,070	36.2	24.8
Funds from acceptance and issuance of securities	54,592	82,335	106,275	147,749	170.6	39.0
Borrowing and onlending obligations	56,095	58,998	70,338	58,197	3.7	(17.3)
Subordinated debt	35,885	35,822	50,283	52,611	46.6	4.6
Securitization of future financial flows	3,062	2,490	3,272	3,058	(0.1)	(6.5)
Own capital/under management*	55,901	66,831	70,406	70,702	26.5	0.4
Withholding and other taxes and obligations	815	435	601	732	(10.2)	21.8
Foreign exchange portfolio	7,771	5,385	5,617	8,749	12.6	55.8
Technical reserves for insurance, pension plans and capitalization bonds	136,229	153,267	177,835	223,342	63.9	25.6
Managed in local currency	435,364	488,730	550,284	756,488	73.8	37.5
Total	1,260,056	1,426,099	1,510,396	1,904,912	51.2	26.1

* Shareholders' Equity under management (-) Permanent Assets.

OUTLOOK FOR 2017

The following table contains forward-looking statements which are subject to risks and uncertainties because they were based on our management's assumptions and expectations and information available in the market up until February 2nd, 2017, the date the 2016 results were disclosed, and which may be subject to alterations during the course of 2017. For further information, refer to the Report on Economic and Financial Analysis published quarterly and available on our Investor Relations website (www.bradesco.com.br/ir > Reports and Spreadsheets > Financial Information).

	<i>Pro forma*</i>	Published
Expanded loan portfolio	1 to 5%	1 to 5%
NII – Interest earning portion	-4 to 0%	3 to 7%
Fee and commission income	7 to 11%	12 to 16%
Operating Expenses (Administrative and Personnel expenses)	-1 to 3%	10 to 14%
Insurance premiums	4 to 8%	6 to 10%
ALL expenses (includes credit recovery revenues)	R\$21.0 billion to R\$24.0 billion	R\$21.0 billion to R\$24.0 billion

* Includes the incorporation of HSBC Brasil throughout the period analyzed to enable comparability.

GRI CONTENT INDEX

GRI G4-32

GENERAL STANDARD DISCLOSURE				
GENERAL STANDARD DISCLOSURE	Page	External assurance	Global Compact	SDG
STRATEGY AND ANALYSIS				
G4-1	2 and 3	✓		
ORGANIZATIONAL PROFILE				
G4-3	180	✓		
G4-4	10 11 and 25	✓		
G4-5	180	✓		
G4-6	GRI Attachment – 140	✓		
G4-7	180	✓		
G4-8	17 and 23 25	✓		
G4-9	115 to 117	✓		
G4-10	116; GRI Attachment – 140 and 141	✓	6	8
G4-11	GRI Attachment – 141	✓	3	8
G4-12	71	✓		
G4-13	90	✓		
G4-14	53	✓		
G4-15	57	✓		
G4-16	GRI Attachment – 141	✓		
MATERIAL ASPECTS IDENTIFIED AND BOUNDARIES				
G4-17	GRI Attachment – 141	✓		
G4-18	4, GRI Attachment – 142	✓		
G4-19	GRI Attachment – 142 and 143	✓		
G4-20	GRI Attachment – 142 and 143	✓		
G4-21	GRI Attachment – 142 and 143	✓		
G4-22	GRI Attachment – 144	✓		
G4-23	GRI Attachment – 144	✓		
STAKEHOLDER ENGAGEMENT				
G4-24	GRI Attachment – 144	✓		
G4-25	GRI Attachment – 144	✓		

GENERAL STANDARD DISCLOSURE					
GENERAL STANDARD DISCLOSURE		Page	Verified	Global Compact	SDG
G4-26		4 and GRI Attachment - 144	✓		
G4-27		7 and GRI Attachment - 144	✓		
REPORT PROFILE					
G4-28		GRI Attachment - 144	✓		
G4-29		GRI Attachment - 144	✓		
G4-30		GRI Attachment - 144	✓		
G4-31		180	✓		
G4-32		132 and GRI Attachment - 144	✓		
G4-33		178	✓		
GOVERNANCE					
G4-34		33	✓		
G4-35		51	✓		
G4-36		51			
ETHICS AND INTEGRITY					
G4-56		24	✓	10	16
G4-57		30		10	16
G4-58		49		10	16

SPECIFIC STANDARD DISCLOSURES						
MATERIAL ASPECTS	DMA AND INDICATORS	Page	Omissions	External assurance	Global Compact	SDG
CATEGORY: ECONOMIC						
Economic performance	G4-DMA	113				
		114		✓		
	EC1	115 to 117 and 119		✓		2 5 7 8 9
	EC2	54, 55 and 68			7	13
Indirect economic impacts		56 and 60		✓		
	G4-DMA	93, 95 and GRI Attachment - 145		✓		
	EC8	93 and 95		✓		1 2 3 8 10 17
		94, 96 and 97				
Procurement practices	G4-DMA	49 and 71				
	EC9	GRI Attachment - 146		✓		12
CATEGORY: ENVIRONMENTAL						
Materials	G4-DMA	GRI Attachment - 146				
	EN1	GRI Attachment - 146		✓	7 8	8 12
Energy	G4-DMA	GRI Attachment - 146		✓		
	EN3	GRI Attachment - 147		✓	7 8	7 8 12 13
Water	G4-DMA	GRI Attachment - 147		✓		
	EN8	GRI Attachment - 147		✓	7 8	6

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DMA AND INDICATORS	Page	Omissions	External assurance	Global Compact	SDG
Emissions	G4-DMA	GRI Attachment – 147				
	EN15	GRI Attachment – 148			7 8	3 12 13 14 15
	EN16	GRI Attachment – 148			7 8	3 12 13 14 15
	EN17	GRI Attachment – 148			7 8	3 12 13 14 15
	EN18	GRI Attachment – 148			8	13 14 15
	EN19	GRI Attachment – 148			8 9	13 14 15
	EN20	GRI Attachment – 148			7 8	3 12
	EN21	GRI Attachment – 148			7 8	3 12 14 15
Effluents and waste	G4-DMA	GRI Attachment – 148				
	EN23	GRI Attachment – 148		✓	8	3 6 12
Compliance	G4-DMA	58				
	EN29	GRI Attachment – 149		✓	8	16
Transportation	G4-DMA	GRI Attachment – 149				
	EN30	GRI Attachment – 149			8	11 12 13
Overall	G4-DMA	58				
	EN31	GRI Attachment – 149		✓	7 8 9	7 9 12 13 14 15 17
	G4-DMA	GRI Attachment – 150				
Environmental grievance mechanisms	EN32	GRI Attachment – 150		✓	8	
	EN33	GRI Attachment – 150		✓	8	
			Currently unavailable. The percentage of suppliers and the improvements agreed upon are not informed. The percentage of suppliers and the reasons for the termination of the relationship are not informed. We are working internally to make this information available.			

CATEGORY: SOCIAL

SUB-CATEGORY: LABOR PRACTICES AND DECENT WORK

Employment	G4-DMA	75, 77 and 79				
	LA1	GRI Attachment – 151		✓	6	5 8
	LA2	GRI Attachment – 151		✓		8
	LA3	GRI Attachment – 151 and 152		✓	6	5 8

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DMA AND INDICATORS	Page	Omissions	External assurance	Global Compact	SDG
Training and education	G4-DMA	60, 73 and 77				
		79		✓		
	LA9	GRI Attachment - 152		✓	6	4 5 8
	LA10	75 GRI Attachment - 152		✓		8
	LA11	75 and GRI Attachment - 153		✓	6	5 8
Diversity and equality of opportunity	G4-DMA	GRI Attachment - 153				
	LA12	GRI Attachment - 153 and 154		✓	6	5 8
Equal remuneration for women and men	G4-DMA	GRI Attachment - 154				
	LA13	GRI Attachment - 155		✓	6	5 8 10
Supplier assessment for labor practices	G4-DMA	GRI Attachment - 155				
	LA14	GRI Attachment - 155		✓		5 8 16
	LA15	GRI Attachment - 156		✓		5 8 16
Labor practices grievance mechanisms	G4-DMA	GRI Attachment - 156				
	LA16	GRI Attachment - 157		✓		16

SUB-CATEGORY: HUMAN RIGHTS

Investments	G4-DMA	49, 52 and 53				
		53	Currently unavailable. The percentage of significant finance contracts subject to social and environmental risk analysis is not available. However, we are working internally to make this information available in the medium term.	✓		
	HR1	GRI Attachment - 157			2	
Non-discrimination	HR2	GRI Attachment - 157		✓	1	
	G4-DMA	49 and 56				
	HR3	49			6	5 8 16
Freedom of association and collective bargaining	G4-DMA	GRI Attachment - 157				
	HR4	72			3	8
Child labor	G4-DMA	49 and 71				
	HR5	GRI Attachment - 157		✓	5	8 16
Forced or Compulsory Labor	G4-DMA	49 and 71				
	HR6	GRI Attachment - 158		✓	4	8

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DMA AND INDICATORS	Page	Omissions	External assurance	Global Compact	SDG
Assessment	G4-DMA	49, 56 and GRI Attachment – 158				
	HR9	GRI Attachment – 158		✓	1	
Supplier human rights assessment	G4-DMA	GRI Attachment – 158				
	HR10	GRI Attachment – 159		✓	2	
	HR11	GRI Attachment – 160	Currently unavailable. The main reasons for excluding suppliers and the percentage excluded are not informed. We are working internally to make this information available.	✓	2	
Human rights grievance mechanisms	G4-DMA	56 and GRI Attachment – 160		✓		
	HR12	GRI Attachment – 161		✓	1	16

SUBCATEGORY: SOCIETY

	G4-DMA	30 and 31				
	SO3	30			10	16
Anti-corruption	SO4	GRI Attachment – 161	Currently unavailable. The total number and percentage of commercial partners trained and communicated are not informed. We are working internally to make this information available.	✓	10	16
Public policies	G4-DMA	GRI Attachment – 161				
	SO6	GRI Attachment – 161			10	16
Compliance	G4-DMA	30				
	SO8	GRI Attachment – 161		✓		16
Supplier assessment for impacts on society	G4-DMA	GRI Attachment – 161				
	SO9	GRI Attachment – 162		✓		
	SO10	GRI Attachment – 162		✓		

SUB-CATEGORY: PRODUCT RESPONSIBILITY

Client health and safety	G4-DMA	GRI Attachment – 162	Currently unavailable. This aspect is being evaluated internally. We are working internally to make this information available.			
	PR1	GRI Attachment – 162	Currently unavailable. This aspect is being evaluated internally. We are working internally to make this information available.			
	PR2	GRI Attachment – 162	Currently unavailable. This aspect is being evaluated internally. We are working internally to make this information available.			16

SPECIFIC STANDARD DISCLOSURES

MATERIAL ASPECTS	DMA AND INDICATORS	Page	Omissions	External assurance	Global Compact	SDG
Product and service labeling	G4-DMA	13, 96 and 97	Currently unavailable. This aspect is being evaluated internally. We are working internally to make this information available.	✓		
	PR3	GRI Attachment – 163	Currently unavailable. The percentage of significant product and service categories covered and assessed for compliance with the organization's procedures is not informed. We are working internally to make this information available.			
	PR4		91	Currently unavailable. The following are not discriminated: cases of noncompliance with regulations resulting in fines or penalties, cases of noncompliance that resulted in warnings and cases of non-compliance with voluntary codes. We are working internally to make this information available.		
	PR5		90		✓	
	G4-DMA	GRI Attachment – 163		Currently unavailable. This aspect is being evaluated internally. We are working internally to make this information available.		
Marketing communication	PR6	GRI Attachment – 163	Currently unavailable. This aspect is being evaluated internally. We are working internally to make this information available.			
	PR7	GRI Attachment – 163	Currently unavailable. This aspect is being evaluated internally. We are working internally to make this information available.			
Customer privacy	G4-DMA	GRI Attachment – 163				
	PR8	GRI Attachment – 164		✓		16
Compliance	G4-DMA	GRI Attachment – 164				
	PR9	GRI Attachment – 164		✓		16

FINANCIAL SERVICES SECTOR SUPPLEMENT

MATERIAL ASPECTS	DMA AND INDICATORS	Page	Omissions	External assurance	Global compact	SDG
Product portfolio	G4-DMA	49, 52, 53 and GRI Attachment – 165			7	1 8 9
	FS6	53 and GRI Attachment – 166		✓		1 8 9
	FS7	GRI Attachment – 167 to 171	Confidentiality constraints. We do not disclose the proportion for each line of business in relation to the total because this information is strategic.	✓	6	
	FS8	GRI Attachment – 168 and 169	Confidentiality constraints. We do not disclose the proportion for each line of business in relation to the total because this information is strategic.	✓	6	
Audit	G4-DMA	GRI Attachment – 171				
	G4-DMA	GRI Attachment – 171				10
	FS10	GRI Attachment – 172		✓		10
Active ownership	FS11	GRI Attachment – 172	Currently unavailable. The percentages of assets evaluated as positive, negative and both is not informed. We are working internally to make this information available.			
Local communities	G4-DMA	GRI Attachment – 172				1 8 10
	FS13	GRI Attachment – 173	Confidentiality constraints. We do not disclose the proportion for each line of business in relation to the total because this information is strategic.	✓	7 8	1 8 10
	FS14	GRI Attachment – 174 to 176		✓	8	10
Product and service labeling	G4-DMA	GRI Attachment – 176 to 177			8 9	1 8 10



GRI G4 ATTACHMENT

This Attachment complements our 2016 Integrated Report. Use the GRI G4 Content Summary as a guide to know where to find the indicators reported. We decided to include some of them in this attachment to provide our strategic stakeholders with more detailed information.

GENERAL STANDARD DISCLOSURES

GRI G4-6 | Countries where the main operations are located or ones that are more relevant to the sustainability aspects of the report

Our activities are concentrated mainly in Brazil. In the 14 overseas locations we provide a broad range of products and services via the Banco Bradesco units in New York and Grand Cayman, Bradesco Securities in London, Hong Kong and New York, Banco Bradesco Europa in Luxemburg and London, Banco Bradesco Argentina in Buenos Aires and Bradescard in Mexico. Source: 4Q16 Economic and financial analysis report, pages 7 and 89.

GRI G4-10 | Employee profile

NUMBER OF EMPLOYEES AND MANAGERS BY FUNCTIONAL CATEGORY AND GENDER ¹				
	2014	2015	2016	
			Men	Women
Directors + Board of Directors	137	132	148	10
Superintendents	147	153	145	23
Managers	10,419	10,115	10,564	5,632
Supervisory/Administration	55,774	55,591	25,740	30,421
Operational	29,180	27,002	15,937	19,059
Apprentices	-	-	442	830
Sub-total	-	-	52,828	55,965
Third-parties	11,718	11,858		14,908
Total²	95,520	92,861		108,793

1. The total number of employees does not include members of the Board of Directors, statutory directors and third-parties.

2. In 2016, the number includes 21,016 HSBC Brasil employees.

NUMBER OF EMPLOYEES BY GENDER AND AGE GROUP				
AGE	2015	2016		
		Men	Women	
Under 30 years	44,094	20,514	22,103	
From 30 to 50 years	40,695	25,590	29,904	
Over 50 years	8,072	6,724	3,958	
Sub-total		52,828	55,965	
Total	92,861		108,793	

GRI G4-10 | Employee profile

NUMBER OF EMPLOYEES BY GENDER, CONTRACT TYPE AND REGION					
REGION	2015	2016			
		Permanent employees		Employees on fixed term contracts (apprentices)	
		Men	Women	Men	Women
North	3,345	2,051	1,624	13	33
Northeast	12,326	6,801	6,119	69	108
Midwest	4,435	2,943	2,525	5	27
Southeast	63,840	32,113	36,394	329	617
South	8,673	8,323	8,360	26	45
Overseas	242	155	113	0	0
Total	92,861	52,386	55,135	442	830

GRI G4-11 | Percentage of employees covered by collective bargaining agreements

All our employees have freedom of association and are covered by collective work agreements. In addition to ensuring the right to association, unionization and collective bargaining, we accept recognize employee suggestions to improve internal processes.

GRI G4-16 | Participation in domestic/international associations and advocacy organizations

We are representatives of the FEBRABAN (Federação Brasileira de Bancos) Compliance Commission.

CONTRIBUTIONS BUSINESS ASSOCIATIONS/MAIN CONTRIBUTIONS 2016

FEBRABAN (Federação Brasileira de Bancos), FENASAÚDE (Federação Nacional de Saúde Suplemente), ABECS (Associação Brasileira das Empresas de Cartões de Crédito e Serviços), ABECIP (Associação Brasileira de Entidades de Crédito Imobiliário) and FENSEG (Federação Nacional de Seguros Gerais), a total value of R\$20,957,390.18.

TOTAL CONTRIBUTIONS

Trade Associations, Chambers of Commerce, Embassies, Electoral campaigns¹ and others:

2013	2014	2015	2016
16,615,849.45	125,272,462.03	17,552,841.40	22,620,223.85 ²

1. See GRI G4-DMA Public policies.

2. Total value: includes the 5 main reported and other contributions.

MATERIAL ASPECTS IDENTIFIED AND BOUNDARIES

GRI G4-17 | Entities included in the financial statements and entities not covered by the report

Our consolidated financial statements encompass Banco Bradesco, its branches overseas and subsidiaries in Brazil and abroad, specific purpose entities and the investment funds in which the Organization's companies are the main beneficiaries or assume the main obligations, as established in CPC Technical Ruling 36 (R3), under the item "Control". Source: 4Q16 economic and financial analysis report. Explanatory note 2 of the Consolidated Financial Statements, page 112.

GRI G4-18 | Process for defining the report content

The stakeholders who in some way are related to or may be impacted by the Organization's activities are also identified throughout the report by the letters below:

- | | | |
|--------------------------------------|---|--------------------------------|
| CL CLIENTS | F SUPPLIERS | OPB BRADESCO OPERATIONS |
| PI INTERNAL PUBLIC | G GOVERNMENT (REGULATORY AGENCIES) | |
| AI SHAREHOLDERS AND INVESTORS | CO COMMUNITY/SOCIETY/THIRD SECTOR | |

GRI G4-19 | Material aspects identified in the process of defining the report content | G4-20 | Boundary of material aspect inside the organization | G4-21 | Boundary of material aspect outside the organization

CAUSES IMPACT	RELEVANT TOPICS RELEVANT SUB-TOPICS ANALYZED RELATED GRI G4 ASPECTS	SUFFERS IMPACT
	MANAGING CAPITAL, RISK AND OPPORTUNITIES	
F	Integrated risk management and emerging risks Anti-corruption and money laundering Compliance with laws and regulations	F
OPB	Incorporation of social and environmental aspects into the businesses, including positioning on controversial sectors, such as arms and tobacco Climate change Delinquency: credit quality Tax strategy	OPB
CL	Economic performance Compliance ¹	AI
G	Assessment of supplier labor practices Complaint and grievance mechanisms related to labor practices Human rights assessment	CL
CO	Non-discrimination Anti-corruption Public policy Product portfolio Audit Active ownership	CO
	CLIENT RELATIONS AND SATISFACTION	
OPB	Service quality	
PI	Training and education Investments Compliance ² Marketing communications Product and service labeling Client health and safety Local communities	CL
	INNOVATION AND TECHNOLOGY	
OPB	Information security: data protection (bank's and clients') CRM: information intelligence	CL
	Customer privacy Product portfolio	

1. Environment, Society and Product.
2. Product.

CAUSES IMPACT	RELEVANT TOPICS RELEVANT SUB-TOPICS ANALYZED RELATED GRI G4 ASPECTS	SUFFERS IMPACT
<p>F</p> <p>G</p>	<p>ADAPTATION TO THE EXTERNAL CONTEXT</p> <p>Adaptation to changes in the macroeconomic conjuncture (including monetary policies, variations in purchasing power, among others)</p> <hr/> <p>Economic performance Indirect economic impacts Procurement practices</p>	<p>F</p> <p>OPB</p> <p>AI</p> <p>CL</p>
<p>OPB</p>	<p>INTERNAL PUBLIC</p> <p>Internal career development Attracting and retaining talent Working conditions and benefits</p> <hr/> <p>Complaint mechanisms Equal remuneration Employment Training and education Diversity and equality of opportunity Product and service labeling</p>	<p>OPB</p> <p>PI</p> <p>CL</p> <p>CO</p>
<p>F</p>	<p>SUPPLIER MANAGEMENT</p> <p>Legal compliance and human rights Developing suppliers to adopt best management practices and inclusion of social and environmental criteria in approval and selection</p> <hr/> <p>Assessment of suppliers for labor practices Assessment of suppliers for environmental impacts Forced labor and child labor Assessment of suppliers for human rights Human rights complaint mechanisms Freedom of association and collective bargaining Assessment of suppliers for impacts on society</p>	<p>F</p> <p>OPB</p> <p>AI</p> <p>CO</p>
<p>OPB</p>	<p>FINANCIAL INCLUSION</p> <p>Financial education</p> <hr/> <p>Local communities Product and service labeling</p>	<p>OPB</p> <p>CL</p> <p>CO</p>

GRI G4-22 | Restatement of information supplied in previous reports

We undertook the integration of the HSBC Brasil operations. Therefore, alterations compared with the previous years, such as base year data and measurement methods, accompany the updated information in the respective chapters or specific tables.

GRI G4-23 | Significant alterations in the scope or boundaries of material aspects compared with previous reports

There were none.

STAKEHOLDER ENGAGEMENT

GRI G4-24 | List of stakeholder groups engaged by the organization

We have six priority stakeholder groups: clients, internal public, shareholders and investors, suppliers, government (regulatory agencies) and community/society/third sector.

GRI G4-25 | Basis for identification and selection of stakeholders for engagement

We defined our priority stakeholder groups in accordance with whether they exercise influence on or are influenced by our businesses and activities.

GRI G4-26 | Approach to and frequency of stakeholder engagement

Stakeholder engagement occurs in different ways, as described in the Stakeholder Engagement Standard:

- Consultation: any means of consulting stakeholders with the purpose of understanding their viewpoint and their demands in relation to the Organization's performance.
- Dialogue: this enables the exchange of information, meeting and responding to each demand received.
- Collaboration: this involves the provision of some support or the development of an activity or project of common interest. Collaboration involves sharing responsibilities.

- Empowerment: initiatives in which the stakeholder is responsible for part of the decision making process and is present in a systemic manner.

Engagement initiatives are conducted by diverse departments and related companies. On an institutional level, work is underway on improving the stakeholder engagement process, enabling management, governance and the use of indicators.

The relevant topics for reporting purposes were reviewed.

GRI G4-27 | Main topics and concerns raised during engagement, by stakeholder group

On an institutional level, we continue to work on global indicators related to internal stakeholder engagement initiatives.

For the report, see Prioritized Topics.

REPORT PROFILE

GRI G4-28 | Reporting period

Our Integrated Report covers the period from January 1st to December 31st, 2016.

GRI G4-29 | Date of most recent report

March 14th, 2016.

GRI G4-30 | Reporting cycle

Annual.

GRI G4-32 | "In accordance" option (core or comprehensive) chosen by the organization

The "in accordance" option is Core. External verification, page 176 of the 2016 Integrated Report.

SPECIFIC STANDARD DISCLOSURES

GRI G4-DMA INDIRECT ECONOMIC IMPACTS

We are committed to contributing towards ensuring public access to the financial system and to credit, promoting the concept of civic awareness and driving local development. With at least one branch, service post or banking correspondent in each Brazilian municipality, we offer products and services, as well as guidance on finance-related concepts, such as sustainable budgeting and handling money responsibly. We also have a partnership with the vessels Voyager III and Voyager V, each of which covers a 1,600 km route between the regions of Manaus and Tabatinga in the state of Amazonas. The trip takes 15 days (there and back), serving 11 municipalities and 50 communities and a population of 250,000, most of whom are indigenous peoples who previously had no access to financial services. Moreover, we maintain three other service points in communities served by the Fundação Amazonas Sustentável (FAS) programs.

Users also have access to digital channels which are improving continuously, with friendlier and simpler interfaces, and which have become essential tools. Furthermore, our clients who access their accounts via mobile telephone do not have to use their data package due to an agreement the bank has with the main telephony carriers in Brazil.

By means of Bradesco Auto/RE, we pursue our mission of protecting the assets of our policy holders with rapid, innovative and high quality products and services. As such, we produce a positive effect on diverse actors within the property insurance operation

value chain, including professionals and small entrepreneurs in the risk inspection, claims regulation, emergency service and insurance brokerage sectors etc.

With Bradesco Saúde, we generate positive impacts on the productivity of client organizations by guaranteeing access to private healthcare on a national level and by offering health promotion and risk and disease prevention programs. Additionally, we indirectly generate employment in the supplier chain through the payment of claims in the supplementary healthcare value chain.

EXTERNAL FACTORS

The financial system has an important role in the economy, and is a big GDP driving agent. The bank credit, by allowing the anticipation of consumption and of the investment, generates positive impacts on the added demand. It is important to mention that the financial institutions are big taxpayers of the Federal Revenue Service in the generation of taxes and contributions, thus collaborating with the current expenses of the government.

We understand that the operation of Banco Bradesco adds relevant external factors in the economy both directly and indirectly, but in this first measurement we shall assess only some direct impacts. We consider the financial margin as a direct impact on the economy. Besides, the salaries paid, the taxes collected, the expenses with suppliers and investments performed potentially increment the Consumption, the Investment and the Expenditures of the Government.

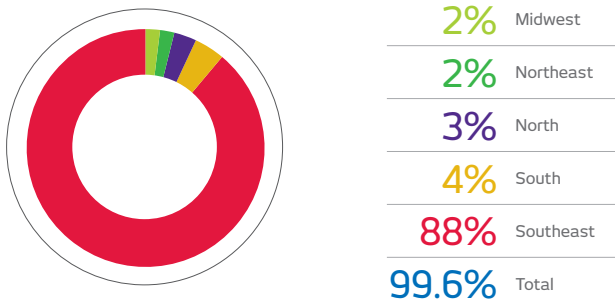
We also include in the measurement the granted volume of credit directly related to the Consumption and Investment (loan for acquisition of goods, vehicles and real estate and transfers of BNDES, among others), and we have adopted this volume as a reference for the impacts of the bank products in the Consumption and Investment. Evidently that other credit facilities could also be used to consume or invest and there are also the multiplying effects of the bank credit and of the resources paid in salaries and taxes, but these effects have not been considered in the analysis. That is why it can be said that this is an estimation of the minimum impact of the operation of Bradesco and of the credits granted for Consumption and Investment.

It is important to say that Banco Bradesco is the largest private employer of the financial sector in Brazil with 108,793 employees in 2016 and the second largest employer of the sector, thus representing approximately 15% of all the employees of the financial segment. That is to say, besides the potential impact on the GDP, the operation of Banco Bradesco also exerts an important impact on the workforce and in the generation of jobs.

SOCIOECONOMIC IMPACTS OF THE OPERATION IN 2016 – BANCO BRADESCO S.A. (IN R\$ MILLION)			
	Operation – Banco Bradesco S.A.	Products directly related to consumption and investment	Total
Direct impact (financial margin)	62,454		
Impact on the consumption of the families, investments and expenses of the government (payment of salaries, suppliers, investments and taxes)	58,662	35,076	
Total	121,116	35,076	156,192
Socioeconomic impact as GDP %			2.5%

Source: Banco Bradesco S.A.

GRI G4-EC9 | Proportion of spending on local suppliers in key operating units



VALUE GENERATION FOR SUPPLIERS				
	2013	2014	2015	2016
Number of contracts	2,340	2,319	2,585	3,754
Amount* (in R\$ billions)	12.3	12.5	13.4	16.01

* The amounts refer to the sourceable volume within the Organization's total spend.

NUMBER OF SUPPLIERS APPROVED				
	2013	2014	2015	2016
	4,958	5,513	5,450	5,690

a. Spending on local suppliers in 2016 (%):

b. For us, the term "local" refers to Brazilian territory where most of our significant operational units as well as the majority (99.6%) of our suppliers are located.

c. We consider important operational units to be: the Administrative Centers and Branch Networks segregated by all the country's federative units.

GRI G4-DMA MATERIALS

We manage the materials we consume with a view to controlling and preventing waste, identifying demands and seasonal consumption factors. We also have an online materials management platform, Online Supplies, which controls the flow of materials requested by all company areas.

GRI G4-EN1 | Materials used by volume

- Plastic consumption (cards)
- Issuer Banco Bradesco Cartões S.A.
- PVC – volume: 27,913,380 units
- Recycled PET – volume: 47,500 units

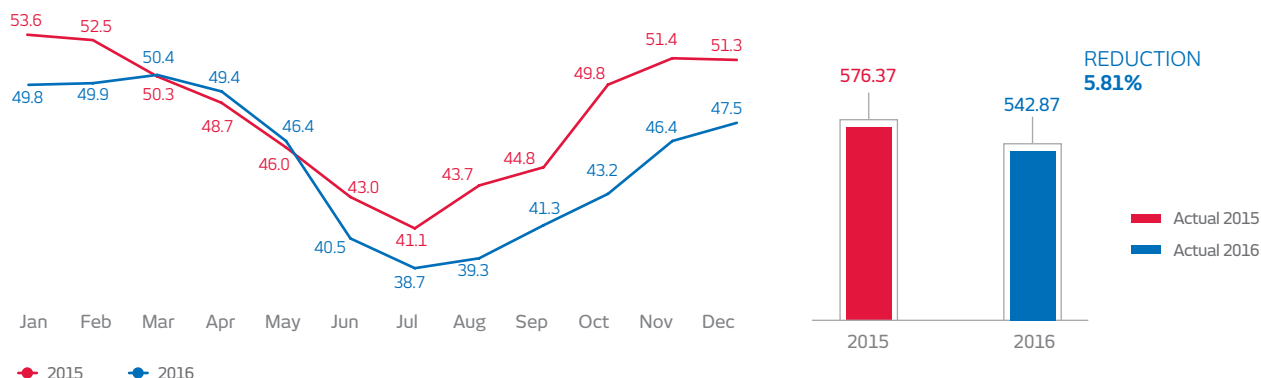
GRI G4-DMA ENERGY

We are committed to reducing electricity and water consumption in our departments, our associated companies and the branch network by means of the Eco-efficiency Steering Plan (2016-2018 cycle) and the Electricity and Water Management tool, adopted in December 2012. In this way, we monitor our impact, reduce costs and influence stakeholders, driving a joint reduction in emissions and the consumption of natural resources while contributing to the achievement of targets to combat global warming.

By monitoring and analyzing monthly water consumption, we establish targets by location. The information on consumption by generators is provided by the companies contracted to maintain the equipment. Other consumption management measures include the substitution of fluorescent light bulbs with LEDs and managing lighting and electricity measurement by sector in some administrative buildings.

In the event of water or electricity-related problems, the areas responsible provide a solution with support from the Energy and Water Management area.

BRADESCO ENERGY CONSUMPTION – 2016 MM kWh



GRI G4-EN3 | Energy consumption inside the organization

GRI G4-DMA WATER

Our water management is aimed at promoting the responsible use of this resource to minimize social and environmental impacts, and by reducing consumption, to decrease expenses. This involves initiatives focused on eco-efficiency, such as periodic maintenance and the Eco-efficiency Steering Plan (2016-2018 cycle), which establishes consumption reduction targets. In 2016, the water consumption reduction target was 4.2%. In actual fact, the economy totaled 7.2%, with cost savings of R\$1.5 million.

Since December 2012, we have used a computerized tool (Electricity and Water Management System) which enables the monitoring and analysis of water consumption on a monthly basis, with the establishment of monthly targets per location.

We conduct efficient consumption awareness campaigns, such as Rationalize, which involves communication and education measures for the entire Organization, including the training of multipliers. Another measure is the Organization of talks focused on awareness in partnership with the utility companies in order to minimize consumption.

GRI G4-EN8 | Total water withdrawn by source

Water withdrawn by source:

Consumption of drinking water (utility): 1,401,238.26 m³.

Consumption of ground water (wells): 192,569.00 m³.

Consumption of reused water (wastewater treatment plants): 74,752.00 m³.

Consumption of rainwater: 1,046 m³.

Consumption is controlled and monitored by means of ISO 14064. The gross water consumption data are collected by means of the utility bills at all our installations nationwide and are managed using the Electricity and Water Management tool implanted in December 2012. Control of these bills and data analysis is conducted by a specialized company, enabling the monitoring of the Organization's performance on a monthly basis.

GRI G4-DMA EMISSIONS

In 2006, we became the first bank in Brazil to conduct a greenhouse gas (GHG) inventory. Since then we have published the scope 1, 2 and 3 emissions of all the companies over which we have operational control on an annual basis. All the indicators are compiled and analyzed on a quarterly basis, with the reports drafted in accordance with Brazil's ABNT NBR ISO 14064-1 standard and the Brazilian GHG Protocol program. This enables us to promote and stipulate reduction targets, as well as to offset scope 1 and 2 emissions.

For us, eco-efficiency is an integral part of our strategic management, linking environmental and financial performance through the optimization of processes, recycling, technological innovation and economy in the use of natural and material resources. We believe in the importance of monitoring our impact and in influencing our stakeholders in a joint effort to reduce emissions and to contribute towards the achievement of targets for combating global warming. This is the Eco-efficiency Management Program's reason for being.

GRI G4-EN15 | Direct greenhouse gas (GHG) emissions (Scope 1)

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

GRI G4-EN16 | Indirect greenhouse gas (GHG) emissions from the acquisition of energy (Scope 2)

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

GRI G4-EN17 | Other indirect greenhouse gas (GHG) emissions (Scope 3)

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

GRI G4-EN18 | Greenhouse gas (GHG) emissions intensity

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

GRI G4-EN19 | Reduction in greenhouse gas (GHG) emissions

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

GRI G4-EN20 | Emissions of ozone-depleting substances (ODS)

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

GRI G4-EN21 | NOx, SOx and other significant atmospheric emissions

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

GRI G4-DMA EFFLUENTS AND WASTE

Effluent, material consumption and waste management is aimed at minimizing social and environmental impacts and reducing expenses. The Eco-efficiency Steering Plan (2016-2018 cycle), which includes a Corporate Solid Waste Management Plan, promotes initiatives aimed at increasing production at the sewage treatment plant in the Cidade de Deus Center and reducing the volume of waste (including technological waste) disposed of in landfills. In 2016, the sewage treatment plant processed 74,700 m³, representing around 25% of total water consumption on the site.

Around 70% of the solid waste, mainly organic material, paper and plastic, that we generate is disposed of in landfills. This waste is quantified in two different ways: by weighing it in the administrative buildings that have scales; or estimating it based on sampling in the branches and administrative buildings that do not have scales. In the current calculation only the waste disposed of in landfills is considered, since the rest is either recycled, donated or returned to the supplier (reverse logistics) as per contract. Because technological waste (from maintenance work and the substitution of electric and electronic equipment) is hazardous, it is collected via internal logistics or directly by suppliers and sent for recycling. From the implantation of this process in 2008 to 2016, around 3 metric tons of this material had been recycled.

GRI G4-EN23 | Total weight of waste, discriminated by type and disposal method

Waste is collected and disposed of by contracted companies who send it to landfills or for recycling.

Total solid waste (landfill): 19,318,782 kg

Total solid waste (recycling): 1,194,242 kg

Composting: 91,480 kg

Light bulbs and reactors (hazardous): 14,796 units

Technological waste: 415,855 kg

There was an increase in the disposal of recyclable materials (around 10%) due to the increase in selective collection at Cidade de Deus and in the Edifício Paulista.

GRI G4-EN29 | Monetary value of significant fines and total number of non-monetary sanctions applied for non-compliance with environmental laws and regulations

In 2016 we received no complaints or significant fines related to environmental impacts.

GRI G4-DMA TRANSPORTATION

The use of the most diverse types of transportation, such as our own fleet (air and land), armored cars for transporting money and valuables, mail bags, as well as spending on taxis is managed with care. There are reduction targets for all types of transportation as part of the Eco-efficiency Steering Plan (2016-2018 cycle).

The major impacts related to transportation services are greenhouse gas emissions and the cost, both of which are monitored by the competent areas.

We believe it is important to monitor our impact and to influence stakeholders to jointly reduce emissions, contributing to targets in the combat against global warming.

GRI G4-EN30 | Significant environmental impacts caused by the transportation of products and other goods and materials used in the organization's operations, as well as employee transportation

2016 emissions have yet to be calculated. They will be released in the greenhouse gas (GHG) emissions inventory, which will be ready in May.

The inventory is conducted by a consultancy and verified by a third party before being published.

When it is finalized, the data is updated on the "Bradesco Sustainability" webpage (address below):

www.bradescosustentabilidade.com.br (only in Portuguese)

The scope 1 and 2 emissions inventoried in the first cycle of the Eco-efficiency Program (2011-2015) were fully offset (225,761 tCO₂e), with 77% occurring via the planting of native seedlings for the reclamation of degraded areas in partnership with the Fundação SOS Mata Atlântica; and 23% by means of the purchase of carbon credits from small hydroelectric plant projects and the capture of methane gas on pig farms, in partnership with Get2C.

We have adopted a series of measures aimed at reducing environmental impacts, in particular with respect to GHG emissions:

- Preventive maintenance in our own vehicle and rented vehicle fleet in accordance with the manufacturers' manuals.
- Preventive maintenance for the aircraft (helicopters and jet) in the Organization's own fleet, in accordance with the manufacturers' guidelines.
- Rental of flexible fuel vehicles, prioritizing the use of ethanol.
- Use of ethanol in the flexible fuel vehicles in the company-owned and rental fleet, regardless of whether it is more economical or not.
- For employee travel, incentives for sharing regular taxis and/or using vehicle rental companies.
- Ongoing actions to reduce expenses with security vans used to transport money and valuables, resulting in reduced GHG emissions, considering that with logistics improvements the number of trips and the mileage covered are reduced.
- Ongoing optimization in cargo transportation and the elimination of the use of air freight.
- Optimization of mail bag transportation, ensuring the simultaneous delivery/collection in the branches and in land and air routes.

The GHG inventory is conducted on an annual basis in accordance with the ABNT NBR ISO 14064-1 standard, the 2006 IPCC Guidelines for National GHG Inventories and the specifications of the Brazilian GHG Protocol program.

GRI G4-EN31 | Total investment and spending on environmental protection, discriminated by type

Conscious Consumption Campaign (Rationalize): R\$135,000.00

Spending on Environmental Management System (consultancy and audits): R\$125,650.00

Waste disposal (landfill): R\$2,611,992.00

Production of water for reuse: R\$1,041,646.08

GRI G4-DMA ENVIRONMENTAL ASSESSMENT OF SUPPLIERS

The assessment and monitoring of suppliers is important for us since the majority of social and environmental risks associated with financial institutions are indirect, arising from business relationships. We therefore seek to encourage our suppliers to adopt positive social and environmental management practices.

Within this context, possible social and environmental problems caused by suppliers could represent risks and financial, reputational and legal damage for us. As such, analysis, assessment and monitoring of the chain are fundamental for preventing, addressing and mitigating these potential risks, ensuring our credibility and adherence to our values by commercial partners.

Managing commercial partners includes monthly monitoring. The results of social and environmental risk analysis are communicated to the areas involved by means of a social and environmental report highlighting any risks identified. The Integrated Risk Control Department presents documentation and an action plan when a supplier with a contract is identified as constituting a risk with a view to resolving/understanding the risk (contaminated/embargoed areas, among others). If the action plan does not lead to the solution of the problem, the supplier may be disqualified.

By means of the supplier approval system, 100% of the companies contracted are assessed using social and environmental criteria (such as greenhouse gas (GHG) emissions, water and energy indicators, paper consumption, waste generation, labor practices and child and slave labor), as well as commercial and financial ones. The registration approval process requires that suppliers adhere to and sign the Code of Ethical Conduct, the Procurement Professional's Code of Ethical Conduct and Corporate Anti-corruption Policy.

Additionally, we carry out a specific assessment of suppliers contracted to provide graphic material and furnishings, given that these processes require that partners have FSC certification.

Suppliers classified in critical segments in relation to economic, social and environmental factors, are assessed by means of documentation and a tool denominated Certifica.

To enhance relations with suppliers, we maintain a framework of standards comprising: Code of Ethical Conduct and the Sector Code of Ethical Conduct, in addition to Corporate Anti-corruption policies. In 2016, we adopted a supplier registration module with a management tool that enables the supplier's registration details to be viewed by all employees.

GRI G4-EN32 | Percentage of new suppliers screened using environmental criteria

100% of suppliers are screened using environmental criteria.

GRI G4-EN33 | Significant actual and potential negative environmental impacts in supplier chain and measures taken

Suppliers are assessed for a number of social and environmental aspects, including compliance with environmental legislation and the identification of possible environmental infractions such as embargoed and/or contaminated areas as informed by the competent agencies. All registered and active suppliers (with current contracts), including ones considered strategic and critical, undergo risk analysis when embargoed or contaminated areas are identified. Suppliers considered critical with contracts in force whose rating under the Certifica System is below 50 points are also subject to social and environmental risk assessment. Additionally, we carry out a specific assessment of suppliers contracted to provide graphic material and furnishings, given that these processes require that partners have FSC (Forest Stewardship Council) certification.

- a. A total of 60 suppliers were submitted to environmental impact assessments, including 16 strategic ones; 12 with embargoed and/or contaminated areas; and 32 with social and environmental ratings below 50% in the Certifica system.
- b. Of the 12 suppliers with embargoed and/or contaminated areas, six did not present documentation proving the implantation of impact mitigation measures thus elevating the degree of risk.

GRI G4-LA1 | Total number and rates of new employee admissions and employee turnover by age group, gender and region

Region	2014				2015				2016 *			
	Employees admitted	Admission rate (%)	Employees terminated	Turnover rate (%)	Employees admitted	Admission rate (%)	Employees terminated	Turnover rate (%)	Employees admitted	Admission rate (%)	Employees terminated	Turnover rate (%)
North	348	ND	432	12	216	6	306	9	128	3	255	7
Northeast	732	ND	917	7	472	4	713	6	461	4	971	7
Midwest	419	ND	534	11	262	6	384	9	114	2	404	7
Southeast	4,659	ND	6,636	10	4,063	6	6,088	9	1,771	3	5,479	8
South	618	ND	864	9	383	4	755	9	279	2	871	5
Overseas	22	ND	17	6	19	8	16	6	56	21	16	6
Gender												
Male	ND	ND	4,848	10	2,782	6	3,984	9	1,449	3	4,193	8
Female	ND	ND	4,552	9	2,633	6	4,278	9	1,360	2	3,803	7
Age												
Under 30 years	ND	ND	5,636	11	5,152	12	4,579	10	2,694	6	3,574	8
Between 30 and 50 years	ND	ND	3,092	7	262	1	3,075	8	111	0	2,970	5
Over 50 years	ND	ND	672	10	1	0	608	8	4	0	1,452	14

* In 2016, the method used to calculate employee turnover at Bradesco was changed, counting the number of employees on December 31st.

GRI G4-LA2 | Comparison of benefits for full-time and part-time and temporary workers, discriminated by important operational units

We offer all employees salaries compatible with the market and the functions they exercise, irrespective of gender, as well as a range of benefits that goes beyond legal requirements. This includes life and personal accident insurance, funeral allowance, discounts on medicines in accredited drugstores, emergency loans, online shopping, meal and food allowances, nursery/nurse allowance for children, free health and dental insurance, supplementary private pension, pension fund, daily snacks, corporate education programs and vaccination against influenza and the H1N1 virus, as well as areas for leisure activities in some locations, such as the Sports courts in the Cidade de Deus Center in Osasco (São Paulo).

GRI G4-LA3 | Return to work and retention rates after maternity/paternity leave, discriminated by gender

MATERNITY LEAVE - NUMBER OF EMPLOYEES						
Period	Entitlement	Used	Returned	Remaining after 12 months	Return rate (%)	Rate of employees remaining after 12 months (%)
2014	2,964	2,964	2,963	2,802	99.9	94.6
2015	3,502	3,502	3,464	3,309	98.9	95.5
2016	3,414	3,414	3,400	3,299	99.6	96.6

GRI G4-LA3 | Return to work and retention rates after maternity/paternity leave, discriminated by gender

PATERNITY LEAVE – NUMBER OF EMPLOYEES						
Period	Entitlement	Used	Returned	Remaining after 12 months	Return rate (%)	Rate of employees remaining after 12 months (%)
2014	1,934	1,437	1,437	1,391	100.0	96.8
2015	1,912	1,616	1,616	1,562	100.0	96.6
2016	1,984	1,484	1,484	1,433	100.0	96.6

GRI G4-LA9 | Average number of hours training per employee per year, discriminated by gender and functional category

Functional category	2014		2015		2016		Mean n° of hours training for employees in the organization by functional category
	Mean n° of hours training for employees in the organization		Mean n° of hours training for employees in the organization		Mean n° of hours training for employees in the organization		
	Men	Women	Men	Women	Men	Women	
Directors + Board of Directors	51	144	60	103	78	53	77
Superintendents	144	224	79	144	83	201	99
Managers	86	81	40	30	27	22	25
Supervisory/Administrative	63	69	26*	23*	25	26	26
Operational	58	56	17	18	11	8	9
Apprentices	37	33	0	0	0	0	0
Interns	71	79	6	5	3	2	2
Total	61	58	25	22	21	19	20

* Supervisory and administrative.

GRI G4-LA10 | Programs for skills management and lifelong learnings that support the continued employability of employees and assist them in managing career endings

We offer two programs for employees about to retire or who have been terminated: a recycling course for those who intend to carry on working; and a severance package – both provided for in collective agreements. In the case of professional requalification, the initiative is for employees dismissed without due cause; the amount paid is up to R\$1,457.68. These funds may be used for language and computing courses and for civil service preparatory programs, among others.

GRI G4-LA11 | Percentage of employees receiving regular performance and career development reviews, by gender and functional category

PROFESSIONAL CATEGORY	% of employees	
	Men	Women
Directors + Board of Directors	96	100
Superintendents	100	100
Managers	86	85
Supervisory/Administrative	77	78
Operational	63	64
Apprentices	7	4
Interns	25	25
Total	73	72

GRI G4-DMA DIVERSITY AND EQUALITY OF OPPORTUNITY

Diversity and gender equality are incorporated into our personnel management. We value internal salary parity, which is integral to our career development policy. On a permanent basis we survey job profiles and compare salaries with the market. Thus we offer salaries compatible with the function exercised irrespective of gender or any other social condition. We believe that a successful company is one that generates robust results for all its stakeholders and rewards its employees fairly. Additionally, we maintain an adequate balance between remuneration and benefits, which go beyond those provided for by law.

GRI G4-LA12 | Composition of groups responsible for governance and discrimination of employees by functional category, gender, age group, minority groups and other diversity indicators

GOVERNANCE BODIES					
AGE GROUP	%	RACE/COLOR	%	GENDER	%
Between 30 and 50 years	9.1	Oriental	2.3	Female	9.1
Over 50 years	90.9	White	97.7	Male	90.9

AGE GROUP (%)	UP TO 30 YEARS (%)	31 TO 40 YEARS	41 TO 50 YEARS	OVER 50 YEARS	OVERALL TOTAL
Directors	0.0	0.0	0.0	0.1	0.1
Superintendents	0.0	0.0	0.1	0.1	0.2
Managers	2.8	5.0	4.7	2.2	14.7
Supervisory/Administrative	18.4	17.5	9.7	5.0	50.7
Operational	20.9	4.9	3.6	2.4	31.7
Apprentices	1.2	0.0	0.0	0.0	1.2
Interns	1.5	0.0	0.0	0.0	1.6
Overall total(%)	44.7	27.4	18.1	9.7	100.0

GRI G4-LA12 | Composition of groups responsible for governance and discrimination of employees by functional category, gender, age group, minority groups and other diversity indicators

RACE/COLOR (%)	WHITE	MIXED	BLACK	ORIENTAL	INDIGENOUS	OVERALL TOTAL
Directors	0.1	0.0	0.0	0.0	0.0	0.1
Superintendents	0.1	0.0	0.0	0.0	0.0	0.2
Managers	11.2	2.9	0.3	0.3	0.0	14.7
Supervisory/Administrative	39.6	8.8	1.3	0.9	0.1	50.7
Operational	22.4	7.6	1.3	0.3	0.1	31.7
Apprentices	0.6	0.4	0.1	0.0	0.0	1.2
Interns	1.1	0.3	0.1	0.0	0.0	1.6
Overall total (%)	75.1	20.0	3.1	1.6	0.2	100.0

GENDER (%)	FEMALE	MALE	OVERALL TOTAL
Directors	0.0	0.1	0.1
Superintendents	0.0	0.1	0.2
Managers	5.1	9.6	14.7
Supervisory/Administrative	27.5	23.2	50.7
Operational	17.3	14.4	31.7
Apprentices	0.8	0.4	1.2
Interns	0.8	0.8	1.6
Overall total (%)	51.4	48.6	100.0

DISABLED PERSONS (%)	TOTAL
Managers	2.9
Supervisory/Administrative	28.8
Operational	68.3
Overall total (%)	100.0

GRI G4-DMA EQUAL REMUNERATION FOR WOMEN AND MEN

Gender equality is always taken into account in our personnel management. We value internal salary parity, which is incorporated into career development policy. On a permanent basis we survey job profiles and compare salaries with the market. Thus we offer salaries compatible with the function exercised irrespective of gender because we believe that a successful company is one that generates robust results for all its stakeholders and rewards its employees fairly. Additionally, we maintain an adequate balance between remuneration and benefits, which go beyond those provided for by law.

GRI G4-LA13 | Ratio of basic salary and remuneration of women to men by employee category and by significant locations of operation

EMPLOYEE CATEGORIES	2014	2015	2016
	PROPORTION OF BASE SALARY (%)	PROPORTION OF BASE SALARY (%)	PROPORTION OF BASE SALARY (%)
	WOMEN/MEN	WOMEN/MEN	WOMEN/MEN
Statutory Directors + Board	85	100	104
Superintendents	93	100	97
Managers	83	82	85
Supervisory/Administrative	91	88	85
Operational	98	99	94

GRI G4-DMA SUPPLIER ASSESSMENT FOR LABOR PRACTICES

Our relations with suppliers are based on criticality and performance in accordance with our values, goals and attributes. Compliance with labor legislation is indispensable and is verified on a monthly basis. Any non-compliance is notified immediately with an instruction to regularize the situation. Non-compliant partners may be disqualified.

The majority of social and environmental risks are indirect and arise from business relationships. Within this context, potential social and environmental problems caused by service providers may represent financial, reputational and legal risks for us.

To mitigate such risks in the supplier chain, we identify, classify, assess and monitor a series of questions based on the Bradesco Social and Environmental Responsibility in the Supply Chain Program. This involves audits on suppliers in critical categories in partnership with an independent auditor. This process is complemented by inspection visits and action plans to drive improvement, when this is considered necessary. The determination of partners to be inspected is undertaken by sampling after analysis of: social aspects (activities requiring the use of personal protective and safety equipment; ergonomic conditions; work shifts; freedom of association and entitlement to collective bargaining; disciplinary practices; slave, forced or child labor; discrimination and sexual and/or psychological harassment; products

consumed by our employees; and environmental and economic questions; environmental aspects (categories with high greenhouse gas (GHG) emissions; the timber chain; waste collection and disposal; and products containing toxic materials, such as paint/lead, etc.); and economic questions (brand management; image and reputational risk; and high degree of dependence).

We also maintain diverse supplier monitoring and relationship channels, such as the Ombudsman, Alô Bradesco and the corporate email address 4080.fornecedor@bradesco.com.br.

GRI G4-LA14 | Percentage of new suppliers screened using labor practice criteria

We seek to enhance and forge closer relations with suppliers on a continual basis. For this reason, we maintain a framework of standards comprising: Code of Ethical Conduct and the Sector Code of Ethical Conduct, Corporate Policies and Anti-Corruption Policies.

In 2016, the supplier registration module was concluded with management tools that enable the supplier’s registration details to be viewed by all employees.

The approval process addresses social and environmental responsibility factors for all suppliers, encompassing labor practices, slave and child labor, environmental risks as well as the mitigation of risks related to suppliers considered to be critical in social and environmental terms.

GRI G4-LA15 | Significant actual and potential negative impacts for labor practices in the supplier chain and measures taken

- a. 203 suppliers were submitted to assessments of impacts related to labor practices.
- b. The same number of suppliers generate significant actual and potential negative impacts for labor practices.
- c. In accordance with the new Corporate Social Responsibility Management system contacts via the Communication Channels in 2016 reported a total of 26 suppliers presenting significant potential risks. The Human Rights and Labor-related issues were: Discrimination and Inadequate Conduct; Remuneration, Benefits Payments; the Suppliers' Internal Policies, Processes and Procedures.
- d. The percentage of suppliers generating significant actual and potential negative impacts for labor practices with whom improvements were agreed on based on the assessments was 13%.
- e. The percentage of suppliers generating significant actual and potential negative impacts for labor practices whose contracts were rescinded based on assessments was 34%.

GRI G4-DMA GRIEVANCE AND COMPLAINT MECHANISMS RELATED TO LABOR PRACTICES

Our new Corporate Social Responsibility Management System, certified by an international body, addresses relationship quality and conditions in the work environment, reinforcing our commitment to improve and strengthen relations with employees, promoting open dialogue and driving improved working conditions. It also establishes requirements aligned with our Human Resources Management policy, aimed at continuous improvement in relations and the conditions of the work environment based on respect. To manage labor practice impacts and ensure compliance with RespSocial certification, we employ monthly, quarterly, six-monthly and annual indicators.

Our Human Resources Management policy establishes directives on relations between the internal and external publics and indicates the criteria to be adopted in decision making. The Social Responsibility and Climate area of the Human Resources Department and the contact channels receive and address reports. These go to the Human Resources Committee and are channeled to those responsible for solving them. The process is overseen at executive level.

Contacts related to harassment and discrimination are received, filed and addressed with a full guarantee of confidentiality. On a weekly basis, these cases are reviewed by the Human Resources Committee, and every quarter they are reviewed by the Ethical Conduct Executive Committee. The indicators of the Corporate Social Responsibility Management System, which include cases of discrimination, are verified by means of compliance assessments and external audits every six months, and preventive and corrective measures are adopted to contain any deviations.

The communication channels and the process flow are also available for dealing with reports from suppliers. These are monitored by the Time Panel and the same preventive and corrective measures are adopted to contain any internal deviations.

We also have our Supplier Engagement Program, through which employees of partnering companies learn how to use the RespSocial communication channels. The program addresses questions related to health and safety, labor legislation, human rights and children's rights.

GRI G4-LA16 | Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms

GRIEVANCES/YEAR		2014*	2015*	2016*
Number of grievances about human rights filed, processed and resolved through formal mechanism during the reporting period	Total	1,093	783	617
	Processed	1,093	783	617
	Resolved	928	643	570
Number of grievances about human rights filed in previous years, but resolved in the reporting period		321	120	147

* For the Organization, the labor and human rights cases are addressed jointly, being impossible to manage them separately. The Bradesco Seguros Group Ombudsman service did not receive any human rights related complaints.

GRI G4-HR1 | Total number and percentage of investment agreements and contracts that include human rights clauses or that were submitted to human rights assessment

The percentage of significant financing contracts submitted to social and environmental risk analysis is not available; however, we are working on making this information available in the medium term.

GRI G4-HR2 | Total number of hours of employee training in human rights policies or procedures related to aspects of human rights relevant for the organization's operations and percentage of employees trained

The number of hours training in human rights totaled 190,794, involving 47% of the employees and third-party employees.

GRI G4-DMA FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

We recognize the unions as the legitimate representatives of our category. As such, all employees enjoy freedom of association, are represented by unions and are covered by collective bargaining agreements. Moreover, we minimize conflicts and negotiate solutions via communication and relationship channels. We also support union membership campaigns conducted on the organization's premises, providing infrastructure and orienting managers to ensure neutrality where employee decisions are involved.

GRI G4-HR5 | Operations and suppliers identified as presenting significant risk of child labor and measures taken to contribute to the effective eradication of child labor

In 2016, no young workers exposed to risk, child labor or forced and slave labor were identified. We monitor 100% of our supplier base on a monthly basis. If any such case is identified, the supplier is immediately disqualified. In 2016, with the Bradesco Social and Environmental Responsibility in the Supply Chain Program, risks are also verified by means of independent audit.

GRI G4-HR6 | Operations and suppliers identified as presenting significant risk of forced or slave labor and measures taken to contribute to the elimination of all forms of forced or slave labor

In 2016, no suppliers with young workers exposed to risk, child labor or forced and slave labor were identified. We monitor 100% of our supplier base on a monthly basis. If any such case is identified, the supplier is immediately disqualified. In 2016, with the Bradesco Social and Environmental Responsibility in the Supply Chain Program, risks are also verified by means of independent audit.

GRI G4-DMA ASSESSMENT

The defense and protection of human rights is a principle which is declared publicly in our Human Resources Management Policy and in our Code of Ethics. Our management structure is certified under the RespSocial standard, which replaced the SA 8000 standard in June 2016, with the provision of communication channels to receive and deal with any deviations to this principle. The Social Responsibility and Climate area of the Human Resources Department receives and addresses any reports. These go to the Human Resources Committee and are channeled to the executive spheres, such as the Ethical Conduct Committee.

Our Human Resources Management policy establishes directives on relations between the internal and external publics and indicates the criteria to be adopted in decision making. There is also the Corporate Social Responsibility Management System, certified by an international body, which assesses conditions in the work place and provides for periodic evaluations of all requirements through the verification of internal and external compliance and external audits. Thus, each semester the management system is subjected to critical analysis, taking into account adherence to the policy, reports of deviations and the non-con-

formances identified in audits, as well as indicating opportunities for improvement. The maintenance process and the expansion plan for the system also provide for widespread communication to raise employee and supplier awareness.

Our target for 2017 is to evaluate the results of the new Corporate Social Responsibility certification as it relates to 30,500 employees and around 5,800 third-party employees, increasing the scope of compliance assessment in operations involving suppliers.

GRI G4-HR9 | Total number and percentage of operations subject to human rights reviews or impact assessments

In 2016, we approved 888 new suppliers, all of whom were subject to human rights screening.

GRI G4-DMA SUPPLIER ASSESSMENT FOR HUMAN RIGHTS

Our relations with suppliers are based on criticality and performance in accordance with our values, goals and attributes, including commitment to human rights. Compliance with labor legislation is indispensable and is verified on a monthly basis. Any non-compliance is notified immediately with an instruction to regularize the situation. Non-compliant partners may be disqualified.

Most social and environmental risks are indirect and arise from business relationships. Within this context, potential social and environmental problems caused by service providers may represent financial, reputational and legal risks for us. To mitigate these risks and interruptions to the services provided by suppliers, we identify, classify, assess and monitor our suppliers in relation to commercial questions such as the non-use of child, forced or slave labor; social and environmental management; occupational health and safety and environmental legislation; FSC certification; and financial situation, among other aspects. To do this we use a third-party independent auditor whose work involves visits to suppliers in critical categories.

We also maintain a robust governance structure, comprising committees, policies, standards and procedures which ensure that risks are duly identified, measured, mitigated, monitored and reported. As internal commitments, in addition to the Corporate Sustainability Policy and the Social and Environmental Responsibility Standard, overseen by the Planning, Budget and Control Department, we have the Social and Environmental Risk Standard, the responsibility of the Integrated Risk Control Department, which is aimed at defining and declaring the scope of assessment with respect to our exposure to social and environmental risks, enabling the identification of suppliers employing forced or slave labor. Other documents are: the Code of Conduct and the Procurement Professional Sector Code of Ethics; Procurement Policy; Code of Ethical Conduct and Corporate Anti-corruption Policy.

Contracts contain clauses that are also aimed at ensuring partners guarantee human, labor and social rights. These include mandatory certificates of good standing for social security and CRF contributions and other standards related to Brazil's CLT labor laws, as well as non-discrimination and the non-employment of illegal, slave or child labor.

Furthermore there are diverse supplier monitoring and relationship channels, such as the Ombudsman, Alô Bradesco and the corporate email address 4080.fornecedor@bradesco.com.br.

Targets achieved in 2016:

- Finalization of the implementation stage of the supplier approval module using the new Item and Supplier Management tool;
- Adoption of the Bradesco Social and Environmental Responsibility in the Supply Chain Program;
- Supplier social and environmental rating approved and adopted, addressing the question of human rights;
- Organization of the 14th Bradesco Suppliers' Encounter centered on Governance and Sustainability initiatives. The event included the presentation of the CDP Supply Chain on Climate Change – A Global Vision and Regulatory Compliance. Furthermore, three commercial partners presented their experiences and practices related to governance and sustainability, addressing topics such as employee quality of life and well-being, social actions, community engagement and respect for diversity.

Targets for 2017:

- Increase the number of supplier audits under the Bradesco Social and Environmental Responsibility in the Supply Chain Program.
- Organization of the 15th Bradesco Suppliers' Encounter.

GRI G4-HR10 | Percentage of new suppliers selected based on human rights screening

In 2016, we approved 888 new suppliers all of whom were subject to human rights screening.

GRI G4-HR11 | Significant actual and potential negative human rights impacts in the supply chain and measures taken

	ASSESSMENT OF IMPACTS ON HUMAN RIGHTS		
	SUPPLIERS SUBMITTED TO ASSESSMENT	CAUSING NEGATIVE IMPACTS	HAVING IMPROVEMENT PLANS
2016	1,635	203	26 (13%)
2015	921	183	24 (13%)
2014	490	180 (37%)	20 (11%)
2013	522	248	(48%)

GRI G4-DMA HUMAN RIGHTS GRIEVANCE AND COMPLAINT MECHANISMS

Our new Corporate Social Responsibility Management System, certified by an international body, addresses relationship quality and conditions in the work environment, reinforcing our commitment to improve and strengthen relations with employees, promoting open dialogue and driving improved working conditions.

We maintain indicators to monitor questions related to human rights and a Human Resources Management policy that establishes directives on relations between the internal and external publics and indicates the criteria to be adopted in decision making. The Social Responsibility and Climate area of the Human Resources Department and the contact channels receive and address reports. These go to the Human Resources Committee and are channeled to those responsible for solving them. The process is overseen at executive level by the Ethical Conduct Committee. Although the official time limit for a return on these reports

is 60 days, after improvements in the process in 2015, the response time was reduced to 56 days. In the ongoing pursuit of improvement, we ended 2016 with an average response time of 32 days, a 47% reduction in comparison with the established deadline.

To support the report handling process, we use the Time Panel tool which enables us to identify any bottlenecks or deviations in the flow. External audits conducted by an independent international organization verify and certify our Management System on an annual basis.

We also have our Supplier Engagement Program, through which employees of partnering companies learn how to use the RespSocial communication channels. The program addresses questions related to health and safety, labor legislation, human rights and children’s rights. There are also specific training programs related to these questions available for employees.

GRI G4-HR12 | Number of complaints and grievances about human rights impacts filed, addressed and resolved by formal grievance mechanism

COMPLAINTS/YEAR	2014*	2015*	2016*	
Number of complaints and grievances about human rights impacts filed by formal grievance mechanism	Total	1,093	783	617
	Addressed	1,093	783	617
	Resolved	928	643	570
Number of complaints and grievances about human rights impacts filed in previous years, but resolved in the reporting period	321	120	147	

* For the Organization, the labor and human rights cases are addressed jointly, being impossible to manage them separately. The Bradesco Seguros Group Ombudsman service did not receive any human rights related complaints.

GRI G4-SO4 | Communication and training in anti-corruption practices and procedures in the organization

NUMBER OF EMPLOYEES WHO RECEIVED ANTI-CORRUPTION TRAINING IN 2016													
Corporate	Board of Directors	8	100%										
	Statutory Board	138	100%										
REGION		South	(%)	Southeast	(%)	Northeast	(%)	North	(%)	Midwest	(%)	Overseas	(%)
Functional category	Superintendents	1	33	29	19	0	0	0	0	0	0	5	71
	Managers	279	11	1,266	15	404	13	101	12	195	17	15	34
	Supervisory/ Administrative	3,020	33	4,454	12	644	11	201	13	395	14	61	32
	Operational	1,974	40	4,730	21	882	21	343	26	385	24	15	63
	Apprentices	22	31	373	39	30	17	13	28	17	53	0	0
	Interns	179	56	542	38	8	24	1	8	5	25	0	0

GRI G4-DMA PUBLIC POLICIES

On September 17, 2015 the Federal Supreme Court passed ruling no. 4650 declaring legal provisions authorizing companies or other legally constituted organizations to make contributions to candidates, parties and electoral campaigns unconstitutional. From this date donations by legally constituted organizations were prohibited.

GRI G4-SO6 | Total value of contributions to political parties and politicians, discriminated by country and recipient/beneficiary

There were no donations in 2016.

GRI G4-SO8 | Monetary value of significant fines and total number of non-monetary sanctions resulting from non-compliance with laws and regulations

We received fines related to infractions of the CLT labor laws amounting to R\$712,571.49; there were cases of psychological harassment in which settlements totaled R\$1,434,398.50.

GRI G4-DMA SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY

See the G4-DMA Assessment of suppliers for human rights, Assessment of suppliers for labor practices, Assessment of suppliers for environmental impacts.

GRI G4-SO9 | Percentage of new suppliers screened using criteria for impacts on society

In the approval process, 100% of suppliers are subject to social and environmental assessments using a tool that applies the following criteria: labor practices, human rights, slave and child labor, social and environmental risks, in addition to contract clauses whereby suppliers commit to respect labor, social and environmental rights.

GRI G4-SO10 | Significant actual and potential negative impacts on society in the supply chain and actions taken

a. 100% – We seek to improve and drive closer relations with suppliers continuously. In 2016, the supplier registration module was concluded with management tools that enable the supplier’s registration details to be viewed by the entire Organization.

The approval process addresses social and environmental responsibility questions such as labor practices, slave and child labor, environmental risks as well as the mitigation of risks related to suppliers considered to be critical in social and environmental terms.

b. 637 suppliers with contracts in critical segments that could generate significant actual and potential negative impacts on society were identified.

c. We analyze the purchase categories in accordance with the aspects of each dimension, as described below. After this analysis, each one’s aspects are totaled. Categories with a total of six or more aspects were considered to be critical.

Economic: brand management: image and reputational risk; high degree of dependence (both the category/supplier and the Bank; category with the highest purchase volume (80% of total purchases).

Environmental: categories with high GHG emissions; timber chain; waste collection and disposal; products with toxic materials (including manufacture – e.g.: paint/lead, etc).

Social: activities requiring the use of PPE, safety or ergonomics equipment; work shift (in accordance with the law); slave, forced or child labor; psychological and sexual harassment; products consumed by the Organization’s employees.

d. No suppliers who generated significant actual or potential negative impacts were identified. It was not necessary to develop any action plans.

e. No contracts were terminated due to impacts on society.

GRI G4-DMA CLIENT HEALTH AND SAFETY

This aspect is being assessed internally. We are working on making this information available.

GRI G4-PR1 | Percentage of significant product and service categories for which health and safety impacts are assessed with a view to improvement

This aspect is being assessed internally. We are working on making this information available.

GRI G4-PR2 | Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products during their life cycle, by type of outcomes

This aspect is being assessed internally. We are working on making this information available.

GRI G4-PR3 | Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

We provide general content on conscious consumption via diverse channels: the portal of the Together for Health Program was created by Bradesco Saúde to help its policy holders to attenuate the main risk factors for diseases, either through preventive measures or active health promotion.

Guide BEM is a channel in which policy holders may find information on how to use their health insurance correctly, on their rights and responsibilities, on how to make best use of consultations with doctors and how to clarify any doubts.

We provide general content on education in the use of the insurance, as well as printed materials for clients: the Policy Holder Manual provides information on the health insurance rules and the policy holders' rights and obligations in relation to 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 may access 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: a preview of the reimbursement is a service offered by Bradesco Saúde to give clients prior notification of the reimbursement they are entitled to for a determined service covered by their health insurance. The consultation is made by telephone through the Client Relationship Center.

There are explicit notifications about the suitability of each product for the client on the individual promotional materials for each product, as well as recommendations of alternative products: via the Bradesco Portal it is possible to see the benefits available for each client profile, the suitability of the insurance and alternative products.

GRI G4-DMA MARKETING COMMUNICATION

This aspect is being assessed internally. We are working on making this information available.

GRI G4-PR6 | Sale of banned or disputed products

This aspect is being assessed internally. We are working on making this information available.

GRI G4-PR7 | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes

This aspect is being assessed internally. We are working on making this information available.

GRI G4-DMA CUSTOMER PRIVACY

As a financial and insurance institution, we must protect the confidentiality of our clients' information, in accordance with internal and external regulations. As such, we continually reaffirm our commitment to ongoing improvement in protecting the privacy of our clients' data.

We employ one of the most advanced security technologies: biometrics, available in 100% of the ATMs in the Bradesco-owned network and the Banco24Horas network. This identifies the client and authorizes the transaction made on the ATM by means of an invisible sensor/light which captures the vascular pattern of the palm of the hand. We also monitor the digital channels continuously, using modern tools which are updated constantly. Every access/transaction can be compared with prior ones (good and bad) by advanced data analysis to detect possible deviations. The processes are accompanied by management reports issued on a daily basis.

In information security, we classify and define directives, standards and policies for treating information (confidentiality, integrity and availability), as well as regulatory principles to ensure data privacy for clients. The Executive Board and the other hierarchical levels are involved in discussions related to information security via the Information Security Commission and the Corporate Security Executive Committee.

The Information Security area of the Corporate Security Department is responsible for elaborating, maintaining, reviewing and disseminating corporate information security policy and standards. Among other activities, it is strategically involved in internal (processes and technologies) and external (access/use by clients) security, which involves: training and ensuring employee awareness; assessment of information security risks; issuing reports on products and services; and preventing fraud in the electronic channels. It interacts with the management and technical areas to propose solutions aimed at increasing security in the service channels.

We also engage actively in preventing, detecting and correcting information security fraud to protect internal information assets and those of our clients.

With specific reference to privacy, in 2016 the document Privacy Directives was updated to incorporate legal modifications and best market practices.

The Information Security area is responsible for underscoring the importance of this document and disseminating it in the Corporate Information Security Awareness and Education Program.

GRI G4-PR8 | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

In 2016, our legal area dealt with 57 cases which resulted in settlements totaling R\$152,089.16.

In the Ombudsman area, 107,269 external complaints were received and validated by the Organization resulting in settlements totaling R\$157,433.36. The Ombudsman received 145,300 complaints from clients of the National Financial System and none from regulatory agencies. No leaks, thefts or loss of client data occurred. The Bradesco Seguros Group Ombudsman received no complaints about the violation of customer privacy or loss of data.

GRI G4-DMA COMPLIANCE

We have an Executive Committee and a Product and Service Commission which, in conjunction with the management areas, assess the opportunities and the financial and operational viability of proposals to create or alter products and services and to monitor their performance. This process, which is documented via a Business and Compliance Plan, involves analyzing regulations (laws and standards governing the commercialization of products and services), characteristics, functionalities, processes, risks, controls and sustainability-related aspects.

GRI G4-PR9 | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

We paid a total of R\$46,104,415.88 in fines to PROCON, SUSEP and ANS. These amounts reflect the alterations in the regulations governed by ANS – responsible for issuing Resolution no. 388.

SECTOR SUPPLEMENT – FINANCIAL SERVICES

GRI G4-DMA PRODUCT PORTFOLIO

The Social and Environmental Risk Analysis and Control area of the Integrated Risk Control Department is responsible for providing social and environmental risk assessment reports to ensure well-targeted decision making. The Integrated Risk Control Department is also responsible for assessment and monitoring to ensure compliance with policies and standards via its Internal Controls area, as well as the Internal Audit and the Model Validation areas, with a view to identifying operational improvements.

We also employ our Social and Environmental Risk Standard, which establishes the scope of its exposure to social and environmental risks in lending operations and where suppliers are concerned. In 2016, this scope was extended to include the assessment of real estate and investment (private equity) guarantees for projects and companies that have higher exposure, for clients with pre-existing risks related to embargoed and contaminated areas, as well as those presenting signs of producing or commercializing any product or activity that may be considered illegal under Brazilian law and international conventions and agreements (e.g.: child labor, sexual exploitation and wildlife trafficking). Satellite images and documents are scrutinized before accepting the guarantees in order to avoid any risk of accepting real estate with liabilities and/or environmental restrictions.

As signatories to the Equator Principles, we require the application of the directives of this standard in addition to the criteria and obligations established by Brazilian law, as well as the International Finance Corporation (IFC)

Performance Standards and the World Bank's Health, Safety and Environment Guidelines.

There is also a Social and Environmental Risk Control and Analysis Manual for activities that involve greater exposure to social and environmental risk in business, such as the production and commercialization of arms and munitions, radioactive materials and others. Consequently, operations with companies in these sectors are analyzed and social and environmental risk reports are prepared to contribute to decision making in the loan concession process.

The prioritization of topics is characterized by the type of risk identified during the risk assessment. As an example, during the project analysis phase, clients are provided with an explanation about the social and environmental risk policies and practices adopted and applied in our operation. Whenever necessary, the client's documentation and information are assessed. Similarly, interactions are promoted aimed at improving and adapting the project in accordance with our guidelines, legislation and the IFC performance standards, when applicable. These procedures may lead to the preparation of actions plans elaborated by us in conjunction with the client; these plans will be included in any contract that may come to be signed.

Suppliers considered to be strategic and critical, such as those having embargoed and/or contaminated areas or indications of slave labor, are subjected to a more rigorous social and environmental assessment.

GRI G4-FS6 | Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector

Segmentation of Net Equity under management

Net equity under management (R\$ million): 569,486 in December 2016

SEGMENTATION	RESULT (R\$ MILLION)	% CONTRIBUTION TO BRAM EARNINGS
Short-term		0.00
Referenced DI		0.00
Fixed income	342,358	60.12
Multimarket	42,433	7.45
Exchange	454	0.08
Foreign debt		0.00
Shares	7,109	1.25
Private pension	168,938	29.66
Closed exclusive		0.00
FIDC	8,105	1.42
Real estate	90	0.02
Stakes		0.00

SIZE OF CLIENT/COMPANY PROFILE (FOR EXAMPLE: INDIVIDUAL, COMPANY, HIGH INCOME, SMALL COMPANY, LARGE COMPANY, ETC.)	RESULT (R\$ MILLION)	% CONTRIBUTION TO BRAM EARNINGS
EFPC – public/state companies	9,922	1.74
EFPC – private companies	37,457	6.58
Insurer	16,199	2.84
EAPC	191,731	33.67
Capitalization	4,403	0.77
Corporate	149,160	26.19
Middle market	17,883	3.14
Private	29,065	5.10
High income retail	41,804	7.34
Retail	41,260	7.25
Public authorities	12,164	2.14
RPPS	6,278	1.10
Investment funds	11,372	2.00
Foreign	775,878	0.14
Others	12,813	0.00

GRI G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose

1) Bradesco SOS Mata Atlântica Card and 2) Fundação Amazonas Sustentável

In addition to the environmental benefits of these products (mentioned in G4-FS8), these institutions supported by the abovementioned Bradesco cards promote diverse social actions, such as:

- SOS Mata Atlântica – promoting education and knowledge about the Atlantic Rainforest, mobilizing, training and encouraging the exercise of social and environmental citizenship. Among others, the organization develops projects, campaigns and action strategies in the areas of public policy, environmental education, forestry reclamation, volunteer work, sustainable development and ecosystem protection and stewardship.
- Fundação Amazonas Sustentável – this institution promotes sustainable development, environmental conservation and improved quality of life for riverside communities in the state of Amazonas.

3) Cards with philanthropic organizations (AACD and APAE)

Part of the annual card fee goes to the philanthropic body.

4) BNDES Card

Product description – onlending of BNDES funds for the acquisition of machinery, equipment and production goods available for sale on the BNDES Card portal.

The objective is to facilitate the use of credit and help companies to invest and modernize.

Target public – micro, small and medium companies.

5) Membership Rewards program (Amex – Donation)

The Membership Rewards points donation campaign for partnering charitable institutions enables members to contribute to social and cultural projects. Partnering institutions: Tuca, IBCC, Ibase, GRAACC, AACD, Fundação Abrinq, Doutores da Alegria, Casa Hope, ADJ, Instituto Olga Kos, Fundação Gol de Letra and Beit Lubavitch.

Volume of points redeemed from January to December 2016: estimated financial volume R\$64,371.00.

6) Bradesco Cards Loyalty Program

The redemption of points in the Bradesco Cards Loyalty Program for partnering charitable institutions enables the member to contribute to social projects.

Partnering institutions: AACD, GRAACC and Casa Hope.

Volume of points redeemed from January to May 2016: estimated financial volume R\$10,488.00 (from June 2016 the program was migrated to Lívolo).

7) Bonus Club Program

The redemption of bands in the Bonus Club Program for partnering charitable institutions enables the member to contribute to social projects.

Partnering institutions: AACD, GRAACC and Casa Hope.

Volume of bands redeemed from January to December 2016: R\$24,880.00.

8) Saber para Crescer Blog

An educational channel with a relationship platform close to the target public through which tips and ideas may be shared in simple, straightforward language. The contents cover the categories Extra Income, World and Culture, Conscious Pocket, Thinking about the Future, Intelligent Routine and You as Entrepreneur. Approximately 12 subjects are addressed per month among the categories and on the Facebook page, which has more than 480,000 fans.

GRI G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose | G4-FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose

SUSTAINABLE PRODUCTS

PRODUCT/ PROJECT NAME	AREA OF ACTIVITY	DESCRIPTION/ MAIN CHARACTERISTICS	FROM	TARGET PUBLIC	December 2014		December 2015		December 2016	
					Balance in R\$	Qty	Balance in R\$	Qty	Balance in R\$	Qty
ENVIRONMENTAL										
Environmental leasing	Environmental/ Economic	Commercial leasing with differentiated terms for the acquisition of goods that help preserve the environment and drive sustainable development.	Jun./07	Individual and Corporate Clients	266,385	6	17,976	2	357	1
CDC - gas kit	Environmental/ Social/ Economic	Financing to convert vehicles to use of natural gas (equipment certified by INMETRO).	2005	Individual and Corporate Clients	75,483	20	509,316	127	317,088	95
Environmental working capital	Environmental/ Social/ Economic	Loan for corporate clients with ISO 14000 certification whose activities are related to social development and environmental preservation or to the recovery of metals or plastics.	2005	Corporate Clients with ISO 14000 certification whose activities are related to social development and environmental preservation or to the recovery of metals or plastics.	187,587	8	604,355	38	409,252	19
Forestry working capital	Environmental/ Social/ Economic	Loans for corporate clients who have forestry stewardship/custody chain certification or a contract demonstrating they are obtaining certification.	2006	Corporate Clients who have Forestry Stewardship/ Custody Chain certification or a Contract demonstrating they are obtaining certification.	595,077	30	187,633	18	29,494	4
CDC - solar heater	Environmental/ Social/ Economic	Financing for the acquisition of solar heating equipment (equipment certified by INMETRO).	2005	Individual and Corporate Clients	51,676	15	26,223	7	16,191	7
CDC - forestry certificate	Environmental/ Social/ Economic	Line of credit for clients intending to get Forestry Certification.	Dec./06	Corporate Clients	0	0	0	0	0	0
CDC - fotovoltaico	Environmental/ Social/ Economic		Jul./16	Individual and Corporate Clients	-	-	-	-	0	0
					1,176,208	79	1,345,503	192	772,382	126

GRI G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose | G4-FS8 | Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose

PRODUCT/ PROJECT NAME	AREA OF ACTIVITY	DESCRIPTION/ MAIN CHARACTERISTICS	FROM	TARGET PUBLIC	December 2014		December 2015		December 2016	
					Balance in R\$	Qty	Balance in R\$	Qty	Balance in R\$	Qty
ENVIRONMENTAL – with onlending of BNDES + FGTS funds										
Moderagro Solo/ Produsa	Environmental/ Social/ Economic	Finance for projects involving soil correction, reclamation of degraded pastureland, ordering of lands and environmental regularization of farmland, in particular the reconstitution of legal reserve and permanent preservation areas.	2004	Agricultural producers (Individuals and Companies) and their cooperatives	183,320,136	1,624	95,596,420	878	42,237,721	450
ABC program	Environmental/ Social/ Economic	Financing to promote the reduction of greenhouse gas emissions from agricultural activities and to reduce deforestation.	2011	Individual and Corporate Clients	202,475,185	605	159,617,247	600	1,025,686,293	5,896
Moderagro	Environmental/ Social/ Economic	Financing for agricultural/livestock projects aimed at boosting productivity, product quality standards and compliance with sanitary/environmental regulations (BNDES onlending).	2004	Agricultural producers (Individuals and Companies) and their cooperatives	297,911,765	2,229	298,241,470	1,897	159,137,199	1,267
Sanitation for All (FGTS) * Former Pró-Saneamento	Environmental/ Social/ Economic	Financing for sanitation projects such as water supply, sewage, solid waste treatment, among others (FGTS onlending).	2004	Corporate Clients	20,151,234	17	8,781,180	9	0	0
Propflora	Environmental/ Social/ Economic	Financing for implantation and maintenance of forests for industrial use and for the maintenance and reclamation of preservation and forestry legal reserve areas (BNDES onlending).	2005	Agricultural producers (Individuals and Companies), agricultural producer associations and cooperatives	38,229,797	107	86,335,612	96	113,390,910	86
Profruta – Prodefruta	Environmental/ Social/ Economic			Agricultural producers (Individuals and Companies), agricultural producer associations and cooperatives			5,532,528	54	2,306,018	23
Prodecoop	Environmental/ Social/ Economic			Agricultural producers (Individuals and Companies), agricultural producer associations and cooperatives			45,520,743	53	47,166,207	51
					742,088,117	4,582	699,625,200	3,587	1,389,071,298	7,773

GRI G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose

PRODUCT/ PROJECT NAME	AREA OF ACTIVITY	DESCRIPTION/ MAIN CHARACTERISTICS	FROM	TARGET PUBLIC	December 2014		December 2015		December 2016	
					Balance in R\$	Qty	Balance in R\$	Qty	Balance in R\$	Qty
SOCIAL										
Payroll deductible credit – private sector	Social/ Economic	Payroll deductible loans for employees of private companies with union representation.	2004	Individual Clients	386,089,494	76,817	366,672,244	66,127	353,910,566	56,806
CDC – building materials	Social/ Economic	Finance for acquisition of building materials through agreements with retailers affiliated with Anamaco (Associação Nacional dos Comerciantes de Material de Construção).	2001	Individual Clients	67,407,984	17893	38,177,212	10,667	17,597,356	5,154
Microcredit for Individuals	Social/ Economic	Loans for low-income clients.	2003	Individual account holder and Individual micro-entrepreneur	2,757,401	1449	10,248,665	5,178	16,730,522	8,272
Working capital for Local Production Arrangements	Social/ Economic	Loans for micro and small companies engaged in Local Production Arrangement projects.	2005	Retail segment clients	24,904,625	519	44,457,039	923	44,434,607	819
Pre-approved overdraft for university students	Social/ Economic	Pre-approved overdraft for students with University Accounts.	2005	Individual Clients (university students)	1,643,677	2,682	1,432,262	2,058	1,112,365	1,749
CDC APL – local production arrangements	Social/ Economic	Financing for machinery and equipment for micro and small companies in Local Production Arrangements (APL).	2005	Corporate Clients – retail	219,173	15	134,489	9	102,792	7
Microcredit Companies	Social/ Economic	Loans for low-income micro-entrepreneurs.	2003	Micro-entrepreneurs who are account holders Company	763,755	289	2,728,874	1,021	6,679,424	1,737
CDC – MBA/ Postgraduate studies	Social/ Economic	Financing for specialization, postgraduate and MBA courses.	2005	Professional and student account holders with degrees	300,181	49	239,119	30	162,570	17
CDC – School material/ enrollment	Social/ Economic	Finance for buying school materials and paying enrollment.	2005	Individual Clients	17,930	11	0	0	1,892	2
CDC – accessibility – goods	Social/ Economic	Finance for equipment for adapting vehicles, for the acquisition of wheelchairs, prosthetic devices, Braille equipment, sports equipment, among others for persons with special needs.	Jan./07	Individuals with special needs and companies wishing to acquire accessibility-related goods	104,246	20	99,162	23	125,019	35
CDC – accessibility – services	Social/ Economic	Credit line for persons with special needs to finance adaptation of vehicles and remodeling for accessibility (access ramps etc).	Dec./06	Individual and Corporate Clients with special needs	82,791	7	66,775	8	115,667	7
CDC – seminars/ congresses	Social/ Economic	Financing for enrollment in congresses, seminars, fairs or events.	2006	Individual Clients	30,773	5	15,093	3	24,364	4
					484,322,030	99,756	464,270,933	86,047	440,997,143	74,609

GRI G4-FS7 | Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose

PRODUCT/ PROJECT NAME	AREA OF ACTIVITY	DESCRIPTION/ MAIN CHARACTERISTICS	FROM	TARGET PUBLIC	December 2014		December 2015		December 2016	
					Balance in R\$	Qty	Balance in R\$	Qty	Balance in R\$	Qty
SOCIAL – with BNDES funding										
Modermaq	Social/ Economic	Financing for machinery and equipment to modernize and boost the Brazilian industrial park and the healthcare sector.	2004	Companies of any size involved in extractive, transformation, construction and healthcare industries	0	0	0	0	0	0
Moderinfra	Environmental/ Social/ Economic	Financing for irrigation and storage projects, aimed at developing sustainable irrigated agriculture.	2004	Agricultural producers (Individuals and Companies) and their cooperatives	29,251,104	163	16,889,246	125	167,771,233	498
Progeren	Social/ Economic	Financial support through provision of working capital, aimed at boosting production, employment and income.	2004	Micro, small and medium companies located in production regions	294,860,135	215	115,902,305	115	114,649,234	78
					324,111,239	378	132,791,551	240	282,420,467	576
TOTAL OF SUSTAINABLE PRODUCTS					1,551,697,594	197,021	1,298,033,187	90,066	2,113,261,290	83,084

Other products with environmental benefits:

Capitalization bonds – Pé Quente Bradesco SOS Mata Atlântica, Pé Quente Bradesco Amazonas Sustentável and Pé Quente Bradesco Projeto Tamar.

Bond holders may win prizes through draws and participate directly and significantly in the reclamation and preservation of the environment, enabling the development of projects with a preventive focus.

Amount in 2016 – R\$130,987,185.00

GRI G4-DMA AUDIT

Our Internal Audit plays an important role in mitigating risks, adjusting and ensuring the effectiveness of internal controls and compliance with internal and external policies, standards, procedures and regulations. This encompasses assessing performance towards the achievement of targets and goals. Internal Audit reports directly to the Board of Directors. It is also responsible for conducting an independent assessment of business and information technology processes, as well as assessing social and environmental risks.

In 2016, the Internal Audit area initiated a project for a single management platform which includes, among other things, a risk matrix, an annual plan and the execution of activities and communication with senior management.

GRI G4-DMA ACTIVE OWNERSHIP

Active ownership is one of the ways in which we execute our fiduciary duty. This brings us closer to companies that we invest in and enables us to propose improvements that will drive a better return for all our stakeholders.

Since 2010, by means of Bradesco Asset Management (BRAM), we have been signatories to the Principles for Responsible Investment (PRI). BRAM has approximately 200 companies in its investment portfolio and in 2016 promoted individual engagement meetings with all of them.

In 2017, BRAM will continue to work on remaining close to the management of all the companies and be attentive to the risks and opportunities arising from economic, social and environmental challenges. This ensures that we fulfill our mission of providing a superior sustainable return in managing clients' investments.

To drive Environmental, Social and Governance (ESG) principles in investment decisions throughout Bradesco Asset Management, we organize meetings focused on metrics and methodologies with the team, including the investment area.

In assessing ESG principles in the companies in which we invest, we take into account public data as well as information received in meetings with company representatives. Based on this information, we compile an ESG rating which financial analysts and managers use in their allocation decisions. This permanent monitoring of the investee companies' activities permits the identification of any necessary changes in investment decisions.

Our Voting Policy does not take social and environmental questions into account.

GRI G4-FS10 | Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues

From 2016, BRAM extended its Environmental, Social and Governance (ESG) assessment methodology to its entire variable income and fixed income portfolios. Until the previous year, the methodology was only applied to variable income and the positive triage of niche products. Due to the implementation of ESG methodology in all corporate asset classes, the number of companies increased from 122 in 2015 to 174 in 2016.

GRI G4-FS11 | Percentage of assets subject to positive or negative environmental or social screening

Since 2013, BRAM has been developing a methodology for assessing the risks, opportunities and potential impacts of ESG questions on the performance of its assets throughout all the funds under management. The methodology encompasses public research into ESG information about the companies in the universe covered by the BRAM research analysts and the engagement of investee companies by means of meetings or calls with the investor relations professionals, who are contacted directly by the BRAM analysts. The result of this analysis is an ESG rating that is considered by

the analysts in their recommendations to buy and sell shares. It therefore influences the formation of the portfolios of all the variable income funds, and not only ESG oriented niche products.

It should be noted that due to the high interest rate in Brazil, there is a higher demand for investments in public securities than in companies, be it via variable income or corporate fixed income. As such, considering the amount invested in companies, currently BRAM has ESG coverage for 100% of its assets.

In 2017, BRAM will continue to work on remaining close to the management of all the companies and be attentive to the risks and opportunities arising from economic, social and environmental challenges. This ensures that we fulfill our mission of providing a superior sustainable return in managing clients' investments.

GRI G4-DMA LOCAL COMMUNITIES

We are active in the area of personal insurance and supplementary pensions, disseminating of culture of saving and family protection by means of mass market insurance and micro-credit products, as well as low contributions to open supplementary pension plans.

We are present in every Brazilian municipality, be it via branches and banking correspondents, or advanced service points, such as Bradesco Espresso, installed in riverside communities in the Amazon region, a strategic step in the financial inclusion process for some 8,500 people spread over an area of more than 1.5 million hectares. This capillarity helps drive financial inclusion – including the low-income population and people living far from urban centers –, through the provision of access to the financial system and to banking services, driving local community development.

To enable the disabled to access the financial system, we promote physical and digital accessibility, in addition to our policy to drive their inclusion in the labor market. We have the Bradesco Seguros Libras project (Prodeaf), an application that translates Portuguese to Brazilian sign language, which is available for the general public; translation of the texts in the Bradesco Seguros Group's websites to sign

language; and the tool Virtual Vision (accessibility for the visually impaired) on specific pages of our institutional site.

In addition to financial inclusion, we work with financial education with a view to helping our clients and interested non-clients to better understand finances and manage their personal finances more effectively. There are training courses and instructional materials on our website (banco.bradesco/html/classic/educacao-financeira/). We also promote classroom courses on the subject.

Social inclusion and financial education are incorporated into our Corporate Sustainability Policy and our Social and Environmental Responsibility Standard. Our activities are also aligned with the Sustainable Development Goals (SDG), one of which is financial inclusion.

Target achieved in 2016:

- All the institutional pages on the Bradesco Seguros Group website were translated into Brazilian sign language. The application was downloaded 950,000 times in 2016, exceeding the target of 700,000.

GRI G4-FS13 | Access points in low-populated or economically disadvantaged areas, by type

Areas/ region	Classify as (1) econom- ically disad- vantaged region or (2) low-pop- ulated region	Criteria(s) adopted for classification	SERVICE POINTS														
			No. of ATMs			No. of bank branches			No. of service points (municipal PA, Company PA, Electronic PA)			Other installations (Bradesco Expresso)			Total		
			Total in region	Total in areas de- fined*	%	Total in region	Total in areas de- fined*	%	Total in region	Total in areas de- fined*	%	Total in region	Total in areas de- fined*	%	Total in region	Total in areas de- fined*	%
South	-	-	27	0	0.0	941	0	0.0	688	0	0.0	5,775	0	0.0	7,431	0	0.0
Southwest	(1) 32 municipalities	1 - Per- centage of population that is literate/ 2 - Per- centage of classes D/E in total hou- seholds/ 3 - IPC D/E Classes D/E in relation to IPC Maps	139	0	0.0	2,723	3	0.1	1,937	21	1.1	16,310	76	0.5	21,109	100	0.5
Midwest	(1) 5 municipalities		29	0	0.0	439	3	0.7	355	2	0.6	3,121	19	0.6	3,944	24	0.6
North	(1) 173 municipalities		84	0	0.0	309	31	10.0	429	37	8.6	2,887	255	8.8	3,709	323	8.7
Northwest	(1) 890 municipalities		131	11	8.4	897	254	28.3	1,343	554	41.3	10,287	2,729	26.5	12,658	3,548	28.0
Total	(1) 1,000 municipalities		410	11	2.7	5,309	291	5.5	4,752	614	12.9	38,380	3,079	8.0	48,851	3,995	8.2

* Low-populated or economically disadvantaged.

GRI G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

INITIATIVES

Report the initiatives developed to facilitate access to financial services for disadvantaged people.

<p>Cards: Contract, benefits guide, card holder with data such as numbers, validity and security code of card printed in Braille and enlarged font. Available for 100% of the card portfolio managed by Banco Bradesco Cartões S.A.</p>	<p>INSS benefit payment card: this enables retirees and pensioners to pay their expenses via direct debit. 2.4 million cards were issued in 2016. This total includes 512,000 cards for new beneficiaries resulting from the incorporation of HSBC Brasil.</p>	<p>Bradesco Continued Benefit Payment Card – INSS beneficiary: for disabled people who have a proven income of less than 1/4 of a minimum salary. In 2016, 314,000 units were issued.</p>	<p>At Bradesco, disabled people find the best solutions to facilitate their daily routine. These include diverse innovative tools that may be acquired free of charge. Aimed at providing greater autonomy and independence in managing finances.</p>
<p>Service Points (PAs): 215 units adapted to enable access for the physically disabled.</p>	<p>Monthly issue: 75,000, totaling an average of 900,000 per year – approximately 4.52% of the total portfolio.</p>	<p>Monthly issue: 15,000, totaling an average of 180,000 a year – approximately 0.51% of the total portfolio.</p>	<p>For further information see banco.bradesco/ acessibilidade (description in the tab Dados Adicionais DCD).</p>
<p>Bradesco Seguros Group: the solution to translate Portuguese language text into Brazilian sign language (Libras) is in Bradesco Seguros Group websites. Sponsorship of mobile telephone application that translates to sign language.</p>			

Report the initiatives developed to facilitate access to financial services for people facing language, cultural, age barriers, etc.

<p>On the Bradesco Cards, Bradescard and American Express websites, there are details about all the cards, access to bills and other important information.</p>	<p>We facilitate service for pensioners and retirees through the branch network which has a specific standardized service procedure for this group. Additionally the retiree may use the Bradesco Expresso service network, even in markets without bank branches. Retirees have an exclusive website with information on health and well-being, culture and leisure, free online courses and exclusive discounts for theater plays and trips, in addition to financial benefits and solutions. Upon opening a Bradesco account, the retiree has access to a series of advantages such as payroll deductible credit at differentiated rates and up to 72 months to pay, credit card with exclusive benefits for purchases in installments and a pre-approved credit limit, among others. With a view to facilitating the process of proving the beneficiary is alive, which is mandatory in accordance with INSS rules, this may be done via biometrics, ensuring security and speed in the services provided to the retiree.</p>
<p>On the universitario.bradesco/html/cub/index.shtm website, the individual can access diverse subjects of interest, such as career path, professional future; interchanges; vocational tests; and even a web series. The individual has access to content on financial education and a simulation on how to save money in order to buy a good or service in the future, such as an interchange program, courses, etc.</p>	

GRI G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

INITIATIVES

VISUAL ACCESSIBILITY

EMBOSSSED DEBIT AND CREDIT CARD – facilitates bank transactions on ATMs – accessible via voice software.

DEBIT AND CREDIT CARD HOLDER – BRAILLE KIT AND ENLARGED FONT – enables clients with partial or total visual impairment to access card information independently without requiring help from others. The product comprises notebooks in Braille and enlarged font, with information such as benefits guide, regulations, card holder (with data such as numbers, validity and security code), executive summaries, etc., containing the same information made available to all clients.

TOKEN FOR VISUALLY IMPAIRED (ELECTRONIC TOKEN FOR CLIENTS WITH VISUAL IMPAIRMENT) – a device that generates and verbalizes the numeric passwords used to validate Internet banking and Telebanking Bradesco telephone transactions. It has a larger display and number keypad for people with limited vision.

CONSOLIDATED MONTHLY STATEMENT IN BRAILLE OR ENLARGED FONT – this format enables clients with visual impairment to access their current account transactions (ensuring greater independence).

GAUGE FOR FILLING OUT CHECKS IN BRAILLE OR ENLARGED FONT – permits checks to be made out without help from others. The user just puts the check in the gauge and fills it out with a pen.

INTERNET BANKING FOR THE VISUALLY IMPAIRED – VIRTUAL VISION – screen reading software that verbalizes the information on the computer screen for the visually impaired. This initiative began when the statement of an account holder with visual impairment attracted the Organization's attention in 1995. The individual wrote a letter to the bank telling us how this software facilitated internet access to their account – not having to leave the house or needing help from others – and how helpful it would be if everyone with visual impairment had this kind of access. At this time, few people had computers with voice software (due to the high cost).

Impressed by this report, Bradesco set up a task force involving technology companies. From 1998, the bank started to provide permanent and free licenses for the program Virtual Vision, so that its account holders could access Internet banking and other functionalities (such as the Office Suite and the social networks) via their computers.

Note: The bank provides free temporary licenses (30 minutes per session for 30 days) for non-account holders.

It is worthy of note that Bradesco not only provides this software but offers the entire community – account holders or not – free courses on how to use Virtual Vision (through the Fundação Bradesco and its units around the country).

HEARING ACCESSIBILITY

SELF-SERVICE – WITHDRAWAL IN SIGN LANGUAGE – enables clients with hearing impairment to use the Bradesco Libras Digital Interpreter for withdrawal operations. All the information is translated from Portuguese to Brazilian sign language. For further information see banco.bradesco/accessibilidade and watch the tutorial on this exclusive service.

SIGN LANGUAGE ON THE BRADESCO PORTAL* – in banco.bradesco, it is possible to access information in the institutional area with translation from Portuguese to Brazilian sign language with help from a digital interpreter.

The user just presses the hearing impairment symbol button and the interpreter translates the content simultaneously.

* Being implanted gradually.

SIGN LANGUAGE SOLUTIONS ON BRADESCO SEGUROS GROUP WEBSITE – on the website bradescoseguros.com.br (only in Portuguese), clients also have access to a tool that translates from Portuguese to Brazilian sign language. This feature is also available for smartphones and tablets via the application ProDeaf Móvel – sponsored by the Bradesco Seguros Group.

This is free and is compatible with the Android, iOS and Windows Phone operating systems.

PHYSICAL AND/OR MOTOR ACCESSIBILITY

Service Points (PAs): units adapted to permit access for the physically disabled increased by 9%. Of 3,511 service posts, 89.4% are accessible for the disabled.

Bradesco Visual Mouse for people with motor disabilities (unable to move the upper limbs): software that captures the image of the face via a regular webcam installed in the computer and identifies the central point between the eyes and the nose. Once identified, the mouse can be controlled by head movements – without using the hands or arms.

To key in numbers or letters, the individual uses the virtual keyboard on the computer monitor, moves the mouse to the chosen key or letter and opens and closes his/her mouth to click on it.

In addition to accessing Internet banking to check accounts and make transactions, the client may use this tool on other internet websites, to do searches, to check emails and to use the Office Suite programs.

We provide two types of software license: permanent (available free of charge for account holders) and provisional (available for use free of charge by non account holders for 30 days).

GRI G4-FS14 | Initiatives to improve access to financial services for disadvantaged people

INITIATIVES

EXCLUSIVE CHANNELS

Accessible Self-Service – the entire ATM park is compliant with Brazil's ABNT (Associação Brasileira de Normas Técnicas) accessibility standards and is equipped with voice software, tactile markings and machines accessible to wheelchair users. Visually impaired clients may use the Bradesco Saque Fácil Bradesco (Easy Withdrawal) feature – during the withdrawal operation the client is informed of the amounts and the order of the bills that will be dispensed by means of voice software. Clients with hearing impairment have sign language translations to help with withdrawal operations.

TELEBANKING BRADESCO (Easy Phone) – clients may also use the Voice Command Electronic Service, which facilitates relationship with the bank. Clients with visual impairment receive personalized service by informing the number on the security key and their four-digit password. The channel functions 24 hours a day, 7 days a week (including holidays) via the telephones 4002-0022 (state capitals and metropolitan regions) or 0800 570 0022 (other regions).

SAC (Contact Center) – for users with hearing or speech impairment: the center provides services for clients via TDD (Telecommunications Devices for the Deaf) digital communication. Clients may ask questions, as well as make suggestions and complaints.

BRANCHES – the Bradesco branches* have access ramps, tactile flooring, visual signage, adapted restrooms and exclusive parking spaces for persons with reduced mobility and for the elderly.

* Some branches are undergoing adaptation.

FACILITIES VIA PRODUCTS AND SERVICES

CDC ACCESSIBILITY – exclusive credit terms* to facilitate the acquisition of accessibility-related products and services, such as the adaptation of vehicles, remodeling of homes, the purchase of hearing aids, among others. It is possible to finance up to 70% of the cost of the purchase in up to 48 monthly installments at reduced rates. Make a simulation at banco.bradesco/acessibilidade. For further information, visit a branch or call our Credit Center: 0800 273 3486.

* Credit subject to approval.

GRI G4-DMA PRODUCT AND SERVICE LABELING

Product and service commercialization is one of the ways in which we interact with, attract and retain clients. For this reason it is essential to develop products and services that meet the needs of diverse types of public.

By means of Bradesco Expresso, we have assumed a fundamental role in banking inclusion, in particular for the low-income population. This is because we offer products and services tailored for this public and do it in locations that lack traditional banking services, as well as in large centers, districts and communities that do not have bank branches.

We participate in product and service committees to assess opportunities, create new products and services or improve already existing ones. Specifically for projects considered to be large, we adopt a Corporate Business Plan which takes into account the financial, security and sustainability aspects, as well as the quality of the products/services offered to the client. Once adopted, the performance of the project is monitored against its proposed goals and estimated benefits.

We also have an Executive Committee and a Departmental Product and Service Commission which assess the opportunities and the financial and operational viability of proposals to create and monitor the performance of products and services. This process involves analysis of characteristics; functionalities; risks, including social and environmental ones; controls and aspects of sustainability (stakeholder engagement and positive environmental and social impacts).

In 2016, we defined targets and indicators to track evolution in sustainability. Moreover, during the process of assessing the creation and alteration of products and services, our sustainability team interacts with the product managers, providing them with orientation and contributing to their qualification and engagement.

GRI G4-DMA PRODUCT AND SERVICE LABELING

Bradesco Saúde employs policies that ensure the proper development and sale of services. We are obliged to provide policy holders with a summary of their main rights and duties by means of two documents: Orientation Manual for Contracting a Health Plan and a Guide to Reading Contracts. Beneficiaries are also made aware of alterations in health coverage in function of changes in the family structure.

We seek to combine business goals with the wishes and interests of the community in which we operate, always aligned with the principles of sustainable development. These principles have guided the creation of products with a recognized social bias, such as:

- i) social and environmental capitalization bonds
- ii) mass market insurance policies for classes C, D and E
- iii) supplementary pensions, aimed at offering retirees security and peace of mind

In 2015, we updated our product and service creation and review process, incorporating a new approach involving social and environmental analysis.

Currently, the process takes into account the characteristics; functionalities; risks, including those of social and environmental nature; controls and aspects of sustainability, such as stakeholder engagement and positive environmental and social impacts.

We also promote a series of financial education initiatives aimed at providing clients and others with guidance. We ensure the clarity and precision of the information provided about products and services and that these are compliant with the applicable regulations and legislation. We are duty bound to act speedily and fairly in analyzing proposals, processing and settling claims, granting benefits and paying entitlements to policy holders, which is our way of showing our respect for our clients.

Furthermore, in 2016 we defined targets and indicators to track evolution in the sustainability aspects assessed in the process of creating and developing products and services.

During the course of 2016 we organized 319 regional encounters in locations where development is lacking and where banking services are provided by service points and/or banking correspondents. These meetings consist of talks on the responsible use of credit and other products and services, such as proper management of personal finances. During the year more than 13,500 people attended the classes given by the Bradesco Espresso commercial team. Since the project began in 2010, the talks have reached an audience of over 46,000. For 2017, the target is to hold another 300 encounters.

In partnership with Sebrae, we hold a number of credit seminars to present our credit solutions for working capital and investments. In conjunction with the São Paulo state industry association Fiesp, we participate in two events aimed at micro and small companies: the Micro and Small Company Seminar and the Micro and Small Manufacturer Congress.

During the year we also organized talks by our economists to provide information and discuss the macroeconomic conjuncture and the local economy with a view to offering entrepreneurs inputs to drive sustainable business growth and to help them implement appropriate management practices.

In 2016, we participated in meetings of the Permanent Working Group for Local Production Arrangements (GTP APL) aimed at discussing measures to drive regional development and to reinforce micro and small companies participating in the local production arrangements. We are the only private bank that participates in the GTP APL.

INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT GRI G4-33

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

INTRODUCTION

We were engaged by Banco Bradesco S.A. (“Bradesco” or “Bank”) to present our limited assurance report on the compilation of the sustainability information contained in the Bradesco Integrated Report (“2016 Integrated Report”), as described in the “GRI Content Index”, for the year ended on December 31st, 2016.

RESPONSIBILITIES OF COMPANY MANAGEMENT

The Bradesco management is responsible for the adequate elaboration and presentation of the sustainability information in this Integrated Report in accordance with the guidelines for Global Reporting Initiative Sustainability Reports (GRI-G4) and with the internal controls it determined were necessary to permit the elaboration of this information free of material misstatement or distortion, whether caused by fraud or by error.

RESPONSIBILITY OF THE INDEPENDENT AUDITORS

Our responsibility is to express a conclusion on the sustainability information contained in the 2016 Integrated Report, based on limited assurance work conducted in accordance with Technical Communication CT 07/12, approved by the Brazilian Federal Accounting Council and elaborated based on Brazilian Accounting Standard NBC TO 3000 – Assurance Engagements other than Audit and Review, issued by the Federal Accounting Council (CFC), which is equivalent to the International Federation of Accountants’ international ISAE 3000 standard, applicable to non-historical information. These standards require that we comply with ethical requisites, including independence requirements, and that we perform the engagement to obtain limited assurance as to whether the sustainability information contained in the 2016 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 Bank management and other Bradesco staff involved in preparing the sustainability information contained in the 2016 Integrated Report, and in applying analytical procedures to obtain evidence that allows 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 to be carried out, when the independent auditor becomes aware of matters leading him/her to believe that the information contained in the 2016 Integrated Report, taken as a whole, may contain material distortions or misstatements.

The selected procedures are based on our understanding of aspects relative to compiling and presenting the sustainability information contained in the 2016 Integrated Report and of other circumstances related to the engagement, as well as the consideration of areas in which material distortions 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 2016 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 2016 Integrated Report; and
- (d) comparing the financial indicators with the financial statements and/or accounting records.

The limited assurance work also encompassed verification of adherence to the Global Reporting Initiative (GRI-G4) guidelines and the reporting framework applicable in the preparation of sustainability information disclosed in the Integrated Report for the year ended December 31st 2016.

We believe that the 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 less extensive than those applied in an assurance engagement aimed at issuing an opinion on the sustainability information contained in the 2016 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 distortions that may exist in the information contained in the 2016 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 are 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 might lead us to believe that the sustainability information contained in the 2016 Integrated Report, as described in the "GRI Content Index", was not compiled, in all material aspects, in accordance with the Global Reporting Initiative (GRI-G4) guidelines for sustainability reports and with the records and files that were used as the basis for its preparation.

Osasco, March 7, 2017

KPMG Auditores Independentes
CRC2SP028567/O-1 F SP

Original report in Portuguese signed by
Rodrigo de Mattos Lia
Contador CRC 1SP252418/O-3

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Banco Bradesco S.A. GRI G4-3 | G4-5 | G4-7

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Shareholder Services

To exercise their entitlement or to obtain information about shares, dividends or other items, Bradesco Company shareholders may consult the Bradesco branches where they operate their accounts. For other information, please contact:

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Cidade de Deus – Osasco (SP)

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