

LOUGHEED JAMES
Form 4
April 03, 2018

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
LOUGHEED JAMES

(Last) (First) (Middle)

C/O MAXLINEAR, INC., 5966 LA
PLACE COURT, SUITE 100

(Street)

CARLSBAD, CA 92008

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MAXLINEAR INC [MXL]

3. Date of Earliest Transaction
(Month/Day/Year)
04/02/2018

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)

See remarks

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock ⁽¹⁾	04/02/2018		M	544	A \$ 0	3,997	D
Common Stock	04/02/2018		F	544	D \$ 22.61	3,453	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

Notes to the Consolidated Financial Statements**II) Available-for-sale securities**

Securities (3) (10)	December 31				Fair/book value
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	
- Financial (5)	9,406,906	3,770,509	1,056,433	100,335,574	114,569,422
National treasury bills	3,301,583	485,921	-	15,907,073	19,694,577
Brazilian foreign debt notes	8,858	-	-	253,042	261,900
Foreign corporate securities	1,797,743	44,158	47,288	9,155,338	11,044,527
National treasury notes	8,786	792,242	-	36,973,398	37,774,426
Financial treasury bills	11,835	174,971	-	313,861	500,667
Bank deposit certificates	44,383	-	2,438	41,067	87,888
Debentures	117,293	1,752,809	1,003,468	25,719,603	28,593,173
Shares	1,701,725	-	-	-	1,701,725
Other	2,414,700	520,408	3,239	11,972,192	14,910,539
- Insurance companies and capitalization bonds (4)	1,373,607	314,600	-	9,546,205	11,234,412
National treasury notes	-	314,590	-	7,269,110	7,583,700
Shares	1,365,755	-	-	-	1,365,755
National treasury bills	-	-	-	2,209,652	2,209,652
Other	7,852	10	-	67,443	75,305
- Pension plans (4)	1,311,203	-	39,172	8,131,948	9,482,323
Shares	1,296,157	-	-	-	1,296,157
National treasury notes	-	-	-	8,022,431	8,022,431
Debentures	-	-	-	97,129	97,129
Other	15,046	-	39,172	12,388	66,606
- Other activities	91,575	-	408	3,319	95,302
Bank deposit certificates	26,006	-	-	-	26,006
Other	65,569	-	408	3,319	69,296
Subtotal	12,183,291	4,085,109	1,096,013	118,017,046	135,381,459

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Securities (3) (10)	December 31				Fair/book value (6) (7) (8)
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	
Purchase and sale commitments (2)	117,947	-	-	-	117,947
Insurance companies and capitalization bonds	30,370	-	-	-	30,370
Pension plans	87,577	-	-	-	87,577
Subtotal	12,301,238	4,085,109	1,096,013	118,017,046	135,499,406
Hedge - cash flow (Note 8g)	-	-	-	-	-
Securities reclassified to "Held-to-maturity securities" (4)	-	-	-	-	-
Grand total	12,301,238	4,085,109	1,096,013	118,017,046	135,499,406

III) Held-to-maturity securities

Securities (3)	2014					
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	Original amortized cost (6) (7)	Original amortized cost (6) (7)
Financial	-	-	-	38,874	38,874	34,775
Brazilian foreign debt notes	-	-	-	38,874	38,874	34,775
Insurance companies and capitalization bonds	-	-	-	4,249,491	4,249,491	4,111,813
National treasury notes	-	-	-	4,249,491	4,249,491	4,111,813
Pension plans	-251,847	-20,530,820	20,782,667	20,316,991	20,316,991	20,316,991
National treasury notes	-251,847	-20,530,820	20,782,667	20,316,991	20,316,991	20,316,991
Subtotal	-251,847	-24,819,185	25,071,032	24,463,579	24,463,579	24,463,579
Purchase and sale commitments (2)	121,901	-	-	-	121,901	242,481
Insurance companies and capitalization bonds	2,686	-	-	-	2,686	143,302
Pension plans	119,215	-	-	-	119,215	99,179
Grand total (4)	121,901	251,847	-24,819,185	25,192,933	25,192,933	24,706,060

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Notes to the Consolidated Financial Statements**d) Breakdown of the portfolios by financial statement classification**

Securities	2014				Total on December 31 (3) (6) (7) (8)	Total Sept 3 (3) (6) (8)
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days		
Own portfolio	128,797,075	11,712,050	4,203,871	126,169,620	270,882,616	267,988,811
Fixed income securities	124,130,949	11,712,050	4,203,871	126,169,620	266,216,490	262,848,811
Financial treasury bills	211,494	417,692	995,098	2,950,231	4,574,515	4,574,515
National treasury notes	419,219	566,638	-	42,075,743	43,061,600	39,548,811
Brazilian foreign debt securities	22,056	8,061	-	689,218	719,335	34,000,000
Bank deposit certificates	113,185	599,721	2,438	87,249	802,593	83,000,000
National treasury bills	4,155,895	10,411	223	6,485,191	10,651,720	10,588,811
Foreign corporate securities	1,750,567	44,158	74,605	2,025,456	3,894,786	4,300,000
Debentures	287,995	2,185,251	1,075,572	29,442,101	32,990,919	34,000,000
Purchase and sale commitments (2)	106,239,295	-	-	-	-106,239,295	95,000,000
PGBL/VGBL restricted bonds	2,645,852	5,718,200	654,335	27,324,771	36,343,158	47,700,000
Other	8,285,391	2,161,918	1,401,600	15,089,660	26,938,569	25,800,000
Equity securities	4,666,126	-	-	-	4,666,126	5,130,000
Shares of listed companies (technical reserve)	1,604,294	-	-	-	1,604,294	1,600,000
Shares of listed companies (other)	3,061,832	-	-	-	3,061,832	3,430,000
Restricted securities	125,358	5,266,813	656,730	64,534,766	70,583,667	69,600,000
Repurchase agreements	117,827	4,755,440	65,306	59,448,978	64,387,551	64,100,000
National treasury bills	-	2,447,700	20,383	9,890,417	12,358,500	10,900,000
Brazilian foreign debt securities	-	-	-	-	-	-
Financial treasury bills	-	23,495	44,820	358,861	427,176	42,000,000
National treasury notes	-	2,284,245	-	41,794,926	44,079,171	47,500,000
Foreign corporate securities	116,797	-	-	7,404,151	7,520,948	5,100,000
Debentures	1,030	-	103	623	1,756	-
Brazilian Central Bank	-	-	-	19,764	19,764	20,000,000
National treasury bills	-	-	-	19,764	19,764	20,000,000
Privatization rights	-	-	-	58,928	58,928	50,000,000

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Securities	2014				To Dec (3)
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	
Guarantees provided	7,531	511,373	591,424	5,007,096	6,
National treasury bills	-	10,198	-	1,745,540	1,
Financial treasury bills	-	501,175	591,424	775,136	1,
National treasury notes	-	-	-	2,486,420	2,
Other	7,531	-	-	-	-
Derivative financial instruments (1) (9)	2,523,699	194,663	190,773	1,652,713	4,
Securities subject to unrestricted repurchase agreements	-	-	-	329,835	
National treasury bills	-	-	-	329,835	
Grand total	131,446,132	17,173,526	5,051,374	192,686,934	346,
%	38.0	5.0	1.5	55.5	

(1) Consistent with the criteria in Bacen Circular Letter n^o 3068/01 and due to the characteristics of the securities, we are classifying the derivative financial instruments, except those considered as cash flow hedges in the category Trading Securities;

(2) These refer to investment fund resources and managed portfolios applied on purchase and sale commitments with Bradesco, whose owners are consolidated subsidiaries, included in the consolidated financial statements;

(3) The investment fund quotas are presented according to the instruments composing their portfolios and maintaining the classification used in the fund;

(4) In compliance with Article 8 of Bacen Circular Letter n^o 3068/01, Bradesco declares that it has the financial capacity and intention to maintain held-to-maturity securities until their maturity dates. This financial capacity is demonstrated in Note 32a, which presents the maturity of asset and liability operations. In December 2013, the mark-to-market of securities reclassified from the "Available-for-Sale Securities" category to the "Held-to-Maturity Securities" category is maintained in Shareholders' Equity, and is being transferred to the income statement over the remaining term of the securities, pursuant to Bacen Circular Letter n^o 3068/01;

(5) On December 2014, 17, the amount of R\$ 17,003 thousand was reclassified from “Held-for-trading securities” to “Available-for-sale securities;”

(6) The number of days to maturity was based on the maturity of the instruments, regardless of their accounting classification;

(7) This column reflects book value after mark-to-market accounting in accordance with item (8), Fair value is higher than the original amortized cost by R\$ 2,070,497 thousand (R\$ 2,336,828 thousand on September 30, 2014 and R\$ 1,476,686 thousand on December 31, 2013);

(8) The fair value of securities is determined based on the market price available at the end of the reporting period. If no market price quotation is available at the end of the reporting period, amounts are estimated based on the prices quoted by dealers, pricing models, quotation models or price quotations for instruments with similar characteristics; for investment funds, the original amortized cost reflects the fair value of the respective quotas. For investment funds, the original amortized cost reflects the fair value of the respective quotas;

(9) For a better analysis of these items, consider the net exposure (Note 8e II); and

(10) In the year ended December 31, 2014, there were impairment losses, related to “Equity Securities”, classified under “Available-for-sale securities”, totaling R\$ 1,214,770 thousand (R\$ 682,143 thousand on December 31, 2013) and R\$ 616,683 thousand in the 4th quarter of 2014 (R\$ 598,087 thousand in the 3rd quarter of 2014).

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Notes to the Consolidated Financial Statements

e) Derivative financial instruments

Bradesco carries out transactions involving derivative financial instruments, which are recorded in the statement of financial position or in off-balance-sheet accounts, to meet its own needs in managing its global exposure, as well as to meet its customer's requests, in order to manage their exposure. These operations involve a range of derivatives, including interest rate swaps, currency swaps, futures and options. Bradesco's risk management policy is based on the utilization of derivative financial instruments mainly to mitigate the risks from operations carried out by the Bank and its subsidiaries.

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

Quoted market prices are used to determine the fair value of derivative financial instruments. The fair value of swaps is determined by using discounted cash flow modeling techniques that use yield curves, reflecting adequate risk factors. The information to build yield curves is mainly obtained from the Securities, Commodities and Futures Exchange (BM&FBOVESPA) and the domestic and international secondary market. These yield curves are used to determine the fair value of currency swaps, interest rate and other risk factor swaps. The fair value of forward and futures contracts is also determined based on market price quotations for derivatives traded at the stock exchange or using methodologies similar to those outlined for swaps. The fair values of credit derivative instruments are determined based on market price quotation or from specialized entities. The fair value of options is determined based on mathematical models, such as Black & Scholes, using yield curves, implied volatilities and the fair value of corresponding assets. Current market prices are used to calculate volatility.

Derivative financial instruments in Brazil mainly refer to swaps and futures and are registered at the OTC Clearing House (Cetip) and BM&FBOVESPA.

Operations involving forward contracts of interest rates, indexes and currencies are contracted by Management to hedge Bradesco's overall exposures and to meet customer needs.

Foreign derivative financial instruments refer to swap, forward, options, credit and futures operations and are mainly carried out at the stock exchanges in Chicago and New York, as well as the over-the-counter (OTC) markets.

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Notes to the Consolidated Financial Statements**I) Amount of derivative financial instruments recorded in balance sheet and off-balance-sheet accounts**

	2014				20
	December 31	September 30	December 31	September 30	December 31
	Grand total amount	Net amount	Grand total amount	Net amount	Grand total amount
Futures contracts					
Purchase commitments:	74,047,979		86,475,277		102,450,000
- Interbank market	54,679,815	-	56,943,311	-	77,678,000
- Foreign currency	16,145,870	-	26,942,049	4,879,976	24,688,000
- Other	3,222,294	2,984,059	2,589,917	2,256,841	83,000
Sale commitments:	128,106,136		124,711,299		205,152,000
- Interbank market (1)	101,826,154	47,146,339	102,316,150	45,372,839	167,713,000
- Foreign currency (2)	26,041,747	9,895,877	22,062,073	-	37,322,000
- Other	238,235	-	333,076	-	115,000
Option contracts					
Purchase commitments:	26,201,474		27,495,157		182,208,000
- Interbank market	23,572,355	-	23,256,803	-	180,559,000
- Foreign currency	2,190,621	479,247	3,369,626	-	1,211,000
- Other	438,498	314,801	868,728	320,415	436,000
Sale commitments:	32,429,075		29,830,352		208,517,000
- Interbank market	30,594,004	7,021,649	24,979,780	1,722,977	204,047,000
- Foreign currency	1,711,374	-	4,302,259	932,633	2,902,000
- Other	123,697	-	548,313	-	1,567,000
Forward contracts					
Purchase commitments:	8,484,127		29,239,084		9,401,000
- Foreign currency	8,372,687	-	29,078,269	15,931,379	9,185,000
- Other	111,440	-	160,815	-	216,000
Sale commitments:	9,697,207		13,588,199		8,414,000
- Foreign currency	9,280,704	908,017	13,146,890	-	8,192,000
- Other	416,503	305,063	441,309	280,494	221,000
Swap contracts					
Assets (long position):	54,224,000		54,846,993		63,057,000
- Interbank market	12,238,607	307,430	11,153,625	-	11,176,000

Explanation of Responses:

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- Fixed rate	6,315,588	1,459,415	6,025,915	2,657,903	6,103
- Foreign currency	29,305,345	37,596	29,929,330	1,084,533	25,131
- IGPM	1,654,190	-	1,608,077	-	1,419
- Other	4,710,270	-	6,130,046	-	19,226
Liabilities (short position):	53,486,394		54,017,994		62,358
- Interbank market	11,931,177	-	13,085,130	1,931,505	12,218
- Fixed rate	4,856,173	-	3,368,012	-	3,032
- Foreign currency	29,267,749	-	28,844,797	-	25,412
- IGPM	2,190,829	536,639	2,237,113	629,036	2,373
- Other	5,240,466	530,196	6,482,942	352,896	19,322

Derivatives include operations maturing in D+1.

(1) Includes cash flow hedges to protect CDI-related funding, totaling R\$ 21,107,308 thousand (R\$ 20,827,421 thousand on September 30, 2014 and R\$ 23,464,746 thousand on December 31, 2013) (Note 8g); and

(2) Includes specific hedges to protect foreign investments totaling R\$ 37,598,682 thousand (R\$ 34,319,069 thousand on September 30, 2014 and R\$ 27,558,985 thousand on December 31, 2013).

To obtain greater payment assurance for operations with financial institutions and customers, Bradesco established compensation and settlement agreements for liabilities within the National Financial System, in accordance with CMN Resolution nº 3263/05.

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Notes to the Consolidated Financial Statements**II) Breakdown of derivative financial instruments (assets and liabilities) shown at original amortized cost and fair value**

	2014					
	December 31			September 30		
	Original amortized cost	Mark-to-market adjustment	Fair value	Original amortized cost	Mark-to-market adjustment	Fair value a
Adjustment receivables - swaps	1,952,660	922,950	2,875,610	3,391,772	952,130	4,343,902
Receivable forward purchases	1,038,259	-	1,038,259	732,260	-	732,260
Receivable forward sales	320,431	-	320,431	102,096	-	102,096
Premiums on exercisable options	294,706	32,842	327,548	267,045	5,110	272,155
Total assets (A)	3,606,056	955,792	4,561,848	4,493,173	957,240	5,450,413
Adjustment payables - swaps	(1,697,878)	(440,124)	(2,138,002)	(3,157,482)	(357,421)	(3,514,903)
Payable forward purchases	(461,901)	-	(461,901)	(120,007)	-	(120,007)
Payable forward sales	(548,864)	-	(548,864)	(1,272,770)	-	(1,272,770)
Premiums on written options	(131,567)	(1,529)	(133,096)	(191,375)	22,770	(168,605)
Total liabilities (B)	(2,840,210)	(441,653)	(3,281,863)	(4,741,634)	(334,651)	(5,076,285)
Net Effect (A-B)	765,846	514,139	1,279,985	(248,461)	622,589	374,128

III) Futures, options, forward and swap contracts - (Notional)

	2014						
	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Total on December 31	Total on September 30	Total December 31
Futures contracts	116,693,548	2,954,498	40,828,613	41,677,456	202,154,115	211,186,576	307,603
Option contracts	35,763,128	21,705,331	410,019	752,071	58,630,549	57,325,509	390,726
Forward contracts	11,022,236	3,431,977	2,275,924	1,451,197	18,181,334	42,827,283	17,815
Swap contracts	9,481,543	16,660,353	5,610,074	19,596,420	51,348,390	50,503,091	61,234
Total on December 31, 2014	172,960,455	44,752,159	49,124,630	63,477,144	330,314,388		
Total on September 30, 2014	126,324,199	114,673,269	50,071,761	70,773,230		361,842,459	

Explanation of Responses:

Total on December 31, 2013 581,834,524 49,254,103 43,976,066 102,315,318

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Notes to the Consolidated Financial Statements**IV) Types of margin offered in guarantee of derivative financial instruments, mainly futures contracts**

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Government securities			
National treasury notes	2,736,940	2,155,504	-
Financial treasury bills	5,426	5,281	6,128
National treasury bills	50,002	-	3,004,368
Total	2,792,368	2,160,785	3,010,496

V) Revenues and expenses, net

	2014		R\$ thousand 2013	
	4 th Quarter	3 rd quarter December 31	YTD	December 31 YTD
Swap contracts	49,721	269,400	(168,023)	449,808
Forward contracts	(64,936)	(678,645)	(915,907)	968,204
Option contracts	59,721	100,245	152,936	(273,434)
Futures contracts	(1,245,672)	(972,893)	(418,776)	(3,718,769)
Foreign exchange variation of investments overseas	644,586	788,460	973,383	500,614
Total (Note 8h)	(556,580)	(493,433)	(376,387)	(2,073,577)

VI) Total value of derivative financial instruments, by trading location and counterparties

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Cetip (over-the-counter)	50,424,057	48,003,382	63,077,486
BM&FBOVESPA (stock exchange)	244,301,539	253,739,816	672,268,697

Overseas (over-the-counter) (1)	22,088,743	47,494,671	19,035,793
Overseas (stock exchange) (1)	13,500,049	12,604,590	22,998,035
Total	330,314,388	361,842,459	777,380,011

(1) Comprised of operations carried out on the Chicago and New York Stock Exchanges and over-the-counter markets.

As of December 31, 2014, a total of 92.7% of counterparties are corporate entities and 7.3% are financial institutions.

f) Credit Default Swaps (CDS)

In general, these represent bilateral agreements in which one of the parties purchases protection against the credit risk of a certain financial instrument (the risk is transferred). The selling counterparty receives remuneration that is usually paid linearly over the term of the agreement.

In the case of a default, the purchasing counterparty will receive a payment to offset the loss incurred on the financial instrument. In this case, the selling counterparty usually receives the underlying asset of the agreement in exchange for the payment.

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On December 31, 2014, Bradesco had credit default swaps (CDS) with the following characteristics: (i) the amount of risk transferred under credit swaps whose underlying assets are "Brazilian government securities" is R\$ (1,326,900) thousand; and (ii) the risk received in credit swaps whose underlying assets are "derivative with companies" is R\$ 13,281 thousand, amounting to a total net credit risk value of R\$ (1,313,619) thousand, with an effect on the calculation of required shareholders' equity of R\$ (71,519) thousand.

Bradesco carries out operations involving credit derivatives to better manage its risk exposure and its assets. The contracts related to credit derivatives transactions described above are due in 2019. The mark-to-market of the protection rates that remunerates the counterparty that received the risk totaled R\$ (4,434) thousand. There were no credit events, as defined in the agreements, during the year.

g) Cash flow hedge

Bradesco uses cash flow hedges to protect its cash flows from payment of interest rates on funds, which have a floating interest rate - the Interbank Deposit Rate (DI Cetip), thus converting them to fixed cash flows.

Bradesco has traded DI Future contracts at BM&FBOVESPA since 2009, using them as cash flow hedges for funding linked to DI. The following table presents the DI Future position, where:

	2014		R\$ thousand 2013
	December 31	September 30	December 31
DI Future with maturity between 2015 and 2017	21,107,308	20,827,421	23,464,746
Funding indexed to CDI	19,969,423	20,852,335	23,539,454
Mark-to-market adjustment recorded in shareholders' equity (1)	311,683	173,026	154,729
Ineffective fair value recorded in profit or loss	19,374	-	64

(1) The adjustment in shareholders' equity is R\$ 187,010 thousand, net of taxes (R\$ 103,816 thousand on September 30, 2014 and R\$ 92,837 thousand on December 31, 2013).

The effectiveness of the hedge portfolio was assessed in accordance with Bacen Circular Letter nº 3082/02.

h) Income from securities, insurance, pension plans and capitalization bonds and derivative financial instruments

	2014		
	4 th Quarter	3 rd quarter	December 31 YTD Dec
Fixed income securities	5,087,475	4,759,113	18,837,047
Interbank investments (Note 7b)	5,554,937	4,423,991	16,237,218
Equity securities (1)	180,343	(574,526)	(392,851)
Subtotal	10,822,755	8,608,578	34,681,414
Income from insurance, pension plans and capitalization bonds (2)	3,649,960	3,443,157	13,920,986
Income from derivative financial instruments (Note 8e V)	(556,580)	(493,433)	(376,387)
Total	13,916,135	11,558,302	48,226,013

(1) The 3rd quarter of 2014 and the December 31, 2014 YTD include the impairment charges arising on the shares of Banco Espírito Santo (BES), as a result of the corporate restructuring that occurred on August 3, 2014, totaling R\$ 598,087 thousand; and

(2) The 4th quarter of 2014 and the December 31, 2014 YTD, include impairment charges, arising from shares, totaling R\$ 616,683 thousand.

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Notes to the Consolidated Financial Statements**9) INTERBANK ACCOUNTS - RESERVE REQUIREMENT****a) Reserve requirement**

		2014		R\$ thousand 2013
	Remuneration	December 31	September 30	December 31
Reserve requirement – demand deposits	not remunerated	6,663,664	6,174,583	7,557,232
Reserve requirement – savings deposits	savings index	18,141,287	17,359,784	16,098,012
Reserve requirement – time deposits	Selic rate	7,175,649	6,101,466	12,139,084
Additional reserve requirement	Selic rate	18,944,306	17,076,983	19,586,661
• Savings deposits		9,070,643	8,679,892	8,049,006
• Time deposits		9,873,663	8,397,091	11,537,655
Reserve requirement – SFH	TR + interest rate	622,135	614,012	586,932
Total (1)		51,547,041	47,326,828	55,967,921

(1) For further information regarding new rules on reserve requirement, see Note 35c.

b) Revenue from reserve requirement

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Reserve requirement – Bacen	986,458	1,085,338	4,277,352	3,110,892
Reserve requirement – SFH	8,704	8,673	33,569	27,874
Total	995,162	1,094,011	4,310,921	3,138,766

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Notes to the Consolidated Financial Statements**10) LOANS**

Information relating to loans, including advances on foreign exchange contracts, leasing and other receivables with credit characteristics is shown below:

a) By type and maturity

	1 to 30	31 to 60	61 to 90	91 to 180	181 to 360	More than 360
	days	days	days	days	days	days
Discounted trade receivables and loans (1)	21,496,316	15,188,523	10,182,486	18,672,728	22,823,861	60,000,000
Financing	3,724,961	3,656,652	3,706,563	9,584,205	16,107,488	82,000,000
Agricultural and agribusiness loans	661,056	1,166,236	661,416	3,163,639	8,836,657	9,000,000
Subtotal	25,882,333	20,011,411	14,550,465	31,420,572	47,768,006	152,000,000
Leasing	214,615	211,006	178,015	518,201	841,026	2,000,000
Advances on foreign exchange contracts (2)	722,207	807,097	798,145	2,003,000	1,534,167	-
Subtotal	26,819,155	21,029,514	15,526,625	33,941,773	50,143,199	154,000,000
Other receivables (3)	7,332,766	5,323,629	1,866,421	3,596,308	3,060,959	1,000,000
Total loans	34,151,921	26,353,143	17,393,046	37,538,081	53,204,158	155,000,000
Sureties and guarantees (4)	3,331,136	1,051,912	754,954	4,479,051	8,829,945	53,000,000
Loan assignment (5)	-	-	-	-	-	-
Loan assignment - real estate receivables certificate	54,878	54,876	54,873	157,925	235,689	-
Co-obligation in rural loan assignment (4)	-	-	-	-	-	-
Loans available for import (4)	93,565	75,801	52,950	48,562	28,397	-
Confirmed exports loans (4)	24,889	1,780	3,690	709	398	-
Acquisition of credit card receivables	384,011	171,261	121,994	317,426	359,427	-
Grand total on December 31, 2014	38,040,400	27,708,773	18,381,507	42,541,754	62,658,014	210,000,000
Grand total on September 30, 2014	36,347,712	26,547,601	18,987,300	39,015,078	57,674,343	208,000,000
Grand total on December 31, 2013	36,906,824	26,960,997	17,838,304	41,090,203	57,280,016	193,000,000

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Notes to the Consolidated Financial Statements

	Non-performing loans					Total on December 31	20 %
	1 to 30	31 to 60	61 to 90	91 to 180	181 to 540		
	days	days	days	days	days		(6)
						(B)	
Discounted trade receivables and loans (1)	1,163,409	1,021,074	885,140	1,975,338	2,989,391	8,034,352	87.4
Financing	216,286	199,155	90,241	152,354	147,352	805,388	8.8
Agricultural and agribusiness loans	17,295	22,350	56,121	34,735	16,705	147,206	1.6
Subtotal	1,396,990	1,242,579	1,031,502	2,162,427	3,153,448	8,986,946	97.8
Leasing	17,024	14,914	9,578	17,944	13,533	72,993	0.8
Advances on foreign exchange contracts (2)	4,005	1,765	1,116	713	-	7,599	0.1
Subtotal	1,418,019	1,259,258	1,042,196	2,181,084	3,166,981	9,067,538	98.7
Other receivables (3)	8,784	2,861	8,403	14,333	88,607	122,988	1.3
Grand total on December 31, 2014	1,426,803	1,262,119	1,050,599	2,195,417	3,255,588	9,190,526	100.0
Grand total on September 30, 2014	1,506,859	1,289,280	1,081,735	2,349,224	3,066,938		
Grand total on December 31, 2013	1,271,083	1,130,688	981,091	1,973,232	2,787,008		

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Notes to the Consolidated Financial Statements

	Non-performing loans Outstanding installments						Total on December 31	%
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days		
							(C)	
Discounted trade receivables and loans (1)	672,710	535,248	448,384	1,103,037	1,716,703	4,041,911	8,517,993	63
Financing	194,085	193,640	177,703	503,727	849,909	2,367,662	4,286,726	33
Agricultural and agribusiness loans	582	1,075	1,256	6,697	36,978	209,134	255,722	2
Subtotal	867,377	729,963	627,343	1,613,461	2,603,590	6,618,707	13,060,441	99
Leasing	16,454	16,752	14,536	40,529	64,677	114,297	267,245	2
Subtotal	883,831	746,715	641,879	1,653,990	2,668,267	6,733,004	13,327,686	99
Other receivables (3)	438	453	421	1,051	1,425	3,145	6,933	0
Grand total on December 31, 2014	884,269	747,168	642,300	1,655,041	2,669,692	6,736,149	13,334,619	100
Grand total on September 30, 2014	848,961	767,497	687,051	1,698,146	2,626,841	6,420,853		
Grand total on December 31, 2013	781,179	750,861	637,881	1,618,713	2,623,934	6,500,427		

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Notes to the Consolidated Financial Statements

	R\$ thousand					
	Grand total					
	2014		2013			
	Total on	%	Total on	%	Total on	%
	December		September		December	
	31 (A+B+C)	(6)	30 (A+B+C)	(6)	31 (A+B+C)	(6)
Discounted trade receivables and loans (1)	165,238,557	39.3	159,875,766	39.1	156,884,046	39.9
Financing	124,592,608	29.5	120,926,026	29.5	114,031,732	28.9
Agricultural and agribusiness loans	24,082,953	5.7	23,854,177	5.8	20,000,091	5.1
Subtotal	313,914,118	74.5	304,655,969	74.4	290,915,869	73.9
Leasing	4,319,149	1.0	4,608,322	1.1	5,713,481	1.4
Advances on foreign exchange contracts (2) (Note 11a)	5,875,694	1.4	5,813,554	1.4	5,764,696	1.5
Subtotal	324,108,961	76.9	315,077,845	76.9	302,394,046	76.8
Other receivables (3)	22,534,636	5.3	20,825,958	5.1	20,667,123	5.2
Total loans	346,643,597	82.2	335,903,803	82.0	323,061,169	82.0
Sureties and guarantees (4)	72,069,547	17.1	70,280,083	17.2	67,586,244	17.1
Loan assignment (5)	-	-	-	-	37,143	-
Loan assignment - real estate receivables certificate	1,350,643	0.3	1,383,140	0.3	1,569,517	0.4
Co-obligation in rural loan assignment (4)	100,919	-	111,708	-	108,146	-
Loans available for import (4)	304,917	0.1	455,778	0.1	735,505	0.2
Confirmed exports loans (4)	31,466	-	51,209	-	59,480	-
Acquisition of credit card receivables	1,441,024	0.3	1,457,278	0.4	1,011,479	0.3
Grand total on December 31, 2014	421,942,113	100.0				
Grand total on September 30, 2014			409,642,999	100.0		
Grand total on December 31, 2013					394,168,683	100.0

(1) Including credit card loans and advances on credit card receivables of R\$ 17,422,034 thousand (R\$ 17,788,217 thousand on September 30, 2014 and R\$ 18,581,581 thousand on December 31, 2013);

(2) Advances on foreign exchange contracts are classified as a deduction from "Other Liabilities";

(3) The item "Other Receivables" comprises receivables on sureties and guarantees honored, receivables on sale of assets, securities and credits receivable, income receivable from foreign exchange contracts and export contracts and credit card receivables (cash and installment purchases at merchants) totaling R\$ 19,594,184 thousand (R\$ 17,495,420 thousand on September 30, 2014 and R\$ 17,646,109 thousand on December 31, 2013);

(4) Recorded in off-balance sheet accounts;

- (5) Amount of loan assignment up to December 31, 2013, net of installments repaid; and
- (6) Percentage of each type in relation to the total loan portfolio, including sureties and guarantee, loan assignment and acquisition of receivables.

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Notes to the Consolidated Financial Statements**b) By type and levels of risk**

	AA	A	B	C	D	E
Discounted trade receivables and loans	30,335,848	77,233,051	10,439,137	25,417,605	4,796,696	3,656,464
Financing	29,932,904	43,783,722	40,492,524	7,079,464	767,175	631,228
Agricultural and agribusiness loans	3,358,528	3,397,431	9,392,709	7,158,815	268,691	375,886
Subtotal	63,627,280	124,414,204	60,324,370	39,655,884	5,832,562	4,663,578
Leasing	97,135	571,415	3,238,383	68,191	73,964	34,998
Advances on foreign exchange contracts (2)	2,610,889	1,847,725	650,716	684,014	47,585	28,128
Subtotal	66,335,304	126,833,344	64,213,469	40,408,089	5,954,111	4,726,704
Other receivables	1,210,018	16,616,234	1,366,725	2,628,673	123,319	49,103
Grand total on December 31, 2014	67,545,322	143,449,578	65,580,194	43,036,762	6,077,430	4,775,807
%	19.5	41.4	18.9	12.4	1.7	1.4
Grand total on September 30, 2014	61,921,549	141,002,907	64,908,844	42,069,704	5,733,675	4,421,263
%	18.5	42.0	19.3	12.5	1.7	1.3
Grand total on December 31, 2013	58,672,533	134,688,972	59,014,421	45,326,387	6,668,119	4,032,136
%	18.2	41.7	18.3	14.0	2.1	1.2

(1) Percentage of each type in relation to the total loan portfolio, excluding sureties and guarantees, loan assignments, acquisition of receivables and co-obligation in rural loan assignments; and

(2) See Note 11a.

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Notes to the Consolidated Financial Statements**c) Maturity ranges and levels of risk**

	Levels of risk Non-performing loans								Total on December 31
	AAA	B	C	D	E	F	G	H	
Outstanding installments	-	-1,449,604	2,671,329	2,014,650	1,366,066	949,610	751,746	4,131,614	13,334,611
1 to 30	-	136,569	246,335	112,479	69,129	51,801	42,440	225,516	884,266
31 to 60	-	111,311	164,565	98,943	64,914	50,200	40,716	216,519	747,166
61 to 90	-	91,383	135,371	88,107	57,572	44,450	35,703	189,714	642,300
91 to 180	-	188,197	332,173	239,909	157,735	119,651	96,409	520,967	1,655,046
181 to 360	-	278,851	536,451	405,230	258,678	196,523	156,622	837,337	2,669,699
More than 360	-	643,293	1,256,434	1,069,982	758,038	486,985	379,856	2,141,561	6,736,141
Past-due installments (2)	-	356,600	863,165	814,509	794,695	686,529	674,002	5,001,026	9,190,526
1 to 14	-	7,690	79,471	51,295	26,034	19,317	51,403	232,970	468,180
15 to 30	-	336,685	259,127	101,803	61,426	30,839	24,854	143,889	958,622
31 to 60	-	12,225	510,064	209,138	155,248	61,892	43,830	269,722	1,262,111
61 to 90	-	-	10,675	429,738	154,015	98,903	57,253	300,015	1,050,599
91 to 180	-	-	3,828	22,535	388,236	460,670	480,202	839,946	2,195,411
181 to 360	-	-	-	-	9,736	14,908	16,460	3,101,204	3,142,300
More than 360	-	-	-	-	-	-	-	113,280	113,280
Subtotal	-	-1,806,204	3,534,494	2,829,159	2,160,761	1,636,139	1,425,748	9,132,640	22,525,141
Specific provision	-	18,062	106,035	282,916	648,228	818,070	998,023	9,132,640	12,003,977

(1) Percentage of maturities by type of installment; and

(2) For transactions with terms of more than 36 months, past-due periods are doubled, as permitted by CMN Resolution n° 2682/99.

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Notes to the Consolidated Financial Statements

	AA	A	B	C	D	E	F
Outstanding installments	67,545,322	143,449,578	63,773,990	39,502,268	3,248,271	2,615,046	69
1 to 30	5,486,427	19,026,954	2,947,066	5,170,331	355,608	351,533	83
31 to 60	4,781,420	13,369,406	2,623,406	4,050,470	187,992	970,238	50
61 to 90	3,645,478	8,119,910	2,182,714	3,000,452	149,740	82,024	33
91 to 180	7,203,524	17,674,549	5,800,771	5,797,917	395,124	136,376	150
181 to 360	10,182,234	23,665,146	8,983,055	9,104,426	541,527	151,872	110
More than 360	36,246,239	61,593,613	41,236,978	12,378,672	1,618,280	923,003	253
Generic provision	-	717,247	637,740	1,185,068	324,827	784,514	340
Grand total on December 31, 2014 (2)	67,545,322	143,449,578	65,580,194	43,036,762	6,077,430	4,775,807	2,325
Existing provision	-	789,074	786,083	2,253,858	1,736,391	2,142,282	1,593
Minimum required provision	-	717,247	655,802	1,291,103	607,743	1,432,742	1,164
Excess provision (3)	-	71,827	130,281	962,755	1,128,648	709,540	429
Grand total on September 30, 2014 (2)	61,921,549	141,002,907	64,908,844	42,069,704	5,733,675	4,421,263	2,314
Existing provision	-	784,664	739,733	2,392,543	1,605,168	1,989,578	1,603
Minimum required provision	-	705,014	649,089	1,262,090	573,368	1,326,379	1,151
Excess provision (3)	-	79,650	90,644	1,130,453	1,031,800	663,199	449
Grand total on December 31, 2013 (2)	58,672,533	134,688,972	59,014,421	45,326,387	6,668,119	4,032,136	2,023
Existing provision	-	754,951	669,162	2,540,520	1,856,097	1,865,672	1,380
Minimum required provision	-	673,445	590,143	1,359,791	666,813	1,209,642	1,011
Excess provision (3)	-	81,506	79,019	1,180,729	1,189,284	656,030	370

(1) Percentage of maturities by type of installment;

(2) The grand total includes performing loans of R\$ 324,118,452 thousand (R\$ 313,560,418 thousand on September 30, 2014 and R\$ 302,005,072 thousand on December 31, 2013) and non-performing loans of R\$ 22,525,145 thousand (R\$ 22,343,385 thousand on September 30, 2014 and R\$ 21,056,097 thousand on December 31, 2013);

(3) On December 31, 2014, it includes provision for guarantees provided, comprising sureties, letters of credit and standby letter of credit, which was identified within the excess provision, and totals R\$ 421,596 thousand (R\$ 367,495 thousand on September 30, 2014 and R\$ 337,623 thousand on December 31, 2013) (Note 20b).

Explanation of Responses:

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Notes to the Consolidated Financial Statements**d) Concentration of loans**

	R\$ thousand					
	2014		2013			
	December 31	% (1)	September 30	% (1)	December 31	% (1)
Largest borrower	6,828,851	2.0	6,507,899	1.9	2,367,202	0.7
10 largest borrowers	24,043,751	6.9	23,079,668	6.9	17,327,527	5.4
20 largest borrowers	35,072,065	10.1	33,329,222	9.9	26,569,077	8.2
50 largest borrowers	49,656,653	14.3	47,074,862	14.0	41,782,788	12.9
100 largest borrowers	62,286,978	18.0	59,473,648	17.7	53,926,095	16.7

(1) Percentage on total portfolio (as defined by Bacen).

e) By economic sector

	R\$ thousand					
	2014		2013			
	December 31	%	September 30	%	December 31	%
Public sector	6,849,002	2.0	6,532,669	1.9	2,188,831	0.7
Federal government	6,828,851	2.0	6,507,899	1.9	2,148,497	0.7
Petrochemical	6,828,851	2.0	6,507,899	1.9	2,148,497	0.7
State government	20,151	-	24,770	-	40,334	-
Production and distribution of electricity	20,151	-	24,770	-	40,334	-
Private sector	339,794,595	98.0	329,371,134	98.1	320,872,338	99.3
Manufacturing	56,650,811	16.3	55,198,366	16.4	58,558,802	18.1
Food products and beverages	13,640,472	3.9	13,454,972	4.0	13,395,143	4.2
Steel, metallurgy and mechanics	10,092,436	2.9	9,923,948	3.0	10,992,163	3.4
Light and heavy vehicles	5,353,212	1.5	4,805,455	1.4	5,084,514	1.6
Chemical	4,521,503	1.3	4,167,542	1.2	3,961,704	1.2
Pulp and paper	3,886,237	1.1	3,927,123	1.2	4,610,680	1.4
Textiles and apparel	3,138,214	0.9	3,196,658	1.0	3,357,110	1.0
Rubber and plastic articles	2,810,330	0.8	2,632,399	0.8	2,826,189	0.9
Furniture and wood products	2,205,150	0.7	2,164,086	0.6	2,161,925	0.7
Non-metallic materials	2,081,481	0.6	2,062,333	0.6	2,323,988	0.7
Automotive parts and accessories	1,998,093	0.6	2,024,612	0.6	2,093,738	0.6
Oil refining and production of alcohol	1,816,990	0.5	1,880,897	0.6	1,694,273	0.5

Explanation of Responses:

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Electric and electronic products	1,237,125	0.4	1,170,395	0.3	1,631,905	0.5
Extraction of metallic and non-metallic ores	1,166,969	0.3	1,192,009	0.3	1,562,510	0.5
Leather articles	791,083	0.2	745,669	0.2	750,683	0.2
Publishing, printing and reproduction	578,718	0.2	558,084	0.2	587,808	0.2
Other industries	1,332,798	0.4	1,292,184	0.4	1,524,469	0.5
Commerce	42,849,384	12.5	41,924,436	12.5	43,553,383	13.5
Merchandise in specialty stores	8,317,266	2.4	8,164,431	2.4	8,826,264	2.7
Food products, beverages and tobacco	5,553,398	1.6	5,258,839	1.6	4,867,144	1.5
Non-specialized retailer	5,405,122	1.5	4,868,638	1.4	5,374,426	1.7
Waste and scrap	3,679,167	1.1	3,589,833	1.1	3,442,340	1.1
Automobile	3,364,449	1.0	3,570,877	1.1	3,927,291	1.2
Clothing and footwear	3,079,345	0.9	2,897,603	0.9	3,298,934	1.0
Motor vehicle repairs, parts and accessories	3,065,933	0.9	3,108,441	0.9	3,246,349	1.0
Agricultural products	2,285,594	0.7	2,228,705	0.6	1,876,642	0.6

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	2014		R\$ thousand		2013	
	December 31	%	September 30	%	December 31	%
Grooming and household articles	2,211,096	0.6	2,182,439	0.6	2,330,483	0.7
Fuel	1,970,667	0.6	1,932,338	0.6	1,950,785	0.6
Trading intermediary	967,834	0.3	861,314	0.3	917,606	0.3
Wholesale of goods in general	942,695	0.3	1,247,184	0.4	1,037,238	0.3
Other commerce	2,006,818	0.6	2,013,794	0.6	2,457,881	0.8
Financial intermediaries	3,736,254	1.1	4,068,361	1.2	3,170,518	1.0
Services	92,787,584	26.6	87,748,836	26.2	82,690,090	25.6
Civil construction	24,567,839	7.1	23,785,230	7.1	22,775,562	7.1
Transportation and storage	18,319,498	5.3	17,706,831	5.3	17,904,488	5.5
Real estate activities, rentals and corporate services	12,482,678	3.6	12,293,481	3.7	11,399,399	3.5
Holding companies, legal, accounting and business advisory services	6,758,937	1.8	5,987,641	1.8	5,950,378	1.8
Clubs, leisure, cultural and sport activities	4,826,010	1.4	4,449,487	1.3	2,176,870	0.7
Production and distribution of electric power, gas and water	4,616,014	1.3	3,901,047	1.2	4,498,314	1.4
Social services, education, health, defense and social security	3,112,357	0.9	2,756,121	0.8	2,823,918	0.9
Hotels and catering	2,919,739	0.8	2,832,888	0.8	2,731,771	0.9
Telecommunications	774,953	0.2	747,989	0.2	440,423	0.1
Other services	14,409,559	4.2	13,288,121	4.0	11,988,967	3.7
Agriculture, cattle raising, fishing, forestry and timber industry	3,461,945	1.0	3,485,486	1.0	3,219,148	1.0
Individuals	140,308,617	40.5	136,945,649	40.8	129,680,397	40.1
Total	346,643,597	100.0	335,903,803	100.0	323,061,169	100.0

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Notes to the Consolidated Financial Statements**f) Breakdown of loans and allowance for loan losses**

Level of risk	Non-performing loans		Portfolio balance			%	2014		
	Past due	Outstanding non-performing loans	Total - non-performing loans	Performing loans	Total		%	December 31 YTD (2)	September 30 YTD (2)
AA	-	-	-	67,545,322	67,545,322	19.5	19.5	18.5	
A	-	-	-	143,449,578	143,449,578	41.4	60.9	60.5	
B	356,600	1,449,604	1,806,204	63,773,990	65,580,194	18.9	79.8	79.8	
C	863,165	2,671,329	3,534,494	39,502,268	43,036,762	12.4	92.2	92.3	
Subtotal	1,219,765	4,120,933	5,340,698	314,271,158	319,611,856	92.2			
D	814,509	2,014,650	2,829,159	3,248,271	6,077,430	1.7	93.9	94.0	
E	794,695	1,366,066	2,160,761	2,615,046	4,775,807	1.4	95.3	95.3	
F	686,529	949,610	1,636,139	693,324	2,329,463	0.7	96.0	96.0	
G	674,002	751,746	1,425,748	505,663	1,931,411	0.6	96.6	96.6	
H	5,001,026	4,131,614	9,132,640	2,784,990	11,917,630	3.4	100.0	100.0	
Subtotal	7,970,761	9,213,686	17,184,447	9,847,294	27,031,741	7.8			
Grand total on December 31, 2014	9,190,526	13,334,619	22,525,145	324,118,452	346,643,597	100.0			
%	2.7	3.8	6.5	93.5	100.0				
Grand total on September 30, 2014	9,294,036	13,049,349	22,343,385	313,560,418	335,903,803				
%	2.8	3.9	6.7	93.3	100.0				
Grand total on December 31, 2013	8,143,102	12,912,995	21,056,097	302,005,072	323,061,169				
%	2.5	4.0	6.5	93.5	100.0				

(1) Percentage of level of risk in relation to the total portfolio; and

(2) Cumulative percentage of level of risk on total portfolio.

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Notes to the Consolidated Financial Statements

Level of risk	% Minimum provisioning required	Minimum required Specific		Provision					% December 31 YTD
		Past due	Outstanding	Total specific	Generic	Total	Excess (2)	Existing	
AA	-	-	-	-	-	-	-	-	-
A	0.5	-	-	-	717,247	717,247	71,827	789,074	
B	1.0	3,566	14,496	18,062	637,740	655,802	130,281	786,083	
C	3.0	25,895	80,140	106,035	1,185,068	1,291,103	962,755	2,253,858	
Subtotal		29,461	94,636	124,097	2,540,055	2,664,152	1,164,863	3,829,015	
D	10.0	81,451	201,465	282,916	324,827	607,743	1,128,648	1,736,391	2
E	30.0	238,408	409,820	648,228	784,514	1,432,742	709,540	2,142,282	4
F	50.0	343,265	474,805	818,070	346,662	1,164,732	428,437	1,593,169	6
G	70.0	471,801	526,222	998,023	353,964	1,351,987	575,354	1,927,341	9
H	100.0	5,001,026	4,131,614	9,132,640	2,784,990	11,917,630	-11,917,630		10
Subtotal		6,135,951	5,743,926	11,879,877	4,594,957	16,474,834	2,841,979	19,316,813	7
Grand total on December 31, 2014		6,165,412	5,838,562	12,003,974	7,135,012	19,138,986	4,006,842	23,145,828	
%		26.7	25.2	51.9	30.8	82.7	17.3	100.0	
Grand total on September 30, 2014		6,053,961	5,535,726	11,589,687	7,024,534	18,614,221	4,008,311	22,622,532	
%		26.8	24.5	51.3	31.0	82.3	17.7	100.0	
Grand total on December 31, 2013		5,323,861	5,527,309	10,851,170	6,800,157	17,651,327	4,035,702	21,687,029	
%		24.5	25.5	50.0	31.4	81.4	18.6	100.0	

(1) Percentage of existing provision in relation to total portfolio, by level of risk; and

(2) On December 31, 2014, it includes provision for guarantees provided, comprising sureties, letters of credit and standby letter of credit, which was separated from the excess provision, and totals R\$ 421,596 thousand (R\$ 367,495 thousand on September 30, 2014 and R\$ 337,623 on December 31,

2013) (Note 20b).

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Notes to the Consolidated Financial Statements**g) Changes in allowance for loan losses**

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Opening balance	22,622,532	21,791,384	21,687,029	21,298,588
- Specific provision (1)	11,589,687	11,096,873	10,851,170	11,181,925
- Generic provision (2)	7,024,534	6,685,258	6,800,157	6,106,477
- Excess provision (3)	4,008,311	4,009,253	4,035,702	4,010,186
Additions (Note 10h-1)	3,834,438	3,808,760	14,535,167	13,818,253
Write-offs	(3,311,142)	(2,977,612)	(13,076,368)	(13,429,812)
Closing balance	23,145,828	22,622,532	23,145,828	21,687,029
- Specific provision (1)	12,003,974	11,589,687	12,003,974	10,851,170
- Generic provision (2)	7,135,012	7,024,534	7,135,012	6,800,157
- Excess provision (3) (4)	4,006,842	4,008,311	4,006,842	4,035,702

(1) For transactions with installments past due for more than 14 days;

(2) Recorded based on the customer/transaction classification and therefore not included in the preceding item;

(3) The additional provision is recorded based on Management's experience and the expectation in relation to the loan portfolio, to determine the total provision deemed sufficient to cover specific and general credit risk, when considered together with the provision calculated based on levels of risk and the corresponding minimum percentage in the provision established by CMN Resolution n^o 2682/99. The excess provision per customer was classified according to the level of risk in Note 10f; and

(4) In the 4th quarter of 2014 and December 31, 2014 YTD, it includes provision for guarantees provided, comprising sureties, letters of credit and standby letter of credit, which was identified within the excess provision, and totals R\$ 421,596 thousand (R\$ 367,495 thousand on September 30, 2014, and R\$ 337,623 thousand on December 31, 2013) (Note 20b).

h) Allowance for Loan Losses (ALL) expense net of amounts recovered

Expenses with the allowance for loan losses, net of credit write offs recovered, are as follows.

	2014			December 31 YTD
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Amount recorded (1)	3,834,438	3,808,760	14,535,167	
Amount recovered (2)	(1,062,602)	(1,024,376)	(3,944,218)	
Allowance for Loan Losses (ALL) expense net of amounts recovered	2,771,836	2,784,384	10,590,949	

(1) The 4th quarter of 2014 quarter of includes provision for guarantees provided, comprising sureties, guarantees, letters of credit and standby letter of credit, which are included in the “excess” ALL concept, totaling R\$ 54,102 thousand, (R\$ 33,760 thousand in the 3rd quarter of 2014) and R\$ 83,973 thousand in the December 31, 2014 YTD (R\$ 337,623 in the December 31, 2013 YTD), respectively; and

(2) Classified in income from loans (Note 10j).

i) Changes in the renegotiated portfolio

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Opening balance	10,539,677	10,235,324	10,191,901	9,643,915
Amount renegotiated	2,725,969	2,803,288	10,484,112	9,871,246
Amount received	(1,439,028)	(1,595,272)	(5,865,574)	(5,559,601)
Write-offs	(1,049,440)	(903,663)	(4,033,261)	(3,763,659)
Closing balance	10,777,178	10,539,677	10,777,178	10,191,901
Allowance for loan losses	6,902,438	6,696,368	6,902,438	6,639,915
Percentage on renegotiated portfolio	64.0%	63.5%	64.0%	65.1%

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Notes to the Consolidated Financial Statements**j) Income from loans and leasing**

	2014		R\$ thousand 2013	
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Discounted trade receivables and loans	10,377,003	10,307,009	39,893,733	34,980,282
Financing	3,535,171	3,488,091	13,379,393	12,739,403
Agricultural and agribusiness loans	351,809	272,600	1,184,983	1,046,525
Subtotal	14,263,983	14,067,700	54,458,109	48,766,210
Recovery of credits charged-off as losses	1,062,602	1,024,376	3,944,218	3,657,787
Subtotal	15,326,585	15,092,076	58,402,327	52,423,997
Leasing, net of expenses	148,401	158,771	649,400	790,821
Total	15,474,986	15,250,847	59,051,727	53,214,818

11) OTHER RECEIVABLES**a) Foreign exchange portfolio****Balances**

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Assets - other receivables			
Exchange purchases pending settlement	8,481,157	8,810,585	8,223,730
Exchange sale receivables	3,456,757	3,058,962	5,709,993
(-) Advances in domestic currency received	(228,496)	(367,038)	(294,134)
Income receivable on advances granted	64,876	62,065	67,909
Total	11,774,294	11,564,574	13,707,498
Liabilities - other liabilities			
Exchange sales pending settlement	3,463,430	3,063,448	5,613,562
Exchange purchase payables	7,792,842	8,357,656	7,914,893

Explanation of Responses:

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(-) Advances on foreign exchange contracts	(5,875,694)	(5,813,554)	(5,764,696)
Other	4,754	3,512	7,051
Total	5,385,332	5,611,062	7,770,810
Net foreign exchange portfolio	6,388,962	5,953,512	5,936,688
Off-balance-sheet accounts:			
- Loans available for import	304,917	455,778	735,505
- Confirmed exports loans	31,466	51,209	59,480

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Notes to the Consolidated Financial Statements**Foreign exchange results****Adjusted foreign exchange results for presentation purposes**

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Foreign exchange income	665,291	563,816	1,295,228	2,085,653
Adjustments:				
- Income on foreign currency financing (1)	68,243	68,464	169,594	148,953
- Income on export financing (1)	297,408	307,582	1,046,317	818,784
- Income on foreign investments (2)	14,797	15,310	30,215	31,043
- Expenses of liabilities with foreign bankers (3) (Note 17c)	(402,929)	(515,410)	(890,723)	(1,135,656)
- Funding expenses (4)	(176,994)	(177,403)	(653,333)	(412,549)
- Other	(225,727)	(45,756)	(120,123)	(717,461)
Total adjustments	(425,202)	(347,213)	(418,053)	(1,266,886)
Adjusted foreign exchange income	240,089	216,603	877,175	818,767

(1) Recognized in "Income from loans";

(2) Recognized in "Income from security transactions";

(3) Related to funds for financing of advances on foreign exchange contracts and import financing, recognized in "Borrowing and on-lending expenses"; and

(4) Refers to funding expenses of investments in foreign exchange.

b) Sundry

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Deferred tax assets (Note 34c)	32,348,054	31,318,166	29,404,401
Credit card operations	21,035,208	18,952,698	18,657,588
Debtors for escrow deposits	11,628,728	11,083,884	10,601,155
Prepaid taxes	6,655,315	5,550,096	5,754,882
Other debtors	6,110,259	5,286,592	5,034,115
Trade and credit receivables (1)	3,923,247	4,232,970	4,548,789
Payments to be reimbursed	782,996	683,835	678,376
Receivables from sale of assets	85,064	78,754	79,703
Other	265,586	510,677	348,609
Total	82,834,457	77,697,672	75,107,618

(1) Basically includes receivables from the acquisition of financial assets from loans without substantial transfer of risks and benefits.

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Notes to the Consolidated Financial Statements**12) OTHER ASSETS****a) Foreclosed assets/other**

			R\$ thousand		
	Cost	Provision for losses	Cost net of provision		
			2014	2013	
			December 31	September 30	December 31
Real estate	835,738	(131,190)	704,548	682,366	519,441
Vehicles and similar	581,013	(293,612)	287,401	313,087	299,116
Goods subject to special conditions	242,397	(242,397)	-	-	-
Inventories/warehouse	60,657	-	60,657	79,767	86,549
Machinery and equipment	20,401	(13,036)	7,365	6,795	11,542
Other	25,988	(18,746)	7,242	2,592	2,096
Total on December 31, 2014	1,766,194	(698,981)	1,067,213		
Total on September 30, 2014	1,737,929	(653,322)		1,084,607	
Total on December 31, 2013	1,481,238	(562,494)			918,744

b) Prepaid expenses

	R\$ thousand		
	2014		2013
	December 31	September 30	December 31
Deferred insurance acquisition costs (1)	1,925,847	1,897,239	1,607,914
Commission on the placement of loans and financing (2)	1,486,198	1,499,814	1,780,295
Advertising and marketing expenses (3)	111,376	43,756	63,578
Other (4)	333,958	372,762	410,623
Total	3,857,379	3,813,571	3,862,410

(1) Commissions paid to brokers and representatives on sale of insurance, pension plans and capitalization bond products;

(2) Commissions paid to storeowners, car dealers and correspondent banks – payroll-deductible loans;

(3) Prepaid expenses of future advertising and marketing campaigns on media; and

(4) Mainly related to card issue costs.

13) INVESTMENTS

a) Composition of investments in the consolidated financial statements

Affiliates	2014		R\$ thousand
	December 31	September 30	December 31
- IRB-Brasil Resseguros S.A.	618,527	579,916	507,503
- Integritas Participações S.A.	492,242	498,137	503,911
- BES Investimento do Brasil S.A.	138,002	136,831	133,140
- Other	304,294	299,966	267,533
Total investment in affiliates - in Brazil	1,553,065	1,514,850	1,412,087
- Tax incentives	239,547	239,418	239,533
- Other investments	193,708	450,735	452,611
Provision for:			
- Tax incentives	(212,060)	(211,930)	(212,045)
- Other investments	(61,795)	(61,798)	(61,798)
Grand total investments	1,712,465	1,931,275	1,830,388

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Notes to the Consolidated Financial Statements

b) The income/expense from the equity method accounting of investments was recorded in the income statement, under "Equity in the Earnings (Losses) of Unconsolidated Companies", and correspond to R\$ 187,667 thousand in the year ending on December 31, 2014 (R\$ 43,016 thousand on December 31, 2013) and R\$ 57,188 thousand in the 4th quarter of 2014 (R\$ 43,852 thousand in the 3rd quarter of 2014).

Companies	Capital Stock	Shareholders' equity adjusted	Number of shares/ quotas held		CO o
			(in thousands)		
			Common	Preferred	
IRB-Brasil Resseguros S.A. (2)	1,453,080	3,015,733	212	-	-
BES Investimento do Brasil S.A. - Banco de Investimento	420,000	690,010	12,734	12,734	-
Integritas Participações S.A. (2)	545,638	737,740	22,581	-	-
Other (2)					

Equity in the earnings (losses) of unconsolidated companies

(1) The adjustment considers income calculated periodically by the companies and includes equity variations by the investees not recognized in profit or loss, as well as alignment of accounting practice adjustments, where applicable; and

(2) Based on financial information from the previous month.

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14) PREMISES AND EQUIPMENT

	Annual rate of depreciation	Cost	Depreciation	R\$ thousand		
				Cost net of depreciation		
				2014	2013	
				December	September	December
				31	30	31
Property and equipment:						
- Buildings	4%	1,072,129	(510,116)	562,013	562,717	583,458
- Land	-	406,095	-	406,095	406,110	405,426
Facilities, furniture and equipment in use	10%	4,571,391	(2,420,096)	2,151,295	2,019,285	2,082,667
Security and communication systems	10%	506,447	(183,277)	323,170	258,136	167,140
Data processing systems	20 to 50%	5,574,051	(4,175,426)	1,398,625	1,296,644	1,404,996
Transportation systems	20%	86,102	(40,155)	45,947	48,393	23,558
Total on December 31, 2014		12,216,215	(7,329,070)	4,887,145		
Total on September 30, 2014		11,811,698	(7,220,413)		4,591,285	
Total on December 31, 2013		11,688,241	(7,020,996)			4,667,245

The Bradesco Organization's premises and equipment have an unrecorded surplus of R\$ 5,284,088 thousand (R\$ 5,297,410 thousand on September 30, 2014 and R\$ 5,307,740 thousand on December 31, 2013). This is due to an increase in their market price, based on valuations by independent experts in 2014, 2013 and 2012.

The total consolidated fixed assets to net worth ratio is 13.2% (13.0% on September 30, 2014 and 15.2% on December 31, 2013) when considering the consolidated balance sheet of the wider economic group (the "Economic-Financial Consolidation"). When considering only the financial companies within the economic group (the "Financial Consolidation"), the fixed assets to net worth ratio is 47.2% (46.8% on September 30, 2014 and 45.4% on December 31, 2013), whereas the maximum limit is 50%.

The difference between the fixed assets to net worth ratios in the economic-financial consolidation and in the financial consolidation is due to the inclusion of non-financial subsidiaries which have high liquidity and low fixed assets to net worth ratio, in the economic-financial consolidation, with the consequent decrease in the fixed assets to net worth ratio. Whenever necessary, we may reallocate funds to the financial companies through the payment of dividends/interest on shareholders' equity or a corporate restructuring, with the aim of managing this ratio.

The 4th quarter of 2014 contains impairment charges under “Premises and equipment” totaling R\$ 802 thousand (R\$ 8,400 thousand in the 4th quarter of 2013), basically, in “Facilities, furniture and equipment in use”.

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Notes to the Consolidated Financial Statements**15) INTANGIBLE ASSETS****a) Goodwill**

The goodwill recorded from investment acquisitions totaled R\$ 2,348,114 thousand, net of accumulated amortization, as applicable, of which: (i) R\$ 409,973 thousand recorded in Permanent Assets - Investments represents the difference between the purchase price and the fair value of the shares received (BM&FBOVESPA and Integritas/Fleury shares), amortized when realized through sale; and (ii) R\$ 1,938,141 thousand, net of accumulated amortization, for future performance/customer portfolio, which is amortized over 20 years, where applicable.

In the year ended December 31, 2014, goodwill was amortized totaling R\$ 176,646 thousand (R\$ 210,901 thousand on December 31, 2013) and R\$ 50,069 thousand in the 4th quarter of 2014 (R\$ 44,989 thousand in the 3rd quarter of 2014) (Note 29).

b) Intangible assets

Acquired intangible assets consist of:

	Rate of Amortization (1)	Cost	Amortization	R\$ thousand Cost net of amortization		
				2014		2013
				December 31	September 30	December 31
Acquisition of banking services rights	Contract (4)	4,386,936	(2,360,996)	2,025,940	2,088,851	2,589,021
Software (2)	20% to 50%	8,878,960	(4,796,805)	4,082,155	4,127,653	4,015,462
Future profitability/customer portfolio (3)	Up to 20%	2,717,350	(779,209)	1,938,141	1,808,277	2,005,474
Other (5)	Contract	757,125	(332,367)	424,758	503,075	535,982
Total on December 31, 2014		16,740,371	(8,269,377)	8,470,994		
Total on September 30, 2014		16,203,331	(7,675,475)		8,527,856	
Total on December 31, 2013		17,740,156	(8,594,217)			9,145,939

Explanation of Responses:

- (1) Intangible assets are amortized over an estimated period of economic benefit and recognized in “other administrative expenses” and “other operating expenses”, where applicable;
- (2) Software acquired and/or developed by specialized companies;
- (3) Mainly composed of goodwill on the acquisition of equity interest in Banco Bradescard (currently Banco Ibi) - R\$ 770,055 thousand, Odontoprev - R\$ 212,039 thousand, Bradescard Mexico (currently Ibi México) - R\$ 20,878 thousand, Europ Assistance Serviços de Assistência Personalizados - R\$ 12,943 thousand and Cielo/Investees - R\$ 567,217 thousand and Banco Bradesco BBI S.A. - R\$ 161,652 thousand;
- (4) Based on the pay-back of each agreement; and
- (5) Mainly refers to the 2016 Olympic Games sponsorship program.

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Notes to the Consolidated Financial Statements**c) Changes in intangible assets by type**

	Acquisition of banking service rights	Software	Future profitability/ customer portfolio	Other
Balance on December 31, 2013	2,589,021	4,015,462	2,005,474	535,982
Additions (reductions)	285,325	1,248,907	109,313	60,562
Expenses due to analysis of asset recoverability – impairment (1)	(244)	(84,562)	-	-
Amortization for the period	(848,162)	(1,097,652)	(176,646)	(171,786)
Balance on December 31, 2014	2,025,940	4,082,155	1,938,141	424,758

(1) The 4th quarter of 2014 contains impairment charges under “Intangible assets” totaling R\$ 84,806 thousand.

16) DEPOSITS, SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE AND FUNDS FROM ISSUANCE OF SECURITIES**a) Deposits**

	2014					December	September	De
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	31	30	De	
Demand deposits (1)	33,029,201	-	-	-	33,029,201	33,299,639	40	
Savings deposits (1)	92,154,815	-	-	-	92,154,815	87,293,425	80	
Interbank deposits	254,170	88,151	53,598	245,285	641,204	673,585		
Time deposits (2)	15,764,153	19,519,477	5,655,603	44,848,105	85,787,338	90,614,718	95	
Grand total on December 31, 2014	141,202,339	19,607,628	5,709,201	45,093,390	211,612,558			
%	66.7	9.3	2.7	21.3	100.0			

Explanation of Responses:

Grand total on September 30, 2014	136,516,526	20,343,730	7,600,175	47,420,936	211,881,367
%	64.4	9.6	3.6	22.4	100.0
Grand total on December 31, 2013	134,999,632	18,404,393	12,940,895	51,718,125	218,063,045
%	61.9	8.5	5.9	23.7	

- (1) Classified as “1 to 30 days”, not considering average historical turnover; and
- (2) Considers the actual maturities of investments.

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Notes to the Consolidated Financial Statements**b) Securities sold under agreements to repurchase**

	2014					September 30
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	
Own portfolio	64,291,907	38,894,340	6,598,146	22,137,746	131,922,139	129,775,173
Government securities	55,889,403	197,250	28,724	3,160	56,118,537	58,051,338
Debentures of own issuance	2,306,308	38,624,601	6,569,422	21,344,445	68,844,776	66,960,759
Foreign	6,096,196	72,489	-	790,141	6,958,826	4,763,076
Third-party portfolio (1)	187,098,495	-	-	-	-187,098,495	167,151,431
Unrestricted portfolio (1)	715,969	457,492	-	-	1,173,461	887,559
Grand total on December 31, 2014 (2)	252,106,371	39,351,832	6,598,146	22,137,746	320,194,095	
%	78.7	12.3	2.1	6.9	100.0	
Grand total on September 30, 2014 (2)	230,958,336	32,064,122	11,907,161	22,884,544		297,814,163
%	77.5	10.8	4.0	7.7		100.0
Grand total on December 31, 2013 (2)	192,050,191	36,479,828	11,213,846	16,534,931		
%	74.9	14.2	4.4	6.5		

(1) Represented by government securities; and

(2) Includes R\$ 106,239,295 thousand (R\$ 95,092,298 thousand on September 30, 2014 and R\$ 70,468,200 thousand on December 31, 2013) of investment funds in purchase and sale commitments with Bradesco, whose quota holders are subsidiaries included in the consolidated financial statements (Notes 8a, b, c and d).

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Notes to the Consolidated Financial Statements**c) Funds from issuance of securities**

	2014				R\$ thousand		
	1 to 30	31 to 180	181 to 360	More than	December	September	December
	days	days	days	360 days	31	30	31
Securities -Brazil:							
- Mortgage bonds	33,535	170,247	201,133	-	404,915	505,994	604,111
- Letters of credit for real estate	331,617	5,126,315	3,938,658	2,466,115	11,862,705	11,647,542	5,995,611
- Letters of credit for agribusiness	565,118	2,185,356	3,260,659	2,559,446	8,570,579	4,676,898	4,371,011
- Financial bills	2,137,709	15,086,654	10,265,029	27,471,671	54,961,063	49,671,559	35,208,311
Subtotal	3,067,979	22,568,572	17,665,479	32,497,232	75,799,262	66,501,993	46,179,144
Securities - Overseas:							
- MTN Program Issues (1)	89,647	2,106,367	187,483	3,906,809	6,290,306	6,063,411	8,429,911
- Securitization of future flow of money orders received from overseas (Note 16d)	5,575	396,632	396,633	1,690,671	2,489,511	2,479,639	3,061,911
- Issuance costs	-	-	-	(13,692)	(13,692)	(13,888)	(17,011)
Subtotal	95,222	2,502,999	584,116	5,583,788	8,766,125	8,529,162	11,474,811
Structured operations certificates	29,451	91,623	42,364	96,608	260,046	251,703	
Grand total on December 31, 2014	3,192,652	25,163,194	18,291,959	38,177,628	84,825,433		
%	3.8	29.7	21.6	44.9	100.0		
Grand total on September 30, 2014	1,394,831	16,349,007	24,500,874	33,038,146		75,282,858	
%	1.9	21.7	32.5	43.9		100.0	
Grand total on December 31, 2013	2,855,025	9,289,359	8,634,955	36,874,654			57,653,993
%	4.9	16.1	15.0	64.0			100.0

(1) Issuance of securities on the international market to invest in foreign exchange transactions, pre-export financing, import financing and working capital financing, predominately in the medium and long terms.

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d) Since 2003, Bradesco has used certain agreements to optimize its funding and liquidity management activities by using an SPE - Special Purpose Entity. This SPE, known as International Diversified Payment Rights Company, is financed with long-term debt and settled through future cash flows from underlying assets which basically include flows from current payment orders and future remittances made by individuals and companies located overseas to beneficiaries in Brazil for which the Bank acts as a paying agent.

Long-term securities issued by the SPE and sold to investors are settled with proceeds from the payment order flows. Bradesco is obliged to redeem these securities in specific cases of delinquency or if the SPE discontinues operations.

Funds from the sale of current and future payment order flows, received by the SPE, must be maintained in a specific bank account until a minimum amount has been reached.

Below are the main features of the notes issued by the SPE:

	Date of issue	Amount of the operation	Maturity	R\$ thousand		
				Total		2013 December 31
				2014 December 31	September 30	
	6.11.2007	481,550	5.20.2014	-	-	36,156
	6.11.2007	481,550	5.20.2014	-	-	36,129
	12.20.2007	354,260	11.20.2014	-	-	70,047
	12.17.2009	133,673	11.20.2014	-	-	43,754
Securitization of future flow	3.6.2008	836,000	5.22.2017	596,861	611,927	761,361
	12.19.2008	1,168,500	2.20.2019	1,060,833	1,040,019	1,169,543
of payment orders	12.17.2009	133,673	2.20.2017	83,280	86,430	110,164
received from overseas	12.17.2009	89,115	2.20.2020	94,204	91,245	99,672
	8.20.2010	307,948	8.21.2017	231,696	235,182	286,108
	9.29.2010	170,530	8.21.2017	132,422	134,414	163,520
	11.16.2011	88,860	11.20.2018	99,260	102,386	115,480
	11.16.2011	133,290	11.22.2021	190,955	178,036	170,054
Total		4,378,949		2,489,511	2,479,639	3,061,988

e) Cost for market funding and inflation and interest adjustments of technical reserves for insurance, pension plans and capitalization bonds

R\$ thousand

Explanation of Responses:

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	2014			2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Savings deposits	1,452,945	1,413,506	5,440,263	4,112,323
Time deposits	2,362,566	2,429,720	9,591,350	8,289,627
Securities sold under agreements to repurchase	7,879,859	7,056,151	25,942,384	21,195,259
Funds from issuance of securities	2,295,328	2,101,298	7,435,603	4,436,949
Other funding expenses	120,815	117,161	464,468	405,091
Subtotal	14,111,513	13,117,836	48,874,068	38,439,249
Cost for inflation and interest adjustment of technical reserves of insurance, pension plans and capitalization bonds	2,866,282	2,437,088	10,376,435	5,858,966
Total	16,977,795	15,554,924	59,250,503	44,298,215

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Notes to the Consolidated Financial Statements**17) BORROWING AND ON-LENDING****a) Borrowing**

	2014				R\$ thousand		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	September 30	December 31
In Brazil - other institutions	8,415	-	-	11,743	20,158	20,009	13,509
Overseas	2,582,336	6,749,480	3,783,100	2,083,518	15,198,434	15,052,353	15,217,347
Grand total on December 31, 2014	2,590,751	6,749,480	3,783,100	2,095,261	15,218,592		
%	17.0	44.3	24.9	13.8	100.0		
Grand total on September 30, 2014	2,098,768	6,940,385	4,108,899	1,924,310		15,072,362	
%	13.9	46.0	27.3	12.8		100.0	
Grand total on December 31, 2013	1,996,402	8,729,025	3,469,320	1,036,109			15,230,856
%	13.1	57.3	22.8	6.8			100.0

b) On-lending

	2014				R\$ thousand		
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	December 31	September 30	December 31
In Brazil	1,060,487	5,504,325	6,569,815	29,160,950	42,295,577	41,251,702	40,681,143
- National Treasury	-	-	151,096	-	151,096	128,451	23,735
- BNDES	336,709	1,714,203	2,005,811	8,216,720	12,273,443	12,127,892	12,332,733
- CEF	1,773	4,590	5,508	8,262	20,133	24,760	39,814
- FINAME	721,697	3,785,532	4,406,136	20,935,968	29,849,333	28,969,006	28,283,241
- Other institutions	308	-	1,264	-	1,572	1,593	1,620
Overseas	91,060	197,887	1,195,020	-	1,483,967	237,093	182,853
Grand total on December 31, 2014	1,151,547	5,702,212	7,764,835	29,160,950	43,779,544		
%	2.6	13.0	17.7	66.7	100.0		
Grand total on September 30, 2014	1,179,150	5,189,937	6,576,002	28,543,706		41,488,795	
%	2.8	12.5	15.9	68.8		100.0	
Grand total on December 31, 2013	1,258,343	5,665,229	5,479,804	28,460,620			40,863,996
%	3.1	13.9	13.4	69.6			100.0

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Notes to the Consolidated Financial Statements**c) Borrowing and on-lending expenses**

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Borrowing:				
- In Brazil	4,762	2,901	10,053	29,975
- Overseas	40,537	37,596	138,365	131,635
Subtotal borrowing	45,299	40,497	148,418	161,610
On-lending in Brazil:				
- National Treasury	2,921	2,078	5,248	1,309
- BNDES	180,271	176,948	703,085	697,834
- CEF	418	405	1,945	3,263
- FINAME	189,717	188,421	710,845	857,454
- Other institutions	28	9	53	329
On-lending overseas:				
- Payables to foreign bankers (Note 11a)	402,929	515,410	890,723	1,135,656
- Other expenses with foreign on-lending	3,865,456	4,682,343	6,219,411	5,348,079
- Exchange variation from investments overseas	(2,162,641)	(2,601,623)	(3,507,294)	(2,799,653)
Subtotal on-lending	2,479,099	2,963,991	5,024,016	5,244,271
Total	2,524,398	3,004,488	5,172,434	5,405,881

18) PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES - TAX AND SOCIAL SECURITY**a) Contingent assets**

Contingent assets are not recognized in the financial statements. However, there are ongoing proceedings where the chance of success is considered probable, such as: a) Social Integration Program (PIS), claiming to offset PIS against Gross Operating Income, paid under Decree-Laws n° 2445/88 and n° 2449/88, regarding the payment that exceeded the amount due under Supplementary Law n° 07/70 (PIS Repique); and b) other taxes, the legality and/or constitutionality of which is being challenged, where the decision may lead to reimbursement of amounts paid.

b) Provisions classified as probable losses and legal obligations - tax and social security

Bradesco Organization is a party to a number of labor, civil and tax lawsuits, arising from the normal course of business.

Management recorded provisions based on their opinion and that of their legal counsel, the nature of the lawsuit, similarity to previous lawsuits, complexity and the courts standing, where the loss is deemed probable.

Management considers that the provision is sufficient to cover losses generated by the respective lawsuits.

Liability related to litigation is held until the conclusion to the lawsuit, represented by judicial decisions, with no further appeals or due to the statute of limitation.

I - Labor claims

These are claims brought by former employees and outsourced employees seeking indemnifications, most significantly for unpaid overtime, pursuant to Article 224 of the Consolidation of Labor Laws (CLT). In proceedings in which a judicial deposit is used to guarantee the execution of the judgment, the labor provision is made considering the estimated loss of these deposits. For proceedings with similar characteristics, the provision is recorded based on the average calculated value of payments made for labor complaints settled in the past 12 months; and for proceedings originating from acquired banks, with unique characteristics, the calculation and assessment of the required balance is conducted periodically, based on the updated recent loss history.

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Overtime is monitored by using electronic time cards and paid regularly during the employment contract and, accordingly, the claims filed by former employees do not represent significant amounts.

II - Civil claims

These are claims for pain and suffering and property damages, mainly relating to protests, returned checks, the inclusion of information about debtors in the credit restriction registry and the replacement of inflation adjustments excluded as a result of government economic plans. These lawsuits are individually controlled using a computer-based system and provisioned whenever the loss is deemed as probable, considering the opinion of Management and their legal counsel, the nature of the lawsuits, and similarity with previous lawsuits, complexity and positioning of the courts.

Most of these lawsuits are brought to the Special Civil Court (JEC), in which the claims are limited to 40 times the minimum wage and do not cause significant impact on Bradesco Organization's financial position.

It is worth mentioning the significant number of legal claims pleading alleged differences in adjustment for inflation on savings account balances is due to the implementation of economic plans that were part of the federal government's economic policy to reduce inflation in the '80s and '90s.

Although Bradesco complied with the law and regulation in force at the time, these lawsuits have been recorded in provisions, taking into consideration the claims where the Bank is the defendant and the perspective of loss, which is considered after the analysis of each demand, based on the current decision of the Superior Court of Justice (STJ).

Note that, regarding disputes relating to economic plans, the Federal Supreme Court (STF) suspended the prosecution of all lawsuits on cognizance stage, until the Court issues a final decision on the right under litigation.

III - Legal obligations - provision for tax risks

The Bradesco Organization is disputing the legality and constitutionality of certain taxes and contributions in court, for which provisions have been recorded in full, although there is good chance of a favorable outcome, based on the opinion of Management and their legal counsel. The processing of these legal obligations and the provisions for cases for which the risk of loss is deemed as probable is regularly

monitored in the legal court. During or after the conclusion of each case, a favorable outcome may arise for the Organization, resulting in the reversal of the related provisions.

The main cases are:

- PIS and COFINS – R\$ 1,818,412 thousand (R\$ 1,649,507 thousand on September 30, 2014 and R\$ 2,474,009 thousand on December 31, 2013): a request for authorization to calculate and pay PIS and COFINS based on effective billing, as set forth in Article 2 of Supplementary Law n^o 70/91, removing from the calculation base the unconstitutional inclusion of other revenues other than those billed;
- INSS Autonomous Brokers – R\$ 1,531,540 thousand (R\$ 1,471,067 thousand on September 30, 2014 and R\$ 1,313,647 thousand on December 31, 2013): discussing the charging of social security contribution on remunerations paid to third-party service providers, established by Supplementary Law n^o 84/96 and subsequent regulations/amendments, at 20.0% with an additional 2.5%, on the grounds that services are not provided to insurance companies but to policyholders, thus being outside the scope of such a contribution as provided for in item I, Article 22 of Law n^o 8212/91, as new wording in Law n^o 9876/99;

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- IRPJ/Credit Losses – R\$ 2,059,542 thousand (R\$ 1,881,757 thousand on September 30, 2014 and R\$ 1,756,396 thousand on December 31, 2013): we are requesting to deduct from income tax and social contributions payable (IRPJ and CSLL, respectively) amounts of actual and definite loan losses related to unconditional discounts granted during collections, regardless if they comply with the terms and conditions provided for in Articles 9 to 14 of Law n^o 9430/96 that only apply to temporary losses;
- PIS – EC 17/97 - R\$ 321,748 thousand (R\$ 318,357 thousand on June 30, 2014): for the period from July 1997 to February 1998, request to calculate and pay PIS contributions as established by LC 07/70 (PIS Repique) and not as established by EC 17/97 (PIS on Gross Operating Income); and
- PIS – R\$ 320,067 thousand (R\$ 317,246 thousand on September 30, 2014 and R\$ 310,127 thousand on December 31, 2013): we are requesting the authorization to offset overpaid amounts in 1994 and 1995 as PIS contribution, corresponding to the surplus paid over that calculated on the tax base established in the Constitution, i.e., gross operating income, as defined in the income tax legislation – (set out in Article 44 of Law no 4506/64), which excludes interest income.

IV - Provisions by nature

	2014		R\$ thousand
	December 31	September 30	2013 December 31
Labor claims	2,737,447	2,859,976	2,537,405
Civil claims	3,941,689	3,999,740	3,823,499
Subtotal (1)	6,679,136	6,859,716	6,360,904
Provision for tax risks (2)	7,571,986	7,371,100	7,728,691
Total	14,251,122	14,230,816	14,089,595

(1) Note 20b; and

(2) Classified under "Other liabilities - tax and social security" (Note 20a).

V - Changes in provisions

	R\$ thousand		
	Labor (1)	2014 Civil	Tax (2) (3)
Balance on December 31, 2013	2,537,405	3,823,499	7,728,691

Explanation of Responses:

Adjustment for inflation	312,300	365,271	527,818
Provisions, net of reversals and write-offs	1,217,056	576,926	(572,480)
Payments	(1,329,314)	(824,007)	(112,043)
Balance on December 31, 2014	2,737,447	3,941,689	7,571,986

(1) Includes the constitution of labor provisions concerning the change in calculation methodology, originating from acquired banks, with unique characteristics, based on the updated recent loss history, totaling R\$ 488,300 thousand;

(2) Includes: (i) the reversal of the tax provision related to the COFINS case totaling R\$ 1,378,103 thousand, following a favorable outcome for the Bradesco Organization and (ii) the establishment of tax provisions for the PIS case – EC 17/97, totaling R\$ 212,888 thousand; and

(3) Mainly include legal liabilities.

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c) Contingent liabilities classified as possible losses

The Bradesco Organization maintains a system to monitor all administrative and judicial proceedings in which the institution is plaintiff or defendant and, based on the opinion of legal counsel, classifies the lawsuits according to the expectation of loss. Case law trends are periodically analyzed and, if necessary, the related risk is reclassified. In this respect, contingent lawsuits deemed to have a possible risk of loss are not recorded as a liability in the financial statements. The main proceedings in this category are the following: a) leasing companies' Tax on Services of any Nature (ISSQN), total lawsuits correspond to R\$ 1,840,272 thousand (R\$ 1,794,587 thousand on September 30, 2014 and R\$ 1,434,155 thousand on December 31, 2013) which relates to the municipal tax demands from municipalities other than those in which the company is located and where, under law, tax is collected; b) 2006-2010 income tax and social contribution, relating to goodwill amortization being disallowed on the acquisition of investments, for the amount of R\$ 4,264,479 thousand (R\$ 3,831,988 thousand on September 30, 2014 and R\$ 1,567,042 thousand on December 31, 2013); c) IRPJ and CSLL deficiency notice relating to the disallowance of loan loss deductions, for the amount of R\$ 1,034,018 thousand (R\$ 550,255 thousand on September 30, 2014, and R\$ 526,261 thousand on December 31, 2013); d) IRPJ and CSLL deficiency note relating to disallowance of exclusions of revenues from the mark-to-market of securities from 2007 to 2010, and differences in depreciation and operating expenses and income, amounting to R\$ 1,226,665 thousand (R\$ 473,869 thousand on September 30, 2014 and R\$ 460,380 thousand on December 31, 2013); and e) IRPJ, CSLL, PIS and COFINS deficiency note, amounting to R\$ 348,129 thousand (R\$ 344,286 thousand on September 30, 2014 and R\$ 323,697 thousand on December 31, 2013), on alleged tax-exempt gain, when BOVESPA shares were merged into Nova Bolsa (BM&FBOVESPA), in 2008; f) IRPJ and CSSL, amounting to R\$ 378,664 thousand relating to profit of subsidiaries based overseas, for the calendar years of 2008 and 2009.

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Notes to the Consolidated Financial Statements**19) SUBORDINATED DEBT**

Maturity	Original term in years	Amount of the operation	Currency	Remuneration
In Brazil:				
Subordinated CDB:				
2014 (2)	6	-	R\$	112.0% of CDI IPCA + (6.92% p.a. - 8.55% p.a.)
2015	6	1,274,696	R\$	108.0% to 112.0% of CDI
2016	6	500	R\$	IPCA + 7.1292%
2019	10	20,000	R\$	IPCA + 7.76%
Financial bills:				
				IGPM + 6.3874% IPCA + (6.7017% p.a. - 6.8784% p.a.) Fixed rate of 13.0949%
2016	6	102,018	R\$	108.0% to 110.0% of CDI 100.0% of CDI rate + (1.2685%p.a. - 1.3656% p.a.) IGPM + (5.7745% p.a. - 6.9588% p.a.) IPCA + (5.6030% p.a. - 7.5482% p.a.) Fixed rate (11.7493% p.a. - 13.8609% p.a.)
2017	6	8,630,999	R\$	104.0% to 112.5% of CDI 100.0% of CDI rate + (0.7855%p.a. - 1.3061% p.a.) IGPM + (4.0147% p.a. - 6.2626% p.a.) IPCA + (3.6712% p.a. - 6.2822% p.a.) Fixed rate (9.3991% p.a. - 12.1754% p.a.)
2018	6	8,262,799	R\$	105.0% to 112.2% of CDI IGPM + (3.6320% p.a. - 4.0735% p.a.) IPCA + (3.2983% p.a. - 4.4268% p.a.) Fixed rate (9.3207% p.a. - 10.3107% p.a.)
2019	6	21,858	R\$	109.3% to 109.5% of CDI

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Maturity	Original term in years	Amount of the operation	Currency	Remuneration
2017	7	40,100	R\$	IPCA + 7.4 Fixed rate of 13.1
2018	7	141,050	R\$	IGPM + 6.6 IPCA + (5.9081% p.a. - 7.37 100.0% of CDI rate + (1.0079% p.a. - 1.0 IGPM rate + 4
2019	7	3,172,835	R\$	IPCA + (4.0262% p.a. - 6.17 Fixed rate (10.1304% p.a. - 11.7 110.5% to 112.2% c
2020	7	1,700	R\$	IPCA + 4.2
2018	8	50,000	R\$	IGPM + 7.0 IGPM + 5.8 IPCA + (5.8950% p.a. - 6.36
2019	8	12,735	R\$	Fixed rate of 13.3 IGPM + 5.5 IPCA + (3.9941% p.a. - 6.13 Fixed rate (11.1291% p.a. - 11.8 110.0% to 110.7% c
2020	8	28,556	R\$	110.0% to 110.7% c
2021	8	1,236	R\$	IPCA + (3.7004% p.a. - 4.34
2021	9	7,000	R\$	111.0% c IGPM + (6.0358% p.a. - 6.62 IPCA + (5.8789% p.a. - 7.12 Fixed rate of 12.7
2021	10	19,200	R\$	109.0% c IGPM + (3.9270% p.a. - 4.29 IPCA + (4.1920% p.a. - 6.03 Fixed rate (10.3489% p.a. - 12.4 110.0% to 111.3% c
2022	10	54,143	R\$	IGPM + (3.5855% p.a. - 3.9 IPCA + (3.9292% p.a. - 4.96 Fixed rate (10.6804% p.a. - 10.8
2023	10	688,064	R\$	Fixed rate (10.6804% p.a. - 10.8

CDB pegged to loans:

Explanation of Responses:

2015 to 2016	1 to 2	2,772	R\$	100.0% c
Subtotal in Brazil				
Overseas:				
2014 (1)	10	-	Euro	Rate of 8
2019	10	1,333,575	US\$	Rate of 6
2021	11	2,766,650	US\$	Rate of 5
2022	11	1,886,720	US\$	Rate of 5
Issuance costs on funding				
Subtotal overseas				
Grand total				

- (1) Subordinated debt transactions that matured in April 2014; and
- (2) Subordinated debt transactions that matured in November 2014.

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Notes to the Consolidated Financial Statements**20) OTHER LIABILITIES****a) Tax and social security**

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Provision for tax risk (Note 18b IV)	7,571,986	7,371,100	7,728,691
Provision for deferred income tax (Note 34f)	3,291,978	3,240,207	3,187,945
Taxes and contributions on profit payable	4,290,860	3,706,387	3,685,703
Taxes and contributions payable	1,041,316	1,030,787	1,247,385
Total	16,196,140	15,348,481	15,849,724

b) Sundry

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Credit card operations	18,094,072	16,050,168	16,781,768
Sundry creditors	9,053,390	7,515,246	6,378,177
Civil and labor provisions (Note 18b IV)	6,679,136	6,859,716	6,360,904
Provision for payments	5,894,823	6,123,946	5,226,193
Loan assignment obligations	4,948,920	4,320,900	-
Liabilities for acquisition of assets and rights	1,054,651	971,602	1,248,129
Other (1)	2,432,442	2,302,303	1,973,679
Total	48,157,434	44,143,881	37,968,850

(1) On December 31, 2014, it includes provision for guarantees provided, comprising sureties, letters of credit and standby letter of credit, which was identified within the excess provision, and totaling R\$ 421,596 thousand (R\$ 367,495 thousand on September 30, 2014 and R\$ 337,623 on December 31, 2013) (Note 10g).

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Notes to the Consolidated Financial Statements

21) INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS

a) Technical reserves by account

	Insurance (1)			Life and pension plan	
	2014	2013	2014	2014	2013
	December	September	December	December	September
	31	30	31	31	30
Current and long-term liabilities					
Mathematical reserve for unvested benefits	798,859	788,329	756,961	120,906,070	113,064,451
Mathematical reserve for vested benefits	171,416	171,336	166,736	6,985,943	6,804,196
Mathematical reserve for capitalization bonds	-	-	-	-	-
Reserve for claims incurred but not reported (IBNR)	1,606,139	1,534,700	1,370,964	1,056,836	1,131,405
Unearned premium reserve	4,066,840	4,134,330	3,213,684	277,958	292,181
Complementary reserve for coverage	-	-	-	1,624,285	1,366,643
Reserve for unsettled claims	4,161,997	4,081,312	3,716,644	1,097,502	1,018,470
Reserve for financial surplus	-	-	-	426,239	414,861
Reserve for draws and redemptions	-	-	-	-	-
Other reserves	1,897,000	1,898,713	1,875,749	1,482,137	2,766,160
Total reserves	12,702,251	12,608,720	11,100,738	133,856,970	126,858,367

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Notes to the Consolidated Financial Statements**b) Technical reserves by product**

	Insurance			Life and pension plans			Capitalization	
	2014		2013	2014		2013	2014	
	December 31	September 30	December 31	December 31	September 30	December 31	December 31	September 30
Health	6,622,586	6,380,339	5,877,726	-	-	-	-	-
Auto/RCF	3,195,820	3,335,792	2,721,359	-	-	-	-	-
DPVAT/Retrocession (4)	242,246	261,732	210,426	3,955	3,934	554,609	-	-
Life	14,726	14,887	14,834	6,410,820	6,476,261	5,543,216	-	-
Basic lines	2,626,873	2,615,970	2,276,393	-	-	-	-	-
Unrestricted Benefits								
Generating Plan - PGBL - in contribution phase	-	-	-	20,916,893	20,398,594	19,389,474	-	-
Long-Term Life Insurance - VGBL - in contribution phase	-	-	-	86,977,487	80,127,747	74,053,885	-	-
Pension plans	-	-	-	19,547,815	19,851,831	19,687,101	-	-
Capitalization bonds	-	-	-	-	-	-	6,707,862	6,501,900
Total technical reserves	12,702,251	12,608,720	11,100,738	133,856,970	126,858,367	119,228,285	6,707,862	6,501,900

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Notes to the Consolidated Financial Statements**c) Guarantees for technical reserves**

	Insurance			Life and pension	
	2014		2013	2014	
	December 31	September 30	December 31	December 31	September 30
Total technical reserves	12,702,251	12,608,720	11,100,738	133,856,970	126,858,367
(-) Deferred acquisition costs that reduce unearned premium reserve (PPNG)	(270,631)	(263,639)	(213,353)	-	-
(-) Portion corresponding to contracted reinsurance	(871,011)	(908,629)	(841,829)	(12,612)	(14,532)
(-) Deposits retained at IRB and court deposits	(2,318)	(2,318)	(2,330)	-	-
(-) Receivables	(891,065)	(1,011,577)	(775,873)	-	-
(-) Unearned premium reserve – Health Insurance (5)	(949,029)	(905,676)	(774,247)	-	-
(-) Reserves from DPVAT agreements (4)	(236,239)	(255,477)	(203,994)	-	-
To be insured	9,481,958	9,261,404	8,289,112	133,844,358	126,843,835
Investment fund quotas (VGBL and PGBL)	-	-	-	107,894,380	100,526,341
Investment fund quotas (excluding VGBL and PGBL)	7,980,702	6,121,178	6,155,469	20,080,415	16,084,846
Government securities	5,046,582	4,117,080	3,486,879	10,228,007	10,024,497
Private securities	105,943	105,872	101,109	173,684	174,185
Shares	2,956	4,487	5,029	1,296,157	1,364,333
Total technical reserve guarantees	13,136,183	10,348,617	9,748,486	139,672,643	128,174,202

- (1) "Other reserves" - Insurance basically refers to technical reserves of the "personal health" portfolio;
- (2) Includes personal insurance and pension plans;
- (3) "Other reserves" - Life and Pension Plan mainly includes the "Reserve for redemption and other amounts to be settled", "Reserve for related expenses"; In the 4th quarter of 2014, in compliance with SUSEP Circular Letter n^o 462, of January 2013, the "Other Technical Reserves (OPT)" balance was reversed;
- (4) In January 2014, the shutdown of DPVAT insurance consortia was requested; and
- (5) Deduction set forth in Article 4 of ANS Normative Resolution n^o 314/12.

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d) Insurance, pension plan contribution and capitalization bond retained premiums

	4 th Quarter	2014 3 rd quarter	December 31 YTD	Decem
Written premiums	7,075,823	7,201,071	27,391,271	
Pension plan contributions (including VGBL)	9,371,359	4,383,620	23,769,693	
Capitalization bond income	1,432,086	1,415,612	5,342,565	
Granted coinsurance premiums	(24,171)	(25,726)	(135,729)	
Refunded premiums	(49,502)	(70,567)	(216,212)	
Net written premiums	17,805,595	12,904,010	56,151,588	
Reinsurance premiums	(73,063)	(104,404)	(354,041)	
Insurance, pension plan and capitalization bond retained premiums	17,732,532	12,799,606	55,797,547	

22) NON-CONTROLLING INTERESTS IN SUBSIDIARIES

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Banco Bradesco BBI S.A.	12,838	104,134	131,205
Other (1)	379,674	385,506	474,230
Total	392,512	489,640	605,435

(1) Mainly related to the non-controlling interest in Odontoprev S.A.

23) SHAREHOLDERS' EQUITY (PARENT COMPANY)

a) Capital stock in number of shares

Fully subscribed and paid-in capital stock comprises non-par, registered, book-entry shares.

	2014		2013
	December 31	September 30	December 31
Common shares	2,103,637,129	2,103,637,129	2,103,637,129
Preferred shares	2,103,636,910	2,103,636,910	2,103,636,910
Subtotal	4,207,274,039	4,207,274,039	4,207,274,039
Treasury (common shares)	(2,898,610)	(2,898,610)	(2,898,610)
Treasury (preferred shares)	(8,984,870)	(8,984,870)	(7,866,270)
Total outstanding shares	4,195,390,559	4,195,390,559	4,196,509,159

b) Changes in capital stock in number of shares

	Common shares	Preferred shares	Total
Number of outstanding shares as at December 31, 2013	2,100,738,519	2,095,770,640	4,196,509,159
Shares acquired and not canceled	-	(1,118,600)	(1,118,600)
Number of outstanding shares as at December 31, 2014	2,100,738,519	2,094,652,040	4,195,390,559

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c) Interest on shareholders' equity/dividends

Preferred shares have no voting rights, but are entitled to all other rights and advantages given to common shares and, in compliance with Bradesco's Bylaws, have priority for repayment of capital and an additional ten percent (10%) interest on shareholders' equity and/or dividends, in accordance with the provisions of Paragraph 1, item II, of Article 17 of Law n^o 6404/76, amended by Law n^o 10303/01.

According to Bradesco's Bylaws, shareholders are entitled to interest on shareholders' equity and/or dividends amounting to at least 30% of the net income for the year, adjusted in accordance with Brazilian Corporate Law.

Interest on shareholders' equity is calculated based on the shareholders' equity limited to the variation in the Federal Government Long-Term Interest Rates (TJLP), subject to available profits before deductions, or transfer to retained earnings or profit reserves for the amounts equivalent or greater than twice its value.

Bradesco's capital remuneration policy aims to distribute interest on shareholders' equity at the maximum amount calculated under current legislation, and this is included, net of Withholding Income Tax, in the calculation for mandatory dividends for the year under the Company's Bylaws.

The Board of Directors' Meeting held on February 10, 2014 approved the Board of Executive Officers' proposal to pay shareholders supplementary interest on shareholders' equity for 2013, for the amount of R\$ 853,858 thousand, at R\$ 0.193826693 per common share and R\$ 0.213209362 per preferred share, which was paid on March 7, 2014.

The Board of Directors' Meeting held on June 24, 2014 approved the Board of Executive Officers' proposal to pay shareholders' supplementary interest on shareholders' equity and dividends for the first half-year of 2014, totaling R\$ 829,000 thousand, at R\$ 0.188201395 per common share and R\$ 0.207021535 per preferred share, which was paid on July 18, 2014.

Explanation of Responses:

The Board of Directors' Meeting held on December 22, 2014 approved the Board of Executive Officers' proposal to pay shareholders supplementary interest on shareholders' equity for 2014, for the amount of R\$ 2,600,300 thousand, at R\$ 0.590325800 (net of 15% withholding income tax - R\$ 0.501776930) per common share and R\$ 0.649358380 (net of 15% withholding income tax - R\$ 0.551954623) per preferred share, which will be paid on March 6, 2015.

Interest on shareholders' equity and dividends for the year ending December 31, 2014 is calculated as follows:

	R\$ thousand	% (1)
Net income for the year	15,088,818	
(-) Legal reserve	(754,442)	
Adjusted calculation basis	14,334,376	
Monthly and supplementary interest on shareholders' equity (gross), paid and/or provisioned	3,595,008	
Withholding income tax on interest on shareholders' equity	(539,251)	
Interim dividends paid and/ or provisioned	1,459,572	
Interest on shareholders' equity (net)/dividends accumulated in 2014	4,515,329	31.50
Interest on shareholders' equity (net)/dividends accumulated in 2013	3,594,300	31.50

(1) Percentage of interest on shareholders' equity/dividends after adjustments.

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Interest on shareholders' equity was paid or recorded in provisions, as follows:

Description	Per share (gross)		Gross amount paid/recorded in provision	Withholding Income Tax (IRRF) (15%)	R\$ thousand
	Common shares	Preferred shares			Net amount paid/recorded in provision
Monthly interest on shareholders' equity paid	0.225815	0.248397	972,752	145,913	826,839
Intermediate interest on shareholders' equity paid	0.188254	0.207078	829,998	124,500	705,498
Supplementary interest on shareholders' equity paid	0.322576	0.354834	1,421,300	213,195	1,208,105
Supplementary dividends paid	0.193790	0.213169	853,858	-	853,858
December 31, 2013 YTD Total	0.930435	1.023478	4,077,908	483,608	3,594,300
Monthly interest on shareholders' equity paid	0.225816	0.248397	994,708	149,206	845,502
Supplementary interest on shareholders' equity provisioned (1)	0.590326	0.649358	2,600,300	390,045	2,210,255
Interim dividends paid (2)	0.188201	0.207022	829,000	-	829,000
Supplementary dividends provisioned	0.143154	0.157469	630,572	-	630,572
December 31, 2014 Total	1.147497	1.262246	5,054,580	539,251	4,515,329

(1) To be paid on March 6, 2015; and

(2) Paid on July 18, 2014.

d) Treasury shares

The Board of Directors' Meeting held on June 25, 2013 resolved to renew the term for the share buy-back program based on the previous conditions, which remained in force until June 26, 2014. The Board of

Directors' Meeting held on June 24, 2014 resolved to renew the term for the share buy-back program, based on the previous conditions. It is valid until June 26, 2015.

A total of 2,898,610 common shares and 8,984,870 preferred shares had been acquired, totaling R\$ 298,015 thousand until December 31, 2014, and remain in treasury. The minimum, medium and maximum cost per common share is R\$ 23.62221, R\$ 25.41203 and R\$ 27.14350, and per preferred share is R\$ 25.23185, R\$ 27.16272 and R\$ 33.12855, respectively. The fair value was R\$ 34.32 per common share and R\$ 35.06 per preferred share on December 31, 2014.

24) FEE AND COMMISSION INCOME

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Credit card income	2,130,809	1,990,712	7,803,795	6,876,661
Checking account	1,079,804	1,025,028	4,020,631	3,607,887
Loans	694,596	688,275	2,581,673	2,244,882
Asset management	657,344	653,008	2,449,818	2,323,521
Collections	398,057	399,857	1,565,709	1,471,005
Consortium management	239,974	227,792	880,373	722,462
Underwriting / Financial Advisory Services	120,865	134,345	636,407	568,402
Custody and brokerage services	136,410	138,314	520,290	510,785
Payments	86,568	89,272	372,205	353,265
Other	242,910	240,092	959,183	780,729
Total	5,787,337	5,586,695	21,790,084	19,459,599

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Notes to the Consolidated Financial Statements**25) PAYROLL AND RELATED BENEFITS**

	2014		R\$ thousand 2013	
	4th Quarter	3rd quarter	December 31 YTD	December 31 YTD
Salaries	1,682,819	1,653,681	6,415,885	6,017,209
Benefits	778,614	738,942	2,918,997	2,701,970
Social security charges	637,969	626,360	2,434,495	2,293,667
Employee profit sharing	309,196	327,596	1,256,427	1,115,330
Provision for labor claims (1)	216,482	665,535	1,284,797	806,257
Training	50,899	40,179	144,658	126,836
Total	3,675,979	4,052,293	14,455,259	13,061,269

(1) The 3rd quarter of 2014 and the December 31, 2014 YTD include the constitution of additional labor provisions for claims originating from acquired banks, with unique characteristics following the change in the calculation methodology, based on the updated recent loss history, totaling R\$ 488,300 thousand.

26) OTHER ADMINISTRATIVE EXPENSES

	2014		R\$ thousand 2013	
	4th Quarter	3rd quarter	December 31 YTD	December 31 YTD
Outsourced services	1,109,245	973,880	3,910,403	3,665,502
Depreciation and amortization	535,872	487,898	1,933,000	1,746,523
Communication	388,008	382,306	1,524,016	1,608,216
Data processing	369,313	340,355	1,371,663	1,297,411
Advertising and marketing	401,346	184,088	934,182	792,519
Rental	239,621	225,237	894,620	830,841
Transport	180,833	192,911	776,218	832,345
Financial system services	193,428	195,785	773,850	732,381
Asset maintenance	200,031	168,808	700,218	661,094

Explanation of Responses:

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Security and surveillance	141,399	140,171	558,664	494,585
Supplies	88,569	85,227	341,511	310,151
Water, electricity and gas	64,914	54,237	237,418	224,990
Travel	53,814	37,116	155,550	138,011
Other	262,603	195,842	903,708	1,094,935
Total	4,228,996	3,663,861	15,015,021	14,429,504

27) TAX EXPENSES

	2014		R\$ thousand 2013	
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Contribution for Social Security Financing (COFINS)	678,936	582,852	2,827,390	2,744,974
Social Integration Program (PIS) contribution	113,059	97,705	503,543	489,975
Tax on Services (ISSQN)	147,496	141,480	571,850	531,829
Municipal Real Estate Tax (IPTU) expenses	8,195	11,020	60,793	53,883
Other	63,824	77,119	268,283	208,301
Total	1,011,510	910,176	4,231,859	4,028,962

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Notes to the Consolidated Financial Statements**28) OTHER OPERATING INCOME**

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Other interest income	526,504	532,215	1,916,915	1,596,283
Reversal of other operating provisions (1)	165,316	1,627,705	1,976,951	2,615,863
Gains on sale of goods	1,858	1,669	10,270	87,626
Revenues from recovery of charges and expenses	80,593	51,669	179,308	110,905
Other	293,823	337,559	1,054,013	983,575
Total	1,068,094	2,550,817	5,137,457	5,394,252

(1) Includes: (i) in the 3rd quarter of 2014 and in the December 31, 2014 YTD, the reversal of tax provision related to the COFINS case, following a favorable outcome for the Bradesco Organization (Note 18b (v)); and (ii) in the December 31, 2013 YTD, effect of the reversal of provision previously recorded, relating to the adhesion to the tax liability installment and cash payment program.

29) OTHER OPERATING EXPENSES

	2014			R\$ thousand 2013
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Other finance costs	1,390,841	1,127,692	4,910,678	4,363,067
Sundry losses	472,348	488,350	1,755,229	1,628,011
Commissions on loans and financing	355,149	318,525	1,339,331	1,355,198
Discount granted	344,825	388,146	1,329,192	1,073,612
Intangible assets amortization	223,122	211,816	848,162	922,438
Goodwill amortization (Note 15a)	50,069	44,989	176,646	210,901
Other (1)	365,597	516,557	1,808,484	1,864,837
Total	3,201,951	3,096,075	12,167,722	11,418,064

(1) Includes: (i) in the 3rd quarter of 2014 and in the December 31, 2014 YTD, the constitution of tax provision related to the PIS case – EC 17/97 (Note 18b (v)); and (ii) in the 4th quarter of 2014, in the December 31, 2014 YTD and in the December 31, 2013 YTD, expenses due to analysis of asset recoverability – impairment (Notes 14 and 15c).

30) NON-OPERATING INCOME (LOSS)

	R\$ thousand			
	2014		2013	
	4th Quarter	3rd quarter	December 31 YTD	December 31 YTD
Gain/loss on sale and write-off of assets and investments (1)	(132,643)	(93,724)	(366,729)	(126,959)
Recording/reversal of non-operating provisions	(59,041)	(27,958)	(211,641)	(183,347)
Other	14,032	27,609	62,606	67,973
Total	(177,652)	(94,073)	(515,764)	(242,333)

(1) The 4th quarter of 2014, the December 31, 2014 YTD and the December 31, 2013 YTD include results originating from the sale of BM&FBovespa shares.

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31) RELATED-PARTY TRANSACTIONS (DIRECT AND INDIRECT)

a) Related party transactions (direct and indirect) are carried out under conditions and at rates consistent with those entered into with third parties, when applicable, and effective on the dates of the operations. The transactions are as follows:

	2014	2013	2014	
	December 31	September 30	December 31	4th Quarter
	Assets	Assets	Assets	Revenues
	(liabilities)	(liabilities)	(liabilities)	(expenses)
				3rd quarter
				Revenues
				(expenses)
Interest on shareholders' equity and dividends:	(1,019,589)	(696,563)	(724,226)	-
Cidade de Deus Companhia Comercial de Participações	(750,925)	(513,017)	(533,391)	-
Fundação Bradesco	(268,664)	(183,546)	(190,835)	-
Demand deposits/Savings accounts:	(19,670)	(19,035)	(19,426)	(178)
BBD Participações S.A.	(8)	(2)	(3)	-
Nova Cidade de Deus Participações S.A.	(6)	(9)	(11)	-
Cidade de Deus Companhia Comercial de Participações	(5)	(11)	(10)	-
Key Management Personnel	(19,651)	(19,013)	(19,402)	(178)
Time deposits:	(133,122)	(119,773)	(140,390)	(1,933)
Cidade de Deus Companhia Comercial de Participações	(59,941)	(50,824)	(61,332)	(19)
Key Management Personnel	(73,181)	(68,949)	(79,058)	(1,914)
Securities sold under agreements to repurchase:	(411,574)	(451,122)	(812,459)	(10,795)
Cidade de Deus Companhia Comercial de Participações	(290,413)	(282,611)	(657,308)	(7,802)
BBD Participações S.A.	(29,118)	(54,125)	(1,715)	(555)
Key Management Personnel	(92,043)	(114,386)	(153,436)	(2,438)
Funds from issuance of securities:	(619,551)	(631,864)	(564,862)	(16,460)
Key Management Personnel	(619,551)	(631,864)	(564,862)	(16,460)
Rental of branches:	-	-	-	(371)
Fundação Bradesco	-	-	-	(371)
Subordinated debts:	-	-	(754)	-
Fundação Bradesco	-	-	(754)	-

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b) Compensation for key Management personnel

Each year, the Annual Shareholders' Meeting approves:

- The annual grand total amount of management compensation, set forth at the Board of Directors Meetings, to be paid to board members and members of the Board of Executive Officers, as determined by the Company's Bylaws; and
- The amount allocated to finance Management pension plans, within the Employee and Management pension plan of the Bradesco Organization.

For 2014, the maximum amount of R\$ 355,100 thousand was set for Management compensation and R\$ 354,600 thousand to finance defined contribution pension plans.

The current policy on Management compensation sets forth that 50% of net variable compensation, if any, must be allocated to the acquisition of preferred shares of Banco Bradesco S.A., which vest in three equal, annual and successive installments, the first of which is in the year following the payment date. This procedure complies with CMN Resolution nº 3921/10, which sets forth a management compensation policy for financial institutions.

Short-term Management benefits

	2014		R\$ thousand 2013	
	4 th Quarter	3 rd quarter	December 31	December 31
			YTD	YTD

Explanation of Responses:

Salaries	75,307	82,285	319,743	326,132
INSS contributions	16,811	18,392	71,611	73,123
Total	92,118	100,677	391,354	399,255

Post-employment benefits

	2014			R\$ thousand
	4 th Quarter	3 rd quarter	December 31 YTD	2013 December 31 YTD
Defined contribution supplementary pension plans	82,040	79,327	322,726	322,926
Total	82,040	79,327	322,726	322,926

Bradesco does not offer its key Management personnel long-term benefits related to severance pay or share-based compensation, pursuant to CPC 10 – Share-Based Payment, approved by CMN Resolution nº 3989/11.

Other information

l) Under current law, financial institutions are not allowed to grant loans or advances to:

a) Officers and members of the advisory, administrative, fiscal or similar councils, as well as to their respective spouses and family members up to the second degree;

b) Individuals or corporations that own more than 10% of their capital; and

c) Corporations in which the financial institution itself, any officers or administrators of the institution, as well as their spouses and respective family members up to the second degree own more than 10% of equity.

Therefore, no loans or advances are granted by financial institutions to any subsidiary, members of the Board of Directors or Board of Executive Officers and their relatives.

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II) Shareholding

Together, members of the Board of Directors and Board of Executive Officers had the following shareholding in Bradesco:

	2014		2013
	December 31	September 30	December 31
Common shares	0.72%	0.72%	0.73%
Preferred shares	1.04%	1.04%	1.02%
Total shares (1)	0.88%	0.88%	0.87%

(1) On December 31, 2014, direct and indirect shareholding of the members of Bradesco's Board of Directors and Board of Executive Officers amounted to 2.98% of common shares, 1.08% of preferred shares and 2.03% of all shares.

32) FINANCIAL INSTRUMENTS

a) Risk Management

Risk management is highly strategic due to the increasing complexity of services and products and the globalization of the Organization's business. The dynamic markets lead Bradesco to an ongoing improvement of this activity in the pursuit of best practices. For that reason, Bradesco was authorized by Bacen to use its internal market risk models, which were already in force, to calculate regulatory capital as of January 2013.

The Organization controls risk management in an integrated and independent manner, preserving and valuing the Board's decisions, developing and implementing methodologies, models, and measurement and control tools. It also provides training to employees from all Organization levels, from the business areas to the Board of Directors.

Explanation of Responses:

The management process allows the risks to be proactively identified, measured, mitigated, monitored and reported, which is necessary in view of the Organization's complex financial products and activity profile.

Credit risk management

Credit risk refers to the possibility of losses as a result of the non-compliance by the borrower or counterparty with their financial obligations under agreed terms, as well as to the reduction in the value of a loan agreement resulting from a deterioration of the borrower's risk rating, reduced earnings or remuneration, the advantageous terms / conditions given in a renegotiation, recovery costs and other values related to the counterparty's non-compliance with its financial obligations.

Credit risk management in the Organization is a continuous and evolving process of mapping, development, assessment and diagnosis through the use of models, instruments and procedures that require a high degree of discipline and control during the analysis of operations to preserve the integrity and autonomy of the processes.

The Organization controls its exposure to credit risk, which mainly results from loans, securities and derivative financial instruments. Credit risk also stems from financial obligations related to credit commitments or financial guarantees.

In order not to compromise the quality of the portfolio, it includes all aspects related to the lending process, concentration, guarantee requirement, terms, among others.

The Organization continuously maps all activities that can generate exposure to credit risk, with their respective ratings related to probability and magnitude, as well as the identification of their managers, measurement and mitigation plans.

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Market risk management

Market risk is represented by the possibility of financial losses due to fluctuating prices and interest rates of the Organization's financial instruments as its asset and liability portfolios may have mismatched maturities, currencies and indexes.

Market risk is carefully identified, measured, mitigated, controlled and reported. The Organization's market risk exposure profile is in line with the guidelines established by the governance process, with limits monitored independently on a timely basis.

All transactions exposing the Organization to market risk are mapped, measured and classified by probability and importance, and the whole process is approved by the corporate governance structure.

The process of market risk management is performed at the corporate level. This process involves several areas, with specific assignments, ensuring an efficient structure, with the measurement and control of market risk being performed centrally and independently. The management process, approved by the Board of Directors, is reviewed at least annually by the Committees and by the Board of Directors.

In line with the Corporate Governance practices, aiming to preserve and strengthen the management of market and liquidity risks in the Organization, and to meet the provisions of CMN Resolution n^o 3464/07, the Board of Directors approved the Market and Liquidity Risk Management Policy, whose review is performed at least annually by the competent Committees and by the Board of Directors, providing the main guidelines for acceptance, control and management of market and liquidity risks. In addition to this policy, the Organization has specific rules to regulate the market and liquidity risk management process.

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	2014		
	December 31		
	Balance	Local	Foreign (1) (2)
Assets			
Current and long-term assets	1,016,969,347	951,180,903	65,788,444
Funds available	14,645,611	10,940,495	3,705,116
Interbank investments	202,412,056	201,583,100	828,956
Securities and derivative financial instruments	346,357,966	332,333,827	14,024,139
Interbank and interdepartmental accounts	52,003,976	52,003,976	-
Loan and leasing	296,407,031	259,364,898	37,042,133
Other receivables and assets	105,142,707	94,954,607	10,188,100
Permanent assets	15,070,604	14,964,649	105,955
Investments	1,712,465	1,709,812	2,653
Premises and equipment and leased assets	4,887,145	4,868,575	18,570
Intangible assets	8,470,994	8,386,262	84,732
Total	1,032,039,951	966,145,552	65,894,399
Liabilities			
Current and long-term liabilities	949,846,520	871,066,053	78,780,467
Deposits	211,612,558	181,661,816	29,950,742
Securities sold under agreements to repurchase	320,194,095	313,235,269	6,958,826
Funds from issuance of securities	84,825,433	76,059,307	8,766,126
Interbank and interdepartmental accounts	5,957,419	4,200,026	1,757,393
Borrowing and on-lending	58,998,136	41,996,474	17,001,662
Derivative financial instruments	3,281,863	2,461,020	820,843
Technical reserve for insurance, pension plans and capitalization bonds	153,267,083	153,266,238	845
Other liabilities:			
- Subordinated debts	35,821,667	26,500,090	9,321,577
- Other	75,888,266	71,685,813	4,202,453
Deferred income	292,669	292,669	-
Non-controlling interests in subsidiaries	392,512	392,512	-
Shareholders' equity	81,508,250	81,508,250	-
Total	1,032,039,951	953,259,484	78,780,467

Net position of assets and liabilities	(12,886,068)
Net position of derivatives (2)	(17,327,187)
Other net off-balance-sheet accounts (3)	(1,012,215)
Net exchange position (liability)	(31,225,470)

- (1) Amounts originally recorded and/or indexed mainly in USD;
- (2) Excluding operations maturing in D+1, to be settled at the rate on the last day of the month; and
- (3) Other commitments recorded in off-balance-sheet accounts.

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VaR Internal Model - Trading Portfolio

Below is the 1-day VaR:

Risk factors	2014		R\$ thousand
	December 31	September 30	2013
Fixed rates	20,368	28,488	18,626
IGPM/IPCA	10,495	25,317	15,158
Exchange coupon	6,048	4,897	4,999
Foreign currency	8,640	1,866	10,387
Equities	3,737	8	476
Sovereign/Eurobonds and Treasuries	5,526	3,341	6,310
Other	1,995	1,504	1,055
Correlation/diversification effect	(20,260)	(12,345)	(16,069)
VaR (Value at Risk)	36,549	53,076	40,942
Amounts net of tax.			

Sensitivity analysis

The Trading Portfolio is also monitored daily by sensitivity analyses that measure the effect of movements of market and price curves on our positions. Furthermore, a sensitivity analysis of the Organization's financial exposures (Trading and Banking Portfolio) is performed on a quarterly basis, in compliance with CVM Rule nº 475/08.

Note that the impact of the financial exposure on the Banking Portfolio (notably interest rates and price indexes) do not necessarily represent a potential accounting loss for the Organization because a portion of loans held in the Banking Portfolio are financed by demand and/or savings deposits, which are "natural hedges" for future variations in interest rates, moreover, interest rate variations do not represent a material impact on the Institution's result, as Loans are held to maturity. In addition, due to our strong presence in

the insurance and pension plan market, Bradesco holds a large volume of assets on which price adjustments would also impact the linked technical reserves.

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Notes to the Consolidated Financial Statements**Sensitivity Analysis - Trading and Banking Portfolios**

		Trading and Banking portfolios 2014					
		December 31 Scenarios			September 30 Scenarios		
		1	2	3	1	2	3
Interest rate in Reais	Exposure subject to variations in fixed interest rates and interest rate coupons	(6,653)	(2,026,998)	(3,924,153)	(6,383)	(1,843,646)	(3,560,810)
Price indexes	Exposure subject to variations in price index coupon rates	(9,382)	(1,370,926)	(2,568,347)	(10,742)	(1,488,367)	(2,778,693)
Exchange coupon	Exposure subject to variations in foreign currency coupon rates	(526)	(57,069)	(106,625)	(508)	(51,455)	(96,819)
Foreign currency	Exposure subject to exchange rate variations	(7,430)	(142,382)	(272,480)	(2,551)	(37,923)	(70,130)
Equities	Exposure subject to variation in stock prices	(17,898)	(447,446)	(894,892)	(16,414)	(410,359)	(820,718)
Sovereign/Eurobonds and Treasuries	Exposure subject to variations in	(898)	(40,715)	(79,422)	(535)	(28,158)	(54,696)

Explanation of Responses:

	the interest						
	rate of						
	securities						
	traded on						
	the						
	international						
	market						
	Exposure						
	not classified						
	in other						
Other	definitions	(1,100)	(28,795)	(57,591)	(1,286)	(32,162)	(64,324)
Total excluding correlation of risk factors		(43,887)	(4,114,331)	(7,903,510)	(38,419)	(3,892,070)	(7,446,190)
Total including correlation of risk factors		(32,947)	(3,412,335)	(6,546,331)	(28,873)	(3,549,489)	(6,795,077)

(1) Amounts net of tax.

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The sensitivity analysis of the Trading Portfolio, which represents exposures that may have a material impact on the Organization's results, is presented below. Note that results show the impact for each scenario on a static portfolio position. However, the market is highly dynamic which results in continuous changes in these positions. Moreover, as previously mentioned, the Organization has an ongoing process of market risk management, which constantly seeks to adjust positions to mitigate related risks according to the strategy determined by Senior Management. Therefore, where there are indicators of deterioration in a certain position. Therefore, in cases of deterioration indicators in a certain position, proactive measures are taken to minimize any potential negative impact, aimed at maximizing the risk/return ratio for the Organization.

Sensitivity Analysis - Trading Portfolio

		Trading portfolio (1)						
		2014						
		December 31			September 30			
		Scenarios			Scenarios			
		1	2	3	1	2	3	1
Interest rate in Reais	Exposure subject to variations in fixed interest rates and interest rate coupons	(1,171)	(366,067)	(712,658)	(951)	(283,265)	(549,986)	(1,16)
Price indexes	Exposure subject to variations in price index coupon rates	(569)	(80,643)	(157,231)	(976)	(126,606)	(246,050)	(71)
Exchange coupon	Exposure subject to variations in foreign currency coupon rates	(435)	(47,993)	(89,385)	(495)	(51,874)	(97,405)	(37)
Foreign currency	Exposure subject to	(3,418)	(85,185)	(170,367)	(995)	(25,172)	(50,386)	(6,05)

Explanation of Responses:

	exchange rate variations							
Equities	Exposure subject to variation in stock prices	(651)	(16,264)	(32,529)	(2)	(49)	(97)	(92)
	Exposure subject to variations in the interest rate of securities traded on the international							
Sovereign/Eurobonds and Treasuries	market	(574)	(29,250)	(56,730)	(368)	(25,898)	(49,878)	(59)
	Exposure not classified in other definitions							
Other		(1,121)	(27,687)	(55,374)	(1,052)	(26,293)	(52,586)	(2)
Total excluding correlation of risk factors		(7,939)	(653,089)	(1,274,274)	(4,839)	(539,157)	(1,046,388)	(9,83)
Total including correlation of risk factors		(5,250)	(434,142)	(843,678)	(2,030)	(397,300)	(769,569)	(7,43)

(1) Amounts net of tax.

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Sensitivity analyses were carried out based on scenarios prepared for the respective dates, always considering market data at the time and scenarios that would adversely affect our positions, according to the examples below:

Scenario 1: Based on market information (BM&FBOVESPA, Anbima, etc.), stresses were applied for 1 basis point on the interest rate and 1% variation on prices. For example: for a Real/US dollar exchange rate of R\$ 2.65 a scenario of R\$ 2.67 was used, while for a 1-year fixed interest rate of 12.96%, a 12.97% scenario was applied;

Scenario 2: 25% stresses were determined based on market information. For example: for a Real/US dollar exchange rate of R\$ 2.65 a scenario of R\$ 3.31 was used, while for a 1-year fixed interest rate of 12.96%, a 16.20% scenario was applied. The scenarios for other risk factors also accounted for 25% stresses in the respective curves or prices; and

Scenario 3: 50% stresses were determined based on market information. For example: for a Real/US dollar quote of R\$ 2.65 a scenario of R\$ 3.97 was used, while for a 1-year fixed interest rate of 12.96%, a 19.44% scenario was applied; The scenarios for other risk factors also account for 50% stresses in the respective curves or prices.

Liquidity Risk

Liquidity Risk is the possibility of the institution not being able to fully meet its obligations, without affecting its daily operations and incurring significant losses, as well as the possibility of the institution not being able to trade a position at market price due to its significant size when compared to the usually traded volume or due to some market discontinuation.

It is crucial to measure and monitor this risk, so that the Organization can settle its obligations in a timely and reliable way.

The process of liquidity risk management is performed at the corporate level. It involves several areas with specific assignments, ensuring an efficient structure. Liquidity risk is measured and controlled centrally and independently and includes the daily monitoring of the composition of available funds, compliance with the minimum liquidity level, and the contingency plan for stress situations.

One of the objectives of the Organization's Policy on Market and Liquidity Risk Management, approved by the Board of Directors, is to lay down the rules, criteria and procedures that guarantee the establishment of the Minimum Liquidity Reserve (RML) for the Organization, as well as the strategy and action plans for liquidity crisis situations.

As part of the criteria and procedures approved, the Organization establishes a minimum liquidity reserve to be held and the types of assets eligible for this reserve. Moreover, instruments for managing liquidity in a normal scenario and in a crisis scenario and the strategies to be implemented in each case are established.

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Notes to the Consolidated Financial Statements**The statement of financial position by maturity is as follows**

	1 to 30 days	31 to 180 days	181 to 360 days
Assets			
Current and long-term assets	600,233,817	96,757,763	61,306,317
Funds available	14,645,611	-	-
Interbank investments (2)	196,372,793	4,437,072	829,397
Securities and derivative financial instruments (1) (2)	267,155,663	12,554,282	5,441,312
Interbank and interdepartmental accounts	51,386,822	-	-
Loan and leasing	27,640,518	66,280,297	48,574,759
Other receivables and assets	43,032,410	13,486,112	6,460,849
Permanent assets	242,931	1,217,319	1,459,543
Investments	-	-	-
Premises and equipment	64,057	320,264	384,317
Intangible assets	178,874	897,055	1,075,226
Total on December 31, 2014	600,476,748	97,975,082	62,765,860
Total on September 30, 2014	577,071,401	90,256,649	57,006,604
Total on December 31, 2013	522,283,069	86,122,429	63,274,418
Liabilities			
Current and long-term liabilities	593,686,111	102,648,699	46,926,587
Deposits (3)	141,202,339	19,607,628	5,709,201
Securities sold under agreements to repurchase (2)	252,106,371	39,351,832	6,598,146
Funds from issuance of securities	3,192,652	25,163,194	18,291,959
Interbank and interdepartmental accounts	5,957,419	-	-
Borrowing and on-lending	3,742,298	12,451,692	11,547,935
Derivative financial instruments	1,554,246	336,416	247,455
Technical reserves for insurance, pension plans and capitalization bonds (3)	124,116,146	4,220,711	1,585,279
Other liabilities:			
- Subordinated debts	182,774	773,767	1,905,575
- Other	61,631,866	743,459	1,041,037
Deferred income	292,669	-	-
Non-controlling interests in subsidiaries	-	-	-
Shareholders' equity	-	-	-
Total on December 31, 2014	593,978,780	102,648,699	46,926,587
Total on September 30, 2014	549,185,052	90,222,680	60,724,046

Total on December 31, 2013	494,220,602	85,950,279	48,027,066
Net assets on December 31, 2014 YTD	6,497,968	1,824,351	17,663,624
Net assets on September 30, 2014 YTD	27,886,349	27,920,318	24,202,876
Net assets on December 31, 2013 YTD	28,062,467	28,234,617	43,481,969

- (1) Investments in investment funds are classified as 1 to 30 days;
- (2) Repurchase agreements are classified according to the maturity of the transactions; and
- (3) Demand and savings deposits and technical reserves for insurance, pension plans and capitalization bonds comprising "VGBL" and "PGBL" products are classified as 1 to 30 days, without considering average historical turnover.

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Operational Risk

Operational risk is the possibility of losses resulting from failure, deficiency or inadequacy of internal processes, people and systems, or from external events. This definition includes legal risk associated with the activities undertaken by the Organization.

The process of operational risk management is performed at the corporate level. This process involves several areas, with specific assignments, ensuring an efficient structure, with the measurement and control of operational risk being performed centrally and independently.

Among the plans to mitigate operational risk, we highlight that the most important is business continuity management, which consists of formal plans to be adopted during moments of crisis to guarantee the recovery and continuation of business as well as preventing loss.

Internal Controls

The existence, effectiveness and implementation of controls that ensure acceptable risk levels in the Organization's processes are certified, and the results are reported to the Audit Committee and to the Compliance and Internal Controls Committee, as well as to the Board of Directors, aiming to provide assurance regarding the proper conduct of business and the achievement of the established goals, in accordance with applicable external laws and regulations, policies, internal rules and procedures, codes of conduct and self-regulation.

The effectiveness of the Organization's internal controls is supported by trained professionals, well-defined and implemented processes, and technology compatible with the business needs.

The Compliance and Internal Controls Policy and the Internal Control System Standards are aligned with the main control frameworks, such as COSO - Committee of Sponsoring Organizations of the Treadway Commission and COBIT - Control Objectives for Information and Related Technology, which cover aspects related to Business and Information Technology, respectively.

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Below is the Capital Adequacy Ratio:

Calculation basis - Capital Adequacy Ratio	R\$ thousand		
	Capital Adequacy Ratio (Basel III) - Financial (1)		
	2014	2013	
	December 31	September 30	December 31
Tier I capital	77,198,803	74,127,110	70,808,081
Common equity	77,198,803	74,127,110	70,808,081
Shareholders' equity	81,508,250	79,242,116	70,939,802
Non-controlling interests	-	-	197,679
Prudential adjustments (1)	(4,309,447)	(5,115,006)	(329,400)
Tier II capital	21,405,720	21,698,075	24,995,582
Subordinated debt	21,405,720	21,698,075	24,995,582
Capital (a)	98,604,523	95,825,185	95,803,663
- Credit risk	544,797,829	534,165,459	526,108,312
- Market risk	21,435,660	23,607,303	27,333,949
- Operational risk	30,979,716	30,979,716	23,334,834
Risk-weighted assets – RWA (b)	597,213,205	588,752,478	576,777,095
Capital adequacy ratio (a/b)	16.5%	16.3%	16.6%
Tier I capital	12.9%	12.6%	12.3%
- Principal capital	12.9%	12.6%	12.3%
Tier II capital	3.6%	3.7%	4.3%

(1) Pursuant to CMN Resolution nº 4192/13.

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The book value, net of loss provisions of the main financial instruments is shown below:

Portfolio	Book value 2014 December 31	Fair value December 31	Unrealized gain/(loss) with In income statement		
			2014		2013
			December 31	September 30	December 31
Securities and derivative financial instruments (Notes 3e, 3f and 8)	346,357,966	348,428,463	1,253,027	2,243,680	(27,364,121)
- Adjustment of available-for-sale securities (Note 8cII)			(817,470)	(93,141)	(1,750,000)
- Adjustment of held-to-maturity securities (Note 8d item 7)			2,070,497	2,336,821	1,470,000
Loan and leasing (Notes 2, 3g and 10) (1)	346,643,597	345,281,511	(1,362,086)	(1,351,853)	(78,000)
Investments (Notes 3j and 13) (2)	1,712,465	20,919,205	19,206,740	18,157,445	15,100,000
Treasury shares (Note 23d)	298,015	414,490	-	-	-
Time deposits (Notes 3n and 16a)	85,787,338	85,379,150	408,188	378,430	34,000
Funds from issuance of securities (Note 16c)	84,825,433	84,985,115	(159,682)	(220,831)	(12,000)
Borrowing and on-lending (Notes 17a and 17b)	58,998,136	58,933,052	65,084	(44,621)	(12,000)
Subordinated debts (Note 19)	35,821,667	35,890,228	(68,561)	(164,112)	(34,000)
Unrealized gains excluding tax			19,342,710	18,998,138	13,800,000

(1) Includes advances on foreign exchange contracts, leases and other receivables with lending characteristics; and

(2) Primarily includes the surplus of interest in subsidiaries and affiliates (Cielo, Odontoprev and Fleury).

Determination of the fair value of financial instruments:

- Securities and derivative financial instruments, investments, subordinated debts and treasury shares are based on the market price at the reporting date. If no quoted market price is available, amounts are estimated based on the dealer quotations, pricing models, quotation models or quotations for instruments with similar characteristics;

- Fixed rate loans were determined by discounting estimated cash flows, using interest rates applied by the Bradesco Organization for new contracts with similar features. These rates are consistent with the

market at the reporting date; and

- Time deposits, funds from issuance of securities, borrowing and on lending were calculated by discounting the difference between the cash flows under the contract terms and our prevailing market rates for the same product at the reporting date.

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c) Capital Management

The primary objective Capital Management structure is to providing the necessary conditions for a continuous process of capital assessment, monitoring and control, contributing to the achievement of the Organization's strategic objectives. The following are considered: the business environment and a prospective and consistent vision for capital adequacy planning. This structure is composed of the Statutory, Non-Statutory and Executive Committees that assist the Board of Directors and the Board of Executive Officers in decision making.

The process of assessing capital adequacy is carried out so as to ensure that the Organization has a solid Reference Equity base to support the development of activities and cope with risks, whether in normal or in extreme market conditions, as well as meeting managerial and regulatory requirements in capital management.

33) EMPLOYEE BENEFITS

Bradesco and its subsidiaries sponsor an Unrestricted Benefit Pension Plan (PGBL) for employees and directors. PGBL is a private defined contribution pension plan that allows financial resources to be accumulated by participants throughout their careers by means of employee and employer contributions and invested in an Exclusive Investment Fund (FIE).

The PGBL scheme is managed by Bradesco Vida e Previdência S.A. and BRAM – Bradesco Asset Management S.A. The Securities Dealer Company (DTVM) is responsible for the financial management of the FIE funds.

The PGBL Supplementary Pension Plan was reformulated in October 2014, with contributions from employees and directors of Bradesco and its subsidiaries equal to at least 4% of their salaries. Contributions from Bradesco and its subsidiaries increased from 4% to 5% of salary, plus the percentage destined for death and disability coverages. The contributions concerning participants who in 2001 chose to migrate from the benefit plan defined for PGBL were maintained at the same levels of the previous benefit

plan.

Actuarial obligations of the defined contribution plan (PGBL) are fully covered by the plan assets of the corresponding FIE.

In addition to the aforementioned plan (PGBL), participants who chose to migrate from the defined benefit plan are guaranteed a proportional deferred benefit, corresponding to their accumulated rights in the plan. For participants of the defined benefit plan (retirees and pensioners), whether they migrated to the PGBL plan or not, the present value of the actuarial plan obligation is fully covered by the plan assets.

Banco Alvorada S.A. (successor from the spin-off of Banco Baneb S.A.) maintains defined contribution and defined benefit retirement plans, through Fundação Baneb de Seguridade Social - Bases (related to the former employees of Baneb).

Banco Bradesco BBI S.A. (formerly Banco BEM S.A.) sponsors both defined benefit and defined contribution retirement plans, through Caixa de Assistência e Aposentadoria dos Funcionários do Banco do Estado do Maranhão (Capof).

Bradesco sponsors a defined benefit plan through Caixa de Previdência Privada do Banco do Estado do Ceará (Cabec), exclusively to former employees of Banco BEC S.A.

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In accordance with CPC 33 (R1) – Employee Benefit, as approved by CVM Resolution nº600/09, Bradesco and its subsidiaries, as sponsors of these plans, taking into consideration the economic and actuarial study, calculated their actuarial commitments using a real interest rate and recognizing their obligations in the financial statements.

The assets of pension plans are invested in compliance with the applicable legislation (government securities and private securities, listed company shares and real estate properties).

Below are the main premises adopted by the independent actuary in the actuarial evaluation of our plans, based on CPC 33 (R1):

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Risk factors	2014
Nominal discount rate	11.74% p.a
Nominal rate of minimum expected return on assets	11.74% p.a
Nominal rate of future salary growth	5.20% p.a
Nominal rate of increase of social security and plans' benefits	5.20% p.a
Inflation rate	5.20% p.a
Biometric table - general mortality	AT200
Biometric table - entry into disability	By plan
Expected turnover rate	
Likelihood of entry into retirement	100% on 1 st eligibility for a benefit through the plan

Based on the assumptions above and according to CPC 33 (R1), the present value of actuarial liabilities of the benefit plans and its assets to cover these obligations, on December 31, 2014, represented: (i) R\$ 1,070,636 for the plan's net assets (R\$ 995,591 thousand on December 31, 2013); (ii) R\$ 1,182,761 thousand in actuarial liabilities (R\$ 1,082,613 thousand on December 31, 2013); and (iii) deficiency amounting to R\$ 112,125 thousand (deficiency of R\$ 87,022 thousand on December 31, 2013).

The table below, relative to the sensitivity analysis of the obligation of benefit plans, demonstrates the impact on actuarial exposure (11.74% p.a.) due to the change of the discount rate premise by 1 p.p.:

Discount rate	Sensitivity analysis	Effect on actuarial liabilities	Effect on present value of obligations
12.74%	Increase of 1 p.p.	reduction	(111,950)
10.74%	Decrease of 1 p.p.	increase	132,811

At its overseas units, Bradesco provides its employees and administrators with pension plans that allows financial resources to be accumulated throughout the participant's career, in compliance with local regulations.

Expenses related to contributions made in the year ended December 31, 2014 totaled R\$ 622,807 thousand (R\$ 622,160 thousand on December 31, 2013) and R\$ 159,485 thousand in the 4th quarter of 2014 (R\$ 152,692 thousand in the 3rd quarter of 2014).

In addition to this benefit, Bradesco and its subsidiaries offer other benefits to their employees and administrators, including: health insurance, dental care, life and personal accident insurance, and professional training. These expenses, including the aforementioned contributions, totaled R\$ 3,063,655 thousand in the year ended December 31, 2014 (R\$ 2,828,806 thousand on December 31, 2013) and R\$ 829,512 thousand in the 4th quarter of 2014 (R\$ 779,121 thousand in the 3rd quarter of 2014).

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Notes to the Consolidated Financial Statements

34) INCOME TAX AND SOCIAL CONTRIBUTION

a) Calculation of income tax and social contribution charges

	2014		R\$ thousand 2013	
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Income before income tax and social contribution	4,477,337	3,648,655	20,537,774	14,150,289
Total income tax and social contribution at rates of 25% and 15%, respectively (1)	(1,790,935)	(1,459,462)	(8,215,110)	(5,660,116)
Effect on the tax calculation:				
Equity in the earnings (losses) of unconsolidated companies	22,875	17,541	75,067	17,206
Net non-deductible expenses of nontaxable income	(36,346)	(19,278)	(123,333)	328,737
Prior-period tax credits:	-	-	-	462,270
Interest on shareholders' equity (paid and payable)	359,099	452,145	1,438,003	1,289,620
Other amounts (2)	985,132	1,264,835	1,489,209	1,520,470
Income tax and social contribution for the period	(460,175)	255,781	(5,336,164)	(2,041,813)

(1) The social contribution rate for companies of the financial and insurance sectors was increased to 15%, in accordance with Law n^o 11727/08, remaining at 9% for other companies (Note 3h); and

(2) Includes, primarily, the exchange variation of overseas investments and tax incentives.

b) Breakdown of income tax and social contribution in the income statement

	2014		R\$ thousand 2013	
	4 th Quarter	3 rd quarter	December 31 YTD	December 31 YTD
Current taxes:				

Income tax and social contribution payable	(1,152,994)	(1,197,963)	(8,492,027)	(6,11)
Deferred taxes:				
Amount recorded/realized in the period on temporary differences	(420,823)	1,110,236	2,668,774	1,2
Use of opening balances of:				
Social contribution loss	11,129	25,947	(349,092)	(13
Income tax loss	80,210	34,588	(551,315)	(21
Temporary additions (Note 34a)	-	-	-	4
Recording in the period on:				
Social contribution loss	456,737	108,706	590,194	1,1
Income tax loss	565,566	174,267	797,302	1,5
Total deferred taxes	692,819	1,453,744	3,155,863	4,0
Income tax and social contribution for the period	(460,175)	255,781	(5,336,164)	(2,04

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Notes to the Consolidated Financial Statements**c) Deferred income tax and social contribution**

	Balance on 12.31.2013	Amount recorded	Amount realized	Balance on 12.31.2014	R\$ th Ba 9.3
Allowance for loan losses	15,348,782	6,462,522	3,758,458	18,052,846	17,9
Civil provisions	1,517,934	529,980	477,692	1,570,222	1,5
Tax provisions	2,299,080	514,543	618,437	2,195,186	2,0
Labor provisions	999,063	619,543	522,489	1,096,117	1,1
Provision for devaluation of securities and investments	533,645	26,829	130,908	429,566	4
Provision for devaluation of foreclosed assets	221,934	158,663	102,741	277,856	2
Adjustment to fair value of trading securities	183,169	215,367	181,580	216,956	
Amortization of goodwill	777,244	10,649	509,486	278,407	2
Provision for interest on shareholders' equity (1)	-	-	-	-	7
Other	2,096,941	1,928,389	1,495,920	2,529,410	2,5
Total deductible taxes on temporary differences	23,977,792	10,466,485	7,797,711	26,646,566	27,0
Income tax and social contribution losses in Brazil and overseas	4,045,282	1,387,496	900,407	4,532,371	3,4
Subtotal (2)	28,023,074	11,853,981	8,698,118	31,178,937	30,4
Adjustment to fair value of available-for-sale securities (2)	1,241,130	541,635	727,431	1,055,334	7
Social contribution - Provisional Measure n° 2158-35/01	140,197	-	26,414	113,783	1
Total deferred tax assets (Note 11b)	29,404,401	12,395,616	9,451,963	32,348,054	31,3
Deferred tax liabilities (Note 34f)	3,187,945	1,211,770	1,107,737	3,291,978	3,2
Deferred tax assets, net of deferred tax liabilities	26,216,456	11,183,846	8,344,226	29,056,076	28,0
- Percentage of net deferred tax assets on capital (Note 32a)	27.4%			29.5%	
- Percentage of net deferred tax assets over total assets	2.9%			2.8%	

(1) Deferred taxes on interest on shareholders' equity is recorded up to the authorized tax limit; and

(2) Deferred tax assets from companies in the financial and insurance sectors were established considering the increase in the social contribution rate, determined by Law n° 11727/08 (Note 3h).

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Notes to the Consolidated Financial Statements**d) Expected realization of deferred tax assets on temporary differences, tax loss and negative basis of social contribution and deferred social contribution - Provisional Measure n° 2158-35**

						R\$ thousand
	Temporary differences		Income tax and social contribution losses		Social contribution - Provisional Measure n° 2158-35	Total
	Income tax	Social contribution	Income tax	Social contribution		
2015	3,546,411	2,101,782	215,334	238,616	80,528	6,182,671
2016	3,528,292	2,092,701	441,715	261,438	32,733	6,356,879
2017	3,463,976	2,047,009	750,385	444,170	522	6,706,062
2018	2,573,657	1,520,332	1,026,230	747,131	-	5,867,350
2019	3,699,236	2,073,170	19,274	388,078	-	6,179,758
Total	16,811,572	9,834,994	2,452,938	2,079,433	113,783	31,292,720

The projected realization of deferred tax assets is an estimate and it is not directly related to the expected accounting income.

The present value of deferred tax assets, calculated based on the average funding interest rate net of tax effects, amounts to R\$ 28,650,754 thousand (R\$ 29,306,102 thousand on September 30, 2014 and R\$ 26,444,826 thousand on December 31, 2013), of which R\$ 24,427,619 thousand (R\$ 26,039,308 thousand on September 30, 2014 and R\$ 22,629,784 thousand on December 31, 2013) refers to temporary differences, R\$ 4,112,722 thousand (R\$ 3,159,509 thousand on September 30, 2014 and R\$ 3,684,786 thousand on December 31, 2013) to tax losses and negative basis of social contribution and R\$ 110,413 thousand (R\$ 107,285 thousand on September 30, 2014 and R\$ 130,256 thousand on December 31, 2013) of deferred social contribution, Provisional Measure n° 2158-35.

e) Unrecognized deferred tax assets

On December 31, 2014, deferred tax assets of R\$ 1,927 thousand (R\$ 1,927 thousand on September 30, 2014 and R\$ 1,927 thousand on December 31, 2013) were not recorded, but they will be when they meet the regulatory requirements and/or present prospects of realization according to studies and analyses prepared by the Management and in accordance with Bacen regulations.

f) Deferred tax liabilities

	R\$ thousand		
	2014		2013
	December	September	December
	31	30	31
Mark-to-market adjustment to securities and derivative financial instruments	969,078	826,877	536,478
Difference in depreciation	784,378	880,682	1,340,059
Judicial deposit and others	1,538,522	1,532,648	1,311,408
Total	3,291,978	3,240,207	3,187,945

The deferred tax liabilities of companies in the financial and insurance sectors were established considering the increased social contribution rate, established by Law nº 11727/08 (Note 3h).

35) OTHER INFORMATION

a) The Bradesco Organization manages investment funds and portfolios with net assets of R\$ 488,730,084 thousand as of December 31, 2014 (R\$ 486,941,677 thousand at September 30, 2014 and R\$ 435,363,444 thousand on December 31, 2013).

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Notes to the Consolidated Financial Statements

b) Consortium funds

	2014		R\$ thousand 2013
	December 31	September 30	December 31
Monthly estimate of funds receivable from consortium members	429,312	411,457	361,036
Contributions payable by the group	20,816,191	20,067,816	17,706,357
Consortium members - assets to be included	18,741,580	18,007,206	15,836,920
Credits available to consortium members	4,133,159	4,054,089	3,765,379

	2014		In units 2013
	December 31	September 30	December 31
Number of groups managed	3,429	3,390	3,274
Number of active consortium members	1,061,848	1,021,090	924,245
Number of assets to be included	531,378	483,962	450,401

c) The changes made in the reserve requirements in 2014 are as follows:

Description	Procedures
Reserve requirement on time deposits	The rate was 44% until 6.2.2014 (Group A) and 6.9.2014 (Group B), and the Bacen remunerates balance, limited to the lower among the following amounts: I – the reserve requirement discounted from deductions forecasted by Bacen; II – the reserve requirement multiplied by the percentage of:
Reserve requirement on time deposits	- 82% as of the calculation period started on 1.13.2014;

- 100% as of the calculation period started on 3.17.2014;
- 50% as of the calculation period started on 8.4.2014;
- 40% as of the calculation period started on 8.25.2014; and
- 100% as of the calculation period started on 8.10.2015.

A restriction on the acceptance of financial bills for deduction of compulsory bills on 7.25.2014.

Until 8.25.2014, the limit of assets for deduction of reserve requirements was the value of assets corresponding to credit acquisition operations, CDC (vehicle

The deduction of financing and leasing operations for light commercial vehicles contracted between 5.22.2014 and 9.14.2012, and those contracted starting times the positive variation, compared with the average for the 1st half-year.

Until 7.25.2014, 58 financial groups were considered eligible, as vendors for

Following the change, only 13 financial groups (with reserve for redemption

Deduction for credit transactions derived from working capital was permitted positive variation, compared with the average for the 1st half-year.

- d)** As part of the convergence process with international accounting standards, the Brazilian Accounting Pronouncements Committee (CPC) issued several accounting pronouncements, as well as their interpretations and guidelines, which are applicable to financial institutions only after approval by CMN.

The accounting standards which have been approved by CMN include the following:

- Resolution nº 3566/08 – Impairment of Assets (CPC 01);
- Resolution nº 3604/08 – Statement of Cash Flows (CPC 03);
- Resolution nº 3750/09 – Related Party Disclosures (CPC 05);

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- Resolution nº 3823/09 – Provisions, Contingent Liabilities and Contingent Assets (CPC 25);
- Resolution nº 3973/11 – Subsequent Event (CPC 24);
- Resolution nº 3989/11 – Share-based Payment (CPC 10);
- Resolution nº 4007/11 – Accounting Policies, Changes in Estimates and Error Correction (CPC 23);
and
- Resolution nº 4144/12 – Conceptual Framework for Preparing and Presenting Financial Statements.

Presently, it is not possible to estimate when the CMN will approve the other CPC pronouncements or if they will be used prospectively or retrospectively.

CMN Resolution nº 3786/09 and Bacen Circular Letters nº 3472/09 and nº 3516/10 establish that financial institutions and other entities authorized by Bacen to operate, which are publicly-held companies or which are required to establish an Audit Committee shall, since December 31, 2010, annually prepare and publish in up to 90 after the reference date of December 31 their consolidated financial statements, prepared under the International Financial Reporting Standards (IFRS), in compliance with international standards issued by the International Accounting Standards Board (IASB).

As required by CMN Resolution, on March 31, 2014, Bradesco published its consolidated financial statements for December 31, 2013 and 2012 on its website, in accordance with IFRS standards. The net income and equity of the financial statements disclosed in IFRS have not been substantially different from

those presented in the financial statements, in accordance with the accounting practices adopted in Brazil and applicable to institutions authorized to operate by the Brazilian Central Bank (Bacen). As there were no substantial differences between the two sets of financial statements (GAAPs) in the year ended December 31, 2013, the Management believes that the net profit and net equity for the year ended December 31, 2014, are not materially different in the two GAAPs.

e) On May 14, 2014, Law nº 12973/14 was published, which converted Provisional Measure nº 627/13. This Law amends the Federal Tax Legislation regarding Corporate Income Tax - IRPJ, the Social Contribution on Net Profits - CSLL, the Contribution to PIS/PASEP and the Contribution to the Social Security Financing - COFINS. These are the main issues contemplated by Law nº 12973/14:

- revocation of the Transition Tax System (RTT), controlling the adjustments arising from new accounting methods and criteria following the alignment of Brazilian accounting rules to the international standards;
- taxation of companies domiciled in Brazil, for increases in the equity of overseas subsidiaries and unconsolidated companies resulting from profit in these entities;
- special installment payment of PIS/PASEP and COFINS Contributions.

The aforementioned Law was regulated through Normative Instructions nºs 1,515, of November 24, 2014 and 1,520, of December 4, 2014. Our assessment shows that there will be no significant future impacts on our Consolidated Financial Statements.

f) On November 19, 2014, our jointly-controlled subsidiary, Cielo S.A. (Cielo), and Banco do Brasil S.A. (Bank of Brazil), announced an agreement for the establishment of a joint venture (“JV”) that will manage transactions related to credit and debit card operations under the Ourocard Payment Arrangement (“Ourocard Arrangement”). Valued at R\$ 11.6 billion, this joint venture will have 70% of its capital held by Cielo and 30% by Banco do Brasil. Banco do Brasil will contribute with assets related to Ourocard Arrangement and Cielo will contribute R\$ 8.1 billion in financing, which will be obtained through the issuance of debentures.

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Notes to the Consolidated Financial Statements

g) On January 20, 2015, Law n^o 13097/15 was published, which converted Provisional Measure n^o 656/14. Among other things, this legislation changes the limits on the deductibility criteria for credit losses on contracts past-due after October 8, 2014 (Article 9 of Law n^o 9430/96). The limits remain the same for contracts past-due held until October 7, 2014.

h) There were no subsequent events that need to be adjusted or disclosed for the consolidated financial statements as of December 31, 2014.

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Management Bodies

Reference Date: January 27, 2015

Board of Directors

Chairman

Lázaro de Mello Brandão

Vice-Chairman

Luiz Carlos Trabuco Cappi

Members

Antônio Bornia

Mário da Silveira Teixeira Júnior

João Aguiar Alvarez

Denise Aguiar Alvarez

Carlos Alberto Rodrigues Guilherme

Milton Matsumoto

José Alcides Munhoz

Board of Executive Officers

Executive Officers

Chief Executive Officer

Luiz Carlos Trabuco Cappi

Executive Vice-Presidents

Domingos Figueiredo de Abreu

Aurélio Conrado Boni

Sérgio Alexandre Figueiredo Clemente

Marco Antonio Rossi

Alexandre da Silva Glüher

Josué Augusto Pancini

Maurício Machado de Minas

Managing Directors

Alfredo Antônio Lima de Menezes

André Rodrigues Cano

Luiz Carlos Angelotti

Marcelo de Araújo Noronha

Department Directors (continued)

José Luis Elias

José Ramos Rocha Neto

Layette Lamartine Azevedo Júnior

Lúcio Rideki Takahama

Luiz Carlos Brandão Cavalcanti Junior

Marcelo Frontini

Marcelo Santos Dall'Occo

Marcos Aparecido Galende

Marcos Daré

Marlene Morán Millan

Marlos Francisco de Souza Araujo

Octavio Manoel Rodrigues de Barros

Paulo Aparecido dos Santos

Paulo Faustino da Costa

Rogério Pedro Câmara

Waldemar Ruggiero Júnior

Walkiria Schirrmeyer Marquetti

Directors

Antonio Chinellato Neto

Antonio Daissuke Tokuriki

Cláudio Borges Cassemiro

Edson Marcelo Moreto

João Sabino

Marcio Henrique Araujo Parizotto

Paulo Manuel Taveira de Oliveira Ferreira

Roberto de Jesus Paris

Regional Officers

Alex Silva Braga

Almir Rocha

André Ferreira Gomes

Antonio Gualberto Diniz

Antonio Piovesan

Carlos Alberto Alástico

Ethical Conduct

Milton Matsumoto

Carlos Alberto Rossi

Domingos Figueiredo

Marco Antonio Rossi

Alexandre da Silva

Josué Augusto Pancini

André Rodrigues Cano

Octavio de Lazari

Clayton Camacho

Frederico William

Glaucimar Peticov

Rogério Pedro Câmara

Nairo José Martine

Integrated Risk Management

and Capital Allocation

Alexandre da Silva

Domingos Figueiredo

Aurélio Conrado Boni

Sérgio Alexandre Figueiredo

Marco Antonio Rossi

Josué Augusto Pancini

Maurício Machado

Alfredo Antônio Lima

Luiz Carlos Angelotti

Gedson Oliveira

Marlos Francisco

Sustainability Committee

Luiz Carlos Angelotti

Carlos Alberto Rossi

Milton Matsumoto

Domingos Figueiredo

Aurélio Conrado Boni

Sérgio Alexandre Figueiredo

Nilton Pelegriano Nogueira
 André Marcelo da Silva Prado
 Luiz Fernando Peres

Deputy Directors

Altair Antônio de Souza
 Denise Pauli Pavarina
 Moacir Nachbar Junior
 Octavio de Lazari Junior

Department Directors

Alexandre Rappaport
 Amilton Nieto
 André Bernardino da Cruz Filho
 Antonio Carlos Melhado
 Antonio José da Barbara
 Arnaldo Nissental
 Aurélio Guido Pagani
 Bruno D'Avila Melo Boetger
 Cassiano Ricardo Scarpelli
 Clayton Camacho
 Diaulas Morize Vieira Marcondes Junior
 Edilson Wiggers
 Eurico Ramos Fabri
 Fernando Antônio Tenório
 Fernando Roncolato Pinho
 Frederico William Wolf
 Gedson Oliveira Santos
 Glaucimar Peticov
 Guilherme Muller Leal
 Hiroshi Obuchi
 João Albino Winkelmann
 João Carlos Gomes da Silva
 Joel Antonio Scalabrini
 Johan Albino Ribeiro
 Jorge Pohlmann Nasser

Delvair Fidêncio de Lima
 Francisco Aquilino Pontes Gadelha
 Francisco Assis da Silveira Junior
 Geraldo Dias Pacheco
 João Alexandre Silva
 Leandro José Diniz
 Luis Carlos Furquim Vermieiro
 Mauricio Gomes Maciel
 Osmar Sanches Biscuola
 Wilson Reginaldo Martins

Compensation Committee

Lázaro de Mello Brandão - Coordinator
 Luiz Carlos Trabuco Cappi
 Antônio Bornia
 Mário da Silveira Teixeira Júnior
 Carlos Alberto Rodrigues Guilherme
 Milton Matsumoto
 Sérgio Nonato Rodrigues (non-Management member)

Audit Committee

Carlos Alberto Rodrigues Guilherme - Coordinator
 Osvaldo Watanabe
 Paulo Roberto Simões da Cunha

Compliance and Internal Control Committee

Mário da Silveira Teixeira Júnior - Coordinator
 Carlos Alberto Rodrigues Guilherme
 Milton Matsumoto
 Domingos Figueiredo de Abreu
 Marco Antonio Rossi
 Alexandre da Silva Glüher
 Frederico William Wolf
 Gedson Oliveira Santos
 Johan Albino Ribeiro
 Rogério Pedro Câmara

General Accounting Department

Marcos Aparecido Galende
 Accountant - CRC 1SP201309/O-6

Marco Antonio Ros
 Alexandre da Silva
 Josué Augusto Pa
 Maurício Machado
 Moacir Nachbar Ju
 Paulo Faustino da

Executive Disclos

Luiz Carlos Angelo
 Domingos Figueire
 Marco Antonio Ros
 Alexandre da Silva
 Moacir Nachbar Ju
 Antonio José da Ba
 Marcelo Santos Da
 Marcos Aparecido
 Marlos Francisco o
 Paulo Faustino da
 Haydewaldo R. Ch

Fiscal Council

Sitting Members
 João Carlos de Oli
 Nelson Lopes de C
 José Maria Soares
 Domingos Apareci
 Luiz Carlos de Fre

Deputy Members

Renaud Roberto T
 Jorge Tadeu Pinto
 Nilson Pinhal
 João Batistela Biaz
 Oswaldo de Moura

Ombudsman Dep

Nairo José Martine

Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

Independent Auditors' Report on the Consolidated Financial Statements

To the

Board of Directors and Shareholders

Banco Bradesco S.A.

Osasco – SP

We have audited the accompanying consolidated financial statements of Banco Bradesco S.A. ("Bradesco"), which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Bradesco's Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Bradesco's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bradesco's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the above-mentioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Banco Bradesco S.A., as at December 31, 2014, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank.

Other matters

Consolidated statement of value added

We have also audited the consolidated statement of value added (DVA), preparation of which is the responsibility of the Banco Bradesco S.A's Management, for the year ended December 31, 2014, which presentation is required by publicly-held companies under the Brazilian Corporate Law. The aforementioned statement was subject to the same auditing procedures described above and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

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Independent Auditors' Report on the Consolidated Financial Statements

Review of the amounts related to the 3rd and fourth quarters of 2014

The consolidated balance sheet information as of September 30, 2014 and the related consolidated statements of income, cash flows, value added and the statement of changes in shareholders' equity for the 3rd and 4th quarters of 2014, which are presented herein by the Bradesco's Management as supplemental information, were reviewed by us, on which we issued reports that did not contain any modifications, dated October 29, 2014 for the information from September 30, 2014, and the 3rd quarter of 2014, and January 28, 2015 for the information of the 4th quarter of 2014.

Osasco, January 28, 2015

Original report in Portuguese signed by KPMG Auditores Independentes

CRC 2SP028567/O-1 F SP

Cláudio Rogélio Sertório

Accountant CRC 1SP212059/O-0

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Audit Committee Report Summary

Corporate Governance and Related Responsibilities

Banco Bradesco S.A.'s Board of Directors has opted for a single Audit Committee for all companies belonging to the Financial Conglomerate, including those belonging to Grupo Bradesco Seguros.

The Audit Committee is a statutory advisory body, linked directly to the Board of Directors. Currently, it consists of one advisor and two other members, appointed each year by the Board of Directors, based on criteria established in the applicable laws and regulations.

The Board is responsible for defining and implementing data collection processes and procedures in order to prepare the financial statements of the companies comprising the Bradesco Organization, observing the accounting practices adopted in Brazil, which are applicable to institutions authorized to operate by the Brazilian Central Bank, and observing the standards set out by the National Monetary Council of the Brazilian Central Bank, Securities and Exchange Commission (CVM), National Private Insurance Council (CNSP), Insurance Superintendency

The tasks of the Audit Committee also includes those required by Sarbanes-Oxley for companies registered with the U.S. Securities and Exchange Commission and listed on the New York Stock Exchange.

The rules of the Audit Committee are available at www.bradesco.com.br, area of Corporate Governance.

Activities related to the fiscal year of 2014

The Committee has participated in 222 meetings with the business, control and risk management areas, and with the internal and independent auditors, verifying, through different sources, information related to aspects considered relevant or critical.

The Audit Committee work program for the 2014 financial year focused on the main business processes and products associated to the Bradesco Organization. The most relevant aspects include:

(Susep), and by the National Supplementary Healthcare Agency (ANS).

The Board is also responsible for processes, policies and internal control procedures designed to safeguard the company's assets, timely recognition of liabilities, and mitigation of the Bradesco Organization's risk factors to acceptable levels.

The Independent Auditing is responsible for examining the financial statements and issuing a report on their compliance with generally accepted accounting principles. In addition, as a result of its work for the purpose of issuing said report, the Independent Auditing develops a report of recommendations regarding accounting procedures and internal controls, without prejudice to other reports which it is also responsible for preparing, such as the report on limited reviews of quarterly information required by the CVM.

The Internal Auditing (General Inspectorate Department) is responsible for assessing the quality of the Bradesco Organization's internal control systems and its compliance with policies and procedures defined by the Board, including those adopted in the preparation of accounting and financial reports.

The Audit Committee's duties and responsibilities are to assess the quality and effectiveness of the Internal and Independent Audits, the effectiveness and sufficiency of the Bradesco Organization's internal control systems, and to analyze the financial statements, issuing relevant recommendations, as applicable.

- procedures for the development and disclosure of financial reports to shareholders and external users of accounting and financial information;

- credit and operational risk management and control systems, preparation to use internal models in line with the conditions laid down by the New Basel Capital Accord (Basel II and III) and applicable regulations set forth by the Brazilian Central Bank; and

- improvements in the internal control systems arising from projects related to Technology and Risk Management.

Internal Control Systems

Based on the work program and schedule established for 2014, the Audit Committee gathered information about the main processes within the Organization, evaluating their quality and the directors' commitment of the leaders with their continuous improvement.

As a result of meetings held with the departments of the Bradesco Organization, the Audit Committee had the opportunity to offer the Board of Directors suggestions to improve the processes, as well as to monitor the implementations of recommendations for improvement identified during the audit work, and in discussions with the business and control areas.

Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

Audit Committee Report Summary

Based on observations and collected information, the Audit Committee has determined that the Bradesco Organization's internal control system is suitable for the size and complexity of its business, and is structured in such a way as to ensure the efficiency of its operations, of the systems that generate the financial reports, as well as compliance with internal and external requirements applicable to the transactions.

Independent Audit

The independent audit work plan for the 2014 financial year was discussed with KPMG Auditores Independentes (KPMG), and during the year, the audit teams responsible for the services have presented the results and main findings to the Audit Committee.

The relevant items mentioned in the report on the study and evaluation of accounting and internal control systems, prepared in connection with the examination of financial statements and their recommendations for improving these systems, were discussed with the Committee, which requested monitoring the implementations of the improvements to be made in the responsible areas.

Consolidated Financial Statements

The Committee has met with the General Accounting, Planning, Budget and Control, and Internal Audit departments, as well as with the Independent Auditors (KPMG) to evaluate the quarterly, semi-annual and annual financial statements. At these meetings, the Committee analyzed and evaluated aspects related to the preparation of individual and consolidated interim balance sheets and balance sheets, notes, and the financial reports published in association with the consolidated financial statements.

The Committee also considered the accounting practices adopted by Bradesco in the preparation of financial statements, and its compliance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank, as well as its compliance with the applicable legislation.

Before disclosing the Quarterly information (ITRs) and the semi-annual and annual balance sheets, the Committee met with KPMG to evaluate aspects related to the auditors' independence and the control environment in the preparation of the figures to be disclosed.

Based on the plan presented by the auditors and in subsequent discussions on the results, the Committee considers that the work conducted by the teams were suited to the Organization's business.

Based on the reviews and discussions referred to above, the Audit Committee recommends to the Board of Directors to approve the audited financial statements related to the year ending December 31, 2014.

Internal Audit

The Committee requested the Internal Audit to consider, in its planning for 2014, several works in line with the topics covered on the Committee's agenda.

During 2014, the teams responsible for executing the planned activities reported and discussed with the Audit Committee the main conclusions on the vision of process and associated risks.

Based on the discussions on the Internal Audit's work plan focused on risks, processes and in the evaluation of its results, the Audit Committee considers that the Internal Audit has responded adequately to the Committee's demands and to the needs and requirements of the Organization and the regulatory authorities.

Cidade de Deus, Osasco, São Paulo, January 28,
2015

CARLOS ALBERTO RODRIGUES GUILHERME

(Coordinator)

OSVALDO WATANABE

PAULO ROBERTO SIMÕES DA CUNHA

(Financial Expert)

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Financial Statements, Independent Auditors' Report, Audit Committee Report Summary and Fiscal Council's Report

Fiscal Council's Report

The members of the Fiscal Council, in exercise of their legal and statutory duties, have examined the Board of Director's Report and Financial statements of Banco Bradesco S.A. (Bradesco), for the year ended December 31, 2014, and based on: (i) the Independent Auditors' Report, dated January 28, 2015; (ii) the technical study of feasibility of realization of tax credits, drafted by Bradesco's Board of Directors, following determinations established by CVM Instruction nº371/02; National Monetary Council Resolution nº3059/02; and Circular Letter nº 3171/02, of the Central Bank of Brazil, whose values are stated in the respective Explanatory Notes; (iii) meetings with independent auditors; (iv) in the reports of Bradesco's Audit Committee; (v) the analysis of documents and, substantially on the information received; and (vi) periodic meetings with Bradesco's directors and managers, have concluded that the examined documents adequately reflect the assets and liabilities, the financial position and the activities performed by Bradesco in 2014, corroborating the opinion of the Audit Committee, that the internal controls are appropriate for the size and complexity of its businesses, which are structured in compliance with internal and external standards to which they are subjected, and supported by systems that generate financial reports aimed at ensuring operational efficiency.

In face of the above, the members of the Fiscal Council hereby express their opinion that the documents examined are fit to be examined and approved at Bradesco's Annual Shareholders' Meeting.

Cidade de Deus, Osasco, São Paulo, January 28, 2015.

João Carlos de Oliveira

Nelson Lopes de Oliveira

José Maria Soares Nunes

Domingos Aparecido Maia

Luiz Carlos de Freitas

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 6, 2015

BANCO BRADESCO S.A.

By:

/S/ Luiz Carlos Angelotti

Luiz Carlos Angelotti
Executive Managing Officer and
Investor Relations Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
