

BANK BRADESCO
Form 6-K
May 12, 2016

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

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

**For the month of May, 2016
Commission File Number 1-15250**

BANCO BRADESCO S.A.
(Exact name of registrant as specified in its charter)

BANK BRADESCO
(Translation of Registrant's name into English)

**Cidade de Deus, s/n, Vila Yara
06029-900 - Osasco - SP
Federative Republic of Brazil**
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby
furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of
1934.

Yes No

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Forward-Looking Statements

This Economic and Financial Analysis Report contains forward-looking statements related to our business. Such statements are based on management's current expectations, estimates and projections concerning future events and financial trends that may affect our business. Words such as "believe", "anticipate", "plan", "expect", "intend", "goal", "estimate", "forecast", "predict", "project", "guidelines", "should" and other similar expressions are used to indicate predicting statements. However, forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that may be beyond our control. In addition, some forward-looking statements are based on assumptions which, depending on future events, may prove not to be accurate. Therefore, actual results may differ significantly from the plans, goals, expectations, projections and intentions expressed or implied in such statements.

The factors that may impact the actual results include, among others, changes in regional, national and international trade and economic policies; inflation; an increased number of defaults by borrowers in loan operations, with a consequent increase in the allowance for losses from loan operations; loss of ability to receive deposits; loss of customers or revenues; our ability to sustain and improve performance; changes in interest rates which may, among other things, adversely affect our margins; competition in the banking industry, financial services, credit card services, insurance, asset management and other related industries; government regulation and fiscal affairs; disputes or adverse legal proceedings or regulations; and credit and other risks involved in lending and investment activities.

As a result, one should not rely excessively on these forward-looking statements. The statements are valid only for the date on which they were drafted. Except as required by applicable law, we do not assume any obligation to update these statements as a result of new information, future developments or any other matters which may arise.

Some numbers included in this Report have been subjected to rounding adjustments.

As a result, some amounts indicated as total amounts in some charts may not be the arithmetic sum
of the preceding numbers.

Economic and Financial Analysis Report - March 2016

Press Release

Highlights

The main figures obtained by Bradesco in the first quarter of 2016 are presented below:

1. Adjusted Net Income⁽¹⁾ for the first quarter of 2016 stood at R\$4.113 billion (a 3.8% decrease compared to the R\$4.274 billion recorded in the same period of 2015), corresponding to earnings per share of R\$3.52 and Return on Average Adjusted Equity⁽²⁾ of 17.5%⁽²⁾.
2. As for the source, the Adjusted Net Income is composed of R\$2.733 billion from financial activities, representing 66.4% of the total, and of R\$1.380 billion from insurance, pension plans and capitalization bonds operations, which together account for 33.6%.
3. In March 2016, Bradesco's market capitalization stood at R\$143.720 billion⁽³⁾.
4. Total Assets, in March 2016, stood at R\$1.102 trillion, an increase of 6.5% over the March 2015 balance. The return on Average Total Assets was 1.5%.
5. In March 2016, the Expanded Loan Portfolio⁽⁴⁾ reached R\$463.208 billion, remaining almost stable over March 2015. Operations with individuals totaled R\$147.759 billion (an increase of 4.0% over March 2015), while corporate segment operations totaled R\$315.449 billion (1.8% decrease over March 2015).
6. Assets under Management stood at R\$1.589 trillion, an 11.1% increase over March 2015.
7. Shareholders' Equity totaled R\$93.330 billion in March 2016, 11.2% higher than in March 2015. Basel III Ratio, calculated based on the Prudential Conglomerate stood at 16.9% in March 2016, 12.9% of which was classified as Common Equity / Tier I.
9. The Interest Earning Portion of the Net Interest Income stood at R\$14.734 billion, an increase of 11.0% compared to the first quarter of 2015.
10. The Delinquency Ratio over 90 days stood at 4.2% in March 2016 (3.6% in March 2015).
11. The Operating Efficiency Ratio (ER)⁽⁵⁾ in March 2016 was 37.2% (38.3% in March 2015), while in the "risk-adjusted" concept, it stood at 47.1% (46.9% in March 2015).
12. Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income totaled R\$15.186 billion in the first quarter of 2016, up 11.4% when compared to the same period of 2015. Technical Reserves stood at R\$182.973 billion, an increase of 16.3% compared to the balance in March 2015.
13. Investments in infrastructure, information technology and telecommunications amounted to R\$1.390 billion in the first quarter of 2016, up 5.9% over the same period in the previous year.
14. Taxes and contributions paid or recorded in provision, including social security, totaled R\$10.039 billion, of which R\$2.675 billion were related to taxes withheld and collected from third parties, and R\$7.364 billion were calculated based on activities developed by Organização Bradesco, equivalent to 179.0% of the Adjusted Net Income⁽¹⁾.
15. Bradesco has an extensive Customer Service Network in Brazil, with 4,509 Branches and 3,535 Service Points (PAs). Customers of Bradesco can also count on 739 ATMs located on a company's premises (PAEs), 41,953 Bradesco Espresso service points, 31,668 Bradesco ATMs, and 18,767 Banco24Horas Network ATMs.

8. A total of R\$1.451 billion was paid to shareholders as Interest on Shareholders' Equity and Dividends for the profit generated in the first quarter of 2016, of which R\$273.240 million were paid monthly in the period and R\$1.178 billion provisioned.

- **Economic and Financial Analysis Report – March 2016**

Press Release

Highlights

16. Payroll, plus charges and benefits totaled R\$3.216 billion. Social benefits provided to all 91,395 employees of Organização Bradesco and their dependents amounted R\$820.601 million, while investments in education, training and development programs totaled R\$18.870 million.

17. In January 2016, Bradesco informed the market that Bacen approved the acquisition of 100% of the share capital of HSBC Bank Brasil S.A. – Banco Múltiplo and HSBC Serviços e Participações Ltda. ("HSBC"). The completion of the operation is subject to the approval of the other competent regulatory authorities and compliance with legal formalities.

18. In January 2016, Bradesco signed a non-binding Memorandum of Understanding with Banco do Brasil S.A., Banco Santander (Brasil) S.A., Caixa Econômica Federal and Itaú Unibanco S.A., in order to create a holding company of credit intelligence ("GIC"), which will develop a database with the goal of adding, reconciling and handling database and credit-related information, of individuals and legal entities, which expressly authorize their inclusion in the database, as required by the applicable rules.

19. Major Awards and Acknowledgments in the period:

- Most valuable brand in Brazil in the last 10 years, according to the ranking promoted by *IstoÉ Dinheiro* magazine in partnership with consultancy firm Kantar Vermeer, linked to the British group WPP;
- Bradesco BBI was awarded "The best investment bank of Brazil" in 2016 in the 17th edition of "Best Investment Banks of the world" (Global Finance magazine);

Organização Bradesco is fully committed to internationally recognized sustainability and corporate governance initiatives, particularly: Global Compact, PRI (Principles for Responsible Investment), and Equator Principles. We set our guidelines and strategies with a view to incorporating the best sustainability practices into our businesses, considering the context and the potential of each region, thus contributing to the generation of value in the Organization. Our management process adopts economic and socio-environmental indexes developed in Brazil and abroad, such as the Dow Jones Sustainability Index (DJSI), the Corporate Sustainability Index (ISE, of BM&FBovespa), and the Carbon Efficient Index (ICO2, also of BM&FBovespa), as well as the guidelines and indexes of the Global Reporting Initiative (GRI) and the Carbon Disclosure Project (CDP).

With a broad social and educational program in place for 59 years, Fundação Bradesco operates 40 schools across Brazil. In 2016, an estimated R\$593.360 million budget will benefit approximately 101,566 students enrolled in its schools at the following levels: basic education (from kindergarten to high school and higher secondary technical-professional education), youth and adult education; and preliminary and continuing vocational training, which focuses on creating jobs and income. In addition to being guaranteed free, quality education, the students enrolled in the Basic Education system, numbering approximately 43 thousand, also receive uniforms, school supplies, meals, and medical and dental assistance. With regard to the distance learning system (EaD), it is estimated that more than 550 thousand students will benefit from it, through its e-learning portal Escola Virtual (Virtual School). These students will conclude, at least, one of the various courses

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- Considered the best Manager in short-term fund and shares (Fundação Getúlio Vargas (FGV)); and
- Leads the ranking for large companies most featured in editions of the yearbook "Valor Carreira", considered, 12 times out of the 14 editions on the workplace, the best in people management (Jornal Valor Econômico newspaper in partnership with Aon-Hewitt).

offered in its schedule, and another 21,490 students will benefit from projects and initiatives carried out in partnership with Centers for Digital Inclusion (CDIs), the Educa+Ação Program, and from Technology courses (Educar e Aprender – Educating and Learning).

(1) According to the non-recurring events described on page 8 of this Economic and Financial Analysis Report; (2) As of the first quarter of 2016, the annualized profitability has been calculated on a linear basis, (ROAE of 18.7% in the previous criterion, in the first quarter of 2016), and also, it excludes mark-to-market effect of Available-for-Sale Securities recorded under Shareholders' Equity; (3) Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the last trading day of the period; (4) Includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk – commercial portfolio, which includes debentures and promissory notes; and (5) In the last 12 months.

Bradesco _ _

Press Release**Main Information**

R\$ million	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14
Income Statement for the Period						
Book Net Income	4,121	4,353	4,120	4,473	4,244	3,9
Adjusted Net Income	4,113	4,562	4,533	4,504	4,274	4,1
Total Net Interest Income	14,892	14,512	13,735	13,541	13,599	12,9
Gross Credit Intermediation Margin	11,486	11,313	10,806	10,427	10,242	10,0
Net Credit Intermediation Margin	6,038	7,121	6,954	6,877	6,662	6,7
Allowance for Loan Losses (ALL) Expenses	(5,448)	(4,192)	(3,852)	(3,550)	(3,580)	(3,3
Fee and Commission Income	6,405	6,597	6,380	6,118	5,744	5,8
Administrative and Personnel Expenses	(7,870)	(8,413)	(7,997)	(7,544)	(7,084)	(7,8
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	15,186	19,130	15,125	16,723	13,634	17,8
Statement of Financial Position						
Total Assets ⁽¹⁾	1,101,763	1,079,755	1,050,983	1,029,762	1,034,815	1,032,0
Securities	414,926	407,584	364,472	356,115	344,430	346,3
Loan Operations ⁽²⁾	463,208	474,027	474,488	463,406	463,305	455,1
- Individuals	147,759	147,749	145,234	143,461	142,051	141,4
- Corporate	315,449	326,278	329,253	319,945	321,254	313,6
Allowance for Loan Losses (ALL) ⁽³⁾	(30,497)	(29,499)	(28,670)	(23,801)	(23,618)	(23,1
Total Deposits	189,192	195,760	203,637	195,926	211,702	211,6
Technical Reserves	182,973	177,835	168,629	164,566	157,295	153,2
Shareholders' Equity	93,330	88,907	86,233	86,972	83,937	81,5
Assets under Management	1,589,307	1,510,396	1,452,528	1,443,989	1,431,090	1,426,0
Performance Indicators (%)						
Adjusted Net Income per Share - R\$ ^{(4) (5)}	3.52	3.55	3.47	3.35	3.21	3.
Book Value per Common and Preferred Share - R\$ ⁽⁵⁾	18.56	17.68	17.14	17.28	16.67	16.
Annualized Return on Average Equity ^{(6) (7)}	17.5	20.5	20.7	20.8	20.6	20.
Annualized Return on Average Assets ⁽⁷⁾	1.5	1.7	1.7	1.7	1.7	1.
Average Rates - 12 months = (Adjusted Net Interest Income / Total Average Assets - Repos - Permanent Assets) (NIM)	7.5	7.5	7.6	7.6	7.5	7.
Fixed Asset Ratio ⁽¹³⁾	34.0	35.2	38.6	39.6	47.9	47.
Combined Ratio - Insurance ⁽⁸⁾	86.1	86.5	86.9	86.5	86.8	86.
Efficiency Ratio (ER) ⁽⁴⁾	37.2	37.5	37.9	37.9	38.3	38.
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) ⁽⁴⁾	80.1	80.0	79.1	78.7	77.4	77.
Market Capitalization - R\$ million ⁽⁹⁾	143,720	100,044	113,288	142,098	150,532	145,5
Loan Portfolio Quality % ⁽¹⁰⁾						
ALL / Loan Portfolio ⁽³⁾	8.6	8.0	7.8	6.7	6.7	6.
Non-performing Loans (> 60 days ⁽¹¹⁾ / Loan Portfolio)	5.3	5.0	4.7	4.6	4.5	4.
Delinquency Ratio (> 90 days ⁽¹¹⁾ / Loan Portfolio)	4.2	4.1	3.8	3.7	3.6	3.

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Coverage Ratio (> 90 days ⁽¹¹⁾ ⁽³⁾)	204.2	198.0	205.7	180.4	187.0	183.0
Coverage Ratio (> 60 days ⁽¹¹⁾ ⁽³⁾)	162.9	161.7	168.4	146.5	149.8	150.0
Operating Limits %						
Basel Ratio - Total ⁽¹²⁾ ⁽¹³⁾	16.9	16.8	14.5	16.0	15.2	15.0
Tier I Capital	12.9	12.7	11.4	12.8	12.1	12.0
- Common Equity	12.9	12.7	11.4	12.8	12.1	12.0
Tier II Capital	4.0	4.1	3.0	3.2	3.1	3.0

Economic and Financial Analysis Report – March 2016

Press Release**Main Information**

	Mar16	Dec15	Sept15	Jun15	Mar15	Dec14	Sept14	Jun14	Variation Mar16 Ma x Dec15 Ma
Structural Information - Units									
Service Points ⁽¹⁴⁾	63,552	65,851	71,738	74,270	74,917	75,176	74,028	73,208	(3.5)
- Branches	4,509	4,507	4,593	4,628	4,661	4,659	4,659	4,680	0.0
- PAs ⁽¹⁵⁾	3,535	3,511	3,496	3,463	3,502	3,486	3,497	3,497	0.7
- PAEs ⁽¹⁵⁾	739	736	845	980	1,135	1,145	1,159	1,175	0.4
- External ATM Network - Bradesco ⁽¹⁶⁾ ⁽¹⁷⁾	435	627	874	1,112	1,243	1,344	1,398	1,684	(30.6)
- Banco24Horas Network ⁽¹⁶⁾	11,298	11,721	11,917	12,127	12,268	12,450	12,213	12,023	(3.6)
- Bradesco Expresso (Correspondent Banks)	41,953	43,560	48,175	50,042	50,043	50,006	49,020	48,186	(3.7)
- Bradesco Promotora de Vendas	1,069	1,175	1,824	1,904	2,051	2,073	2,068	1,949	(9.0)
- Branches / Subsidiaries Abroad	14	14	14	14	14	13	14	14	-
ATMs	50,435	50,467	50,113	49,410	48,941	48,682	48,053	47,612	(0.1)
- Bradesco Network	31,668	31,527	31,495	31,132	31,091	31,089	31,107	31,509	0.4
- Banco24Horas Network	18,767	18,940	18,618	18,278	17,850	17,593	16,946	16,103	(0.9)
Employees ⁽¹⁸⁾	91,395	92,861	93,696	93,902	94,976	95,520	98,849	99,027	(1.6)
Outsourced Employees and Interns	13,009	13,223	13,333	13,111	12,977	12,916	12,896	12,790	(1.6)
Customers - in millions									
Active Account Holders ⁽¹⁹⁾ ⁽²⁰⁾	25.6	26.0	26.4	26.5	26.6	26.5	26.6	26.5	(1.5)
Savings Accounts ⁽²¹⁾	55.7	60.1	57.0	57.6	58.1	59.1	52.9	51.8	(7.3)
Insurance Group	50.6	49.8	48.2	47.8	47.8	46.9	46.3	45.5	1.6
- Policyholders	45.1	44.2	42.5	42.0	42.0	41.1	40.5	39.6	2.0
- Pension Plan Participants	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.4	-
- Capitalization Bond Customers	3.1	3.2	3.3	3.4	3.4	3.4	3.4	3.5	(3.1)
Bradesco Financiamentos ⁽¹⁹⁾	2.7	2.8	2.8	2.9	3.0	3.1	3.1	3.2	(3.6)

(1) For more information, please check note 4 – Statement of Financial Position and Statement of Managerial Income, in chapter 6 of this report;

(2) Expanded Loan Portfolio: includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk – commercial portfolio, covering debentures and promissory notes;

(3) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letter of credit, which comprises the concept of “excess” ALL. In the third quarter of 2015, includes an excess ALL/Worsening of Ratings, considered as an extraordinary event, totaling R\$3,704 million; This way, the balance of the excess ALL went from R\$4,004 million in June 2015 to R\$6,409 million in September 2015;

- (4) In the last 12 months;
- (5) For comparison purposes, shares were adjusted in accordance with bonuses and stock splits;
- (6) Excluding mark-to-market effect of Available-for-Sale Securities recorded under Shareholders' Equity;
- (7) Year-to-Date Adjusted Net Income. As of the first quarter of 2016, the Annualized Returns have been calculated on a linear basis and for the best effect of comparability, the previous periods have been readjusted;
- (8) Excludes additional reserves;
- (9) Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the period's last trading day;
- (10) As defined by the Brazilian Central Bank (Bacen);
- (11) Overdue loans;
- (12) Since October 2013, the Basel Ratio calculation has followed regulatory guidelines set forth in CMN Resolutions No. 4,192/13 and No. 4,193/13 (Basel III);
- (13) As of March 2015, the ratio calculated based on the Prudential Conglomerate is included, as set forth in CMN Resolution No. 4,192/13. It is important to note that the Prudential Conglomerate is calculated in accordance with the regulatory guidelines set forth in CMN Resolution No. 4,280/13;
- (14) The decrease as of March 2015 is related to (i) the migration of "External ATM Network– Bradesco" to "Banco24Horas Network"; (ii) the deactivation of ATMs from "Banco24Horas Network"; and (iii) the reduction of Bradesco Expresso correspondents;
- (15) PA (Service Branch): a result of the consolidation of PAB (Banking Service Branch), PAA (Advanced Service Branch) and Exchange Branches, according to CMN Resolution No. 4,072/12; and PAEs – ATMs located on a company's premises;
- (16) Including overlapping ATMs within the Bank's own network and the Banco24Horas Network;
- (17) This decrease is related to the sharing of external network ATMs by the Banco24Horas Network ATMs;
- (18) The decrease in the fourth quarter of 2014 includes, primarily, the transfer of 2,431 employees from Scopus Tecnologia to IBM Brasil;
- (19) Number of individual clients (National Registry of Legal Entities (CNPJ) and Individual Taxpayer Registry (CPF));
- (20) Refers to first and second checking account holders; and
- (21) Number of accounts.

Press Release**Book Net Income vs. Adjusted Net Income**

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

Book Net Income	4,121	4,353	4,244
Non-recurring events (net of tax effects)	(8)	209	30
- Gains in the Partial Sale of Investments	(90)	-	-
- Reversal of technical reserves	-	(276)	-
- Contingent Liabilities	25	13	30
- Impairment of assets ⁽¹⁾	57	472	-
Adjusted Net Income	4,113	4,562	4,274

(1) In the first quarter of 2016, it refers to the impairment of Shares, in the amount of R\$57 million; and in the fourth quarter of 2015, it refers to the impairment of: (i) Permanent/Intangible Assets, in the amount of R\$234 million; and (ii) Shares, in the amount of R\$238 million.

Summarized Analysis of Adjusted Income

To provide for better understanding for and comparison purposes, in chapters 1 and 2 of this report we use the Adjusted Income Statement, obtained from adjustments made to the Managerial Income Statement, detailed at the end of this Press Release.

Net Interest Income	14,892	14,512	380	2.6	14,892	13,599	1,293	9.5
NII - Interest Earning Portion	14,734	14,380	354	2.5	14,734	13,273	1,461	11.0
NII - Non-Interest Earning Portion	158	132	26	19.7	158	326	(168)	(51.5)
ALL Expenses	(5,448)	(4,192)	(1,256)	30.0	(5,448)	(3,580)	(1,868)	52.2
Gross Income from Financial Intermediation	9,444	10,320	(876)	(8.5)	9,444	10,019	(575)	(5.7)
Income from Insurance Premiums, Pension Plans and Capitalization bonds, minus Variation of Technical Reserves, Retained Claims and others ⁽¹⁾	1,625	1,493	132	8.8	1,625	1,211	414	34.2
Fee and Commission Income	6,405	6,597	(192)	(2.9)	6,405	5,744	661	11.5
Personnel Expenses	(3,754)	(3,839)	85	(2.2)	(3,754)	(3,445)	(309)	9.0
Other Administrative Expenses	(4,116)	(4,574)	458	(10.0)	(4,116)	(3,639)	(477)	13.1

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Tax Expenses	(1,418)	(1,650)	232	(14.1)	(1,418)	(1,309)	(109)	8.3
Equity in the Earnings (Losses) of Unconsolidated Companies	40	93	(53)	(57.0)	40	(20)	60	-
Other Operating Income/ (Expenses)	(1,669)	(1,586)	(83)	5.2	(1,669)	(1,912)	243	(12.7)
Operating Result	6,557	6,854	(297)	(4.3)	6,557	6,649	(92)	(1.4)
Non-Operating Result	(87)	(68)	(19)	27.9	(87)	(68)	(19)	27.9
Income Tax / Social Contribution	(2,311)	(2,183)	(128)	5.9	(2,311)	(2,275)	(36)	1.6
Non-controlling Interest	(46)	(41)	(5)	12.2	(46)	(32)	(14)	43.8
Adjusted Net Income	4,113	4,562	(449)	(9.8)	4,113	4,274	(161)	(3.8)

(1) In "Others", it includes: Capitalization Bond Draws and Redemption – Insurance and Pension Plan and Capitalization Bond Sales Expenses.

Economic and Financial Analysis Report – March 2016

Press Release

Summarized Analysis of Adjusted Income

Adjusted Net Income and Profitability

The return on the Average Adjusted Shareholders' Equity (ROAE), which is calculated on a linear basis, registered 17.5% in March 2016. In this quarter, the reduction of the adjusted net income, which varied -9.8% in the quarterly comparison, and -3.8% in the annual comparison, impacted, largely, by the increase in allowance for loan losses expenses, as a result of: (i) the levelling of provisioning for corporate client operations, particularly a specific case, whose rating worsening had an impact of R\$836 million; and (ii) the effect of an increase in delinquency due to the economic slowdown.

The main events that affected adjusted net income are detailed below.

Adjusted net income reached R\$4,113 million in the first quarter of 2016, a decrease of R\$449 million compared to the previous quarter, mainly due to the increase in allowance for loan losses expenses, for the reasons detailed above. However, it is highlighted: (i) the decrease in administrative expenses; and the increment; (ii) the "interest-earning portion of the NII"; and (iii) the income of insurance premiums, pension and capitalization bonds.

In the comparison between the first quarter of 2016 and the same period in the previous year, the adjusted net income decreased R\$161 million, which reflects the highest revenues in (i) provision for doubtful debts, for the reasons detailed above; and (ii) personnel and administrative expenses. However, it is highlighted the increase of revenues

originated from: (i) the interest earning portion; (ii) the services provided; and (iii) the highest operating result of Insurance, Pension Plans and Capitalization Bonds, net of technical reserves, retained claims and others.

Shareholders' Equity totaled R\$93,330 million in March 2016, up 11.2% over March 2015. Basel III Ratio, calculated based on the Prudential Conglomerate, stood at 16.9%, 12.9% of which was classified as Common Equity / Tier I.

Total Assets registered R\$1.102 trillion in March 2016, a 6.5% increase over March 2015, driven by the increased turnover. Return on Average Assets (ROAA) reached 1.5%, calculated on a linear basis.

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Press Release

Summarized Analysis of Adjusted Income

Operating Efficiency Ratio (ER)

The 12-month ER⁽¹⁾ reached 37.2% in the first quarter of 2016, once again registering the best historical level, showing improvement of 0.3 p.p. in comparison to the previous quarter, and 1.1 p.p. in comparison to the same period of the previous year, whereby the main variations were due to the increase in (i) the interest earning portion of the NII; (ii) fee and commission income; (iii) higher income from Insurance, Pension Plans and Capitalization Bonds, net of technical reserves, retained claims and others; offset, largely, by: (iv) the increase in operational expenses in the period.

The improvement of 3.0 p.p. in the quarterly ER, in the first quarter of 2016, was mainly, due to: (i) lower administrative expenses, arising, basically, (a) from the higher advertising and marketing expenses and (b) larger volumes of transactions and services, in the fourth quarter of 2015; combined with: (ii) the growth of interest-earning portion of the NII.

The risk adjusted ER, reflects the impact of the risk associated with loan operations⁽²⁾ and reached 47.1%, impacted by 0.6 p.p., primarily due to levelling of provisions for corporate clients carried out in the first quarter of 2016.

(1) $ER = (\text{Personnel Expenses} - \text{Employee Profit Sharing} + \text{Administrative Expenses}) / (\text{Net Interest Income} + \text{Fee and Commission Income} + \text{Income from Insurance} + \text{Equity in the Earnings (Losses) of Unconsolidated Companies} + \text{Other Operating Income} - \text{Other Operating Expenses})$; and

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

It is important to mention that the ER performance reflects the strategy of sustainable growth, which includes, among other things, (i) the availability of appropriate products and services for clients through the segmentation of the base and of digital channels, (ii) the optimization of points of service, and (iii) the strict control of operating expenses, arising from the actions of the Efficiency Committee and of investments in Information Technology, in the amount of R\$1.390 billion, in the first quarter of 2016.

Press Release**Summarized Analysis of Adjusted Income****NII (Net Interest Income)**

In the quarterly comparison, the R\$380 million, or 2.6%, increase was, mainly, due to: (i) the higher interest-earning portion of the NII, to the value of R\$354 million, with emphasis on "Securities/Other" and "Credit Intermediation", a result of an improved management in investment resources and funding operations; and (ii) non-interest-earning portion of the NII, in the amount of R\$26 million.

In the comparison between the first quarter of 2016 and the same period in the previous year, the net interest income increased by R\$1,293 million, or 9.5%, mainly due to: (i) a higher interest-earning portion of the NII, in the amount of R\$1,461 million, particularly in "Credit Intermediation"; and offset by: (ii) the non-interest-earning portion of the NII, in the amount of R\$168 million.

NII - Interest Earning Portion – Average Rates in the last 12 months

Credit Intermediation	11,486	370,414	12.0%	10,242	360,622	11.4%
Insurance	1,475	180,970	3.3%	1,420	155,920	3.2%
Securities/Other	1,773	411,992	1.6%	1,611	371,298	1.6%
NII - Interest Earning Portion	14,734	-	7.5%	13,273	-	7.3%

Credit Intermediation	11,486	370,414	12.0%	11,313	370,405	11.7%
Insurance	1,475	180,970	3.3%	1,523	174,030	3.4%
Securities/Other	1,773	411,992	1.6%	1,544	395,578	1.6%
NII - Interest Earning Portion	14,734	-	7.5%	14,380	-	7.5%

The average rate of the NII – interest-earning portion in the last 12 months was 7.5% in the first quarter of 2016. In the year-over-year comparison, the growth of 0.2 p.p. was the reflection of increased profits obtained in the interest earning portions of "Credit Intermediation" and "Insurance".

Press Release

Summarized Analysis of Adjusted Income

Expanded Loan Portfolio⁽¹⁾

In March 2016, the expanded loan portfolio of Bradesco totaled R\$463.2 billion, a 2.3% decrease in comparison to December 2015, impacted, partially, by the exchange rate variation in the quarter. Micro, Small and Medium Sized Enterprises and Corporations presented a reduction of 6.5% and 1.7%, respectively, while the Individual remained stable in the period.

In relation to the last 12 months, the balance of the portfolio remained stable, focused on the growth of: (i) 4.0% in the Individual; and (ii) 2.9% in the Large Companies, favored by the exchange rate variation of the period.

For Individuals, the products that have the strongest growth in the last 12 months were: (i) real estate financing; and (ii) payroll-deductible loans. For the Corporate segment, the highlights were: (i) export financing; and (ii) operations bearing credit risk – commercial portfolio (debentures and promissory notes).

(1) In addition to Bacen loan portfolio, it includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in mortgage-backed receivables, and farm loans.

For more information, see Chapter 2 of this Report.

Allowance for Loan Losses (ALL) Expenses ⁽¹⁾

In the first quarter of 2016, allowance for loan losses expenses totaled R\$5,448 million, registering a variation of 30.0%, or R\$1,256 million, over the previous quarter, and a variation of 52.2%, or

R\$1,868 million, over the same quarter of 2015, mainly impacted by: (i) levelling of provisions for corporate clients, particularly a specific case, whose rating worsening had an impact of R\$ 836 million; and (ii) by the higher delinquency rate in the quarter, mainly due to the process of deceleration in economic activity. It is important to note that the balance in credit operations – Bacen concept remained stable in the year and presented a decrease of 3.6% in the quarter.

The effect in the growth of delinquency rates was mitigated by the reinforcement of the credit granting policies, quality of guarantees, as well as the improvement of the credit recovery processes. It is important to highlight that, from this quarter, the effect of an improvement in the guarantee management system, in terms of vehicle operations, did not produce any relevant effect on the allowance for loan losses expenses.

For more information, see Chapter 2 of this Report.

.. Economic and Financial Analysis Report – March 2016

Press Release

Summarized Analysis of Adjusted Income

Delinquency Ratio⁽¹⁾ ⁽²⁾

Delinquency over 90 days

As expected, the total delinquency ratio, which refers to operations that are over 90 days past due, increased in the quarter, mainly due: (i) to the continuity of the unfavorable economic situation, which impacted the quality of the credit portfolio, mainly for the Individual and Micro, Small and Medium-Sized Enterprises; and (ii) by the reduction of the credit portfolio in the first quarter of 2016, also including Micro, Small and Medium Sized Enterprises.

Delinquency from 15 to 90 days

In the quarter, short-term delinquency, including operations past due between 15 and 90 days presented growth, impacted, in part, by: (i) seasonal issues of the beginning of the year; and (ii) the individual cases of corporate clients.

(1) As defined by Bacen; and

(2) Portfolios were not sold.

Provisioning, Delinquency, ALL and Effective Coverage Ratio

The assertiveness of the provisioning criteria adopted must be mentioned, which is proven by: (i) analyzing historical data on recorded allowances for loan losses; and (ii) effective losses in the subsequent 12-month period. When analyzed in

terms of net loss of recovery, for an existing provision of 6.7% of the portfolio⁽¹⁾ in March 2015, the net loss in the subsequent 12 months was 3.3%, that is, representing an effective coverage of 203.0%.

It should be highlighted that, considering the losses expected for one year (dotted part), which has a high correlation with E-H non-performing loans, there is an effective coverage of 220.5% for March 2016, which compares well with excess ALL, because it eliminates the effect of any sales of portfolios.

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Press Release**Summarized Analysis of Adjusted Income****Income from Insurance, Pension Plans and Capitalization Bonds**

In the comparison between the first quarter of 2016 and the same period of the previous year (R\$1.283 billion), the net income increased by 7.6%.

Net Income for the first quarter of 2016 totaled R\$1.380 billion (R\$1.405 billion in the first quarter of 2015), in line with the previous quarter, presenting an annualized return on Adjusted Shareholder's Equity of 24.9%⁽¹⁾.

Net Income	1,380	1,405	1,317	1,284	1,283	1,236	1,0
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	15,186	19,130	15,125	16,723	13,634	17,806	12,9
Technical Reserves	182,973	177,835	168,629	164,566	157,295	153,267	145,9
Financial Assets	200,016	191,921	182,391	179,129	170,395	166,022	158,2
Claims Ratio (%)	72.1	71.9	73.1	71.4	71.7	70.9	7
Combined Ratio (%)	86.1	86.5	86.9	86.5	86.8	85.9	8
Policyholders / Participants and Customers (in thousands)	50,570	49,806	48,185	47,758	47,789	46,956	46,3
Employees	6,959	7,023	7,052	7,074	7,082	7,113	7,1
Market Share of Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income (%) ⁽³⁾	25.3	25.5	24.7	24.8	23.5	24.4	2

(1) Calculated on linear basis;

(2) Excluding additional provisions; and

(3) The first quarter of 2016 includes the latest data released by SUSEP (February/16).

Note: For comparability between the indexes in the periods demonstrated above, we disregarded extraordinary effects from the calculation.

Press Release

Summarized Analysis of Adjusted Income

Income from Insurance, Pension Plans and Capitalization Bonds

In the first quarter of 2016, the revenue showed an increase of 11.4% in comparison to the same period of the previous year, influenced by “Life and Pension Plans” and “Health Plans” products, which increased 13.6% and 16.8%, respectively.

Due to the concentration of private pension contributions, which occur historically in the last quarter of the financial year, the revenue did not present the same performance, in comparison to the fourth quarter of 2015.

The net income of the first quarter of 2016 remained in line with the results presented in the previous quarter, basically, due to: (i) a decrease of 0.5 p.p. in the commercialization index; (ii) the maintenance of the claims ratio and the administrative efficiency ratio, even considering the collective bargaining agreement in January 2016; partially offset by: (iii) a decrease in revenues; and (iv) a decrease in the financial and equity results.

Minimum Capital Required – Grupo Bradesco Seguros

According to CNSP Resolution No. 321/15, corporations should have adjusted shareholder’s equity (ASE) equal to or higher than the minimum capital required (MCR). MCR is equivalent to the highest value between the base capital and the risk capital. For companies regulated by the ANS, Normative Resolution No. 373/15 establishes that

The net income of the first quarter of 2016 was 7.6% higher than the results presented in the same period last year, basically due to: (i) the growth of 11.4% in revenues; (ii) the decrease of 0.5 p.p. in the commercialization index; (iii) the improvement in the financial and equity results; partially offset by: (iv) the increase of the Social Contribution rate (CSLL), that influenced the first quarter of 2016 results; and (v) the increase of 0.4 p.p. in the claims ratio.

The capital adjustment and management process is continuously monitored and aims to ensure that Grupo Bradesco Seguros keeps a solid capital base to support the development of activities and cope with the risks in any market situation, in compliance with regulatory requirements and/or Corporate Governance principles. Companies must permanently maintain a capital compatible with the risks for their activities and operations, according to the characteristics and peculiarities of each

corporations should have adjusted shareholder's equity (ASE) equal to or higher than the Solvency Margin.

company belonging to Grupo Bradesco Seguros, represented by adequate capital levels. Grupo Bradesco Seguros permanently observes the limits required by the respective regulatory entities. The Minimum Capital Required in February 2016 was R\$8,539 billion.

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Press Release

Summarized Analysis of Adjusted Income

Fee and Commission Income

In the comparison between the first quarter of 2016 and the same period of the previous year, the increase of R\$661 million, or 11.5%, in the revenues of provision of services, was mainly due to: (i) an increase in the volume of operations, which are arising from the continuous investments in service channels and in technology; and (ii) an advance in the client segmentation process for a better offer of products and services. It must be noted that the lines that have most contributed to this result derived from: (i) an increase in the checking account income, mainly due to an improvement in the client segmentation process; (ii) the good performance of the card business, as a result of (a) the increase in the financial volume traded; and (b) the highest volume of transactions performed; and evolution of revenue with: (iii) asset management; (iv) consortium management; and (v) loan operations, especially income from collaterals.

In the first quarter of 2016, fee and commission income totaled R\$6,405 million, showing a decrease of R\$192 million, or 2.9%, in comparison to the previous quarter, primarily due to the smaller volume of operations/billing, caused by the seasonality of the end of the year and the lower number of business days in the first quarter of 2016, which impacted the revenue generated with: (i) cards; (ii) credit operations; and (iii) checking accounts.

Personnel Expenses

In the comparison between the first quarter of 2016 and the same period of the previous year, the increase of R\$309 million, or 9.0%, in personnel expenses, is mainly due to the variations in the following expenses: (i) structural portion due to the increase in expenses with payroll, social charges and benefits, impacted by higher salaries, in accordance with the 2015 collective bargaining agreement; and (ii) "non-structural", mainly due to higher expenses with profit sharing to management and employees (EPS) and provision for labor lawsuits.

In the first quarter of 2016⁽¹⁾, the decrease of R\$85 million, or 2.2%, compared to the previous quarter is mainly composed of the variations in the following expenses:

- "structural" – reduction of R\$133 million originated, largely, from the higher concentration of vacation, characteristic of the first quarter of each year; and

- "non-structural" – increase of R\$48 million, basically as a consequence of the higher expenses with profit to management and employees (EPS).

Note: Structural Expenses = Salaries + Social Charges + Benefits + Pension Plans.

Non-Structural Expenses = Employee and Management Profit Sharing + Training + Labor Provision + Costs with termination of employment contracts.

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Press Release

Summarized Analysis of Adjusted Income

Administrative Expenses

In the comparison between the first quarter of 2016 and the same period of the previous year, the 13.1%, or R\$477 million increase in administrative expenses, was primarily due to an increase in expenses originated from: (i) higher business volume in the period; (ii) contractual adjustments; (iii) the effect of advertising and marketing actions; and offset by: (iv) the optimization of service channels.

In the first quarter of 2016, the decrease of 10.0%, or R\$458 million, over the previous quarter, was mainly due to: (i) the seasonal effect of greater expenses incurred in the fourth quarter of each year, especially in advertising and marketing, due to the higher concentration of actions related to the institutional campaign and to support the offer of products and services; combined with: (ii) the decrease in business volume, caused by the seasonality of the end of the year; and (iii) the fewer number of business days, resulting in less expenses with: (a) outsourced services; (b) asset maintenance; and (c) data processing.

(1) The decrease as of March 2015 is related to: (i) the migration of “External ATM Network – Bradesco” to “Banco24Horas Network”; (ii) the deactivation of ATMs from “Banco24Horas Network”; and (iii) the decrease of Bradesco Expresso correspondents.

Other Operating Income and Expenses

In the first quarter of 2016, other operating expenses, net, totaled R\$1,669 million, a R\$243 million decrease over the same period of the previous year, primarily due to the constitution of tax provisions, in the first quarter of 2015, relating to the levy of pension plan contributions and IRPJ/CSLL on credit losses, in the amount of R\$475 million.

In the comparison between the first quarter of 2016 and the previous quarter, other operating expenses increased by R\$83 million, or 5.2%, primarily due to: (i) higher expenses with civil provisions; and (ii) higher operating expenses related to insurance activities and cards.

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Press Release

Summarized Analysis of Adjusted Income

Income Tax and Social Contribution

Income tax and social contribution expenses, in the quarterly comparison showed an increase of 5.9%, or R\$128 million, mainly due to the higher use of tax benefit in the constitution of interest on shareholder's equity in the fourth quarter of 2015.

In the comparison between the first quarter of 2016 and the same period of the previous year, the increase of 1.6%, or R\$36 million, is related to: (i) the increase in the CSLL (social contribution) rate; and partially offset by the: (ii) increase in the TJLP (from 5.5% in the first quarter of 2015 to 7.5% in the first quarter of 2016), which provided a reduction of the tax due to higher values in the constitution of interest on shareholder's equity in higher values in this quarter.

Unrealized Gains

Unrealized gains totaled R\$13,097 million at the end of the first quarter of 2016, an R\$5,997 million increase over the previous quarter. Such variation was mainly due to: (i) investments, highlighting the shares of Cielo, which appreciated 5.0%; and (ii) securities indexed to fixed income.

Press Release

Capital Ratios - Basel III

Basel Ratio

In March 2016, the Capital of the Prudential Conglomerate stood at R\$100,452 million, against risk-weighted assets totaling R\$595,757 million. The Basel Ratio presented an increase of 0.1 p.p., from 16.8% in December 2015 to 16.9% in March 2016, and the Common Equity Tier I ratio from 12.7% in December 2015 to 12.9% in March 2016.

The table below shows the main events that impacted the Common Equity Tier I ratio in the quarter:

It is important to highlight that the impact of the change in phase-in arrangements, from 40% in December 2015 to 60% in January 2016, as defined in CMN Resolution No. 4,192/13, was offset by: (i) an increase in results; (ii) decrease in the credit and market risk-weighted assets; and (iii) the improvement of the mark-to-market adjustments of available for sale securities.

Full Impact – Basel III

We calculated a Basel III simulation, considering some of the main future adjustments, which include: (i) the 100% deductions according to the schedule of phase-in arrangements; (ii) the allocation of resources, obtained via payment of dividends, by our Insurance Group; (iii) the use of tax credits; (iv) the decrease in market and operational risk multiplier (early adoption), from 9.875% to 8%; and (v) the impact of the HSBC's acquisition of, reaching an 11.0% Common Equity ratio, which, added to funding obtained via subordinated debt, may reach a Common Equity Tier I ratio of approximately 12.5% in the end of 2018.

(1) Published (Schedule 60%);

(2) Effect of the full impact. Includes the allocation of resources, obtained via payment of dividends, by the Insurance Group;

(3) Considers the decrease in the market and operational risks multiplier (early adoption), from 9.875% to 8% in 2019;

(4) Under analysis by the Regulating Agencies;

(5) Refers to the minimum required. It is important to highlight that Bacen fixed at 0% the tranche of countercyclical capital required, which could reach up to 2.5% in 2019; and

(6) Considering a possible issuance of additional capital by 2018, according to the Management, depending on market conditions.

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Press Release

Economic Environment

The risks present in the international environment intensified at the turn of the year. The loss of the Chinese foreign exchange reserves and devaluation of the Chinese yuan brought back uncertainties regarding the economic conditions of the country. However, the timely action of the main central banks worldwide reduced the volatility of the markets at the end of the first quarter.

China promoted new monetary and fiscal stimuli, while the Japanese central bank adopted a negative interest rate for deposits and Europe intensified its program of purchase of sovereign bonds. At the same time, the Federal Reserve (Fed) signaled that it would reduce the rhythm of monetary normalization. As a result, the dollar lost strength in comparison to other currencies and the price of commodities showed some recovery.

The domestic economy maintained a trajectory of deceleration in the first quarter, although at a slower rate to that recorded in previous periods. The formal labor market should be highlighted, which showed a reduction in the rate of lay-offs. At the same time, the relief of global financial conditions and incipient signs of the decompression of inflation positively impacted the confidence of the local agents.

However, political uncertainties and the slowdown in economic activity continued to hinder the ongoing fiscal adjustment in the short term. Thus, actions to ensure fiscal sustainability in the medium term and the progress on the reform agenda have become even more relevant. Efforts in this direction are a necessary condition to maintain the economic predictability and to increase the level of trust of families and entrepreneurs, enabling the resumption of the trend to increase actual income and productive investments.

Additional actions of a structural nature that leverage future growth are also fundamental. The constant search for excellence in education is Brazil's front line in its struggle to become more competitive and to expedite its efforts to upgrade infrastructure. It is never too much to remember that, in the long term, the main source of economic growth is productivity, a theme that is even more relevant in a global context characterized by increased competition and an economic growth that is still fragile.

The investments tend to have an increasingly important role in the composition of growth in coming years, especially in the process of the recovery of economic activity. This should still be favored by greater participation of the capital market in the financing of these projects. At the same time, despite the cyclical retraction of the consumer market in some segments, structurally, the potential of domestic demand for goods and services is not exhausted.

Bradesco maintains a positive outlook towards Brazil, with favorable perspectives for its operating segments. Credit volume is evolving in sustainable and risk-compatible rates, even in the face of a cyclical upswing in delinquency rates, due to the retraction of the activity and the reduction of the employment level this year. The circumstances are still very promising for Brazilian banking and insurance sectors in the medium and long term.

Press Release**Main Economic Indicators**

Interbank Deposit Certificate (CDI)	3.27	3.37	3.43	3.03	2.81	2.76	2.72	2.51
Ibovespa	15.47	(3.79)	(15.11)	3.77	2.29	(7.59)	1.78	5.46
USD – Commercial Rate	(8.86)	(1.71)	28.05	(3.29)	20.77	8.37	11.28	(2.67)
General Price Index - Market (IGP-M)	2.96	3.95	1.93	2.27	2.02	1.89	(0.68)	(0.10)
Extended Consumer Price Index (IPCA)	2.62	2.82	1.39	2.26	3.83	1.72	0.83	1.54
Federal Government Long-Term Interest Rate (TJLP)	1.82	1.72	1.59	1.48	1.36	1.24	1.24	1.24
Reference Interest Rate (TR)	0.45	0.53	0.61	0.40	0.23	0.26	0.25	0.15
Savings Account	1.96	2.05	2.13	1.92	1.75	1.77	1.76	1.66
Business Days (number)	61	63	65	61	61	65	66	61
USD – Commercial Selling Rate - (R\$)	3.5589	3.9048	3.9729	3.1026	3.2080	2.6562	2.4510	2.2025
Euro - (R\$)	4.0539	4.2504	4.4349	3.4603	3.4457	3.2270	3.0954	3.0150
Country Risk (points)	409	521	442	304	322	259	239	208
Base Interest Rate - Selic (% p.a.)	14.25	14.25	14.25	13.75	12.75	11.75	11.00	11.00
BM&F Pre Fixed Rate - 1 year (% p.a.)	13.81	15.86	15.56	14.27	13.52	12.96	11.77	10.91

Projections up to 2018

USD - Commercial Rate (year-end) - R\$		3.60		3.60		3.60
Extended Consumer Price Index (IPCA)		6.50		4.50		4.50
General Price Index - Market (IGP-M)		6.10		4.85		5.00
Selic (year-end)		12.25		10.25		9.25
Gross Domestic Product (GDP)		(3.50)		1.50		3.00

Guidance**Bradesco's Perspective for 2016**

This guidance contains forward-looking statements that are subject to risks and uncertainties, as they are based on Management's expectations and assumptions and information available to the market as of the date hereof.

Loan Portfolio ⁽¹⁾**1 to 5%**

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Individuals	4 to 8%
Companies	0 to 4%
NII - Interest Earning Portion	6 to 10%
Fee and Commission Income	7 to 11%
Operating Expenses ⁽²⁾	4.5 to 8.5%
Insurance Premiums	8 to 12%
ALL Expenses ⁽³⁾	R\$16.5 bi to R\$18.5 bi

- (1) Expanded Loan Portfolio;
- (2) Administrative and Personnel Expenses; and
- (3) Includes incomes with credit recovery

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Press Release**Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Managerial Income⁽¹⁾ vs. Adjusted Income⁽³⁾ Statement****First Quarter of 2016 and Fourth Quarter of 2015**

Net Interest Income	20,397	(5,613)	108	1
ALL	(5,919)	471	-	(5)
Gross Income from Financial Intermediation	14,478	(5,142)	108	
Income from Insurance, Pension Plans and Capitalization Bonds	1,625	-	-	
Fee and Commission Income	6,404	1	-	
Personnel Expenses	(3,754)	-	-	(3)
Other Administrative Expenses	(4,116)	-	-	(4)
Tax Expenses	(1,829)	416	(5)	(1)
Equity in the Earnings (Losses) of Unconsolidated Companies	40	-	-	
Other Operating Income/Expenses	(2,418)	704	45	(1)
Operating Result	10,430	(4,021)	148	
Non-Operating Result	92	(16)	(163)	
Income Tax / Social Contribution and Non-controlling Interest	(6,401)	4,037	7	(2)
Net Income	4,121	-	(8)	

(1) For more information, please check note 4 – Statement of Financial Position and Managerial Income Statement, in chapter 6 of this report;

(2) Includes reclassifications in items from the income statement which do not affect the Net Income, but allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net Income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$4,429 million in the first quarter of 2016 and R\$955 million in the fourth quarter of 2015; and

(3) It refers to Managerial Income Statement(1) with the reclassifications between lines, which do not affect the Net Income, and without the extraordinary events of the period.

Economic and Financial Analysis Report – March 2016

Press Release**Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Managerial Income⁽¹⁾ vs. Adjusted Income⁽³⁾ Statement****First Quarter of 2016 and First Quarter of 2015**

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ALL	(5,919)	471	-	(5)
Gross Income from Financial Intermediation	14,478	(5,142)	108	
Income from Insurance, Pension Plans and Capitalization Bonds	1,625	-	-	
Fee and Commission Income	6,404	1	-	
Personnel Expenses	(3,754)	-	-	(3)
Other Administrative Expenses	(4,116)	-	-	(4)
Tax Expenses	(1,829)	416	(5)	(1)
Equity in the Earnings (Losses) of Unconsolidated Companies	40	-	-	
Other Operating Income/Expenses	(2,418)	704	45	(1)
Operating Result	10,430	(4,021)	148	
Non-Operating Result	92	(16)	(163)	
Income Tax / Social Contribution and Non-controlling Interest	(6,401)	4,037	7	(2)
Net Income	4,121	-	(8)	

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(3) It refers to Managerial Income Statement⁽¹⁾ with the reclassifications between lines, which do not affect the Net Income, and without the extraordinary events of the period.

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Economic and Financial Analysis**Consolidated Statement of Financial Position and Adjusted Income Statement****Statement of Financial Position ⁽¹⁾****Assets**

Current and Long-Term Assets	1,082,132	1,059,768	1,031,888	1,010,599	1,015,4
Cash and Cash Equivalents	18,660	17,457	12,917	11,677	13,6
Interbank Investments	165,523	140,457	153,370	176,268	195,7
Securities and Derivative Financial Instruments	414,926	407,584	364,472	356,115	344,4
Interbank and Interdepartmental Accounts	51,474	55,728	54,179	50,800	48,4
Loan and Leasing Operations	320,417	333,854	336,628	326,204	324,4
Allowance for Loan Losses (ALL) ⁽²⁾	(29,734)	(28,805)	(27,952)	(23,290)	(23,0
Other Receivables and Assets	140,866	133,493	138,274	112,825	111,6
Permanent Assets	19,631	19,987	19,095	19,163	19,3
Investments	1,520	1,587	1,710	1,669	1,6
Premises and Leased Assets	5,779	5,772	5,000	4,940	4,9
Intangible Assets	12,332	12,628	12,385	12,554	12,7
Total	1,101,763	1,079,755	1,050,983	1,029,762	1,034,8

Liabilities

Current and Long-Term Liabilities	1,006,426	988,833	962,811	940,910	949,0
Deposits	189,192	195,760	203,637	195,926	211,7
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	297,350	279,726	257,847	293,730	303,7
Funds from Issuance of Securities	112,617	109,547	110,987	95,387	88,2
Interbank and Interdepartmental Accounts	5,181	6,384	5,463	4,578	4,2
Borrowing and Onlending	62,849	70,338	69,654	61,369	62,3
Derivative Financial Instruments	7,664	13,785	14,860	4,832	5,7
Reserves for Insurance, Pension Plans and Capitalization Bonds	182,973	177,835	168,629	164,566	157,2
Other Reserve Requirements	148,600	135,458	131,734	120,522	115,7
Deferred Income	488	529	459	399	3
Non-controlling Interest in Subsidiaries	1,519	1,486	1,480	1,481	1,5
Shareholders' Equity	93,330	88,907	86,233	86,972	83,9
Total	1,101,763	1,079,755	1,050,983	1,029,762	1,034,8

(1) For more information, please check note 4 – Statement of Financial Position and Managerial Statement, in chapter 6 of this report; and

(2) Includes the Allowance for Guarantees Provided, in March 2016, Allowance for Loan Losses (ALL) totaled R\$30,497 million, which comprises the concept of “excess” ALL. In the third quarter of 2015, includes

ALL Surplus/Deficit Rating, considered as an extraordinary event, totaling R\$3,704 million. Thus, the balance of the ALL – Surplus provision went from R\$4,004 million in June 2015 to R\$6,409 million in September 2015.

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Economic and Financial Analysis**Consolidated Statement of Financial Position and Adjusted Income Statement****Adjusted Income Statement**

Net Interest Income	14,892	14,512	13,735	13,541	13,599	12,986	12,281
NII - Interest Earning Portion	14,734	14,380	13,709	13,415	13,273	12,686	12,162
NII - Non-Interest Earning Portion	158	132	26	126	326	300	119
ALL	(5,448)	(4,192)	(3,852)	(3,550)	(3,580)	(3,307)	(3,348)
Gross Income from Financial Intermediation	9,444	10,320	9,883	9,991	10,019	9,679	8,933
Income from Insurance Premiums, Pension Plans and Capitalization bonds, minus Variation of Technical Reserves, Retained Claims and others (1)	1,625	1,493	1,411	1,311	1,211	1,363	1,170
Fee and Commission Income	6,405	6,597	6,380	6,118	5,744	5,839	5,639
Personnel Expenses	(3,754)	(3,839)	(3,797)	(3,618)	(3,445)	(3,676)	(3,564)
Other Administrative Expenses	(4,116)	(4,574)	(4,200)	(3,926)	(3,639)	(4,159)	(3,628)
Tax Expenses	(1,418)	(1,650)	(1,330)	(1,351)	(1,309)	(1,211)	(1,182)
Equity in the Earnings (Losses) of Unconsolidated Companies	40	93	38	33	(20)	57	43
Other Operating Income/ (Expenses)	(1,669)	(1,586)	(1,604)	(1,606)	(1,912)	(1,360)	(1,311)
Operating Result	6,557	6,854	6,781	6,952	6,649	6,532	6,100
Non-Operating Result	(87)	(68)	(92)	(55)	(68)	(68)	(45)
Income Tax and Social Contribution	(2,311)	(2,183)	(2,124)	(2,351)	(2,275)	(2,308)	(2,075)
Non-controlling Interest	(46)	(41)	(32)	(42)	(32)	(24)	(30)
Adjusted Net Income	4,113	4,562	4,533	4,504	4,274	4,132	3,950

(1) In "Others", it includes: Capitalization Bond Draws and Redemption; and Insurance, Pension Plan and Capitalization Expenses.

Interest and Non-Interest Earning Portions**Earning Portion Breakdown**

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Interest and Non-Interest Earning Portions

Average Earning Portion Rate

R\$ million	1Q16	4Q15	1Q15	Variation Quarter	12M
Net Interest Income					
Interest - due to volume				42	228
Interest - due to spread				312	1,233
- NII - Interest Earning Portion	14,734	14,380	13,273	354	1,461
- NII - Non-Interest Earning Portion	158	132	326	26	(168)
Net Interest Income	14,892	14,512	13,599	380	1,293
Average NIM ⁽¹⁾	7.5%	7.5%	7.5%		

(1) Average Rate in 12 months = (Earning Portion / Total Average Assets – Repos – Permanent Assets)

In the comparison between the first quarter of 2016 and the previous quarter, the R\$380 million increase was due to: (i) the higher interest earning portion, totaling R\$354 million, due to the increase of average spread, in the amount of R\$312 million; and (ii) the non-interest earning portion increase in the amount of R\$26 million.

In the comparison between the first quarter of 2016 and the same period of the previous year, the earning portion increased R\$1,293 million, reflecting: (i) a R\$1,461 million growth in the result of interest earning operations, particularly "Credit Intermediation"; and offset by: (ii) the lower non-interest earning portion results, totaling R\$168 million.

Interest Earning Portion

Interest Earning Portion – Breakdown

R\$ million	1Q16	4Q15	1Q15	Variation Quarter	12M
NII - Interest Earning Portion Breakdown					
Credit Intermediation	11,486	11,313	10,242	173	1,244
Insurance	1,475	1,523	1,420	(48)	55
Securities/Other	1,773	1,544	1,611	229	162
NII - Interest Earning Portion	14,734	14,380	13,273	354	1,461

The interest earning portion stood at R\$14,734 million in the first quarter of 2016, against R\$14,380 million recorded in the fourth quarter of 2015, accounting for an increase of R\$354 million. The business line that most contributed to this result was "Securities/Other".

In the comparison between the first quarter of 2016 and the same period in the previous year, the interest earning portion recorded a R\$1,461 million growth in the interest earning portion, particularly "Credit Intermediation".

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Interest Earning Portion**Interest Earning Portion – Rates**

The interest earning portion rate in the last 12 months was 7.5% in the first quarter of 2016. In the comparison between the first quarter of 2016 and the same period in the previous year, the growth of 0.2 p.p. was the reflection of increased profits obtained in the interest earning portions of "Credit Intermediation" and "Insurance".

Interest Earning Portion – Average Rates (12 months)

Credit Intermediation	11,486	370,414	12.0%	10,242	360,622	11.4%
Insurance	1,475	180,970	3.3%	1,420	155,920	3.2%
Securities/Other	1,773	411,992	1.6%	1,611	371,298	1.6%
NII - Interest Earning Portion	14,734	-	7.5%	13,273	-	7.3%

Credit Intermediation	11,486	370,414	12.0%	11,313	370,405	11.7%
Insurance	1,475	180,970	3.3%	1,523	174,030	3.4%
Securities/Other	1,773	411,992	1.6%	1,544	395,578	1.6%
NII - Interest Earning Portion	14,734	-	7.5%	14,380	-	7.5%

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Interest Earning Portion of Credit Intermediation

Earning Portion of Credit Intermediation – Breakdown

R\$ million	1Q16	4Q15	1Q15	Variation	
				Quarter	12 months
Net Interest Income - Credit Intermediation					
Interest - due to volume				-	101
Interest - due to spread				173	1,143
NII - Interest Earning Portion	11,486	11,313	10,242	173	1,244

In the first quarter of 2016, interest earning portion of “Credit Intermediation” reached R\$11,486 million, up 1.5% or R\$173 million when compared to the fourth quarter of 2015. The variation is, mainly, the result of a R\$173 million increase in the average spread due to an improved management in investment resources and funding operations.

In the comparison between the first quarter of 2016 and the same period of the previous year, there was an increase of 12.1% or R\$1,244 million. The variation is the result of: (i) an increase in the average spread, amounting to R\$1,143 million, due to an improved management in investment resources and funding operations; and (ii) a R\$101 million increase in the volume of operations.

Net Earning Portion of Credit Intermediation

The graph beside presents a summary of Credit Intermediation activity. The Gross Margin line refers to interest income from loans, deducted from the client acquisition costs.

The curve relating to the ALL shows delinquency costs, which are represented by Allowance for Loan Losses (ALL) Expenses, plus discounts granted in transactions net of loan recoveries, arising from the sale of foreclosed assets, among others.

In the first quarter of 2016, the curve related to the net margin, which presents the result of the net revenue from credit interest of ALL, had a decrease

(1) Without effect of the levelling of provisioning from a specific corporate client; and

(2) If we ignore the effect of the levelling of provisioning from a specific corporate client, net margin, in the first quarter of 2016 would be R\$6,874 million.

of 15.2% in the quarterly comparison, and 9.4% in the comparison between the first quarter of 2016 and the same period of the previous year, primarily due to the higher delinquency rate in the period, mainly due to: (i) the levelling of provisioning for corporate client operations, particularly a specific client, whose rating worsening had an impact of R\$836 million; and (ii) the downturn in economic activities.

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Interest Earning Portion of Credit Intermediation

Expanded Loan Portfolio ⁽¹⁾

In March 2016, the expanded loan portfolio of Bradesco stood at R\$463.2 billion, representing a 2.3% decrease compared to December 2015, partially impacted, by the exchange variation in the quarter. Micro, Small and Medium Sized Enterprises and Corporate segment presented a reduction of 6.5% and 1.7%, respectively, while Individuals remained stable during the period.

R\$ million	Mar16	Dec15	Mar15	Variation % Quarter	12M
Customer Profile					
Individuals	147,759	147,749	142,051	-	4.0
Companies	315,449	326,278	321,254	(3.3)	(1.8)
Corporations	212,237	215,892	206,338	(1.7)	2.9
SMEs	103,212	110,386	114,916	(6.5)	(10.2)
Total Loan Operations	463,208	474,027	463,305	(2.3)	-

(1) In addition to Bacen loan portfolio, it includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation (receivables-backed investment funds, mortgage-backed receivables, and farm loans).

Expanded Loan Portfolio Breakdown by Product and Type of Client (Individuals and Corporate)

A breakdown of expanded loan portfolio products for the Individuals segment is presented below:

R\$ million	Mar16	Dec15	Mar15	Variation % Quarter	12M
Individuals					
Payroll-deductible Loan	35,503	34,565	31,497	2.7	12.7
Credit Card	27,566	28,592	24,586	(3.6)	12.1
Real Estate Financing	23,839	22,781	18,778	4.6	27.0
CDC / Vehicle Leasing	20,654	21,689	23,953	(4.8)	(13.8)
Personal Loans	15,219	15,201	15,882	0.1	(4.2)
Rural Loans	8,045	8,215	10,121	(2.1)	(20.5)
BNDES/Finame Onlending	6,992	7,029	7,324	(0.5)	(4.5)
Overdraft Facilities	4,409	3,905	4,149	12.9	6.3

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Sureties and Guarantees	620	707	557	(12.3)	11.3
Other	4,913	5,065	5,204	(3.0)	(5.6)
Total	147,759	147,749	142,051	-	4.0

Individuals segment operations remained stable in the quarter and experienced a growth of 4.0% over the last 12 months. The lines highlighted in the quarter were: (i) real estate financing; (ii) payroll-deductible loan; and (iii) banking overdraft. In the last 12 months, the lines that presented significant growth were: (i) real estate financing; and (ii) payroll-deductible loan.

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Interest Earning Portion of Credit Intermediation

A breakdown of expanded loan portfolio products for the Corporate segment is presented below:

R\$ million	Mar16	Dec15	Mar15	Variation % Quarter	12M
Companies					
Operations Abroad	41,712	48,453	42,139	(13.9)	(1.0)
Working Capital	40,052	42,432	43,277	(5.6)	(7.5)
BNDES/Finame Onlending	28,719	31,129	33,592	(7.7)	(14.5)
Real Estate Financing	26,630	26,508	24,300	0.5	9.6
Export Financing	23,455	23,158	16,841	1.3	39.3
Overdraft Account	9,901	9,794	11,257	1.1	(12.0)
CDC / Leasing	8,623	9,666	11,789	(10.8)	(26.9)
Rural Loans	5,309	5,404	6,451	(1.8)	(17.7)
Sureties and Guarantees	68,800	69,176	73,006	(0.5)	(5.8)
Operations bearing Credit Risk - Commercial Portfolio ⁽¹⁾	37,617	34,319	33,913	9.6	10.9
Other	24,632	26,238	24,689	(6.1)	(0.2)
Total	315,449	326,278	321,254	(3.3)	(1.8)

(1) Includes debentures and promissory note operations.

Corporate segment operations decreased by 3.3% in the quarter and 1.8% in the last 12 months. In the quarter as well as in the last 12 months, the operations that showed significant growth were: (i) export financing; and (ii) operations with credit risk – commercial portfolio (debentures and promissory notes).

Expanded Loan Portfolio – Consumer Financing⁽¹⁾

The graph below shows the types of credit related to Consumer Financing of the Individuals segment, which stood at R\$98.9 billion in March 2016, representing a 1.1% decrease over the quarter and a 3.2% increase over the last 12 months.

The lines highlighted in March 2016 are: (i) personal loans, including payroll-deductible loans, totaling R\$50.7 billion; and (ii) credit card, totaling R\$27.6 billion. Together, these operations totaled R\$78.3 billion, accounting for 79.1% of the Consumer Financing balance.

(1) Includes vehicle CDC/Leasing, personal loans, revolving credit card and cash, and installment purchases at merchants operations.

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Interest Earning Portion of Credit Intermediation

Payroll-deductible Loans

In March 2016, payroll-deductible loans operations totaled R\$35,503 million, presenting an increase in the quarter-over-quarter comparative of R\$938 million, or 2.7%, and in comparison to the same period in the previous year an increase in the amount of R\$4,006 million, or 12.7%. The operations with the payroll-deductible loans represented, in March 2016, 70.0% of total personal loans operations.

Real State Financing

In the first quarter of 2016, the origination of real estate financing registered R\$3,031 million (R\$1,747 million by individuals and R\$1,284 million by builders), representing 13,155 properties.

Real state financing operations totaled R\$50,469 million in March 2016. The Individuals portfolio increased R\$1,058 million, or 4.6%, in the quarter, and R\$5,061 million, or 27.0%, in comparison with the same period of the previous year. Corporate operations increased R\$122 million, or 0.5%, in the quarter, and R\$2,330 million, or 9.6%, in comparison with the same period of the previous year.

Vehicle financing

The variations presented in the portfolio are the reflection of a reduced financing market and of

Bradesco's search for lower risk and more profitable operations, due to the demand for higher value of entry for these financing operations.

In March 2016, vehicle financing operations totaled R\$35,226 million, presenting a decrease both in the quarter-over-quarter comparison as well as in comparison with the same period of the previous year. Of the total vehicle portfolio, 75.3% corresponds to "CDC", 22.2% to "Finame", and 2.5% to "Leasing".

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Interest Earning Portion of Credit Intermediation

Expanded Loan Portfolio Concentration – By Sector

The expanded loan portfolio by economic activity sector remained stable in the share of the sectors that it comprises. In the quarter-over-quarter comparison, there is an increase in the participation of "Individuals" and "Services". In the last 12 months, the "Individuals" and "Public Sector" segments recorded the highest growth.

R\$ million	Mar16	%	Dec15	%	Mar15	%
Activity Sector						
Public Sector	13,130	2.8	12,806	2.7	8,749	1.9
Private Sector	450,078	97.2	461,221	97.3	454,556	98.1
Companies	302,319	65.3	313,472	66.1	312,505	67.5
Industry	93,194	20.1	98,916	20.9	94,438	20.4
Commerce	51,984	11.2	54,156	11.4	57,139	12.3
Financial Intermediaries	6,756	1.5	7,562	1.6	6,931	1.5
Services	147,075	31.8	149,403	31.5	150,114	32.4
Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration	3,310	0.7	3,435	0.7	3,883	0.8
Individuals	147,759	31.9	147,749	31.2	142,051	30.7
Total	463,208	100.0	474,027	100.0	463,305	100.0

Expanded Credit Portfolio – Distribution per Business Segment

In relation to the growth of the credit portfolio expanded per "Business Segment", we highlight the evolution of "Corporate" and "Prime" in the last 12 months. In the quarter, the highlight was the "Prime" segment.

R\$ million	Mar16	%	Dec15	%	Mar15	%	Variation % Quarter 12M
Business Segments							
Retail	127,893	27.6	130,268	27.5	128,409	27.7	(1.8) (0.4)
Corporate	213,677	46.1	217,298	45.8	207,340	44.7	(1.7) 3.1
Middle Market	45,399	9.8	48,855	10.3	50,409	10.9	(7.1) (9.9)
Prime	24,212	5.2	23,893	5.0	22,170	4.8	1.3 9.2
Other / Non-account Holders ⁽¹⁾	52,026	11.2	53,714	11.3	54,976	11.9	(3.1) (5.4)
Total	463,208	100.0	474,027	100.0	463,305	100.0	(2.3) -

(1) It consists, mostly, of non-account holders, originating from the financing activities of vehicles, credit cards and payroll-deductible loans.

Expanded Credit Portfolio – Per Currency

The balance of loans and indexed on-lending and/or denominated in foreign currency (excluding ACCs) totaled R\$47.5 billion in March 2016, presenting a 14.3% decrease in the quarter, reflecting the devaluation of the dollar of 8.9%; and the 2.1% increase in the last 12 months.

In March 2016, the total of credit operations in reais reached R\$415.7 billion, representing a 0.7% decrease in the quarter-over-quarter comparison and a 0.2% increase in the last 12 months.

Disregarding the effect of the devaluation of the dollar, the expanded portfolio would have presented a 1.3% decrease in the quarter and 1.0% in the last 12 months.

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Interest Earning Portion of Credit Intermediation

Changes to the Expanded Loan Portfolio

New borrowers in the expanded loan portfolio were responsible for the R\$22.6 billion growth in the loan portfolio over the last 12 months, and accounted for 4.9% of the portfolio in March 2016.

(1) Includes new loans contracted in the last 12 months by clients since March 2015.

Changes in the Expanded Loan Portfolio – By Rating

The chart below shows that the vast majority of new borrowers and clients that have remained in the loan portfolio since March 2015 received ratings between AA and C, demonstrating the adequacy and consistency of the loan policy and processes (assignment and monitoring), as well as the quality of guarantees.

Rating						
AA - C	424,896	91.7	21,405	94.6	403,491	91.6
D	10,280	2.2	302	1.4	9,978	2.3
E - H	28,032	6.1	910	4.0	27,122	6.1
Total	463,208	100.0	22,617	100.0	440,591	100.0

Expanded Loan Portfolio – By Client Profile and Rating (%)

Although a decrease was registered in comparison to the previous years, the range represented by credits classified between AA and C remained in comfortable levels.

Corporations	95.7	1.5	2.8	96.5	2.0	1.5	97.5	0.7	1.7
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SMEs	86.1	3.9	10.0	87.4	3.6	9.0	89.7	3.1	7.3
Individuals	90.0	2.0	8.0	90.0	1.9	8.1	91.1	1.7	7.2
Total	91.7	2.2	6.1	92.4	2.3	5.3	93.6	1.6	4.8

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Interest Earning Portion of Credit Intermediation

Expanded Loan Portfolio – By Debtor

The range of the hundred main debtors was more concentrated both in the last quarter and in the last 12 months, although the high quality of credit of these clients should be highlighted.

Loan Portfolio⁽¹⁾ – By Type

All operations bearing credit risk reached R\$495.1 billion, an increase of 0.6% in the last 12 months and a 2.9% decrease in the quarter.

R\$ million	Mar16	Dec15	Mar15	Variation % Quarter	12M
Loans and Discounted Securities Financing	171,475	179,044	171,516	(4.2)	-
Rural and Agribusiness Financing	125,614	130,894	125,197	(4.0)	0.3
Leasing Operations	2,742	20,844	23,750	(1.2)	(13.3)
Advances on Exchange Contracts	2,742	3,073	4,015	(10.8)	(31.7)
Other Loans	9,087	7,647	7,036	18.8	29.2
Subtotal Loan Operations ⁽²⁾	24,220	25,493	20,909	(5.0)	15.8
Sureties and Guarantees Granted (Memorandum Accounts)	353,723	366,995	352,424	(3.6)	0.4
Operations bearing Credit Risk - Commercial Portfolio ⁽³⁾	69,420	69,883	73,563	(0.7)	(5.6)
Letters of Credit (Memorandum Accounts)	37,617	34,319	33,913	9.6	10.9
Advances from Credit Card Receivables	179	286	502	(37.4)	(64.3)
Co-obligation in Loan Assignment CRI (Memorandum Accounts)	1,046	1,293	1,493	(19.1)	(29.9)
Co-obligation in Rural Loan Assignment (Memorandum Accounts)	1,128	1,160	1,308	(2.8)	(13.8)
Subtotal of Operations bearing Credit Risk - Expanded Portfolio	93	91	102	2.2	(8.8)
Other Operations Bearing Credit Risk ⁽⁴⁾	463,208	474,027	463,305	(2.3)	-
Total Operations bearing Credit Risk	31,901	36,083	29,067	(11.6)	9.7
	495,108	510,109	492,372	(2.9)	0.6

(1) In addition to the Expanded Portfolio, it includes other operations bearing credit risk;

(2) As defined by Bacen;

(3) Includes debentures and promissory note operations; and

(4) Includes CDI operations, rural DI, international treasury, swap, non-deliverable forward transaction and investments in FIDC, Certificate of Agribusiness Credit Rights (CDCA) and Certificates of Real Estate Receivables (CRI).

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Interest Earning Portion of Credit Intermediation

The charts below refer to the Loan Portfolio, as defined by Bacen.

Loan Portfolio⁽¹⁾ – By Flow of Maturities⁽²⁾

The loan portfolio by flow of maturities of operations has, as one of its features, a longer profile, mainly due to the representativeness of real estate financing and payroll-deductible loans operations. It must be noted that, due to their guarantees and characteristics, these operations are not only exposed to lower risk, but they also provide favorable conditions to gain client loyalty.

Loan Portfolio⁽¹⁾ – Delinquency

Delinquency over 90 days ⁽²⁾

As predicted, the delinquency ratio, comprising the balance of operations delayed for more than 90 days, showed an increase in the quarter, due to: (i) the continued unfavorable economic environment, with impact on the quality of the credit portfolio, mainly in, Micro, Small and Medium Sized Enterprises; and (ii) the decrease in loan portfolio in the first quarter of 2016, including in Micro, Small and Medium Sized Enterprises.

Delinquency between 15 and 90 days

In the quarter, short-term delinquency, including operations overdue by between 15 and 90 days, presented an increase, impacted, partially, by: (i) seasonal issues at the beginning of each year; and (ii) and the individual cases both in “Small and

Medium Sized Enterprises”, and in “Large Enterprises”, besides the effect of reduction of the credit portfolio in the period.

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Interest Earning Portion of Credit Intermediation

Allowance for Loan Losses (ALL) vs. Delinquency vs. Losses⁽¹⁾

Composition of the Provision

Bradesco monitors the development of its loan portfolio, as well as respective risks, by internally applying the expanded portfolio concept. In addition to the allowance for loan losses required by Bacen, Bradesco has excess ALL to support potential stress scenarios, as well as other operations/commitments bearing credit risks.

Allowance for Loan Losses totaled R\$30.5 billion in March 2016, representing 8.6% of the total loan portfolio, comprising: (i) generic provision (client and/or operation rating), mainly, due to the levelling of provisioning of a specific corporate client, in the amount of R\$836 million; (ii) specific provision (non-performing loans); and (iii) excess provision (internal criteria, including provision for guarantees provided).

Provisioning levels are deemed appropriate and sufficient to support possible changes in scenarios, such as higher delinquency levels and/or changes in the loan portfolio profile.

Net Loss of Recovery

The assertiveness of the provisioning criteria adopted must be mentioned, which is proven by: (i) analyzing historical data on recorded allowances for loan losses; and (ii) effective losses in the subsequent 12-month period. When analyzed in

terms of net loss of recovery, for an existing provision of 6.7% of the portfolio⁽¹⁾ in March 2015, the net loss in the subsequent 12 months was 3.3%, representing an effective coverage of 203.0%.

It should be highlighted that, considering the losses expected for one year (dotted part), which has a high correlation with the operations of abnormal course of the E-H ratings, there is an effective coverage of 220.5% for March 2016, which is an index of good comparability of surplus provisions, because it eliminates the effect of any sales of portfolios.

(1) As defined by Bacen; and

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of “excess” ALL. In the third quarter of 2015, includes the ALL Surplus/Deficit Rating, considered as an extraordinary event, totaling R\$3,704 million. Thus, the balance of the ALL – Surplus provision went from R\$4,004 million in June 2015 to R\$6,409 million in September 2015.

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Interest Earning Portion of Credit Intermediation

Coverage Ratio

The graph below presents the behavior of the ratios to cover the provision for doubtful accounts in relation to the default credits exceeding 60 and 90 days. In March 2016, these ratios have presented very comfortable levels, reaching a 162.9% and a 204.2% coverage, respectively.

Bradesco monitors its credit portfolio, as well as its respective risk, using the concept of expanded portfolio. Besides the provision for doubtful accounts required by Bacen, Bradesco has a surplus provision of R\$6.4 billion, to cover eventual situations of stress, as well as other operations/commitments with credit risk.

Loan Portfolio – Portfolio Indicators

With a view to facilitate the monitoring of the quantitative and qualitative performance of Bradesco's loan portfolio, a comparative summary of the main figures and indicators is presented below:

R\$ million (except %)	Mar16	Dec15	Mar15
Total Loan Operations ⁽¹⁾	353,723	366,995	352,424
- Individuals	146,658	146,540	140,859
- Companies	207,065	220,454	211,565
Total Provision ⁽²⁾	30,497	29,499	23,618
- Specific	14,365	14,274	12,325
- Generic	9,725	8,815	7,285
- Excess ⁽²⁾	6,407	6,410	4,008
Specific Provision / Total Provision (2) (%)	47.1	48.4	52.2
Total Provision (2) / Loan Operations (%)	8.6	8.0	6.7
AA - C Rated Loan Operations / Loan Operations (%)	90.0	90.6	92.1
D Rated Operations under Risk Management / Loan Operations (%)	2.4	2.7	1.9
E - H Rated Loan Operations / Loan Operations (%)	7.6	6.6	6.1
D Rated Loan Operations	8,587	10,027	6,655
Provision for D-rated Operations	2,311	2,432	1,872
D Rated Provision / Loan Operations (%)	26.9	24.3	28.1
D - H Rated Non-Performing Loans	21,495	20,775	17,926
Total Provision (2) / D-to-H-rated Non-performing Loans (%)	141.9	142.0	131.7
E - H Rated Loan Operations	26,842	24,383	21,356

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Provision for E-to-H-rated Loan Operations	22,928	21,327	17,965
E - H Rated Provision / Loan Operations (%)	85.4	87.5	84.1
E - H Rated Non-Performing Loans	17,217	17,224	14,703
Total Provision (2) / E-to-H-rated Non-performing Loans (%)	177.1	171.3	160.6

(1) As defined by Bacen; and

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of "excess" ALL.

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Economic and Financial Analysis

Interest Earning Portion of Credit Intermediation

Loans vs. Funding

To analyze Loan Operations in relation to Funding, the following should be deducted from total client funding: (i) the amount committed to reserve requirements at Bacen, (ii) the amount of available funds held at customer service network, as well as, add (iii) funds from domestic and foreign lines of credit that finance the demand for loans.

Note that the use of funds provides a comfortable margin. It proves that Bradesco is capable of meeting demand for loaning funds through its own funding.

Bradesco presents low dependency on interbank deposits and foreign lines of credit, given its capacity to effectively obtain funding from clients. This is a result of: (i) the outstanding location of its Service Points; (ii) the broad diversity of products offered; and (iii) the market's confidence in the Bradesco brand.

R\$ million	Mar16	Dec15	Mar15	Variation % Quarter	12M
Funding vs. Investments					
Demand Deposits + Sundry Floating	27,716	24,421	36,794	13.5	(24.3)
Savings Deposits	88,261	91,879	91,741	(3.9)	(3.1)
Time Deposits + Debentures ⁽¹⁾	163,228	158,662	155,834	2.9	4.1
Funds from Financial Bills ⁽²⁾	103,696	100,070	80,171	3.6	29.3
Customer Funds	382,901	375,032	364,540	2.1	5.6
(-) Reserve Requirements	(49,921)	(54,792)	(46,889)	(8.9)	(6.1)
(-) Available Funds	(8,116)	(9,372)	(10,549)	(13.4)	(23.1)
Customer Funds Net of Reserve Requirements	324,864	310,868	307,102	4.5	5.6
Onlending	39,228	42,101	42,605	(6.8)	(7.1)
Securities Abroad	8,921	9,477	8,076	(5.9)	(10.1)
Borrowing	23,621	28,237	19,764	(16.3)	(19.1)
Other (Subordinated Debt + Other Borrowers - Cards)	68,667	69,736	54,712	(1.5)	(29.1)
Total Funding (A)	465,301	460,419	432,259	1.1	7.1
Expanded Loan Portfolio (Excluding Sureties and Guarantees) (B)	393,788	404,144	389,742	(2.6)	1.1
B/A (%)	84.6	87.8	90.2	(3.2) p.p.	(5.6) p.p.

(1) Debentures mainly used to back repos; and

(2) Includes: Collateral Mortgage Notes, Mortgage Bonds, Letters of Credit for Agribusiness, Financial Bills and Structured Operations Certificate.

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Economic and Financial Analysis

Interest Earning Portion of Credit Intermediation

Main Funding Sources

The following table presents the changes in these sources:

R\$ million	Mar16	Dec15	Mar15	Variation		12M	
				Quarter Amount	%	Amount	%
Demand Deposits	22,590	23,820	30,230	(1,230)	(5.2)	(7,640)	(25.3)
Savings Deposits	88,261	91,879	91,741	(3,618)	(3.9)	(3,480)	(3.8)
Time Deposits	77,754	79,595	89,276	(1,841)	(2.3)	(11,522)	(12.9)
Debentures ⁽¹⁾	85,474	79,067	66,558	6,407	8.1	18,916	28.4
Borrowing and Onlending	62,849	70,338	62,370	(7,489)	(10.6)	479	0.8
Funds from Issuance of Securities ⁽²⁾	112,617	109,547	88,247	3,070	2.8	24,370	27.6
Subordinated Debts	50,184	50,283	37,990	(99)	(0.2)	12,194	32.1
Total	499,729	504,529	466,412	(4,800)	(1.0)	33,317	7.1

(1) Considering mostly debentures used to back repos; and

(2) Includes: Financial Bills, in March 2016, totaling R\$72,612 million (R\$71,692 million in December 2015 and R\$55,146 million in March 2015).

Demand deposits

The reductions of R\$1,230 million, or 5.2%, in the first quarter of 2016 in comparison with the previous quarter, and of R\$7,640 million, or 25.3%, in comparison with the first quarter of the previous year, were mostly due to new business opportunities offered to clients, because of interest rate fluctuations in that period.

Savings Deposits

Savings deposits totaled R\$88,261 million in March 2016, showing a decrease of R\$3,618 million or 3.9% in comparison with the previous quarter and

R\$3,480 million or 3.8% in comparison with the same period of the previous year, mainly due to new business opportunities offered to clients, in virtue of the oscillations of interest rates occurring in the period.

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Economic and Financial Analysis

Interest Earning Portion of Credit Intermediation

Time Deposits

At the end of the first quarter of 2016, the balance of time deposits totaled R\$77,754 million, registering decreases both in the quarter-over-quarter comparison, of R\$1,841 million or 2.3%, and in comparison with the same period of the previous year, of R\$11,522 million or 12.9%.

This performance was primarily due to the oscillations of the interest rates occurring in the period and to the new investment alternatives available to clients.

Debentures

In March 2016, Bradesco's debentures balance totaled R\$85,474 million, registering an increase both in the quarter-over-quarter comparison, of R\$6,407 million, or 8.1%, and in comparison with the same period in the previous year of R\$18,916 million, or 28.4%.

Such variations refer mainly to the placement of these financial instruments, which are also used as ballast in committed transactions.

Borrowing and On-lending

In March 2016, balance of on-lending registered R\$62,849 million, a decrease of R\$7,489 million, or 10.6%, in comparison with the previous quarter, mainly due to (i) the decrease of R\$4,979 million in the obligations for loans and denominated and/or indexed on-lending in foreign currency; and (ii) the decrease in the volume of funding raised by borrowings and on-lending in the country, mainly through Finame operations and BNDES.

In the comparison between March 2016 and the same period of the previous year, the balance of borrowings and on-lending recorded an increase of R\$479 million, or 0.8%, essentially due to: (i) the increase of R\$5,727 million in borrowings and on-lending denominated and/or indexed in foreign currency, whose balance changed from R\$21,413 million in March 2015 to R\$27,140 million in March 2016, primarily due to the positive exchange rate variation of 10.9% in the period; offset by: (ii) the reduction of R\$5,248 million, or 12.8%, in the volume of resources captured by borrowings and on-lending in the country, mainly in the form of Finame operations.

Economic and Financial Analysis

Interest Earning Portion of Credit Intermediation

Funds from Issuance of Securities

Funds from Issuance of Securities totaled R\$112,617 million, presenting an increase of R\$3,070 million, or 2.8%, over the previous quarter, primarily due to the increase in the balance of: (i) Letters of Credit for Agribusiness operations, totaling R\$1,757 million; (ii) in Real Estate Loan Letters operations, totaling R\$956 million; and (iii) in Financial Bills, totaling R\$920 million.

In the comparison between March 2016 and the same period of the previous year, the increase of R\$24,370 million, or 27.6%, was mainly due to: (i) the increased inventory of Financial Bills, from R\$55,146 million in March 2015 to R\$72,612 million in March 2016, primarily due to the new issuances in the period; and (ii) the higher volume of Mortgage Bonds, in the amount of R\$6,879 million.

Subordinated Debt

Subordinated Debt totaled R\$50,184 million in March 2016 (R\$12,315 million abroad and R\$37,869 million in Brazil), presenting a decrease in the quarter-over-quarter comparison, of R\$99 million, or 0.2%. In comparison with the same period of the previous year, it presented an increase of R\$12,194 million, or 32.1%, mainly due to the issue of new subordinated debts in the

periods.

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Economic and Financial Analysis

Interest Earning Portion of Securities/Other

Earning Portion of Securities/Other – Breakdown

R\$ million	1Q16	4Q15	1Q15	Variation Quarter	12M
Securities/Other Margin - Interest Earning Operations					
Interest - due to volume				23	58
Interest - due to spread				206	104
NII - Interest Earning Portion	1,773	1,544	1,611	229	162

In the comparison between the first quarter of 2016 and the previous quarter, there was an increase of R\$229 million in the interest earning portion of “Securities/Other”, which includes the assets and liabilities management (ALM). The change observed was primarily due to: (i) an increase in the average spread, benefitted by the positions in the pre-fixed portfolios, in the amount of R\$206 million; and (ii) an increase in the volume of operations, in the amount of R\$23 million.

In the comparison between the first quarter of 2016 and same period of the previous year, the interest earning portion of “Securities/Other”, recorded an increase of R\$162 million. This result was due to: (i) an increase of R\$104 million in the average spread; and (ii) an increase in the volume of operations, resulting in R\$58 million.

Interest Earning Portion of Insurance

Earning Portion of Insurance – Breakdown

R\$ million	1Q16	4Q15	1Q15	Variation Quarter	12M
Insurance Margin - Interest Earning Operations					
Interest - due to volume				19	69
Interest - due to spread				(67)	(14)
NII - Interest Earning Portion	1,475	1,523	1,420	(48)	55

Comparing the first quarter of 2016 with the previous quarter, the interest earning portion of insurance operations recorded a R\$48 million decrease, or 3.2%, which was due to: (i) an R\$67

In the comparison between the first quarter of 2016 and the same period of the previous year, the interest earning portion presented an increase of 3.9%, or R\$55 million, due to: (i) a greater volume

million decrease in the average spread; offset by: of operations, in the amount of R\$69 million; offset
(ii) an increase in the volume of operations, totaling by: (ii) the decrease of the average spread, in the
R\$19 million. amount of R\$14 million.

Non-Interest Earning Portion

Non-Interest Earning Portion – Breakdown

R\$ million	1Q16	4Q15	1Q15	Variation Quarter	12M
NII - Non-Interest Earning Portion	158	132	326	26	(168)

Non-interest earning portion stood at R\$158 million in the first quarter of 2016, showing a R\$26 million increase, due to higher gains with arbitration of markets. In the comparison between the first quarter of 2016 and the same period of the previous year, there was a decrease of R\$168 million in the non-interest earning portion.

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Economic and Financial Analysis**Insurance, Pension Plans and Capitalization Bonds**

Below is the analysis of the Statement of Financial Position and Income Statement of Grupo Bradesco Seguros:

Consolidated Statement of Financial Position

R\$ million

	Mar16	Dec15	Mar15	Mar16 x Dec15	Mar16 x Mar15
Assets					
Current and Long-Term Assets	212,967	205,167	182,053	3.8	17.0
Securities	200,016	191,921	170,395	4.2	17.4
Insurance Premiums Receivable	3,227	3,329	2,991	(3.1)	7.9
Other Loans	9,724	9,917	8,667	(1.9)	12.2
Permanent Assets	4,629	5,040	4,900	(8.2)	(5.5)
Total	217,595	210,207	186,953	3.5	16.4
Liabilities					
Current and Long-Term Liabilities	194,090	188,740	165,185	2.8	17.5
Tax, Civil and Labor Contingencies	3,116	3,019	2,596	3.2	20.0
Payables on Insurance, Pension Plan and Capitalization Bond Operations	523	533	536	(1.9)	(2.4)
Other Reserve Requirements	7,478	7,352	4,758	1.7	57.2
Insurance Technical Reserves	13,574	13,341	13,052	1.7	4.0
Life and Pension Plan Technical Reserves	162,579	157,600	137,322	3.2	18.4
Capitalization Bond Technical Reserves	6,820	6,893	6,921	(1.1)	(1.5)
Non-controlling Interest	671	631	631	6.3	6.3
Shareholder's Equity ⁽¹⁾	22,834	20,837	21,137	9.6	8.0
Total	217,595	210,207	186,953	3.5	16.4

(1) Considering the shareholders' equity of Bradesco Seguros S.A, which controls the operating companies (insurance, pension plans and capitalization bonds), it would amount to R\$14,335 million in March 2016.

Consolidated Income Statement

R\$ million

1Q16 4Q15 1Q15

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Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	15,186	19,130	13,634
Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond	9,319	9,396	8,421
Financial Result from the Operation	1,441	1,463	1,381
Sundry Operating Income	287	364	158
Retained Claims	(5,614)	(5,784)	(5,078)
Capitalization Bond Draws and Redemptions	(1,226)	(1,255)	(1,218)
Selling Expenses	(833)	(815)	(817)
General and Administrative Expenses	(645)	(781)	(553)
Tax Expenses	(198)	(195)	(173)
Other Operating Income/Expenses	(274)	(194)	(171)
Operating Result	2,256	2,197	1,950
Equity Result	183	233	134
Income before Taxes and Profit Sharing	2,439	2,431	2,084
Income Tax and Contributions	(991)	(977)	(739)
Profit Sharing	(30)	(19)	(26)
Non-controlling Interest	(39)	(29)	(36)
Net Income	1,380	1,405	1,283

Note: For comparison purposes, the non-recurring events' effects are not considered.

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Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Income Distribution of Grupo Bradesco Seguros e Previdência

R\$ million	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14
Life and Pension Plans	725	727	738	785	762	693	588	698
Health	208	247	139	116	182	201	168	184
Capitalization Bonds	133	125	122	145	152	120	74	119
Basic Lines and Other	313	307	318	238	187	222	228	71
Total	1,380	1,405	1,317	1,284	1,283	1,236	1,058	1,072

Performance Ratios

%	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14
Claims Ratio ⁽¹⁾	72.1	71.9	73.1	71.4	71.7	70.9	72.7	70.2
Expense Ratio ⁽²⁾	9.9	10.4	10.4	10.7	10.4	10.6	10.5	11.2
Administrative Expenses Ratio ⁽³⁾	4.2	4.1	4.3	4.0	4.1	4.0	4.6	4.0
Combined Ratio ^{(4) (5)}	86.1	86.5	86.9	86.5	86.8	85.9	86.5	86.3

(1) Retained Claims/Earned Premiums;

(2) Sales Expenses/Earned Premiums;

(3) Administrative Expenses/Net Written Premiums;

(4) (Retained Claims + Sales Expenses + Other Operating Income and Expenses) / Earned Premiums + (Administrative Expenses + Taxes) / Net Written Premiums; and

(5) Excludes additional reserves.

Note: For comparison purposes, the non-recurring events' effects are not considered.

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

Due to the concentration of private pension contributions, which occurred historically in the last quarter of the year, the revenue of the first quarter of 2016 did not demonstrate the same performance, when compared with the fourth quarter of 2015.

In comparison with the same period of the previous year, the turnover presented a growth of 11.4%, influenced by the "Life and Pension" and "Health" products, which presented growths of 13.6% and 16.8%, respectively.

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Insurance, Pension Plans and Capitalization Bonds

Claims Ratio Indexes per Industry

Indexes of Commercialization of Insurance per Industry

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Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Efficiency Ratio

General and Administrative Expenses / Billing.

The efficiency ratio of the first quarter of 2016 was in line with that presented both in the fourth quarter of 2015, as in the same period of the previous year, even with the seasonality of billing that occurs in the last quarter of every year and to the collective agreement of the category, which occurred in January 2016.

Technical Reserves

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Economic and Financial Analysis

Bradesco Vida e Previdência

	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14
Net Income	725	727	738	785	762	693	693
Premium and Contribution Income ⁽¹⁾	7,175	11,153	7,112	9,183	6,318	10,644	5,786
- Income from Pension Plans and VGBL	5,786	9,744	5,739	7,921	5,081	9,371	4,812
- Income from Life/Personal Accidents Insurance Premiums	1,389	1,409	1,373	1,262	1,237	1,273	1,000
Technical Reserves	162,579	157,600	148,321	144,337	137,322	133,857	126,857
Investment Portfolio	168,992	162,686	155,526	152,035	144,426	140,704	132,857
Claims Ratio	31.2	38.9	35.8	34.4	35.3	35.0	35.0
Expense Ratio	17.3	17.6	18.7	17.0	18.6	18.7	18.7
Combined Ratio	56.1	63.6	61.5	59.7	61.1	61.8	61.8
Participants / Policyholders (in thousands)	33,070	31,985	30,349	29,660	29,306	28,207	27,800
Premium and Contribution Income Market Share (%) ⁽²⁾	27.1	28.8	26.9	27.2	23.9	28.4	28.4
Life/AP Market Share - Insurance Premiums (%) ⁽²⁾	18.7	17.7	17.6	17.2	17.7	17.3	17.3

(1) Life/VGBL/PGBL/Traditional; and

(2) The first quarter of 2016 includes the latest data released by SUSEP (February/16).

Note: For comparison purposes, the non-recurring events' effects are not considered.

The billing, which for the segment, is concentrated, historically, in the last quarter of the year, did not have the same performance in comparison with the fourth quarter of 2015. Net income for the first quarter of 2016 remained in line with that presented in the previous quarter, due to: (i) a decrease in the financial income; partially offset by: (ii) a decrease of 7.7 p.p. in the claims ratio; and (iii) a decrease of 0.3 p.p. in the commercialization index.

The revenue for the first quarter of 2016 showed a growth of 13.6% in comparison with the same period of the previous year. Net income for the first quarter of 2016 was 4.9% lower than the results calculated in the same period in the previous year, influenced by the increase of the aliquot of the Social Contribution (CSLL), that affected the quarter results; partially offset by: (i) a decrease of 4.1 p.p. in the claims ratio and (ii) a decrease of 1.3 p.p. in the commercialization index.

In March 2016, technical reserves for Bradesco Vida e Previdência stood at R\$162.6 billion, made up of R\$154.7 billion from "Pension Plans and VGBL" and R\$7.9 billion from "Life, Personal Accidents and Other Lines", resulting in an increase of 3.2% over December 2015.

The Pension Plan and VGBL Investment Portfolio accounted for 29.6% of market funds in February 2016 (source: Fenaprevi).

Growth of Participants and Life and Personal Accident Policyholders

In March 2016, the number of Bradesco Vida e Previdência clients exceeded 2.3 million pension plan and VGBL participants, and 30.0 million life and personal accident policyholders. This significant growth was fueled by the strength of the Bradesco brand and the improvement in selling and management policies.

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Economic and Financial Analysis

Bradesco Saúde and Mediservice

R\$ million (unless otherwise stated)	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14
Net Income	208	247	139	116	182	201	168	184
Net Written Premiums	4,909	4,864	4,621	4,376	4,186	4,078	3,851	3,509
Technical Reserves	7,031	6,848	6,806	6,785	6,665	6,453	6,226	6,149
Claims Ratio	87.5	85.7	89.9	89.7	88.5	87.7	87.6	86.1
Expense Ratio	5.3	5.2	5.3	5.4	5.3	5.1	4.8	4.6
Combined Ratio	99.6	99.7	102.3	102.9	101.5	99.5	98.1	97.7
Policyholders (in thousands)	4,394	4,444	4,461	4,472	4,478	4,525	4,475	4,360
Written Premiums Market Share (%) ⁽¹⁾	50.9	49.3	49.3	48.6	48.0	46.1	45.8	45.2

(1) The first quarter of 2016 includes the latest data released by ANS (February/16).

Note: For comparison purposes, the non-recurring events' effects are not considered.

Net income for the first quarter of 2016 decreased 15.8% over the results calculated for the previous quarter, mainly due to: (i) an increase of 1.8 p.p. in claims; partially offset by: (ii) an increase of 0.9% in billing; (iii) an improvement in the equity and financial results; and (iv) an improvement in the administrative efficiency ratio, even considering the collective agreement of the category, in January 2016.

Net income for the first quarter of 2016 showed a growth of 14.3% in comparison with the results calculated in the same period of the previous year, mainly due to: (i) the increase of 17.3% in billing; (ii) the decrease of 1.0 p.p. in the claims ratio; (iii) the maintenance of the commercialization index; (iv) the improvement of the equity and financial results; partially offset by: (v) the increase in the aliquot of the Social Contribution (CSLL), that affected the results of the quarter.

In March 2016, Bradesco Saúde and Mediservice maintained a strong market position in the corporate segment (source: ANS).

Approximately 136 thousand companies in Brazil have Bradesco Saúde insurance and Mediservice plans.

Of the 100 largest companies in Brazil in terms of billing, 49 are Bradesco Saúde and Mediservice customers (source: *Exame* magazine –“Melhores e Maiores” ranking, July 2015).

Number of Bradesco Saúde and Mediservice Policyholders

These two companies have a combined total of more than 4.3 million clients. The large share of corporate insurance in this portfolio (96.2% in March 2016) is proof of its high level of specialization and customization in the provision of group plans.

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Economic and Financial Analysis

Bradesco Capitalização

R\$ million (unless otherwise stated)	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14
Net Income	133	125	122	145	152	120	74	119
Capitalization Bond Income	1,343	1,369	1,477	1,323	1,338	1,432	1,416	1,290
Technical Reserves	6,820	6,893	6,985	6,968	6,921	6,708	6,502	6,267
Customers (in thousands)	3,076	3,190	3,287	3,349	3,393	3,433	3,436	3,456
Premium Income Market Share (%) ⁽¹⁾	27.4	25.6	26.4	25.6	27.7	24.4	24.3	23.6

(1) The first quarter of 2016 includes the latest data released by SUSEP (February/16).

Net income for the first quarter of 2016 recorded an increase of 6.4% over the previous quarter, primarily due to: (i) an increase in financial income; and (ii) an improvement in the administrative efficiency ratio.

Net income in the first quarter of 2016 recorded a decrease of 12.5% over the same period in the previous year, primarily due to: (i) the decrease of financial income; (ii) the increase of the aliquot of the Social Contribution (CSLL) that affected the results of the quarter.

Bradesco Capitalização ended the first two months of 2016 in first place among the capitalization bond companies, showing 2.3% of growth in revenue in comparison with 2015, due to its policy of transparency and by adjusting its products based on potential consumer demand, consistent with the market changes.

Concerned with providing products that better fit the most varied profiles and budgets of its clients, Bradesco Capitalização has a product portfolio, which ranges in payment method (lump or monthly), contribution term, periodicity and value of premiums that meet the requirements and expectations of the clients.

Combining a pioneering spirit with a business-minded strategic view, Bradesco Capitalização has launched products onto the market concerned with socio-environmental

Bradesco Capitalização currently has partnerships with the following institutions: (i) Fundação SOS Mata Atlântica (which contributes to the preservation of biological and cultural diversity of the Atlantic Forest, stimulating social and environmental citizenship); (ii) Fundação Amazonas Sustentável (which contributes to the sustainable development, environmental preservation and improvement of the quality of life in communities that benefit from preservation centers in the state of Amazonas); (iii) Instituto Brasileiro de Controle do Câncer (the Brazilian Cancer Control Institute – which contributes to the prevention, early diagnosis and treatment of breast cancer in Brazil); (iv) Tamar Project (created to preserve sea turtles); and (v) Instituto Arara Azul (created to work on the preservation of Blue Macaws in their natural habitat).

causes, in which part of the revenue goes to projects with this purpose. In addition to offering clients the possibility of creating a financial reserve, Capitalization Bonds with the socio-environmental profile seek to raise client's awareness of the importance of this subject and allow them to participate in a noble cause that benefits society.

Bradesco _ _

Economic and Financial Analysis

Bradesco Auto/RE and Atlântica Companhia de Seguros

R\$ million (unless otherwise stated)	1Q16	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14
Net Income	46	52	87	73	42	60	37	38
Net Written Premiums	1,328	1,380	1,548	1,466	1,401	1,319	1,655	1,551
Technical Reserves	5,951	5,955	5,995	5,970	5,910	5,823	5,952	5,689
Claims Ratio	58.4	56.9	56.3	57.3	61.2	62.1	62.8	62.5
Expense Ratio	20.5	20.7	20.8	20.9	19.7	19.5	21.0	21.8
Combined Ratio	106.5	105.1	102.6	103.7	107.3	106.4	105.4	107.6
Policyholders (in thousands)	3,674	3,781	3,762	3,971	4,285	4,480	4,536	3,690
Premium Income Market Share (%) ⁽¹⁾	9.2	9.5	9.7	10.0	9.9	10.1	10.6	10.6

(1) The first quarter of 2016 includes the latest data released by SUSEP (February/16).

Note: (i) we are considering Atlântica Companhia de Seguros as of the first quarter of 2014; and (ii) in August 2015, we transferred the investment in the IRB – Brasil Resseguro S.A. to Bradesco Seguros.

Net profit in the first quarter of 2016 was 11.5% lower than the results presented in the previous quarter, due to: (i) the increase of 1.5 p.p. in the claims ratio; (ii) the decrease in the financial results; partially offset by the: (iii) improvement in the administrative efficiency ratio, even considering the collective agreement of the category, in January 2016.

Net profit in the first quarter of 2016 presented a 9.5% increase in comparison with the same period of the previous year, mainly due to: (i) the decrease of 2.8 p.p. in the claims ratio index; partially offset by: (ii) the decrease in the financial results; and (iii) the increase of the aliquot of the Social Contribution (CSLL), that affected the results of the quarter.

In the Property Insurance field, we maintained the focus on large brokers and clients of the "Corporate" and "Companies" segments, which has provided renewals of the main accounts, either in leadership or through participation in co-insurance.

Aiming to provide a consistently better service, Bradesco Auto/RE celebrated nine years of network activity of automotive centers Bradesco Auto Center (BAC), which offer policyholders access to a varied range of services in a single place. Since 2007 there have been more than 500 thousand assistances, between claims, provision of spare cars, installation of anti-theft equipment, prior inspections performed and preventative maintenance checks and glass repairs.

Number of Policyholders at Auto/RE

Mass insurance targets individuals, self-employed professionals and SMEs.

It must be pointed out that the company continues with a strong strategy for the "home insurance" segment, totaling more than 1.5 million insured homes. Recently, were launched the "*Seguro Residencial Mensal*" (Monthly Home Insurance), a residential product with monthly billing by direct debit in the current account, and "*Bradesco Seguro*

In the "Aeronautical" and "Maritime Hulls" insurance, the interchange with the "Corporate" and "Companies" segments has been heavily used, leveraging the increment of market in the sale of new aircraft, as well as in the "Maritime" segment.

Simpli Empresa", an easily purchased corporate product is intended for commercial establishments and service providers, such as bakeries, *pousadas* (personalized hospitality), schools, academies, cafeterias, and beauty salons, among others.

Despite the strong competition in the field of "Auto/RCF", the insurance company has maintained its fleet of around 1.5 million items, guaranteed by the maintenance of competitiveness. Such a fact originated, mainly, from more refined and segmented pricing. Another important aspect refers to the improvement of current products and the creation of products intended for specific audiences. Among these, we can highlight the launch of the product "*Bradesco Seguro Auto Assistência Total*" (Auto Insurance Total Assistance), exclusively for account holders of Bradesco, which assists with *Assistência Dia e Noite* services (Day and Night assistance services), for vehicle and residence of insured persons.

Economic and Financial Analysis**Fee and Commission Income**

A breakdown of the variation in Fee and Commission Income for the respective periods is presented below:

Fee and Commission Income

Card Income	2,421	2,583	2,208	(162)	(6.3)	213	9.6	37.8
Checking Account	1,364	1,376	1,072	(12)	(0.9)	292	27.2	21.3
Fund Management	674	663	625	11	1.7	49	7.8	10.5
Loan Operations	656	729	635	(73)	(10.0)	21	3.3	10.2
Collection	399	400	387	(1)	(0.2)	12	3.1	6.2
Consortium Management	278	275	244	3	1.1	34	13.9	4.3
Custody and Brokerage Services	150	144	129	6	4.2	21	16.3	2.3
Underwriting / Financial Advisory Services	162	137	149	25	18.2	13	8.7	2.5
Payments	97	97	102	-	-	(5)	(4.9)	1.5
Other	204	193	193	11	5.7	11	5.7	3.2
Total	6,405	6,597	5,744	(192)	(2.9)	661	11.5	100.0
Business Days	61	63	61	(2)	(3.2)	-	-	

Explanations of the main items that influenced the variation in Fee and Commission Income between periods can be found below.

Card Income

Income from card fees totaled R\$2,421 million in the first quarter of 2016, a decrease of R\$162 million, or 6.3% over the previous quarter, basically due to: (i) the seasonality of purchases at the end of the year; and (ii) the lower number of business days in this quarter.

In the comparison between the first quarter of 2016 and the same period of the previous year, the

R\$213 million or 9.6% growth, is primarily due to:
(i) the increase in the financial volume traded; and
(ii) the increased amount of transactions carried out
in the period.

Bradesco _ _

Economic and Financial Analysis

Fee and Commission Income

Checking Account

In the first quarter of 2016, the services revenues from checking accounts presented a slight reduction of 0.9% in comparison with the previous quarter, mainly influenced (i) by the seasonal effect of the fourth quarter of 2015, a period in which there was a substantial increase in the volume of services provided to our account holders; and (ii) by the lower number of business days in this quarter.

In the comparison between the first quarter of 2016 and the same period of the previous year, the income from current account services increased R\$292 million, or 27.2%, mainly due to: (i) the expansion of the portfolio of services rendered, with the adhesion of clients for the new segments “Classic” and “Exclusive”; and (ii) the increase in the volume of business.

Loan Operations

In the first quarter of 2016, revenues from loan operations totaled R\$656 million, which represents a R\$73 million, or 10.0%, decrease over the previous quarter, due to: (i) the lower number of business days in this quarter; and (ii) due to the low demand for credit products in the period.

In the comparison between the first quarter of 2016 and the same period of the previous year, the R\$21 million or 3.3% increase was substantially due to a higher income from collaterals, which increased

10.1% in the period.

Economic and Financial Analysis Report – March 2016

Economic and Financial Analysis

Fee and Commission Income

Fund Management

In the first quarter of 2016, fund management income totaled R\$674 million, presenting an increase of R\$11 million, or 1.7%, compared with the previous quarter, mainly due to the 8.4% increase in the volume of funds raised and managed.

In the comparison between the first quarter of 2016 and the same period of the previous year, the increase of R\$49 million, or 7.8%, was basically due to the increase in the volume of funds raised and managed, which grew 21.1% in the period, highlighted investments in fixed income funds, with a growth of 24.0% in the period.

R\$ million	Mar16	Dec15	Mar15	Variation % Quarter	12M
Shareholders' Equity					
Investment Funds	550,387	506,420	450,815	8.7	22.1
Managed Portfolios	40,400	37,694	34,837	7.2	16.0
Third-Party Fund Quotas	5,653	6,170	6,788	(8.4)	(16.7)
Total	596,440	550,284	492,440	8.4	21.1
R\$ million	Mar16	Dec15	Mar15	Variation % Quarter	12M
Distribution					
Investment Funds – Fixed Income	527,264	485,125	425,218	8.7	24.0
Investment Funds – Equities	23,123	21,295	25,597	8.6	(9.7)
Investment Funds – Third-Party Funds	3,486	3,923	4,887	(11.1)	(28.7)
Total - Investment Funds	553,873	510,343	455,702	8.5	21.5
Managed Portfolios - Fixed Income	34,427	32,797	27,697	5.0	24.3
Managed Portfolios – Equities	5,973	4,897	7,140	22.0	(16.3)
Managed Portfolios - Third-Party Funds	2,167	2,247	1,901	(3.6)	14.0
Total - Managed Funds	42,567	39,941	36,738	6.6	15.9
Total Fixed Income	561,691	517,922	452,915	8.5	24.0
Total Equities	29,096	26,192	32,737	11.1	(11.1)

Total Third-Party Funds	5,653	6,170	6,788	(8.4)	(16.7)
Overall Total	596,440	550,284	492,440	8.4	21.1

Cash Management Solutions (Payments and Collection)

In the first quarter of 2016, billing and collection income remained stable, compared with the previous quarter.

In the comparison between the first quarter of 2016 and the same period of the previous year, the increase of 1.4%, or R\$7 million, was due to the greater volume of processed documents, up from 549 million in the first quarter of 2015 and up to 562 million in the first quarter of 2016, resulting in an increase of 13 million processed documents during the period.

Bradesco _ _

Economic and Financial Analysis

Fee and Commission Income

Consortium Management

In the first quarter of 2016, income from consortium management increased by R\$3 million, or 1.1%, compared with the previous quarter, because of the sales made in that period. In March 2016, Bradesco had 1,212 thousand active quotas (1,194 thousand active quotas in December 2015), ensuring a leading position in all the segments in which it operates (real estate, auto and trucks/machinery and equipment).

In the comparison between the first quarter of 2016 and the same period of the previous year, the 13.9%, or R\$34 million, increase in income from consortium management was mainly driven by: (i) a higher volume of received bids; (ii) the increase in the average ticket; and (iii) the increase in billing on sales, ranging from 1,101 thousand active quotas, in March 2015, to 1,212 thousand active quotas in March 2016, generating an increment of 111 thousand net quotas.

Custody and Brokerage Services

In the first quarter of 2016, total earnings from custody and brokerage services presented an increase of R\$6 million, or 4.2%, compared with the previous quarter. This trend basically: (i) resulted from the higher volumes traded on BM&FBovespa; and (ii) of the increment of R\$72 billion in assets in custody, which had an impact on

the revenues with custody and brokerage.

In the comparison between the first quarter of 2016 and the same period of the previous year, the increase of R\$21 million, or 16.3%, in income from custody and brokerage services, reflected the increase in the average volume of assets under custody in the period.

Underwriting / Financial Advisory Services

The increase in the quarter-over-quarter comparison, in the amount of R\$25 million, or 18.2%, as well as in the comparison with the first quarter of the previous year, in the amount of R\$13 million, or 8.7%, refers, mainly, to the higher activity of the capital market in the first quarter of 2016.

It is important to note that variations recorded in this income derive from the volatile performance of the capital market.

Economic and Financial Analysis

Personnel and Administrative Expenses

Personnel Expenses

Structural	3,025	3,159	2,813	(133)	(4.2)	212	7.5	38.4
Payroll/Social Charges	2,212	2,309	2,063	(97)	(4.2)	149	7.2	28.1
Benefits	813	850	750	(37)	(4.4)	63	8.4	10.3
Non-Structural	728	680	632	48	7.1	96	15.2	9.3
Management and Employee Profit Sharing	451	390	397	61	15.6	54	13.6	5.7
Provision for Labor Claims	159	187	139	(28)	(15.0)	20	14.4	2.0
Training	19	44	23	(25)	(56.8)	(4)	(17.4)	0.2
Termination Costs	99	59	73	40	67.8	26	35.6	1.3
Total	3,754	3,839	3,445	(85)	(2.2)	309	9.0	47.7

Administrative Expenses

Outsourced Services	993	1,142	904	(149)	(13.0)	89	9.8	12.6
Depreciation and Amortization	566	559	506	7	1.3	60	11.9	7.2
Data Processing	446	465	363	(19)	(4.1)	83	22.9	5.7
Communication	419	416	391	3	0.7	28	7.2	5.3
Rental	241	250	230	(9)	(3.6)	11	4.8	3.1
Asset Maintenance	234	274	240	(40)	(14.6)	(6)	(2.5)	3.0
Financial System Services	228	228	198	-	-	30	15.2	2.9
Advertising and Marketing	221	406	133	(185)	(45.6)	88	66.2	2.8
Transportation	166	171	157	(5)	(2.9)	9	5.7	2.1
Security and Surveillance	166	156	149	10	6.4	17	11.4	2.1
Water, Electricity and Gas	103	96	78	7	7.3	25	32.1	1.3
Materials	79	86	78	(7)	(8.1)	1	1.3	1.0
Trips	27	44	29	(17)	(38.6)	(2)	(6.9)	0.3
Other	227	281	183	(54)	(19.2)	44	24.0	2.9
Total	4,116	4,574	3,639	(458)	(10.0)	477	13.1	52.3
Total Personnel and Administrative Expenses	7,870	8,413	7,084	(543)	(6.5)	786	11.1	100.0
Employees	91,395	92,861	94,976	(1,466)	(1.6)	(3,581)	(3.8)	
Service Points ⁽¹⁾	63,552	65,851	74,917	(2,299)	(3.5)	(11,365)	(15.2)	

(1) The reduction refers to (i) the migration of “External ATM Network Points – Bradesco” to “Banco24Horas Network”; (ii) the deactivation of ATMs from “Assisted Banco24Horas Network Points”; and (iii) to the decrease of the Bradesco Espresso correspondents.

The total Personnel and Administrative Expenses amounted to R\$7,870 million in the first quarter of 2016, with a decrease of 6.5%, or R\$543 million, in comparison with the previous quarter. Compared with the same period of the previous year, total Personnel and Administrative Expenses presented a growth of 11.1%, or R\$786 million.

Personnel Expenses

The total personnel expenses amounted to R\$3,754 million in the first quarter of 2016, demonstrating a decrease of 2.2%, or R\$85 million, in comparison to the previous quarter, due to the "structural" and "non-structural" portion variation. In the "structural" portion, the reduction of expenses by R\$133 million originated, to a large extent, from the higher concentration of vacation, characteristic of the first quarter of each year, with an impact in the amount of R\$102 million.

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Economic and Financial Analysis

Personnel and Administrative Expenses

In the "non-structural" portion, the increase of R\$48 million substantially reflects higher expenses with the profit sharing of the administrators and employees (PLR), in the amount of R\$61 million.

In the comparison between the first quarter of 2016 and the same period of the previous year, the increase of R\$309 million, or 9.0%, value that is below the levels of salary readjustments deriving from the collective agreement, was mainly due to: (i) the "structural" portion variation, related to the increase in expenses with payroll, social charges and benefits, totaling R\$212 million, that was impacted by higher salaries, in accordance with 2015 collective agreement; and (ii) the "non-structural" portion variation, in the amount of R\$96 million, mainly due to higher expenses in: (a) profit sharing of the administrators and employees (PLR), in the amount of R\$54 million; and (b) provision for labor lawsuits, in the amount of R\$20 million.

Administrative Expenses

The administrative expenses totaled R\$4,116 million in the first quarter of 2016, presenting a decrease of R\$458 million, or 10.0%, compared with the previous quarter, mainly due to (i) the seasonal effect of higher expenses incurred in the fourth quarter of each year, highlighting advertising and publicity, in the amount of R\$185 million, due to the higher concentration of actions related to the Institutional Campaign and to support the offer of

Increase in the Number of Employees

days, impacting in lower expenses with: (a) outsourced services, totaling R\$149 million; (b) maintenance and conservation of goods, totaling R\$40 million, and (c) data processing, totaling R\$19 million.

The 13.1% increase or R\$477 million in the comparison between the first quarter of 2016 and

products and services; combined (ii) lower volume of business and services, as a result of seasonality at the end of the year; and (iii) of the fewer number of business

the same period of the previous year, was due, mainly, to the increasing expenses with: (i) growth in business and services volumes in the period; (ii) contractual adjustments; (iii) the effect of the actions of advertising and publicity; and offset: (iv) by optimizing the Service Points.

Operating Coverage Ratio ⁽¹⁾

In the quarter, the coverage ratio over the last 12 months remained practically stable in comparison with the previous quarter, mainly due to ongoing cost control efforts, including (a) the initiatives of our Efficiency Committee and (b) investments in Information Technology, which added up to R\$1.390 billion in the first quarter of 2016; and (c) measures applied to increase the offer of products and services to the entire client base.

Economic and Financial Analysis

Tax Expenses

Tax expenses totaled R\$1,418 million in the first quarter of 2016, presenting a decrease of R\$232 million, or 14.1% in relation to the previous quarter, basically, due to (i) the increase, in the fourth quarter of 2015, of the tax bases of PIS/Cofins, impacted, in part, by higher revenues generated by the receipt of interest on own capital from the companies of Organização Bradesco; and partially offset by: (ii) the increase of expenses with the IPTU due to the advanced payment of this tax.

In the comparison between the first quarter of 2016 and the same period of the previous year, such expenses increased R\$109 million, or 8.3%, basically due to the increase in expenses with PIS/Cofins/ISS, derived from the increase in taxable income in the period, mainly, of the fee and commission income and net interest income.

Equity in the earnings (losses) of affiliates

In the first quarter of 2016, equity in the earnings (losses) of affiliates registered R\$40 million, a decrease of R\$53 million compared with the previous quarter, and an increase of R\$60 million compared with the same period of the previous year, basically due to the equity in the earnings (losses) obtained with the affiliated "IRB – Brasil

Resseguros".

Non-Operating Income

In the first quarter of 2016, non-operating income posted a loss of R\$87 million, an increase of R\$19 million both in comparison with the previous quarter and the first quarter of 2015, essentially, due to greater non-operating expenses (such as losses on sale of foreclosed assets/other) in the period.

Bradesco _ _

_____ **Economic and Financial Analysis**

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- **Economic and Financial Analysis Report – March 2016**



Return to Shareholders

Corporate Governance

Bradesco's Management is made up of the Board of Directors and the Board of Executive Officers, being the Board of Directors composed of eight members, of which seven external members, including the Chairman (Mr. Lázaro de Mello Brandão), and one internal member (the Chief Executive Officer, Mr. Luiz Carlos Trabuco Cappi), elected at the Annual Shareholders' Meeting and for whom re-election is eligible. The Board of Directors elects the members of the Board of Executive Officers.

The Board of Directors is advised in its activities, by six (6) Committees, being two (2) of which are Statutory Committees (Audit and Compensation) and four (4) of which are Non-Statutory Committees (Ethical Conduct, Internal Controls and Compliance, Integrated Risk Management and Capital Allocation and Sustainability). Several Executive Committees report to the Board of Executive Officers.

Investor Relations area – RI

The commitment to transparency, the democratization of information, punctuality and search for better practices are essential factors and are constantly reinforced by Bradesco's Investor Relations area.

In the first quarter of 2016, there were 139 events promoted with national and international investors, through conferences, meetings, conference calls and institutional presentations, assisting over 1,500 investors.

Aligned to the best practices of Corporate Governance and seeking to innovate its reporting process, Bradesco launched this quarter, its first Integrated Report, referring to 2015.

As the main oversight agencies of its administrative/operational structure, in addition to the stated Audit Committee, Bradesco counts on the permanent Fiscal Council, elected by the shareholders, and with Internal Audit, subordinate to the Board of Directors.

In 2001, Bradesco voluntarily adhered to Level 1 Corporate Governance of BM&FBovespa, as well as to the Code of Self-Regulation and Best Practices for Publicly Held Companies, issued by the Brazilian Association of Publicly Held Companies (ABRASCA), in 2011.

Further information is available on Bradesco's Investor Relations website (www.bradescori.com.br – Corporate Governance Section).

The document presents institutional, business and financial information, besides the sustainability practices and initiatives in a single publication, also considering the transformations that have an impact on our business – the global megatrends, economy, sporting events, and the political scenario, among others – and Bradesco's prospects for the future.

The report follows the aspects proposed through the structure of the integrated report recommended by the International Integrated Reporting Council (IIRC) and advances in the Basic Principles and Elements of Content, for the effective integration of information. The publication is also aligned with the Global Reporting Initiative (GRI) for the 10th

consecutive year, considering the premises of the most current version (G4) of the structure for the process of drafting corporate reports. The document is available on the Investor Relations website (www.bradesco.com.br/ri).

Sustainability

Dow Jones Sustainability Indexes (DJSI)

As part of a continuous process of improvement, discussion of opportunities and innovations, we held for the 5th consecutive year, workshops for the internal public participating in the DJSI (Dow Jones Sustainability Indexes) process, with the coordination of a specialist from RobecoSAM, responsible for the evaluation of the corporate sustainability of companies that compose the indexes.

The themes addressed were: Attraction and Retention of Talents; Eco-efficiency; Fiscal Strategy; Risk and Crisis Management; and Risks and Business Opportunity. The occasion enabled an in-depth understanding of the themes, acknowledgment of the best practices of the companies composing the index, in addition to evaluating opportunities for improvement in our management.

Economic and Financial Analysis Report - March 2016

Return to Shareholders**Bradesco Shares****Number of Shares – Common and Preferred Shares**

Common Shares	2,772,226	2,520,695	2,520,886
Preferred Shares	2,759,659	2,508,781	2,513,583
Subtotal – Outstanding Shares	5,531,885	5,029,476	5,034,469
Treasury Shares	21,717	19,253	14,260
Total	5,553,602	5,048,729	5,048,729

In March 2016, Bradesco's Capital Stock stood at R\$51.1 billion, composed of 5,553,602 thousand shares, made up of 2,776,801 thousand common shares and 2,776,801 thousand preferred shares, as book entries and without par value.

Cidade de Deus Cia. Comercial de Participações is Bradesco's largest shareholder, which directly holds 48.5% of voting capital and 24.3% of total capital.

Shareholders of Cidade de Deus Cia. Comercial de Participações belong to the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações S.A., a company controlled by Fundação Bradesco and by the BBD Participações S.A., whose shareholders are the majority of the members of the Board of Directors of the Statutory Board of Executive Officers of Bradesco and more senior officers.

Number of Shareholders – Domiciled in Brazil and Abroad

Individuals	326,146	89.9	21.0	322,482	89.7	21.6
Companies	35,744	9.8	45.0	35,937	10.0	45.2
Subtotal Domiciled in Brazil	361,890	99.7	66.0	358,419	99.7	66.8
Domiciled Abroad	1,188	0.3	34.0	1,250	0.3	33.2
Total	363,078	100.0	100.0	359,669	100.0	100.0

In March 2016 Bradesco had 363,078 shareholders, 361,890 residing in Brazil representing 99.7% of the total number of shareholders holders of 66.0% shares.

The amount of shareholders residing abroad was 1,188, representing 0.3% of the number of shareholders of 34.0% total shares.

Average Daily Trading Volume of Shares

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During the first three months of 2016, the average daily trading volume of our shares on the New York Stock Exchange (NYSE) and on BM&FBovespa reached R\$768 million, which is the highest value presented in the series below.

This amount was 18.7% higher than the average daily trading volume in the previous year, mainly due to the trading of Bradesco ADRs on the NYSE.

Bradesco _ _

Return to Shareholders**Bradesco Shares****Appreciation of Preferred Shares - BBDC4**

The graph shows the change in Bradesco's preferred shares, taking into account the reinvestment of dividends (it includes Interest on the Stockholders' Equity), compared to the Ibovespa.

If, by late December 2005, R\$100 were invested, Bradesco's shares would be worth approximately R\$277 at the end of March 2016, which is a higher appreciation compared to that which was presented by Ibovespa within the same period.

Share and ADR Performance ⁽¹⁾

Adjusted Net Income per Share	0,82	0,91	(9,9)	0,82	0,85	(3,5)
Dividends/Interest on Shareholders' Equity – Common Share (after Income Tax)	0,23	0,27	(14,8)	0,23	0,24	(4,2)
Dividends/Interest on Shareholders' Equity – Preferred Share (after Income Tax)	0,26	0,30	(13,3)	0,26	0,26	-

Book Value per Common and Preferred Share	18.21	17.68	3.0	18.21	16.67	9.2
Last Trading Day Price – Common Shares	30.08	20.50	46.7	30.08	29.98	0.3
Last Trading Day Price – Preferred Shares	27.07	19.28	40.4	27.07	29.52	(8.3)
Last Trading Day Price – ADR ON (US\$)	8.60	5.22	64.8	8.60	9.70	(11.3)
Last Trading Day Price – ADR PN (US\$)	7.45	4.81	54.9	7.45	9.28	(19.7)
Market Capitalization (R\$ million) ⁽²⁾	143,720	100,044	43.7	143,720	150,532	(4.5)

(1) Adjusted for corporate events in the periods; and

(2) Number of shares (excluding treasury shares) vs. closing price for common and preferred shares on the last trading day of the period.

Economic and Financial Analysis Report - March 2016

Return to Shareholders

Bradesco Shares

Recommendation of Market Analysts – Target Price

Market analysts issue periodical recommendations on Bradesco preferred shares (BBDC4). In April 2016, we analyzed six reports prepared by these analysts.

Their recommendations and a general consensus on the target price for March 2017 can be found below:

Buy	50.0	Average	28.2
Keep	33.4	Standard Deviation	5.1
Sell	16.7	Higher	37.0
Under Analysis	-	Lower	22.0

For more information on the target price and the recommendations of each market analyst that monitors the performance of Bradesco shares, go to our Shareholders Relationship website at: www.bradescori.com.br > Information to Shareholders > Analysts' Consensus.

Market Capitalization

On March 31, 2016, Bradesco's market capitalization, considering the closing prices of It is worth mentioning that the Ibovespa index

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Common and Preferred shares, was R\$143.7 billion, increased 15.5% in the same period. an increase of 43.7% compared to December 2015.

Bradesco _ _

Return to Shareholders

Main Indicators

Price/Earnings Ratio⁽¹⁾:

Indicates a possible number of years within which the investor would recover the capital invested, based on the closing prices of common and preferred shares.

Price to Book Ratio:

Indicates the multiple by which Bradesco's market capitalization exceeds its book value.

Dividend Yield ⁽¹⁾ ⁽²⁾:

It is the ratio between share price and dividends and/or interest on shareholders' equity paid to shareholders in the last 12 months, which indicates the return on investment represented by the allocation of net profit.

- Economic and Financial Analysis Report - March 2016

Return to Shareholders

Dividends/Interest on Shareholders' Equity – JCP

During the first three months of 2016, R\$1,451 million was assigned to shareholders as interest on shareholders' equity (JCP) and the total JCP assigned to shareholders accounted for 37.0% of the net profit for the 12-month period and, considering the income tax deduction and JCP assignments, it was equivalent to 32.3% of the net profit.

Weight on Main Stock Indexes

Bradesco shares are listed in Brazil's main stock indexes, including IBrX-50 and IBrX-100 (indexes that measure the total return of a theoretical portfolio composed of 50 and 100 shares, respectively, selected from among the most traded shares on BM&FBovespa), IBrA (Broad Brazil Index), IFNC (Financial Index, composed of banks, insurance companies and financial institutions), ISE (Corporate Sustainability Index), IGCX (Special Corporate Governance Stock Index), IGCT (Corporate Governance Trade Index), ITAG (Special Tag-Along Stock Index), ICO2 (index composed of shares of companies listed in the IBrX-50 index and that accepted taking part in this initiative by adopting transparent greenhouse gas emission practices) and the Mid-Large Cap Index – MLCX (which measures the return of a portfolio composed of the highest capitalization companies listed).

Abroad, Bradesco shares are listed on the Dow Jones Sustainability World Index of the NYSE, and on the FTSE Latibex Brazil Index of the Madrid Stock Exchange.

Ibovespa	10.2
IBrX-50	10.4
IBrX-100	9.3
IBrA	9.1

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IFNC	22.5
ISE	6.7
IGCX	6.9
IGCT	11.4
ITAG	12.1
ICO2	15.0
MLCX	10.0

Source: Bloomberg

(1) Represents the Bradesco shares' weight on Brazil's main stock indexes

Bradesco

Return to Shareholders

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Economic and Financial Analysis Report - March 2016

Return to Shareholders**Market Share of Products and Services**

Market shares held by Bradesco in the Banking and Insurance industries and in the Customer Service Network are presented below.

Banks – Source : Brazilian Central Bank (Bacen)

Demand Deposits	N/A	7.2	12.2	12.9
Savings Deposits	N/A	13.8	14.0	13.8
Time Deposits	N/A	8.7	10.0	9.6
Loan Operations	9.8 (1) (3)	9.9 (1)	10.1	10.3
Loan Operations - Private Institutions	22.5 (1) (3)	22.3 (1)	22.2	22.2
Loan Operations - Vehicles Individuals (CDC + Leasing)	13.2 (1) (3)	13.3 (1)	13.1	13.3
Payroll-Deductible Loans	12.7 (1) (3)	12.6 (1)	12.1	11.7
Number of Branches	20.1	20.0	20.4	20.4

Banks – Source: Social Security National Institute (INSS)/Dataprev

Benefit Payment to Retirees and Pensioners	27.7	27.5	26.8	26.6
--------------------------------------------	------	------	------	------

Banks – Source: Anbima

Managed Investment Funds and Portfolios	19.3	19.4	18.4	18.8
-----------------------------------------	------	------	------	------

Insurance, Pension Plans and Capitalization Bonds – Source: Insurance Superintendence (Susep) and National Agency for Supplementary Healthcare (ANS)

Insurance, Pension Plan and Capitalization Bond Premiums	25.3 (3)	25.5	23.5	24.4
Insurance Premiums (including Long-Term Life Insurance - VGBL)	24.9 (3)	25.2	22.9	24.1
Life Insurance and Personal Accident Premiums	18.7 (3)	17.7	17.7	17.3
Auto/Basic Lines Insurance Premiums	9.2 (3)	9.5	9.9	10.1
Auto/Optional Third-Party Liability (RCF) Insurance Premiums	11.0 (3)	11.8	12.1	12.7
Health Insurance Premiums	50.9 (3)	49.3	48.0	46.2
Income from Pension Plan Contributions (excluding VGBL)	28.3 (3)	29.5	28.5	30.2
Capitalization Bond Income	27.4 (3)	25.6	27.7	24.4
Technical Reserves for Insurance, Pension Plans and Capitalization Bonds	26.7 (3)	26.8	26.9	27.3
Income from VGBL Premiums	26.9 (3)	28.7	23.2	28.1
Income from Unrestricted Benefits Generating Plans (PGBL) Contributions	23.6 (3)	25.5	23.9	24.1

Insurance and Pension Plans – Source: National Federation of Life and Pension Plans (Fenaprevi)

Pension Plan Investment Portfolios (including VGBL)	28.8 (3)	29.2	30.0	30.5
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Leasing – Source: Brazilian Association of Leasing Companies (ABEL)

Lending Operations	17.1 (2)	17.2	19.2	19.3
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Consortia – Source: Bacen

Real Estate	27.9 (3)	28.7	27.7	27.7
Auto	28.8 (3)	28.5	27.7	27.4

Trucks, Tractors and Agricultural Implements	17.5 ⁽³⁾	17.3	16.3	17.8
International Area – Source: Bacen				
Export Market	16.0	15.3	15.0	17.3
Import Market	11.5	12.2	10.1	13.0

(1) SFN data is preliminary;

(2) Reference Date: Jan/16; and

(3) Reference Date: Feb/16.

N/A – Not available.

Economic and Financial Analysis Report - March 2016

Return to Shareholders

Market Share of Products and Services

Branch Network

North	273	1,143	23.9%	276	1,137	24.3%
Northeast	847	3,584	23.6%	846	3,630	23.3%
Midwest	337	1,801	18.7%	345	1,821	18.9%
Southeast	2,320	11,679	19.9%	2,421	11,907	20.3%
South	732	4,235	17.3%	773	4,322	17.9%
Total	4,509	22,442	20.1%	4,661	22,817	20.4%

Ratings

Viability	Support	International Scale		Foreign Currency		Domestic Scale	
bbb-	3	Domestic Currency		Foreign Currency		Domestic	
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
		BBB-	F3	BBB-	F3	AAA(bra)	F1+(bra)

Domestic Currency Deposit		International Scale		Foreign Currency Deposit		Domestic Scale	
Long Term		Short Term		Long Term	Short Term	Long Term	Short Term
Ba2		NP		Ba3	NP	Aa2.br	BR-1

International Scale - Issuer's Credit Rating				Domestic Scale		Corporate Governance	Domestic Scale	
Foreign Currency		Domestic Currency		Issuer's Credit Rating			Long Term	Short Term
Long Term	Short Term	Long Term	Short Term	Long Term	Short Term		Long Term	Short Term
BB	B	BB	B	brAA-	brA-1	AA+	brAAA	brA-1

Demand Deposits

Rate ⁽¹⁾	45	45	45	45	45	45	45	45
Reserve Requirements ⁽³⁾	34	34	34	34	34	34	34	34
Reserve Requirements (Microfinance)	2	2	2	2	2	2	2	2
Free	19	19	19	19	19	19	19	19

Savings Deposits

Rate ⁽⁴⁾	24.5	24.5	24.5	24.5	20	20	20	20
Additional ⁽²⁾	5.5	5.5	5.5	5.5	10	10	10	10
Reserve Requirements	65	65	65	65	65	65	65	65
Free	5	5	5	5	5	5	5	5

Time Deposits

Rate ^{(2) (5)}	25	25	25	20	20	20	20	20
Additional ⁽²⁾	11	11	11	11	11	11	11	11
Free	64	64	64	69	69	69	69	69

(1) Collected in cash and not remunerated;

(2) Collected in cash with the Special Clearance and Custody System (Selic) rate;

(3) At Bradesco, reserve requirements are applied to Rural Loans;

(4) Collected in cash with the Reference Interest Rate (TR) + interest of 6.17% p.a. for deposits made until 05/03/2012, and TR + 70% of the Selic rate for deposits made as of May 4, 2012, when the Selic rate is equal to or lower than 8.5% p.a.; and

(5) Amendment of the rate from the calculation period of August 31 to September 4, 2015, according to Circular No. 3,756/15 of the Central Bank.

Bradesco _ _ _

Return to Shareholders

Investments in Infrastructure, Information Technology and Telecommunications

Bradesco, always focused on offering its clients convenience, autonomy and security, Bradesco continues investing in technologies that allow the launch of products and services increasingly appropriate to the needs of its various audiences. We highlight:

- Launched in 2015, the electronic service via voice command of Fone Fácil (telephone service) has been improved and now it is possible to carry out faster, more secure and simpler DOC and TED transactions, without having to speak to an attendant. The service is interactive and guides the service correctly, until it is completed;
- The Trading application of Bradesco also has novelties. Now, in addition to the services of monitoring orders and gaining access to indexes, indicators and currencies, you can check online quotes, the book of offers, important news on rises and falls in stocks, instant bank payment slip, among other improvements, which have become the most modern and interactive platform for clients interested in investing in shares, future markets and gold;
- Things have also gotten easier for Bradesco Seguros clients with the launch of two new services: the "Disk Portabilidade", a center that
- For hearing impaired clients, the ATMs provide a digital interpreter in Libras (Brazilian sign language), for withdrawals. The solution provides a step-by-step translation of the operation, from the beginning until its conclusion. The transaction in Libras at the ATM is a novelty in Brazil and is available in a similar form in few banks around the world;
- In addition to the launches, the period was also of consolidation. Bradesco surpassed the mark of 4 million clients with the cell phone Token, more than 38 million transactions without the use of a card and more than 630 thousand cards from other banks in ATMs;
- Envisaging this technological update, Bradesco has installed new connectivity equipment, used to interconnect the large computers that process the client transactions, with gains in performance and cost reduction in maintenance, electricity and physical space; and
- The equipment park for data storage was also updated, aiming to expand the installed capacity, using solid state technology that provides higher speed of access to data in the processing of client transactions. These initiatives assisted in the achievement, in this first quarter, of the highest rate of availability of the Central System in recent years.

As a prerequisite for its continuous expansion, Bradesco has invested R\$1,390 million in

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provides consultancy to Relationship Managers of branches with the objective of facilitating the process of migrating to a pension plan with Bradesco, and the service, via SMS, offered by Bradesco Saúde, which informs the insured on the progress of their reimbursement request;

Infrastructure, Information Technology and Telecommunications in the first quarter of 2016. The total amount invested over recent years, including infrastructure (facilities, restorations, improvements, furniture and fixtures), can be found below:

- Retirees and pensioners who receive their benefits from INSS through Bradesco and have already registered in the biometrics may use the Banco24Horas network with their INSS Bradesco account card. It is possible to withdraw, check the balance and prove you are still alive;

Infrastructure	259	1,268	1,049	501	718
Information Technology and Telecommunications	1,131	4,452	3,949	4,341	3,690
Total	1,390	5,720	4,998	4,842	4,408

Economic and Financial Analysis Report - March 2016

Return to Shareholders

Risk Management

Risk management activity is highly strategic due to the increasing complexity of services and products and the globalization of Bradesco's business. The dynamism of the market forces Bradesco to engage in the continuous improvement of this activity in pursuit of better practices, which has allowed Bradesco to use its internal market risk models, which were already in force, to calculate regulatory capital, since January 2013.

Bradesco controls corporative 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 every level of the organization, from the business areas to the Board of Directors.

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

Detailed information on the risk management process, Capital, as well as Bradesco's risk exposure, can be found in the Risk Management Report, available on the Investor Relations website: www.bradescori.com.br

Capital Management

The Capital Management structure aims to provide conditions for capital monitoring and control, contributing to the achievement of goals set in the strategic objectives defined by Bradesco, through an adequate capital sufficiency planning. This structure is comprised of Executive Committees and one Non-Statutory Committee, which assist the Board of Directors and Board of Executive Officers in the decision-making process.

In addition to the Committee structure, Bradesco has a department responsible for the capital management centralization, named Capital

With the implementation of the capital management structure, an internal process has been established to assess capital adequacy (ICAAP), which provides conditions to assess capital sufficiency in accordance with the base and stress scenarios, in a prospective outlook to identify capital and contingency actions to be taken in the respective scenarios. Capital adequacy and sufficiency information represent essential tools to manage and support the decision-making process.

Additional information on the capital management structure is available in the Risk Management

Management and Internal Capital Adequacy Assessment Process (ICAAP), subordinated to the Department of Planning, Budget and Control, which acts jointly with the Integrated Risk Control Department, associated companies, business areas and the Bradesco's supporting areas.

Report – Pillar 3, and in the Integrated Report, on the Investor Relations website: www.bradesco.com.br

On an annual basis, it is devised the capital plan which is approved by the Board of Executive Officers and Board of Directors. It is also aligned with the strategic plan and encompasses a prospective outlook of at least three years. The process of developing this plan considers threats and opportunities, market share and development goals, capital requirement projections based on risks, as well as capital held by Bradesco. Such projections are constantly monitored and controlled by the capital management area.

Bradesco

Return to Shareholders**Basel Ratio**

In March 2016, the Capital of the Prudential Conglomerate reached the amount of R\$100,452 million, compared to assets weighted by the risk of R\$595,757 million. The total Basel ratio, in the Prudential Conglomerate, presented an increase of 0.1 p.p., from 16.8% in December 2015 to 16.9% in March 2016, and the Principal Capital from 12.7% in December 2015 to 12.9% in March 2016, impacted, basically due to: (i) the increase of Shareholder's Equity, due to the increment of the results in the quarter; (ii) the decrease of assets weighted by the credit and market risk; and offset: (iii) the increase of prudential adjustments, from R\$11,400 million in December 2015, to R\$ 16,626 million in March 2016, due to changes in the application of prudential adjustments defined by CMN Resolution No. 4,192/13, from 40% in December 2015 to 60% as of January 2016.

Additionally, it is important to stress that in the first quarter of 2016, Central Bank authorized the use of Subordinated Letters of Credit to compose Tier II, the amount (with interest) of which restated on March 31, 2016 reached R\$996 million.

Calculation Basis

Capital	100,452	102,825	93,090	97,016	93,608	93,608
Tier I	76,704	77,507	73,577	77,503	74,095	74,095
Common Equity	76,704	77,507	73,577	77,503	74,095	74,095
Shareholders' Equity	93,330	88,907	86,233	86,972	83,937	83,937
Prudential Adjustments provided for in CMN Resolution 4,192/13 ⁽²⁾	(16,626)	(11,400)	(12,656)	(9,469)	(9,842)	(9,842)
Tier II	23,748	25,318	19,513	19,513	19,513	19,513
Subordinated debt (before CMN Resolution nº 4,192/13)	16,725	19,513	19,513	19,513	19,513	19,513
Subordinated debt (according to CMN Resolution nº 4,192/13) ⁽³⁾	7,023	5,805	-	-	-	-
Risk-Weighted Assets (RWA)	595,757	612,217	643,924	607,226	614,577	614,577
Credit Risk	543,260	556,441	585,507	552,852	557,018	557,018
Operating Risk	38,502	37,107	37,107	39,117	39,117	39,117
Market Risk	13,996	18,670	21,310	15,257	18,442	18,442
Total Ratio	16.9%	16.8%	14.5%	16.0%	15.2%	15.2%

Tier I Capital	12.9%	12.7%	11.4%	12.8%	12.1%	1
Common Equity	12.9%	12.7%	11.4%	12.8%	12.1%	1
Tier II Capital	4.0%	4.1%	3.0%	3.2%	3.1%	
Subordinated debt (before CMN Resolution n° 4,192/13)	2.8%	3.2%	3.0%	3.2%	3.1%	
Subordinated debt (according to CMN Resolution n° 4,192/13) ⁽³⁾	1.2%	0.9%	-	-	-	

(1) From October 2013, the Capital started being calculated based on CMN Resolution No. 4,192/13, which establishes that the determination is done based on the Conglomerate Financial Results until December 2014 and the Prudential Conglomerate Results as per January 2015;

(2) Criteria used, as of October 2013 by CMN Resolution No. 4,192/13 (including subsequent amendment); and

(3) In March 2016, the Central Bank authorized the use of Subordinated Letters of Credit to compose Tier II.

Economic and Financial Analysis Report - March 2016

Independent Auditors' Report

Limited Assurance Report about Supplementary Accounting information included within the Economic and Financial Analysis Report

To

Directors of

Banco Bradesco S.A.

Osasco – SP

We were engaged by Banco Bradesco S.A. ("Bradesco") to report on the consolidated supplementary accounting information of Banco Bradesco S.A. as of March 31, 2016 and for the three-month period ended as of March 31, 2016, in the form of a limited assurance conclusion if, based on our engagement performed, nothing has come to our attention that causes us to believe that the supplementary accounting information included within the Economic and Financial Analysis Report are not presented, in all material respects, based on the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

Responsibilities of the Management of Bradesco

Management of Bradesco is responsible for preparing and adequately presenting the consolidated supplementary accounting information included within the Economic and Financial Analysis Report based on the criteria for the preparation of the supplementary accounting information described below, and for other information contained within this report, as well as the design, implementation and maintenance of internal controls that management determined as necessary to allow for such information that is free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

Our responsibility is to review the supplementary accounting information included within the Economic and Financial Analysis Report prepared by Bradesco and to report thereon in the form of a limited assurance conclusion based on the evidence obtained. We conducted our engagement in accordance with the NBC TO 3000 - Assurance Engagement Other than Audit and Review (ISAE 3000). That standard requires that we comply with ethical requirements, including independence requirements, and plan and perform our procedures to obtain a meaningful level of limited assurance about whether we did not become aware of any fact that could lead us to believe that the supplementary accounting information included within the

Economic and Financial Analysis Report are not presented, in all material respects, to the information referred to in the “Criteria for preparing the supplementary accounting information” paragraph.

The procedures selected were based on our understanding of the consolidated supplementary accounting information included within the Economic and Financial Analysis Report, as well as other circumstances of our work and our consideration of other areas that may contain material misstatements.

Limited assurance is less than absolute assurance and reasonable assurance. Procedures to gather information to a limited assurance engagement are more limited than to a reasonable assurance engagement and, therefore, we obtain less assurance than a reasonable assurance engagement; consequently, we do not express neither an audit opinion nor a reasonable assurance over the supplementary accounting information included within the Economic and Financial Analysis Report.

Our conclusion does not contemplate aspects related to any prospective information contained within the Economic and Financial Analysis Report, nor offers any guarantee if the assumptions used by Management to provide a reasonable basis for the projections presented. Therefore, our report does not offer any type of assurance on the scope of future information (such as goals, expectations and ambitions) and descriptive information that is subject to subjective assessment.

- Report on Economic and Financial Analysis – March 2016

Limited Assurance Report about Supplementary Accounting information included within the Economic and Financial Analysis Report

Criteria for preparing the supplementary accounting information

The consolidated supplementary accounting information disclosed within the Economic and Financial Analysis Report, as of March 31, 2016 and for the three-month period ended as of March 31, 2016 has been prepared by the Management of Bradesco, based on the information contained in the March 31, 2016 consolidated financial statements and the accounting criteria described within the Economic and Financial Analysis Report, in order to facilitate additional analysis, without, however, being part of the consolidated financial statements disclosed on this date.

Conclusion

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

Based on the procedures performed we did not become aware of any fact that lead us to believe that the consolidated supplementary accounting information included within the Economic and Financial Analysis Report are not presented accurately, in all material respects, in accordance with the information referred to in the "Criteria for preparing the supplementary accounting information" paragraph.

Osasco, April 27, 2016

Original report in Portuguese signed by

KPMG Auditores Independentes

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Rodrigo de Mattos Lia

Accountant CRC 1SP252418/O-3

Bradesco _ _

_____ *Independent Auditors' Report*

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- _ Report on Economic and Financial Analysis – March 2016



Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Management Report

Dear Shareholders,

We hereby present the Consolidated Financial Statements of Banco Bradesco S.A related to the period ended March 31, 2016, in accordance with the accounting practices adopted in Brazil and applicable to institutions authorized to operate by the Brazilian Central Bank.

The risks present in the world economy remain significant, sustaining expansionist monetary policies by the main central banks. The international deflationary scenario and the weakening of the dollar in relation to other currencies, in conjunction with the slowdown in domestic demand, must contribute to the gradual deceleration of inflation in Brazil. The contraction of the GDP was given more moderately in the first quarter of 2016. The adjustment in the external accounts continues, while the balance of the public accounts remains the main challenge for long-term fiscal sustainability.

The Organization, always committed to the economic and social growth of Brazil, develops its activities with the highest levels of efficiency and transparency, seeking to democratize the banking services, apply the most updated practices of Corporate Governance and achieve the best results, so as to provide greater return to shareholders and investors.

Bradesco recorded, in the quarter, Net Profit of R\$4.121 billion, equivalent to R\$0.82 per share and profitability of 17.5% over the average Shareholders' Equity(*). The return on Average Total Assets was 1.6%.

In gross values, regarding Interest on Own Capital, the shareholders received R\$1.451 billion, in the

Based on the calculation of the price of its shares, the Market Value of Bradesco, on March 31, 2016, reached R\$143.720 billion, equivalent to 1.5 times the Accounting Shareholders' Equity.

Please note that the Managed Shareholders' Equity is equivalent to 9.2% of the Consolidated Assets, which add up to R\$1.024 trillion, with a growth of 6.6% on March 2015. Thus, the index of solvency reached 16.9%, higher, than the minimum of 10.5% established by Resolution No. 4,193/13 of the National Monetary Council, in compliance with the Basel Committee. At the end of the quarter, the immobilization index, regarding the Reference Equity, was of 34.0%, in the Prudential Consolidation, therefore falling into the maximum limit of 50%.

In compliance with Article 8 of Brazilian Central Bank Circular Letter No. 3,068/01, Bradesco declares that it has the financial capacity and the intention of holding to maturity those securities classified under "held-to-maturity securities".

In the Organization, on March 31, 2016, the total resources captured and administered totaled R\$1.516 trillion, 10.9% higher in comparison to the previous year, thus distributed:

R\$413.276 billion in Demand Deposits, Time Deposits, Interbank Deposits, Savings Accounts and Securities Sold Under Agreements to Repurchase;

R\$596.440 billion in assets under management, comprising Investment Funds, Managed Portfolios and Third-Party Fund Quotas, a 21.1% increase;

R\$274.927 billion in the Exchange Portfolio, Borrowings and On-lendings in Brazil, Working

period from January to March 2016, whereby R\$273.240 million was paid in the form of monthly payments and R\$1.178 billion in provisioned payments.

The taxes and contributions, including pensions, paid or provisioned, added up to R\$10.039 billion in the period, whereby R\$2.675 billion was related to withheld taxes and collected from third parties and R\$7.364 billion calculated based on the activities developed by the Organization, equivalent to 178.7% of the Net Profit.

At the end of the quarter, the realized Capital Stock was of R\$51.100 billion, which included the increase of R\$8 billion, with a bonus of 10% in shares, through the use of part of the account balance "Reserves from Profits – Statutory Reserve", deliberated in the Extraordinary General Meeting held on March 10, 2016 and approved by the Brazilian Central Bank on April 4. With this, the monthly interest on own capital related to the month of May/2016, to be paid on June 1, 2016, will be incremented by 10%. In the same Meeting, the cancellation of the increase of the share capital by the private subscription of shares deliberated in the Extraordinary General Meeting of December 17, 2015 was ratified, in the amount of R\$3 billion. Added to the Equity Reserves of R\$42.230 billion, it resulted in a Shareholders' Equity of R\$93.330 billion, with a growth of 11.2% in the same period of the previous year, corresponding to the equity value of R\$18.56 per share.

Capital, Tax Payments and Collection and Related Charges, Funds From Issuance of Securities in Brazil, and Subordinated Debt in Brazil, a 21.4% increase;

R\$182.973 billion in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds, up by 16.3%; and

R\$48.376 billion in Foreign Funding, through public and private issues, Subordinated Debt Overseas, Securitization of Future Financial Flows and Borrowings and On-lendings Overseas, equivalent to US\$13.593 billion.

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Management Report

In the expanded concept, the consolidated credit operations, at the end of the quarter, totaled R\$462,475 billion, including in this amount:

R\$98.686 billion in Consumption Finance, which includes R\$17.540 billion of credit receivables from Credit Cards;

R\$69.420 billion of Guarantees and Sureties;

R\$29.079 billion related to operations of transfer of internal and external resources, originating mainly from the BNDES - Banco Nacional de Desenvolvimento Econômico e Social (National Bank for Social and Economic Development), excelling as one of the main distributing agent of loans;

R\$20.586 billion in business in the Rural Area;

R\$9.087 billion in Advances on Exchange Contracts, for an Export Financing portfolio total of US\$10.776 billion.

R\$2.742 billion in Commercial Lease; and

US\$2.390 billion in Import Finance in Foreign Currency operations.

For the activities in Real Estate Loans, the Organization, in the quarter, destined resources to the total of R\$3.031 billion for the construction and acquisition of home-ownership, comprising 13,155 properties.

Bradesco BBI, investment bank of the Organization, advises clients on issuing shares, merger and acquisition operations, structuring and distribution of debt instruments, including debentures, promissory notes, CRIs, real estate

8,044 Branches and PAs (Service Branches) in Brazil (Branches: Bradesco 4,503, Banco Bradesco Cartões 1, Banco Bradesco Financiamentos 2, Banco Bradesco BBI 1, Banco Bradesco BERJ 1, Banco Alvorada 1; and PAs: 3,535);

3 Branches abroad, with one in New York and one in Grand Cayman of Bradesco and one in London of the subsidiary Banco Bradesco Europa;

11 Overseas Subsidiaries (Banco Bradesco Argentina S.A. in Buenos Aires; Banco Bradesco Europa S.A. in Luxembourg; Bradesco North America LLC, Bradesco Securities, Inc., and BRAM US LLC in New York; Bradesco Securities UK Limited in London, Bradesco Securities Hong Kong Limited and Bradesco Trade Services Limited in Hong Kong; Bradesco Services Co., Ltd, in Tokyo; Cidade Capital Markets Ltd. in Grand Cayman; and Bradescard Mexico, Sociedad de Responsabilidad Limitada in Mexico);

1,069 Correspondents of Bradesco Promotora, in the segment of consigned credit;

41,953 Bradesco Espresso service points;

739 PAEs – in-company electronic service branches;

435 External Terminals in the Bradesco Network; and

11,298 ATMs in the Banco24Horas Network, with 224 terminals shared by both networks.

In accordance with Instruction No. 381/03 of the Brazilian Securities and Exchange Commission, the Organization, in the quarter, neither contracted from nor had services provided by KPMG Auditores

funds, FIDCs and bonds, in Brazil and Abroad, besides structured corporate finance operations and the financing of projects under the modality of Project Finance. In the quarter, transactions were made with a volume of over R\$25.877 billion.

Reaffirming their prominent position in the market in the areas of Insurance, Capitalization and Open Supplementary Pension Plans, Grupo Bradesco Seguros recorded, on March 31, 2016, a Net Profit of R\$1.380 billion and a Shareholders' Equity of R\$22.834 billion. The net insurance premiums issued, pension contributions and income from capitalization reached a total of R\$15.186 billion, an increase of 11.4% in comparison to the same period last year.

The Organization's Customer Service Network, present in all the regions of Brazil and in various cities Abroad, on March 31, 2016, with 63,552 points, equipped simultaneously with 31,668 machines of the Rede de Autoatendimento Bradesco (Bradesco Customer Service Network), of which 31,178 operate also on weekends and bank holidays, besides 18,767 machines of the Rede Banco24Horas (24-Hour Auto Teller Machines), available to clients for operations of cash withdrawals, issuing statements, checking balances, requesting loans, payments and transfers between accounts. In the auto segment, with the presence of Bradesco Financiamentos, it counted on 11,181 retail points:

Independentes that were not related to the external audit, at a level greater than 5% of the total fees related to external audit services. Other services provided by the external auditors were the previously-agreed procedures for reviews of, substantially, financial, fiscal and actuarial information. The Bank's policy is in line with the principles of preserving the auditors' independence, which are based on generally accepted international criteria, i.e. the auditors should not audit their own work, perform managerial duties for their clients or promote their customers' interests. It is noteworthy that any eventual services not related to the external audit are submitted prior to the authorization of the Audit Committee.

Bradesco

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Management Report

In the area of Human Resources, the Organization emphasizes the evolution of the training programs of UNIBRAD – Universidade Corporativa Bradesco (Bradesco Corporate University), for the professional qualification and development of its employees, so they are in permanent harmony with the market, which is becoming increasingly more demanding and competitive. In the quarter, 483 courses were given, with 54,481 participations. At the end of the period, the welfare benefits comprised 200,292 people, ensuring the well-being, improvement of the quality of life and safety of employees and their dependents.

The social action of the Organization is mainly focused on educational and assistance programs developed through Fundação Bradesco, which maintains 40 own Schools installed as a priority in regions of accentuated socio-economical deprivation, in all the Brazilian States and in the Federal District. This year, its budget is predicted to be R\$593.360 million, whereby R\$506.257 million destined to cover Expenses of the Activities and R\$87.103 million to the investments in Infrastructure and Educational Technology, that allows the institution to offer free education and of quality to: a) 101,566 students enrolled in its schools in the following levels: Basic Education (Kindergarten to High School) and Vocational Training (High School level); Youth and Adult Education; and Preliminary and Continuing Vocational Training, focused on creating jobs and income; b) 550 thousand students who will complete at least one of the distance-learning courses on offer (EaD) through its e-learning portal; and c) 21,490 people who will benefit through partnership projects and initiatives, including the Digital Inclusion Centers (CIDs), the *Educa+Ação* program and Technology courses (*Educar e Aprender*). Alimony, medical-dental assistance,

- **Best manager in short-term funds and shares**, according to the research carried out by Fundação Getúlio Vargas; and

- **Bradesco BBI was recognized as the best investment bank of Brazil in 2016** in the 17th edition of Best Investment Banks of the World of the *Global Finance* magazine.

The results achieved reaffirm the effort of Bradesco to exceed expectations and always offer the best. For the results obtained, we thank the support and trust of our shareholders and clients and for the dedicated work of our employees and other collaborators.

Cidade de Deus, April 27, 2016

**Board of Directors
and Board of Executive Officers**

(*) Excluding mark-to-market effect of Available-for-sale Securities recorded under Shareholders' Equity.

school materials and uniform are ensured free-of-charge to the more than 43 thousand students of Basic Education.

The Bradesco Esportes e Educação Program (Sports and Education), in the Municipal District of Osasco, SP, the Program has Qualification and Specialist Centers to teach the modalities of Women's Volleyball and Basketball. The activities occur in their own Sports Development Center, in the Fundação Bradesco schools, in Municipal Sports Centers, in private schools and in a leisure club. Currently, two thousand girls are assisted, from the age of eight, reaffirming the social commitment and valuation of talent and plain exercise of citizenship, with actions of education, sports and health.

We recorded, in the quarter, important recognitions of Bradesco:

- **Most valuable brand in Brazil in the last 10 years**, according to the ranking promoted by the *IstoÉ Dinheiro* magazine in partnership with consultancy firm Kantar Vermeer, linked to the British group WPP;

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Consolidated Statement of Financial Position on March 31 -in thousands of Reals

Assets	2016	2015
Current assets	667,917,945	627,919,066
Cash and due from banks (Note 5)	18,527,203	13,353,553
Interbank investments (Notes 3d and 6)	165,338,697	195,114,953
Securities purchased under agreements to resell	155,733,284	188,689,518
Interbank investments	9,622,604	6,453,037
Allowance for losses	(17,191)	(27,602)
Securities and derivative financial instruments (Notes 3e, 3f, 7 and 31b)	223,433,839	164,867,181
Own portfolio	187,108,058	143,668,997
Subject to unrestricted repurchase agreements	15,106,592	4,233,822
Derivative financial instruments (Notes 3f, 7d II and 31b)	12,696,499	6,374,151
Given in guarantee to the Brazilian Central Bank	64,227	4,917,855
Given in guarantee	8,386,067	5,397,703
Subject to unrestricted repurchase agreements	72,396	274,653
Interbank accounts	50,670,568	47,661,775
Unsettled payments and receipts	694,148	713,903
Reserve requirement (Note 8):		
- Reserve requirement - Brazilian Central Bank	49,920,036	46,889,291
- SFH	6,486	7,707
Correspondent banks	49,898	50,874
Interdepartmental accounts	99,513	180,000
Internal transfer of funds	99,513	180,000
Loans (Notes 3g, 9 and 31b)	133,630,283	145,404,135
Loans:		
- Public sector	1,722,207	1,373,418
- Private sector	150,440,425	158,995,793
Loans transferred under an assignment with recourse	720,441	88,210
Allowance for loan losses (Notes 3g, 9f, 9g and 9h)	(19,252,790)	(15,053,286)
Leasing (Notes 2, 3g, 9 and 31b)	1,377,758	1,875,566
Leasing receivables:		
- Private sector	2,684,085	3,722,150
Unearned income from leasing	(1,204,893)	(1,697,420)
Allowance for leasing losses (Notes 3g, 9f, 9g and 9h)	(101,434)	(149,164)
Other receivables	70,565,517	56,056,898
Receivables on sureties and guarantees honored (Note 9a-3)	166,703	89,170
Foreign exchange portfolio (Note 10a)	26,533,077	13,132,021
Receivables	1,067,496	907,726
Securities trading	1,940,777	886,739
Specific receivables	7,156	4,948
	4,479,902	4,053,536

Insurance and reinsurance receivables and reinsurance assets – technical provisions		
Sundry (Note 10b)	37,467,821	37,824,236
Allowance for other loan losses (Notes 3g, 9f, 9g and 9h)	(1,097,415)	(841,478)
Other assets (Note 11)	4,274,567	3,405,005
Other assets	2,354,342	1,790,481
Provision for losses	(926,476)	(669,360)
Prepaid expenses (Notes 3i and 11b)	2,846,701	2,283,884
Long-term receivables	337,473,737	315,863,145
Interbank investments (Notes 3d and 6)	384,858	726,960
Interbank investments	384,858	726,960

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Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Consolidated Statement of Financial Position on March 31 - in thousands of Reais

Assets	2016	2015
Securities and derivative financial instruments (Notes 3e, 3f, 7 and 31b)	120,143,281	113,240,990
Own portfolio	110,734,402	72,271,310
Subject to unrestricted repurchase agreements	7,154,834	37,095,456
Derivative financial instruments (Notes 3f, 7d II and 31b)	103,536	111,710
Given in guarantee to the Brazilian Central Bank	-	1,050,140
Privatization rights	51,517	56,524
Given in guarantee	1,286,593	2,591,958
Subject to unrestricted repurchase agreements	812,399	63,892
Interbank accounts	703,669	622,313
Reserve requirement (Note 8):		
- SFH	703,669	622,313
Loans (Notes 3g, 9 and 31b)	155,155,548	152,860,263
Loans:		
- Public sector	1,055,400	869,381
- Private sector	156,260,561	153,606,796
Loans transferred under an assignment with recourse	6,901,266	5,182,438
Allowance for loan losses (Notes 3g, 9f, 9g and 9h)	(9,061,679)	(6,798,352)
Leasing (Notes 2, 3g, 9 and 31b)	1,204,550	1,900,942
Leasing receivables:		
- Private sector	2,524,671	4,012,198
Unearned income from leasing	(1,261,416)	(2,022,056)
Allowance for leasing losses (Notes 3g, 9f, 9g and 9h)	(58,705)	(89,200)
Other receivables	58,671,531	44,970,443
Receivables	14,092	10,250
Securities trading	708,666	878,782
Sundry (Note 10b)	57,970,953	44,093,826
Allowance for other loan losses (Notes 3g, 9f, 9g and 9h)	(22,180)	(12,415)
Other assets (Note 11)	1,210,300	1,541,234
Prepaid expenses (Notes 3i and 11b)	1,210,300	1,541,234
Permanent assets	18,582,556	17,243,769
Investments (Notes 3j, 12 and 31b)	6,174,390	5,424,315
Earnings (Losses) of Unconsolidated and Jointly Controlled Subsidiaries:		
- In Brazil	6,031,866	5,282,872
- Overseas	2,816	2,391
Other investments	390,792	412,777
Allowance for losses	(251,084)	(273,725)
Premises and equipment (Notes 3k and 13)	5,522,537	4,701,602
Premises	1,896,427	1,499,659

Other premises and equipment	10,488,024	10,337,694
Accumulated depreciation	(6,861,914)	(7,135,751)
Intangible assets (Notes 3I and 14)	6,885,629	7,117,852
Intangible Assets	16,262,352	15,373,420
Accumulated amortization	(9,376,723)	(8,255,568)
Total	1,023,974,238	961,025,980

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Economic and Financial Analysis Report – March 2016

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Consolidated Statement of Financial Position on March 31 *— in thousands of Reais*

	2016	2015
Liabilities		
Current liabilities	660,273,647	667,408,308
Deposits (Notes 3n and 15a)	146,829,202	168,405,979
Demand deposits	22,590,729	30,092,587
Savings deposits	88,261,256	91,741,025
Interbank deposits	543,806	225,600
Time deposits (Notes 15a and 31b)	35,433,411	46,346,767
Securities sold under agreements to repurchase (Notes 3n and 15b)	185,831,083	221,652,549
Own portfolio	69,905,479	90,504,818
Third-party portfolio	114,955,640	130,579,281
Unrestricted portfolio	969,964	568,450
Funds from issuance of securities (Notes 15c and 31b)	58,139,460	50,280,080
Mortgage and real estate notes, letters of credit and others	52,057,741	48,261,329
Securities issued overseas	5,657,815	1,874,486
Structured Operations Certificates	423,904	144,265
Interbank accounts	965,790	1,119,911
Correspondent banks	965,790	1,119,911
Interdepartmental accounts	4,215,354	3,127,482
Third-party funds in transit	4,215,354	3,127,482
Borrowing (Notes 16a and 31b)	19,537,394	16,730,459
Borrowing in Brazil - other institutions	9,266	8,459
Borrowing overseas	19,528,128	16,722,000
On-lending in Brazil - official institutions (Notes 16b and 31b)	10,901,417	13,610,287
National treasury	80,766	52,086
BNDES	2,894,652	4,760,258
FINAME	7,918,808	8,785,068
Other institutions	7,191	12,875
On-lending overseas (Notes 16b and 31b)	2,203,520	1,671,809
On-lending overseas	2,203,520	1,671,809
Derivative financial instruments (Notes 3f, 7d II and 31b)	10,279,658	5,742,803
Derivative financial instruments	10,279,658	5,742,803
Technical provisions for insurance, pension plans and capitalization bonds (Notes 3o and 20)	157,123,342	133,614,178
Other liabilities	64,247,427	51,452,771
Payment of taxes and other contributions	5,125,998	6,563,356
Foreign exchange portfolio (Note 10a)	17,358,002	4,686,469
Social and statutory	1,387,906	1,440,441

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Tax and social security (Note 19a)	2,704,784	3,248,110
Securities trading	2,994,666	2,095,221
Financial and development funds	1,270	1,279
Subordinated debts (Notes 18 and 31b)	2,204,294	2,843,260
Sundry (Note 19b)	32,470,507	30,574,635
Long-term liabilities	269,460,963	208,955,941
Deposits (Notes 3n and 15a)	42,381,690	43,300,388
Interbank deposits	42,707	229,321
Time deposits (Notes 15a and 31b)	42,338,983	43,071,067
Securities sold under agreements to repurchase (Notes 3n and 15b)	38,233,741	16,523,964
Own portfolio	38,233,741	16,523,964

Bradesco

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Consolidated Statement of Financial Position on March 31 ~~in~~ thousands of Reals

Liabilities	2016	2015
Funds from issuance of securities (Notes 15c and 31b)	54,477,668	37,967,210
Mortgage and real estate notes, letters of credit and others	51,132,505	31,655,861
Securities issued overseas	3,263,347	6,201,245
Structured Operations Certificates	81,816	110,104
Borrowing (Notes 16a and 31b)	4,083,331	3,033,075
Borrowing in Brazil - other institutions	9,181	14,038
Borrowing overseas	4,074,150	3,019,037
On-lending in Brazil - official institutions (Notes 16b and 31b)	24,789,068	27,323,254
BNDES	8,463,873	7,248,033
FINAME	16,325,195	20,069,610
Other institutions	-	5,611
On-lending overseas (Notes 16b and 31b)	1,334,395	-
On-lending overseas	1,334,395	-
Derivative financial instruments (Notes 3f, 7d II and 31b)	115,702	178,495
Derivative financial instruments	115,702	178,495
Technical provisions for insurance, pension plans and capitalization bonds (Notes 3o and 20)	25,849,586	23,680,579
Other liabilities	78,195,782	56,948,976
Tax and social security (Note 19a)	14,812,349	9,995,425
Subordinated debts (Notes 18 and 31b)	35,566,258	35,146,366
Eligible Debt Capital Instruments (Notes 18 and 31b)	12,413,000	-
Sundry (Note 19b)	15,404,175	11,807,185
Deferred income	487,785	309,218
Deferred income	487,785	309,218
Non-controlling interests in subsidiaries (Note 21)	421,715	415,037
Shareholders' equity (Note 22)	93,330,128	83,937,476
Capital:		
- Domiciled in Brazil	50,460,629	42,559,695
- Domiciled overseas	639,371	540,305
Capital reserves	11,441	11,441
Profit reserves	45,011,238	41,935,988
Asset valuation adjustments	(2,352,037)	(811,938)
Treasury shares (Notes 22c and 31b)	(440,514)	(298,015)
Attributable to equity holders of the Parent Company	93,751,843	84,352,513
Total	1,023,974,238	961,025,980

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Economic and Financial Analysis Report – March 2016

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Consolidated Statement of Accumulated Income on March 31 *-in thousands of Reais*

	2016	2015
Revenue from financial intermediation	37,541,259	31,897,648
Loans (Note 9j)	17,089,433	15,628,336
Leasing (Note 9j)	82,449	141,750
Operations with securities (Note 7h)	9,818,045	10,594,563
Financial income from insurance, pension plans and capitalization bonds (Note 7h)	8,745,312	3,654,969
Derivative financial instruments (Note 7h)	2,405,084	(224,279)
Foreign exchange operations (Note 10a)	(1,920,030)	1,165,618
Reserve requirement (Note 8b)	1,371,642	988,710
Sale or transfer of financial assets	(50,676)	(52,019)
Financial intermediation expenses	22,704,481	26,109,354
Retail and professional market funding (Note 15d)	14,282,354	12,411,920
Adjustment for inflation and interest on technical provisions for insurance, pension plans and capitalization bonds (Note 15d)	5,413,999	3,584,192
Borrowing and on-lending (Note 16c)	(2,875,467)	6,283,765
Allowance for loan losses (Notes 3g, 9g and 9h)	5,883,595	3,829,477
Gross income from financial intermediation	14,836,778	5,788,294
Other operating income (expenses)	(4,598,822)	(4,494,224)
Fee and commission income (Note 23)	4,912,817	4,481,778
- Other fee and commission income	3,351,744	3,215,755
Income from banking fees	1,561,073	1,266,023
Retained premium from insurance, pension plans and capitalization bonds (Notes 3o and 20c)	15,112,091	13,574,642
- Net premiums written	15,185,588	13,634,448
- Reinsurance premiums paid	(73,497)	(59,806)
Variation in technical provisions for insurance, pension plans and capitalization bonds (Note 3o)	(5,788,949)	(5,251,460)
Retained claims (Note 3o)	(5,617,094)	(5,077,100)
Capitalization bond prize draws and redemptions (Note 3o)	(1,225,561)	(1,217,928)
Selling expenses from insurance, pension plans and capitalization bonds (Note 3o)	(856,172)	(816,653)
Payroll and related benefits (Note 24)	(3,583,135)	(3,296,010)
Other administrative expenses (Note 25)	(3,903,882)	(3,503,544)

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Tax expenses (Note 26)	(1,705,229)	(919,791)
Equity in the earnings (losses) of unconsolidated and jointly controlled subsidiaries (Note 12b)	405,665	300,459
Other operating income (Note 27)	1,447,024	1,394,256
Other operating expenses (Note 28)	(3,796,397)	(4,162,873)
Operating income	10,237,956	1,294,070
Non-operating income (loss) (Note 29)	95,692	(33,943)
Income before income tax and social contribution and non-controlling interests	10,333,648	1,260,127
Income tax and social contribution (Notes 33a and 33b)	(6,178,026)	3,012,535
Provision for income tax	(3,121,596)	(1,119,713)
Provision for Social Contribution	(2,440,035)	(607,679)
Deferred Tax Asset	(616,395)	4,739,927
Non-controlling interests in subsidiaries	(34,211)	(28,676)
Net profit	4,121,411	4,243,986

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Bradesco

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Statement of Changes in Shareholders' Equity— In thousands of Reais

Events	Capital		Capital reserves	Profit reserves		Asset valuation adjustment		Treasu
	Paid in Capital	Unpaid Capital	Share premium	Legal	Statutory	Bradesco	Subsidiaries	share
Balance on December 31, 2014	38,100,000	-	11,441	5,193,467	38,992,668	(405,477)	(85,834)	(298,01
Acquisition of treasury shares	5,000,000	-	-	-	(5,000,000)	-	-	-
Asset valuation adjustments	-	-	-	-	-	(283,107)	(37,520)	-
Net profit	-	-	-	-	-	-	-	-
Allocations: - Reserves	-	-	-	212,199	2,537,654	-	-	-
- Interest on Shareholders' Equity Paid	-	-	-	-	-	-	-	-
Balance on March 31, 2015	43,100,000	-	11,441	5,405,666	36,530,322	(688,584)	(123,354)	(298,01
Balance on December 31, 2015	46,100,000	(3,000,000)	11,441	6,052,949	44,287,857	(1,231,603)	(2,882,952)	(431,04
Cancellation of Capital Increase by Subscription of Shares	(3,000,000)	3,000,000	-	-	-	-	-	-
Increase of capital stock with reserves	8,000,000	-	-	-	(8,000,000)	-	-	-
Acquisition of treasury shares	-	-	-	-	-	-	-	(9,46
Asset valuation adjustments	-	-	-	-	-	448,725	1,313,793	-
Net profit	-	-	-	-	-	-	-	-
Allocations: - Reserves	-	-	-	206,070	2,464,362	-	-	-
- Interest on Shareholders' Equity Paid and/or provisioned	-	-	-	-	-	-	-	-
Balance on March 31, 2016	51,100,000	-	11,441	6,259,019	38,752,219	(782,878)	(1,569,159)	(440,51

The accompanying Notes are an integral part of these Consolidated Financial Statements.

Economic and Financial Analysis Report – March 2016

Consolidated Financial Statements, Independent Auditors' Report and Fiscal Council's Report

Consolidated Statement of Added Value Accumulated on March 31 -In thousands of Reais

Description	2016	%	2015	%
1 – Revenue	36,202,162	228.5	31,206,671	547.8
1.1) Financial intermediation	37,541,259	236.9	31,897,648	559.9
1.2) Fees and commissions	4,912,817	31.0	4,481,778	78.7
1.3) Allowance for loan losses	(5,883,595)	(37.1)	(3,829,477)	(67.2)
1.4) Other	(368,319)	(2.3)	(1,343,278)	(23.6)
2 – Financial intermediation expenses				