

# RESULTS

## 2<sup>ND</sup> QUARTER

# 2019

NÍVEL 1 SMC&VESPA  
BBD LISTED NYSE  
BBDO LISTED NYSE  
LATIBEX XBBDC  
ITAG  
ISE 2018  
MEMBER OF Dow Jones Sustainability Indices  
In Collaboration with RubecoSAM  
ICO2  
abrasca



# MAIN HIGHLIGHTS



# FINANCIAL HIGHLIGHTS 2Q19



Recurring Net Income:  
**R\$ 6.5 billion**  
+25.2% YoY



Expanded Loan Portfolio:  
**R\$ 560.5 billion**  
+2.2% QoQ / +8.7% YoY



Operating Income:  
**+11.1% YoY**



Delinquency ratio over 90 days:  
**Reduction of 4 bps QoQ /  
69 bps YoY**



Annualized Return on Average Equity  
(ROAE):  
**20.6%**  
+220 bps YoY



Tier I Capital:  
**15.0%**  
+60 bps QoQ / +360 bps YoY



# HIGHLIGHTS AND INITIATIVES



## + 14.8% YoY INDIVIDUALS LOAN PORTFOLIO

- Strong growth in Payroll, Mortgage, Vehicles and Personal Loans
- Market Share Gain



## BAC FLORIDA ACQUISITION

- Strengthening of the High Income and Wealth Management Segment



## SME DIGITAL ACCOUNT

- Opening of accounts via digital channels for SME customers



## DIGITAL CHANNELS CREDIT

- Growth of 53% in Individuals and 44% in Companies in 1H19 in credit origination at digital channels



## CUSTOMERS' BASE EXPANSION

- 1.1 million of new account holders in the last 12 months
- 400 thousand new checking accounts in 2Q19

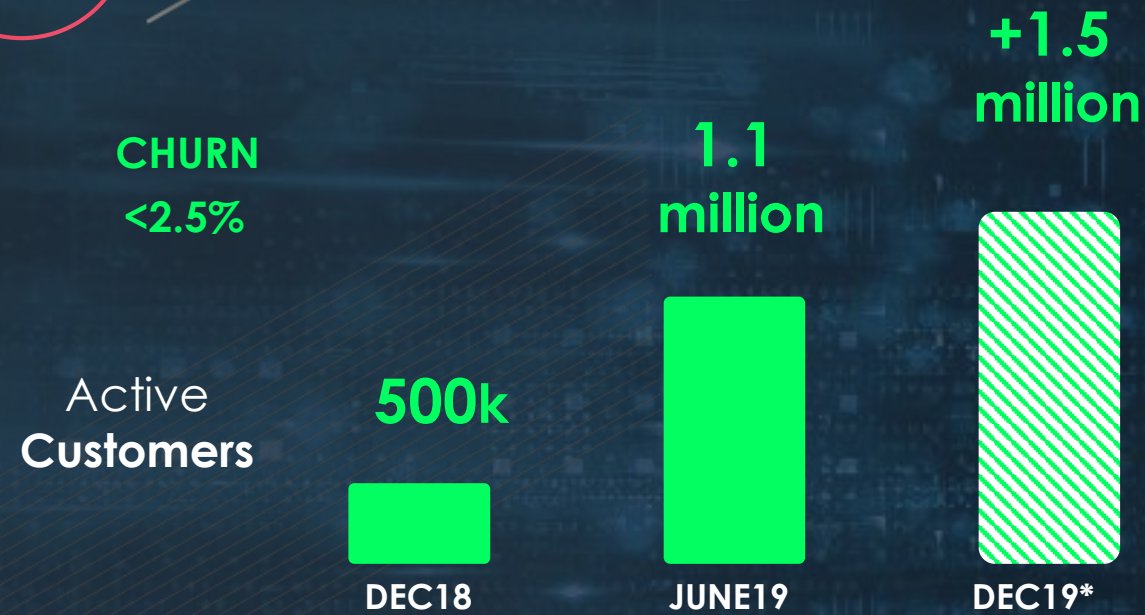


## NEXT REACHES 1.1 MILLION CUSTOMERS

- Over 300 thousand account holders in 2Q19



# DIGITAL CUSTOMERS



## HIGHLIGHTS:

80% between 18 and 34 years-old  
77% non-account holders of Bradesco

HUB OF PRODUCTS + FINANCIAL SERVICES + 300 PARTNERS (Openbanking and API)

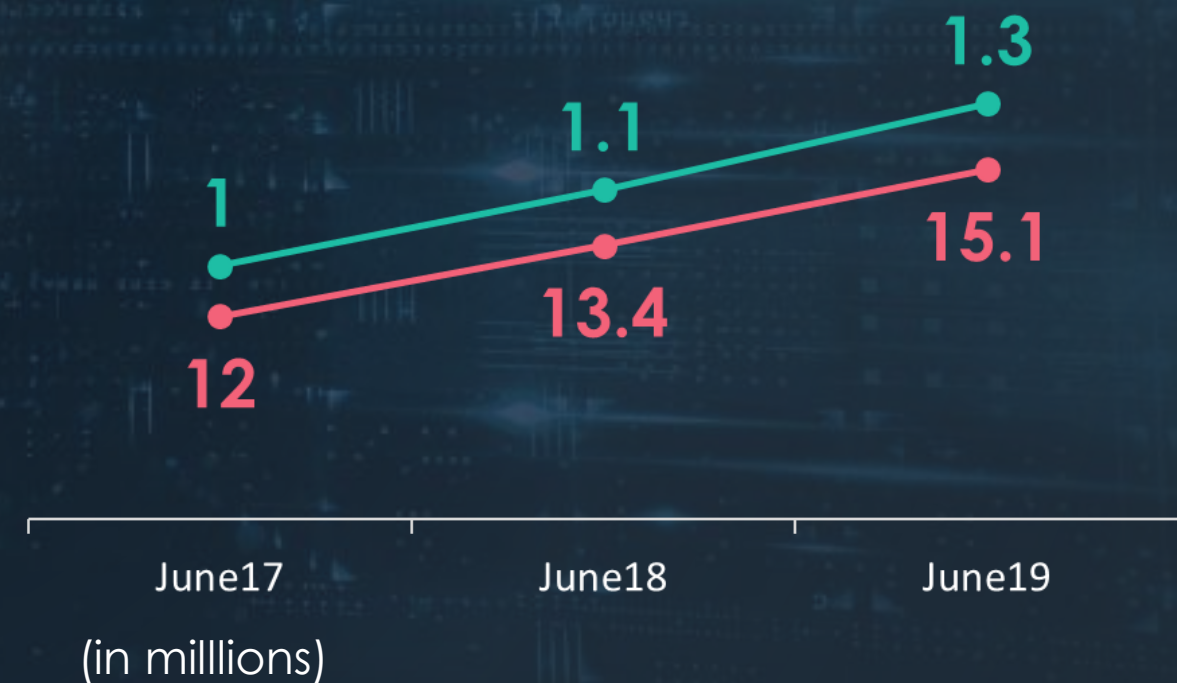


## DIGITAL PROFILE

16.4MM +1.9MM

DIGITAL ACCOUNT HOLDERS

LAST 12 MONTHS

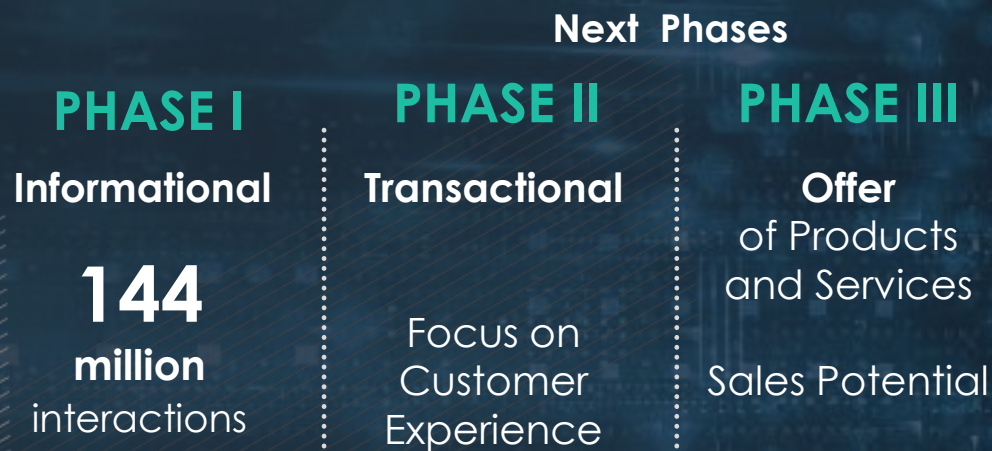


● INDIVIDUALS ● COMPANIES

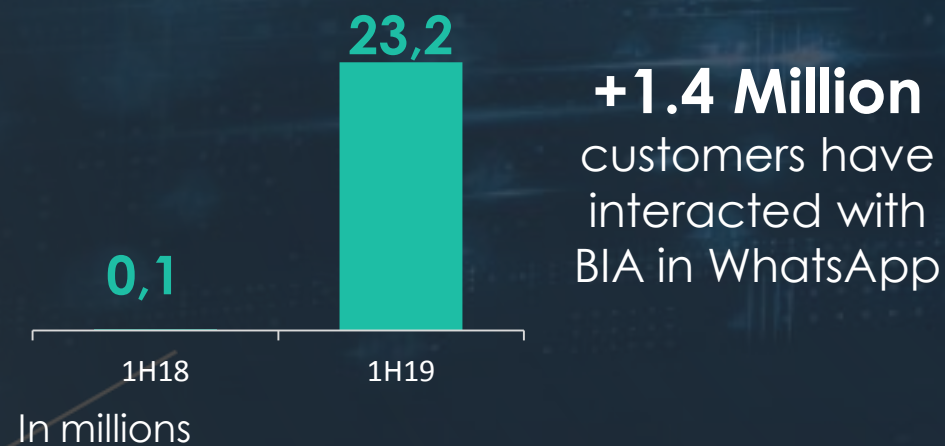


# DIGITAL IN FIGURES

## BIA'S EVOLUTION



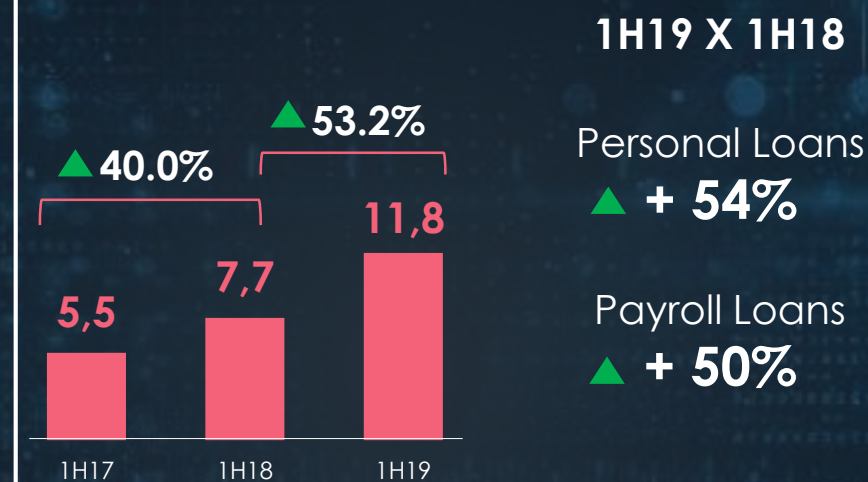
### WHATSAPP INTERACTIONS



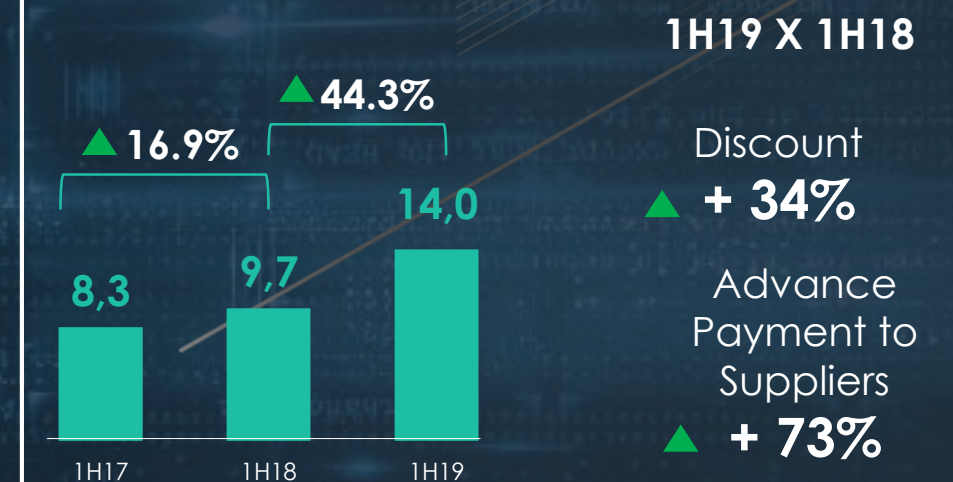
## CREDITS RELEASED IN THE DIGITAL CHANNELS

In billions

### Individuals



### Companies



## CREDITS RELEASED VIA MOBILE

Evolution – Base Index 100



# FUNDAÇÃO BRADESCO



Based on the belief of **education as a factor for turning lives around and social inclusion**, Fundação Bradesco has been operating for 62 years

2019 projections:

**92 K** 

Benefited students, being 93% from community in need of financial assistance

 **652 million**

invested in Funding activities



KINDERGARTEN,  
ELEMENTARY AND HIGH  
SCHOOL EDUCATION

YOUTH AND  
ADULT  
EDUCATION  
(EJA)

CERTIFICATE  
PROGRAMS OF  
HIGH SCHOOL  
LEVEL

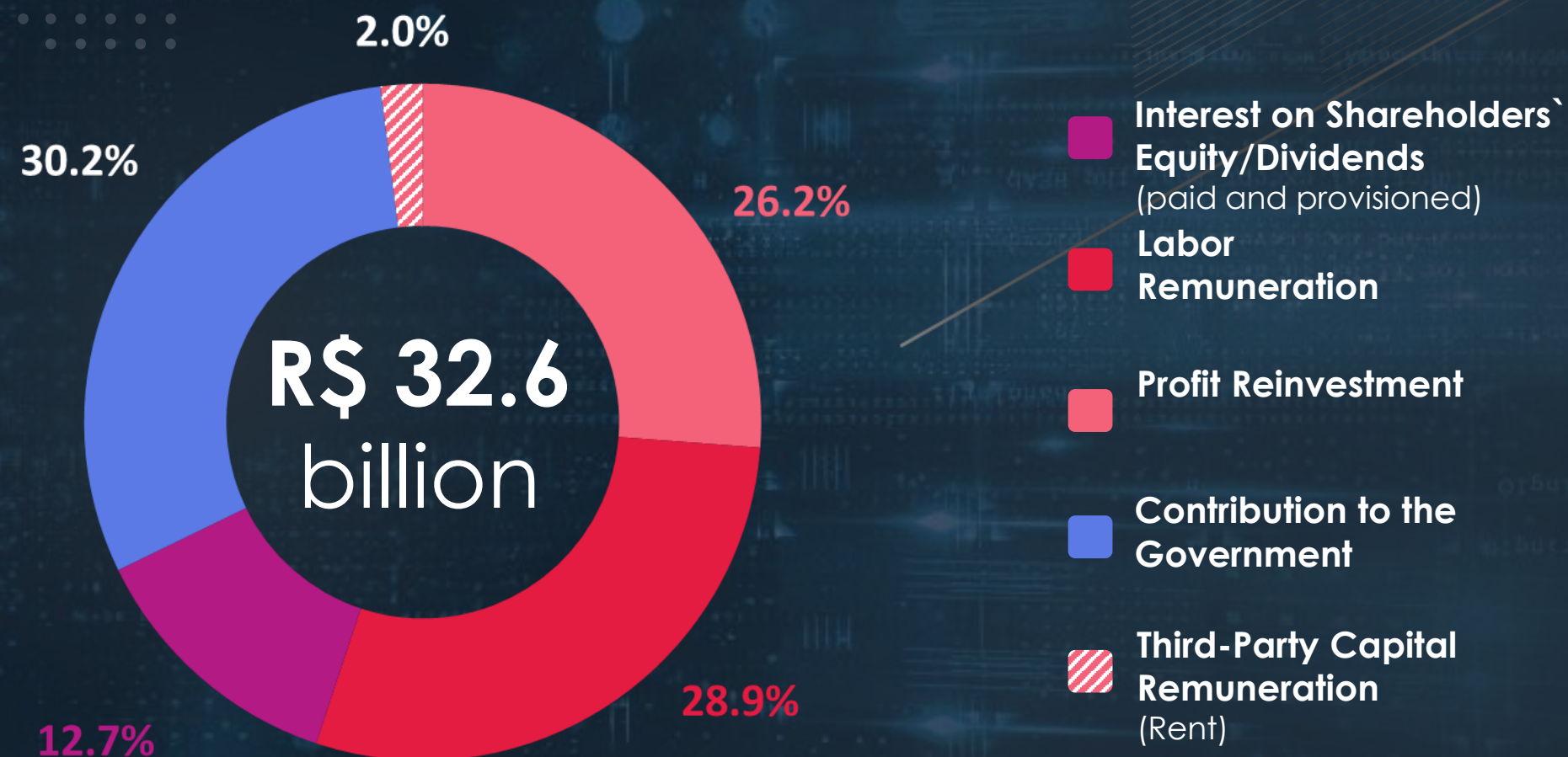


INITIAL AND  
CONTINUING  
EDUCATION



# ADDED VALUE TO SOCIETY

The added value of Bradesco in the first semester of 2019 added up to **R\$32.6 billion**, which is distributed as follows:



# FINANCIAL RESULTS

## 2ND QUARTER 2019



**bradesco**

# RECURRING INCOME STATEMENT

R\$ MILLION	VARIATION%				
	2Q19	1H19	2Q19 x 1Q19	2Q19 x 2Q18	1H19 x 1H18
NET INTEREST INCOME	14,468	28,555	2.7	7.1	5.6
EXPANDED ALL	(3,487)	(7,091)	(3.2)	(0.1)	(4.5)
GROSS INCOME FROM FINANCIAL INTERMEDIATION	10,981	21,464	4.8	9.6	9.5
Income from Insurance, Pension Plans and Capitalization Bonds <sup>(1)</sup>	3,594	7,420	(6.1)	11.6	16.9
Fee and Commission Income	8,280	16,354	2.6	1.3	1.8
Operating Expenses (Personnel + Administrative)	(10,591)	(20,775)	4.0	6.8	6.2
Other Operating Income / (Expenses) <sup>(2)</sup>	(3,218)	(6,547)	(3.3)	(3.8)	(1.3)
<b>OPERATING INCOME</b>	<b>9,046</b>	<b>17,916</b>	<b>2.0</b>	<b>11.1</b>	<b>13.3</b>
Income Tax / Social Contribution and Non-Operating Income / Non-controlling interests in subsidiaries	(2,584)	(5,216)	(1.8)	(13.4)	(6.0)
<b>RECURRING NET INCOME</b>	<b>6,462</b>	<b>12,700</b>	<b>3.6</b>	<b>25.2</b>	<b>23.7</b>

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Retained Premiums from Insurance, Pension Plans and Capitalization Bonds (-) Variation in technical reserves for Insurance, Pension Plans and Capitalization Bonds (-) Retained Claims - Capitalization Bond Draws and Redemptions (-) Insurance Plan, Pension Plan and Capitalization Bond Selling Expenses + Financial Income of the Operation; and  
(2) Includes Equity in the earnings (losses) of unconsolidated and jointly controlled subsidiaries and tax expenses.



# ROAE / ROAA QUARTELY AND SHAREHOLDERS' EQUITY AND TOTAL ASSETS

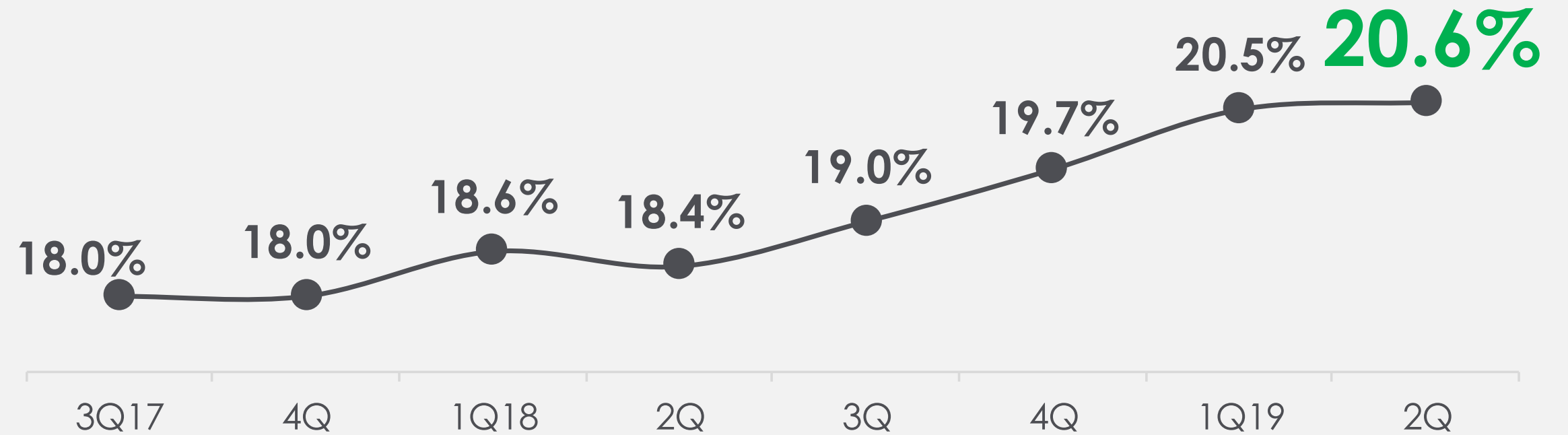
## ROAE

Evolution of

▲ 220 bps YoY  
▲ 10 bps QoQ

## Shareholders' Equity

R\$ 133,636 ▲ 18.2% YoY  
million ▲ 5.5% QoQ



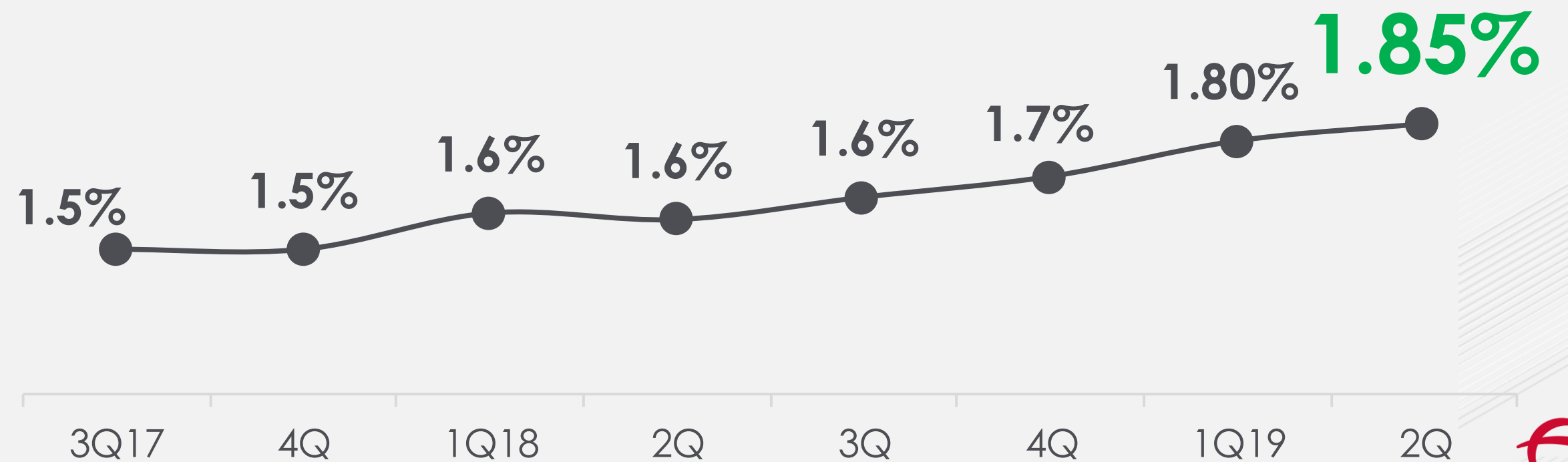
## ROAA

Evolution of

▲ 27 bps YoY  
▲ 5 bps QoQ

## Total Assets

R\$ 1,412 ▲ 8.1% YoY  
billion ▲ 1.7% QoQ



# EXPANDED LOAN PORTFOLIO

R\$ MILLION	JUNE19	MAR19	JUNE18	VARIATION%		% IN RELATION TO TOTAL JUNE19
				Q-o-Q	Y-o-Y	
<b>COMPANIES<sup>(1)</sup></b>	<b>350,671</b>	<b>348,130</b>	<b>332,818</b>	<b>0.7</b>	<b>5.4</b>	<b>62.6</b>
Large Corporates	249,532	248,374	237,868	0.5	4.9	44.5
Micro, Small and Medium-Sized Enterprises	101,139	99,756	94,950	1.4	6.5	18.0
<b>INDIVIDUALS</b>	<b>209,867</b>	<b>200,164</b>	<b>182,817</b>	<b>4.8</b>	<b>14.8</b>	<b>37.4</b>
Payroll-deductible Loans	57,318	53,505	46,593	7.1	23.0	10.2
Real Estate Financing	41,282	39,759	35,618	3.8	15.9	7.4
Credit Cards	34,803	34,319	33,606	1.4	3.6	6.2
CDC / Vehicle Leasing	26,032	24,628	22,167	5.7	17.4	4.6
Personal Loans	23,898	21,688	18,490	10.2	29.2	4.3
Others	26,534	26,265	26,343	1.0	0.7	4.7
<b>EXPANDED LOAN PORTFOLIO - TOTAL</b>	<b>560,538</b>	<b>548,294</b>	<b>515,635</b>	<b>2.2</b>	<b>8.7</b>	<b>100.0</b>
				<b>WITHOUT EXCHANGE VARIATION</b>	<b>2.3</b>	<b>8.8</b>

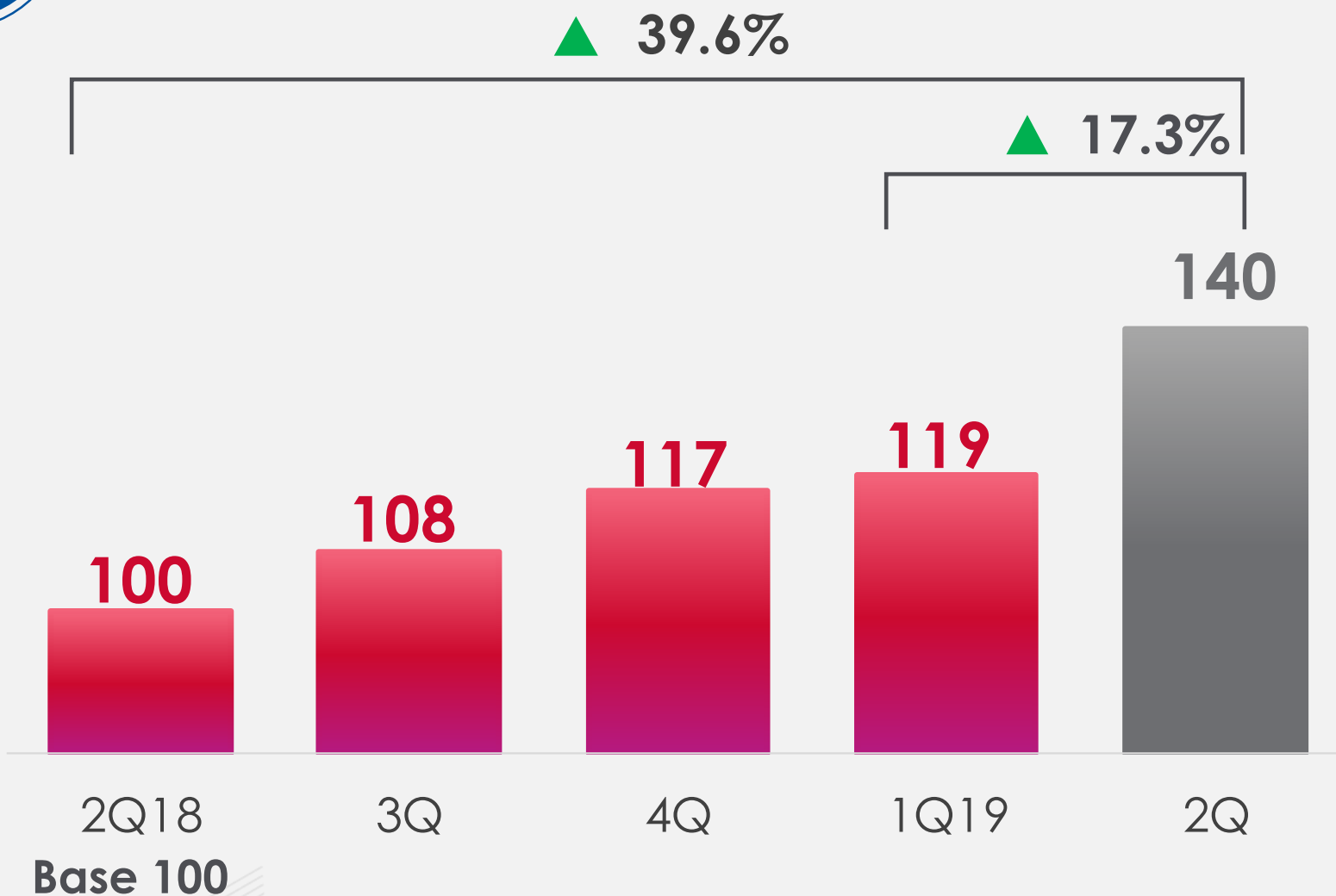
(1) In the 1Q19, there were reallocations in the portfolio from Micro, Small and Medium-sized Enterprises to Large Corporates, in the amount of R\$6.7 billion. These reallocations are related to the enhanced segmentation of our Companies clients.



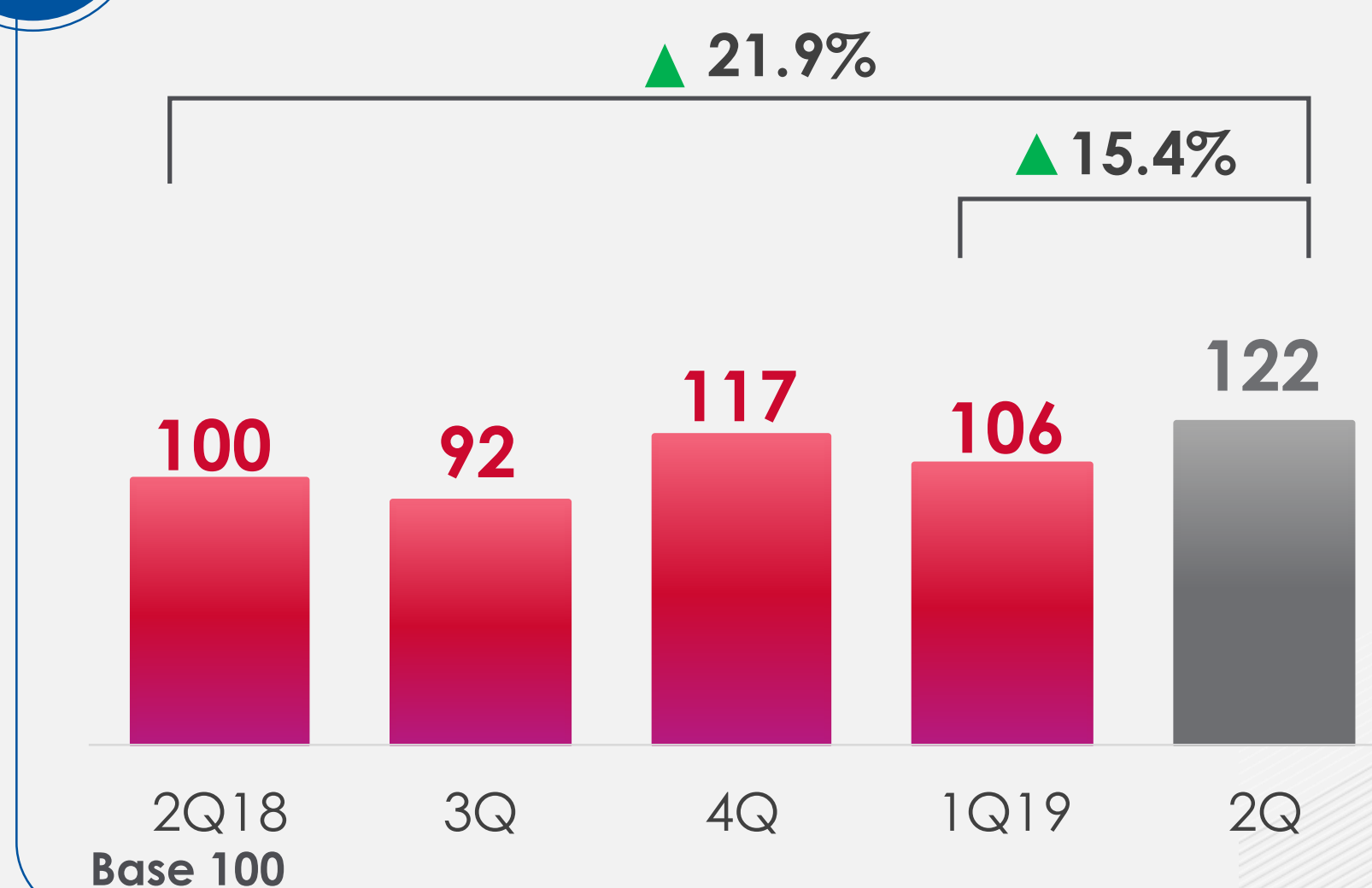
# LOAN ORIGINATION PER BUSINESS DAY EARMARKED AND NON-EARMARKED LOANS



## INDIVIDUALS



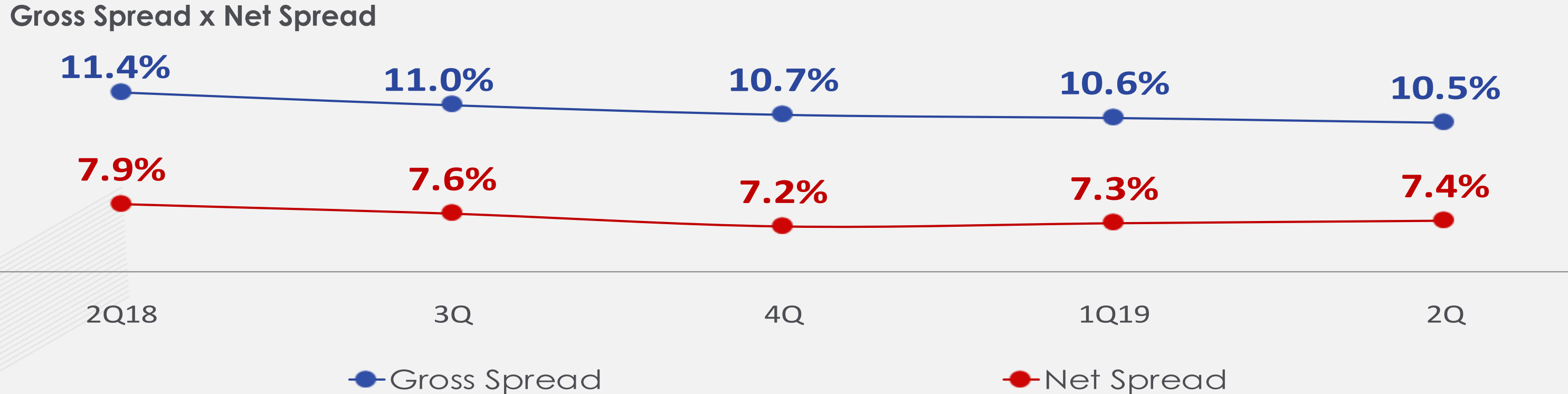
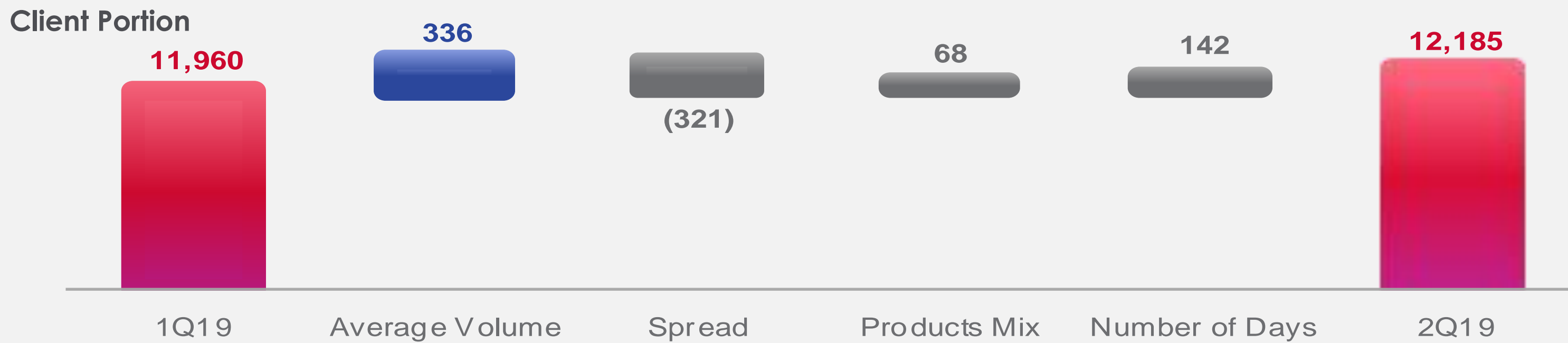
## COMPANIES



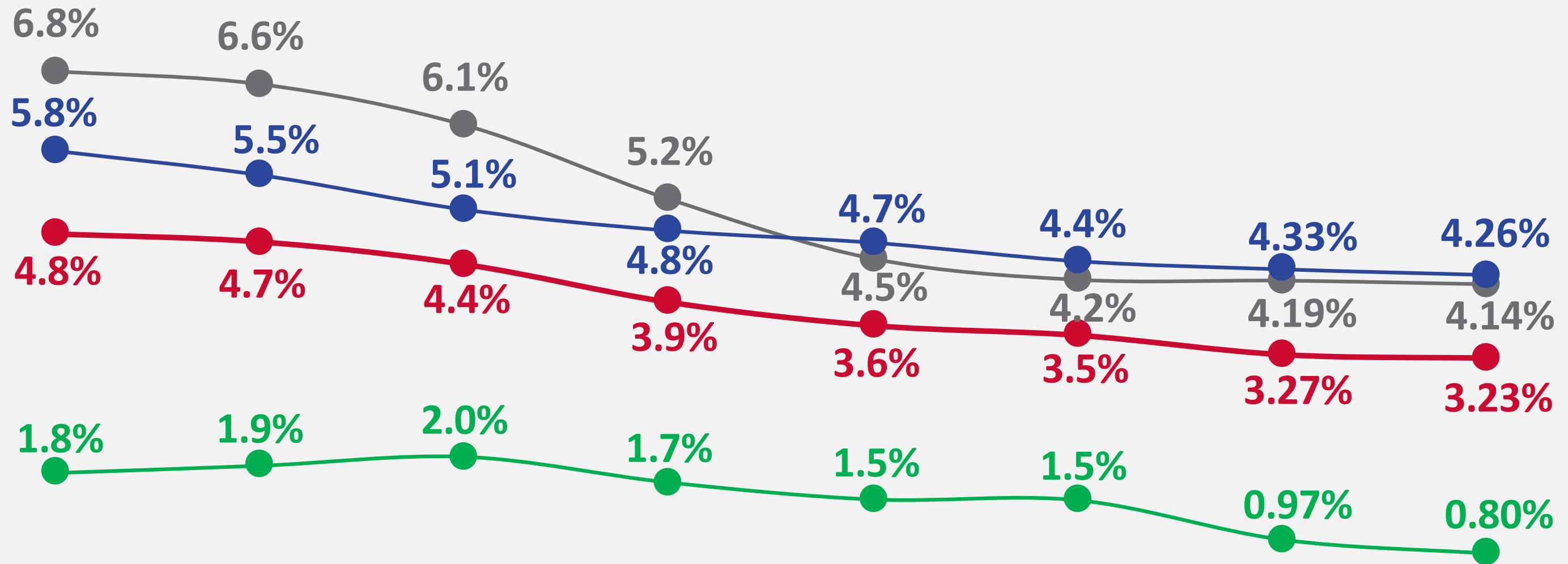
# NET INTEREST INCOME

R\$ MILLION

<h3>Net Interest Income</h3> <p><b>14,468</b> { <span style="color: green;">▲</span> 2.7% QoQ <span style="color: green;">▲</span> 7.1% YoY</p>	<h3>Client Portion</h3> <p><b>12,185</b> { <span style="color: green;">▲</span> 1.9% QoQ <span style="color: green;">▲</span> 4.2% YoY</p>	<h3>Market Portion</h3> <p><b>2,283</b> { <span style="color: green;">▲</span> 7.3% QoQ <span style="color: green;">▲</span> 25.9% YoY</p>
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# DELINQUENCY RATIO – OVER 90 DAYS



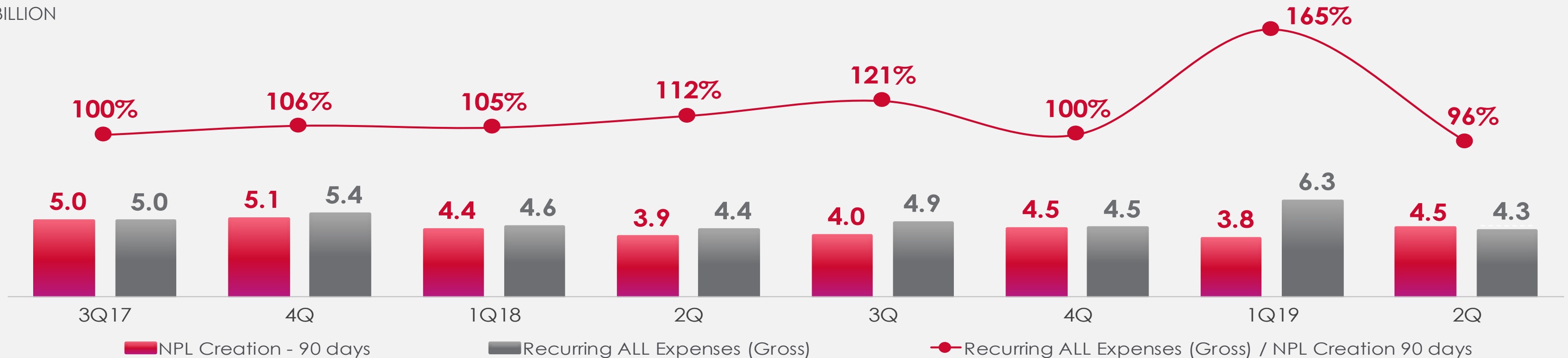
● Individuals   
 ● Micro, Small and Medium-Sized Enterprises   
 ● Total   
 ● Large Corporates



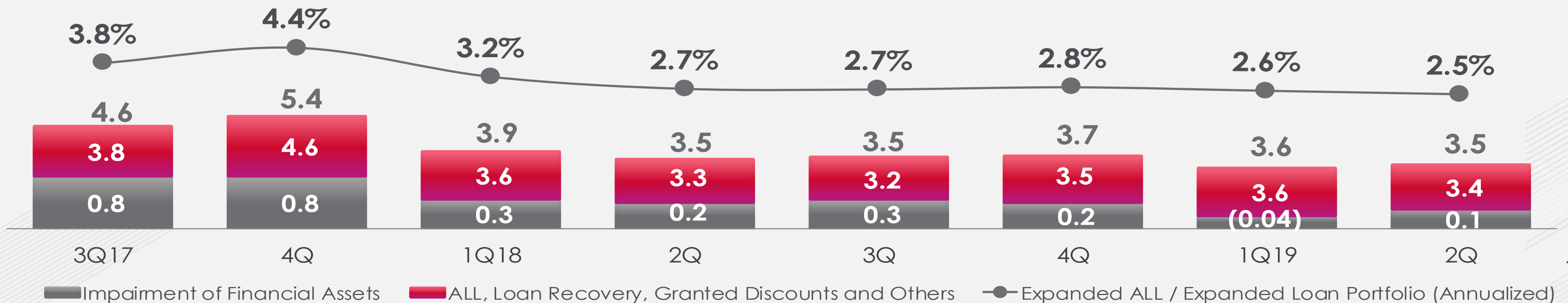
# NPL CREATION AND ALLOWANCE FOR LOAN LOSSES (ALL) EXPENSES

NPL Creation >90 days x ALL Expenses Recurring

R\$ BILLION



Expanded ALL / Expanded Loan Portfolio



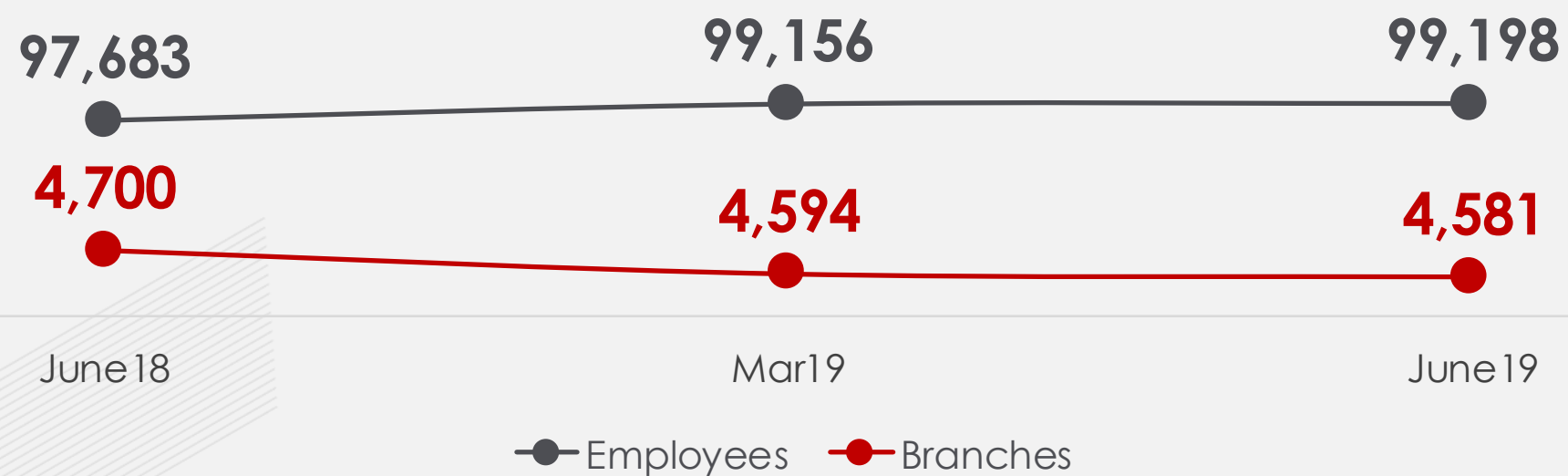
# FEE AND COMMISSION INCOME

R\$ MILLION						VARIATION%		
	2Q19	1Q19	2Q18	1H19	1H18	2Q19 x 1Q19	2Q19 x 2Q18	1H19 x 1H18
Card Income	2,781	2,766	2,788	5,547	5,551	0.5	(0.3)	(0.1)
Checking Account	1,932	1,851	1,765	3,783	3,513	4.4	9.5	7.7
Asset Management	928	966	1,007	1,894	2,001	(3.9)	(7.8)	(5.3)
Loans	755	726	801	1,481	1,525	4.0	(5.7)	(2.9)
Collections and Payments	594	609	618	1,203	1,230	(2.5)	(3.9)	(2.2)
Consortium Management	454	457	412	911	795	(0.7)	10.2	14.6
Custody and Brokerage Services	268	264	256	532	490	1.5	4.7	8.6
Underwriting / Financial Advisory Services	270	121	256	391	410	123.1	5.5	(4.6)
Others	298	314	268	612	542	(5.1)	11.2	12.9
<b>TOTAL</b>	<b>8,280</b>	<b>8,074</b>	<b>8,171</b>	<b>16,354</b>	<b>16,057</b>	<b>2.6</b>	<b>1.3</b>	<b>1.8</b>



# OPERATING EXPENSES

R\$ MILLION						VARIATION%		
	2Q19	1Q19	2Q18	1H19	1H18	2Q19 x 1Q19	2Q19 x 2Q18	1H19 x 1H18
PERSONNEL	5,488	5,158	4,927	10,646	9,756	6.4	11.4	9.1
Structural	4,169	4,089	3,905	8,258	7,784	2.0	6.8	6.1
Non-Structural	1,319	1,069	1,022	2,388	1,972	23.4	29.1	21.1
ADMINISTRATIVE	5,103	5,026	4,993	10,129	9,803	1.5	2.2	3.3
TOTAL	10,591	10,184	9,920	20,775	19,559	4.0	6.8	6.2



## Variation (In Quantity)

June 19 x Mar 19	June 19 x June 18
42	1,515
(13)	(119)



# INCOME FROM INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS

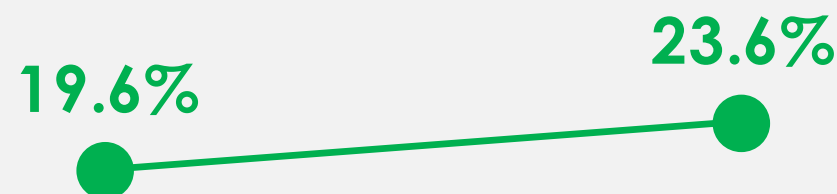
R\$ MILLION	VARIATION% (unless otherwise stated)								
	2Q19	1Q19	2Q18	1H19	1H18	2Q19 x 1Q19	2Q19 x 2Q18	1H19 x 1H18	
Life and Pension Plans	8,920	8,685	8,795	17,605	17,569	2.7	1.4	0.2	
Health	6,725	6,586	6,247	13,311	12,324	2.1	7.7	8.0	
Auto/P&C and DPV AT	1,535	1,313	1,511	2,848	2,804	16.9	1.6	1.6	
Capitalization Bonds	1,642	1,478	1,670	3,120	3,096	11.1	(1.7)	0.8	
<b>OVERALL INCOME</b>	<b>18,822</b>	<b>18,062</b>	<b>18,223</b>	<b>36,884</b>	<b>35,793</b>	<b>4.2</b>	<b>3.3</b>	<b>3.0</b>	
INCOME FROM INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS <sup>(1)</sup>	<b>3,594</b>	<b>3,826</b>	<b>3,221</b>	<b>7,420</b>	<b>6,348</b>	<b>(6.1)</b>	<b>11.6</b>	<b>16.9</b>	
FINANCIAL ASSETS	<b>300,059</b>	<b>291,422</b>	<b>278,828</b>	<b>300,059</b>	<b>278,828</b>	<b>3.0</b>	<b>7.6</b>	<b>7.6</b>	
TECHNICAL PROVISIONS	<b>265,241</b>	<b>261,106</b>	<b>252,072</b>	<b>265,241</b>	<b>252,072</b>	<b>1.6</b>	<b>5.2</b>	<b>5.2</b>	
SHAREHOLDERS' EQUITY	<b>35,204</b>	<b>32,209</b>	<b>33,249</b>	<b>35,204</b>	<b>33,249</b>	<b>9.3</b>	<b>5.9</b>	<b>5.9</b>	
NET INCOME	<b>1,833</b>	<b>1,814</b>	<b>1,582</b>	<b>3,647</b>	<b>3,145</b>	<b>1.0</b>	<b>15.9</b>	<b>16.0</b>	
ROAE	<b>23.7%</b>	<b>23.4%</b>	<b>19.7%</b>	<b>23.6%</b>	<b>19.6%</b>	<b>0.3 p.p.</b>	<b>4.0 p.p.</b>	<b>4.0 p.p.</b>	

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Retained Premiums from Insurance, Pension Plans and Capitalization Bonds (-) Variation in technical reserves for Insurance, Pension Plans and Capitalization Bonds (-) Retained Claims - Capitalization Bond Draws and Redemptions (-) Insurance Plan, Pension Plan and Capitalization Bond Selling Expenses + Financial Income of the Operation.

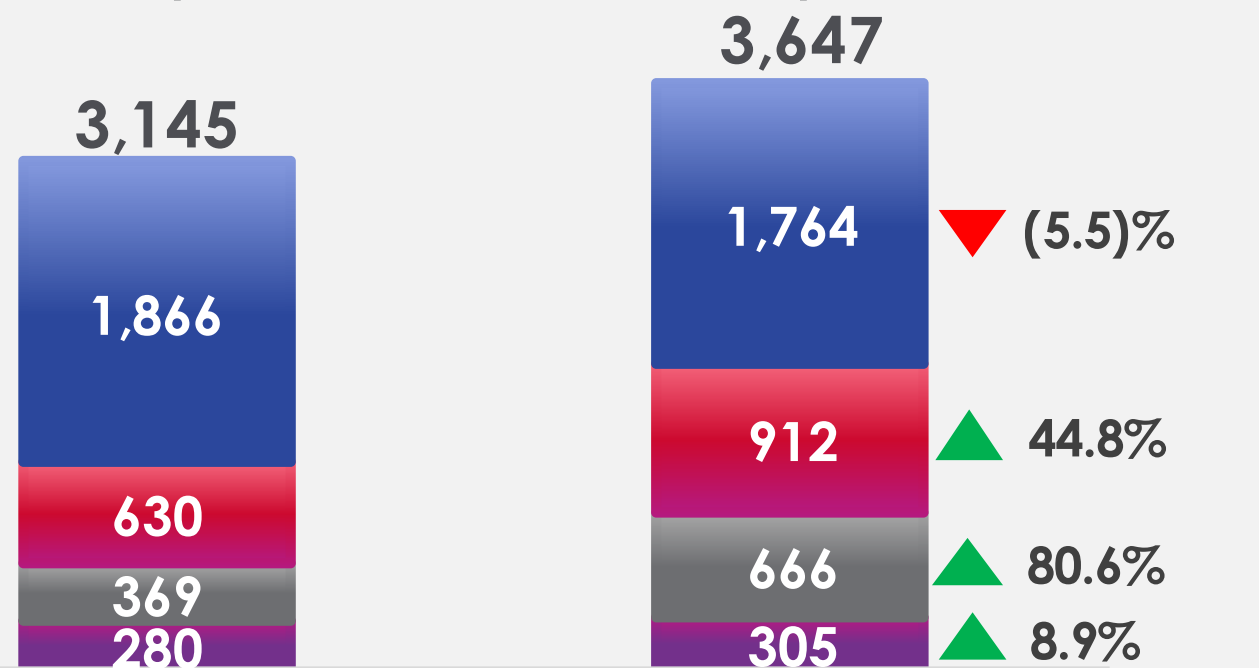


# INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS

**Net Income**  
R\$ MILLION



▲ 16.0%



1H18

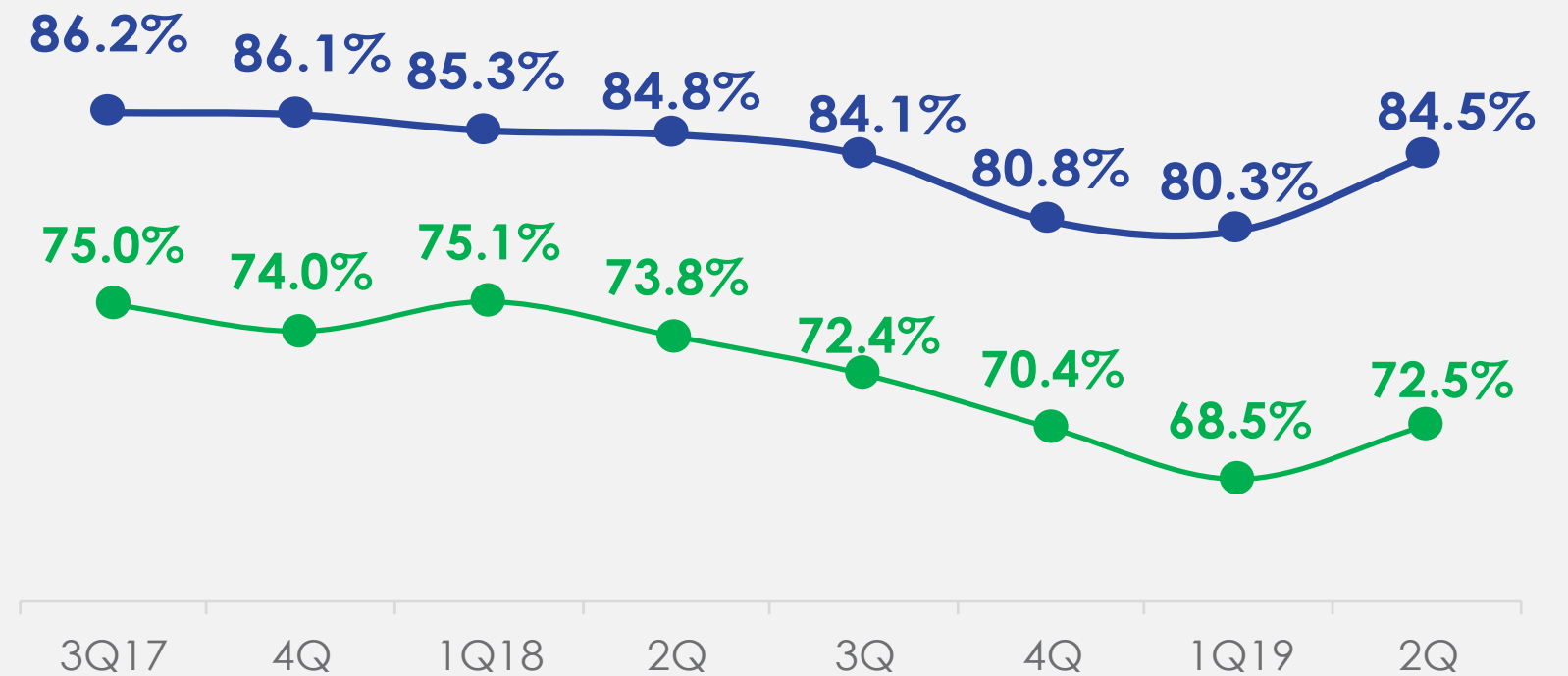
- Capitalization Bonds
- Auto/P&C and DPVAT
- ROAE %

1H19

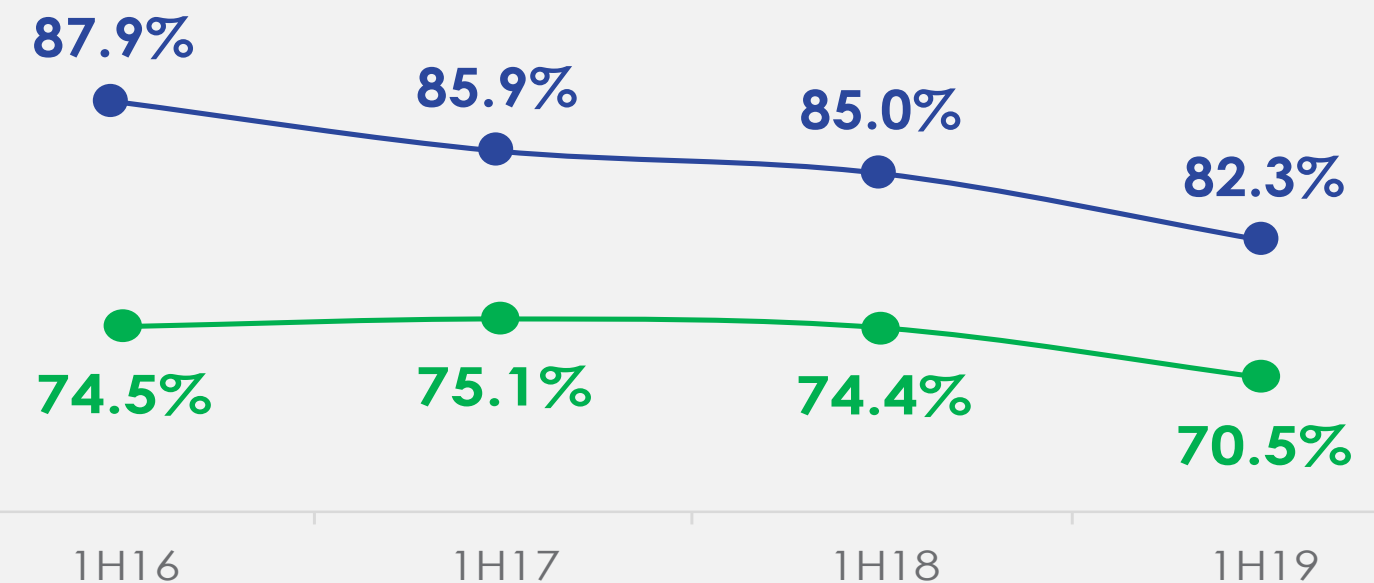
- Health
- Life and Pension Plans

**Combined Ratio and Claims Ratio**

Quarterly



Semester



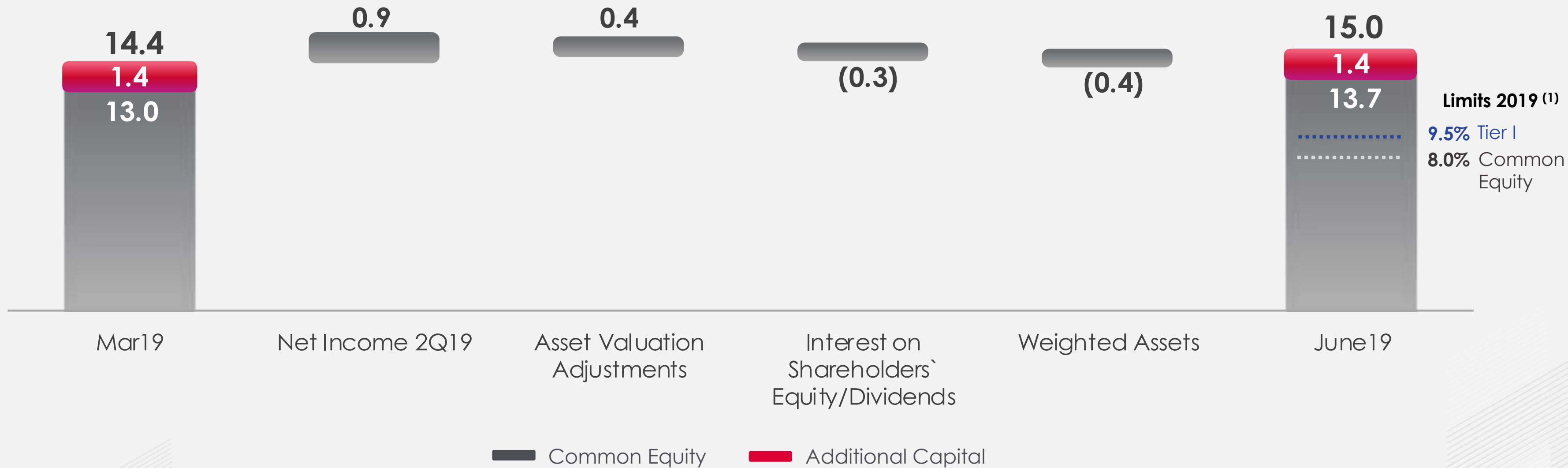
● Combined Ratio ● Claims Ratio



# BIS RATIO

## CHANGES IN THE TIER I RATIO

%



# GUIDANCE

	<b>GUIDANCE 2019</b>	<b>REALIZED 1H19 x 1H18</b>
Expanded Loan Portfolio	9% to 13%	9% (9% without exchange variation)
Financial Margin	4% to 8%	6%
Fee and Commission Income	3% to 7%	2%
Operating Expenses (Administrative and Personnel Expenses)	0% to 4%	6%
Income from Insurance, Pension Plans and Capitalization Bond <sup>(1)</sup>	5% to 9%	17%
Expanded ALL - R\$ billion	R\$11.5 to R\$14.5	R\$ 7.1 (Realized 1H19)



# THANK YOU

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RESULTS  
2<sup>ND</sup> QUARTER  
2019



**bradesco**

# ADDITIONAL SLIDES

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RESULTS  
2<sup>ND</sup> QUARTER  
2019



# RECURRING NET INCOME X BOOK NET INCOME

R\$ MILLION	2Q19	1Q19	2Q18	1H19	1H18
RECURRING NET INCOME	<b>6,462</b>	<b>6,238</b>	<b>5,161</b>	<b>12,700</b>	<b>10,263</b>
Non-Recurring Events	<b>(420)</b>	<b>(418)</b>	<b>(633)</b>	<b>(838)</b>	<b>(1,268)</b>
- Goodwill amortization (Gross)	(374)	(373)	(613)	(747)	(1,220)
- Other <sup>(1)</sup>	(46)	(45)	(20)	(91)	(48)
Book Net Income	<b>6,042</b>	<b>5,820</b>	<b>4,528</b>	<b>11,862</b>	<b>8,995</b>

(1) Essentially composed of contingent liabilities.



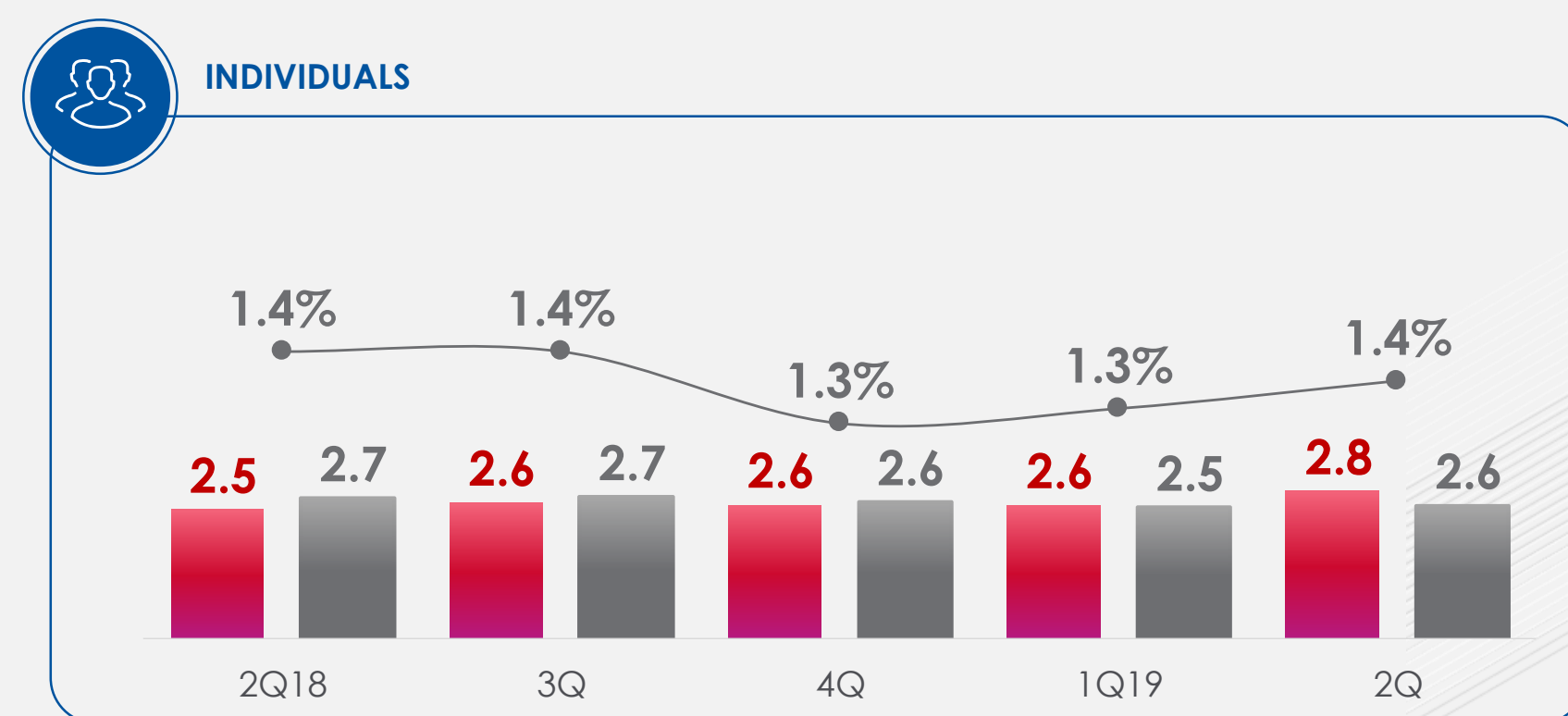
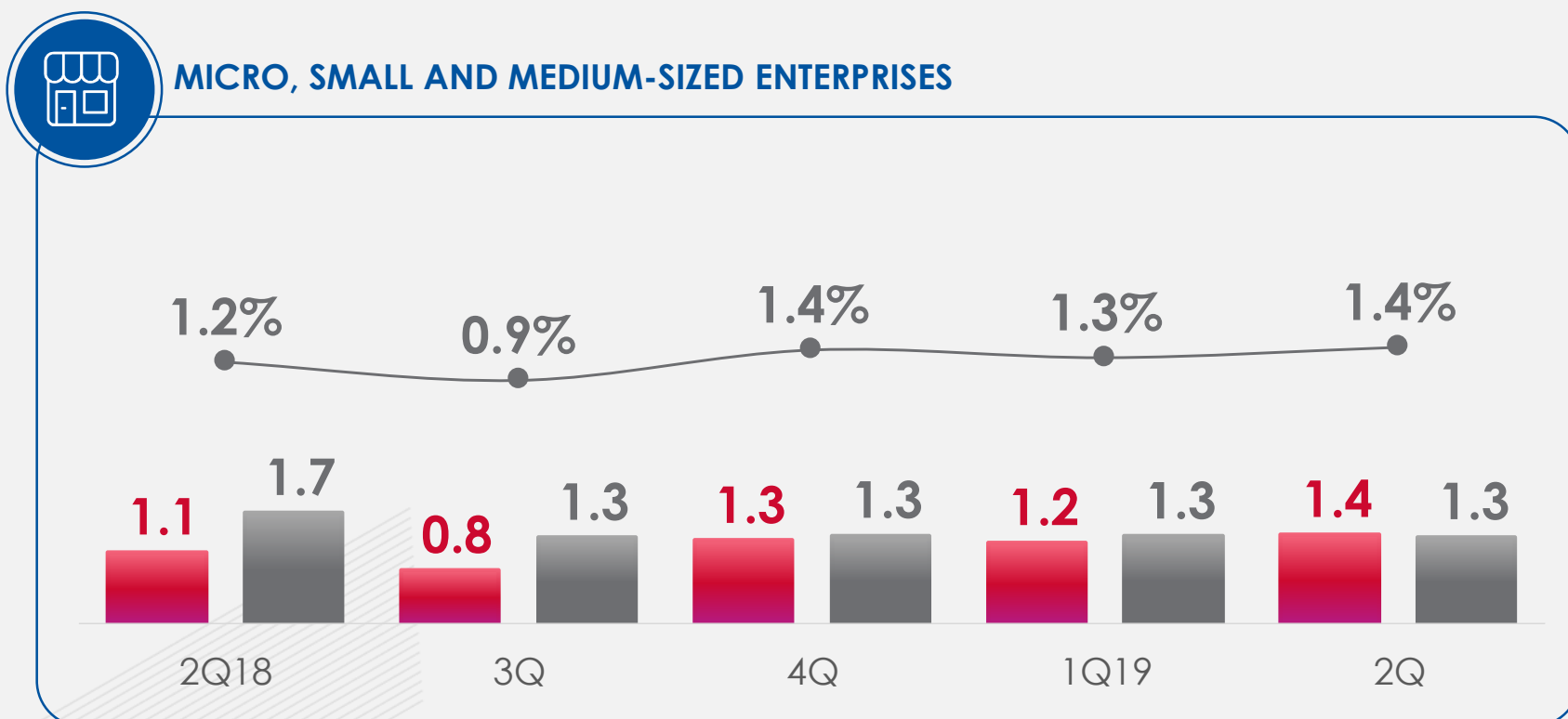
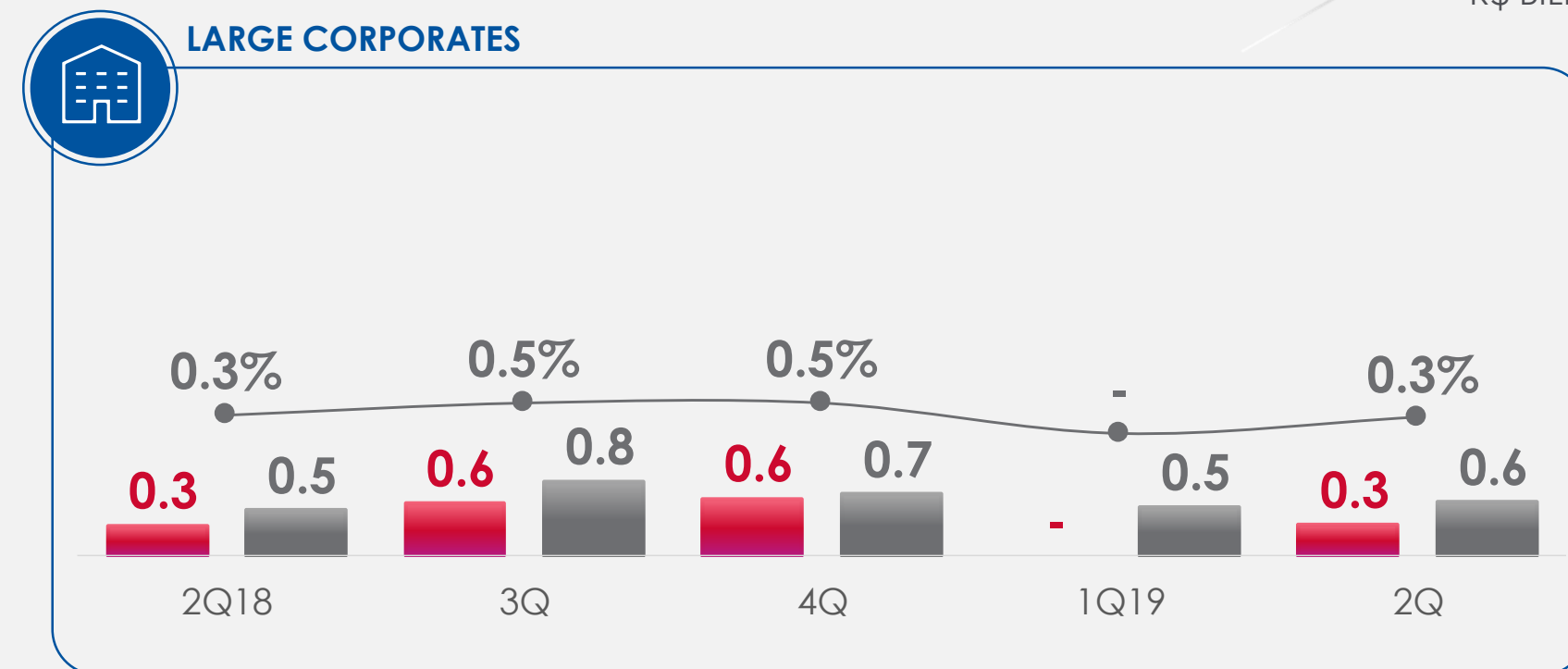
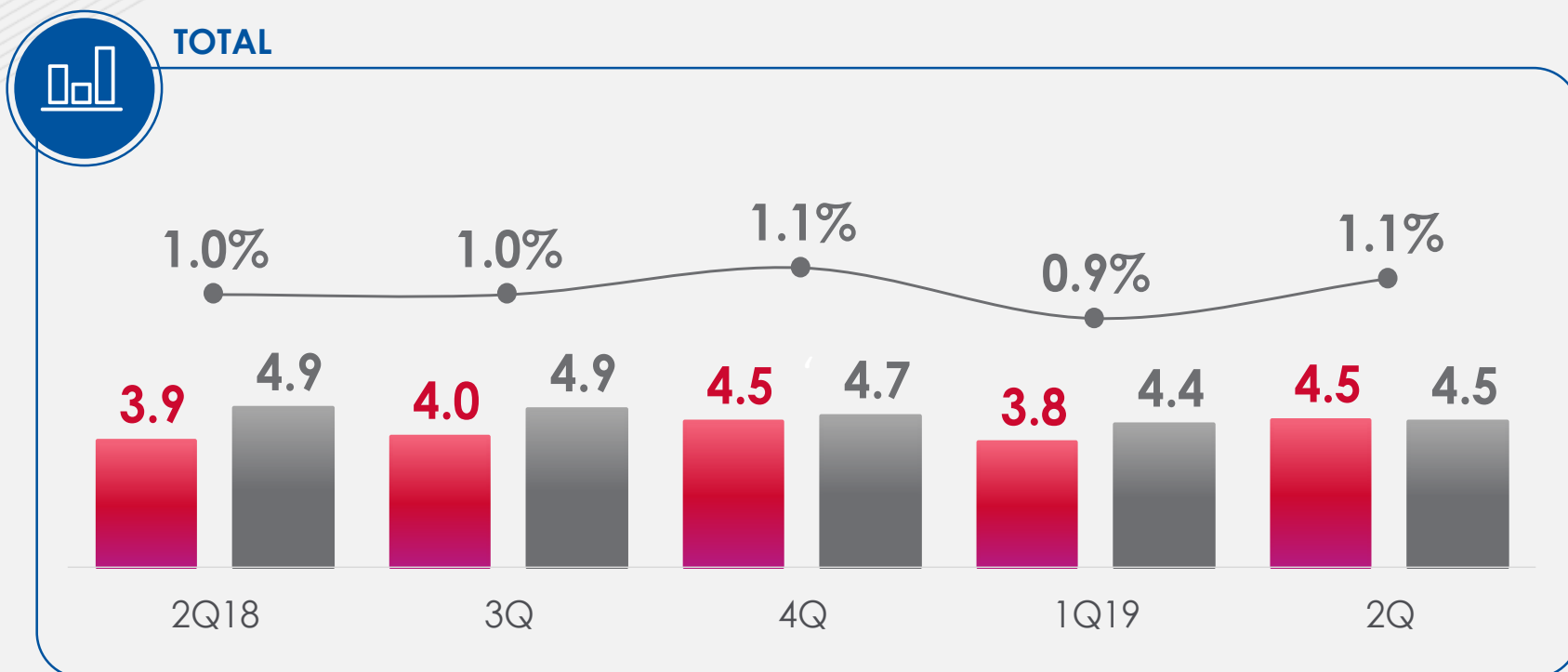
# LOAN PORTFOLIO BACEN X EXPANDED

R\$ MILLION	JUNE19	MAR19	JUNE18	VARIATION%		
				Q-o-Q	Y-o-Y	
Individuals	209,126	199,480	181,751	4.8	15.1	
Companies	218,407	220,734	209,054	(1.1)	4.5	
<b>TOTAL LOAN PORTFOLIO - BACEN</b>	<b>427,534</b>	<b>420,214</b>	<b>390,805</b>	<b>1.7</b>	<b>9.4</b>	
Sureties and Guarantees	73,659	73,314	71,765	0.5	2.6	
Operations bearing Credit Risk - Commercial Portfolio <sup>(1)</sup>	53,638	49,364	47,776	8.7	12.3	
Other <sup>(2)</sup>	5,709	5,401	5,289	5.7	7.9	
<b>TOTAL EXPANDED LOAN PORTFOLIO</b>	<b>560,538</b>	<b>548,294</b>	<b>515,635</b>	<b>2.2</b>	<b>8.7</b>	
				<b>WITHOUT EXCHANGE VARIATION</b>	<b>2.3</b>	<b>8.8</b>



# NPL CREATION 90-DAYS BY PORTFOLIO

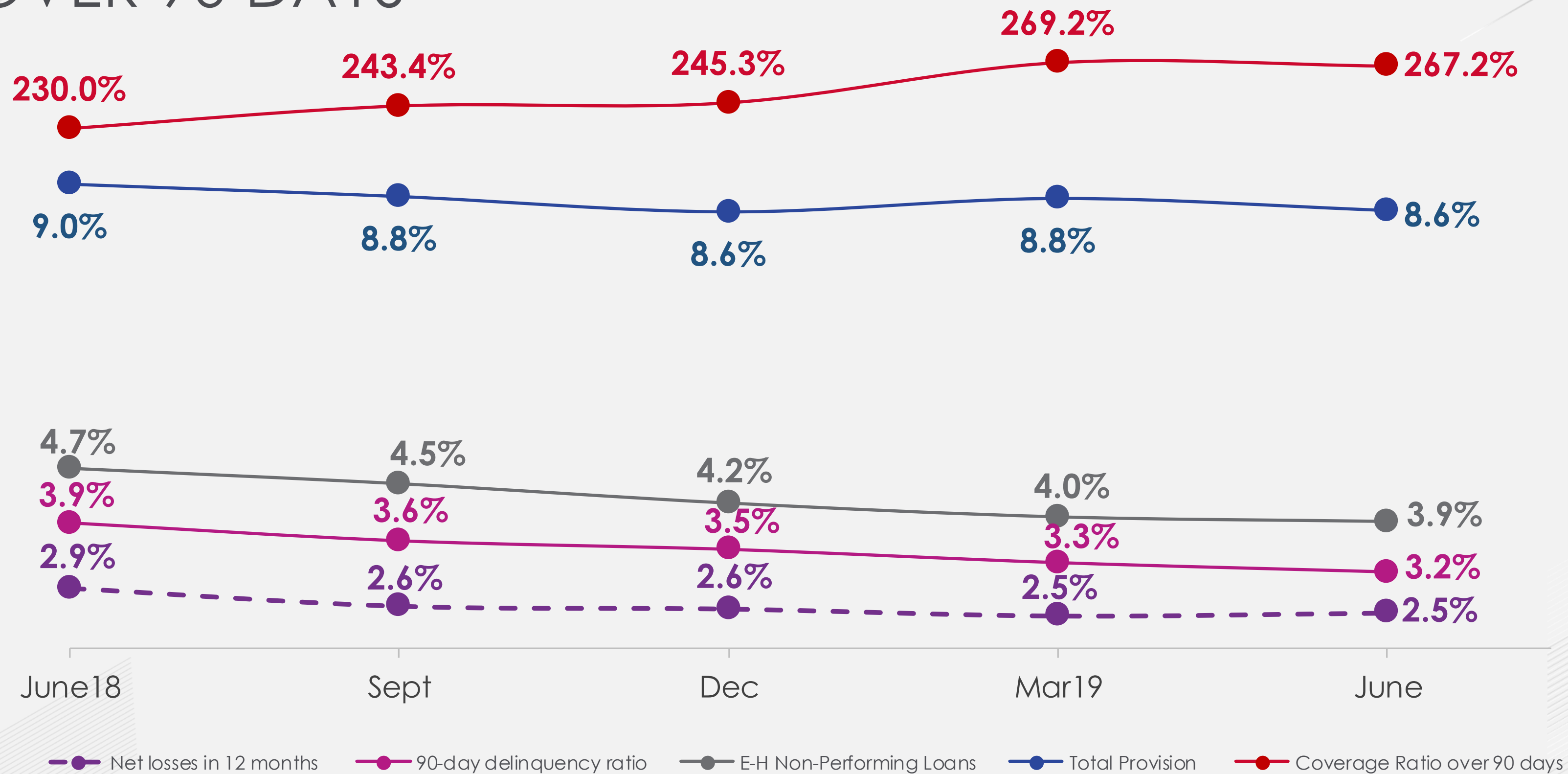
R\$ BILLION



■ NPL Creation 
 ■ Write-offs 
 —●— NPL Creation / Loan Portfolio – As defined by the Central Bank



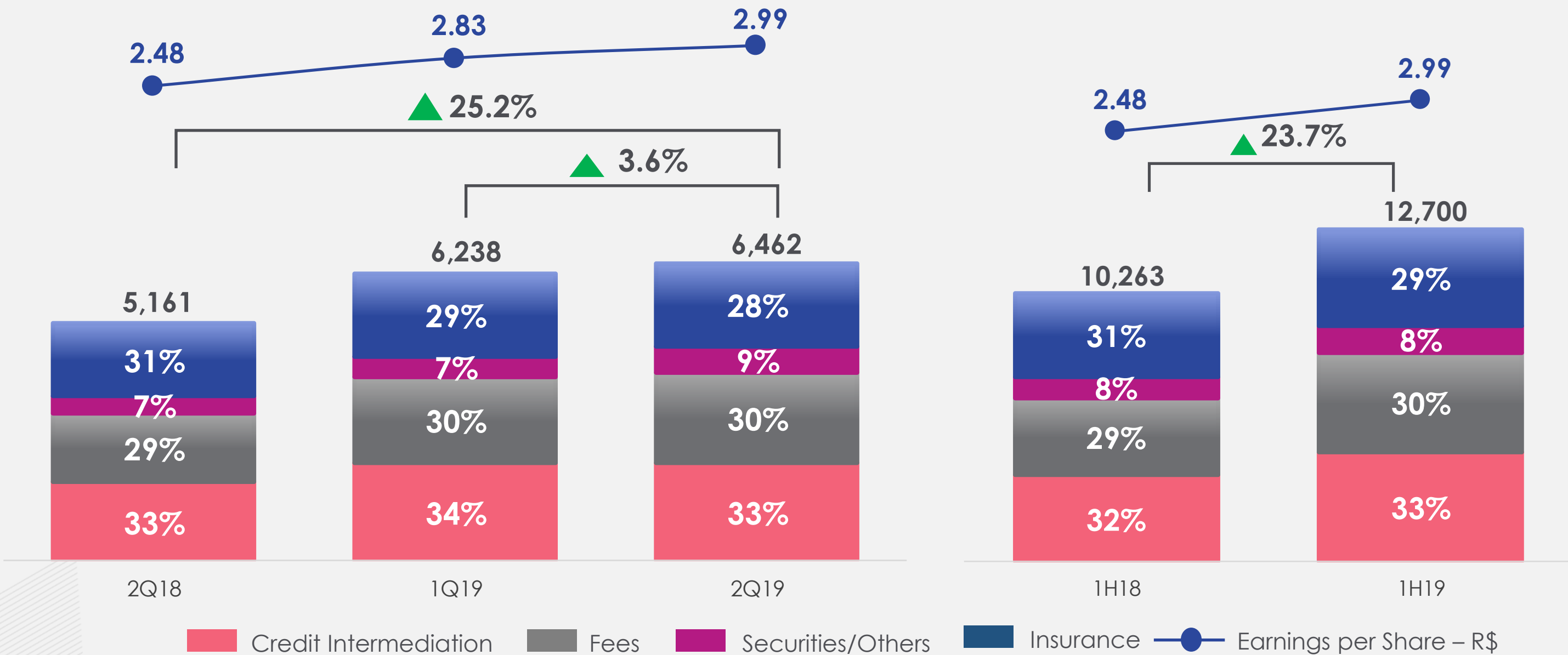
# COVERAGE RATIO OVER 90 DAYS



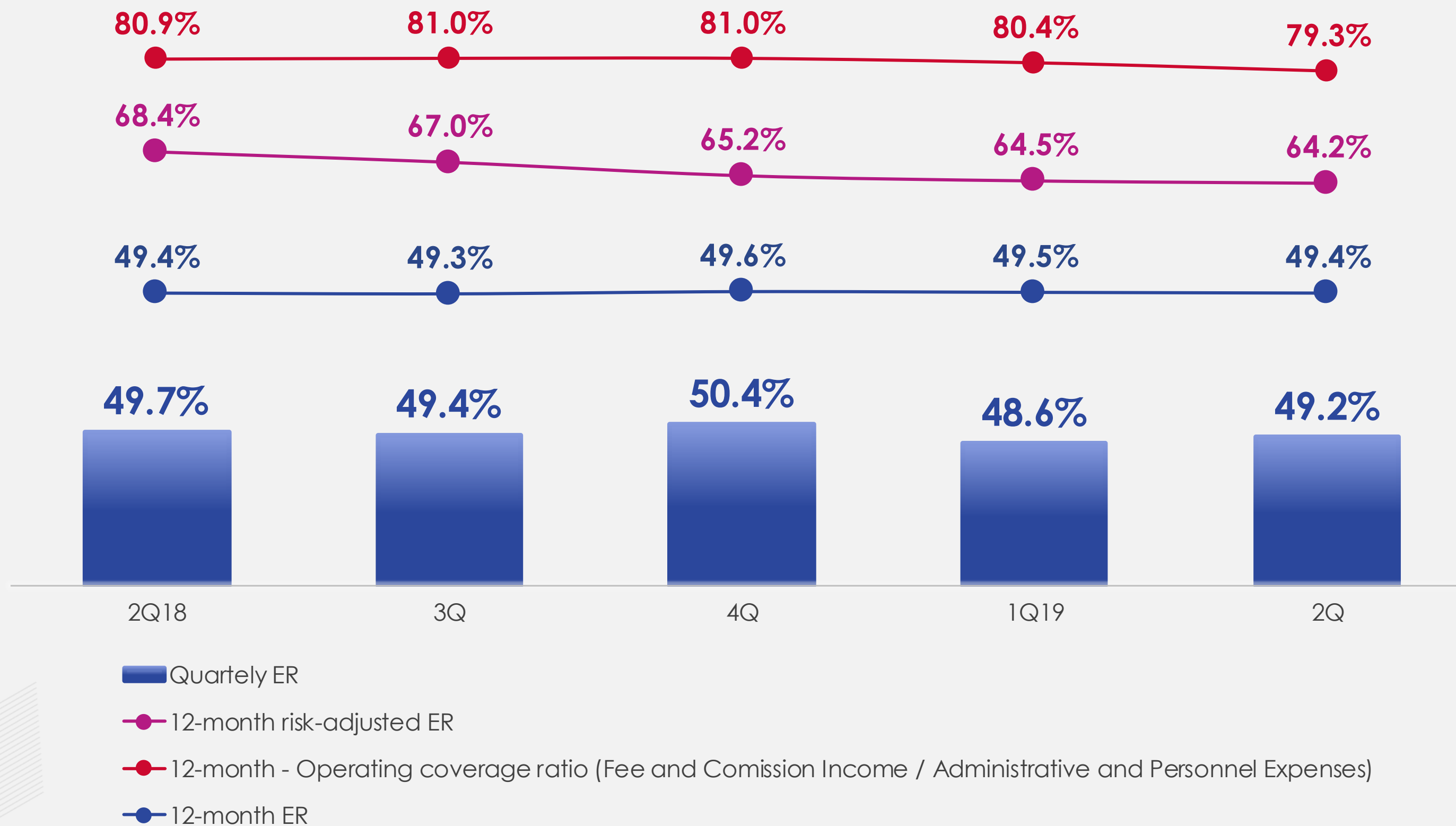
# RECURRING NET INCOME AND EARNINGS PER SHARE



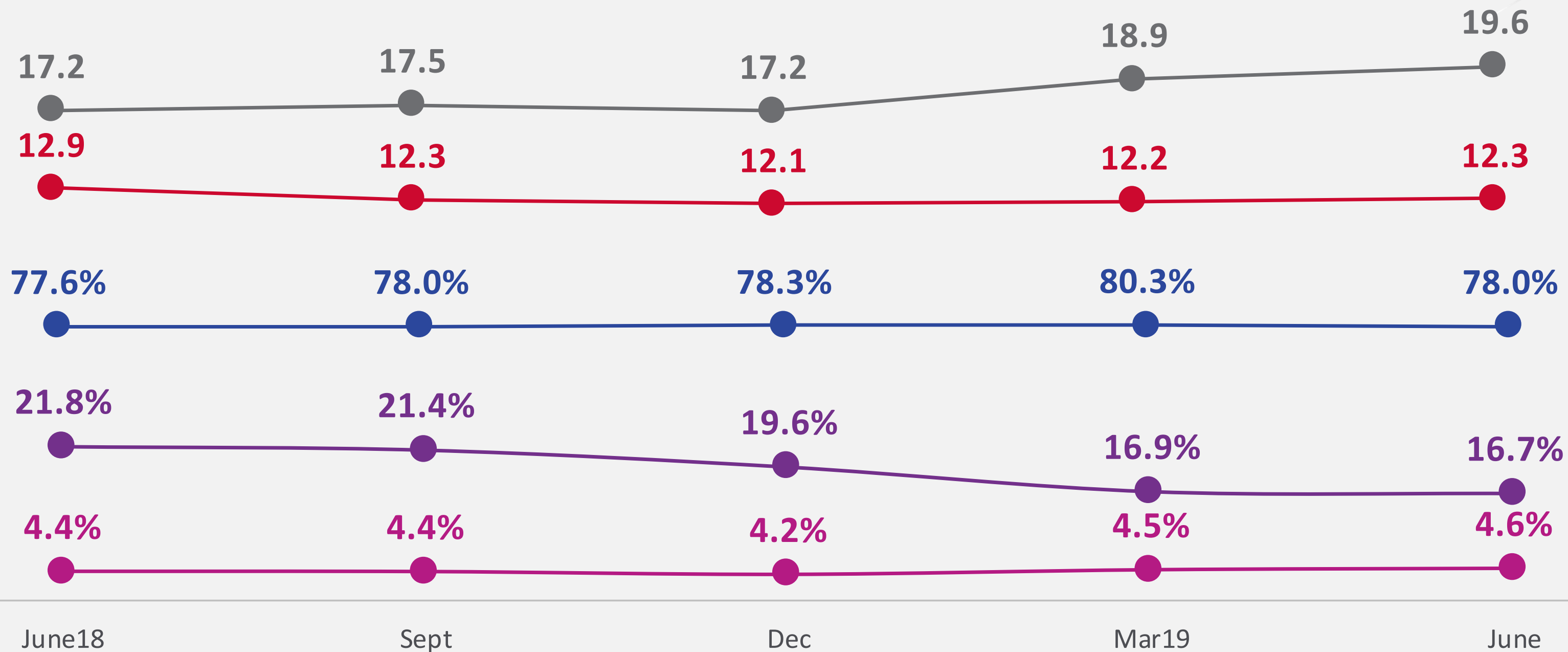
R\$ MILLION



# EFFICIENCY<sup>(1)</sup> AND OPERATING COVERAGE RATIOS



# RENEGOTIATED PORTFOLIO



● Renegotiated Portfolio – R\$ billion

● Renegotiated Portfolio (Excluding Loans from Write-offs) – R\$ billion

● Allowance for Loan Losses as a % of the Total Renegotiated Portfolio

● Total Renegotiated Portfolio / Loan Portfolio

● 90-day delinquency ratio



# RESULTS

## 2<sup>ND</sup> QUARTER

# 2019

