Bradesco

Risk Management Report

Pillar 3

1Q15

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Introduction

The Organization believes that risk management is essential to ensure the long-term stability of financial institutions and that transparency in the disclosure of information regarding this activity strengthens the Organization, contributing to the solid health of the national financial system and society in general. As a consequence of the continuous risk management process and adoption of the best practices, the Organization was the first[1] financial institution in Brazil authorized by the Brazilian Central Bank (Bacen), since January 2013, to use its internal market risk models to calculate regulatory capital. Those models were already in use for managerial purposes.

This report seeks to provide stakeholders access to information on risk management in the Organization. It presents a detailed picture of the practices and controls of the main risks to which it is exposed, thus allowing market agents to appraise its capital adequacy. Also, this report is in accordance with Basel Committee on Banking Supervision's recommendations, and other Bacen's rules required by the Bacen through Circular Letter 3,678.

This report should be read with other information disclosed by the Organization, such as the Report on Economic and Financial Analysis and the Supplementary Information to the Report on Economic and Financial Analysis, which present information on all Organization's activities. For more information, access our Investor Relations website at www.bradescori.com.br.

Corporate Profile

Incorporated in 1943, Bradesco is today one of the largest financial institutions in Latin America, with R$ 1.035 trillion in consolidated assets and 67.8 million customers, 26.6 million of which are account holders with access to one of the largest service networks in the country, present in every single Brazilian city.

Internationally recognized for its financial solidity and tradition of excellent customer services, the Organization's proposition is to create value for the diverse stakeholders with whom it maintains relations, offering products and services in all business segments in which it operates.

The Organization's vision is to be recognized as the best and most efficient financial institution in Brazil and for its efforts towards banking inclusion and sustainable development. Effective monitoring and control of risks is essential to turn this vision into reality.

Scope of Risk Management

The Organization applies the broadest scope to its risk management, allowing the risks inherent to the Economic-Financial Consolidated (includes the regulatory scope of the Prudential Conglomerate and other companies in the Consolidated) to be duly identified, measured, mitigated, monitored and reported, all in order to support the development of its activities.

[1] As per BIS document named "Regulatory Consistency Assessment Programme (RCAP) – Assessment of Basel III regulations in Brazil", of December 2013.

Risk Appetite

Risk appetite refers to the types and levels of risk that the Organization generally accepts in the process of working towards its goals and is reflected in its risk management philosophy, which influences the culture and manner in which the Organization operates.

This appetite is influenced by a number of factors, including, among them, the corporate strategy, solvency goals, liquidity indexes, control of portfolio concentration and definition of types of risk not accepted in the conduction of business.

The Organization’s risk appetite is defined and formalized by the Board of Directors, which is assisted by the Integrated Risk Management and Capital Allocation Committee (COGIRAC), and controlled by several risk limits. Risk appetite is aligned with the Organization’s strategy, proving the engagement of the governance structure in defining and monitoring risks. The risk monitoring process is a corporation-wide activity and starts right from the Organization's budget process.

Risk Map

Given the complexity and variety of products and services offered to its customers in all the market segments, the Organization is exposed to diverse types of risks stemming from both internal and external factors. Thus, it is very important that the Organization constantly monitors all the risks in order to provide all stakeholders with security and comfort. Notable among the main risk types are:

Financial Risks	■ **Credit Risk -** represented by the possibility of losses due to the non-compliance by either borrower or the counterparty of their respective financial obligations under the agreed-upon terms, as well as the depreciation of the credit agreement resulting from the downgrading of the borrower's credit rating, the reduction of gains or remuneration, advantages tranted in renegotiation, recovery costs, and other amounts related to the counterparty's non-compliance with their financial obligations
	■ **Counterparty's Credit Risk -** represented by the possibility of loss due to the non-compliance by the counterparty with the obligations relating to the settlement of operations involving financial asset trading, including the settlement of derivative financial instruments or decrease of the counterparty's credit standing.
	■ **Concentration Risk -** represented by the possibility of loss due to significant exposure to a counterparty, risk factor, product, economic sector or geographic region.
	■ **Market Risk -** represented by the possibility of financial loss due to fluctuating prices and interest rates of the Organization's financial assets as its asset and liability portfolios may show mismatched maturities, currencies and indexes.
	■ **Liquidity Risk -** represented by the possibility of the Organization not being able to efficiently meet its obligations, without affecting its daily operations and incurring significant losses, as well as the possibility of the Organization not being able to trade a position at market price due to its high amount when compared to the usually traded volume or due to some market discontinuation.
	■ **Insurance Risk -** resulting from an adverse economic situation, which is contrary to insurance company's expectations upon the preparation of its insurance policy, as well as the uncertainties in estimated provisions.
	■ **Operational Risk -** represented by the possibility of losses arising from faulty, defficient or inadequate internal processes, people and systems, or external events. This definition includes legal risk associated to activities developed by the Organization.
Non-Financial Risks	■ **Strategic Risk -** represented by the possibility of not accomplishing established objectives due to adverse business environment changes or use of inadequate assumptions in decision making processes.
	■ **Legal or Compliance Risk -** represented by the possibility of the Organization not conducting its business in conformity with laws, rules, regulations and codes of conduct applicable to activities, which may consequently cause damages to its image and financial losses resulting from lawsuits and legal sanctions.
	■ **Legal Unpredictability Risk (Regulatory Risk) -** represented by changes in laws established by government authorities that may impact on private relations and change legally contracted rights and obligations.
	■ **Reputational Risk -** represented by the loss of credibility before customers, competitors, government agencies, market or community, resulting from undue and improper actions, acts and behavior.
	■ **Social and Environmental Risk -** represented by potential damages that a business may cause to the society and environment. Most of social and environmental risks associated to financial institutions are indirect and result from business relations, including those with the supply chain and customers through financing and investing activities.

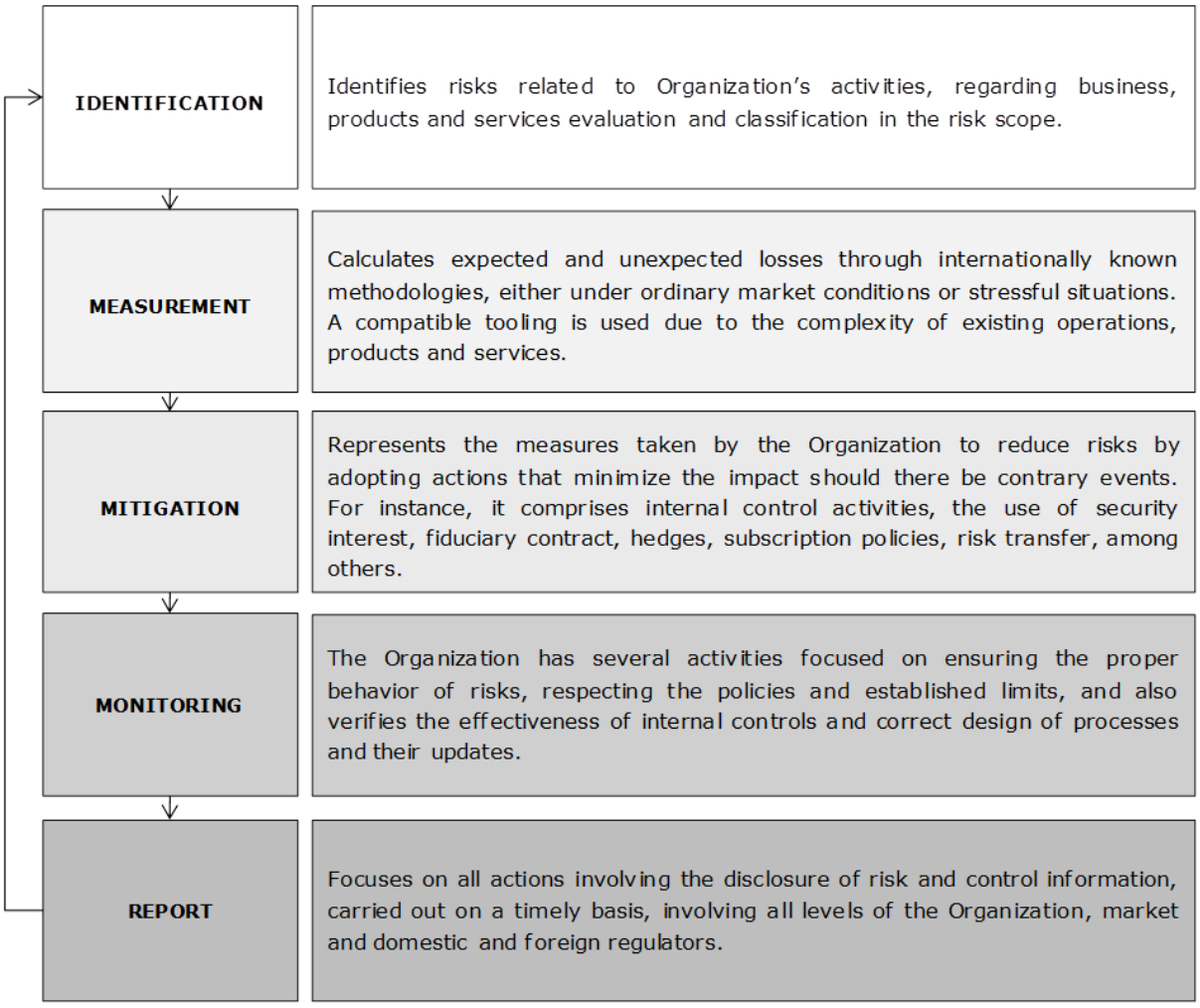
Risk Management Process

Objectives and Strategies

The activity of risk management is of great strategic importance due to the increasing complexity of services and products and the globalization of the Organization's business. The dynamic nature of the market is conducive of constant improvement of risk management activity.

The Organization conducts corporate risk control in an integrated and independent manner, preserving and valuing an environment of collective decision-making in which methodologies, models and tools to measure and control risks are developed. The Organization also works on training its employees at all levels, from business areas to the Board of Directors.

The risk management process allows the proactive identification, measurement, mitigation, monitoring and reporting of risks, which is necessary for the complexity of financial products and the profile of the Organization's activities, is made up of the following stages:



Risk and Capital Management Policies

The Organization has policies, rules and procedures to manage risks and capital. These instruments establish the basic operational guidelines laid out by Senior Management in accordance with the institution's standards of integrity and ethics and cover all the activities performed by the Organization and associated companies.

Policies, standards and procedures ensure that the Organization is structured in accordance with the nature of its operations, the complexity of its products and services, activities, processes, systems and the dimension of its risk exposure.

The risk and capital management policies are in line with the Organization's strategic objectives, the best national and international practices and in compliance with laws and regulations issued by oversight bodies. They are reviewed at least once a year by the Board of Directors and disseminated to all employees and associated companies via the corporate intranet.

Risk and Capital Management Policies	■ Corporate Governance ■ Credit Risk Management ■ Market and Liquidity Risk Management ■ Operational Risk Management ■ Insurance Risk Management ■ Business Continuity Management ■ Hiring and Management of Outsourced Services ■ Corporate Sustainability ■ Capital Management ■ Compliance and Internal Control ■ Social and Environmental Responsibility

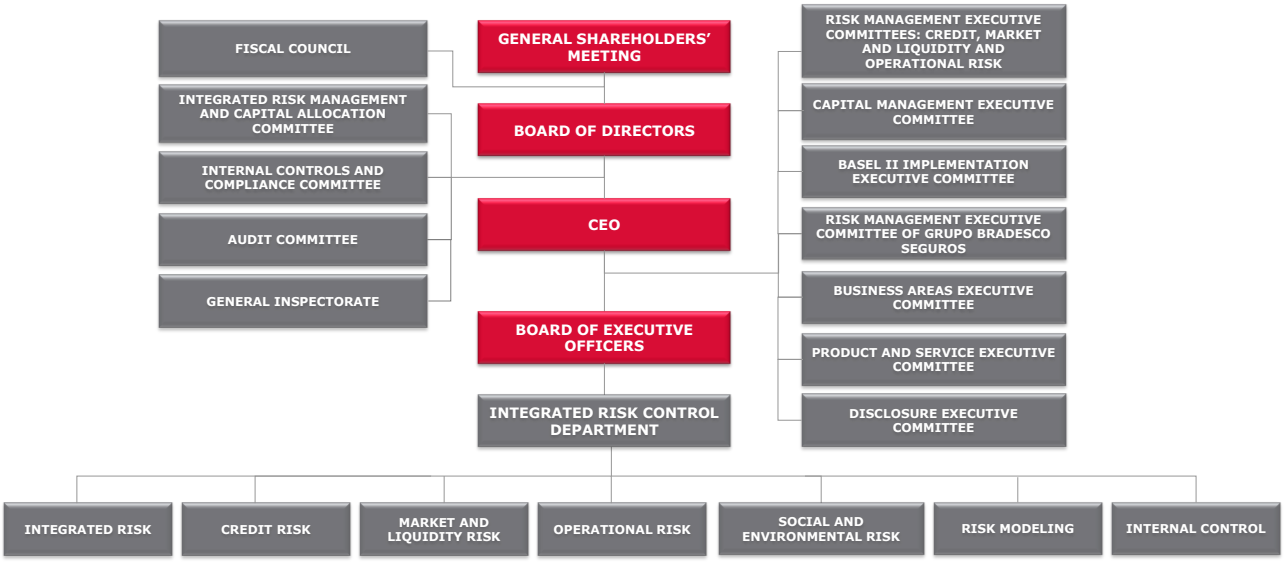
Risk and Capital Management Structure

The risk and capital management structure is made up of committees, which assist the Board of Directors, the CEO and the Board of Executive Officers in their strategic decision-making process.

The Organization has a committee known as the Integrated Risk and Capital Allocation Management Committee, whose duty is to advise the Board of Directors in performing its duties in the capital and risk management and control.

This committee is assisted by the Capital Management Executive Committee, Internal Control and Compliance Committee and the Executive Committees for the Management of Risks relating to a) Credit, b) Market and Liquidity, c) Operational, d) Bradesco's Insurance Group and e) Basel II Implementation, in addition to Products and Services Executive Committee and Executive Committees in the business areas, which, among other duties, suggest exposure limits for their respective risks and prepare the mitigation plans to be submitted to the Integrated Risk and Capital Allocation Management Committee and the Board of Directors.

It is worth highlighting the Integrated Risk Control Department (DCIR), responsible for implementing risk control and capital allocation through solid practices and certification of existence, execution and effectiveness of controls which assure acceptable risk levels in the Organization's processes, independently, consistently, on a transparent and integrated manner. This Department is also responsible for complying with the Bacen rules for risk management activities.



Risk and Capital Management Governance

All the levels of the Organization participate in its corporate governance with the aim of optimizing the Company's performance and safeguard stakeholders' interests, also facilitating access to capital, adding value to the Organization and contributing to its sustainability, mainly through transparency, equal treatment and accountability. This framework complies with guidelines laid out by the Board of Directors.

In this context, risk and capital are managed through collective decisions based on specific committees. This process relies on the participation of all corporate governance segments, ranging from Senior Management to the diverse business, operational, product and service areas.

Board of Directors	■ Approves and revises risk management strategies, and risk and capital management structures and policies, including risk appetite and exposure limits by types of risk.
Integrated Risk Management and Capital Allocation Committee	■ Validates and submits exposure appetite and limits by types of risk for approval by the Board of Directors; ■ Validates and submits risk and capital management policies for approval by the Board of Directors; ■ Ensures compliance with risk management policies; ■ Monitors risk profile, performance, capital requirements and sufficiency exposure versus limits and risk control.
Audit Committee	■ Revises the integrity of financial statements; ■ Recommends to the Board of Executive Officers corrections or improvements to policies, practices and procedures identified within the scope of its duties.
Internal Controls and Compliance Committee	■ Evaluates the effectiveness and compliance of the Organization's Internal Controls System; ■ Certifies the compliance of procedures with rules, regulations and applicable laws; ■ Submits Semester Reports on Compliance with Internals Controls on the Organization's companies to the Board of Directors.
Inspectorate/Internal Auditors	■ Certifies the business risk management process; ■ Ensures compliance with policies, rules, standards, procedures and internal and external regulations; ■ Recommends improvements to the internal control environment.
Executive Disclosure Committee	■ Supports Senior Management in evaluating the disclosure of transactions and relevant information related to the Organization; ■ Evaluates reports to ensure they are prepared in accordance with controls and procedures defined for their preparation.
Executive Committees **Market and Liquidity Risks** **Credit Risk** **Operational Risk** **Bradesco Insurance Group Risks**	■ Guarantee compliance with risk management policies; ■ Ensure the effectiveness of the risk management process; ■ Approve definitions, criteria and procedures to be adopted, in addition to methodologies, models and tools used in management and measurement of risk; ■ Monitor and evaluate information on risk exposure level, both consolidated and by area; ■ Monitor market movements and developments, evaluating the implications and risks thereof.
Capital Management Executive Committee	■ Approves capital management methodologies, definitions, criteria and tools; ■ Evaluates and submits for approval by the Risk Management and Capital Allocation Committee the policy, structure, documents, responsibilities, risk appetite, capital plan and capital adequacy report.
Basel II Implementation Executive Committee	■ Establish corporate patterns for compliance with the Basel Capital Accord, facilitating the demands required for the Organization's compliance with the rules and for proper monitoring of its implementation.
Product and Service Executive Committee	■ Ensures that all risks have been pointed out and are acceptable, resolving on the creation, change, suspension or discontinuity of products and services.

Collection and Recovery Executive Committee	▪ Resolves on proposals for the renegotiation of debts overdue or with potential risk loss; ▪ Approves corporate rules, procedures, measures and guidelines related to the Credit Collection and Recovery; ▪ Defines limits of authorization to approve debt renegotiation.
Credit Executive Committee	▪ Makes collegiate decisions to verify limits or operations involving credit risk, proposed by Bradesco Organization's Premises and Companies.
Treasury and Asset and Liability Management Executive Committee	▪ Defines Treasury strategies to optimize results based on the analysis of domestic and international economic and political scenarios; ▪ Validates and submits for the Integrated Risk Management and Capital Allocation Committee's approval of the proposals for tolerance thresholds of exposure to Treasury risks; ▪ Monitors results, behaviors and risks of the Trading Portfolio, the mismatches of assets and liabilities, and the clients' portfolio.
Strategic Planning Executive Committee	▪ Approves strategic planning management methodology and strategic risk of the Organization. ▪ Evaluates positions on the strategy risk and defines actions for its mitigation.

Credit Risk

Credit risk refers to the possibility of losses associated with the borrower's or counterparty's failure to comply with their financial liabilities under the terms agreed upon, as well as the depreciation of loan agreements resulting from deterioration in the borrower's risk rating, the reduction in gains or remunerations, and also with benefits granted in renegotiations, recovery costs and other amounts related to the counterparty's default with the financial obligations.

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

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

In order to ensure the quality expected from the portfolio, special attention is paid to all aspects of the lending process, credit concentration, guarantee requirements, maturities, among others.

The Organization continuously maps all the activities that could possibly generate exposure to credit risk, classifying them by their probability and magnitude, identifying their managers, as well as their measurement and mitigation plans.

Counterparty Credit Risk

The counterparty credit risk to which the Organization is exposed is represented by the possibility of loss due to the default by the counterparty with the obligations relating to the settlement of operations involving financial asset trading, including the settlement of derivative financial instruments or decrease of the counterparty's credit standing.

The Organization exercises complete control over its net position (the difference between purchase and sale agreements) and the potential future exposure of operations involving counterparty risk. All exposure to counterparty risk is part of the general credit limits set for Organization's customers. Normally, guarantees related to this type of operation are margin deposits made by the counterparty to the Organization or other custodial institutions, which also duly assess their own counterparty risks.

Lending Process

In the Credit Department, the lending process is based on the Organization's Credit Policy, which lays emphasis on safety, quality and liquidity while investing in credit assets. The Organization's risk management governance permeates the entire process, which fully complies with Bacen rules.

In the constant pursuit for agility and profitability in the business, the Organization uses the appropriate methodologies for each segment in which it operates, which guide the lending processes and the determination of operational limits.

The assessment and classification of the total risk of customers and economic groups, the Organization considers the quantitative (economic and financial indicators) and qualitative (registration and behavioral data) aspects of the customers' capacity to pay their debts.

All business proposals are subject to operational limits within the Organization, which are included in the Loan Guidelines and Procedures. At branches, the delegation of power to grant a loan depends on its amount, the customer's total exposure to the Organization, the collaterals and guarantees posted, the level of restriction and their credit risk score/rating. Business proposals with risks beyond these limits are submitted to technical analysis and approval by Credit Department.

The Executive Credit Committee was created to decide, within its authority, on queries about assignment of limits or operations proposed by business areas, previously analyzed and with opinion from the Credit Department. According to the financial amount, operations/limits proposed, from this Committee, may be submitted for approval by the Board of Directors, depending on the amounts involved.

Loan proposals pass through an automated system with parameters to provide indispensable information for analysis and granting of loans, in addition to the follow-up of the loans granted, thereby minimizing the risks inherent to the operations.

The Organization has exclusive Credit and Behavior Scoring systems for the assignment of mass loans in the Retail segment, meant to provide greater speed and reliability, while standardizing the procedures for loan analysis and approval.

Business is diversified, wide-spread and aimed at individuals and companies with a proven payment capacity and solvency, always seeking to support them with collaterals and guarantees that are adequate to the risk assumed, considering the credit lines, amounts and the maturities of loan granted.

Credit Risk Mitigation

Potential credit losses are mitigated by the use of a series of collaterals formally stipulated

through legal instruments, such as conditional sales, liens, mortgages, by guarantees such as third-party sureties or guarantees, and also by financial instruments such as credit derivatives. The efficiency of these instruments is evaluated considering the time to recover and realize an asset given as collateral, its market value, the guarantors' counterparty risk and the legal safety of the agreements. The main types of collaterals include: term deposits; financial investments and securities; residential and commercial properties; movable properties such as vehicles, aircraft, machinery and equipment; furthermore, security interest also include commercial bonds such as invoices, checks and credit card bills. Sureties and guarantees may also include bank guarantees and letters of credit.

Credit derivatives are bilateral agreements where one of the counterparties buys hedge against credit risk of a specific financial instrument and its risk is transferred to the selling counterparty. Usually, the later receives a linear remuneration during transaction's effectiveness. In the event of default, the counterparty who bought the hedge will be paid, the purpose of which is to mitigate the financial instrument impairment. In this case, the selling counterparty receives the underlying asset in exchange for referred payment.

Credit Risk Rating

The credit risk assessment methodology, in addition to providing data to establish the minimum parameters for lending and risk management, also enables the definition of special Credit Rules and Procedures according to customer characteristics and size. Thus, the methodology provides the basis not only for the correct pricing of operations, but also for defining the appropriate guarantees.

The methodology used follows also the requirements established by CMN Resolution 4,327 and includes analysis of social and environmental risk in projects, to evaluate the customers' compliance with related laws and the Equator Principles, a set of rules created in 2002 by the IFC, the financial arm of the World Bank, that establish the minimum social and environmental criteria that must be met for lending, to which the Organization is signatory.

In accordance with its commitment to the continuous improvement of methodologies, the credit risk rating of the Organization's economic groups/customers uses a seventeen-level scale, in which thirteen levels represent performing loan operations, ensuring greater compliance with the requirements of the Basel Capital Accord.

The risk ratings for economic groups (companies) are based on statistical analysis and parameterized judgment, using quantitative and qualitative information. Classifications are made on a corporate basis and periodically monitored so as to preserve loan portfolio quality.

With respect to individuals, risk ratings are generally defined based on their registered reference variables, namely: income, equity, restrictions and indebtedness, as well as their past relationship with the Organization, also using statistical models for credit assessment.

The criteria set forth by CMN Resolution 2,682 for recording the necessary provisions were maintained according to the rating equivalence shown in the table below:

Internal Rating Grades	CMN Resolution 2,682 Rating
AA1 AA2 AA3	AA
A1 A2 A3	A
B1 B2 B3	B
C1 C2 C3	C
D	D
E	E
F	F
G	G
H	H

Credit Risk Management Process

The credit risk management process is conducted in a corporation-wide manner. This process involves several areas with specific duties, ensuring an efficient structure. Credit risk measurement and control are conducted in a centralized and independent manner.

The credit risk monitoring area actively participates in improving the customer risk rating models, following up large risks by periodically monitoring major delinquencies and the provisioning levels for expected and unexpected losses.

This area continuously reviews the internal processes, including the roles and responsibilities and IT training and requirements, as well as conducts periodical review of risk evaluation processes to incorporate new practices and methodologies.

Controlling and Monitoring

The Organization's credit risk is controlled and monitored by the credit risk area of the DCIR. The department advises the Executive Credit Risk Management Committee, in which methodologies for credit risk measurement are discussed and formalized. Significant issues discussed in this committee are reported to the Integrated Risk and Capital Allocation Management Committee, which is subordinated to the Board of Directors.

Additionally to the committee, the area holds monthly meetings with all product and segment executives and officers, with a view to informing them about the evolution of the loan portfolio, delinquency, adequacy of allowance for loan losses, loan recoveries, gross and net losses, portfolio limits and concentrations among others. This information is also reported to the Audit Committee on a monthly basis.

The area also monitors any internal or external event that may cause a significant impact on the Organization's credit risk, such as mergers, bankruptcies and crop failure, in addition to monitoring industries in which the company is exposed to significant risks.

Both the governance process and existing limits are sanctioned by the Integrated Risk and Capital Allocation Management Committee, which are submitted for the approval of the Board of Directors, and are revised at least once a year.

Internal Reporting

Credit risk is monitored on a daily basis in order to maintain the risk levels within the limits established by the Organization. Managerial reports on risk control are provided to all levels of business, from branches up to the Senior Management.

Pointing out the risk situations that could impact the liquidity of loans granted to customers, the credit risk monitoring area provides daily reports, through a corporate system, to the branches, business segments, as well as the lending and loan recovery areas. This system provides dynamic information about the loan portfolios and credit bureau information of customers, in addition to enabling comparison of the past and current information, highlighting points requiring a more in-depth analysis by managers.

The Organization also has a corporate system of credit risk indicators to provide the lending and loan recovery areas, business areas, regional managers and branches with information on assets by segment, product, region, risk rating, delinquency and expected and unexpected losses, among others. This system provides both a macro-level and detailed view of the information, and also enables a specific loan operation to be viewed.

The information is viewed and delivered via reports, allowing queries at several levels such as business segment, divisions, managers, regions, products, employees and customers, and under several aspects (asset, delinquency, provision, write-off (loss), restriction levels, use of collaterals, portfolio quality by rating, among others).

Credit Risk Exposure

Total exposure of the Organization's assets for assessment of capital requirements, in the scope of the Prudential Conglomerate, reached R$ 1.3 trillion in March 2015. Cash operations, central bank reserves and federal government bonds totaled R$ 276.6 billion, which accounted for 21.63% of total operations, presenting an extremely low credit risk.

Operations bearing credit risk, mainly composed of loans and discounted receivables, financing, guarantees, debentures, commercial papers and CDI, stood at R$ 513.4 billion (40.16% of total) and other financial assets comprised of securities financing transactions, derivatives, investment fund quotas, unsettled foreign exchange transactions, international treasury, among others, stood at R$ 488.6 billion (38.21% of total).

Asset exposures with credit risk are detailed in the following tables:

By Type of Exposure, Country and Region

R$ million

	Mar-15	%
By Type		
Credit Operations (Non-Retail)	149,808	11.7
Credit Operations (Retail)	168,562	13.2
Guarantees	74,702	5.8
Loan Commitments	83,764	6.6
Securities, Derivatives and Interbank Investments	660,926	51.7
Other Assets[1]	140,843	11.0
By Country		
External Market	45,857	3.6
Internal Market	948,836	74.2
Other Exposures	283,913	22.2
By Region		
Southeast	825,331	87.0
South	48,264	5.1
North	12,226	1.3
Northeast	40,052	4.2
Midwest	22,964	2.4
Total Exposure	**1,278,606**	**-**
Quarter Average	**1,249,343**	**-**

(1) Other Assets refer to Tax Credits and Advances Granted, among other.

By Industry

Following is the evolution of the main credit risk exposures, by industry:

R$ million

By Industry	Mar-15	%
Industry	**103,934**	**8.1**
Food and beverage	20,119	1.6
Leather products	878	0.1
Rubber products and plastics	3,187	0.2
Automotive parts and accessories	2,710	0.2
Other industries	4,700	0.4
Edition, printing and reproduction	1,492	0.1
Electro-electronic	1,502	0.1
Metallic and non-metallic mineral extraction	6,841	0.5
Non-metallic materials	6,337	0.5
Furniture and wooden products	2,219	0.2
Paper and pulp	5,033	0.4
Chemical	7,303	0.6
Oil refining and ethanol production	10,604	0.8
Siderurgic, metallurgic and mechanical	16,189	1.3
Textile and clothing	3,397	0.3
Light and heavy vehicles	11,422	0.9
Commerce	**57,931**	**4.5**
Personnal and household products	3,058	0.2
Wholesale goods	1,369	0.1
Fuel	2,096	0.2
Other commerce	5,774	0.5
Commerce intermediary	1,031	0.1
Agriculture and cattle raising products	2,502	0.2
Food, beverages and tobacco	6,001	0.5
Products in specialized stores	10,205	0.8
Repair, parts and accessories for automotive vehicles	3,000	0.2
Waste and scrap	5,650	0.4
Non-specialized retailer	9,340	0.7
Automotive vehicles	4,103	0.3
Clothing and footwear	3,804	0.3
Services	**602,712**	**47.1**
Accommodation and feeding	3,428	0.3
Associative, recreational, cultural and sporting activities	7,058	0.6
Real estate activities, rents and services rendered to companies	19,983	1.6
Construction	41,587	3.3
Other services	420,756	32.9
Holdings, accounting and legal activities and corporate consulting	19,358	1.5
Electricity, gas and water production and distribution	13,295	1.0
Social services, education, health, defense and social security	42,534	3.3
Telecommunications	8,304	0.6
Transportations and storages	26,409	2.1
Financial Intermediaries	**39,588**	**3.1**
Agriculture, cattle raising, fishing, forestry and forest exploration	**3,785**	**0.3**
Individual	**186,744**	**14.6**
Other Exposures	**283,913**	**22.2**
Total Exposure	**1,278,606**	**100.0**

Transactions with Characteristics of Lending Process

In the four charts and graphs below we provide information related to the loan portfolio (concept defined by Bacen), including exposure of individual's credit card limits.

By Type and Industry

R$ million

Mar-15									
	Government		Private Sector						Total
	State	Federal	Agriculture	Commerce	Industry	Financial Intermediaries	Services	Individuals	
Farm Loan	-	-	1,344	1,786	2,328	214	779	10,121	16,572
BNDES/Finame Onlending	-	-	845	4,768	10,155	0.04	17,824	7,324	40,915
Imports and Exports	-	3,042	697	4,291	26,780	67	4,567	-	39,445
Working Capital, Discount of Bills and Overdraft Account	-	12	453	23,254	14,961	1,177	42,224	-	82,080
Other	17	4,443	275	8,256	4,943	2,498	29,560	137,922	187,914
Total	**17**	**7,497**	**3,614**	**42,355**	**59,167**	**3,957**	**94,953**	**155,367**	**366,927**

Note: In Individuals, includes the balances of limits in the Credit Card segment.

By Type and Region

R$ million

Mar-15								
	Domestic Market					Foreign Market	Total	Average of quarter
	Southeast	South	North	Northeast	Mid-West			
Individuals	**109,012**	**13,205**	**5,342**	**15,695**	**10,933**	**1,179**	**155,367**	**154,903**
Farm Loan	4,064	2,443	431	353	2,830	-	10,121	10,228
Real Estate Financing	12,182	2,042	511	2,195	1,301	-	18,230	17,903
Personal Line of Credit (including payroll-deductible loan)	32,094	2,575	2,404	8,187	2,115	0.04	47,375	46,836
CDC/Vehicle Leasing	20,773	1,055	368	1,041	715	-	23,952	24,289
Credit Card	32,751	1,925	852	2,360	1,211	388	39,487	39,509
BNDES/Finame Onlending	2,213	2,191	351	501	2,068	-	7,324	7,376
Other	4,936	973	426	1,060	692	792	8,877	8,762
Corporate	**115,385**	**26,737**	**4,557**	**13,301**	**9,441**	**42,139**	**211,560**	**208,778**
Farm Loan	3,364	2,683	6	202	196	-	6,451	6,513
BNDES/Finame Onlending	19,487	8,395	964	2,427	2,319	-	33,592	33,963
Imports and Exports	13,888	2,866	58	382	268	21,982	39,445	37,595
Working Capital, Discount of Bills and Overdraft Account	40,837	8,562	2,181	6,008	4,335	20,157	82,080	81,199
Other	37,809	4,231	1,347	4,281	2,323	-	49,992	49,508
Total	**224,397**	**39,943**	**9,899**	**28,996**	**20,374**	**43,318**	**366,927**	**363,681**

Note: In Individuals, includes the balance of limits in the Credit Card segment.

By Type and Remaining Maturity

R$ million

Mar-15					
	Contracts with Remaining Maturity				Total
	Up to 6 months	Between 6 months and 1 year	Between 1 year and 5 years	Above 5 years	
Individuals	**42,937**	**18,024**	**60,952**	**33,455**	**155,367**
Farm Loan	4,397	2,781	2,810	133	10,121
Real Estate Financing	61	18	531	17,620	18,230
Personal Line of Credit (includes payroll-deductible loan)	3,609	2,842	28,190	12,735	47,375
CDC/Vehicle Leasing	616	1,761	21,477	98	23,952
Credit Card	28,171	10,074	1,242	0.3	39,487
BNDES/Finame Onlending	127	141	4,349	2,706	7,324
Other	5,955	407	2,354	162	8,877
Corporate	**54,534**	**21,512**	**102,285**	**33,229**	**211,560**
Farm Loan	2,627	1,373	1,791	660	6,451
BNDES/Finame Onlending	1,368	2,327	20,293	9,603	33,592
Imports and Exports	12,582	6,751	15,028	5,083	39,445
Working Capital, Discount of Bills and Overdraft Account	30,877	9,255	37,526	4,422	82,080
Other	7,078	1,805	27,647	13,462	49,992
Total	**97,471**	**39,536**	**163,236**	**66,684**	**366,927**

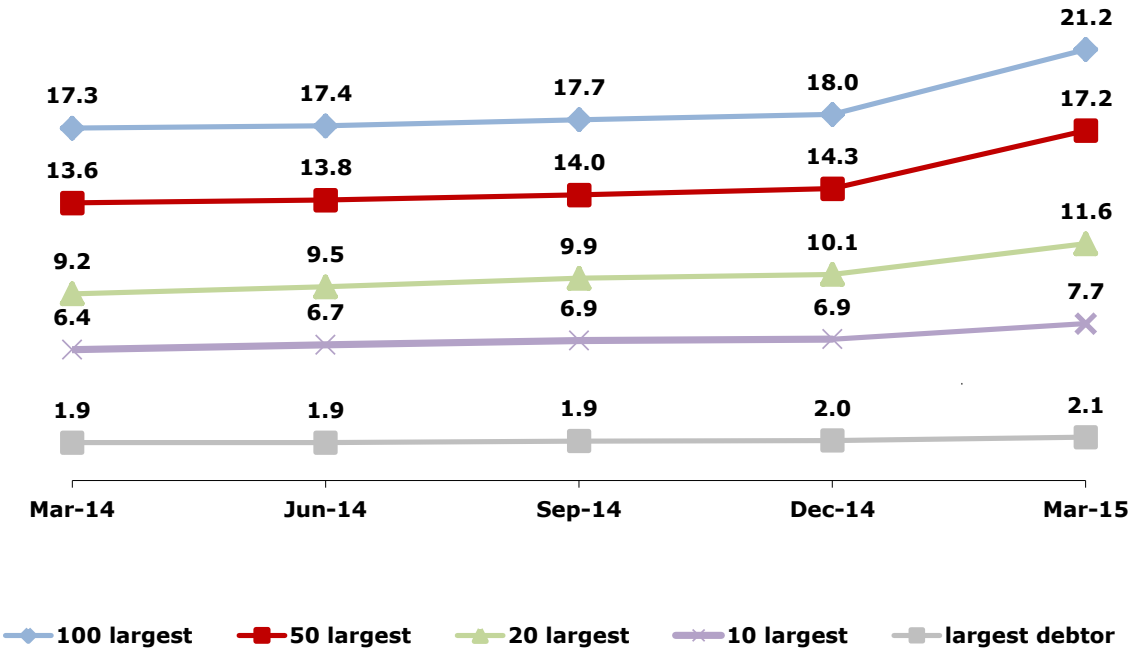
Note: In Individuals, includes the balance of limits in the Credit Card segment.

By Past due loans, Industry and Region

R$ million

Mar-15						
	Past due 15 to 60 days	Past due 61 to 90 days	Past due 91 to 180 days	Past due 181 to 360 days	Past due more than 360 days	Total
Sector						
Government	**-**	**-**	**-**	**-**	**-**	**-**
State	-	-	-	-	-	-
Federal	-	-	-	-	-	-
Private Sector	**11,060**	**3,139**	**5,623**	**6,725**	**283**	**26,830**
Agriculture	50	10	35	99	1	196
Commerce	1,209	400	836	1,171	44	3,660
Industry	758	534	768	676	111	2,847
Financial Intermediaries	2	1	2	6	21	32
Services	2,514	615	984	1,022	59	5,193
Individuals	6,527	1,580	2,998	3,752	47	14,903
Overall Total	**11,060**	**3,139**	**5,623**	**6,725**	**283**	**26,830**
% Total	**41.2**	**11.7**	**21.0**	**25.1**	**1.1**	**100.0**
Region						
Domestic Market	**10,964**	**3,111**	**5,314**	**6,527**	**222**	**26,138**
Southeast	7,033	2,172	3,397	4,233	176	17,010
South	1,363	340	681	782	17	3,183
North	498	130	252	325	4	1,208
Northeast	1,095	279	579	788	15	2,757
Mid-West	974	191	406	399	10	1,980
Foreign Market	**96**	**28**	**309**	**198**	**61**	**692**
Overall Total	**11,060**	**3,139**	**5,623**	**6,725**	**283**	**26,830**

By Borrower



Changes in Allowance for Loan Losses (ALL)

The changes in allowance for loan losses, including the flow of write-off of the loan portfolio (concept defined by Bacen) in the quarter, is presented below:

On March 31, 2015 - R$ million

	Government		Private Sector						TOTAL
	State	Federal	Agriculture	Commerce	Industry	Financial Intermediaries	Services	Individuals	
Opening balance - ALL as of Dec-14	**-**	**-**	**203**	**3,391**	**3,416**	**46**	**4,546**	**11,062**	**22,666**
Net Additions	-	-	24	582	577	1	1,054	1,595	3,833
Write-offs	-	-	(31)	(608)	(617)	(0.03)	(666)	(1,620)	(3,542)
Closing Balance - ALL as of Mar-15	**-**	**-**	**197**	**3,364**	**3,376**	**48**	**4,935**	**11,037**	**22,956**

Loan Assignments and Securitization

A loan assignment is a bilateral agreement by which a financial institution transfers its receivables to another institution. The Organization uses these operations to seek opportunities in the financial market. Assignment for real estate financing operations is one of the most used instruments, and is conducted with securitization companies, as well as loan assignments to FIDCs, which create an alternative to raising funds from investors.

Financial assets acquisition, sale or transfer operations

Below, the information related to the acquisition, sale or transfer of financial assets and securitization operations:

R$ million

Operations assigned with co-obligation recorded in memorandum accounts	Mar-15
	1,410

Exposures assigned with substantial retention of risk and benefits	9,271
FIDC	-
Securitization companies	-
Financial institutions	-
Special Purpose Entity	6,578
Other[1]	2,693

Exposures assigned over the last 12 months which have been honored or repurchased	Jan-15 to Mar-15	Oct-14 to Dec-14	Jul-14 to Sep-14	Apr-14 to Jun-14
	20	22	104	33

Exposures acquired - Risk retencion[2]	Mar-15
Type of exposure	**6,761**
Working capital	1,524
CDC vehicles	-
Payroll-deductible loans	2,100
Credit card	111
Real estate credit	-
Finame	924
Leasing	2
Sundry receivables	2,100
Type of assignor	**6,761**
Financial Institutions	4,550
Companies	2,211

Exposures acquired - Without risk retencion[3]	Mar-15
Type of exposure	**2,593**
Working capital	-
CDC vehicles	2,422
Payroll-deductible loans	80
Credit card	69
Real estate credit	14
Finame	-
Leasing	-
Sundry receivables	8
Type of assignor	**2,593**
Financial Institutions	2,502
Companies	91

(1) Assignment requirements set forth in CMN Resolution 2,238.
(2) Risk retention: Operations in which the seller or assignor retains all or substantial part of the risk and transfer the benefits of the underlying financial assets (CMN Resolution 3,533).
(3) Without risk retention: Operations in which the seller or assignor transfers all or substantial part of the risk along with the benefits of the underlying financial assets (CMN Resolution 3,533).

Following is information related to own operations assigned to Special Purpose Entities with substantial risk retention and benefits:

R$ million

Securitized Exposures - Type of underlying asset	Mar-15
	9,271
Mortgage	6,578
Farm Loan[1]	2,693

(1) In compliance with requirements of CMN Resolution 2,238.

Following is the total of securitization exposures composed of investments in securities:

R$ million

Type of securitization	Mar-15
Traditional Securitization[1]	**7,598**
Type of securitization bond[2]	**7,598**
FIDC - Without subordination[3]	1,050
• Sundry Receivables[4]	1,050
CRI - Without subordination[3]	6,548
• Mortgage[4]	6,548

(1) Traditional securitization is the process where the receivables flow associated with a group of underlying assets is used to remunerate securitization bonds.
(2) Securities resulting from securitization process (CRI and FIDC).
(3) Class of security and its subordination to the others for redemption purposes: without subordination. The Organization has no credit exposures assigned without any transfer or substantial retention of risks and benefits on the dates referred to in this report.
(4) Type of underlying asset backing the issue: flow of receivables from customers, rentals, purchase and sale agreements between parties, as well as apartment, house and lot financing agreements.

Counterparty Credit Risk Exposure

Following is the notional value of agreements subject to counterparty credit risk to be settled in the clearing houses where they act as the central counterparty and the amounts related to agreements in which the clearing houses do not act as the central counterparty, classified as secured and unsecured agreements:

R$ million

Agreements in which the clearing house:	Mar-15
Acts as a central counterparty	213,563
Does not act as a central counterparty (secured agreements)	402,477
Does not act as a central counterparty (unsecured agreements)	23,674

Following are the positive gross amount of collaterals received at operations subject to credit risk:

R$ million

	Mar-15
Collaterals amounts	433,501

Following is the net overall exposure to counterparty credit risk:

R$ million

	Mar-15
Net Global Exposure	6,468

Following is the notional value of credit derivatives held in the institution's portfolio:

R$ million

	Mar-15
Transferred Risk	
Credit Default Swap (CDS)	1,343
Received Risk	
Credit Default Swap (CDS)	16
Total	**1,359**

Following is the positive gross amount of collaterals received at operations subject to counterparty credit risk:

R$ million

	Mar-15
Gross positive amount of collaterals	402,477

Risk Mitigation Instruments

In order to calculate capital requirement for credit risk, following is the total mitigated amount pursuant to instruments provided for in Articles 36 to 39 of Bacen Circular Letter 3,644, by type of mitigation instrument and risk weight:

R$ million

Type of Mitigation Instrument	Mitigation Instrument Risk Weight	Mar-15
Demand, time and savings account deposits, gold or government securities	0%	404,002
Financial Institution Guarantee	50%	29,399

Market Risk

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

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

All transactions that expose the Organization to market risk are mapped, measured and classified according to probability and magnitude, and the whole process is approved by the governance structure.

The market risk management process relies on the participation of all levels of the Organization from the business areas to the Board of Directors.

In line with the best Corporate Governance practices, to preserve and strengthen the management of market risk in the Organization, as well as to meet the requirements of CMN Resolution 3,464, the Board of Directors approved the Market and Liquidity Risk Management Policy, whole reviewed at least once a year by the competent committees and the Board of

Directors itself, providing the main operational guidelines for accepting, controlling and managing market and liquidity risk. In addition to this policy, the Organization has several specific rules that regulate the market risk management process, as follows:

- Classification of Operations;
- Reclassification of Operations;
- Trading of Government and Private Bonds;
- Use of Derivatives; and
- Hedge.

Market Risk Management Process

The market risk management process is conducted in a corporate manner; it involves diverse areas, with specific duties in the process, thereby ensuring an efficient structure, and the measurement and control of market risk is conducted in a centralized and independent manner. This process allowed the Organization to be the first financial institution in Brazil authorized by Bacen to use, since January 2013, its internal market risk models to calculate regulatory capital requirements. This process, approved by the Board of Directors, is also revised at least once a year by the Committees and the Board itself.

Limit Definition

Market risk limit proposals are validated by specific committees, ratified by the Integrated Risk and Capital Allocation Management Committee and submitted for approval by the Board of Directors, according to the business' characteristics, and are classified as follows:

Trading Book: it comprises all operations involving financial instruments, including derivatives, held-for-trading or used to hedge other instruments in the Trading Book, which have no trading restrictions. Held-for-trading operations are those destined for resale, to obtain benefits from actual or expected price variations, or for arbitrage.

The Trading Book is monitored by the following limits:

- Value at Risk (VaR);
- Stress;
- P&L (profit & loss);
- Financial Exposure / Concentration.

Banking Book: it comprises operations not classified in the Trading Book, arising from Organization's other businesses and their respective hedges.

For the Banking Book is monitored by the following limits:

- Interest Rate Risk.

Market Risk Measurement Models

Market risk is measured and controlled using the Stress, VaR, the EVE and Sensitivity Analysis methodologies, as well as limits for the Management of P&L and Financial Exposure. Using several methodologies to measure and evaluate risks is of great importance, because they can

complement each other and their combination allows the analysis of different scenarios and situations.

Trading and Regulatory Books

Trading Book risks are controlled by the Stress and VaR methodology. The Stress quantifies the negative impact of economic shocks and events that are financially unfavorable to the Organization's positions. The analysis uses stress scenarios prepared by the Market Risk area and the Organization's Economic area based on historical and prospective data for the risk factors in which the Books hold a position.

The methodology adopted to calculate VaR is the Delta-Normal, with a confidence level of 99% and considering the number of days necessary to unwind the existing exposures. The methodology is applied to the Trading and Regulatory Books (Trading Book positions plus Banking Book foreign currency and commodities exposures) and includes Gama and Vega risks of transactions carried out with options. A minimum window of 252 business days is adopted to calculate volatilities and correlations.

For regulatory purposes, the capital requirements relating to shares of the Banking Book are determined through the credit risk evaluation, as per Bacen resolution, i.e., they are not considered in assessing Market risk.

Interest Rate Risk of the Banking Book

The interest rate risk of the Banking Book is measured and controlled using the EVE methodology, which measures the economic impact on the positions according to scenarios prepared by the Organization's economic area to determine the positive and negative movements that may occur in the interest rate curves on our investments and funding.

The EVE methodology consists of re-pricing the portfolio subject to interest rate variation based on increases or decreases in the rates used to calculate the present value and the total term of assets and liabilities. Thus, the economic value of the portfolio is calculated both based on the market interest rates on the analysis date as well as on scenarios projected within one year. The difference between the amounts obtained for the portfolio will be EVE, i.e., the interest rate risk attributed to the Banking Book.

To measure the Banking Book interest rate risk, the early loan settlement premise is not used as this situation does not represent the total volume of operations. For demand and savings deposits with undetermined maturity, their historical behaviors and the possibility of maintaining them are studied. Thus, after all the deductions from demand and savings deposits, for example, the requirements reserve held at Bacen, the remaining balance (free funds) is considered in accordance with the maturity flows of fixed-rate lending operations.

Financial Instrument Pricing

To adopt the best market prices related to the assessment of financial instruments' market value, the Market and Liquidity Risk Management Executive Committee (CEGRIMEL) established the Mark-to-Market Commission (CMM), which is responsible for approving or submitting mark-to-market models to CEGRIMEL. CMM is composed of business, back-office and risk representatives, and the risks area responsible for the coordination of the Commission

and for the submission of the matters assessed to the CEGRIMEL, for reporting or approval, whichever is the case.

Whenever possible, the Bank adopts prices and rates practiced by the Securities, Commodities and Futures Exchange and the Secondary Markets. Should this market references cannot be found, prices made available by other sources (such as Bloomberg, Reuters and Brokerage Firms) are used. As a last resort, proprietary models are adopted to price the instruments, which also follow the same CMM approval procedure and are submitted to the Organization's validation and assessment processes.

Mark-to-market criteria are periodically reviewed, according to the governance process, and may vary due to changes in market conditions, creation of new classes of instruments, establishment of new sources of data or development of models considered more appropriate.

The financial instruments to be included in the Trading Book must be approved by the Treasury and Asset and Liability Management Executive Committee or the Product and Service Executive Committee and their pricing criteria must be defined by the CMM.

The following principles for the mark-to-market process are adopted by the Organization:

- Commitment: the Organization is engaged in guaranteeing that the prices used reflect the market value of the operations. Should information cannot be found, Bradesco uses its best efforts to estimate the market value of the financial instruments;
- Frequency: the formalized mark-to-market criteria are applied on a daily basis;
- Formality: the CMM is responsible for ensuring the methodological quality and the formalization of the mark-to-market criteria;
- Consistency: the process to gather and apply prices is carried out consistently, to guarantee equal price to a type of instrument within the Organization;
- Transparence: the methodology must be accessible by the Internal and External Audit and Independent Model Validation areas and by Regulatory Agencies.

In December 2014, the Resolution 4389 was published by CMN which amended the Resolution 4277 of 2013. These resolutions established the minimum procedures to be complied in June 30, 2015. Its regarding the financial instruments of pricing to market value and the application of prudential adjustments guidelines to these instruments. According to the procedures mentioned previously, Bradesco is already aligned with these resolutions guidelines and in order to any prudential adjustments must be determined, whenever necessary.

Independent Risk Model Validation

Bradesco uses models to manage and measure risks and capital, which are developed based on specialist knowledge or on statistical, economic, financial or mathematical theories, which support and facilitate the structuring of critical issues and enable standardization and fast decision-making.

The independent validation process identifies, mitigates and controls the models' risks, represented by potential adverse consequences arising from decisions based on incorrect or obsolete models, in order to check whether the models work based on the expected objectives, and whether the results obtained are appropriate to be used for the purpose they were created. Validation is carried out through the application of a strict series of tests that addresses the appropriateness of processes, governance and the development of the models

and their assumptions and the results are reported to the managers, Internal Audit, and the Internal Control, Compliance and Integrated Risk and Capital Allocation Management Committees.

Therefore, the area carries out activities that allow the development and constant improvement of the tests included in the evidence program. Evidence program tests are specific for each type of model and are classified into six dimensions, grouped into qualitative and quantitative types.

Qualitative

- Scope of the Model: scope of application that includes the objective of each type of risk, the companies exposed to this type of risk, books, products, segments, channels, etc.;
- Applicability of the Model: includes the definition, reasonability in the use of the model's factors, flow and timeliness of information to the decision-making process;
- Technological Environment and Data Consistency: structure of systems and controls involved in the calculations performed by the model and the process in which the model is inserted. It also includes data consistency, taking into consideration the functionalities of version and access controls, backup, traceability, changes in parameters, data quality, system contingency and automated controls.

Quantitative

- Measurement System: risk measurement procedure that includes the definition, application and internal validation of the method, composed of methodology, assumptions, parameters, calculation routine, input data and results;
- Stress Test: measurement procedure to quantify the variations in the amounts estimated by the model in extreme, historical and prospective scenarios, plausible for the variables affecting it;
- Backtesting: statistic procedure used to assess the model by comparing the amounts estimated by the model and the amounts observed within a previously defined period. It includes methodological, formalization and utilization aspects for model improvement.

The responsibility for executing the independent validation process, that includes the analysis and the assessment of models, belongs to the Independent Model Validation Area (AVIM), which uses structures that are already implemented and settled in the Organization to avoid overlapping tasks.

Controlling and Monitoring

Market risk is controlled and monitored by an independent area, the DCIR, which, on a daily basis, measures the risk of outstanding positions, consolidates results and prepares reports required by the existing governance process.

In addition to daily reports, positions are discussed once a week by the Executive Treasury and Asset and Liability Management Committee, which evaluates results and risks and discuss strategies. Both the governance process and existing limits are ratified by the Integrated Risk and Capital Allocation Management Committee and submitted to approval of the Board of Directors, which are revised at least once a year.

In case of disruption of any controlled threshold the DCIR, the head of the business division responsible for the position is informed of the threshold use, and the Integrated Risk and

Capital Allocation Management Committee is called in a timely fashion to make a decision. If the Committee decides to raise the threshold and/or maintain the positions, the Board of Directors is called to approve the new threshold or revised position strategy.

Internal Reporting

The market risk area provides daily managerial control reports on the positions to the business areas and Senior Management, in addition to weekly reports and periodic presentations to the Board of Directors.

Reports are complemented by an alert system, which determines the addressees of risk reports according to the usage percentage previously determined, therefore, the higher the risk limit consumption, more Senior Management members receive the reports.

Hedge and Use of Derivatives

In order to standardize the use of financial instruments used to hedge the operations and use of derivatives by the Treasury Department, the Organization created specific rules that were approved by the competent Committees.

The hedge operations executed by Bradesco's Treasury Department must necessarily cancel or mitigate risks related to mismatches quantities, terms, currencies or indexes of the positions in Treasury's books, for which they must use assets and derivatives authorized to be traded in each of their books to:

- Control and classify the operations, respecting the exposure and risk limits in effect;
- Alter, modify or revert positions due to changes in the market and operating strategies; and
- Reduce or mitigate exposure of operations in idle markets, under stress or low liquidity conditions.

For derivatives classified under the 'hedge accounting' category, their effectiveness and accounting implications have their effectiveness monitored.

Standardized Derivatives and Continued Use Derivatives

Bradesco's Treasury Department may use standardized derivatives (traded in stock exchanges) and continued use derivatives (traded in over-the-counter markets) to obtain results and create hedges. The derivatives classified as continuous use those usual traded in over-the-counter markets, such as vanilla swaps (interest rates, currencies, CDS, among others), forward contracts (i.e., currencies), vanilla options (currency, Bovespa Index), among others. Non-standardized derivatives not classified as continued use or structured operations depend upon the authorization of the competent Committee.

Market Risk Analysis

International volatility remained high in the first quarter of 2015. This is particularly so in the foreign exchange market. In fact, the DXY index, which measures the movement of the US dollar against a basket of currencies, rose by 9.0%, with a high of 100.33 points in March and a low of 90.28 in January. The persistent drop in commodity prices, coupled with the frustrating performance of the Chinese economy, impacted the emerging economies directly–

and negatively. Meanwhile, the market became firmly convinced that the U.S. will start phasing out quantitative easing soon, which sustained the upward trend of the U.S. dollar in relation to other currencies. Besides, the risk that persistently low inflation in the Eurozone might jeopardize the block's recovery has led the European Central Bank to expand its own quantitative easing program by extending it to sovereign bonds from member countries.

International volatility was also impacted negatively by renewed political risk in Europe, with the possibility of Greece default. Nevertheless, the Eurozone's economy performed surprisingly well in 1Q15. It is expected to rebound–albeit gradually–and be impacted positively by the ECB's stimulus plan, the drop of the euro and the fall in oil prices eventually. On the other hand, the Chinese economy slowed down more sharply than expected. Indeed, GDP grew less than 7.0%, the Chinese government's growth target (our projection for this year is 6.5%). This situation, in turn, creates major challenges for the Brazilian government to manage the economic policy and drives commodity prices further down.

In the U.S., even though growth slowed down somewhat in 1Q15, the economy continued to rebound in a sustained manner. The labor market continued to improve and the unemployment rate fell once more despite the slower pace of job creation.

The adverse international environment, mainly in emerging countries, added to the need for adjustments in Brazil's economic policy and external accounts and increased risk to GDP growth this year. On the other hand, falling primary surpluses in recent years have led to increased public net debt, which rose from 33.6% of GDP in late 2013 to 36.8% in 2014. On the other hand, the current account rose consistently, from US$81.4 billion to US$91.3 billion in the same period, in spite of the slowdown in the Brazilian economy. As a result, an adjustment in the fiscal policy and in the exchange rate is needed to reduce the deficit in current transactions. This adjustment explains why the Real fell more sharply than the average recorded by other emerging countries, from R$/US$2.66 in late December to R$/US$3.21 in late March. Following the currency trend, the 5-year CDS increased from 202 to 282 points in the same period.

The volatility in the foreign exchange market was repeated in interest rate contracts. Perceptions related to economic activity were affected negatively by the risk of water and energy rationing, the need for a greater fiscal adjustment than previously expected, the sharp decline in infrastructure investments in the oil and gas chain. In contrast, the adjustment in government-controlled prices–as part of the new economic policy–and the drop in the Real put upward pressure on inflation as measured by IPCA, which climbed from 6.41% in the year ended December to 8.13% in March. In response, the Bacen continued raising the SELIC rate–which stood at 12.75% at the close of March. The 360-day fixed interest rate increased from 12.96% to 13.52% between December 31 and March 31 whereas the DI rate for maturities in January 2017 increased from 12.90% to 13.38% in the same period.

Evolution of Exposure

In this section, we present the evolution of the financial exposure, the VaR calculated using the internal model and its backtesting, the Stress Analysis.

Financial Exposure – Trading Book

R$ million

Risk Factors	Mar-15	
	Asset	Liability
Fixed Rate	51,353	1,925
IPCA / IGP-M	3,881	3,873
Exchange Coupon	4,015	3,862
Foreign Currency	16,419	16,263
Equity	178	-
Sovereign/Eurobonds and Treasuries	13,340	7,951
Other	284	17
Total at the End of the Quarter	**89,469**	**33,891**

VaR Internal Model – Trading Book

The 1-day VaR of Trading Book net of tax effects in the first quarter of 2015 was R$ 18.2 million, with the prefixed risk as the largest participation of the Book.

R$ million

Risk Factors	Mar-15
Fixed	17.3
IPCA / IGP-M	1.8
Exchange Coupon	2.1
Foreign Currency	3.8
Equity	-
Sovereign / Eurobonds and Treasury	3.9
Other	1.6
Correlation / Diversification Effect	**(12.3)**
VaR at te end of the quarter	**18.2**
Average VaR in the quarter	23.8
Minimum VaR in the quarter	16.9
Maximum VaR in the quarter	36.5

Note: 1-day VaR and net of tax effects.

VaR Internal Model – Regulatory Book

Bradesco Organization was the first financial institution to be authorized by Bacen to use, since January 2013, its internal market risk models, which had already been used in the Organization's management, to assess regulatory capital requirements[2] for all risk factors and Organization's companies. This capital is calculated based on the Regulatory Book, which comprises the Trading Book and the Foreign Exchange Exposure and the Commodities Exposure of the Banking Book, through the Normal-Delta VaR model (complemented by the Gama and Vega risks of options operations). It is worth noting that risk value is extrapolated

[2] For purposes of calculating the Market Risk portion, capital requirement will be the maximum between the internal model and 80% of Bacen's standard model, as per Bacen Circular Letters 3,646 and 3,674.

to the regulatory horizon[3] (at least ten days) by the square root of time method. VaR and Stressed VaR shown below refer to a ten-day horizon and are net of tax effects.

R$ million

Risk Factors	Mar-15	
	VaR	Stressed VaR
Interest rate	59.1	158.1
Exchange rate	42.1	57.0
Commodity price	2.6	6.4
Share prices	4.7	-
Correlation / Diversification Effect	**(18.6)**	**(24.3)**
VaR at te end of the quarter	**90.0**	**197.2**
Average VaR in the quarter	100.0	216.0
Minimum VaR in the quarter	60.5	168.3
Maximum VaR in the quarter	155.8	295.6

Note: Ten-day horizon VaR net of tax effects.

To calculate regulatory capital requirement according to the internal model, it is necessary to take into consideration the rules described by Bacen Circular Letters 3,646 and 3,674, such as the use of VaR and Stressed VaR net of tax effects, the average in the last 60 days and the multiplier.

VaR Internal Model - Backtesting

The main purpose is to monitor, validate and assess the adherence of the VaR model, and the number of disruptions occurred must be compatible with the number of disruptions accepted by the statistical tests conducted and confidence level established. Another objective is to improve the models used by the Organization, through analyses carried out to different periods and VaR confidence levels, both for Total VaR and risk factor.

The methodology applied and current statistical models are continuously assessed using backtesting techniques, which compare the VaR, with one-day holding period, and the hypothetic P&L obtained from the same positions used in the VaR calculation and with the effective P&L also considering the intraday operations for which VaR was estimated.

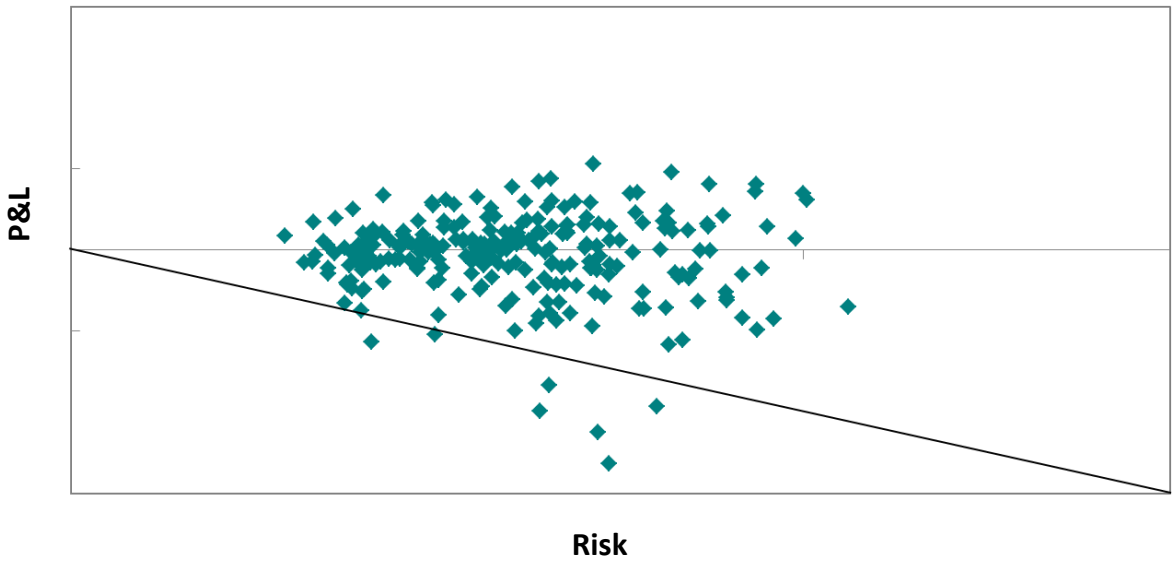
The hypothetical and effective P&L for the last 250 business days exceeded their respective VaR with a 99% confidence level seven times.

The disruptions were mainly due the increase in volatility in the local and foreign markets, as mentioned above in the "Market Risk Analysis" section. According to the document published by the Basel Committee on Banking Supervision[4], disruptions are classified as "either bad luck or the markets did not behave as expected by the model", i.e. volatility was significantly higher than expected and, in certain situations, the correlations differed from those forecast by the model.

The two graphs below show the Regulatory Book 1-day VaR and the hypothetical and effective P&L obtained on a daily basis.

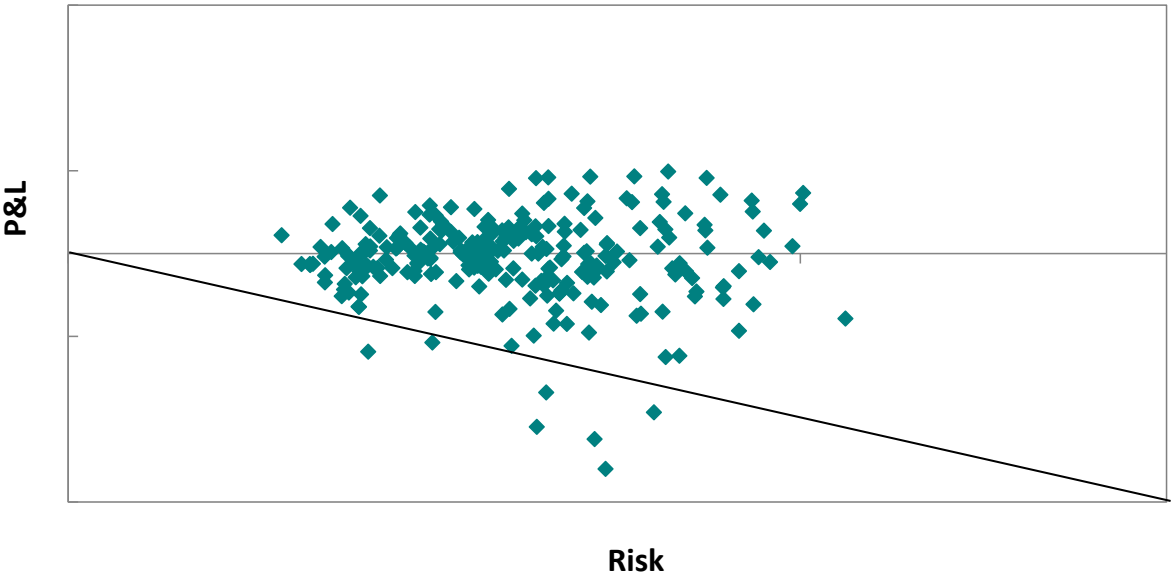
[3] The maximum amount between the book's holding period and ten days is adopted. This is the minimum regulatory horizon required by Bacen.
[4] Supervisory Framework for the Use of "Backtesting" in Conjunction with the Internal Models Approach to Market Risk Capital Requirements (January 1996).

Graph I – VaR vs. Hypothetical P&L



Note: points located below the line represent disruptions of the VaR statistical model used.

Graph II – VaR vs. Effective P&L



Note: points located below the line represent disruptions of the VaR statistical model used.

Stress Analysis – Trading Book

The Organization assesses every day the possible impacts on positions in stress scenarios for the next 20 days, with the limit established in the governance process. Thus, considering the effect of the diverse risk factors and amounts net of tax effects, the possibility of average loss estimated in a stress situation would be R$ 258 million in the first quarter of 2015, and the maximum estimated loss would be R$ 434 million.

R$ million

	Mar-15
At the end of the quarter	196
Average in the quarter	258
Minimum in the quarter	186
Maximum in the quarter	434

Note: Amounts net of taxes.

Derivatives

The three charts below show the Organization's exposure on derivatives, segregated by risk factor (interest rates, exchange rate, stock and commodity prices), market (over-the-counter and stock exchange) and place of operation (Brazil or Abroad):

On March 31, 2015 - R$ million

Risk Factor	Market	Brazil		Abroad	
		Long Position	Short Position	Long Position	Short Position
Interest Rate	OTC	24,063	22,767	19,679	16,640
	Exchange	85,530	37,464	5,479	4,748
Exchange Rate	OTC	11,443	13,999	6,352	12,599
	Exchange	14,448	26,563	258	299
Stock Price	OTC	76	-	-	-
	Exchange	-	199	1	1
Commodity Prices	OTC	15	130	-	-
	Exchange	-	-	125	41

Liquidity Risk

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

The understanding and monitoring of this risk are crucial to enable the Organization to settle operations in an agile and safe manner.

Liquidity Risk Management Process

The liquidity risk management is conducted in a corporate manner. This process involves several areas with specific attributions that guarantee an efficient structure. The measurement and control of liquidity risk are conducted in a centralized and independent manner, including the daily monitoring of available funds, the compliance with the minimum liquidity level and the contingency plan for stress situations.

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

well as the strategy and action plans for liquidity crisis situations. The policy and controls established fully comply with CMN Resolution 4,090.

As part of the criteria and procedures approved, the Organization establishes the minimum daily liquidity reserve and the types of assets eligible for making up the resources available. It also establishes the instruments for managing liquidity in a normal scenario and in a crisis scenario and the strategies to be implemented in each case.

Controlling and Monitoring

The liquidity risk management process is conducted by the Treasury Department following the positions determined by the back-office area, which is responsible for providing all the necessary information to the management process and for monitoring the compliance with the established limits. The DCIR is responsible for the methodology for measuring minimum liquidity reserve; controlling the established limits for each entity of the Group, including non-financial firms, and for each type of currency; reviewing the policies, rules, criteria and procedures; and conducting studies for new recommendations.

The liquidity risk is monitored at the Treasury and Asset and Liability Management Executive Committee, which monitors liquidity reserves, with mismatches in maturities and currencies. The monitoring is also conducted by the Market and Liquidity Risk Management Executive Committee, the Integrated Risk and Capital Allocation Management Committee and the Board of Directors.

Internal Reporting

The liquidity risk management process submits reports on a daily basis to the areas involved in its management and control, as well as the Senior Management. This process comprises several analysis instruments used to monitor liquidity, such as:

- Daily distribution of liquidity control instruments;
- Automatic intra-day update of the liquidity reports for appropriate management by the Treasury Department;
- Preparation of reports with past behavior and future simulations based on scenarios;
- Daily verification of compliance with minimum liquidity levels; and
- Weekly reports to the Senior Management, showing the behavior and expectations related to the liquidity situation.

The liquidity risk management process also has an alert system that selects the appropriate reporting level according to the percentage of use of the established limits. Thus, the lower the liquidity reserve in relation to the minimum required level for stress situations, the higher the number and echelon of Senior Management members who receive the reports.

Operational Risk

Operational risk is represented by the possibility of losses resulting from faulty, deficient or inadequate internal processes, people, systems, or external events. This definition includes the legal risk associated to activities performed by the Organization.

Operational Risk Management Process

The operational risk management is conducted in a corporate manner. It involves several areas with specific duties, ensuring an efficient structure. Operational risk measurement and control are conducted in a centralized and independent manner. Therefore, the following procedures are carried out:

- Identification, evaluation and monitoring of operational risks inherent to the Organization's activities, as well as new products/services and their conformity with procedures and controls;
- Mapping and treatment of operational losses recorded to comprise an internal database;
- Measurement, control and report of the evolution of operational losses with the assessment of effective mitigation initiatives with the business areas/premises;
- Assessment and calculation of the capital necessary for operational risk;
- Preparation of reports on operational risk to the areas related to the management process, including Committees and Senior Management.

These procedures are supported by several internal controls, independently certified as to their efficacy and execution, aiming at ensuring acceptable risk levels in the Organization's processes.

Methodology to Measure the Operational Risk

Pursuant to Bacen Circular Letter 3,640, the Organization adopted the Alternative Standardized Methodology to calculate the risk-weighted assets corresponding to the Operational Risk.

Moreover, the Organization uses the operational loss internal data, which are used to measure the operational risk based on internal model (AMA – Advanced Measurement Approach). In this context, the Organization classifies the operational risk events as follows:

Loss Events	
Internal Fraud	External Events
External Fraud	Information Technology
Human Resources	Processes
Commercial Relations	Regulatory

The Organization is a member of the worldwide consortium of operational losses database named Operational Riskdata Exchange (ORX) and uses its information to analyze scenarios and compare operational losses events with major global banks.

Controlling and Monitoring

The operational risk is mainly controlled and monitored by the DCIR, an independent area supported by several areas composing the risk management process.

The DCIR coordinates the Internal Control and Operational Risk Commission (CIRO). This objective of this commission, which reports to the Operational Risk Management Executive Committee (CERO), is to analyze the behavior of operational losses of the business areas/premises, the efficiency and efficacy of the processes and controls adopted, and assess

external data regarding operational losses by eventually incorporating/adjusting processes and controls.

CERO is advised by the DCIR, and significant issues are reported to the Audit Committee and to the Integrated Risk and Capital Allocation Management Committee, which is subordinated to the Board of Directors.

The Board of Directors approves the governance process, which is revised at least once a year.

Internal Reporting

Issues related to operational losses, as well as controls and initiatives adopted for their mitigation, are presented and discussed periodically with the areas involved in the operational risk management process, including the Senior Management.

Business Continuity Management

The Organization endeavors to adopt the best market practices in all its activities, including the Organization's Business Continuity. Always in line with its internal policies, Bacen rules, and recommendations of the Basel Committee on Banking Supervision has an action plan for the entire Organization so that, in case of interruption, its activities may be resumed with preset timelines, customer service level and work place, with minimum impact for our customers.

In order to ensure a single policy and standardized processes and tools, all Business Continuity Management activities are the responsibility of the DCIR, specifically the Business Continuity Management Area (GCN).

Corporate Methodology

The working methodology was developed internally based on the best practices disclosed by the main international bodies in the sector such as the International DRI (USA), the Business Continuity Institute – BCI (England), and ISO 220301. Domestic rules and frameworks, such as NBR 15999, were also considered.

Bradesco's methodology for executing a Business Continuity Plan project and implementation of the business continuity management process consists of actions divided into six phases:

Phase 1: Presentation – Building awareness;
Phase 2: Planning – Definition of scope, work proposal and persons responsible;
Phase 3: Setting the Scope and Development – Application of the impact analysis to business, vulnerability analysis and decision-making reports;
Phase 4: Implementation – Preparation of the environment, validation tests and documentation of the continuity plan;
Phase 5: Maintenance – Maintenance of the plan already implemented;
Phase 6: Non-Scheduled Tests – Preparation and execution of non-scheduled tests.

All the phases described above are executed through a set of activities, tools, deliverables and frameworks that define the conclusion of each of them, which always count on the support and knowledge of the GCN area.

Business Continuity Management Process

The business continuity management process consists of monitoring all activities involving the Organization's Business Continuity Plan projects, from drafting of policies, definition of corporate methodologies and tools to appraisals of the adequacy of the Plans of each of the Organization's premises through scheduled and unscheduled tests.

Such tests for each Business Continuity Plan are conducted at least once a year, based on an established annual calendar, and are conducted by the person in charge of the premise's Business Continuity Plan, under advisory of the business continuity management technical responsible from the DCIR. During the tests, evidences are collected and a validation report is filled in at the end. Should any improvement and/or correction need to be made, an action plan is required indicating a limit date to implement the updated Business Continuity Plan.

The report is validated by the Premise together with DCIR and is made available for assessment of the premise's Internal Controls Agent, as well as of the internal and external audit companies, as applicable.

Internal Reporting

Communication initiatives are carried out through online training accessible to all the Premises through the corporate intranet. On-site awareness-raising lectures are conducted before the annual tests. Participation is monitored annually through qualitative evaluations from random samples, with the purpose of measuring the knowledge obtained and identifying improvement opportunities.

Social and Environmental Risk

The social and environmental risk is defined by CMN Resolution 4,327 as the possibility of occurring losses as a result of social and environmental damages. Most of social and environmental risks associated with financial institutions are indirect and result from business transactions, including those with the supply chain and customers, through financing and investing activities.

As part of its constant pursuit of improved corporate structures, in 2014 Bradesco centralized control of social and environmental risk in the DCIR.

Social and Environmental Risk Management Process

The Organization constantly aims at improving its activities and incorporating into them criteria to manage social and environmental risks that contribute to the customer and supplier relations. Therefore, the Organization signed voluntary public commitments and developed internal criteria and proceedings with a view to improving the social and environmental risk management and satisfying stakeholders.

Among the commitments assumed, we point out the adhesion in 2004 to the Equator Principles, a framework for the financial sector to determine, evaluate and manage social and environmental risks when financing projects, which adopts the Environmental and Social Sustainability Performance Standards established by the International Finance Corporation (IFC) and World Bank Group Environmental, Health and Safety Guidelines.

In 2010, Bradesco Asset Management (BRAM) adhered to the Principles for Responsible Investment (PRI), which encourages the inclusion of environmental, social and corporate governance issues in investment policies and decisions.

Controlling and Monitoring

Credit Operations

Organization monitors the process of analysis, approval, contracting and follow-up of operations classified under the Equator Principles.

In 2013, a new version of the commitment was launched, effective as of 2014. Among the main changes brought by Equator Principles III is the expanded adoption scope, which now includes Corporate Finance of Projects and Bridge Loans. The categories are as follows:

- Advisory services to Project Finance whose cost of capital is equal to or higher than US$10 million.
- Project Finance whose cost of capital is equal to or higher than US$10 million.
- Corporate Finance of Projects in which:
  a) most of the loan is allocated to one sole Project, over which the customer has effective operational control;
  b) total financing amount is equal to or higher than US$100 million;
  c) Bradesco's individual commitment in a union situation is of at least US$50 million; and
  d) financing term is equal to or longer than two years.
- Bridge Loans with duration shorter than two years, to be refinanced by Project Finance or Corporate Finance of Project.

In addition to complying with the Equator Principles in the aforementioned situations, the Organization also follows a number of its own social and environmental-related criteria and procedures in the credit analysis of operations involving projects with potential social and environmental risk.

These analyses include the verification of contaminated land and other areas covered by IBAMA, licenses, certifications, archeology reports, environmental impact report and other environmental studies, in addition to technical visits, when necessary. To provide a better context of the potential impacts of the projects, the Bank also uses satellite images that indicate the location of Brazilian biomes, preservation units, Indian lands, caves, mining activities, biodiversity, towns and several other information that contribute to a detailed analysis of the area where the project is to be done. Thus, these analyses help identifying potential social and environmental risks to be dealt with customers.

The Credit Executive Committee's decision making takes social and environmental risks into consideration, in addition to other economic and financial aspects and, since the lending is approved, the operations are contracted upon negotiation and inclusion of social and environmental obligations in financing agreements. Hence, the projects with potential social and environmental risks are monitored, with a view to reaching the said obligations.

The Sustainability Committee is responsible for the validation of social and environmental responsibility policy. This Committee operates jointly with the Senior Management to define strategies involving organizational sustainability and is subordinate to the Board of Directors.

Supply Chain

Bradesco has a program for the Social and Environmental Monitoring and Evaluation of its Suppliers, which seeks to mitigate the social and environmental risks of its supply chain. Within this program, suppliers are evaluated in a continuous and permanent process, covering: effective environmental, labor and occupational health and safety legislation and international standards and internal guidelines adopted by Organization.

Basel Capital Accord - Basel II

The Basel Committee on Banking Supervision announced the Basel Capital Accord – Basel I in 1988, creating the minimum capital requirements in relation to credit risk. Although the application of this accord is not mandatory, several countries (including Brazil) noticing its prudential aspects, spontaneously adhered to it. In 1996, the Basel Committee on Banking Supervision added market risk as another risk factor to be considered in the determination of capital requirements.

The evolution of the global banking scenario and the acceleration of the pace of integration of several financial markets through complex and sophisticated instruments resulted in the need to improve the capital requirement rules. In 2004, the Basel Committee on Banking Supervision published the New Basel Capital Accord – Basel II, in 2004, whose main characteristic is the introduction of the concept and importance of using the best risk management practices in organizations, recommending a framework of processes, structures and methodologies necessary for the effective management of risks in the operations of companies. This accord is based on a structure known as the "three pillars":

Pillar I – Regulatory Capital: it proposes improvements to risk measurement rules, enabling the use of internal models (advanced approach) to determine them, besides introducing capital requirements to cover operational risk.

Pillar II - Supervision: it sets forth the principles of banking supervision, the criteria for handling the risks not covered by the Pillar I and the management definitions and procedures.

Pillar III – Market Discipline: it recommends that banks disclose a minimum set of information, increasing the transparency of the institutions so that the market may better evaluate them based on the risks incurred.

Basel II at the Organization

Grounded in the knowledge that risk management is important for achieving its objectives, the Organization has always believed that the implementation of the Basel Capital Accord and of the best market practices would significantly improve its risk management process. Therefore, since 2003, based on the consulting documents disclosed by the Basel Committee on Banking Supervision and on Quantitative Impact Studies (QIS) for the implementation of this accord, the Organization prepared itself in an integrated manner for its adaptation to the requirements proposed by the aforementioned documents.

In 2004, with the publication of the final document on the Basel Capital Accord (International Convergence of Capital Measurement and Capital Standards), revised in 2005, an internal implementation plan was drawn up. Coordinated by the DCIR, the plan involves several areas of the Organization and is monitored by a Project Management Office (PMO) structure, under the responsibility of the Organization and Methods Department.

All these tasks follow guidance from a specific Executive Committee appointed by the Board of Directors, showing our management's full commitment to the implementation of the Basel Capital Accord.

According to the Capital Accord, financial institutions may employ internal models to assess risks. Thus, in order to continuously perfect its risk management process and follow best practices, the Organization was the first financial institution in Brazil authorized by Bacen, since January 2013, to use its internal market risk models to calculate regulatory capital. Those models were already in use for managerial purposes.

Basel Capital Accord - Basel III

In June 2011, the Basel Committee published the document "Basel III: a global regulatory framework for more resilient banks and banking system – revised", known as Basel III, an international regulatory response to the financial and banking crisis in 2008. Basel III seeks to improve financial institutions' capital quality and amount, for a more resilient financial system and cost and risk reduction. This accord is an ongoing improvement of prudential structure applicable to financial institutions, having as primary elements the definition of regulatory capital and the amount of allocated capital. The new accord is quite ample and proposes, among other measures:

- A more rigorous definition of capital, mainly in order to increase the capability of absorbing losses;
- International standardization of capital definition;
- More transparency as to capital breakdown;
- Creation of two additional capital buffers which stimulate the financial institutions to accumulate additional capital reserves for periods of fast economic cycle expansion, to be used in stress situations;
- Expansion of scope of risks derived from capital structure;
- Introduction of the Leverage Ratio, to be applied as a supplementary measure to minimum capital requirement;
- Adoption of minimum quantitative risk liquidity requirements; and
- Creation of additional capital rules applied to systemically important banks.

In March and October 2013, CMN established the regulatory capital definition and requirement rules for Basel III in Brazil through the following resolution:

- Resolutions 4,192 and 4,278, which provide for the methodology to calculate financial institutions' capital;
- Resolutions 4,193 and 4,281 which provide for the calculation of minimum capital requirements as Capital, Tier I Capital and Common Equity Tier I, as well as establish the additional Common Equity Tier I and the measures to be adopted in case of non-compliance;
- Resolution 4,194, which provides for a simplified calculation of capital requirements by credit cooperatives; and

- Resolution 4,280, which provide for the new consolidated calculation base for capital and minimum capital requirements for institutions that compose Prudential Conglomerate.

In addition, Bacen created a set of circular letters that determine the procedures to calculate the weighted-risk assets for Credit, Market and Operational Risk (standard and internal approach).

Basel III rules came into effect in October 2013 and will be gradually implemented up until 2019.

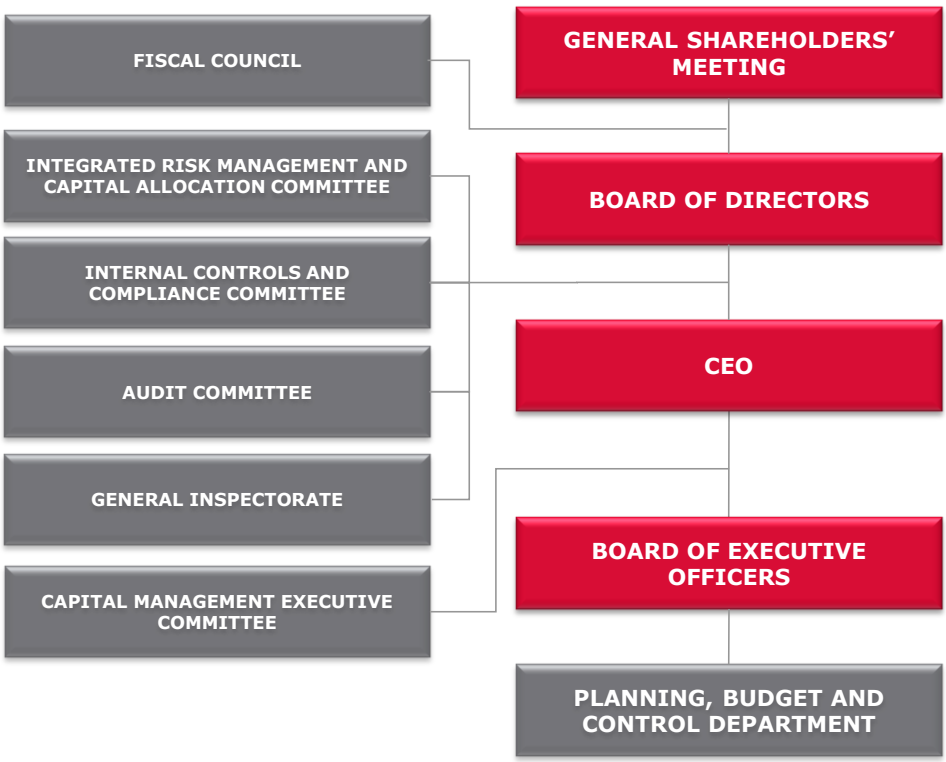
Capital Management

Corporate Capital Management Process

The purpose of Capital Management is to provide the conditions required to meet the Organization's strategic goals. This process is compatible with the nature of the operations, complexity of products and services, and the dimension of the Organization's exposure to risks, taking into consideration the business environment.

The Organization manages capital involving the control and business areas in accordance with the guidelines laid down by the Board of Executive Officers and the Board of Directors. In line with the strategic guidelines, the Bank draws up a capital plan and identifies contingency measures to be taken into consideration in stress scenarios in order to ensure a suitable level of capital to deal with the risks faced by the Organization and which are sufficient to maintain the managerial limits and margins approved by the Board of Directors.

The governance of capital management and internal capital adequacy assessment process (ICAAP) structures are composed of the Committees and has the Board of Directors as the maximum deliberative body. Within this structure, it is particularly worth noting the Planning, Budget and Control Department (DPOC), whose mission is to provide support and prepare and execute corporate strategy, manage the financial performance model and monitor the Organization's efficiency and efficacy. It provides senior management with capital needs analysis and projections, identifying threats and opportunities that contribute to sufficiency planning, optimizing the efficient use and allocation of capital, in addition to being responsible for complying with the provisions of the Bacen regarding capital management activities.



Capital Adequacy

This process is followed up daily to ensure that the Organization maintains a solid capital base to support its operations and to cover the risks incurred, either in normal situations or in extreme market conditions, besides complying with regulatory requirements.

According to Bacen, financial institutions are required to permanently maintain capital and additional Common Equity Tier I compatible with the risks from their activities, represented by Risk-Weighted Asset (RWA), which is calculated taking into consideration, at least, the sum of the following portions:

$$\mathbf{RWA} = RWA_{CPAD} + \text{Max}\,(RWA_{MPAD}*80\%;\ RWA_{MINT}) + RWA_{OPAD}$$

Credit Risk | Market Risk | Operational Risk

RWA_{CPAD}: portion referring to exposures to credit risk;
RWA_{MPAD}: portion referring to exposures to market risk subject to calculation of capital requirement upon standardized approach, through the addition of the following portions:

- RWA_{JUR}: portion referring to exposures subject to interest rate variation;
- RWA_{ACS}: portion referring to exposures subject to share price variation;
- RWA_{COM}: portion referring to exposures subject to commodity price variation; and
- RWA_{CAM}: portion referring to exposures of gold, in foreign currency and assets subject to foreign exchange variation;

RWA_{MINT}: portion referring to market risk exposures subject to calculation of capital requirement upon internal model;
RWA_{OPAD}: portion referring to calculation of required capital to operational risk.

Additionally, the Organization must maintain enough capital to meet the interest rate risk from operations not included in the Trading Book (Banking Book's interest rate risk), calculated using the EVE method.

Capital Breakdown

Following is the detailed information on the Organization's Capital, in compliance with the Prudential Conglomerate.

R$ million

	Mar-15
Tier I Capital	**74,095**
Common Equity Tier I	**74,095**
Shareholders' Equity	83,937
Non-controlling Interest	4
Reduction of Deferred Assets	-
Reduction of gains/losses from adjustments to market value in DPV and derivatives	-
Prudential adjustments[1]	(9,846)
Tier II Capital	**19,513**
Sum of gains/losses from adjustments to market value in DPV and derivatives	-
Subordinated Debt[1]	19,513
Deduction of Funding Instruments	**-**
Total Capital	**93,608**

(1) According CMN resolution 4,192.

The Organization's Capital increased due to the growth of shareholders' equity. For more information on Capital and details of subordinated debts, see "Exhibit 1 – Breakdown of Regulatory Capital and information on adjustments to Capital" and "Exhibit 2 – Main Characteristics of Regulatory Capital", available on the website www.bradescori.com.br.

Breakdown of Risk-Weighted Assets (RWA)

Below is the evolution of risk-weighted assets (RWA) for the Prudential Conglomerate, regulatory approach:

R$ million

Risk Weight Asset	Mar-15
Credit Risk	**557,015**
Risk Weight of 0%	-
Risk Weight of 2%	235
Risk Weight of 20%	2,430
Risk Weight of 35%	5,245
Risk Weight of 50%	8,605
Risk Weight of 75%	124,354
Risk Weight of 85%	98,870
Risk Weight of 100%	278,950
Risk Weight of 250%	27,786
Risk Weight of 300%	10,301
Risk Weight of 909,09%	239
Market Risk[1]	**18,442**
Fixed Rate in Reais	8,428
Foreign Currency Coupon	8,188
Price Index Coupon	1,691
Interest Rate Coupon	-
Shares	757
Commodities	219
Exposure to Gold, Foreign Currencies and Exchange	6,251
Operational Risk	**39,117**
Corporate Finance	1,068
Trading and Sales	1,733
Retail	6,340
Commercial	18,996
Payment and Settlement	7,391
Financial Agent Services	2,256
Asset Management	1,237
Retail Brokerage	97
Total Risk Weight Asset	**614,574**
Total Capital Requirement	**67,603**
Banking Book's Interest Rate Risk	**3,501**

(1) To calculate the portion concerning Market Risk, capital requirements will be the maximum amount between the internal model and 80% the standard model, according to Bacen Circular Letters 3,646 and 3,674.

The Organization ended the first quarter of 2015 with total Risk-Weighted Assets (RWA) of R$ 614.6 billion.

The RWA for credit risk were R$ 557 billion, which represented 90.6% of total risk-weighted assets, composed by 45.3% of capital requirement regulatory for loan operations (Retail and

Non-retail). This quarter, RWA for market risk totaled R$ 18.4 billion, which represented 3% of total risk-weighted assets. For the regulatory capital requirement, internal model was used, as established by Bacen Circular Letter 3,674, and 80% of the standard model RWA stood R$ 17.6 billion. With regards to operational risk, RWA amounts to R$ 39.1 billion, equivalent to 6.4% of total risk-weighted assets, which 48.6% are composed by Commercial business line. Capital requirement for interest rate risk in the Banking Book was R$ 3.5 billion.

Monitoring of Indices and Margin

The Capital Adequacy Ratio (Basel) is an international indicator defined by the Basel Committee on Bank Supervision, which recommends a minimum ratio of 8% between capital and risk-weighted assets. In Brazil, in March 2015, the current minimum required ratio was 11% for Total Capital, 6% for Tier I Capital and 4.5% for Common Equity Tier I, according to effective regulations (CMN Resolutions 4,192 and 4,193).

R$ million

	Mar-15
Total Capital	93,608
Tier I	74,095
Common Equity Tier I	74,095
Total Capital Requirement	67,603
Margin[1] (Capital Buffer)	26,004
Banking Book's Interest Rate Risk	3,501
Capital Adequacy Ratio	15.23%
Tier I Ratio	12.06%
Common Equity Tier I Ratio	12.06%

(1) Lower margin between Total Capital, Tier I Capital and Common Equity Tier I, and deducted the amount of Capital Requirement for each vision.

Capital Sufficiency

The capital management is in line with the strategic planning and considers an outlook, anticipating any changes in the economic and commercial environment conditions where we operate.

The Organization's capital management methodology aims to ensure, in a permanently way, a capital solid composition to support the development in its activities and ensure appropriate coverage of all risks involved. An important component of this methodology is the managerial capital margin (management buffer), which is added to the minimum regulatory requirements (Total Capital, Tier I and Common Equity Tier I).

The management buffer is defined according to the leading practices and regulatory requirements, observing aspects such as additional impacts generated by stress scenarios, qualitative risks and risks not captured by the regulatory model. The management buffer is approved by the Board of Directors as part of the Organization's risk appetite and presently, it corresponds approximately to 27% of the minimum regulatory capital (11%).

The Organization's regulatory capital sufficiency can be seen by calculating the total capital adequacy ratio which in this period was 15.23%, of which 12.06% under Tier I and Common Equity Tier I. In terms of margin, the amount totaled R$ 26 billion, allowing for an increase of up to R$ 273 billion in loan operations (Retail).

It is important highlighting that since January 2015, according to the CMN's Resolution 4192 which deals with the methodology for calculating the ratios of Common Equity Tier 1, Tier 1 and Total Capital, the regulatory scope became the Conglomerate Prudential, the Prudential adjustments rose from 20 % to 40% and the use of subordinated debt eligible for capital issued under the previous rules of the Basel III fell from 80% to 70% of the stock of these debts.

Capital Forecast

The capital management and Internal Capital Adequacy Assessment Process (ICAAP) area is responsible for carrying out the Organization's capital simulations and forecasts, considering prospective variations and trends that are aligned with strategic guidelines, business environment and the impacts arising from the regulations. The results obtained are submitted to the assessment of Senior Management, as established governance.

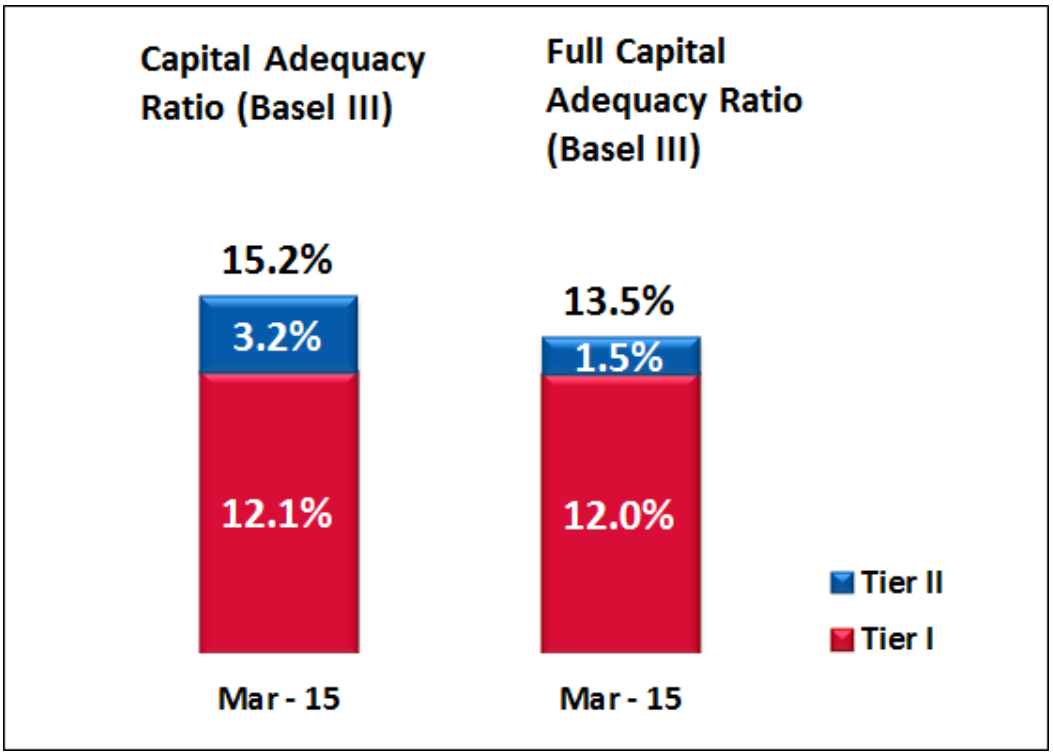
Projections indicate positive changes in Tier I and Common Equity Tier I ratios. This upturn is explained basically by increased retained earnings in relation to the rise in prudential adjustments given by the factors set out in forth by Art. 11 of CMN's Resolution 4,192.

The Capital ratios projected for the next three years are above the minimum regulatory and managerial requirements, thus providing enough security to cope with any material risks incurred.

Simulation - Basel III

Based on Basel III rules published by Bacen in March and October 2013, which include the definition of capital and the expansion of risk scope and are being gradually implemented up to 2019, below is the simulation based in strategic assumptions for the Prudential Conglomerate, taking into consideration the full compliance with the rules on the reference date of March 2015, i.e., anticipating all the impacts expected throughout the implementation schedule, according to CMN Resolution 4,192.

Basel III – Quantitative Impact Study



Statement of Financial Position

Below, a comparison between the statement of financial position of the Prudential Conglomerate and the statement of financial position published on the complete financial statements:

R$ million

Consolidated Statement of Financial Position	Mar-15	
ASSETS	**Prudential**	**Publication**
Current and long-term assets	**810,811**	**1,015,434**
Cash Equivalents	13,567	13,683
Interbank investments	195,741	195,745
Securities and derivative financial instruments	152,074	344,430
Interbank accounts	48,354	48,284
Interdepartmental accounts	180	180
Credit operations	298,438	298,579
Leasing	(168)	3,777
Other credits	99,618	105,780
Other assets	3,007	4,976
Permanent assets	**55,519**	**19,380**
Investments	35,421	1,636
Premises and equipment	2,935	4,952
Leased fixed assets	7,395	-
Deferred assets **(a)**	187	-
Intangible assets	9,581	12,792
- Acquired as of October 1, 2013 **(b)**	4,581	133
- Goodwill based on expected future profitability **(c)**	1,162	6,297
- Other intangible assets	3,838	6,362
Total	**866,330**	**1,034,814**

R$ million

LIABILITIES	Prudential	Publication
Current and long-term liabilities	**781,007**	**949,066**
Deposits	212,774	211,703
Open Market	288,061	303,740
Funds from issuance of securities	93,268	88,247
Interbank accounts	1,190	1,120
Interdepartmental accounts	3,127	3,127
Borrowing	19,743	19,764
Onlending - Brazil - official institutions	40,934	40,934
Onlending - abroad	1,672	1,672
Derivative financial instruments	5,910	5,711
Technical reserves for insurance, pension plans and capitalization bonds	-	157,295
Other liabilities	114,328	115,753
Provision for deferred income tax **(d)**	2,260	3,298
Subordinated debt **(e)**	38,013	38,013
Sundry	74,055	74,442
Deferred income	**288**	**312**
Non-controlling interests in subsidiaries authorized by Bacen (f)	**13**	**13**
Non-controlling interest in subsidiaries not authorized by Bacen (g)	**1,085**	**1,486**
Shareholders' Equity	**83,937**	**83,937**
Capital **(h)**	43,100	43,100
Capital reserves **(i)**	11	11
Profit reserves **(j)**	41,936	41,936
Asset valuation adjustment **(k)**	(812)	(812)
Treasury shares **(l)**	(298)	(298)
Attributable to equity holders of the Parent Company	**85,035**	**85,436**
Total	**866,330**	**1,034,814**

R$ million

Off-balance-sheet accounts	Prudential
Interests higher than 10% of the capital stock of controlling entities not subject to authorization of the Brazilian Central Bank **(m)**	14,864
Investments in funding instruments eligible to principal capital of the investee **(n)**	132
Tax credits from temporary difference **(o)**	9,765
Tax credits from accumulated tax loss **(p)**	5,723

Note: Letters in parenthesis refer to data presented in Exhibit 1.

Institutions participating in the Prudential Conglomerate

Consolidated Institutions	
Banco Bradesco S.A.	Bradesco Fic Fi Multimercado Cristal Ii
Ágora Corretora De Títulos E Valores Mobiliários S.A.	Bradesco Fic Fi Multimercado Cristal Iv
Alvorada Cia. Securitizadora De Créditos Financeiros	Bradesco Fic Fundo Invest Referenciado Di Carnauba
Banco Alvorada S.A.	Bradesco Leasing S.A. Arrendamento Mercantil
Banco Boavista Interatlântico S.A.	Bradesco Private Fic Fi Rf Irf-M Ativo
Banco Bradescard S.A.	Bradesco S.A. Corretora De Títulos E Valores Mobiliários
Banco Bradesco Argentina S.A.	Bradesco Securities Hong Kong Ltda.
Banco Bradesco Bbi S.A.	Bradesco Securities Uk Limited
Banco Bradesco Berj S.A.	Bradesco Securities, Inc.
Banco Bradesco Cartões S.A.	Bram Bradesco Asset Management S.A. D.T.V.M.
Banco Bradesco Europa S.A.	Cia. Brasileiras De Soluções E Serviços - Alelo
Banco Bradesco Financiamentos S.A.	Cia. Securitizadora De Crédito Financiamento Rubi
Banco Cbss S.A.	Cidade Capital Markets Limited
Bec Distribuidora De Títulos E Valores Mobiliários Ltda.	Cielo Inc. (Usa)
Bem Distribuidora De Títulos E Valores Mobiliários Ltda.	Cielo S.A.
Bmc Asset Management - Distribuidora De Títulos E Valores Mobiliários Ltda.	Crediare S.A. Crédito, Financiamento E Investimento
Brad Fi Mult Cred Priv Inv Exterior Andromeda	Everest Leasing S.A. Arrendamento Mercantil
Bradescard México, Sociedad De Responsabilidad Limitada	F Ii - Fundo De Investimento Rf Cred Privado
Bradesco - Agência Grand Cayman	Fip Multisetorial Plus
Bradesco - Agência New York	Fundo Inv Em Participacoes Multisetorial Plus Ii
Bradesco Administradora De Consórcios Ltda.	Merchant E-Solutions
Bradesco F.I. Referenciado Di Performance	Promosec Cia. Securitizadora De Creditos Financeiros
Bradesco F.I.C. F.I. Referenciado Di Galáxia	Strong Fundo De Inv. Renda Em Cotas Fim
Bradesco Fi Mult Cred Priv Inv Exterior Pioneiro	Tibre Distribuidora De Títulos E Valores Mobiliários Ltda.
Bradesco Fi Multimercado Cred Privado Apolo	Token Gestão De Contas De Pagamento S.A.
Bradesco Fi Referenciado Di Uniao	

For the scope of the publication, in addition to the Prudential Conglomerate's institutions, the following companies are also part of the consolidation:

Other Consolidated Institutions - published	
2bcapital S.A.	Fidelity Processadora E Serviços S.A.
Ágora Educacional Ltda.	Ganant Corretora De Seguros Ltda.
Aicare Holdings Ltda.	Guilher Comércio, Importação, Exportação E Distribuição De Medicamentos E Tecnologia Para Saúde Ltda.
Alpha Serviços De Rede De Auto Atendimento S.A.	Ibi Corretora De Seguros Ltda.
Alvorada Administradora De Cartões Ltda.	Ibi Promotora De Vendas Ltda.
Alvorada Serviços E Negócios Ltda.	Imagra Imobiliária E Agrícola Ltda.
Amapari Holdings S.A.	It Partners Ltd.
Andorra Holdings S.A.	Itaúna Holdings Ltda.
Apore Holdings S.A.	Japira Holdings S.A.
Aquarius Holdings Ltda.	Kartra Participações Ltda.
Aranau Holdings S.A.	Leader S.A. Administradora De Cartões De Crédito
Baíra Holding Ltda.	Lecce Holdings S.A.
Baneb Corretora De Seguros S.A.	Livelo S.A.
Bankpar Brasil Ltda.	Lyon Holdings Ltda.
Bankpar Consultoria E Serviços Ltda.	M4 Produtos E Serviços S.A.
Barinas Holdings S.A.	Malibu Holdings Ltda.
Bcn Consultoria, Administração De Bens, Serviços E Publicidade Ltda.	Manacás Holdings Ltda.
Belak Participações Ltda.	Marselha Holdings Ltda.
Bf Promotora De Vendas Ltda.	Miramar Holdings S.A.
Bpar Corretagem De Seguros Ltda.	Mpo Processadora De Pagamentos Móveis S.A.
Bradescard Elo Participações S.A.	Multidisplay Com E Serviços Tecnologicos S.A.

Bradesco North America Llc-Delaware-Usa	Nova Marília Administração De Bens Móveis E Imóveis Ltda.
Bradesco Overseas Funchal - Consulting Services, Sociedade Unipessoal Lda.	Nova Paiol Participações S.A.
Bradesco Overseas Salzburg Service Gmbh	Paggo Soluções E Meios De Pagamento S.A.
Bradesco Service Co. Ltd.	Prevsaúde Comercial De Produtos E De Benefícios De Farmácia Ltda.
Bradescor Corretora De Seguros Ltda.	Pts Viagens E Turismo Ltda.
Bradesplan Participações Ltda.	Quixaba Empreendimentos E Participações Ltda.
Bradport - Sgps Sociedade Unipessoal, Lda	Quixaba Investimentos S.A.
Bram Us Llc	Rfs Human Management, Sociedad De Responsabilidad Limitada
Brasília Cayman Investments Ii Limited	Rubi Holdings Ltda.
Brasília Cayman Investments Iii Limited	Scopus Industrial S.A.
Braspag -Tecnologia Em Pagamento Ltda.	Scopus Soluções Em Ti S.A.
Bsp Empreendimentos Imobiliários D102 Ltda.	Serel Participações Em Imóveis S.A.
Bsp Empreendimentos Imobiliários R2 Ltda.	Servinet Serviços Ltda.
Bvp Promotora De Vendas Ltda.	Settle Consultoria, Assessoria E Sistemas Ltda.
Caetê Holding Ltda.	Shopfácil Soluções Em Comércio Eletrônico S.A.
Carson Holdings Ltda.	Stelo S.A.
Celta Holding S.A.	Stvd Holding S.A.
Columbus Holdings S.A.	Taiba Holdings Ltda.
Companhia Brasileira De Gestão De Serviços	Tandil Holdings Ltda.
Companhia Leader De Promoção De Vendas	Tapajós Holdings Ltda.
Cpm Holdings Limited	Tempo Serviços Ltda.
Elba Holding Ltda.	Tibre Holding Ltda.
Elo Holding Financeira S.A.	Trenton Holdings Ltda
Elo Participações S.A.	Treviglio Holdings Ltda.
Elo Serviços S.A.	União Participações Ltda.
Elvas Holdings Ltda.	Varese Holdings Ltda.
Embauba Holdings S.A.	Veneza Empreendimentos E Participações S.A.
Farly Participações Ltda.	Viareggio Holdings Ltda.
Ferrara Participações Ltda.	

The regulatory scope to measure capital sufficiency since January 2015 is the Prudential Conglomerate, according to Bacen's rules. However, it is worth noting that other companies of the Economic and Financial Consolidated, reported in the previous table, also participate in the Organization's risk management process. For these companies, all the risks inherent to their activities are evaluated, especially Bradesco's Insurance Group companies, which also comply with regulatory capital rules, either through the rules of Susep or ANS, depending on their operating segment.

At Bradesco's Insurance Group, besides market, credit, operational, liquidity risk, among others, we point out the insurance risk, which is the main risk an insurance company is exposed to. This risk results from an adverse economic situation that would go against the insurance company's expectations, at the time of preparing the insurance policy, with regard to existing uncertainties, both in terms of definition of actuarial premises and the creation of technical provisions and calculation of premiums and contributions. Thus, it is the risk that the frequency or severity of claims or benefits is greater than those estimated by the company.

Insurance risks are managed by the Department of Actuarial Studies and Risk Management, Bradesco's Insurance Group, which also belongs to the Organization's risk management structure. One of its main duties is to develop an internal model for the calculation of economic capital based on insurance risks. The management process complies with all policies, rules and procedures of the Organization and seeks to diversify insurance operations in order to ensure a balanced portfolio sustained by the grouping of risks with similar characteristics, thereby reducing the impact of isolated risks.

Relevant Institutions

Following are the main companies that hold direct and indirect equity interests, included in the financial statements:

R$ million

	Mar-15		Description of the Activity
	Total Assets	Total Shareholders' Equity	
Financial Segment - Brazil			
Banco Alvorada S.A.	18,068	17,410	Bank
Banco Bradesco Financiamentos S.A.	69,045	9,705	Bank
Banco Bradesco BBI S.A.	7,106	6,521	Investment Bank
Banco Boavista Interatlântico S.A.	2,556	2,300	Bank
Banco CBSS S.A.	586	147	Bank
Banco Bradesco Cartões S.A.	77,832	42,691	Cards
Bradesco Administradora de Consórcios Ltda.	2,812	2,505	Consortium Management
Banco Bradesco BERJ S.A.	78,418	52,569	Bank
Bradesco Leasing S.A. Arrendamento Mercantil	81,160	2,988	Leasing
Bradesco S.A. Corretora de Títulos e Valores Mobiliários	1,578	670	Brokerage Firm
BRAM - Bradesco Asset Management S.A. D.T.V.M.	327	304	Asset Management
Ágora Corretora de Títulos e Valores Mobiliários S.A.	906	434	Brokerage Firm
Banco Bradescard S.A.	6,510	2,490	Cards
Cielo S.A.	6,633	1,524	Service Provider
Cia. Brasileiras de Soluções E Serviços - Alelo	1,876	566	Service Provider
Tempo Serviços Ltda.	2,700	2,287	Service Provider
Financial Segment - Abroad			
Banco Bradesco Argentina S.A.	206	181	Bank
Banco Bradesco Europa S.A.	12,478	1,365	Bank
Bradesco - Agência Grand Cayman Branch	118,739	39,866	Bank
Bradesco - Agência New York Branch	58,027	1,407	Bank
Bradesco Securities, Inc.	91	91	Brokerage Firm
Bradesco Secutities, Uk	27	24	Brokerage Firm
Insurance, Pension Plans and Capitalization Bonds			
Bradesco Argentina de Seguros S.A.	4	2	Insurance Company
Bradesco Auto/Re Companhia de Seguros	8,473	2,189	Insurance Company
Bradesco Capitalização S.A.	7,872	711	Capitalization Bonds
Bradesco Saúde S.A.	12,509	3,847	Insurance Company/Dental
Odontoprev S.A.	16	10	Dental Health
Bradesco Seguros S.A.	18,650	14,864	Insurance Company
Bradesco Vida e Previdência S.A.	146,229	6,331	Pension Plans/Insurance Company
Atlântica Companhia de Seguros	1,262	589	Insurance Company
Other Activities			
Andorra Holdings S.A.	326	326	*Holding*
Bradseg Participações S.A	23,125	21,434	*Holding*
Bradescor Corretora de Seguros Ltda.	79	38	Brokerage Firm
Bradesplan Participações Ltda.	10,024	9,363	*Holding*
BSP Empreendimentos Imobiliários S.A.	1,371	1,267	Real Estate
Cia. Securitizadora de Crédito Financiamento Rubi	1,473	1,460	Credit Acquisition
Columbus Holdings S.A.	6,325	6,303	*Holding*
Nova Paiol Participações S.A.	1,419	1,416	*Holding*
União Participações Ltda.	1,903	1,583	*Holding*

Equity Interests

Equity interest accounting policy

The equity interests are measured by the equity method or by the cost method. The equity interests abroad are recorded by the original amount in foreign currency, converted into reais, by the conversion rate on the investment acquisition date. The foreign exchange rate is updated by the variation of PTAX selling rate released by Bacen for related foreign currencies of the countries where investments are made.

The selection of method to be used observes prevailing laws, namely:

- Equity method: the investment measured by the equity method is calculated monthly based on the statement of financial position or interim statement of financial position drawn up on the same date, or until, at most, two months before, and in this assumption, the necessary adjustments are made to consider the non-recurring and/or relevant facts effects in the period. The statement of financial position or interim statement of financial position of investments abroad are adjusted to the accounting criteria effective in Brazil and converted into Real (by the closing quote), and its effects recognized in the net income for the period.
- Cost method: investments in equity instruments of other entities are measured by cost, when classified in the sub-group Non-Current Asset Investments, provided that these entities are not considered associated companies or subsidiaries (including jointly-controlled entities). Through this method, the investments are recorded by acquisition cost, less provisions for losses.

Following is a list of the Prudential Conglomerate's equity interests:

R$ million

Equity Interests[1,2]	Book Value	Nature of the Activity
Bradseg Participações Ltda.	20,589	*Holding*
Rubi Holdings Ltda.	9,806	*Holding*
Serel Participações em Imóveis S.A.	374	*Holding*
Bradescard Elo Participações S.A.	797	*Holding*
Embaúba Holdings Ltda.	893	*Holding*
Bradport SGPS Sociedade Unipessoal Lda.	8	*Holding*
Bankpar Consultoria e Serviços Ltda.	174	*services*
Tibre Holdings Ltda.	463	*Holding*
Caetê Holding Ltda.	84	*Holding*
Finasa Promotora de Vendas Ltda.	339	*services*
Ganant Corretora de Seguros	305	*Insurance Brokerage*
Miramar Holdings S.A.	236	*Holding*
Neon Holdings S.A.	233	*Holding*
Imagra Imobiliária e Agrícola Ltda.	207	*Real Estate*
Brasília Cayman Investiments II Limited	255	*Holding*
Bes Investimento do Brasil S.A. – Banco de Investimento	131	*Investment Bank*
Camara Interbancária de Tecnologia/Tecnologia Bancária S.A.	37	*services*
Tapajós Holdings	49	*Holding*
STVD Holdings S.A.	38	*Holding*
Bradescor Corretora de Seguros Ltda.	38	*Insurance Brokerage*
Marselha Holdings Ltda.	41	*Holding*
Empresa Brasileira de Soldas Elétricas S.A.	35	*Other activities*
Manacás Holdings Ltda.	33	*Holding*
Aquarius Holdings S.A.	14	*Holding*
Leader S.A. Administradora de Cartões	9	*Cartões*
Nova Paiol Participações S.A.	15	*Holding*
Tempo Serviços Ltda.	11	*Service Provider*
Baneb Corretora de Seguros S.A.	5	Insurance Brokerage
Bradesco North America LLC Delaware - USA	6	*services*
Shopfácil Soluções em Comércio Eletrônico S.A.	3	*services*
Ágora Educacional Ltda.	2	*services*
Settle Consultoria Assessoria e Sistemas Ltda.	1	*services*
Trenton Holdings Ltda.	135	*Holding*

(1)The companies listed are closely-held companies whose shares are not traded at the stock exchange; no price quoted in the market, and without any gain/loss on the sale/liquidation, unrealized, recognized or unrecognized.
(2) In the first quarter 2015, the Capital Requirement for Equity Interest totaled R$ 4.7 billion, according to CMN Resolution 4,192 and Bacen Circular 3,644.

Abbreviations

A

ANS - National Regulatory Agency for Private Health Insurance and Plans
AMA - Advanced Measuarement Approch

B

Bacen - Brazilian Central Bank
BIS - Bank for International Settlements
BNDES - Brazilian Development Bank

C

CDI - Certificated of Interbank Deposit
CDC - Consumer Credit
CDS - Credit Default Swap
CMN - National Monetary Council
CRI - Real Estate Receivable Certificates

D

DCIR - Integrated Risk Control Department
DI - Interbank Deposit
DPV - Available for sale

E

ECB - European Central Bank
EVE - Economic Value Equity

F

FED - Federal Reserve
FIDC - Receivables Backed Investment Funds
Finame - BNDES program to finance machinery and equipment
FPR - Risk Weighting Factor

I

IBAMA - Brazilian Institute of the Environment and Natural Renewable Resources
ICAAP - Internal Capital Adequacy Assessment Process
IGP-M - General Market Price Index
IFC - International Finance Corporation
IPCA - Consumer Price Index

O

ORX - Operational Riskdata exchange Association

P

P&L - Profit & Loss
PIB - Gross Domestic Product (GDP)
PRI - Principles for Responsible Investment
PTAX - Average reference exchange rate published by Bacen

R

RML - Minimum Liquidity Reserve
RWA - Risk Weighted Assets

S

SELIC - Basic Interest Rate
SUSEP - Insurance Superintendence

T

TVM - Marketable Securities

V

VaR - Value at Risk
VIX - Derivative contract based on the future volatility of the S&P 500 index