KPMG

Banco Bradesco S.A and Banco Bradesco Cartões S.A

Proposal for professional services

Audit

July 17, 2019

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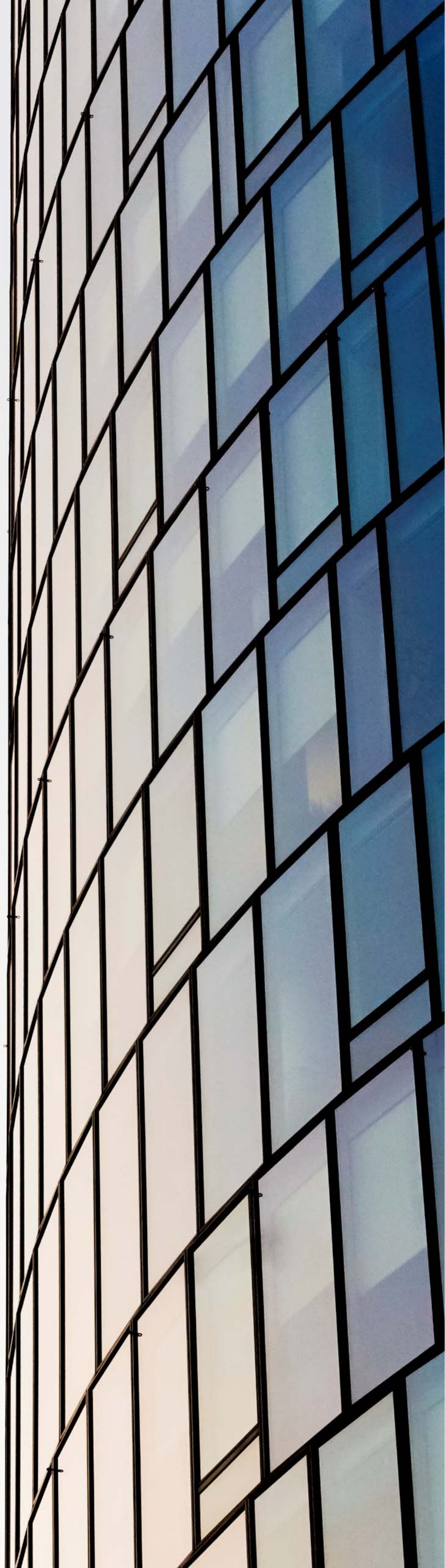

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To
Banco Bradesco S.A and Banco Bradesco Cartões S.A
Osasco – São Paulo

July 17, 2019

Attn.: Audit Committee and Marcelo Santos Dall'Occo

Dear Sirs:

We are pleased to present the KPMG Auditores Independentes (KPMG) 's proposal for professional services regarding the issue of appraisal report that will be used as a basis for the merger process of **Banco Bradesco Cartão S.A** accounting equity by **Banco Bradesco S.A.**

The purpose of this draft is to confirm our understanding of the conditions and objectives of our work, as well as the nature and limitations of the services that will be provided, and the confidence that KPMG will provide the resources necessary to serve you with professionalism, and technical capacity required to perform the audit.

As previously reported, we were unable to complete our risk management assessments and other applicable approvals required to complete the normal engagement relationship acceptance procedures. Accordingly, as we continue to work on the methods mentioned above, we have sent this draft proposal so that you may become aware of its content until the evaluation procedures are satisfactorily completed.

Once the results of the above procedures are complete, we will inform you, and we will then be able to complete the process for issuing our final service proposal.

Very truly yours

Carlos Massao Takauthi
Partner

Talita Silva
Manager

Contents

1 - Approach to work

Nature and Scope of Services

The objective of our purpose is to perform audit procedures in accordance with Brazilian and international auditing standards, with the purpose of issuing appraisal reports on June 30, 2019 of Banco Bradesco S. A and Banco Bradesco Cartões S.A. with the objective to comply with the requirement of Article 227 of Law No. 6404 of 1976 and Central Bank Circular No. 3,017 ("BACEN") and will be used as a basis for the process of incorporation of the net equity of Banco Bradesco Cartões by Banco Bradesco S.A pursuant to the Merger Protocol and Justification to be issued between the parties on June 29, 2019.

As part of our audit process to issuance of appraisal reports, we shall request written confirmation from Management and, where appropriate, from those charged with governance, concerning the representations submitted to us.

Our audit with specific purpose of issuance appraisal reports will be conducted in accordance with Brazilian and International standards on auditing, supplemented, whenever necessary, by KPMG's policies.

It is our professional responsibility to issue an appraisal report, and Banco Bradesco S.A. and Banco Bradesco Cartões S.A.'s Management is responsible for the preparation of the financial statements, as well as for any statements contained therein that will be used as a basis for the preparation of said appraisal report.

As a result of the inherent limitations in internal controls and the fact that the audit is performed based on sampling and there exists other limitations of an audit, an audit cannot provide absolute assurance that there are no misstatements in the financial statements resulting from fraud, irregularities or error.

As required by professional auditing standards, the examination of internal controls is performed exclusively to determine the nature, extent and timing of our other audit procedures. Therefore, we are not being engaged to report on the internal control structure of the Banco Bradesco S.A. and Banco Bradesco Cartões S.A., nor to issue a report on these controls.

2 - Appraisal Report to be issued

As a result of our work, we shall issue the following documents:

Two appraisal reports on the accounting net equity determined through the accounting books, in accordance with CTG 2002 issued by the Federal Accounting Council and the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil and prepared to be submitted to the Central Bank of Brazil (BACEN) and the Commercial Registry , as defined below:

- appraisal report on the accounting net equity for the period ended June 30, 2019 of Banco Bradesco S.A., determined through accounting books and adjusted to accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, for purposes of incorporation of net equity of Banco Bradesco Cartões SA, pursuant to the Merger Protocol and Justification entered between the parties;

- appraisal report on the accounting net equity for the period ended June 30, 2019 of Banco Bradesco Cartões S.A., determined through accounting books and adjusted to accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, which will be used to purposes of merger of Banco Bradesco Cartões S.A. by Banco Bradesco S.A., pursuant to the Merger Protocol and Justification entered between the parties.

The dates for submitting the aforementioned report will be separately set with you.

3 - Fees

Fixed fees, taxes not included in the price, no expenses included in the price

For the execution of the services objectified by this proposal, Banco Bradesco S.A. will pay KPMG fees in the amount of R$ 130,000.00 [One hundred and thirty thousand reais], which exclusively include:

1. Remuneration of the work to be performed, considering the various professional categories that should be involved in their execution;

2. The applicable taxes (ISS, PIS, and COFINS) by the legislation in force at the date of signature of this proposal. However, the burden of any taxes required by the municipality of the place where Banco Bradesco S.A. is established or the place in which the services will be provided in whole or in part, in whatever denomination or form, will be borne directly by or through Banco Bradesco S.A. the amount of fees payable. In addition, the Parties agree that any tax increases will be automatically passed on to Banco Bradesco S.A. to maintain the economic and financial balance established in this agreement.

3. Coverage of ordinary expenses incurred by KPMG in performing the services proposed herein. Regular expenses, according to this provision, are usual expenses, such as those incurred for telephone calls, photocopying, infrastructure, food, and transportation, if they are incurred in the urban areas where KPMG has an office.

The total amount of the above net and specific fees, as recognized by the parties, shall be paid as follows:

• R $ 130,000.00 [One hundred and thirty thousand reais], equivalent to the total amount, shall be paid within 30 (thirty) business days after the date of signature of this document;

The fees agreed herein do not include:

a. The extraordinary expenses, thus understood, under the terms of this agreement, those incurred for travel and hotel stays, as well as those incurred outside the urban area in which KPMG has an office, whether for food, mobility, photocopying, and others. Therefore, extraordinary expenses are the sole responsibility of Banco Bradesco S.A., which, according to dates and locations previously agreed with KPMG, will provide all necessary measures, such as booking tickets and hotels, delivery of the respective vouchers to KPMG professionals, payment to suppliers of such services or reimbursement to KPMG of expenses not previously scheduled.

If KPMG fails to undertake any travel and the corresponding service due to the absence of Banco Bradesco S.A. in the provision of the abovementioned acts, liability for any loss or damage shall be the sole responsibility of Banco Bradesco S.A.

b. Inflationary expectations, in compliance with current legislation and considering that the current stability in price indices will be maintained until the respective settlements.

Therefore, our fees will be adjusted annually, according to the General Market Price Index, published by Fundação Getúlio Vargas (IGP-M / FGV) and, in the event of its suppression or extinction, instead, the readjustment index allowed by law, with similar composition and coverage, as a way of preserving the economic expression of the contracted values, so as not to allow it to suffer deterioration due to inflation. However, the right to automatically apply any supervening legal provision authorizing the indexation of contracts within a period of less than one year is reserved.

c. Unusual situations during the contractual relationship, such as, but not exclusively, the unavailability of information necessary for the execution of the services, the need for rework caused by Banco Bradesco S.A. or its collaborators, other situations that generate the need for dedication or effort. additional or extraordinary by KPMG. If KPMG observes this kind of situation, we will inform you, and in that event, the parties will compose themselves to prevent KPMG from unilaterally supporting the consequences of such unforeseen circumstances.

d. Additional services If requested by you (s), such as consultations involving research or specific study of subjects not included in this proposal, they will be charged separately, according to the time spent and previously agreed with your landlady.

We clarify that the late payment of any installment will automatically imply the obligation of Banco Bradesco S.A. to add to the regular amount: (i) a fine of 2% (two percent) on the invoice amount; (ii) interest on late payment equivalent to the rate in force for the payment of taxes due to the National Treasury (Selic); and (iii) If the rate in force for the payment of taxes due to the National Treasury does not contain a monetary correction variant, the regular amount shall also be adjusted for monetary correction, according to the General Market Price Index, disclosed Getúlio Vargas Foundation (IGP-M / FGV) and, in the event of its suppression or extinction, substitutivity, the readjustment index allowed by Law, with similar composition and coverage, as a way of preserving the economic expression of the contracted values, so that do not allow it to deteriorate as a result of inflation.

In any event that the economic and financial equation established through this contracting will be shaken, the parties shall agree on the adjustment necessary for the restoration of the balance, and the impasse shall constitute a just cause for termination of the contract established based on this proposal, regardless of any penalty.

In view of the nature of the services targeted by this proposal, the enforceability of cash benefits in favor of KPMG, as provided for in this section, will not require proof of compliance with the specific consideration, and the claim of the validity of the contractual relationship established under this proposal is sufficient. , without prejudice to the right granted to Banco Bradesco S.A. to demand, in its way, the full compliance with the specific considerations borne by KPMG, in the event of any default, upon particular execution.

Finally, the scope of KPMG's services does not address any requests for clarification by regulatory authorities. As these requests may or may not arise after the delivery of our report, if they occur, additional hours may be required from us that are not covered in our estimate above.

4 - Other terms and conditions for engaging our services

Appendix I
The document called "Terms and Conditions" constitutes an integral part of the proposal herein. In case of divergences between the presented in the Terms and Conditions for engaging our services document shall prevail the terms and conditions of this document with the following exceptions:

Due to the particularities related to the scope of the evaluation report under the corresponding professional standard (CTG 2002), the following provisions of Appendix I are amended, as follows.

It is understood that the following clauses have been changed, with new wording:

2.1. - Of the services

a. “Our work will be performed in accordance with the applicable standards on auditing, as described in the proposal and supplemented, when necessary, by **KPMG's** policies.”

d. “We clarify that the events and circumstances described later herein are inherent in the audit aiming at issuing an evaluation report in accordance with the work scope described in this proposal, and that they may not, under no circumstances, be considered insufficiency or deficiency of any nature in the performance of our services:”

d.1 “Our services are performed on a sampling basis and due to this limitation, and other limitations inherent in audit procedures and any internal control system, there is the possibility of a material fraud or error in the financial statements - basis for the issuance of the evaluation report, in accordance with the work scope described in this proposal - not being detected”.

d.5 “During the course of the execution of the work restrictions or limitations to the work scope may arise, thus making the issuance of a conclusive evaluation report unfeasible. In this circumstance, we will issue a letter justifying the unfeasibility of issuing an evaluation report.”

d.6 “Our audit procedures will be conducted based on the fact that the Management, and those charged with governance, when applicable, acknowledge and understand their responsibility:

a. for fairly preparing and presenting these financial statements - basis for the report preparation - in accordance with the scope of the work described in the proposal herein.

b. for the internal control that the Management considers necessary for enabling the preparation of the financial statements - in accordance with the work scope described in the proposal herein - free from material misstatement, whether due to fraud or error.

c. for granting:

i.access to all significant information Management is aware of for the preparation of the financial statements in accordance with the work scope described in the proposal herein such as records, documentation and other matters.
ii.supplementary information which the auditor may request that the Management provide for audit procedure purposes.
iii.unrestricted access to the Entity’s personnel the auditor deems necessary to obtain audit evidence.

i. As part of our work, will will request that the BRADESCO's Management, and those in charge of governance (when applicable), provide written confirmation of the statements made to us in relation to our work.”

f. “As a service provider, KPMG shall hold no liability for any management act the BRADESCO may perform or practice according to or resulting from the services which are the subject matter of this proposal or for the improper or unauthorized use that the BRADESCO may directly or indirectly make of them, or by facilitating such use by third parties.”

g. “If the BRADESCO is interested in engaging the services of KPMG to issue an evaluation report and provided that there is no impediment for such engagement, KPMG will perform the services in conformity with this proposal and the rules established by relevant laws and the regulatory procedures issued by the regulatory agencies of the activities of the BRADESCO and, if applicable, by Brazilian professional organizations, employing a sufficient number of qualified professionals, for whom the BRADESCO must provide the appropriate and indispensable infrastructure needed for the performance of the services.”

h. “The matters which must be reported according to the applicable standards defined in the scope of the proposal herein include significant matters deriving from the audit procedures in accordance with the work scope described in the proposal herein, which are material to the ones in charge of governance in the overall supervision of the financial statements process.”

i. "The standards on auditing do not require that the auditor should plan procedures aiming at identifying supplementary matters to report to those in charge of governance."

j. "The auditor may have to report about matters required by laws or regulations, by means of specific agreement with the entity, or by additional requirements applicable to the audit, when admissible."

k. "The scope of this work does not include work related to public offering of securities. Therefore, the evaluation report and the other documents and materials to be issued to the BRADESCO as a result of this engagement may not be referred to or used within the scope of any offering of securities, of any nature, in any jurisdiction, without the specific engagement of services for this purpose, separately."

Item "b" has been excluded from Clause 2.1 and Item "I" of "c" of d.6 has also been excluded from Clause 2.1.

4 - Acceptance of the services result(s)

a. "The content of the evaluation report will be discussed with Management before its final version is issued. If the BRADESCO's Management does not issue an opinion within 30 days, counted from the date the report is submitted by KPMG to the BRADESCO, the lapse of this period without the BRADESCO expressly issuing an opinion to KPMG, shall lead to the acceptance of services, and the non-acceptance, without fair reason, shall lead to the automatic assumption by the BRADESCO, of total and unrestricted responsibility for the effects resulting from the non-receipt which may prejudice the BRADESCO, KPMG or third parties."

8 - Confidentiality

d. "We inform you about the fact that we may be asked to give access to and/or furnish copies of our work papers that served as a basis for the issuance of our evaluation report, in accordance with the scope defined in the proposal herein, for inspection by the regulatory agencies to which the BRADESCO or **KPMG** are subordinated."

5 - Acceptance

The conditions included in this engagement offer are valid for 30 (thirty) business days, counted from its issuance.

If there is interest on the part of **Banco Bradesco S.A** to engage the services of **KPMG Auditores Independentes** for the issuance of an evaluation report, it should express its acceptance of the present agreement by returning a copy, duly signed by its authorized representative, and with each page duly initialed.

If **Banco Bradesco S.A** does not show its acceptance in the manner described above, but authorizes the start of the provision of services which are the subject matter of this proposal, in written or oral format and without expressly registering any restriction to the terms and conditions of this proposal, this act shall represent a tacit acceptance **Banco Bradesco S.A** of all terms and conditions established on this proposal, and therefore the contractual relationship that will be established between the parties shall be ruled in any case by this document.

When we receive your confirmation, we will start to plan our work so that we can put as many resources as possible at the disposal of **Banco Bradesco S.A.**

Banco Bradesco S.A hereby agrees to the terms of this proposal and engages **KPMG Auditores Independentes** to perform the services described herein, in accordance with the conditions hereby presented. This instrument revokes all previous understandings and agreements entered into between the parties on the matter subject to the proposal herein. Any amendment to the terms and conditions of the proposal herein must be formally made in writing and will only become effective should the document be duly signed by the parties' authorized representatives.

The agreement reached as per this proposal shall be ruled and interpreted according to Brazilian laws, and the court to settle disputes of any nature between **KPMG** and **Banco Bradesco S.A**, according to the will that the parties irrevocably express, will be the court of the Municipality of São Paulo, in the State of São Paulo.

KPMG Auditores Independentes		**Banco Bradesco S.A**	
Partner's signature:	______________________	Signature:	______________________
Name:	______________________	Name:	______________________
		Position:	______________________
Date:	_____ / _____ / _____	Approval date:	_____ / _____ / _____

Witnesses:

1. Name:	______________________	2. Name:	______________________
Tax ID Number:		Tax ID Number:	

(Appendices)

Appendix I - Engagement terms and conditions

This document is an integral part of the attached Proposal. In case of inconsistency between that set forth herein and the Proposal, the terms and conditions of this document shall prevail, unless the Proposal explicitly amends one of the provisions of this document.

1 - Definitions

The meanings of words and phrases below shall apply when used in these Engagement Terms and Conditions:

- **CLIENT:** The Proposal addressee(s), which can also be identified or referred to as "Company (s)", "Partnership (s)", or any abbreviation of the Company or Partnership entity name.
- **Data**: Means data, documents, materials or any other type of information, whether tangible or intangible, provided by the Client (or a third party that shall provide the Data) to KPMG in connection with the Services provided hereunder.
- **KPMG:** The partnership identified in the Proposal letterhead, which is a Brazilian entity and a member firm of the Global Network.
- **Proposal**: The proposal for KPMG services to which this document must be attached.
- **Representatives:** The partners, employees, consultants, sub - contractors and agents of KPMG.
- **Result (s) of the Services and / or product (s) of the Services**: Any materials developed by KPMG for the CLIENT due or result of service.
- **Services:** The services to be provided by KPMG as described in the Proposal.
- Global Network: is the Global Network of independent member firms in relation to one another and affiliates of KPMG International Cooperative, a Swiss cooperative, which does not provide services to clients, of which KPMG is part. Client understands that KPMG International Cooperative and each of the member firms of the Global Network is a separate, distinct and independent legal entity.

2 - Services and responsibilities of parties

2.1 - Services

a. Our services will be conducted in accordance with applicable auditing standards, supplemented, whenever necessary, by **KPMG**'s policies.

b. During the course of our work, matters may come to our attention related to weaknesses in internal controls or areas where it may be possible to improve the efficiency or effectiveness of your operations. We will report any such matters of significance to Management and/or those charged with governance, when applicable in a management report.

c. As required by professional auditing standards, the examination of internal controls, when applicable, is performed exclusively to determine the nature, extent and timing of our other audit procedures. Therefore, we are not being engaged to report on the internal control structure of CLIENT, nor to issue a report on these controls.

d. We point out that the events and circumstances listed below are inherent to an audit and/or review of financial statements, review of interim financial information and auditor review of reporting package, as applicable based on the scope of work defined in this engagement letter, and may not, in any case, be considered as an inadequacy or deficiency in the performance of our services:

d.1 Our services are performed on a sampling basis and due to this fact and other limitations inherent to the audit and/or review, as well as the limitations inherent to any internal control system, it is possible that even a significant failure in the financial statements, interim financial information and/or reporting package may not be detected.

d.2 The scope of the work proposed herein does not include an obligation to detect fraud in the operations, processes, records and documents to which **KPMG** may have access as a result, of or arising from the performance of the services. Nevertheless, in the event we conclude on the existence of fraud, the cases will be immediately reported to the Management and/or those charged with governance, regulators and Group Auditor, when applicable of CLIENT.

d.3 The scope of an audit and/or a review does not include serving personal or specific interests and is related to legal, regulatory and ethical issues that require that work be performed in an independent manner.

d.4 Brazilian tax legislation is complex and very often the same provision can be interpreted in more than one way. **KPMG** seeks always to be up-to-date in relation to the various interpretative tendencies, in order to permit an ample evaluation of the alternatives and risks involved. Accordingly, it is inevitable that there may be interpretations of the law that are different from ours. Under these circumstances, neither **KPMG**, nor any other firm, can give CLIENT total assurance that it will not be questioned by third parties or even assessed additional taxes by tax authorities.

d.5 There are circumstances in which misstatements arising from the documentation of the internal controls or of the accounting records impose the need to include qualifications in the auditor's report, clearly informing the reader of specific aspects of or limitations in the information contained in the audited financial statements, reviewed interim financial information and/or audited reporting package. Depending on the gravity of the weaknesses, the audit may be concluded with a report containing a disclaimer of opinion or an adverse opinion by the auditor on the financial statements, review of interim financial information and/or reporting package. In the specific case of a review of interim financial information, when applicable, since there is no legal responsibility or regulation for the issuance of the report, we will communicate, in writing, to the appropriate level of management and those charged with governance the reason why the review did not can be completed.

d.6 Our audit and/or review will be conducted on the basis that Management and those charged with governance, acknowledge and understand that they have responsibility:

(a) For the preparation and fair presentation of the financial statements, interim financial information and/or reporting package, in accordance with accounting practices as applicable based on the scope of work defined in this engagement letter.

(b) For such internal controls as Management determines are necessary to enable the preparation of financial statements, interim financial information and/or reporting package, as applicable based on the scope of work defined in this engagement letter, that are free from material misstatement, whether due to fraud or error.

(c) To provide us with:

i. access to all significant information Management is aware of to prepare financial statements, interim financial information and/or reporting package, as applicable based on the scope of work defined in this engagement letter, such as records, documents and other matters;

ii. additional information the auditor may request from Management for audit and/or review purposes; and

iii. unrestricted access to the entity's personnel the auditor considers to be necessary to obtain audit and/or review evidence.

(d) As part of our audit process, we will request from Management, and those charged with governance, ***(as appropriate)*****,** written confirmation concerning representations made to us in connection with our services.

(e) The CLIENT shall be solely responsible for its employees' and agents' performance and for the accuracy and integrity of the data and information provided to us for the purposes of rendering the services described in this proposal. **KPMG** will not be held responsible, in any case, or endure damages or losses resulting or arising from the untimely presentation of information by CLIENT which may prejudice the regular course of the audit or the results of the audit, nor will **KPMG** bear such damages or losses. **KPMG** will neither be held responsible for the quality or sufficiency of the documents, the main and auxiliary accounting records and the information which is provided at the request of **KPMG**.

(f) Our services may include recommendations. However, the decisions in respect of the implementation of these recommendations are the full responsibility of CLIENT. Thus, in the capacity of a service provider, **KPMG** will not be responsible for any act or practice of management that CLIENT may adopt based on, or as a result of, information, opinions and/or conclusions and reports resulting or arising from the services proposed herein, nor for inadequate or unauthorized use that CLIENT may make of them directly or indirectly or facilitate third parties to do so.

(g) If CLIENT is interested in engaging the audit and/or the review services of **KPMG** and provided that there is no impediment, **KPMG** will perform the services in accordance with this proposal and the rules established by relevant laws and the regulatory procedures issued by the authorities which regulate the activities of CLIENT, when applicable, and Brazilian professional organizations, employing a sufficient number of qualified professionals, for whom CLIENT must provide the appropriate and indispensable infrastructure needed for the performance of the services.

(h) The matters which must be communicated to those responsible for governance in the general supervision of the financial reporting process, in accordance with the applicable auditing standards, include significant issues resulting from the audit or review of the financial statements, review of the interim financial information and/or reporting package, as applicable based on the scope of work defined in this engagement letter, which are relevant to governance.

(i) Auditing and/or review standards do not require that the independent auditor plan procedures aiming at identifying supplementary matters to communicate to those responsible for governance.

(j) The independent auditor may have to communicate certain matters required by law or regulations, due to specific agreement with the entity, or due to further requirements applicable to audit and/or review work, when applicable.

(k) The scope of this work does not include work related to any securities offering. Thus, the audit report and other documents and materials we issue to the CLIENT by reason of this contract shall not be referred to or used in connection with any offering of securities of any kind in any jurisdiction without hiring specifies services for this purpose separately.

2.2 - Labor responsibilities of KPMG

a. Labor and social security/medical obligations pertaining to professionals who represent KPMG before the CLIENT by virtue of service, are solely the responsibility of KPMG, which undertakes to keep the CLIENT always free from any claim, complaint and claims arising from professional relationships established between the CLIENT and the representatives of KPMG, and shall assume, at its sole expense, the defense of the CLIENT actions that may result from such claims, complaints and claims, notwithstanding the duty to indemnify you in the event our intervention as set forth herein proves to be impossible, ineffective or insufficient.

3 - Engagement team

a. KPMG may, in its sole discretion at any time replace the professionals listed in the Proposal by others with similar experience.

4 - Acceptance of the services results

a. The contents of the aforementioned reports will be discussed with the Management of **CLIENT**, before issuing the final report. In the absence of any pronouncement on the part of **CLIENT** within 30 days of the delivery of the reports by **KPMG** to **CLIENT,** the report will be considered as accepted and the unreasonable non-acceptance will be considered as an automatic assumption by **CLIENT** of total, unrestricted responsibility for each and every effect arising from the non-acceptance of the reports that may be prejudicial to **CLIENT**, to **KPMG** or to third parties.

5 - Ownership and use of the results

a. In order to be able to provide better services, we have created, acquired or already use various concepts, methodologies and techniques, models, standards, software, operator interfaces or *screen designs*, as well as general advisory and software tools and systems operation methods, coherence and logic (collectively denominated “KPMG Property”). We retain all the rights to ownership of the KPMG Property. Therefore, no interest in or right to such property may be claimed by **CLIENT.** Additionally, regardless of the acceptance or not of this proposal by **CLIENT**, we shall be free to offer services of any type to any other party, as we consider appropriate, and we may use the KPMG Property for that purpose. We recognize that the KPMG Property will not include any part of your confidential information nor your tangible or intangible property and we shall have no right to the property of **CLIENT.**

b. Acceptance of this proposal will imply recognition and agreement by CLIENT that any advice, recommendation or information provided by us, in relation to this proposal, will be for your own confidential use. Except in cases foreseen in law or in which the product submitted by us is for disclosure to third parties, CLIENT will not reveal nor permit access to third parties of this advice, recommendation, information or to the product of the work, nor will it summarize or refer to this advice, recommendation, information, or to the product of the work or to the contents of the documents that established the basis for engaging KPMG, including the Proposal, except with our express, prior and valid consent.

c. **CLIENT** undertakes to formally consult us prior to revealing any material provided by us, due to or as a result of the services which are the subject matter of this proposal, or prior to authorizing their total or partial disclosure to third parties, and to provide to us the material to be disclosed, in writing, so that we are able to evaluate and consider it, exclusively, in accordance with the ethical and legal principles which we are governed by, due to internal, regulatory and legal norms.

6 - Fees

6.1 - The fees described in the proposal do not include:

a. Inflation, it being presumed that the current price stability will be maintained until final settlement. Therefore, the fees will be adjusted annually, according to the General Market Price Index of the Getúlio Vargas Foundation (IGP-M/FGV) and, if this index is discontinued, according to an inflation adjustment index established by law, with similar composition and scope, in order to preserve the economic value in question and avoid its deterioration as a result of inflation. However, we reserve the right to automatically apply to any outstanding payment any legal ruling that changes the method for indexing contracts in a period lower than one year.

b. Unusual situations during the course of our contractual relationship, such as, but not exclusively related to, the unavailability of information required for the performance of the services, the need for rework caused by CLIENT or its employees, or other situation in which KPMG has to incur additional or extraordinary dedication or effort, caused by CLIENT or its employees. If this type of situation is noted by KPMG, we will inform you and, in these circumstances, the parties will meet to reach an agreement, in order to avoid that KPMG bears alone the consequences of such unforeseen events.

c. Additional services. Should you request additional services, such as consultations that involve research or specific studies of matters not included in this proposal, these will be charged separately, according to the time effectively spent, and will be previously agreed upon with you.

6.2 - We clarify herein that any delay in the payment of an invoice will subject CLIENT to:

a. a fine of 2% (two percent) on the full amount of the invoice.

b. default interest equal to the interest rate in force for the late payment of taxes due to the National Treasury (Selic).

c. if the interest rate in force for late payment taxes due to the National Treasury does not include an inflation adjustment, an adjustment in accordance with the variation of the General Market Price Index of the Getúlio Vargas Foundation (IGPM/FGV) will be added to the interest amount and, if this IGPM/FGV index is discontinued, another inflation adjustment index established by law, with similar composition and scope, will apply in order to preserve the economic value in question and avoid its deterioration as the result of inflation.

6.3 - If there is any change in the economic and financial equilibrium established herein in this engagement, we understand that we may review the matter with you in order to agree upon the necessary readjustment that reflects the increase in our costs. If there is no agreement on this matter, this shall constitute just cause for the rescission of the contract based on this proposal, irrespective of any penalty.

7 - Workpapers

a. During the performance of our services, we will have access to verbal and written information, documents and data in general, which will be recorded and filed, if necessary, in electronic media. Nevertheless it is an obligation of **CLIENT** to safeguard, for the period set forth in law, its accounting records and other documents that support its transactions for commercial and tax purposes. However, in accordance with professional legal and regulatory rules, we may retain and maintain on file copies and annotations of all the verbal and written information and documents in general, including confidential information that is provided to us as a result of or arising from the rendering of the services.

8 - Confidentiality

a. KPMG shall keep the Data confidential, treating it with the same care, methods, techniques, and physical and technological safeguards that it applies for the safekeeping and protection of its own confidential data. Due to this agreement KPMG is authorized to process, use, treat, retain and store the Data, for due performance of the Services set forth in the Proposal and to carry out analysis of Data or other Client data provided to KPMG in isolation or combined with other Data owned by it or by third-parties, to improve KPMG's service delivery and performance capacity or quality of other services or technology.

b. The obligations of confidentiality set forth herein do not apply to Data that:

i. is or becomes available to the public without violation of this document;

ii. was known by KPMG without obligation of confidentiality when disclosed by the Client;

iii. is developed independently by KPMG without using the Data;

iv. is required by law, or professional standards applicable to KPMG, to be disclosed, including by Law No. 12.683, of July 9, 2012, as amended, or whose disclosure is necessary so that KPMG may defend itself in case of the institution of an administrative, arbitral or judicial proceeding against it;

v. is disclosed, by Client, to third parties, without similar restrictions, or is approved for disclosure by Client; and

vi. is received by third-parties without obligation of confidentiality.

b.1. KPMG represents that it has technical, legal and/or other safeguards, measures and controls in place to protect the Data from unauthorized disclosure or use. Therefore, any questioning in this respect shall be directly submitted to KPMG and, KPMG agrees that it shall be liable to Client to the extent set forth herein, for any such unauthorized disclosure or use, including without limitation by the Global Network or other third-parties that, under the terms hereof, have access to the Data.

b.2.KPMG declares that it shall process Data according to the applicable law, including Brazilian Personal Data Privacy Law n° 12.965/2014, notwithstanding more restrictive internal guidance. Client declares that it will provide KPMG with access to [personal] Data only to the extent KPMG needs it to perform the hired services and that Client will not disclose third parties' Data to KPMG unless it is legally authorized to do so or as permitted by this agreement.

c. Considering that KPMG is part of a Global Network of independent member firms in relation to one another and affiliates of KPMG International Cooperative, a Swiss cooperative which does not provide services to clients (Global Network), while performing KPMG's activities, KPMG will apply leading practices and employ the available resources of the Global Network for the purposes set forth herein and KPMG is accordingly permitted to share Data with other members of the Global Network including without limitation *KPMG International Cooperative*, assisting them or KPMG, notwithstanding KPMG's obligations of confidentiality to Client

d. KPMG, over the course of its regular activities, including its provision of Services hereunder, shall avail itself of its own and third party resources, multidisciplinary competence, its technological resources (which include without limitation audit technologies, software productivity tools, certain technology infrastructure, data processing and storage, back-office administrative and clerical services, including by the Global Network or other third parties such as cloud providers, in national or foreign territory), its capacity of exploratory data analysis by its big data analytics team and data mining techniques and may conduct research, test resources and analyze the information that it has for purposes consistent with our professional standards, such as to evaluate, improve and develop its operation and its services or technologies for you or for other clients, as well as to simplify and solve problems identified during its performance, conduct thought projects, allow you and other clients to evaluate various business transactions and opportunities, and make presentations to you, other clients and non-clients. Thus, Client agrees that its Data and other information may be involved in the foregoing, including without limitation processes of research, tests and analysis carried out by KPMG and that such processes may involve the access and the process of Data by the Global Network and other third party, subject to the applicable laws and otherwise subject to the obligation of confidentiality set forth in this clause. When your information or Data is used outside of the Global Network or third parties assisting them or KPMG as outlined herein, Client will not be identified as the source of the information and any personal data will be previously anonymized.

e. KPMG's obligation of confidentiality, under the terms hereby established, shall survive the termination of the Proposal and its Exhibits or completion of the Services that are the subject thereof, regardless of the reason of any termination, for the period of one (1) year thereafter, whichever of termination or completion is later, unless there is a longer period for survival of such obligations provided in the applicable law that expressly applies to the Data or unless there is a longer period for survival of such obligations set forth in the professional standards applicable to KPMG or the confidentiality of the Data.

f. We may be asked to give access to and/or furnish copies of our work papers that served as a basis for the issuance of the report, in accordance with the scope defined in this proposal, for inspection by the regulatory agencies to which either **CLIENT** or **KPMG** are subordinated.

g. On the occasion of any such request, you shall be given prior notice, as long as it is not prohibited by law, so that you can take those measures that you understand appropriate to protect your interests, it being evident that a simple disallowance, unaccompanied by judicial protection, will not be sufficient to prevent compliance with orders issued by the aforementioned authority/regulatory agencies.

h. If one of the parties receives a service of notice or other duly issued administrative or judicial request, requiring the disclosure of confidential information of the other party, if not prohibited by law, that party shall immediately notify the other party in writing of such demand, in order to enable it to seek a protective order. As soon as the party summoned to reveal information delivers the notice, the summoned party shall be entitled to comply with such demand to the extent permitted by law or as determined in such demand, and is subject to any protective or similar order valid and effective, that the party interested in the confidentiality of the information may happen to obtain.

i. It is hereby established that Client, by itself or by third parties, is prohibited from carrying out audit, inspection or supervision of the facilities, systems, and records of KPMG, in view of the obligations of confidentiality and secrecy of the information trusted to KPMG by its clients. Notwithstanding such prohibition, KPMG undertakes to provide, upon express request and only for the use by Client, information regarding the Services rendered and also the reimbursable fees and expenses incurred. The foregoing provision shall prevail over any other that, regarding the same matter, is provided for in documents or institutional policies of the Client, such as codes of conduct, registration documents or by clickwrap or clickthrough agreements.

9 - Use of electronic mail

a. **KPMG**'s Information Security policy is in compliance with market practices (except encryption). During the contractual relationship established according to the present document, **KPMG** may communicate with CLIENT by e-mail, and transmit documents by e-mail. **CLIENT** accepts the risks inherent to this means of communication (including the risks of interception or unauthorized access to the communications described above, the risk of corruption of these communications and the risks of virus or other possible harmful devices, which are possible despite the security policy practiced by **KPMG**) and agrees that only the final versions of the documents and information transmitted by **KPMG** should be considered by **CLIENT**. **KPMG** will accept responsibility only for the original content in its records.

10 - Corporate logotype

a. KPMG reserves the right to use the name and the logotype of **CLIENT** in the reports and communications pertaining to Services for CLIENT.

b. For the purpose of marketing, publication or the negotiation of services **KPMG** and KPMG International member firms may reveal the fact that they are rendering services to **CLIENT**, identifying the CLIENT by name (and/or logo) and indicating only the general nature or category of these services and any details that legally became information in the public domain.

11 - Rescission

a. Noncompliance with any term or condition established through this document, as well as the performance of its subject matter in disagreement with the provisions herein, shall give the innocent party the right to rescind it through express notice to the party that gave rise to this, with prior notice of ten working days.

b. In addition to the aforementioned circumstances, the agreement may be rescinded in the following cases:

b.1 Amendment to the articles of association or by-laws or a change in the purpose or corporate structure of the parties that impairs the execution of this agreement.

b.2 Transfer of the rights and/or obligations pertaining to this proposal, without prior, express authorization by the other party.

b.3 Recurrent failures, duly proven by the parties.

b.4 In the interest of any parties, through communication with thirty days' prior notice.

b.5 Automatically, if there is a petition for bankruptcy, judicial or extrajudicial recovery or intervention or dissolution of any of the parties.

b.6 In the event a fact occurs which, due to local or international standards, causes an impediment to the continuity of the work or of the contractual relationship.

c. Irrespective of the reason and origin of the rescission, without prejudice to the admissible penalties, **CLIENT** is obliged to reimburse all expenses incurred by us until the effective date of rescission, as well as to pay for the services performed until said date.

12 - Notices

The notices related to this contract shall be effective when addressed as follows:

a. in the case of the CLIENT, to the address given in the heading of the Proposal, to the attention of the person to whom the proposal is addressed.

b. in the case of KPMG, to the address in the letterhead of the Proposal, to the attention of the person signing the Proposal.

c. Notices will be valid when there is evidence that they were delivered to the correct address, even if they are not received for any reason.

d. If either party changes its address for notification purposes, it shall send to the other party prior written notice of the new address, and the date on which it takes effect. If this is not done, the notices sent to the last address provided by a particular party will be deemed valid for all purposes.

13 - Solidarity

a. If there is more than one addressee in the Proposal, they will answer jointly and severally for compliance with all CLIENT terms and conditions contained in the Proposal and this document in accordance with Article 264 of the Brazilian Civil Code.

14 - Parties independent

b. None of the terms of the Proposal or this document - nor the acceptance of them - may be interpreted by the parties or third parties as characterizing a partnership, joint venture, partnership or any kind of representation relationship between the parties, or employment relationship between the representatives of KPMG and the CLIENT.

15 - The force majeure

a. Neither party shall be in default or incur liability if it fails to fulfill its obligations under the Proposal and attachments due to causes beyond its control, as provided in Article 393 of the Brazilian Civil Code. In the event of a force majeure event affecting either party, said party shall notify the other as soon as possible.

16 - Severability

a. Each clause or term of this document constitutes a separate and independent term. If any of the terms hereof are deemed void or unenforceable by a judge or competent authority, the remaining terms shall remain in force. In this case, the parties will be released from obligations arising from the defective provision, but shall engage their best efforts to replace the invalid or unenforceable provision with one that does not contain the defects such that the results originally intended by the parties are achieved as closely as possible.

17 - Entire agreement and amendments

a. This agreement represents the entire agreement between the parties on the proposed services and may only be amended by mutual agreement among the parties.

18 - Term

a. The contractual relationship based on the Proposal and it(s) Attachment(s) shall enter into force on the date of acceptance, tacit or express, of the Proposal by the CLIENT, and will remain in force for the period necessary for the full performance of the Services and fulfillment of all obligations undertaken by the parties, subject, in any event to the exceptions that authorize early termination and rescission hereunder.

b. In the event of tacit acceptance of the Proposal, the initial expiration of the contractual relationship shall be deemed for all purposes to be the date of commencement of performance of the Services, even if the CLIENT signs the proposal indicating a date subsequent to the beginning of the performance of the services.

19 - Governing law and jurisdiction

a. The contract signed by express or tacit acceptance of the Proposal and its attachments shall be governed and construed in accordance with the laws of the Federative Republic of Brazil and the forum for resolving any disagreement whatsoever between KPMG and the CLIENT will be the Courts of the City of São Paulo in the State of São Paulo, Brazil.

Appendix II - Service Fee payment terms and conditions

This document is incorporated into the Proposal by reference. **Banco Bradesco S.A** declares for all purposes that, in order to facilitate the payment of the fees, it provided to **KPMG** all information it deems significant in order for the invoices to be processed within the standards that are commensurate with **Banco Bradesco S.A** practices including requirements and expectations of all parties, individuals and departments comprising its Organization's accounts payable process, particularly those in charge of receiving, assessing, approving, releasing and processing collection documents and making payments.

Banco Bradesco S.A acknowledges herein that it has reviewed all information included in the SUMMARY CHART OF BILLINGS shown below, and that it agrees that all of the information included in the table is correct and addresses all **Banco Bradesco S.A** needs in order for the fee invoices to be considered commensurate and accepted by **Banco Bradesco S.A** standards, and that, therefore, the fees will be paid on the due dates agreed herein, under penalty of prompt enforcement of the corresponding contractual and legal measures and penalties.

Payments should be made through the bank payment slips sent by KPMG, together with the corresponding invoices, at each installment.

SUMMARY CHART OF BILLING	Company 1	
Company name for billing	Banco Bradesco S.A	
CNPJ number for billing	60.746.948/0001-12	
KPMG branch to billing		
Net Value Not include gross up taxes	R$ 115.375,00	
Taxes to be included in the proposal currently in effect	ISS: 5% COFINS: 7,6% PIS: 1,65%	
Number of installments	1	
	Due Date	Net Value
Installment 1	20/08/2019	R$ R$ 115.375,00
ADDITIONAL INFORMATION FOR BILLING		
Days in advance, prior to maturity, to bill	10	
It is part of company policy that the issuing of the invoice occurs within the same expiration month of the installment?	Yes ( )	No (x)
NF / Invoice should be addressed to	Name:	SIMONE APARECIDA VAZ/ GABRIEL SOARES GUIDI / MARCIA HIROMI MORII
	E-mail:	simone.vaz@bradesco.com.br>;
	E-mail:	gabriel.guidi@bradesco.com.br; marcia.morii@bradesco.com.br
	Phone:	Fone: (11)3684-4603/ 6408
Contact in the Accounts Payable Dept.	Name:	
	E-mail:	_
	Phone:	
Taxes to be withheld in the payment	(X) IR of 1,5%	( ) IR of 4,8%
	( ) Funds	( ) Others
Other information necessary for billing and to release the payment in time and mode (*)	Referente aos Laudos de incorporação do Banco Bradesco Cartões pelo Banco Bradesco S.A	

(*) Field to be filled only if there is a special requirement for any further information on the NF.

Contact our team

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Audit of Net Book Value of Shareholders' equity by Means of the Accounting Records

To
The Shareholders and the Board of Directors of
Banco Bradesco S.A.
Osasco - Sao Paulo

Information on the audit firm

1. 1. KPMG Auditores Independentes, a company established in the city of Osasco, at Avenida Dionysia Alves Barreto, 500, 10th floor, registered in the National Register of Legal Entities of the Ministry of Finance under no. 57.755.217 / 0022-53, registered with the Regional Accounting Council of the State of São Paulo under no. SP-028567 / F, represented by its undersigned partner, Mr. Carlos Massao Takauthi, Accountant, bearer of RG No. 20.522.133- SSP / SP, registered with the CPF under No. 144.090.838-99 and the Regional Council of Accounting of the State of São Paulo under No. 1SP206103 / O-4, resident and domiciled in São Paulo / SP with office at the same address as the represented, nominated by management of Banco Bradesco SA ("Institution") - CNPJ 60.746.948/0001-12, to carry out the audit of net book value of shareholders' equity as of June 30, 2019, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, presents the results of its works.

Objective of the audit of Net Book Value

2. The evaluation of net book value of shareholders' equity of Banco Bradesco S.A. as of June 30, 2019 is intended to meet the requirement of Article 227 of Law No. 6,404 of 1976 and will be used as a basis for the process of incorporation of the net book value of shareholders' equity Banco Bradesco Cartões S.A. by Banco Bradesco S.A., pursuant to the merger Protocol and Justification entered between the parties on July 29, 2019.

Responsibility of management for the financial information

3. The institution's management is responsible for the bookkeeping and preparation of accounting information in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, as well as the relevant internal controls that it has determined necessary for allow the preparation of such accounting information free of material misstatement, regardless of whether caused by fraud or error. The summary of the main accounting practices adopted by the Institution is described in Appendix II of the appraisal report.

Scope of work and responsibility of the independent auditor

4. Our responsibility is to express a conclusion on the net book value of the Banco Bradesco S.A. shareholder's equity as of June 30, 2019, based on the work conducted in accordance with CTG Technical Statement 2002, approved by the Federal Accounting Council (CFC), which provides for the application of audit examination procedures in the balance sheet of the Institution. Thus, we carried out the examination of Banco Bradesco S.A.'s balance sheet according to Brazilian and international auditing standards, which require the fulfillment of ethical requirements by the auditor and that the audit be planned and performed for the purpose of obtaining reasonable assurance that the shareholders' equity calculated for the preparation of our audit of net book value is free of significant distortions.

5. An audit involves the carrying out of procedures selected to obtain evidence related to the book values. The procedures selected depend on the auditor's judgment, including an evaluation of the risk of significant distortions in the shareholders' equity, irrespective of whether these are caused by fraud or errors. In this assessment of risks, the auditor considers relevant internal controls for the preparation of balance sheet of the Institution, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Institution. An audit also includes the evaluation of the adequacy of adopted accounting policies and reasonability of accounting estimates made by Management. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

6. Based on the work performed, we conclude that the amount of R$ 133.636.476.147,67 (one hundred and thirty-three billion and six hundred and thirty-six million and four hundred and seventy-six thousand and one hundred and forty-seven reais and sixty and seven cents), according to the Balance Sheet as of June 30, 2019, recorded in the accounting books and summarized in Appendix I, represents, in all material respects, the book value of shareholder's equity of Banco Bradesco SA, evaluated in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Osasco, July 29, 2019

KPMG Auditores Independentes
CRC SP-028567/F

Original report in Portuguese signed by

Carlos Massao Takauthi
Accountant CRC 1SP206103/O-4

Appendix I - Balance Sheet

BANCO BRADESCO S.A.
Individual Statement of Financial Position on June 30

Assets	
Current	**602,770,994,012.40**
Funds Available	14,275,633,440.77
Interbank Investments	**160,837,905,238.51**
Securities purchased under agreements to resell	99,046,796,291.79
Interest-earning deposits in other banks	61,791,345,311.28
Allowance for loan losses	(236,364.56)
Securities And Derivative Financial Instruments	**125,734,280,127.92**
Own portfolio	35,859,799,544.74
Subject to repurchase agréments	62,454,345,325.10
Derivative financial instruments	15,404,782,553.17
Subject to the Brazilian Central Bank	3,422,587,304.34
Subject to collateral provided	8,367,805,992.82
Securities purpose of unrestricted purchase and sale commitments	224,959,407.75
Interbank Accounts	**92,873,395,831.54**
Payments and receipts to settle	6,056,493,131.53
Restricted credits:	
- Restricted deposits - Brazilian Central Bank	86,795,056,201.27
- SFH - Financial Housing System	20,076,475.45
Correspondent banks	1,770,023.29
Interdepartmental Accounts	**120,937,592.41**
Internal transfer of funds	120,937,592.41
Loan Operations	**116,438,068,769.98**
Loan operations:	
- Public sector	181,684,000.00
- Private sector	129,853,350,910.15
Credit Operations Related to Disposal	801,294,928.26
Allowance for loan losses	(14,398,261,068.43)
Other Receivables	**90,454,000,245.42**
Receivables on sureties and guarantees honored	393,331,621.30
Foreign exchange portfolio	41,702,283,000.00
Receivables	9,227,578,001.17
Securities trading	346,179,989.34
Sundry	39,928,783,358.76
Allowance for other loan losses	(1,144,155,725.15)
Other assets	**2,036,772,765.85**
Other assets	2,530,453,716.70
Provision for depreciation	(1,631,319,138.82)
Prepaid expenses	1,137,638,187,97
Long-term receivables	**400,266,866,848.37**

Interbank Investments	**27,084,383,284.44**
Interest-earning deposits in other banks	27,084,383,284.44
Securities And Derivative Financial Instruments	**170,864,765,917.54**
Own portfolio	62,809,135,926.38
Subject to repurchase agréments	98,247,001,828.44
Derivative financial instruments	7,722,887,151.44
Privatization rights	4,199,663.01
Subject to collateral provided	1,505,861,284.39
Securities purpose of unrestricted purchase and sale commitments	575,680,063.88
Interbank Accounts	**210,088,979.88**
Restricted credits:	
- SFH - Financial Housing System	210,088,979.88
Loan Operations	**159,971,930,489.66**
Loan operations:	
- Public sector	3,999,999,898.08
- Private sector	164,193,016,219.53
Credit Operations Related to Disposal	5,825,197,719.14
Allowance for loan losses	(14,046,283,347.09)
Other Receivables	**41,920,255,200.67**
Securities trading	547,796,484.71
Sundry	41,379,149,744.16
Allowance for other loan losses	(6,691,028.20)
Other assets	**215,442,976.18**
Prepaid expenses	215,442,976.18
Permanent Assets	**129,619,583,997.80**
Investments	**119,225,104,513.01**
Investments in associates and jointly controlled:	
- Local	116,422,548,564.90
- Overseas	2,788,671,056.10
Other investments	23,753,652.87
Allowance for losses	(9,868,760.86)
Premises And Equipment	**4,440,024,470.91**
Premises and equipment	102,526,573.70
Other premises and equipment	9,621,693,955.48
Accumulated depreciation	(5,284,196,058.27)
Fixed Assets for Leasing	**632,634.57**
Leased Assets	1,596,422.53
Accumulated depreciation	(963,787.96)
Intangible Assets	**5,953,822,379.31**
Intangible Assets	14,312,426,369.80
Accumulated amortization	(8,358,603,990.49)
Total	**1,132,657,444,858.57**

Liabilities	
Current	**668,674,157,227.04**
Deposits	**221,943,499,851.67**
Demand deposits	32,076,831,246.60
Savings deposits	108,497,429,823.88
Interbank deposits	16,312,536,567.51
Time deposits	65,056,702,213.68
Securities Sold Under Agreements To Repurchase	**256,086,914,734.45**
Own portfolio	160,973,919,998.53
Third-party portfolio	91,453,804,627.37
Unrestricted portfolio	3,659,190,108.55
Funds From Issuance Of Securities	**77,259,026,572.61**
Mortgage and real estate notes, letters of credit and others	75,504,702,201.27
Securities issued abroad	1,123,777,337.16
Structured Operations Certificates	630,547,034.18
Interbank Accounts	**1,532,311,753.83**
Cash Receipts of Payments Pending Settlement	174,490,578.73
Correspondent banks	1,357,821,175.10
Interdepartmental Accounts	**4,539,017,025.74**
Asset Management In Transit	4,539,017,025.74
Borrowing	**28,944,485,976.80**
Borrowing Abroad	28,944,485,976.80
Local Onlending - Official Institutions	**7,074,076,781.26**
National treasury	101,976,449.78
BNDES (National Bank for Economic and Social Development)	2,364,972,756.56
FINAME (Fund for Financing the Acquisition of Industrial Machinery and Equipment)	4,607,000,983.49
Other institutions	126,591.43
Derivative Financial Instruments	**15,583,021,666.19**
Derivative Financial Instruments	15,583,021,666.19
Other Liabilities	**55,711,802,864.49**
Collection and tax payments and other contributions	4,462,738,744.54
Foreign exchange portfolio	25,937,324,269.42
Social and statutory	3,624,043,477.59
Fiscal and social security	1,257,127,440.56
Securities trading	622,604,597.38
Subordinated debts	6,714,370,712.17
Sundry	13,093,593,622.83
Long-term liabilities	**330,266,878,344.59**
Deposits	**131,096,185,494.40**
Interbank deposits	2,816,906,578.31
Time deposits	128,279,278,916.09
Securities Sold Under Agreements To Repurchase	**1,226,976,424.96**
Own portfolio	1,226,976,424.96
Funds From Issuance Of Securities	**102,042,729,317.52**
Mortgage and real estate notes, letters of credit and others	99,205,632,575.18

Securities issued abroad	2,649,797,983.08
Structured Operations Certificates	187,298,759.26
Borrowing	**1,791,476,579.35**
Borrowing Abroad	1,791,476,579.35
Local Onlending - Official Institutions	**16,744,059,251.28**
BNDES (National Bank for Economic and Social Development)	8,030,806,633.95
FINAME (Fund for Financing the Acquisition of Industrial Machinery and Equipment)	8,713,252,617.33
Derivative Financial Instruments	**7,900,100,329.58**
Derivative Financial Instruments	7,900,100,329.58
Other Liabilities	**69,465,350,947.50**
Fiscal and social security	2,791,537,424.02
Subordinated debts	11,733,956,441.07
Eligible Debt Capital Instruments	36,076,416,893.08
Sundry	18,863,440,189.33
Deferred income	**79,933,139.27**
Deferred income	79,933,139.27
Shareholders' Equity	**133,636,476,147.67**
Capital:	
- Domiciled in Brazil	74,618,686,733.78
- Domiciled abroad	481,313,266.22
Capital reserves	11,441,258.19
Profit reserves	53,410,916,157.96
Asset valuation adjustments	5,554,632,912.12
Treasury shares	(440,514,180.60)
Total	**1,132,657,444,858.57**

Appendix II

1) FINANCIAL STATEMENTS PRESENTATION

Bradesco's Financial Statements were prepared based on accounting guidelines included in Laws No. 4,595/64 (Brazilian Financial System Law) and No. 6,404/76 (Brazilian Corporate Law), including amendments introduced by Laws No. 11,638/07 and No. 11,941/09 as they relate to the accounting for operations, associated with the rules and instructions of the National Monetary Council (CMN), the Central Bank of Brazil (Bacen) and of the Brazilian Securities and Exchange Commission (CVM), when applicable.

The financial statements include estimates and assumptions, such as: the calculation of estimated loan losses; fair value estimates of certain financial instruments; civil, tax and labor provisions; impairment losses of securities classified as available-for-sale and held-to-maturity securities and non-financial assets; and the determination of the useful life of specific assets. Actual results may differ from those based on estimates and assumptions.

On June 30, 2019, the financial statements were prepared to assist the Management's specific objectives related to the incorporation process of Banco Bradesco Cartões S.A. (Bradesco Cartões), with Banco Bradesco S.A. Thus, in accordance with Bacen Circular No. 3,017/00, comparative financial statements are not presented.

2) SIGNIFICANT ACCOUNTING PRACTICES

a) Functional and presentation currencies

Financial statements are presented in Brazilian reais, which is also Bradesco's functional currency.

b) Income and expense recognition

The result is determined in accordance with the regime of competence, which establishes that revenues and expenditures should be included in the calculation of the results of the periods in which they occur, always simultaneously when they are correlated, irrespective of receipt or payment.

Fixed rate contracts are recognized at their redemption value with the income or expense relating to future periods being recognized as a deduction from the corresponding asset or liability. Finance income and costs are recognized daily on a pro rata basis and calculated using the compounding method, except when they relate to discounted notes or to foreign transactions, which are calculated using the straight-line method.

Operations with post-fixed rates or those indexed to foreign currencies are restated until the balance sheet date.

c) Cash and cash equivalents

Cash and cash equivalents include: funds available in currency, investments in gold, securities sold under agreements to repurchase and interest-earning deposits in other banks, maturing in 90 days or less, from the time of the acquisition, which are exposed to insignificant risk of change in fair value. These funds are used by Bradesco to manage its short-term commitments.

d) Interbank investments

Securities purchased under agreements to resell are stated at their fair value. All other interbank investments are stated at cost, plus income earned up to the end of the reporting period, net of any devaluation allowance, if applicable.

e) Securities – Classification

- Trading securities – securities acquired for the purpose of being actively and frequently traded.They are recognized at cost, plus income earned and adjusted to fair value with changesrecognized in the Statement of Income for the period;

- Available-for-sale securities – securities that are not specifically intended for trading purposes or to be held to maturity. They are recognized at cost, plus income earned, which is recognized in profit or loss in the period and adjusted to fair value with changes recognized in shareholders' equity, net of tax, which will be transferred to the Statement of Income only when effectively realized; and

- Held-to-maturity securities – securities for which there is positive intent and financial capacity to hold to maturity. They are recognized at cost, plus income earned recognized in the Statement of Income for the period.

Securities classified as trading and available-for-sale, as well as derivative financial instruments, are recognized in the individual financial statement at their fair value. Fair value is generally based on quoted market prices or quotations for assets or liabilities with similar characteristics. If market prices are not available, fair values are based on traders' quotations, pricing models, discounted cash flows or similar techniques to determine the fair value and may require judgment or significant estimates by Management.

f) Derivative Financial Instruments (assets and liabilities)

Derivate instruments are classified based on the Management's objective for which the underlying instrument was acquired at the date of purchase, taking into consideration its use for possible hedging purposes

Operations involving derivative financial instruments are designed to meet the Bank's own needs in order to manage overall exposure, as well as to meet customer requests to manage their positions. The gains or losses are recorded in profit-and-loss and shareholders' equity accounts.

Derivative financial instruments used to mitigate risk deriving from exposure to variations in the fair value of financial assets and liabilities are designated as hedges when they meet the criteria for hedge accounting and are classified according to their nature:

- Market risk hedge: the gains and losses, realized or not, of the financial instruments classified in this category as well as the financial assets and liabilities, that are the object of the hedge, are recognized in the Statement of Income; and

- Cash flow hedge: the effective portion of valuation or devaluation of the financial instruments classified in this category is recognized, net of taxes, in a specific account in shareholders' equity. The ineffective portion of the hedge is recognized directly in the Statement of Income.

g) Loans and leases, advances on foreign exchange contracts, other receivables with credit characteristics and allowance for loan losses

Loans and leases, advances on foreign exchange contracts and other receivables with credit characteristics are classified by risk level, based on: (i) the parameters established by CMN Resolution No. 2,682/99, which requires risk ratings to have nine levels, from "AA" (minimum risk) to "H" (maximum risk);
and (ii) Management's assessment of the risk level. This assessment, which is carried out regularly, considers current economic conditions and past experience with loan losses, as well as specific and general risks relating to contract, debtors and guarantors. Moreover, the days-past-due is also considered in the rating of customer risk as per CMN Resolution No. 2,682/99, as follows:

Past-due period (1)	Customer rating
• from 15 to 30 days	B
• from 31 to 60 days	C
• from 61 to 90 days	D
• from 91 to 120 days	E
• from 121 to 150 days	F
• from 151 to 180 days	G
• more than 180 days	H

(1) For transactions with terms of more than 36 months, past-due periods are doubled, as permitted by CMN Resolution No. 2,682/99.

Interest and inflation adjustments on past-due transactions are only recognized in the Income Statement up to the 59th day that they are past due. As from the 60th day, they are recognized in off-balance sheet accounts and are only recognized in the Income Statement when received.

H-rated past-due transactions remain at this level for six months, after which they are written-off against the existing allowance and controlled in off-balance-sheet accounts for at least five years.

Renegotiated loans are maintained at least at the same level in which they were classified on the date of renegotiation.

Renegotiations of loans that had already been written-off against the allowance and that were recognized in off-balance-sheet accounts, are rated as level "H" and any possible gains derived from their renegotiation are recognized only when they are effectively received. When there is a significant repayment on the loan or when new material facts justify a change in the level of risk, the loan may be reclassified to a lower risk category.

The estimated allowance for loan losses is calculated to sufficiently cover probable losses, according to CMN and Bacen standards and instructions, together with Management's assessment of the credit risk.

Leasing operations

The portfolio of leasing operations consists of contracts firmed with the support of Decree No. 140/84, of the Ministry of Finance, which contains clauses of: non-cancellation; (b) purchase option; and c) post-fixed or fixed restatement and are accounted for in accordance with the standards established by Bacen, as follows:

I- Leasing receivables

Reflect the balance of installments receivable, restated according to the indexes and criteria established by contractual agreement.

II- Unearned revenues from leases and Guaranteed Residual Value (GRV)

Recorded at the contractual amount, conversely to adjusted accounts of unearned Revenues from leasing and residual Value to balance, both submitted through negotiated conditions. The GRV received in advance is recorded in Other Liabilities – Creditors by Anticipation of the Residual Value until the date of contractual termination. The adjustment at present value of the lease payments and the GRV receivable from the financial leasing operations is recognized as excessive/insufficient depreciation on leased assets, in order to reconcile the accounting practices. In operations in arrears equal to or greater than 60 days, the appropriation to the result occurs upon receipt of contractual installments, in accordance with CMN Resolution No. 2,682/99.

III- Fixed assets for leasing operations

It is recorded at acquisition cost, minus the accrued depreciations. The depreciation is calculated using the linear method, with the benefit of a 30% reduction in the normal life cycle of the asset, provisioned in the current legislation. The main annual rates of depreciation used, as base for this reduction, are the following: vehicles and related, 20%; furniture and utensils, 10%; machinery and equipment, 10%; and other assets, 10% and 20%.

IV- Losses on leases

The losses recorded in the sale of leased assets are deferred and amortized over the remaining normal life cycle of assets, and are shown along with the Fixed Assets for Leasing Operations.

V- Excessive (insufficient) depreciation

The accounting records of leasing operations are maintained as legal requirements, specific for this type of operation. The procedures adopted and summarized in items "II" to "IV" above differ from the accounting practices provisioned in the Brazilian corporate law, especially concerning the regime of competence in the record of revenue and expenses related to lease contracts. As a result, in accordance with Bacen Circular No. 1,429/89, the present value of outstanding leasing installments was calculated, using the internal rate of return of each contract, recording a leasing revenue or expenditure, conversely to the entries of excessive or insufficient depreciation, respectively, recorded in Permanent Assets, with the objective of adapting the leasing operations to the regime of competence.

h) **Income tax and social contribution (assets and liabilities)**

The tax credits of income tax and social contribution on the net profit, calculated on the tax loss, negative base of social contribution and of temporary additions, are recognized in “Other Receivables - Sundry” and the provisions for the deferred tax liabilities on the onset of depreciation, adjustments to the market value of securities, restatement of judicial deposits, among others, are recognized in “Other Liabilities - Tax and Social Security”, whereby for the onset of depreciation only the income tax rate is applied.

The tax credits on the temporary additions will be made on the use and/or reversal of the respective provisions on which they were constituted. Tax credits on income tax and social contribution losses are realizable when taxable income is generated, up to the 30% limit of the taxable profit for the period. Tax credits are recognized based on current expectations of realization considering technical studies and analyses carried out by Management.

The provision for income tax is calculated at 15% of taxable income plus a 10% surcharge. The social contribution on the profit was calculated until August 2015, considering the rate of 15%. For the period between September 2015 and December 2018, the rate was changed to 20%, according to Law No. 13,169/15 and the rate is 15% again as from January 2019.

Provisions were recognized for other income tax and social contribution in accordance with specific applicable legislation.

i) Prepaid expenses

Prepaid expenses consist of funds already disbursed for future benefits or services, which are recognized in the profit or loss on an accrual basis.

Incurred costs relating to assets that will generate revenue in subsequent periods are recognized in the Statement of Income according to the terms and the amount of expected benefits and directly recognized in the Statement of Income when the corresponding assets or rights are no longer part of the institution’s assets or when future benefits are no longer expected.

In the case of the remuneration paid for the origination of loans to the banking correspondents related to loans originated during 2015 and 2016, Bradesco opted to recognize part of the total value of compensation, pursuant to the provisions of Bacen Circular Letter No. 3,738/14.

j) **Investments**

Investments in affiliates, where Bradesco has significant influence over the investee or holds at least 20% of the voting rights, are accounted for using the equity method.

Tax incentives and other investments are stated at acquisition cost, less impairment, when applicable.

k) **Premises and equipment**

Corresponds to rights whose objects are tangible assets intended for maintenance of activities or which are exercised for such purpose, including those resulting from transactions that transfer risks, benefits and control of the assets to the Bank.

Premises and equipment are stated at acquisition cost, net of accumulated depreciation, calculated by the straight-line method based on the assets' estimated economic useful life, using the following rates: real estate – 4% per annum; installations, furniture, equipment for use, security systems and communications – 10% per annum; transport systems – 20% per annum; and data processing systems – 20% per annum, and adjusted for impairment, when applicable.

l) **Deferred Asset**

It is recorded at cost of acquisition or composition, net of their accrued depreciation of 20% per annum, calculated using the linear method. Since December 2008, the new operations have been recorded in intangible assets, in accordance with Bacen Circular Letter No. 3,357/08.

m) **Intangible assets**

Correspond to rights purchased whose objects are intangible assets intended for maintenance of the company or which are exercised for such purpose.

Intangible assets comprise:

- Future profitability/acquired client portfolio and acquisition of right to provide banking services: they are recognized and amortized over the period in which the asset will directly and indirectly contribute to future cash flows and adjusted for impairment, where applicable; and

- Software: stated at cost less amortization calculated on a straight-line basis over the estimated useful life (20% p.a.), from the date it is available for use and adjusted for impairment, where applicable. Internal software development costs are recognized as an intangible asset when it is possible to show the intent and ability to complete and use the software, as well as to reliably measure costs directly attributable to the intangible asset. These costs are amortized during the software's estimated useful life, considering the expected future economic benefits.

n) **Impairment**

The financial and non-financial assets are assessed to verify whether there is objective evidence that a loss has incurred in its accounting value.

Objective evidence of impairment may comprise the non-payment or payment delay by the debtor, possible bankruptcy process or the significant or extended decline in an asset value.
An impairment loss of a financial or non-financial asset is recognized in the profit or loss for the period if the carrying amount of an asset or cash-generating unit exceeds its recoverable value.

o) **Deposits and funds obtained in the open market**

These are recognized at the value of the liabilities and include, when applicable, related interest accrued at the end of the reporting period, calculated on a daily pro rata basis.

p) **Provisions, contingent assets and liabilities and legal obligations – tax and social security**

Provisions, contingent assets and liabilities, and legal obligations are recognized, measured and disclosed in accordance with the criteria set out in CPC 25, approved by CMN Resolution No. 3,823/09 and CVM Resolution No. 594/09, which are:

- Contingent Assets: these are not recognized in the financial statements, except to the extent that there are real guarantees or favorable judicial decisions, to which no further appeals are applicable, characterizing the gain as virtually certain, and confirmation of the recoverability by receipt or compensation with other liabilities;

- Provisions: these are recognized taking into consideration the opinion of legal counsel, the nature of the lawsuits, similarity with previous lawsuits, complexity and positioning of the courts, whenever the loss is assessed as likely, which would entail a probable outflow of resources for the settlement of obligations, and when the sums involved are measurable with sufficient certainty;

- Contingent Liabilities: according to CPC 25, the term “contingent” is used for liabilities that are not recognized because their existence will only be confirmed by the occurrence of one or more uncertain future events beyond Management’s control. Contingent liabilities do not meet the criteria for recognition because they are considered as possible losses. Obligations deemed remote are not recognized as a provision nor disclosed; and

- Legal Obligations: Provision for Tax Risks: results from judicial proceedings in which Bradesco is contesting the applicability of tax laws on the grounds of legality or constitutionality, which, regardless of the assessment of the probability of success, are fully provided for in the financial statements.

q) **Other assets and liabilities**

Assets are stated at their realizable amounts, including, when applicable, related income and inflation and exchange variations (on a daily pro rata basis), less provision for losses, when deemed appropriate. Liabilities are stated at known or measurable amounts, including related charges and inflation and exchange variations (on a daily pro rata basis).

r) Subsequent events

These refer to events occurring between the reporting date and the date the financial statements are authorized to be issued.

They comprise the following:

- Events resulting in adjustments: events relating to conditions already existing at the end of the reporting period; and

- Events not resulting in adjustments: events relating to conditions not existing at the end of the reporting period.

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Audit of Net Book Value of Shareholders' equity by Means of the Accounting Records

To
The Shareholders and the Board of Directors of
Banco Bradesco Cartões S.A.
Osasco - Sao Paulo

Information on the audit firm

1. 1. KPMG Auditores Independentes, a company established in the city of Osasco, at Avenida Dionysia Alves Barreto, 500, 10th floor, registered in the National Register of Legal Entities of the Ministry of Finance under no. 57.755.217 / 0022-53, registered with the Regional Accounting Council of the State of São Paulo under no. SP-028567 / F, represented by its undersigned partner, Mr. Carlos Massao Takauthi, Accountant, bearer of RG No. 20.522.133- SSP / SP, registered with the CPF under No. 144.090.838-99 and the Regional Council of Accounting of the State of São Paulo under No. 1SP206103 / O-4, resident and domiciled in São Paulo / SP with office at the same address as the represented, nominated by management of Banco Bradesco SA ("Institution") - CNPJ 60.746.948/0001-12, to carry out the audit of net book value of shareholders' equity as of June 30, 2019, in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, presents the results of its works.

Objective of the audit of Net Book Value

2. The evaluation of net book value of shareholders' equity of Banco Bradesco Cartões S.A. as of June 30, 2019 is intended to meet the requirement of Article 227 of Law No. 6,404 of 1976 and will be used as a basis for the process of incorporation of the net book value of shareholders' equity Banco Bradesco Cartões S.A. by Banco Bradesco S.A., pursuant to the merger Protocol and Justification entered between the parties on July 29, 2019.

Responsibility of management for the financial information

3. The institution's management is responsible for the bookkeeping and preparation of accounting information in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil, as well as the relevant internal controls that it has determined necessary for allow the preparation of such accounting information free of material misstatement, regardless of whether caused by fraud or error. The summary of the main accounting practices adopted by the Institution is described in Appendix II of the appraisal report.

Scope of work and responsibility of the independent auditor

4. Our responsibility is to express a conclusion on the net book value of the Banco Bradesco Cartões S.A. shareholder's equity as of June 30, 2019, based on the work conducted in accordance with CTG Technical Statement 2002, approved by the Federal Accounting Council (CFC), which provides for the application of audit examination procedures in the balance sheet of the Institution. Thus, we carried out the examination of Banco Bradesco Cartões S.A.'s balance sheet according to Brazilian and international auditing standards, which require the fulfillment of ethical requirements by the auditor and that the audit be planned and performed for the purpose of obtaining reasonable assurance that the shareholders' equity calculated for the preparation of our audit of net book value is free of significant distortions.

5. An audit involves the carrying out of procedures selected to obtain evidence related to the book values. The procedures selected depend on the auditor's judgment, including an evaluation of the risk of significant distortions in the shareholders' equity, irrespective of whether these are caused by fraud or errors. In this assessment of risks, the auditor considers relevant internal controls for the preparation of balance sheet of the Institution, to plan the audit procedures that are appropriate in the circumstances, but not for purposes of expressing an opinion on the efficacy of these internal controls of the Institution. An audit also includes the evaluation of the adequacy of adopted accounting policies and reasonability of accounting estimates made by Management. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

6. Based on the work performed, we conclude that the amount of R$ 8,663,864,931.03 (eight billion six hundred sixty three million eight hundred sixty four thousand nine hundred thirty one reais and three cents), according to the Balance Sheet as of June 30, 2019, recorded in the accounting books and summarized in Appendix I, represents, in all material respects, the book value of shareholder's equity of Banco Bradesco Cartões S.A, evaluated in accordance with the accounting practices adopted in Brazil applicable to institutions authorized to operate by the Central Bank of Brazil.

Osasco, July 29, 2019

KPMG Auditores Independentes
CRC SP-028567/F

Original report in Portuguese signed by

Carlos Massao Takauthi
Accountant CRC 1SP206103/O-4

Appendix I - Balance Sheet

Banco Bradesco Cartões S.A.

Company of the Bradesco Organization

CNPJ 59.438.325/0001-01

Headquarters: Cidade de Deus - Prédio Prata - 4º andar - Vila Yara - Osasco - SP

Financial Statement on June 30, 2019 - In Reais

CURRENT ASSETS	**30.461.106.387,53**
CASH AND CASH EQUIVALENTS	128.015.614,94
INTERBANK INVESTMENTS	**3.300.943.741,24**
Securities Purchased Under Agreements to Resell	3.161.649.610,49
Interbank Deposits	139.294.130,75
SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS	**21.718.643,17**
Derivative Financial Instruments	21.718.643,17
INTERBANK and INTERDEPARTMENTAL ACCOUNTS	**526.612,51**
Reserve requirement - Central Bank of Brazil	387.084,05
Internal Transfer of Funds	139.528,46
LOANS	**2.956.405.259,56**
Loans - Private Sector	5.267.186.320,49
Allowance for Loan Losses	(2.310.781.060,93)
OTHER RECEIVABLES	**24.005.463.515,05**
Sundry	24.611.046.238,14
Allowance for Losses on Other Receivables	(605.582.723,09)
OTHER ASSETS	**48.033.001,06**
Other Assets	7.052.736,46
Prepaid Expenses	40.980.264,60
LONG-TERM RECEIVABLES	**2.372.052.046,03**
INTERBANK INVESTMENTS	**415.392.500,08**
Interbank Deposits	415.392.500,08
LOANS	**378.538.175,74**
Loans - Private Sector	572.403.628,71
Allowance for Loan Losses	(193.865.452,97)
OTHER RECEIVABLES	**1.566.162.688,08**
Receivables	14.093.536,64
Sundry	1.552.104.008,41
Allowance for Losses on Other Receivables	(34.856,97)
OTHER ASSETS	**11.958.682,13**
Prepaid Expenses	11.958.682,13
PERMANENT ASSETS	**15.174.490.614,69**
INVESTMENTS	**14.538.068.283,85**
Equity Investment in Unconsolidated and Jointly Controlled Companies:	
- In Brazil	14.538.066.345,37
Other Investments	1.938,48
PREMISES AND EQUIPMENT	**15.851.570,25**
Other Premises and Equipment	62.285.765,18
Accumulated Depreciation	(46.434.194,93)
INTANGIBLE ASSETS	**620.570.760,59**
Intangible Assets	663.834.652,81
Accumulated Amortization	(43.263.892,22)
TOTAL	**48.007.649.048,25**

CURRENT LIABILITIES	**38.518.498.590,02**
DEPOSITS	**15.629.613.861,53**
Interbank deposits	15.629.227.301,41
Other Deposits	386.560,12
INTERBANK and INTERDEPARTMENTAL ACCOUNTS	**20.564.365.111,44**
Unsettled Payments and Receipts	20.483.932.463,79
Third-party Funds in Transit	80.432.647,65
DERIVATIVE FINANCIAL INSTRUMENTS	**5.227.147,54**
Derivative Financial Instruments	5.227.147,54
OTHER LIABILITIES	**2.319.292.469,51**
Payment of Taxes and Other Contributions	4.125.067,64
Social and Statutory	45.156.784,05
Tax and Social Security	382.043.644,06
Sundry	1.887.966.973,76
LONG-TERM LIABILITIES	**825.285.527,20**
DEPOSITS	**791.440.826,93**
Interbank deposits	791.440.826,93
DERIVATIVE FINANCIAL INSTRUMENTS	**1.149.027,00**
Derivative Financial Instruments	1.149.027,00
OTHER LIABILITIES	**32.695.673,27**
Tax and Social Security	17.394.913,69
Sundry	15.300.759,58
SHAREHOLDER'S EQUITY	**8.663.864.931,03**
Capital:	
- Domiciled in Brazil	5.470.960.776,27
Profit Reserves	3.028.233.347,04
Asset Valuation Adjustments	164.670.807,72
TOTAL	**48.007.649.048,25**

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

Appendix II

BANCO BRADESCO CARTÕES S.A.

1) FINANCIAL STATEMENTS PRESENTATION

The Financial Statements were prepared based on accounting guidelines included in Laws No. 4,595/64 (Brazilian Financial System Law) and No. 6,404/76 (Brazilian Corporate Law), with the amendments introduced by Laws No. 11,638/07 and No. 11,941/09 as they relate to the accounting for operations, associated with the rules and instructions of the National Monetary Council (CMN), and the Central Bank of Brazil (Bacen). They include estimates and assumptions, such as: fair value estimates of impairment losses of non-financial assets. Actual results may differ from those based on estimates and assumptions.

On June 30, 2019, the financial statements were prepared to assist the management's specific objectives related to the incorporation process. Thus, in accordance with BACEN Circular No, 3,017/00, comparative financial statements are not presented.

2) SIGNIFICANT ACCOUNTING PRACTICES

a) Functional and presentation currencies

Financial statements are presented in Brazilian reais, which is also the functional currency of Bradesco Cartões.

b) Income and expense recognition

The result is determined in accordance with the regime of competence, which establishes that revenues and expenditures should be included in the calculation of the results of the periods in which they occur, always simultaneously when they are correlated, irrespective of receipt or payment. Fixed rate contracts are recognized at their redemption value with the income or expense relating to future periods being recognized as a deduction from the corresponding asset or liability. Finance income and costs are recognized daily on a pro rata basis and calculated using the compounding method, except when they relate to foreign transactions, which are calculated using the straight-line method.

Operations with post-fixed rates or those indexed to foreign currencies are restated until the balance sheet date.

c) Cash and cash equivalents

Cash and cash equivalents include: funds available in currency, investments in the open market, interbank deposits, maturing in 90 days or less, from the time of the acquisition, which are exposed to insignificant risk of change in fair value. These funds are used by the Institution to manage its short-term commitments.

d) Interbank investments

Securities purchased under agreements to resell are stated at fair value. All other interbank investments are stated at cost, plus income earned up to the end of the reporting period, net of any devaluation allowance, if applicable.

e) Securities – Classification

- Trading securities – securities acquired for the purpose of being actively and frequently traded. They are recognized at cost, plus income earned and adjusted to fair value with changes recognized in the Statement of Income for the period;

- Available-for-sale securities – securities that are not specifically intended for trading purposes or to be held to maturity. They are recognized at cost, plus income earned, which is recognized in profit or loss in the period and adjusted to fair value with changes recognized in shareholders' equity, net of tax, which will be transferred to the Statement of Income only when effectively realized. The Institution does not have securities under this category; and

- Held-to-maturity securities – securities for which there is positive intent and financial capacity to hold to maturity. They are recognized at cost, plus income earned recognized in the Statement of Income for the period. The Institution does not have securities under this category.

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

f) Derivative Financial Instruments (assets and liabilities)

Derivate instruments are classified based on the objective for which the underlying instrument was acquired at the date of purchase, taking into consideration its use for possible hedging purposes.

Operations involving derivative financial instruments are designed to meet the Institution's own needs in order to manage overall exposure. The gains or losses are recorded in profit-and-loss accounts of the respective financial instruments.

Derivative financial instruments used to mitigate risk deriving from exposure to variations in the fair value of financial assets and liabilities are designated as hedges when they meet the criteria for hedge accounting and are classified according to their nature:

- Market risk hedge: the gains and losses, realized or not, of the financial instruments classified in this category as well as the financial assets and liabilities, that are the object of the hedge, are recognized in the Statement of Income; and

- Cash flow hedge: the effective portion of valuation or devaluation of the financial instruments classified in this category is recognized, net of taxes, in a specific account in shareholders' equity. The ineffective portion of the hedge is recognized directly in the Statement of Income.

g) Loans and leases, other receivables with credit characteristics and allowance for loan losses

Loans and leases and other receivables with credit characteristics are classified by risk level, based on: (i) the parameters established by CMN Resolution No. 2,682/99, which requires ratings to have nine levels, from "AA" (minimum risk) to "H" (maximum risk); and (ii) Management's assessment of the risk level. This assessment, which is carried out regularly, considers current economic conditions and past experience with loan losses, as well as specific and general risks relating to contract, debtors and guarantors.

Past-due period	Customer rating
from 15 to 30 days	B

from 31 to 60 days	C
from 61 to 90 days	D
from 91 to 120 days	E
from 121 to 150 days	F
from 151 to 180 days	G
more than 180 days	H

Interest and inflation adjustments on past-due transactions are only recognized in the Income Statement up to the 59th day that they are past due. As from the 60th day, they are recognized in off-balance sheet accounts after the 60th day and are only recognized in the Income Statement when received.

H-rated past-due transactions remain at this level for six months, after which they are written-off against the existing allowance and controlled in off-balance-sheet accounts for at least five years.

Renegotiated loans are maintained at least at the same level in which they were classified on the date of renegotiation. Renegotiations of loans operations that had already been written-off against the allowance and that were recognized in off-balance-sheet accounts, are rated as level "H" and any possible gains derived from their renegotiation are recognized only when they are effectively received. When there is a significant repayment on the loan or when new material facts justify a change in the level of risk, the loan may be reclassified to a lower risk category.

The estimated allowance for loan losses is calculated to sufficiently cover probable losses, according to CMN and Bacen standards and instructions, together with Management's assessment of the credit risk.

The classification of the generally loans to the same economic client or group is defined as the one that presents the highest risk. In exceptional cases, different ratings for a particular loan are accepted according to the nature, value, purpose of the loan and characteristics of the guarantees.

h) Income tax and social contribution (assets and liabilities)

The tax credits of income tax and social contribution on the net profit, calculated on the tax loss, negative base of social contribution and of temporary additions, are recognized in "Other Receivables - Sundry" and the provisions for the deferred tax liabilities on the adjustments to the market value of securities, restatement of judicial deposits, among others, are recognized in "Other Liabilities - Tax and Social Security".

The tax credits on the temporary additions will be made on the use and/or reversal of the respective provisions on which they were constituted. Deferred tax assets on income tax and social contribution losses are realizable when taxable income is generated, up to the 30% limit of the taxable profit for the period. Deferred tax assets are recognized based on current expectations of realization considering technical studies and analyses carried out by Management.

The provision for income tax is calculated at 15% of taxable income plus a 10% surcharge. The social contribution on the profit was calculated until August 2015, considering the rate of 15%. For the period between September 2015 and December 2018, the rate was changed to 20%, according to Law No. 13,169/15 and the rate is 15% again as from January 2019.

Provisions were recognized for other income tax and social contribution in accordance with specific applicable legislation.

i) Investments

Investments in subsidiaries and affiliates, where Bradesco has significant influence over the investee or holds at least 20% of the voting rights, are accounted for using the equity method.

Tax incentives and other investments are stated at acquisition cost, less impairment, when applicable.

j) Intangible assets

Correspond to rights purchased whose objects are intangible assets intended for maintenance of the Institution or which are exercised for such purpose.

Intangible assets comprise:

- Future profitability/acquired client portfolio

  They are recognized and amortized over the period in which the asset will directly and indirectly contribute to future cash flows and adjusted for impairment, where applicable; and

- Software

  They are stated at cost less amortization calculated on a straight-line basis over the estimated useful life (20% p.a.), from the date it is available for use and adjusted for impairment, where applicable. Internal software development costs are recognized as an intangible asset when it is possible to show the intent and ability to complete the software, as well as to reliably measure costs directly attributable to the asset, which will be amortized during the software's estimated useful life, considering the economic benefits to be generated.

k) Impairment

The financial and non-financial assets are assessed to verify whether there is objective evidence that a loss has incurred in its accounting value.
Objective evidence of impairment may comprise the non-payment or payment delay by the debtor, possible bankruptcy process or the significant or extended decline in an asset value.

An impairment loss of a financial or non-financial asset is recognized in the profit or loss for the period if the carrying amount of an asset or cash-generating unit exceeds its recoverable value.

l) Deposits

These are recognized at the value of the liabilities and include, when applicable, related interest accrued at the end of the reporting period, calculated on a daily pro rata basis.

m) Provisions, contingent assets and liabilities and legal obligations – tax and social security

Provisions, contingent assets and liabilities, and legal obligations are recognized, measured and disclosed in accordance with the criteria set out in CPC 25, approved by CMN Resolution No. 3,823/09 and according to Circular Letter No. 3,429/10, which are:

- Contingent Assets: these are not recognized in the financial statements, except to the extent that there are real guarantees or favorable judicial decisions, to which no further appeals are applicable, characterizing the gain as virtually certain, and confirmation of the recoverability by receipt or compensation with other liabilities. Contingent assets with a chance of probable success are disclosed in the notes to the financial statements;

- Provisions: these are recognized taking into consideration the opinion of legal counsel, the nature of the lawsuits, similarity with previous lawsuits, complexity and positioning of the courts, whenever the loss is assessed as likely, which would entail a probable outflow of resources for the settlement of obligations, and when the sums involved are measurable with sufficient certainty;

- Contingent Liabilities: according to CPC 25, the term “contingent” is used for liabilities that are not recognized because their existence will only be confirmed by the occurrence of one or more uncertain future events beyond Management’s control. Contingent liabilities do not meet the criteria for recognition because they are considered as possible losses and should only be disclosed in the notes when relevant. Obligations deemed remote are not recognized as a provision nor disclosed; and

- Legal Obligations: Provision for Tax Risks: results from judicial proceedings in which Bradesco is contesting the applicability of tax laws on the grounds of legality or constitutionality, which, regardless of the assessment of the probability of success, are fully provided for in the financial statements.

n) Other assets and liabilities

Assets are stated at their realizable amounts, including, when applicable, related income and inflation variations (on a daily pro rata basis), less provision for losses, when deemed appropriate. Liabilities are stated at known or measurable amounts, including related charges and inflation variations (on a daily pro rata basis).

o) Subsequent events

These refer to events occurring between the reporting date and the date the financial statements are authorized to be issued.

They comprise the following:

- Events resulting in adjustments: events relating to conditions already existing at the end of the reporting period; and
- Events not resulting in adjustments: events relating to conditions not existing at the end of the reporting period.