



**Integrated  
Report**  
2018

# About this Report

In this edition of our Integrated Report we summarize our key practices, accomplishments and challenges in 2018 and our strategic vision for the future. The contents of this report have been developed within the frameworks outlined by the Global Reporting Initiative (GRI) and the International Integrated Reporting Council (IIRC) to integrate financial, social and environmental information in a single report. Indicators used by the B3 Corporate Sustainability Index (ISE), the Dow Jones Sustainability Index (DJSI) and the Carbon Disclosure Project (CDP) are also referenced. In addition, this report makes reference to the UN's Sustainable Development Goals (SDGs) as part of Agenda 2030 where relevant, and conforms to the Listed Company Self-Regulation Code and Good Practices outlined by the Brazilian Association of Public Stock Corporations (ABRASCA).

This report has been prepared in accordance with the GRI Standards: Core option, providing social and environmental disclosures covering more than 75% of our revenues, and work continually to improve our approach to reporting.

Bradesco's Integrated Report is the result of a collective effort across several functions to provide transparency around subjects of interest to our many stakeholders.

As part of our practice of revisiting our Materiality Matrix every two years, Bradesco carried out a new materiality assessment process in 2018 (*read more on p. 8*).

The contents of this report are flagged by icons indicating the relevant integrated reporting capitals, the stakeholders with which we engage and the SDGs that are supported by our activities.

This report is published in summary form in print; the full report is available on our website at [banco.bradesco/ri](http://banco.bradesco/ri).

## STRATEGIC PILLARS



Sustainable and Profitable Growth



Efficiency and Innovation



Customer Relations



Human Capital

## SUSTAINABLE DEVELOPMENT GOALS

- |  |  |
|--|--|
| <b>1</b> No poverty                              | <b>10</b> Reduced inequalities                   |
| <b>2</b> Zero hunger and sustainable agriculture | <b>11</b> Sustainable cities and communities     |
| <b>3</b> Health & well being                     | <b>12</b> Responsible consumption and production |
| <b>4</b> Quality education                       | <b>13</b> Climate action                         |
| <b>5</b> Gender equality                         | <b>14</b> Life below water                       |
| <b>6</b> Clean water and sanitation              | <b>15</b> Life on land                           |
| <b>7</b> Affordable and clean energy             | <b>16</b> Peace, justice & strong institutions   |
| <b>8</b> Decent work and economic growth         | <b>17</b> Partnerships for the goals             |
| <b>9</b> Industry, innovation and infrastructure | All SDGs – 1 to 17                               |

## CAPITALS



Financial



Human



Intellectual



Manufactured



Natural



Social

## STAKEHOLDERS



Clients



Internal Stakeholders



Shareholders & investors



Suppliers



Government (regulators)



Community/ society/ third sector

# Contents

|    |   |
|----|---|
| 4  | STATEMENT FROM THE BOARD OF DIRECTORS       |
| 6  | STATEMENT FROM THE CEO                      |
| 8  | MATERIALITY ASSESSMENT PROCESS              |
| 10 | HOW BRADESCO CREATES VALUE                  |
| 12 | 2018 HIGHLIGHTS                             |
| 14 | PROFILE                                     |
| 22 | Bradesco Seguros                            |
| 24 | Business Context & Strategy                 |
| 26 | VALUE CREATION                              |
| 28 | Economic and financial performance          |
| 35 | Risk Management                             |
| 36 | Asset Management                            |
| 38 | CORPORATE GOVERNANCE                        |
| 43 | Ethics and Compliance                       |
| 46 | SUSTAINABILITY                              |
| 47 | Sustainability Drivers                      |
| 50 | A Green and Inclusive Economy               |
| 51 | Eco-Efficiency Master Plan                  |
| 56 | TECHNOLOGY & INNOVATION                     |
| 58 | Innovation pillars                          |
| 62 | STAKEHOLDERS                                |
| 63 | People Management                           |
| 67 | Customer Relations                          |
| 70 | Interaction with Shareholders and Investors |
| 71 | Our Commitment to Society                   |
| 78 | GOVERNANCE BODIES                           |
| 80 | ASSURANCE REPORT                            |
| 82 | CORPORATE INFORMATION                       |
| 82 | CREDITS                                     |



# Statement from the Board of Directors

Dear Madams and Sirs,

We want to be the Bank of choice for customers by offering solutions and services that match their diverse profiles. To achieve this, we have undertaken a rapid transformation of the Organization from a product-based to a relationship-based Bank combining traditional banking with next-generation technology, offering customers a range of facilities that are responsive to their needs.

In a fast and dramatically changing world, our resilience is a testament to a well-designed strategic plan and business model aimed at achieving sustainability and future-readiness. Bradesco's ability to deliver recurring results ensures that we continue to benefit all stakeholders consistently.

Inherent in our culture, our commitment to social responsibility takes on a special meaning in the work done by Fundação Bradesco, the largest private social and educational program in Brazil. For more than six decades, we have invested in 40 Foundation-operated schools providing free, high-quality education to children, adolescents and adults. We ended the year with more than 94,000 students.

2018 was a year of both adversity and lessons learned. With our teams' continued commitment, we succeeded in achieving set goals.

Bradesco will be challenged by the new business environment emerging in 2019. But we are prepared, with our exceptional capabilities and team. Just as we have throughout our history, we remain confident

of Brazil's potential and the capabilities of its people, and work continually to support the country's continued economic and social development.

As part of our commitment to transparency and democratic access to information, in this report we provide detailed insight into our most important achievements and results in the year.

To our shareholders and customers, our thanks for your support, trust and preference.

**Luiz Carlos Trabuco Cappi**  
Chairman of the Board of Directors





# Statement from the CEO

We celebrated our 75<sup>th</sup> anniversary as a Bank with a history marked by confidence and realistic optimism about Brazil's strength as a nation. Our country-wide presence is built on our belief in people's capabilities and our commitment to delivering excellence in financial services to all consumers.

The year 2018 brought political and economic complexity and uncertainty, both in Brazil and globally. Despite this, Bradesco delivered consistent results in the year thanks to a strategy solidly grounded in our culture and our teams' commitment.

We see signs that Brazil's headwinds are now subsiding, and reforms are likely to be passed that will create a more stable environment and allow the economy to recover with sustained growth.

# 13.4%

net income growth

Bradesco's business model remains stronger than ever and we have compelling credentials—combining the best of in-person service and digital—to meet our customers' aspirations. Throughout the year we continued to improve our operations and cost structure, with an emphasis on credit risk, thanks to enhanced loan underwriting and collection models, and the positive effect from economic recovery. The continual evolution of our products and services has helped to provide greater convenience, make the service experience more efficient, and reduce cost to serve.

In this context, net income in the year was R\$ 21.6 billion, up by 13.4%. Loan origination grew substantially, with the loan portfolio expanding by 7.8%. Improvement was also seen in operating income, which rose by 24.9%, and in return on equity, which stood at 19.0% at financial year-end and rose further to 19.7% in the fourth quarter.

Customers remain our number one priority, and our initiatives are centered around finding ways to improve the customer experience. To achieve this, we have invested heavily in technology and are at the forefront of our industry in the development and use of a range of technologies especially artificial intelligence.

We recognize that we are transitioning to a new economy with both opportunities and challenges for development, and this has led us to increasingly incorporate

social and environmental aspects into our corporate management approach, supporting a global agenda by advancing sustainable business.

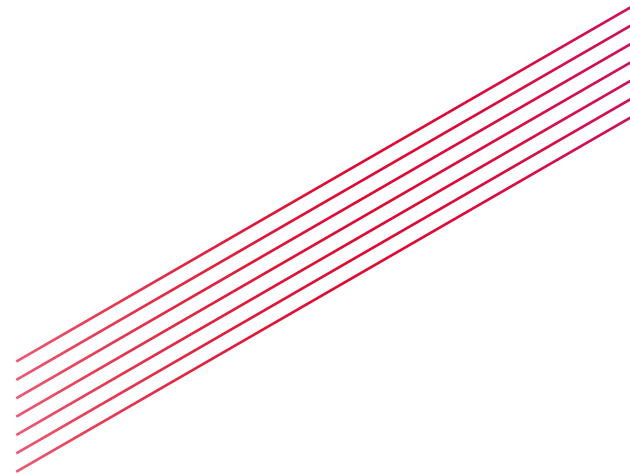
Our achievements in 2018 are thanks to the support, trust and preference of our shareholders and customers, and the exceptional performance of our employees and other partners, who together have strengthened our results. To all of you, our thanks.

I warmly invite you to read our Integrated Report 2018.

**Octavio de Lazari Junior**  
CEO



Our business model remains stronger than ever and we have compelling credentials—combining the best of in-person service and digital—to meet our customers' aspirations





# Materiality assessment process

## Our material topics

In 2018 we conducted a new materiality assessment—with a wider range of stakeholders and increased participation from the Board of Directors—to identify our most relevant and challenging topics and align expectations with stakeholders.

The assessment included a review of industry research (Sustainability Topics for Sector (GRI), RobecoSAM (DJSI), Sustainability Accounting Standards (SASB), Commercial Banks and Investment, The Global Risks Report 2017 (World Economic Forum)) and Bradesco's internal strategic planning documents.

In total, the materiality review included more than 1,000 interactions with the following stakeholders:

- Senior leadership
- Investors
- Regulators and trade associations
- Suppliers
- Society
- Employees
- Customers

The assessment showed that the expectations of internal and external stakeholders are aligned. The resulting materiality matrix lists the 12 most relevant issues for the Bank and how they relate to the SDGs (see *illustration opposite*).



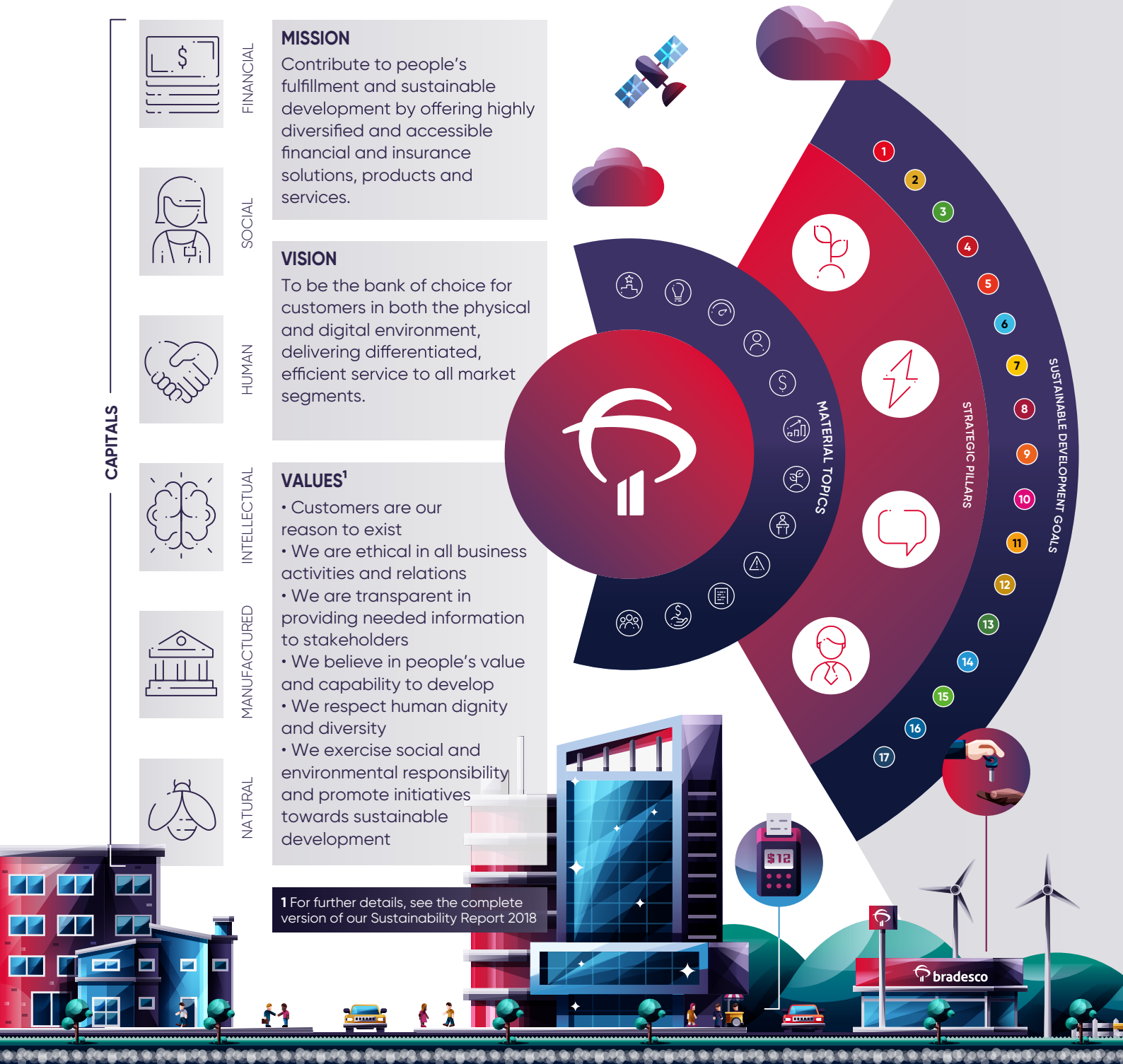
# Aspects related to identified material issues



# How bradesco creates value GRI 103-1, GRI 102-16

Our strategy uses a business model that combines our banking and insurance businesses on a segmented platform offering products and services that will meet the needs of any customer profile.

Our network footprint has a unique capillarity that differentiates us from the competition. We believe this is the right approach to deepen and broaden relations with stakeholders and create long-term value.



# Value created and shared

In support of sustainable development

## SUPPLIERS



**R\$ 18.2 BILLION**

paid to suppliers

## INVESTORS



**R\$ 7.3 BILLION**

paid out to shareholders

## ORGANIZATION bradesco



**R\$ 14.3 BILLION**

reinvested in our businesses, products and services

## EMPLOYEES



**R\$ 17.7 BILLION**

in employee compensation

## GOVERNMENT



**R\$ 20.6 BILLION**

in taxes

## FINANCIAL CAPITAL



**R\$ 1.4 TRILLION**  
in total assets

**R\$ 21.6 BILLION**  
in recurring net income

**R\$ 128.0 BILLION**  
in Bradesco shares  
traded on B3

## HUMAN CAPITAL



**98.000**  
employees

**R\$ 174 MILLION**  
invested in training  
and development  
Valuing diversity



## MANUFACTURED CAPITAL



**18 BILLION**  
transactions via  
digital channels

**4,617**  
branches

**76,200**  
service points

## NATURAL CAPITAL



**1.87 MILLION GJ**  
in electricity  
consumed

**50,000 tCO<sub>2</sub>e**  
released by our operations  
(scopes 1 and 2)

## SOCIAL CAPITAL



**71.2 MILLION**  
customers



**368,000**  
shareholders and investors



**6,014**  
suppliers

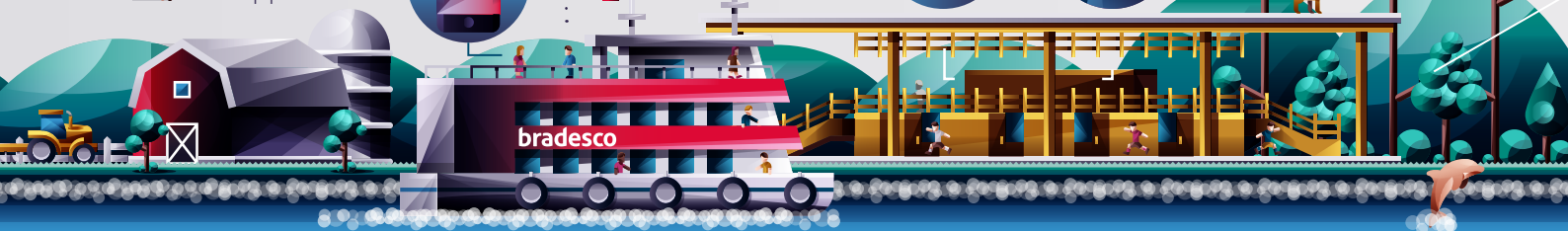
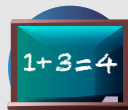


## INTELLECTUAL CAPITAL



✓ Brazil's first bank to deploy artificial intelligence: BIA

✓ Innovation: eight inovabra programs



# 2018 Highlights

## OUR STRATEGIC INITIATIVES

### A modernized brand

We renovated the Bradesco trademark for a more contemporary and digital design reflecting today's increasingly connected world

#### BIA

Bradesco created BIA (Bradesco Artificial Intelligence) to make it easier for customers to get answers about products and services and assistance with transactions, providing an autonomous and user-friendly way of finding information.

#### DIGITALIZATION

With a focus on improving the user experience, Bradesco has invested significantly in digital platforms, in expanding the range of products and services available through digital channels, in creating a 100% digital banking experience for hyper-connected customers, and in establishing global leadership in artificial intelligence deployment in banking, with BIA.

#### APP-BASED ACCOUNT OPENING

The Bradesco app allows customers to open checking accounts easily and without having to go to a branch.

#### COMMITMENT TO SUSTAINABILITY

Bradesco was the best-placed Brazilian bank on the Dow Jones Sustainability Index (DJSI), demonstrating our commitment to embedding sustainability in business.

#### MORTGAGES

In 2018 we implemented a new mortgage lending process. Customers use the Bradesco app or website to simulate their loan and immediately receive a response with proposed mortgage terms. A specialized manager then promptly contacts the customer to complete the loan process. All required documentation is submitted digitally, significantly streamlining the process. We ended the year as the top bank in Brazil for mortgage origination.

## FINANCIALS

**R\$ 21.6**  
billion

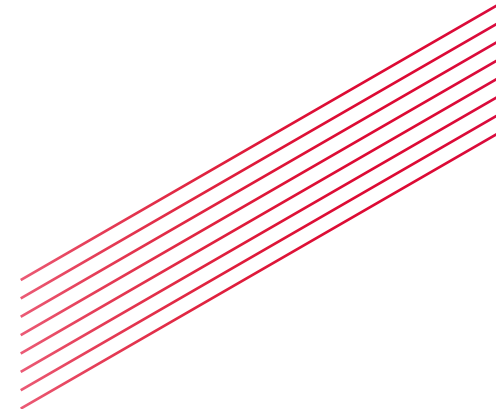
in recurring net income

**50.9%**

12-month Efficiency Ratio

**19.0%**

Return on Average Equity



## Recognition

**Exame's Biggest & Best:** Bradesco ranked first among the 200 Largest Groups and was named to the list of the 50 Largest Banks by Equity and the Largest Banks by Profit. We are also the top bank for Personal Loans and Agricultural Loans, for Investment Fund Management, and for Mergers & Acquisitions.

**Entrepreneur of the Year:** *IstoÉ Dinheiro* presented the award to Bradesco's CEO, Octavio de Lazari Junior, in recognition of the Bank's superior performance.

**As Melhores da Dinheiro 2018,** a list published by *IstoÉ Dinheiro*, named Bradesco the best company for Corporate Governance and the best bank for people management, and we also ranked No. 1 for revenue on the *1000 Maiores da Dinheiro* list.

**Global Finance's 25<sup>th</sup> Annual Best Bank Awards:** Bradesco was voted the Best Bank in Brazil, the Best Investment Bank in Brazil and the Best Bank for Mergers and Acquisitions in Latin America.

**2018 Banks of the Year Awards:** *Latin-Finance*, a prestigious international finance magazine, named Bradesco the Best Bank in Brazil. The award criteria include performance, profitability, growth, presence and innovation.

CAPITALS



STAKEHOLDERS



SDGS



# Profile

## About Bradesco





## Presence and innovation to better people's lives

We are a publicly-traded Bank with a diversified product and service offering designed for customers of all types, and have increasingly leveraged innovation and technology to better serve both personal and business clients.

Our more than 71 million customers are served by a physical presence in every region of Brazil, as well as by digital channels and our 100% digital banking platform, Next. This allows us to engage with customers of all profiles, from those in Brazil's remotest areas to hyper-connected customers.

This investment and our efforts to better engage with customers have earned us recognition from the market as an institution at the forefront of the digital transformation. But more importantly, our innovation and technology are bettering the lives of people who engage with us. This is seen in the volume of digital transactions that customers choose to make using our digital or self-service channels, which accounted for 96% of total transactions. Another example is BIA (Bradesco Artificial Intelligence), which interacts with customers using mobile devices to provide information about products and services and assist with processing transactions conveniently and efficiently, wherever they are.

We also have tools that help us to better understand the consumer habits of our more than 28 million checking-account customers. This helps us to better understand their circumstances, their needs and even the right

time in life to offer products and services that are tailored to each customer's profile.

The involvement of our 98,000 employees in this process is crucial. In addition to training our teams, we have also added new skill sets to our organization, including design, anthropology, social psychology, data science and storytelling. This new ecosystem will be instrumental in driving new business, building on Bradesco's 75-year history in Brazil's banking and insurance industry.

## We are at the forefront of the digital transformation in banking



### READ MORE

Read about our strategies and initiatives in the chapters on Technology & Innovation, People Management and Clients

## GOVERNANCE

Management plays an essential role in the business by advancing initiatives and projects aimed at optimizing the customer experience, reducing costs to serve, and driving efficiencies. We strive to take a balanced approach to managing risks and returns. Bradesco has maximized efficiency by leveraging innovation, scale and our diversified sources of revenue. This enabled us to generate a return on equity of 19% in a year in which Gross Domestic Product (GDP) growth was approximately 1%.

Our strong performance builds on the foundations laid by the Bank's founder, Amador Aguiar, who created a control framework designed to ensure the continuity of the business through any leadership successions or economic crises.

Amador Aguiar transferred part of his stock to Fundação Bradesco, Brazil's largest philanthropic education organization. This reflected his desire to channel a significant part of Bradesco's profits to charitable education programs. Another substantial portion of Bradesco's stock was transferred to the Bank's parent company, now BBD Part S.A., the shares in which are held by the board of directives and senior management.

With this structure, BBD Part. and Fundação Bradesco share control of the Bank. Under this framework, shares in BBD Part. SA can only be redeemed when senior management personnel end their careers with the Bank, helping to secure a balance between generating short-term results and delivering on our vision for sustainability, while also increasing stability in management.



## Our workforce

Our approach to developing and training our employees is centered around the Bradesco Corporate University (UniBrad) and is based on the Bradesco Training & Development Policy, which aims to:

- Disseminate Bradesco's commitment to developing human capital and delivering effective organizational results;
- Ensure we provide best-practice corporate education and disseminate knowledge across the Organization;
- Ensure that training and development initiatives support our organizational culture, career beginnings and leadership succession at all levels of the Organization;
- Encourage employees to own their development and careers;
- Ensure all training and development programs are aligned with our strategy and business objectives, and conform to applicable laws, regulations and internal and external standards;
- Establish educational sponsorship rules for training, capacity building and development initiatives, and ensure they are followed;
- Implement ongoing initiatives to develop leaders at all levels of the Organization.





## 75 years of history

In 2018 we celebrated our 75<sup>th</sup> anniversary. Over the years, we have built a Bank that combines tradition with innovation:

A pioneering spirit and leadership are an integral part of our culture. After only eight years in business, in 1951 Bradesco became the largest private bank in Brazil. In that same decade, we decided to build our new headquarters in Osasco, and in 1956 we created Fundação Bradesco;

In the 1960s we became the first company to purchase a computer in Latin America, which allowed customers to access bank statements on a daily basis, then the first service of its kind—and we launched credit cards;

The 1970s saw strong expansion, with Bradesco completing 17 acquisitions; we opened our 1000<sup>th</sup> branch; we implemented automated collection; and we began to finance agriculture;

In the 1980s, the Bank created Bradesco Seguros Group. Magnetic stripe cards became mainstream among our customers. Bradesco launched its first ATM-equipped branches and the *Telecompras*

*Bradesco* service. In 1986, *Telesaldo*, an over-the-phone bank statement service now replaced by *Fone Fácil Bradesco*, entered into operation;

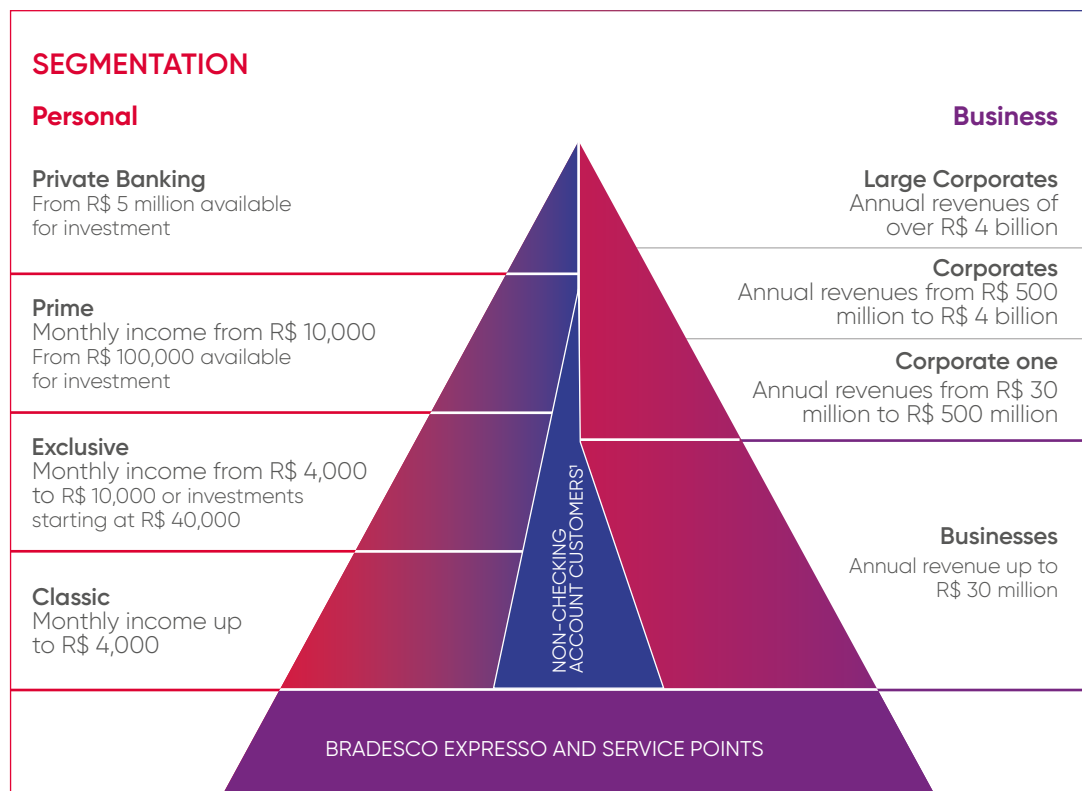
Beginning in the 1990s, all Bradesco branches were placed online, and self-service banking expanded across Brazil. Internet banking gained traction among customers, and *Bradesco Celular* was launched;

In the 2000s we continued to strengthen our leading position. In addition to retail, we are market leaders in the corporate and small and medium business segments. We continued to expand, with Bradesco completing 20 acquisitions between 2000 and 2007;

The last eight years have been highly eventful for Bradesco: we concluded the largest acquisition in our history with the purchase of HSBC Bank Brasil S.A. – Banco Múltiplo—growing our checking account customer base and expanding our activities in strategic geographies—and we sponsored the Rio 2016 Olympic and Paralympic Games.

# New segmentation

Recognizing our clients' changing needs, we have restructured our segmentation for business customers. The reorganization will create greater value in the services we offer to clients by ensuring they are more flexible, higher-quality and targeted to their diverse needs.



As of: December 2018. **1** Personal or business customers that use Bradesco products without having a checking account, except Private Banking and Corporate customers.

## MAIN OPERATIONS

### Banking/financial

- Banco Bradesco S.A.
- Banco Bradescard S.A.
- Banco Bradesco Cartões S.A.
- Banco Bradesco Financiamentos S.A.
- Bradesco S.A. Corretora de TVM
- Ágora Corretora de TVM S.A.
- BRAM – Bradesco Asset Management S.A. DTVM
- Bradesco Leasing S.A. Arrendamento Mercantil
- Bradesco Administradora de Consórcios Ltda.
- BEM DTVM

### Insurance, supplementary pension plans and premium bonds

- Bradesco Seguros S.A.
- Bradesco Auto/RE Cia. De Seguros
- Bradesco Vida e Previdência S.A.
- Bradesco Capitalização S.A.
- Bradesco Saúde S.A.
- OdontoPrev S.A.
- Mediservice Operadora de Planos de Saúde S.A.
- Atlântica Companhia de Seguros
- Bradesco Argentina de Seguros S.A.
- BSP Empreendimentos Imobiliários S.A.

# A diversified business

## **INVESTMENT BANKING**

Banco Bradesco BBI advises clients on primary and secondary share offerings; mergers, acquisitions and asset sales; structuring and issuing debt instruments; and project finance.

It also has a Global Markets department responsible for securities and relations with institutional clients.

## **INVESTMENT PLATFORM**

Investment clients are served through our Asset Management Platform, from which we provide advisory services. Ágora Investimentos and Bradesco Corretora, which have a market-leading position, are also prepared to advise investment clients on transactions in the domestic and global capital markets. In partnership with Bradesco BBI, they additionally provide extensive analysis coverage of companies and industries.

## **LENDING**

As the Bank's lending arm, Banco Bradesco Financiamentos—through an extensive network of more than 10,000 dealerships throughout Brazil—offers lending facilities including Direct to Consumer (DTC) Loans and leasing facilities to purchase light vehicles, heavy vehicles and motorcycles, and Payroll-Deducted Loans for public pensioners and civil servants (Federal, state and municipal), as well as bundled products, such as insurance.

## **CARDS**

Our clients are offered the most comprehensive range of payment method solutions in Brazil, suited for all classes of both personal and business clients, including Corporates. We work with the main card networks as well as private-label cards in partnership with leading companies, offering a superior value proposition and customer experience. Bradesco also has a card business unit outside Brazil, Bradescard México.

## **POOLED FINANCE**

Bradesco Consórcio offers a complete range of pooled finance products for both checking account and non-account customers. A sales platform seamlessly integrated with Bradesco's branch network and digital platforms has given us a leading position in the real estate, auto and truck segments.

## **ASSET MANAGEMENT**

Bradesco Asset Management (BRAM) is one of the market leaders in both assets under management and innovation. We have solid investment and governance processes combined with the experience of seasoned investment fund and portfolio managers, and a complete and diversified range of investment funds matching every investor profile. BRAM has been assigned the highest investment management quality rating locally by S&P Global Ratings and internationally by Moody's and Fitch Ratings, some of the world's leading rating agencies.

## **ASSET ADMINISTRATION**

We are a leading asset administration player, providing fiduciary management services to investment clubs, investment funds and managed portfolios.

# Highlights

## INTERNATIONAL FOOTPRINT



## OUR NETWORK

**4,617**  
branches

**76,200**  
Service offices<sup>1</sup>

**58,100**  
ATMs<sup>2</sup>

**39,100**  
Banking correspondents

<sup>1</sup> Total service points, largely consisting of: branches; banking offices (PAs); on-site ATMs (PAEs); Bradesco Expresso; Losango; and Banco24Horas ATMs.  
<sup>2</sup> Own network and supplementary networks.

# Bradesco in numbers

# 96%

of transactions completed through digital channels (mobile app, internet, ATMs and telebanking)

# 73.2

million interactions using BIA (Bradesco Artificial Intelligence)

# 12

foreign subsidiaries and branches

# 98,000+

employees

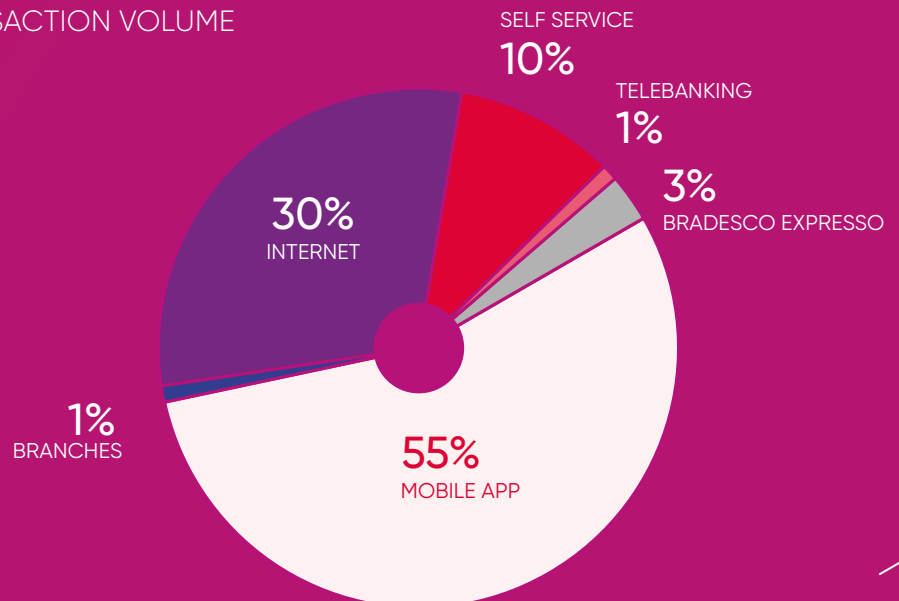
# 71.2

million customers

# 28.3

million checking accounts

**SERVICE CHANNELS**  
% OF TRANSACTION VOLUME



# Bradesco Seguros

## OUR LEADERSHIP

Bradesco Seguros Group accounts for a significant share of Group revenues. It has a leading position in Insurance, Premium Bonds and Supplementary Pension Plans, and is the market leader in Brazil and Latin America. Our strategy is to offer the best possible service to policyholders and a comprehensive portfolio including: Auto and Property & Causality Insurance, including Homeowners and Property Insurance; Health Insurance; Life Insurance; Premium Bonds; and Private Pension Plans.

Bradesco Seguros customers have access to a modern service network that includes

digital channels, a web portal, offices, telephone service, active brokers and the entire Bradesco branch network. We adhere to the highest standards of quality to provide policyholders with the best possible experience.

In line with our corporate philosophy, Bradesco Seguros Group works to embed social and environmental factors in our operations (*read more in the chapter Sustainability, which covers initiatives at Bradesco Seguros*).

## SERVICE CHANNELS

**198**

offices, with 1,450 commercial teams

**11,000+**

network brokers

**7,000+**

corporate brokers

**27 million+**

web portal visits

**1.2 million+**

downloads via Bradesco's mobile app

**29,000+**

market brokers



## BRADESCO SEGUROS GROUP

| BUSINESS LINES       | Market share | Ranking  |
|----------------------|--------------|----------|
| Pension plans        | 25.2%        | 2        |
| Life                 | 19%          | 1        |
| Health               | 47.1%        | 1        |
| Premium Bonds        | 29.5%        | 1        |
| Auto                 | 11.1%        | 2        |
| Property & Causality | 4.6%         | 7        |
| <b>TOTAL</b>         | <b>24.5%</b> | <b>1</b> |

### MEU DOUTOR

As part of a strategy to offer policyholders personalized service, Bradesco Saúde created *Meu Doutor*, a network of physicians renowned for their superior quality of care who offer differentiated treatment in Cardiology, Internal Medicine, Spine Health, Diabetes, Pediatrics, and Traumatology & Orthopedics. With *Meu Doutor* and *Mediservice*, specialists can talk to policyholders, understand their medical history, and examine and monitor their health status with the benefit of integrated electronic health records accessible to all physicians within the Program. *Meu Doutor* also makes it easier for policyholders to access physicians; they can view a physician's calendar and schedule an appointment on the internet in a process that is simple, fast and secure.

### MEU DOUTOR NOVAMED

Bradesco Seguros works to continually improve its services to policyholders. As part of this, it provides a network of outpatient clinics offering primary and specialist care, laboratory tests and imaging studies. Bradesco Seguros has invested in both physical and technological infrastructure, including an integrated electronic health record platform for improved health management. Policyholders receive care from a multidisciplinary team of professionals dedicated to delivering high quality, high availability, as well as differentiated service. Five units are currently available: Avenida Paulista; Lapa; Santana; Tatuapé and downtown Osasco. We also have an in-company

model in which we set up outpatient clinics at Bradesco Saúde and Mediservice client companies. Since inception, we have provided more than 230,000 consultations at external clinics, with an impressive customer satisfaction rate of 99%.

#### READ MORE

To learn more about how to use the program and the specialties available, visit <https://logado.meudoutorbs.com.br/>

## Recognition

**Exame's Biggest & Best 2018:** Bradesco Seguros Group was awarded in three prominent categories among the Top 10 Insurance Companies in Brazil

**IstoÉ Dinheiro's As Melhores da Dinheiro 2018:** Bradesco Vida e Previdência was awarded as the best company in the life insurance and private pension segment

**Best Workplaces:** Bradesco Seguros Group was named to the list for companies with 1,000 or more employees, in a survey prepared by Great Place To Work Institute (GPTW) and published in *Época Negócios*. The Group was also ranked among the Best Workplaces in the Barueri area, where our headquarters are located, in the state of São Paulo

# Business Context & Strategy

## POISED FOR GROWTH

Bradesco has continued to evolve to address the challenges of a changing world and an economy in early recovery, and the opportunities created by new developments. We have invested in human capital, in innovation and in new technologies to drive transformation, anticipate change and exceed customers' expectations. As part of this, Bradesco has invested in digital platforms, self-service channels, artificial intelligence and other technological initiatives.

These aspects have been incorporated in our strategy and future vision, and comprise four pillars:



**Sustainable and Profitable Growth:** we are committed to sustainable and diversified growth, creating value for all stakeholders by striking an optimal balance between risks and returns;



**Efficiency and Innovation:** We recognize the importance of delivering efficiency and the best possible customer experience, and work to embed technology and innovation into our business models;



**Customer relations:** we aim to be the bank and insurer of choice for all customer profiles, and to continually uphold our commitment to our customers;



**Human Capital:** The foundation of our strategy is built on people. That is why we work continually to enhance our ability to attract, develop and retain the right talent for each business in support of our corporate strategy.

As the economy recovers from the recession, Bradesco is well poised to expand and diversify our businesses, strengthen our sources of revenue to mitigate risks, and build and maintain enduring relations by understanding customers' needs and offering differentiated products within the context of their journey.

Our strategy for the key areas in which we operate is as follows:

## PRESENCE AND INNOVATION

We are positioned to provide customized service to all audiences by referring them to the most convenient and efficient channels, while also building close relations with customers and offering products that match each customer's profile. We have an extensive physical footprint as well as robust digital channels offering products and services with an efficient, convenient, practical and secure customer and user journey (*read more in Technology & Innovation*).

## SERVICE CHANNELS

13.9  
million

mobile device users (personal and business customers with a digital profile)

6.0  
million

internet users (personal and business customers)

29.7  
million  
self-service users





### AN EVOLVING BRAND

Knowing that our brand is one of our strengths, in 2018 we implemented a modernization of the well-known Bradesco trademark. Originally created in 1997, the Bradesco brand symbolizes life, growth, shelter and support, and translates the relationship we have with our customers. The new trademark now has a more modern and digital touch, reflecting today's highly connected world.

### Non-checking account customers

In 2018 we created an area dedicated to non-checking account customers to build closer relations with and enhance our services to this audience.

### Insurance

Bradesco has worked to identify opportunities within our banking customer base and to explore potential growth areas in the Brazilian market, where consumption of insurance products in the general population is limited.

### Efficiency

Efficiency plays a crucial role in our Organization, and is managed by an Efficiency Committee dedicated to identifying and implementing cost-cutting initiatives. Digitizing processes and the customer service journey provides significant opportunities for optimization.

### People

The importance of people management in delivering our strategy has led our leadership to implement a modern, best-practice management approach that is responsive to emerging demands in the labor market.

### Diversification

We are committed to sustainable and diversified growth, creating value for all stakeholders by striking an optimal balance between risks and returns.

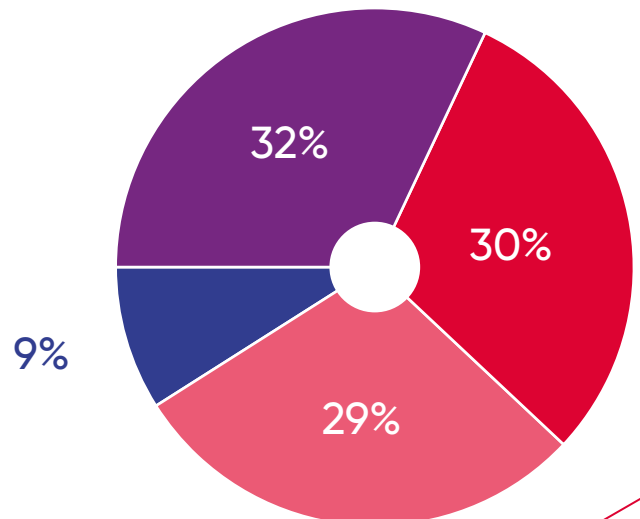
Among our key differentiators are our operational scale and quality of service. We also have a broad and diversified customer base, which allows us to deliver a more customer-centric offering that maximizes customer satisfaction.

In 2018 our sources of revenue were distributed as follows:

### REVENUE SOURCES

(Share in 2018)

- INSURANCE
- SERVICES
- ONLENDING
- SECURITIES/OTHER





# Value Creation

Delivering the best solutions to customers

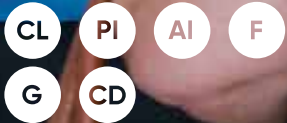
CAPITALS




SDG



STAKEHOLDERS





## Our strategy combines banking and insurance to serve customers across a broad range of profiles

Bradesco's strategy uses a business model that combines our banking and insurance businesses on a segmented platform offering best-in-class solutions to customers and a portfolio that accommodates the needs of any customer profile, while creating value for shareholders and broader society. Bradesco is strategically positioned in all Brazilian municipalities, with unrivaled coverage. We believe this is the right approach to deepen relations with stakeholders, including non-checking account customers, and create long-term value. We have also advanced a digital transformation that is creating new channels, services and experiences.

### A SUCCESSFUL MODEL

Our strategic pillars govern the way we do business. They include efficiency to deliver improved financial, social and environmental performance, and fostering closer relations with, and quality of service to, customers.

The Bradesco Customer and User Engagement Policy has bolstered this pillar with stringent guidelines designed to deliver excellence in service. To ensure our relations are guided by ethics, transparency, clarity and diligence and are responsive to the nature and needs of each customer, our employees take mandatory training and we regularly run awareness initiatives to guarantee that our relationships support customer satisfaction and loyalty.

Sustainable and profitable growth, Efficiency and innovation, Customer relations and Human capital are the strategic pillars governing the way we do business



# Business and financial performance

## BUSINESS PROFITABILITY

Increasing uncertainty generated growing volatility in both global and domestic financial markets in 2018. Issues such as trade tensions, developments in US monetary policy, geopolitical risks and elections in several countries have affected the pricing on assets globally, including in emerging economies. Many of these issues are likely to linger into 2019, amid a moderate slowdown in the global economy.

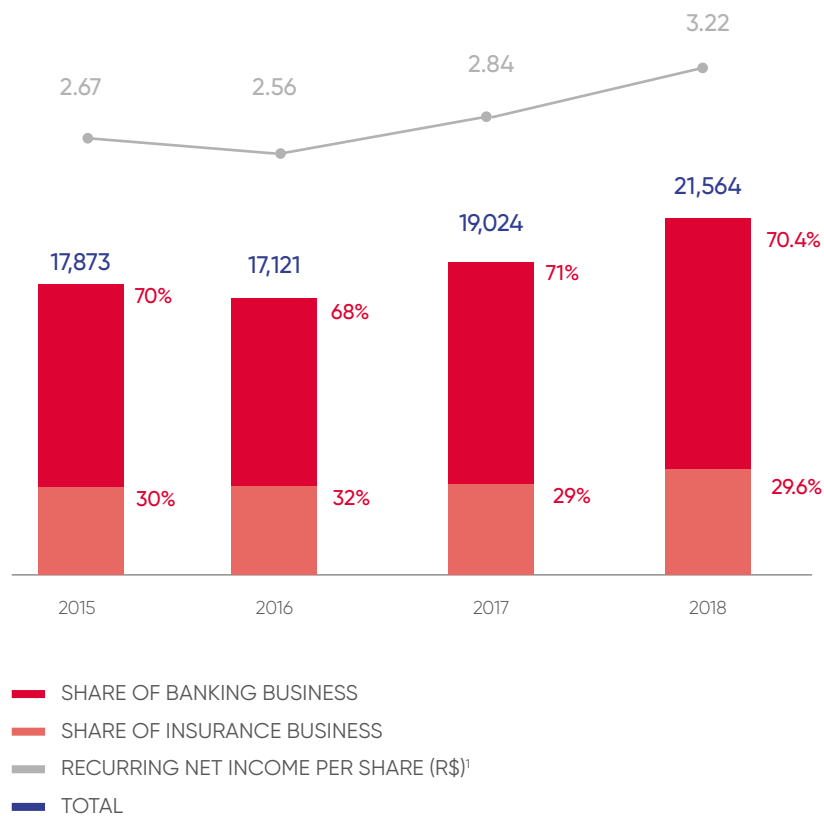
Brazil, despite its good fundamentals in terms of external accounts, has not been unscathed by the less favorable international environment, and is faced with issues relating to its public accounts, political uncertainty and GDP growth. Although the expansion of Brazil's economy remained fairly level with 2017, the recovery was more widespread both sector- and geography-wise. At year-end, indicators capturing the confidence of domestic economic agents began to show clearer signs of a recovery, reinforcing expectations of accelerated economic growth in 2019, potentially with the added impulse from the resumed reform agenda.

## NET INCOME

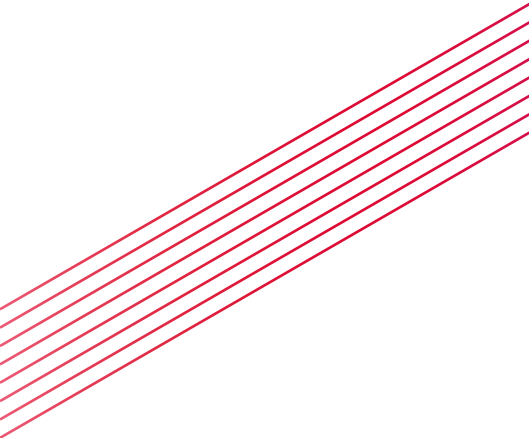
Return on Average Equity (ROAE) was 19.0% in 2018, up 0.9 p.p. from 2017. Income growth in the year reflected strong operating performance driven by lower ALL (Expanded) expense, the positive results of operations in insurance, pension plans and premium bonds, and fee and commission income. Operating expenses in the year reflect discipline in cost management. Significantly, ALL (Expanded) declined by a substantial 29.6% compared with 2017, while our lending portfolio grew by 7.8% in the year, with especially strong, 11% growth in personal loans in the period.

## NET INCOME FROM CONTINUING OPERATIONS

(R\$ million)



<sup>1</sup> For the 12-month period (shares were adjusted to reflect stock dividends paid and share splits during the relevant period).



| <b>BOOK NET INCOME</b> (R\$ million)                      |  | 2018           |
|---|--|----------------|
| <b>Recurring net income</b>                               |  | <b>21,564</b>  |
| <b>Non-recurring events (net of tax effects)</b>          |  | <b>(2,479)</b> |
| Amortization of goodwill (Gross)                          |  | (1,976)        |
| Impairment of non-financial assets <sup>1</sup>           |  | (514)          |
| Reversal of Supplementary Coverage Provision <sup>2</sup> |  | 288            |
| Other <sup>3</sup>  |  | (277)          |
| <b>Book net income</b>                                    |  | <b>19,085</b>  |

**1** For 4Q18 and 2018 this item consists substantially of impairment of: (i) software (R\$ 212 million); (ii) goodwill on investments (R\$ 59 million); (iii) real estate (R\$ 33 million); and (iv) hardware/equipment (R\$ 19 million).

**2** Provision fully reversed in accordance with SUSEP Resolution No. 517/15 as amended.

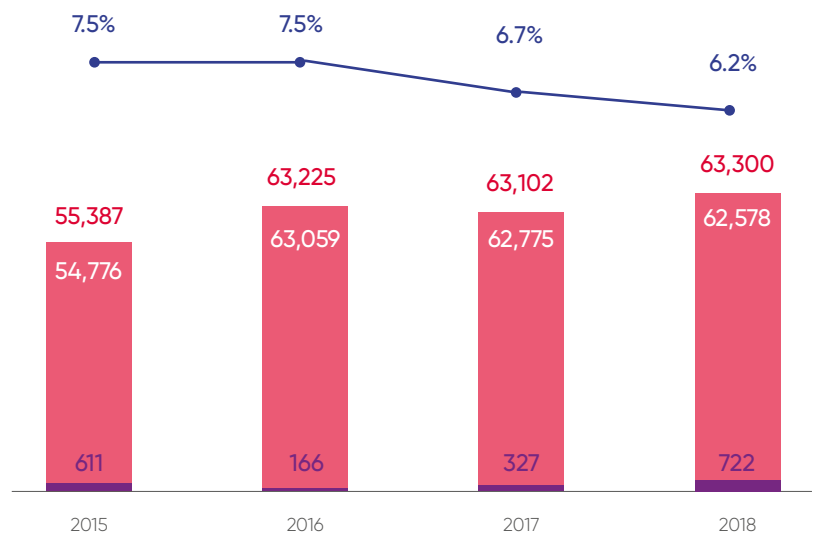
**3** In 2018, this item refers to: (i) in 4Q18: tax incentives (R\$ 79 million); (ii) in 3Q18: "Concilia Rio" – a program to encourage businesses to settle municipal tax (ISS, IPTU, ITBI etc.) liabilities in Rio de Janeiro (R\$ 40 million); and (iii) contingent liabilities. In 2017, in addition to contingent liabilities, this item includes: (i) in 4Q17: (a) payments under the Special Tax Settlement Program (PERT) of R\$ 49 million, and (b) tax installment payments (PPI) of R\$ 62 million; (ii) in 3Q17: (a) payments under the Special Tax Settlement Program (PERT) of R\$ 192 million, (b) the IRB IPO of R\$ 149 million, and (c) reversal of the tax provision related to social security contribution – Odontoprev, in the amount of R\$ 101 million; and (iii) in 2Q17: a regulatory change at Cielo, in the amount of R\$ 210 million.

## NET INTEREST MARGIN

Continued solid performance across businesses (Onlending, Insurance and ALM/Other) generated a strong net interest margin in the year, reflecting increased efficiency in managing assets and liabilities and growth in average business volumes.

- NON-INTEREST
- INTEREST
- TOTAL NET INTEREST MARGIN
- AVERAGE 12-MONTH MEAN INTEREST MARGIN RATE = (NET INTEREST MARGIN / AVERAGE TOTAL ASSETS – REPOS – PERMANENT ASSETS)

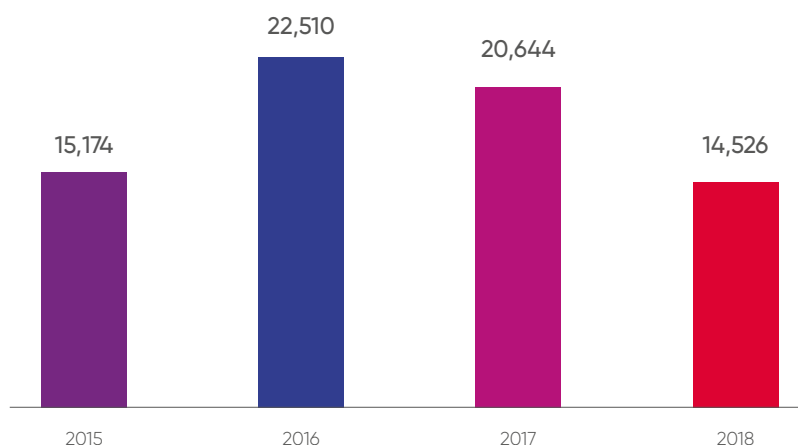
## NET INTEREST MARGIN (R\$ million)



### ALLOWANCE FOR LOAN-LOSS EXPENSE

The substantial decline in ALL (Expanded) is related to improved lending portfolio quality and lower financial asset impairment expense, which reduced the provision expense ratio from 4.4% to 2.8% in the period, reflecting improved underwriting and loan recovery processes.

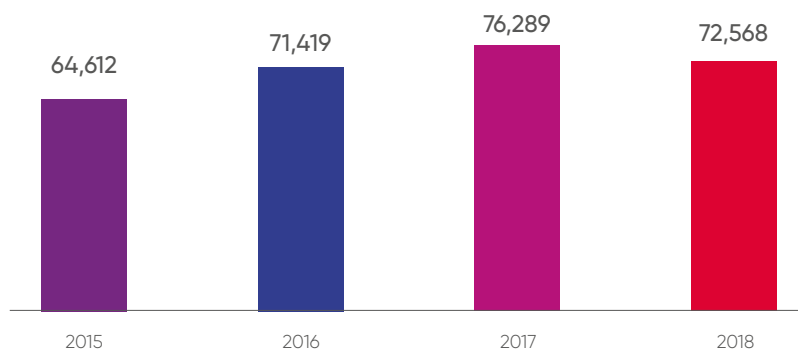
### ALL (EXPANDED) – EXPENSE (R\$ million)



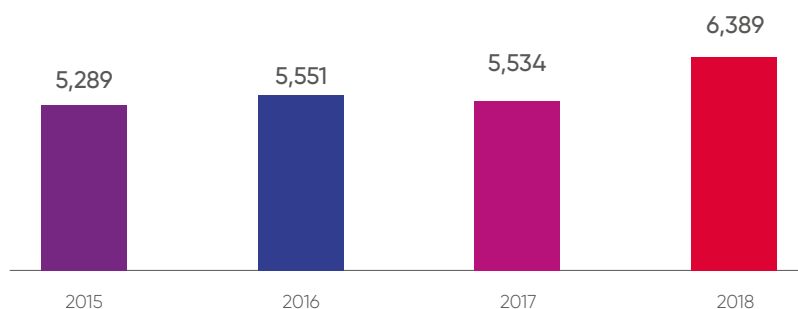
### INCOME FROM INSURANCE, PENSION PLAN AND PREMIUM BOND OPERATIONS

Bradesco Seguros Group generated net income of R\$ 6,389 million as of year-end 2018, an increase of 15.4% compared with 2017 reflecting improved performance and continuing efforts to streamline expenses, as reflected in the more than 15% improvement in income from insurance, pension plan and premium bond operations.

### WRITTEN INSURANCE PREMIUMS, PENSION PLAN CONTRIBUTIONS AND PREMIUM BOND INCOME (R\$ million)



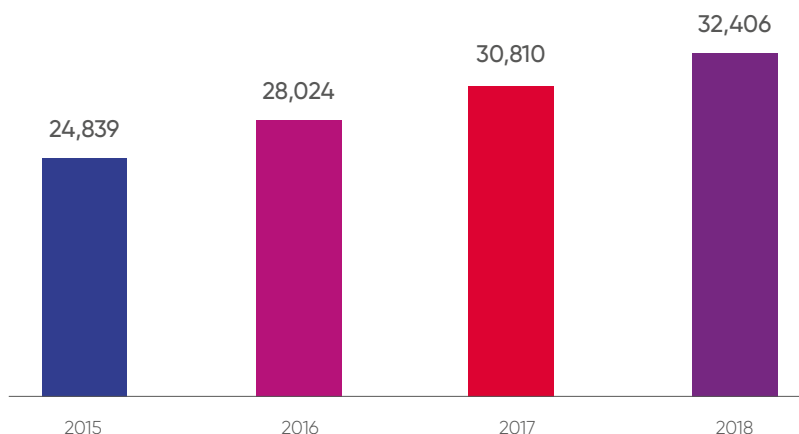
### NET INCOME FROM INSURANCE, PENSION PLANS AND PREMIUM BONDS (R\$ million)



### FEE AND COMMISSION INCOME

Compared with 2017, fee and commission income increased across all business lines, and especially in custody and brokerage services, pooled finance management, checking accounts and fund management. The positive performance was driven by higher transaction volumes reflecting a larger offering of products and services and synergies captured from the HSBC Brazil acquisition.

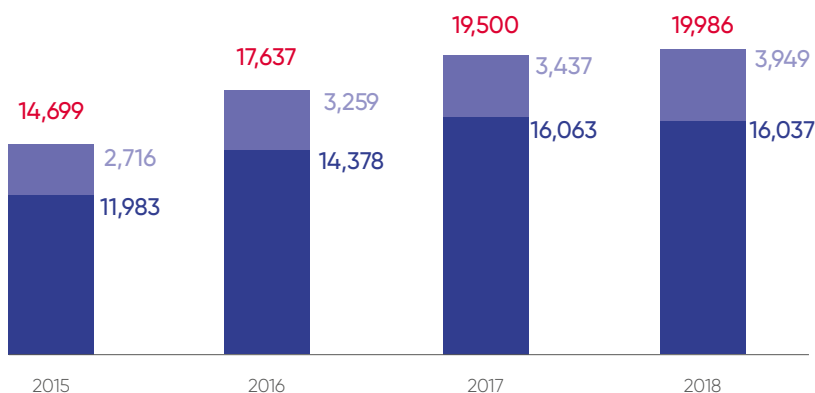
### FEE AND COMMISSION INCOME (R\$ million)



### PERSONNEL EXPENSES

Even including the effects of the 2018/2019 collective-bargaining agreement (5% salary increase), higher labor claim expense and profit sharing expense, our total expenses grew by less than the inflation rate in the year.

### PERSONNEL EXPENSES (R\$ million)

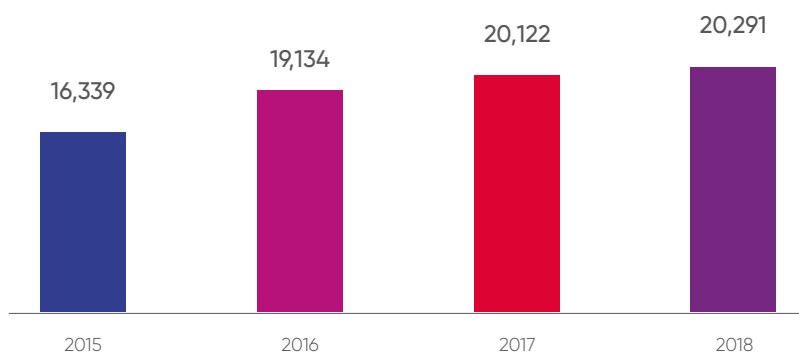


- NON STRUCTURAL
- STRUCTURAL
- TOTAL

### ADMINISTRATIVE EXPENSES

Expenses showed good performance compared with 2017, especially considering the inflation rate in the period. Specifically, expenses were reduced on materials, security and surveillance, and communications, reflecting adjustments made in the year, synergies from the HSBC Brazil acquisition, and our strategy for optimizing service points. The higher expenses in the year derived from growing business and service volumes, increased expenses on advertising and marketing as part of a rebranding effort, and greater investment in technology, with impact on depreciation and amortization expense.

### ADMINISTRATIVE EXPENSES (R\$ million)



## EFFICIENCY RATIO (ER)

Our ER calculation methodology was modified in 4Q18 to improve our reporting metrics. The significant improvement in revenue from net interest income, higher fee and commission income and higher income from insurance, pension plans and premium bonds positively affected this in-

dicator on a quarterly and 12-month basis. However, this improvement was offset by higher provision for taxes and increased tax expense. The 12-month risk-adjusted ER again showed improvement driven by the above factors and a significant decrease in ALL (Expanded).

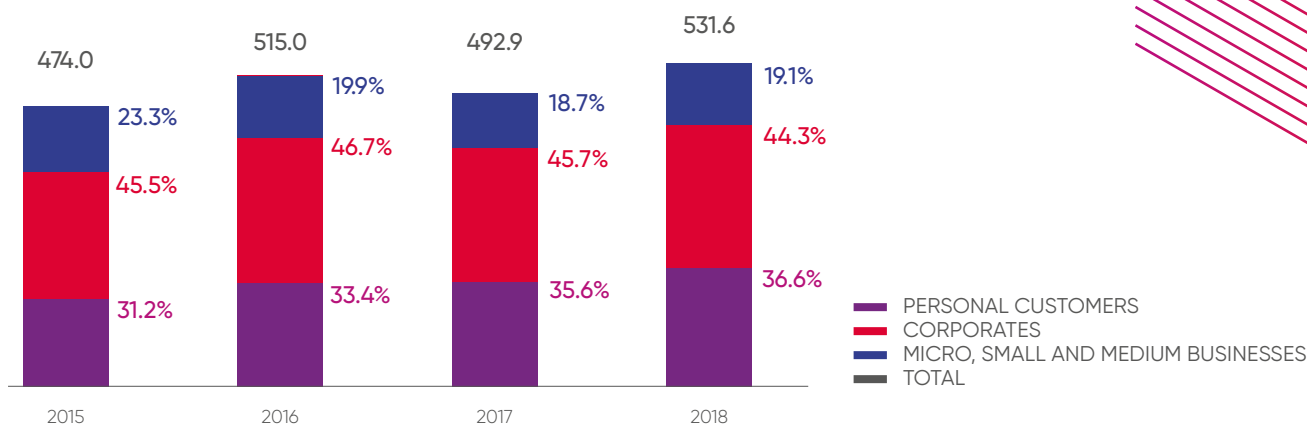
## EFFICIENCY RATIO<sup>1</sup>

|   | 1Q17  | 2Q17  | 3Q17  | 4Q17 | 1Q18 | 2Q18 | 3Q18 | 4Q18 |
|---|-------|-------|-------|------|------|------|------|------|
| ER – quarterly                                  | 49.2% | 49.6% | 50.8% | 50.5 | 50.2 | 50.1 | 50.6 | 51.8 |
| 12-Month Risk-Adjusted ER                       | 73.3% | 73.6% | 72.9% | 72.0 | 70.8 | 69.1 | 67.7 | 66.0 |
| 12-Month ER                                     | 49.2% | 49.7% | 50.0% | 50.0 | 50.3 | 50.6 | 50.6 | 50.9 |
| 12-Month ER (previous methodology) <sup>2</sup> | 40.0% | 40.6% | 40.7% | 40.8 | 40.9 | 41.0 | 40.8 | 40.7 |

<sup>1</sup> New ER calculation = (Personnel Expenses + ALL (Expanded) + Other Operating Expenses, Net of Income) + (ALL (Expanded) Expense – Risk-Adjusted / (Net Interest Margin + Fee and Commission Income + Insurance Income + Equity in Earnings of Unconsolidated Associates + Tax Expenses).

<sup>2</sup> Previous ER calculation (Personnel Expenses – Profit Sharing Expense + Administrative Expenses) / (Net Interest Margin + Fee and Commission Income + Insurance Income + Equity in Earnings of Unconsolidated Associates + Other Operating Income (-) Other Operating Expenses).

## EXPANDED LENDING PORTFOLIO (R\$ billion)



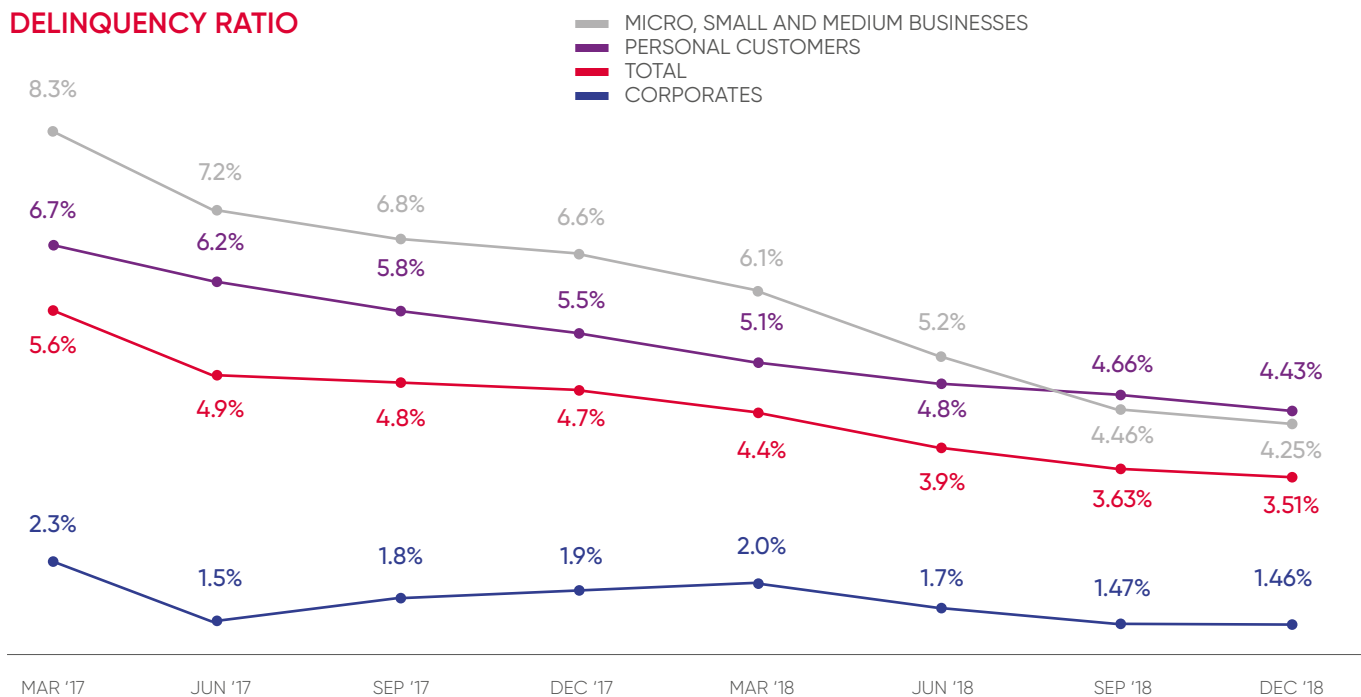


## 90-DAY DELINQUENCY RATIO

Delinquency declined for the seventh consecutive quarter reflecting the higher quality of new harvests and adjustments to our loan underwriting and recovery processes. All customer segments showed improvement in

delinquency from the first quarter of 2018, and especially the micro, small and medium business and personal customer segments. Since peaking in March 2017, the overall delinquency ratio has declined by 2.1 p.p.

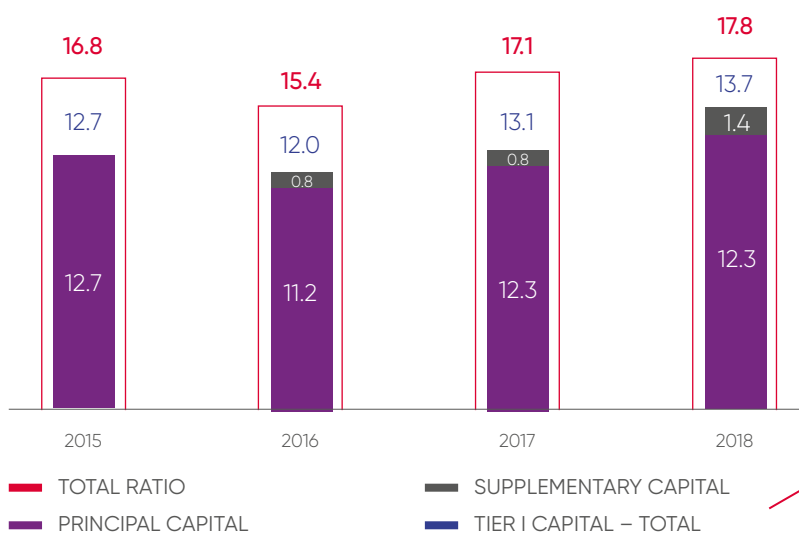
## DELINQUENCY RATIO



## BASEL RATIO – BASEL III

The higher capital ratios compared with 2017 were driven by strong internal capital generation (net income—not evident in the graph opposite due to higher regulatory capital deductions). In addition, we issued subordinated perpetual debt of R\$ 4.2 billion in 2018, which was approved and authorized by the Central Bank as Tier I supplementary capital.

## BASEL RATIO (%)



## CONSOLIDATED STATEMENT OF ADDED VALUE (R\$ million)

| DESCRIPTION   | 2014   | 2015   | 2016   | 2017   | 2018   | %   |
|---|--------|--------|--------|--------|--------|-----|
| Employment compensation                                 | 12,142 | 12,814 | 15,468 | 17,171 | 17,665 | 29% |
| Contribution to government                              | 14,921 | 16,458 | 15,555 | 16,126 | 20,553 | 34% |
| Interest on equity/dividends (paid and provisioned for) | 5,055  | 6,035  | 6,976  | 7,204  | 7,299  | 12% |
| Reinvestment of income                                  | 10,304 | 11,838 | 10,145 | 11,820 | 14,265 | 23% |
| Third-party capital remuneration - rent                 | 896    | 942    | 1,102  | 1,211  | 1,214  | 2%  |

### 2019 OUTLOOK

Brazil is at a point in the economic cycle and in a financial position that favors accelerated growth. Lower interest rates, unleveraged households and businesses, low delinquency rates and room for growth in demand without price pressures, due to high idle capacity, are factors that can drive substantial growth in 2019. These factors could be further augmented if a structural reform agenda is resumed, positively affecting investor and consumer confidence. We believe there is upside potential for employment, income, credit and investments, while the maintaining of credible and sustainable economic policies should avoid inflationary pressures stemming from this recovery.

It is therefore essential that Brazil continue to advance this agenda, spanning both macro and micro economic aspects, as it prepares for an international environment that is likely to remain challenging in the following quarters.

### OUR ESTIMATES

**9% to 13%** Expanded lending portfolio

**4% to 8%** Net Interest Margin

**3% to 7%** Fee and commission income

**0% to 4%** Operating (administrative and personnel) expenses

**5% to 9%** Income from Insurance, Pension Plans and Premium Bonds<sup>1</sup>

**R\$11.5 to R\$14.5 bn** Expanded ALL

<sup>1</sup> Includes financial income. The new approach to disclosing guidance better reflects the performance of our insurance operation.

# Risk Management

## RIGOROUS RISK ASSESSMENT

Risk management is an important part of Bradesco's strategy in addressing the increasing complexity of our financial products and services and the globalization of the business. Risk management at Bradesco is ubiquitous throughout the Organization and is conducted in accordance with guidelines laid down by the Board of Directors and our governance Committees, which establish overall goals that are then translated into targets and limits for risk-managing business units. Capital control and management units, in turn, support management by monitoring and assessing risk and capital.

## EMERGING RISKS

We continually seek to identify and monitor any emerging risks to ensure we either anticipate or mitigate their effects. This is done by a Committee spanning the risk, finance, treasury, economic, credit and insurance functions that reports to the Integrated Risk Management and Capital Allocation Committee. Examples of risks include:

- Climate change;
- Fintechs gaining ground in financial transactions;
- Economic and political instability in the domestic market;
- Geopolitical conflicts and trade tensions.

## CYBER ATTACKS

Information and cyber security, as critical issues, are addressed at the highest strategic level: our Board of Directors, Board of Executive Officers and other levels of the Organization.

We have a set of controls comprising procedures, processes, organizational frameworks, policies, standards and IT solutions that conform to the principles of information confidentiality, availability and integrity.

Risk management at Bradesco is ubiquitous throughout the Organization

## Risk map

- Credit
- Compliance
- Liquidity
- Contagion
- Counterparty risk
- Reputational
- Social & Environmental
- Underwriting
- Concentration
- Market
- Strategy
- Operational
- Model
- Business conduct

## READ MORE

View our: Information Security Policy, available at [banco.bradesco/ri](http://banco.bradesco/ri)



# Asset Management

## SUSTAINABILITY AT BRAM

As a signatory of the United Nations Principles for Responsible Investment (PRI), in 2013 Bradesco Asset Management (BRAM) implemented processes and methodologies to assess ESG (Environment, Social and Governance) risks, opportunities and impacts on the performance of its assets.

BRAM has ESG assessment methods in place for both private and government securities. For private securities, the assessment covers material issues in each industry to identify the risks and opportunities facing companies. For government securities, the method covers indicators measuring regulatory quality and the extent to which government programs are able to provide citizens with high-quality basic services, while protecting the environment and reducing inequalities. This embeds social and environmental aspects into the business, and helps to deliver on BRAM's promise to provide both superior and sustainable returns in asset management. In 2018 BRAM had R\$ 606.8 billion in assets under management, including R\$ 603.5 billion in assets assessed for ESG matters, representing 99.4% of total assets—a significantly higher percentage than at the time ESG factors were incorporated into the asset management process.



## Initiatives in 2018

BRAM ran a climate change survey covering all companies eligible for its variable income investment portfolio. The goal of the survey was to determine which companies are already preparing for current and future threats from climate change to their business.

Out of 118 companies who received the questionnaire, 34% responded. Of responding companies, only 28% said they had related targets and demonstrated effective results from initiatives to reduce emissions, and only 23% said they had incorporated climate change into their risk assessments. On the positive side, 95% of companies said they had undertaken some form of action on climate change and 78% said they had prepared greenhouse gas emissions inventories and were investing to reduce emissions.

## In 2019

BRAM will continue to engage industry around climate change and other issues related to sustainable development



## Recognition

### Guia Onde Investir 2019

Published by *Exame* in December 2018, the Guia Onde Investir 2018 list named BRAM the Best Variable Income Fund Manager and the Best Management Firm for Retail, and awarded 11 BRAM funds a 5-star rating.

### Top Asset 2018

In a ranking published by *Investidor Institucional*, BRAM ranked first in the following categories: Top Open Pension Plan Management Firm; Top Insurance Management Firm; Top Premium Bond Management Firm; Top Management Firm for Corporates, and the no.1 Private Management Firm.

### Best Funds for Institutional Investors

*Investidor Institucional* rated 39 funds as Excellent.

### Troféu Benchmark

BRAM was presented with the Troféu Benchmark award by *Investidor Institucional*.



# Corporate Governance

## Responsible management

CAPITALS



SDG



STAKEHOLDERS





## A commitment to transparency, respect for shareholders and corporate responsibility

Throughout Bradesco's 75-year history, we have continually perfected our management system around transparency, respect for shareholders, accountability and corporate responsibility and have sought to consistently integrate the economic, social and environmental aspects of sustainability.

Our governance structure is formed by our General Shareholders' Meeting, Board of Directors and Executive Board. In this model, the General Shareholders' Meeting is the organization's highest decision-making body with powers to decide on any business matters and to elect the members of the Board of Directors and the Fiscal Council.

Bradesco's Board of Directors is benefited by the experience of former executives who acquire a wealth of broad-ranging expertise during their careers with the Group through rotation across functions. Bradesco's Management Succession and Nomination Policy governs the nomination of candidates for

positions on the Board of Directors and Board of Executive Officers. We also adhere to the Listed Company Self-Regulation Code and Good Practices outlined by the Brazilian Association of Public Stock Corporations (ABRASCA). And lastly, we are members and sponsors of the Brazilian Corporate Governance Institute (IBGC).

Our shares have been traded on stock exchanges in Brazil since 1946, in the US since 1997, and in Europe since 2001. On B3, we are listed at Corporate Governance Level 1.

### Recognition

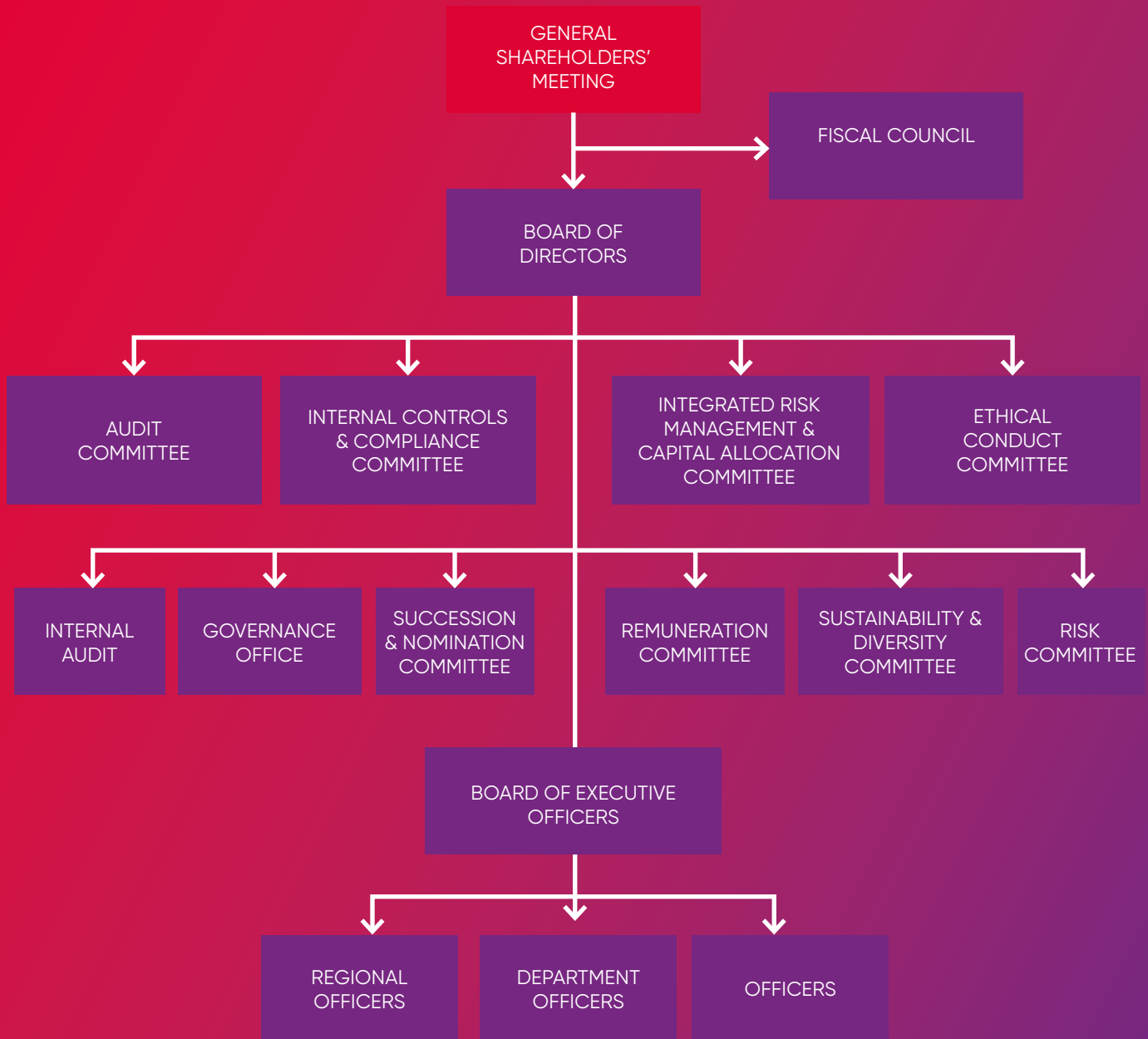
Bradesco was awarded as the best company for Corporate Governance on the *IstoÉ Dinheiro* "As Melhores da Dinheiro 2018" list



#### READ MORE

Our Corporate Governance Policy can be accessed on our investor relations website

# Governance framework [GRI 102-18]





## BOARD OF DIRECTORS

The Board of Directors is a collegiate body with eight members—as required by the Best Practice Code of the Brazilian Corporate Governance Institute (IBGC)—appointed by the General Shareholders' Meeting to serve for a renewable term of two years. There are no substitutes and there is no age limit to serve on the Board. Alongside the IBGC Code, the activities of the Board are also governed by the guidelines laid down by the US Securities and Exchange Commission (SEC).

## The duties of the Board of Directors include the following:

- Provide strategic guidance to protect and maximize shareholder returns within best corporate governance practice
- Appoint and/or remove members of the Board of Executive Officers
- Evaluate the performance of the CEO in performing his or her duties
- Appoint and/or remove Independent Auditors

The board meets six times per year and special meetings may be held when necessary.

Board members jointly appoint the chair and vice chair. Under Bradesco's Bylaws, the chair is not permitted to serve as CEO concurrently other than in exceptional circumstances, and in any case for a period not exceeding 180 days.

## BOARD OF EXECUTIVE OFFICERS

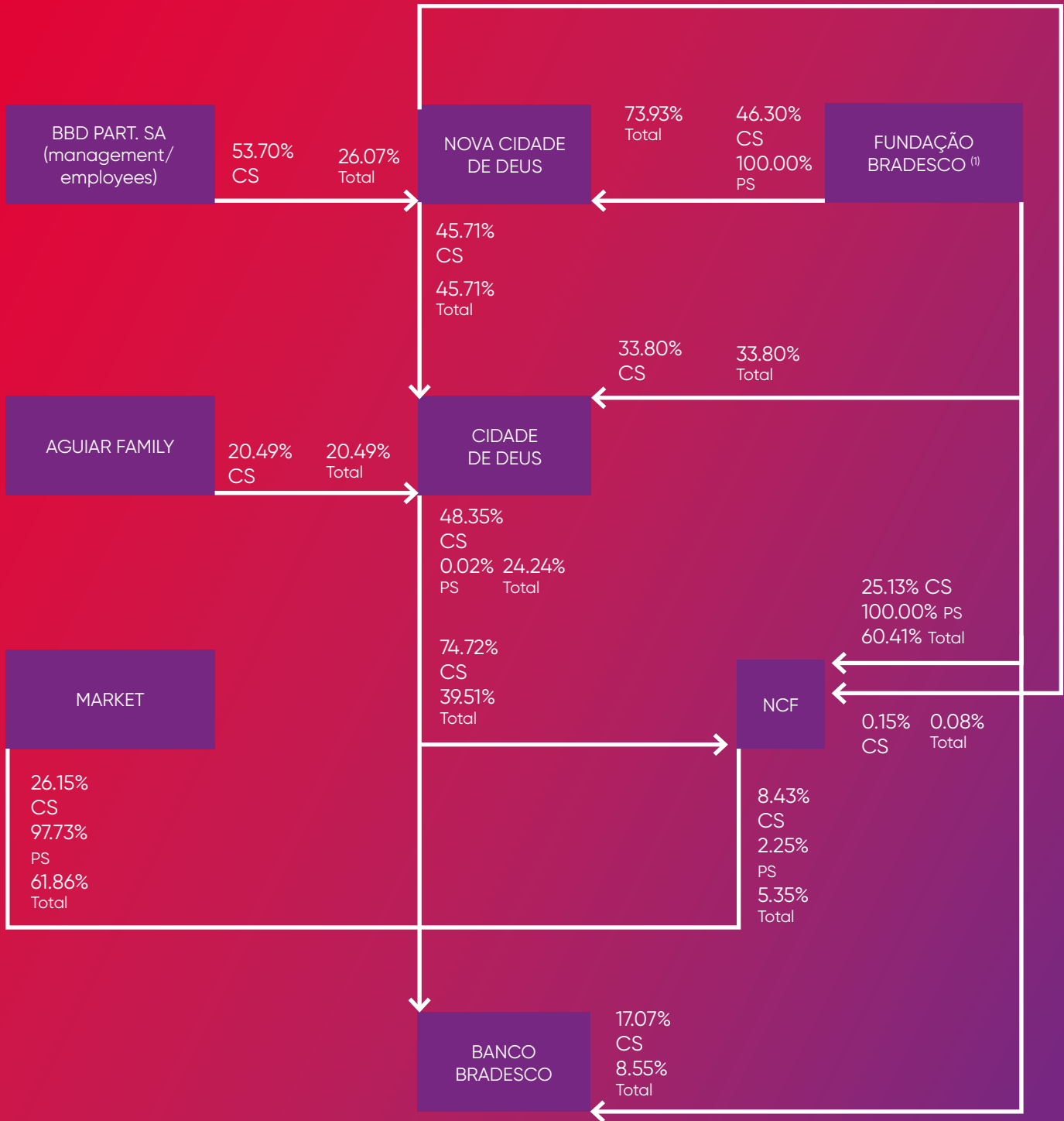
The Board of Directors is responsible for appointing the members of the Board of Executive Officers for a renewal term of two years. Executive officers meet on a weekly basis and extraordinary meetings may be held when necessary. Their primary duties are to execute the strategy outlined by the Board of Directors and, in general, to manage and represent the Company.

The Board of Executive Officers is composed of Mr. Octavio de Lazari Junior as CEO, Mr. André Rodrigues Cano as CFO, and Mr. Moacir Nachbar Junior as CRO. All Board members share the same working environment, which significantly expedites the decision-making process.

## COMMITTEES

To support decision-making, the Board of Directors is advised by eight committees, including two statutory committees and six non-statutory committees. Several executive committees are also in place to advise the CEO and the Board of Executive Officers. Each committee has its own bylaws establishing members' duties, composition, and the frequency of meetings. Each committee is, in turn, supported by commissions that meet periodically.

# Ownership Structure



*1 Bradesco senior managers (Board of Executive Officers and Board of Directors) make up Fundação Bradesco's highest governance body.  
As of: December 31, 2018.*



# Ethics and Compliance

## **ACTING WITH INTEGRITY**

Bradesco's Code of Ethical Conduct contains procedures that ensure all employees and members of management act with integrity in their day-to-day business. Among other matters, the Code provides guidance on conflict of interest, transparency, recognition, and social and environmental responsibility. All Bank employees have access to the Code and receive training on its contents.

Senior management and all employees are committed to complying with applicable laws and regulations and to doing business in accordance with the highest standards of conduct and ethics. These commitments are enforced by policies, standards, procedures and systems for monitoring conduct; through channels and mechanisms for addressing reports on violations; and by the Compliance, Conduct & Ethics Department (DCCE), which is accountable for the broader program. Supporting these instruments are Committees under the Board of Directors—including the Ethics, Integrated Risk

Management & Capital Allocation, Internal Controls and Compliance committees—and training on Conduct, Controls and Compliance developed by the Bradesco University (UniBrad) for all employees.

## **DEPARTMENT CODES**

Department Codes of Ethical Conduct set out standards that are specific to business functions such as financial market, procurement and insurance professionals.

## **REPORTING CHANNELS**

We provide formal channels through which employees, business partners and external stakeholders can report any instances of violations of our Code of Ethical Conduct.

## **READ MORE**

To learn about our whistleblowing channels, visit the Compliance & Ethics section of our investor relations website, [banco.bradesco/ri](http://banco.bradesco/ri)

Our Code of Ethical Conduct provides guidance on conflict of interest, transparency, recognition, and social and environmental responsibility



## BRADESCO INTEGRITY PROGRAM

The Bradesco Integrity Program aims to prevent misconduct by our directors, officers, employees and business partners across the Bradesco Organization, both in Brazil and in foreign jurisdictions. It is a framework of policies, standards and procedures for preventing, monitoring, detecting and responding to violations under Act 12.846/13 (the "Anti-Bribery Act") and related international regulations. For business units located in foreign jurisdictions, the Program is adapted for compliance with local regulations but is required, as a minimum, to adhere to the requirements applicable in Brazil.

Three strategic pillars underpin the program:

- **Preventing Bribery Risk:** clear and objective policies and standards are developed and communicated, and an ongoing culture and training program is conducted comprising workshops and lectures for all members of management and employees.
- **Monitoring and Detecting Misconduct:** bribery risks and controls are monitored to promptly identify any conduct in violation of Bradesco's Code of Ethical Conduct

## Integrity Week

The Compliance, Conduct & Ethics Department and UniBrad organized anti-bribery and ethics workshops to discuss how these issues are encountered in our day-to-day business.

through compliance tests, indicators, internal and external audits and reporting channels.

- **Senior Management Response:** Investigations are conducted on any reports received and on the findings of internal and external audits, internal controls and compliance agents, and regulatory and law enforcement bodies. Disciplinary action is taken and the Integrity Program is continually monitored and reported on to the Ethics and Audit Committees, Board of Directors, and regulatory and oversight bodies.

### READ MORE

Read our Bylaws and Policies on our investor relations website



## PREVENTING MONEY LAUNDERING AND TERRORIST FINANCING

Bradesco's Corporate Anti-Money Laundering and Terrorist Financing Program establishes standards, procedures and systems to prevent and detect the attempted use of our systems, products and services in unlawful activities related to money laundering and terrorist financing.

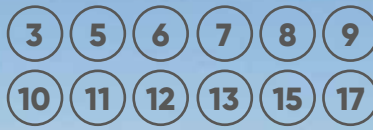
The program is linked to the Executive Anti-Money Laundering and Terrorist Financing Committee, and is responsible for evaluating effectiveness and the extent to which the procedures and controls in place conform to applicable regulations and national and international best practice. Any concerns are reported to the Suspicious Transaction Assessment Commission, which consists of multiple business functions, for a determination on whether disclosures to the appropriate regulators are required.

We have a program for evaluating effectiveness and the extent to which the procedures and controls in place conform to applicable regulations

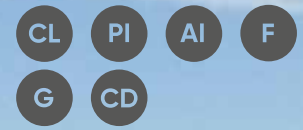




SDG



STAKEHOLDERS



CAPITALS



# Sustainability

Our role in building a sustainable future





# Sustainability is integral to how we do business and to our commitment to Brazil's development

Bradesco is committed to embedding sustainability into our business activities so we are better able to thrive in the long term in a competitive and dynamic business environment. The current transition to a new economy that is better able to cope with sustainable development challenges requires us to incorporate social and environmental aspects into our approach to managing risks and opportunities, in order to ensure we continue to deliver positive results and create shared value.

Based on these principles, we have sought to support sustainable development through our business activities and social investment and to actively participate in related business forums as a way of strengthening our practices and encouraging other stakeholders to do the same.

In recognition of our commitment, we have been named to the most important sustainability indexes and Environmental, Social and Governance (ESG) ratings.



## Sustainability Drivers

### GOVERNANCE

Our strategy in addressing sustainability issues is focused on the following fronts: managing risks and opportunities for inclusive business, in line with the shift to a green economy; strengthening governance and ethical conduct; creating shared value for employees, suppliers, customers and shareholders; and investing in social transformation and environmental protection. The pillars of our strategy rest on corporate principles such as ethics, innovation, efficiency and stakeholder engagement.

Bradesco's governance organization is formed by our Sustainability & Diversity Committee and Sustainability Commission. The Committee meets on a quarterly basis

and is responsible for taking key decisions on, and for monitoring, our sustainability strategy. It is formed by members of the Board of Directors and Board of Executive Officers, and since 2017 has included the CEO.

The Committee is advised by our Sustainability Commission, an executive body comprising executive officers and managers from different functions. The Commission works to ensure that sustainability is integral to our business, assists in executing plans, and monitors related projects.

### SUSTAINABILITY POLICY

Our Corporate Sustainability Policy contains guidelines that foster social and environ-

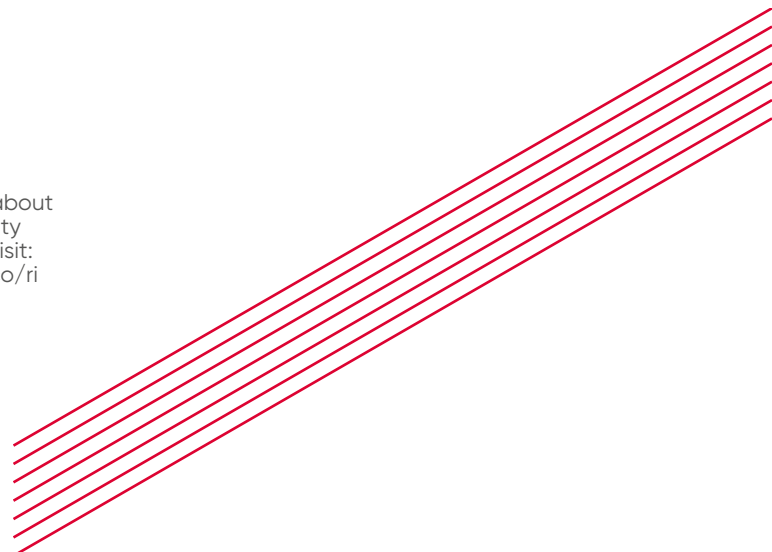
mental responsibility in our operations and business, in line with the requirements laid down in Resolution 4327 of the Brazilian National Monetary Council. The Policy comprises two separate groups of standards: Social & Environmental Responsibility standards establish key procedures applying to our businesses, stakeholder relations and related governance processes; and Social & Environmental Risk standards establish the scope of reviews on social and environmental risk exposure in transactions with customers and suppliers.

We have established guidelines that foster social and environmental responsibility in our operations and business

**VOLUNTARY COMMITMENTS**

We are signatories of a range of voluntary commitments that support us in implementing initiatives towards sustainability.

**READ MORE**  
To learn more about our Sustainability Policy, please visit: [banco.bradesco/ri](http://banco.bradesco/ri)



|   |  |   |  |
|---|--|---|--|
|  <p>UN GLOBAL COMPACT<br/>Network Brazil<br/><b>WE SUPPORT</b></p> | <p>INSTITUTO<br/><b>ETHOS</b></p> <p>Business Charter for Human Rights and Promoting Decent Work</p>                 |  <p>TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES</p>       |  <p>Principles for Sustainable Insurance</p>                            |
|  <p>Principles for Responsible Investment</p>                      | <p>Financial Coalition Against Child Pornography</p>   |  <p>FINANCE INITIATIVE<br/>CHANGING FINANCE, FINANCING CHANGE</p> |  <p><b>OBJETIVOS GLOBAIS</b><br/>para o Desenvolvimento Sustentável</p> |
|   |  <p><b>EQUATOR PRINCIPLES</b></p> |  <p><b>CDP</b><br/>DRIVING SUSTAINABLE ECONOMIES</p>              |  |



## PRINCIPLES FOR RESPONSIBLE BANKING

Bradesco and 27 other banks are mobilizing globally to find solutions to help the banking industry shape a sustainable future and contribute to achieving society's goals as expressed in the SDGs and the Paris Climate Agreement. In November 2018 the group of banks launched a draft version of the Principles for Responsible Banking (PRB) as part of a program organized by the United Nations Environment Program – Finance Initiative (UNEP FI). Following launch, the Principles have now entered a global public consultation period to draft a final version that will be released in September 2019 during the United Nations General Assembly, in New York.

The Principles set the global standard for what it means to be a responsible bank and will ensure that banks create value for both their shareholders and society. They provide the first global framework that guides the integration of sustainability across all business areas of a bank, from strategic to portfolio

to transaction level. The signatories will set public targets on reducing their most significant negative impacts and scaling up their positive impacts to align with and contribute to national and international sustainable development and climate targets.

Learn more at [www.unepfi.org](http://www.unepfi.org).

## Indexes and ratings

Our sustainability performance is reflected in the most important sustainability indexes and ratings in the market. In 2018 we remained a component of the B3 Corporate Sustainability Index (ISE) and Carbon-Efficient Index (ICO2), and we ranked highest among Brazilian banks on the Dow Jones Sustainability Index (DJSI)—Bradesco was best placed among a total of 133 evaluated banks. This recognition is a testament to our commitment to integrating sustainability into the business and creating value for customers, employees, investors and society.



A Fundação Bradesco school in Canuanã (TO). For further details, see page 77 of this report.



# A Green and Inclusive Economy

## THE FINANCIAL INDUSTRY PLAYS AN IMPORTANT ROLE IN THE TRANSITION TO A GREEN, LOW-CARBON ECONOMY BY TARGETING FUNDING AND BY INCORPORATING MORE STRINGENT REQUIREMENTS ON RISK MANAGEMENT.

Our portfolio includes a broad spectrum of products and services specifically designed for funding and helping to develop the green economy. We also have a dedicated social and environmental risk function within Bradesco's corporate risk management department.

In addition, Bradesco is a member of and participates in business forums and organizations including the Brazilian Business Council for Sustainable Development (CEBDS), the Brazilian Bank Federation (FEBRABAN) and the Global Compact to contribute to the development of methods, studies, surveys and analysis.

## ENVIRONMENT MANAGEMENT AND CLIMATE CHANGE

Bradesco, like all organizations, has an impact on the environment from business activities. We address this through an environmental management approach focused on two mutually complementary themes: Eco-efficiency and Climate Change.

Eco-efficiency is the guiding principle of our management strategy and helps to tie our environmental and financial performance together. Process optimization, recycling, technological innovation and resource efficiency help to reduce costs and make the Organization more competitive, while also making us more efficient and mitigating environmental impacts.

The challenges created by climate change have generated a global movement involving industry, governments and academia to develop strategies for adapting to and

mitigating the risks of climate change stemming, primarily, from Greenhouse Gas (GHG) emissions.

We believe the issue requires a Bank-wide effort spanning all businesses and operations, and that Bradesco has a leading role to play in discussing and implementing action at a global level.

## DIRECT IMPACTS

Direct impacts are those related to our operations and facilities. We take environmental aspects into account using an integrated approach in our operations and, through Bradesco's Eco-Efficiency Management Program, we have invested in initiatives designed to achieve specific goals in reducing our environmental impact and improving operational efficiency. Since 2006, we have published greenhouse gas emissions inventories in accordance with the GHG Protocol Brazil and NBR ISO 14.064. The entire monitoring and traceability process is audited by an independent third party. Bradesco has

**READ MORE**  
About the Green Economy and FEBRABAN publications

Our social and environmental risk function is integrated with Bradesco's corporate risk management department

undertaken a commitment to annually offset our scope 1 and 2 emissions.

### ECO-EFFICIENCY MASTER PLAN

Bradesco's Eco-Efficiency Master Plan is our primary tool for both strategic and operational management at Bradesco. It comprises a set of initiatives and qualitative and quantitative targets to significantly reduce direct environmental impacts, while also improving our operational efficiency.

The 2016-2018 cycle ended the previous year, and we have now revised and set new targets for the following three-year cycle. Bradesco's targets are aligned with the internationally agreed scientific recommendation to limit global warming levels to 2 °C.

### PROGRESS ON ECO-EFFICIENCY

In 2018 we progressed further in our efforts to cut down on water, energy, paper and greenhouse gas emissions, and set targets for 2019 as follows:

**Water:** An information system has been in place since December 2012 to monitor and assess monthly consumption against monthly targets by location.

#### TARGET FOR 2019

reduce water consumption by **2.0%**  
(compared with the previous year)

#### TARGET FOR 2020

reduce water consumption by **2.5%**  
(compared with the previous year)

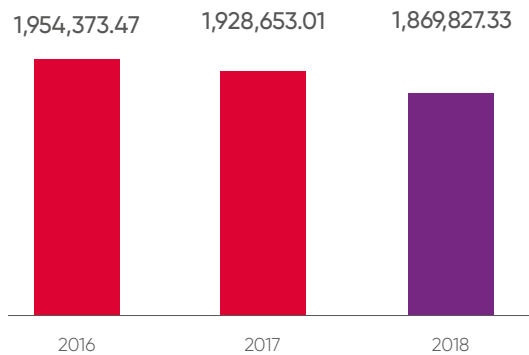


**Energy:** Bradesco's entire electricity requirement is sourced from the National Grid (SIN). This means that, wherever electricity is used and however it is measured (KWh or MJ), it is sourced from an energy mix combining both renewable and nonrenewable sources.

**TARGET FOR 2019**  
 reduce energy consumption by **3.7%**  
 (compared with the previous year)

**TARGET FOR 2020**  
 reduce energy consumption by **5.6%**  
 (compared with the previous year)

**ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)**



**Paper usage:** In 2018 we set a goal of reducing paper usage for printing by 5%. Through a range of initiatives, such as communication campaigns on conscientious consumption and using digital tools and internal processes, we successfully reduced paper usage by 7.7% in the year. For 2019 we set an ambitious target of reducing consumption by 20% Organization-wide.

**Greenhouse Gas (GHG) Emissions:** In 2018, when the GHG Protocol Brazil Program celebrated its 10<sup>th</sup> anniversary, Bradesco received a tribute as one of the founders of the program and for having continued to report on emissions in accordance with the Protocol since 2008. As part of our commitment to monitoring, mitigating and reducing emissions, Bradesco worked toward the following reduction targets in 2018: Scope 1 (1.0%), Scope 2 (4.7%) and Scope 3 (1.57%).

**CDP**

We have participated in the CDP Climate Change Program since 2006, including by disseminating information about climate change management. In 2018, Bradesco's practices received a "B" rating (Management level).

**Bradesco Seguros**

Bradesco Seguros donated more than 16,000 metric tons of car parts for recycling. In addition to recycling these materials, the Auto Recycling program provides a source of income for waste pickers and recyclers.

**READ MORE**

For details about our targets and information on our performance, visit [bradescosustentabilidade.com.br](http://bradescosustentabilidade.com.br)

## INDIRECT IMPACTS

Environmental aspects and climate change present both risks and opportunities for the business. As a financial services player, Bradesco's primary environmental impacts derive not directly from our operations, but indirectly from our clients and investments. Environmental conditions and impacts—including the effects of climate change—affect our clients' businesses as well as market dynamics and the legal and regulatory environment surrounding industries. They ultimately effect our own Organization and need to be better understood.

In 2018, Bradesco and 15 other major banks in different countries participated in a pioneering Working Group to implement the recommendations outlined by the Task Force on Climate-related Financial Disclosures (TCFD) within their lending portfolios. The initiative was led by UNEP FI, the financial arm of the UN Environment Program, and will allow financial institutions and investors to evaluate the extent to which companies are exposed to risks and opportunities related to climate change. The results from the project are reported at [unepfi.org](http://unepfi.org).

## TCFD: reporting

Bradesco is among the organizations supporting the Task Force on Climate-Related Financial Disclosures (TCFD), which has developed a set of financial-risk disclosures allowing financial institutions and investors to assess exposure to risks and opportunities related to climate change.

In 2017, Bradesco Asset Management (BRAM) signed a Statement of Support for the TCFD Recommendations,

affirming our commitment to promote the TCFD recommendations both among companies and among investors. BRAM has embedded social, environmental and corporate governance criteria aligned with the Principles of Responsible Investment (PRI) into its investment decisions.

In this report we provide information covering part of the new TCFD disclosure recommendations. The table below lists the content throughout this report.

### TCFD CONTENT INDEX

| GOVERNANCE                                | STRATEGY                                  | RISK MANAGEMENT               | METRICS AND TARGETS   |
|---|---|-------------------------------|---|
| PARTIALLY                                 | PARTIALLY                                 | PARTIALLY                     | PARTIALLY   |
| Risk governance                           | Emerging risks                            | Emerging risks                | Social and environmental risk                                   |
| Sustainability at BRAM                    | Business model                            | Risk governance               | Sustainability at BRAM  |
| Governance framework                      | Corporate strategy                        | Social and environmental risk | Environment management and climate change                       |
| Sustainability governance                 | A green and inclusive economy             | Sustainability at BRAM        | Environment and climate change management—products and services |
| Bradesco Seguros (sustainability)         | Environment management and climate change | Supplier relations            | Supplier relations  |
| Environment management and climate change | Supplier relations                        | -                             | -   |

## LENDING

Under our Social and Environmental Risk Standard, Bradesco's credit approval process includes processes for assessing and screening clients and suppliers for social and environmental risks. The screening process is supported by a dedicated team using appropriate assessment tools, including industry-specific screening checklists and geo-referencing tools (satellite imagery) showing the locations of Brazilian biomes, protected areas, indigenous lands, natural cavities, contaminated areas, biodiversity and other locations of interest. The result from the process is a social and environmental rating for the relevant client or supplier.

We have also been signatories of the Equator Principles since 2004, and we assess and take account of climate-change risks when funding covered projects.

In addition, we offer social and environmental credit lines using our own funds or onlending.

## HUMAN RIGHTS

Human rights matters are addressed at Bradesco through policies and standards that articulate our commitment to protecting and defending human rights, the Fundamental Principles and Rights at Work and the rights of children and adolescents.

In 2018 we developed a Corporate Human Rights Policy containing guidelines that are aligned with our broader policy framework.

Human rights are prominently addressed in our Code of Ethical Conduct and our Sustainability and Human Rights Policies, which contain guidelines on compliance with all applicable legal and regulatory requirements relating to workplace relations and on protecting human rights, children's rights, the Fundamental Principles and Rights at Work and other nationally and internationally recognized principles, standards and treaties.

Bradesco's human rights grievance mechanism reflects our concern for employees and other partners. Through our Social Responsibility function and its reporting channels, Human Resources receives and addresses reports on concerns and submits them to the Evaluation Group for referral to the persons responsible for defining solutions, which are then reported to executive bodies such as the Ethical Conduct Committee.

This framework is translated into processes and procedures on evaluating, monitoring and remediating human rights impacts. Since 2017, all transactions within the scope of our social and environmental risk assessments have been assessed for human rights aspects by monitoring the news media, including for transactions and/or projects requiring monitoring for environmental issues only.

## INTERNAL STAKEHOLDERS

Bradesco's Corporate Social Responsibility Management System (SGRSC) ensures we deliver on our commitment to protecting human rights and the Fundamental Principles and Rights at Work.

## ENVIRONMENTAL PRODUCTS

| SEGMENT        | PRODUCTS   |
|----------------|--|
| Lending        | DTC Solar Energy, DTC Solar Heater, DTC Water Recycling, DTC Gas Retrofit, Environmental and Forestry Working Capital, and Environmental Leasing |
| Investment     | Bradesco Prime FIC FIA Índice de Sustentabilidade Empresarial, Bradesco FIC FIA Governança Corporativa and Prime FIC FIA Governança Corporativa  |
| Affinity Cards | Partnerships with organizations such as Fundação Amazonas Sustentável (FAS) and Fundação SOS Mata Atlântica.                                     |

## SUPPLIERS

Human rights matters are addressed: during supplier due diligence, using a social and environmental responsibility questionnaire and social and environmental ratings; as part of the contracting process, by incorporating appropriate contract clauses; and for the duration of our relationship with suppliers, within the Bradesco Supply Chain Social and Environmental Responsibility Program.

## CLIENTS

Human rights management for customers is part of a broader social and environmental risk management framework. In addition to ensuring adherence to the Equator Principles, we have processes and tools in place to help identify, mitigate and monitor risks.

## COMMITMENTS

The complexity of human rights issues requires that our practices be continually reviewed and updated. Accordingly, in 2017 we revisited the internationally recognized human rights expressed in the United Nations

Universal Declaration of Human Rights and the two relevant international conventions. We identified the human rights risks affecting our operations to inform improvements to our processes, businesses and relationships with employees, customers and suppliers based on our commitment to: respecting and promoting diversity; safeguarding occupational health and safety; and combating child and slave labor, discrimination on the basis of gender, race, social status, culture, religion, sexual orientation and political beliefs; and bullying and sexual harassment.

### READ MORE

Learn about the basic guidelines in our Corporate Human Rights Policy at [banco.bradesco/ri](http://banco.bradesco/ri)





# Technology & Innovation

## Digital transformation

CAPITALS



SDG



STAKEHOLDERS





# Using agile and new technologies to enhance the customer experience

We have a history of pioneering new technology and innovation in the financial services industry and this has allowed us to anticipate the constant technological changes in today's world. This is paramount for Bradesco as a bank, with technology permeating and helping to ensure the sustainability of the business.

With a focus on enhancing the customer journey, we work to accelerate our innovation pipeline through internal development and strategic partnerships with the world's leading technology players. Bradesco has created a variety of internal programs to drive innovation and efficiency, such as hackathons, our Efficiency & Innovation (EI) Program and the *inovabra* program. These efforts have helped to build a comprehensive ecosystem of user-friendly, efficient and convenient platforms for all generations of users.

We have transformed our way of doing business by using state-of-the-art technology and agile methodology to understand different generations, age brackets and cultures. Bradesco's development model is centered on the user experience and is designed to fast-track the innovation process across development, prototyping and user testing. A group of specialists in different disciplines identifies and works to gain an understanding of new technologies, ecosystems, opportunities, risks, applications and potential business models emerging from innovations—such as Blockchain, a technology built around the concept of networking and sharing.

In 2018, especially good progress was made on adding new functionality and improv-

ing the user experience on our mobile app, which now accounts for more than 50% of transactions via digital channels. Buying currency has also been made easier, and can now be done using ATMs (*read more on p. 68*).

BIA (Bradesco Artificial Intelligence) engages with users, answers questions about products and services, and assists with transactions. BIA is integrated with Google Assistant and in 2018 was also deployed on WhatsApp. It can now provide answers about more than 83 Bradesco products and services.

In 2018...

**10.3 billion**

transactions via the Bradesco mobile app (across personal and business customers)

**73.2 million**

interactions with BIA (Bradesco Artificial Intelligence)

**17.3 million**

digital customers

# Innovation pillars

Technology is a primary business enabler and catalyst, and innovation is a key way in which we create value for customers by developing new products or business models, or by improving and simplifying our current processes.

Bradesco's technology strategy is based on three pillars:

## 1. Accelerating deployment of existing functionality

### ACCOUNT OPENING

Using our mobile app, customers can complete the entire process of opening an account, including document uploads, allowing customers to easily open accounts wherever they are.

### BIA

BIA (Bradesco Artificial Intelligence) engages with users, answers questions about products and services, and assists with transactions via our mobile app, providing a fast, autonomous and user-friendly way of finding information, for both customers and employees.

BIA is integrated with Google Assistant and in 2018 was deployed on WhatsApp. Customers can now view their account balance, credit



limits and recent transactions via WhatsApp, universalizing digital access to users' bank accounts.

### SMART ATMS

Bradesco's banknote auto feed from quick deposit system has continued to expand,

with more than 2,300 ATMs equipped to credit deposited cash to customers' accounts in real-time without using envelopes, and auto feed the banknotes back into cash cartridges for use in other customers' withdrawals, making the entire process more efficient.

### MEI PORTAL

Implemented in 2018, our MEI (Sole Proprietorship) Portal provides Bradesco customers and non-customers with a variety of information that can be useful for incipient businesses. The aim of the Portal is to offer financial and non-financial services needed routinely by sole proprietorship clients, as well as assisting them in running the business and developing as entrepreneurs. The MEI Portal is a one-stop platform for a range of services, benefits and information on formalizing a business.

### ATM 3.0

This project is developing a new ATM user experience with the option of having receipts sent by e-mail instead of being printed out. This will help to reduce printing and paper requirements.

### DIGITAL SERVICE PLATFORM (PAD)

This platform allows account managers to assist clients anywhere, anytime, on the go. It is a fully online platform with no back office.

### FAST DTC CAR LOANS

Bradesco has developed a mobile app that is integrated with the Bradesco Financiamentos back office and allows customers to obtain DTC car loans quickly, at lower costs, and with the same level of legal security. Customers can view and sign their contracts directly on Bradesco Financiamentos tablet screens. The solution captures the biometric signature data and a photo of the customer. These types of solutions have also eliminated paper usage and reduced contract storage costs, as well as providing an additional tool to prevent fraud.

## 2. Innovation targeting hyper-connected audiences

Next was created to supplement Bradesco's ecosystem of banking solutions. Rather than migrating existing Bradesco customers, our strategy is to reach out to a new and promising market of hyper connected users. Launched in 2017, Next was developed as a 100% digital platform that helps customers achieve their goals, manage their finances, and process their day-to-day transactions using practical, smart solutions that allow them to make financial decisions when and where they choose. It is also designed as a hub connecting with other digital platforms to create value and become a part of our customers' day-to-day routines. As of December 2018, Next had more than 500,000 active accounts. Our goal is to reach 1.5 million active accounts by year-end 2019.



Technology as a primary business enabler and catalyst, and innovation as a key way to create value for customers

**READ MORE**  
about NEXT at  
[next.me](http://next.me)



### 3. An increasingly innovative financial services platform



#### **INOVABRA**

The *inovabra* ecosystem was created to drive innovation within and outside the Organization through collaborations between Bradesco and companies, startups, investors and mentors to address challenges, respond to customers' changing needs, and secure the long-term sustainability of the business.

*Inovabra* provides the ideal platform for sharing business insights, materializing fintech innovation, developing partnerships, and accelerating research into disruptive solutions. By combining all of these into a single formula, *inovabra* has quickly become a powerful, strategic driver for our innovation efforts, accelerating progress and further extending the broad-ranging benefits for participants in the ecosystem. The platform comprises the following programs:

#### **INOVABRA CENTERS**

Created in 2012, *inovabra* centers is an internal innovation program that stimulates creativity and entrepreneurship in our employees by disseminating a culture of innovation across the Organization. Innovation projects are prioritized, structured and managed from conceptual design, through business model development and validation, to market launch.

The program brings together more than 100 employees from different business functions, who interact with each other and with external startups with a focus on developing innovative solutions to improve the customer experience.

#### **INOVABRA STARTUPS**

Launched in 2014, *inovabra startups* is an open innovation program designed to support strategic partnerships between Bradesco and startups offering solutions that can be applied or adapted to financial and non-financial services offered or used at Bradesco. The program provides startups with the opportunity to work with real-world customers, tests solutions and build scale.

In its four annual editions to date, the program has received more than 3,200 entries. In July 2018 the program switched from annual to monthly, and entries are now accepted at any time at [inovabra.com.br](http://inovabra.com.br).

#### **INOVABRA VENTURES**

*inovabra* ventures is a private equity fund launched in 2016, and currently has R\$ 200 million in available funding. The fund is managed by Bradesco's Private Equity department and invests in startups developing innovative technologies and/or business models. *Inovabra* ventures helps to lift startup valuations and develop an entrepreneurial environment, especially where solutions are being developed to address our clients' needs.

#### **INOVABRA ARTIFICIAL INTELLIGENCE**

This program is responsible for developing Artificial Intelligence strategy and applications at Bradesco. It is led by a multidisciplinary team of data scientists and natural language experts at the Bradesco Center of Excellence for Artificial Intelligence.

Eight programs form *inovabra*, an ecosystem designed to foster innovation both within and outside Bradesco

### **INOVABRA HUB**

In 2017 we launched this digital collaborative platform to seamlessly connect players in Brazil's entrepreneurship and innovation ecosystem. Companies, startups, and entrepreneurs and innovation professionals can view content, share experience and do business.

More than 5,000 users, including 1,100 startups, have access to *inovabra* hub at [inovabra.com.br](http://inovabra.com.br).

### **INOVABRA LAB**

Opened in late 2017, *inovabra* lab is a 1,700 square-meter facility at the Bradesco campus in Alphaville that houses 16 technology laboratories designed to operate within a collaborative working model alongside large technology partners co-hosted within the environment. This approach drives operational efficiencies by optimizing and accelerating the assessment and certification of new technologies (hardware and software), prototyping, experimentation, proofs of concept, product launches and solutions to new challenges. It also provides optimal connectivity between business functions and IT departments and technology partners and brings the Organization closer to emerging frontier technologies.

### **INOVABRA INTERNATIONAL**

In early 2018 we launched *inovabra* international, a program structured within a New York-based innovation environment and with links to London to provide an observatory of the innovation ecosystem and global startup activity.

A dedicated team of employees works in a collaborative environment, in partnership with a specialized firm, to identify solutions that can create value for the business, and to monitor emerging technologies and consumer trends.

**3,200+**  
*inovabra* startup entries

**1,500+**  
people working collaboratively

**5,000+**  
*inovabra* users

**R\$200+**  
**million**  
available for private equity investment

### **INOVABRA HABITAT**

In February 2018 Bradesco launched *inovabra* habitat, a building measuring more than 22,000 square meters in area, situated squarely in São Paulo's innovation and cultural hub (between Avenida Angélica and Rua Consolação, near Avenida Paulista), where large corporates, startups, investors and mentors work collaboratively to co-innovate and develop business opportunities.

In just a short space of time, *inovabra* habitat now has more than 180 resident startups and 60 corporates, with a total of 1,500 people working collaboratively to innovate. In addition to driving entrepreneurship and a culture of innovation in organizations, habitat will support Brazil's aspirations to take a leading position in global innovation.

#### **READ MORE**

Visit [www.inovabra.com.br](http://www.inovabra.com.br)

# Stakeholders

## Lasting relationships

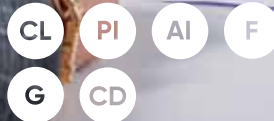
### CAPITALS



### SDG



### STAKEHOLDERS





# Bradesco builds close relationships with stakeholders through initiatives that create value and support development to achieve sustainability



## People Management

### FOSTERING DEVELOPMENT

Our recognition of the value of people's potential and performance is at the backbone of our business.

Bradesco's human resources management model fosters excellence, respect and transparency in our relationships, continual investment in development, knowledge sharing, and recognition of human value without discrimination.

We believe in our ability to support sustainable growth for people—and through them. We provide our employees with opportunities for continual professional and personal development, in a healthy, safe and ethical environment in which they have clarity on Bradesco's commitments and goals.

### OUR CULTURE

We seek through our example and culture to inspire, support and collaborate with employees in forming and understanding their personal beliefs and values. When those beliefs and values are shared, they help to create a purpose.

Bradesco believes that outstanding results are achieved when efforts are aligned with both individual values and purposes and the Organization's broader strategy. This, combined with employees' individual ownership of their careers, drives action and encour-

ages employees to pursue their dreams and tackle their day-to-day challenges.

We encourage employees to stretch their limits and leverage their creativity to develop solutions both to maximize their own fulfillment and to drive customer satisfaction and the growth of the business.

Our People Management team works to understand employees' individual profiles to ensure they are assigned roles for which they are best suited and receive appropriate individual and team training.

Using appropriate methodologies, we conduct detailed assessments of the skills and performance of our staff.

Based on the inputs provided by these assessments, the Human Resources Department works with team leaders to develop initiatives that help employees design to their full potential and improve their individual performance. These inputs are also used in: succession planning; developing learning solutions; providing continuous feedback to inform individual development plans that motivate employees to take on new challenges; and in talent engagement initiatives.

Behavioral assessments—in which leaders assess their reports and employees assess themselves—provide feedback with a focus

on development, recognition and alignment. These assessments are an opportunity for employees to think about their skill sets, and for leaders to think about how their reports have performed. The Performance Assessment process covers 100% of our workforce and helps to align team efforts towards a shared direction and goals.

In addition to participating in the performance assessment process, commercial teams also attend an annual event designed not only to build strategic alignment, but also to provide recognition to individuals and teams who showed outstanding performance in the previous year. This event is called the Bradesco Objectives Program (POBJ).

In 2017 a new succession methodology was put into place in which critical positions are first defined and potential successors are then identified through a joint assessment process. This methodology is designed to develop a pool of talent with the capability to take on more complex responsibilities, and further delivers on our commitment to

Our workforce of more than 98,000 people delivers outstanding results by aligning efforts with both individual values and purposes and the Organization's broader strategy

sourcing talent from within the Organization as a way of contributing to sustainability. This will also ensure we maintain a continuing focus on innovation, competitiveness and realizing our employees' full potential.





# Recognition

We recognize that people are one of the primary reasons for our success. We provide our employees with an ethical, healthy and safe environment that supports their personal and professional development.

Reflecting this, in 2018 Bradesco was again voted one of the best workplaces in Brazil in a survey by the Great Place To Work Institute (GPTW) published in *Época Negócios*.

GPTW also ranked Bradesco fourth among the best places to work in the Barueri metropolitan area. Bradesco Seguros ranked fifth in this regional ranking.

In 2018 we were named to the Best Places to Work list and, for the seventh consecutive year, we made the list of Best Companies for Career Beginnings, based on a survey involving young adults under 26. Both lists were developed by FIA and published by *Você S/A*.

In 2018 we were also featured in the *Valor Carreira* Best in People Management survey by *Valor Econômico*.

Bradesco was presented with an award in the Gold Category for Management Excellence in the National Quality of Life Awards, organized by the Brazilian Quality of Life Association. This award is based on the principles of the National Quality Foundation's Management Excellence Framework, which has been adapted from the Quality of Life Program objectives and the WHO Healthy Workplace Framework and Model.

Another significant achievement was a first-place standing among local and international companies in the Accessibility category of the second edition of the Good Practices of Employability for Workers with Disability awards. The winning case study discussed our inclusive culture and commitment to eliminating physical and attitudinal barriers for all stakeholders. The award ceremony—organized by the Office of the São Paulo State Secretary for the Rights of People with Disabilities and the São Paulo State Center for Technology and Innovation, in partnership with the United Nations and the Permanent Mission of Brazil to the UN—was held on

International Day of Persons with Disabilities, December 3, at the UN headquarters in New York.

In 2018 we were also named Company of the Year for Corporate Citizenship, we were recognized as one of the Companies Most Admired by HR Professionals, and we were awarded as one of the Top Companies for Human & Organizational Development, in a survey conducted and published by consulting firm Gestão RH.

Our goal in participating in these processes is to foster the openness, respect and trust needed to provide a motivating and challenging organizational climate, and identify opportunities to improve our practices. The recognition we have earned in a broad range of rankings, recognition processes, surveys and studies in recent years shows we are on the right track.

By developing talent through professional training, supporting education and providing a fair and dynamic organizational structure, we provide the conditions needed for each employee to thrive and build a solid career under an employee policy based on respect and recognition.



## ***move caronas!***

Our *move caronas* ride sharing program was launched to connect employees commuting to and from Bradesco's headquarters



## Our suppliers

We foster transparent commercial relations with domestic and global suppliers of different sizes and in different industries. Suppliers are important to our strategy and to maintaining high standards of quality, innovation and efficiency in every process.

To improve their understanding of our policy, we provide tutorials, codes of conduct, and information on social and environmental responsibility—one of the priority criteria against which prospective partners are assessed.

Bradesco's relations with suppliers are governed by our Procurement Policy, Procurement Code of Ethics, Sustainability Policy, Anti-corruption Policy and the B3 Business Sustainability Index (ISE) and Dow Jones Sustainability Index (DJSI) guidelines.

These guidelines are followed at each step of the supplier management process (prospecting, approval, and social and environmental performance screening) as a way to

continually develop our supply chain.

In 2018 we approved 746 new vendors and developed three major projects to improve our supply chain management processes: Supplier Performance Assessment, enhancements to the Bradesco Supply Chain Social Responsibility Program (PBRSA CS) and Social & Environmental Ratings.

### Engagement

We have conducted Bradesco Supplier Meetings annually for the past 12 years, in which we share information about supporting initiatives and provide guidance on social and environmental responsibility to our suppliers. These events are an opportunity to increase engagement and to provide a comprehensive understanding of the importance that Bradesco attaches to sustainability.

### READ MORE

Visit our supplier portal at [bradescofornecedores.com.br](http://bradescofornecedores.com.br)



# Customer Relations

## DELIVERING THE BEST POSSIBLE EXPERIENCE

We recognize that customers are the reason we exist, and work continually to improve our service so that it is responsive to customers' needs, the stage they are at in their lifecycle, their goals, and their plans—and supports their life achievements.

We serve customers of all profiles with the same dedication to excellence, and our high-quality, diversified network of service channels is among the differentiators of our business model. We want to provide democratic access to banking products and services as a way of supporting financial inclusion, bankarization, entrepreneurship, and social mobility. These values also extend to non-checking account customers using one or more of our products and services.

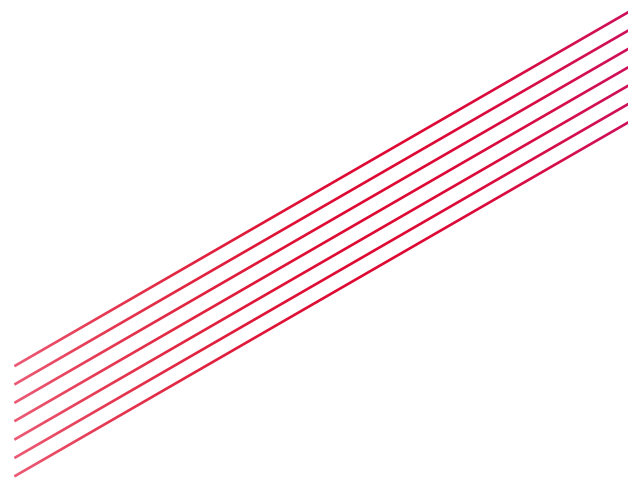
As an example of how we respond to the changing needs of each profile and continually improve our management model, we recently implemented a reorganization of our approach to serving Corporate and Business customers. The reorganization will create greater value for these customers by ensuring they are served by highly capable, high-performance teams, while also optimizing commercial relationships and structures and enhancing business growth and return on capital in these segments (*read more on p. 18*).

In all segments, teams receive training on best practices and the importance of ethical business conduct and providing timely, transparent and accurate information to improve sales. Team performance is further enhanced by financial education, information about customer profiles and a continuing drive to achieve excellence in service.

## Service channels

In addition to our extensive, country-wide branch network, we provide customers with the following digital channels:

- *Bradesco Celular*
- Internet Banking
- Social media
- Self service
- *Fone Fácil*



## UNDERSTANDING CUSTOMERS' NEEDS

### SMART

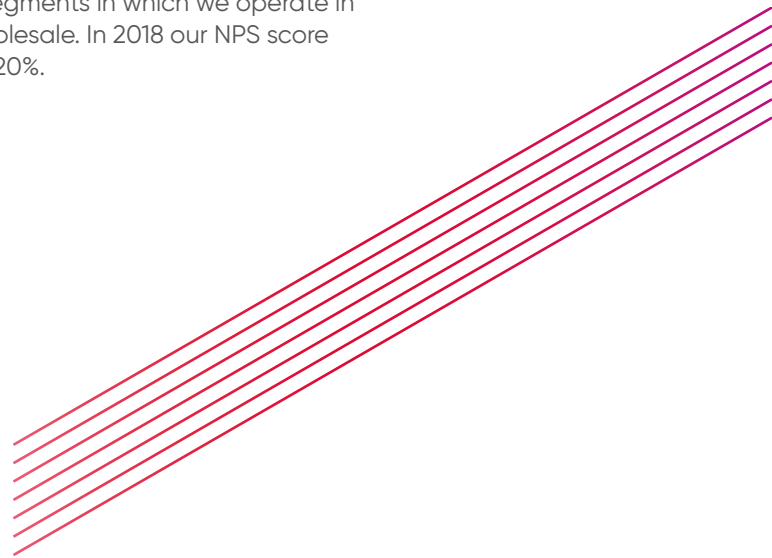
We recently implemented a new customer relationship platform—Smart—at all branches and service points. Smart is a user-friendly, easy-to-navigate tool for managers to identify clients' propensity to buy, understand their circumstances, and determine whether they are investors or borrowers and what their day-to-day needs are. The platform provides a snapshot of a customer's relationship with Bradesco, including their digital engagement, consumer profile, and other information.

Smart feeds CRM-generated leads to managers as a basis for commercial operations at Bradesco branches, and has been increasingly accessed and used to provide customized, transparent and targeted offers to our customers.

### SATISFACTION SURVEY

We systematically conduct surveys to measure our customers' and competitors' perceptions. The methodology we use is Net Promoter Score (NPS), which measures the degree of satisfaction with and loyalty to Bradesco, our service channels, and our products and services. The survey results are

used to inform Bradesco's efforts to continually improve our relations with customers. The survey has country-wide coverage and includes all segments in which we operate in retail and wholesale. In 2018 our NPS score improved by 20%.



## Greater convenience in purchasing currency

Customers with registered biometric data, Tokens or Mtokens can now purchase dollars or euros at one of the 153 equipped ATMs.

The transaction is fast and simple, and can be made with or without a debit card.

# 20%

improvement in customer satisfaction in 2018 (as measured by the NPS (Net Promoter Score) method)

Bradesco uses a tool to provide customized offers of products and services to our customers

## SOCIAL MEDIA

Social media are an efficient tool for creating genuine and lasting connections with diverse communities. We use language suited for the social media environment and publish content produced by Bradesco or co-created with independent authors (youtubers, bloggers, artists, etc.).

## #2019FaçaAcontecer

Our year-end campaign #2019FaçaAcontecer earned us the no. 1 spot in the AdForum Top 5 ranking—a selection of the week's best ads and campaigns—for Christmas week

**5.2**  
million  
followers

**5.4**  
million  
likes





# Interaction with Shareholders and Investors

## CLARITY IN COMMUNICATION

Our commitment to transparency, democratic access to information, timely disclosure and adhering to best practice is continually reinforced by Bradesco's Market Relations Department. The department is responsible for providing information, insights and strategies to the financial community and supporting investors in making better-informed decisions about investing in Bradesco's shares and valuating shares at fair market value. The IR team's duties also include keeping senior management informed of market perceptions of our performance.

In 2018 we organized a total of 222 events with local and international investors including conferences, meetings, conference calls and company presentations, with a total of 1,633 attending investors. Bradesco APIMEC

meetings were also held in Rio de Janeiro, São Paulo, Belo Horizonte, Porto Alegre and Brasília, reaching a total audience of 1,718 people both in person and via podcasts in English and Portuguese with Brazilian sign language interpretation. These events are held to share information about Bradesco's key figures, strategies and outlook.

In 2018 we made important progress in improving our strategic communications: we reformulated our Investor Relations website and held Bradesco Day, a Closing Bell ceremony at the New York Stock Exchange, and Insurance Day at Bradesco Seguros.

## IR website revamped

We reformulated our Investor Relations website in 2018 to make information searches more dynamic and intuitive. The online environment also provides access to the same content from different devices.

Visit the new and improved website at [banco.bradesco/ri](http://banco.bradesco/ri).

### READ MORE

Our Corporate Financial Reporting Policy is available on our investor relations website

## Our value

Bradesco's market capitalization was **R\$ 242.6 billion** at year-end 2018, the equivalent of **twice** the value of our equity, which stood at **R\$ 121.1 billion**. Market capitalization is calculated based on the price at which our shares are traded on stock exchanges and also reflects intangibles recognized by investors and other stakeholders

## Regulator Relations

The operations of financial institutions and insurance companies in Brazil are regulated by the government. At Bradesco we have a series of policies in place on compliance with applicable laws and regulations. To improve the consistency and comprehensiveness of our regulator relations processes, the Compliance, Conduct & Ethics Department (DCCE) has created a Corporate Compliance Policy and updated our Regulatory Compliance Standard to improve our approach to assessing compliance with regulator or self-regulator requirements.

The DCCE supports the Board of Directors and the Executive Board in managing our Corporate Compliance Program, enforcing compliance across our businesses and ensuring our product offering conforms to applicable local and international laws and regulations and the industry standards to which we have subscribed. It is also responsible for managing responses to requests from regulators.

## Our Commitment to Society

### DEVELOPMENT AND FINANCIAL SUSTAINABILITY

Bradesco's extensive presence in all Brazilian municipalities enhances our relations with communities and engagement with people of all social classes and regions, with a wide range of economic profiles. We make an effort to support financial inclusion by creating diverse products and services, offering both physical and digital channels, and providing financial education.

In social media, Bradesco publishes a range of videos and clips about the subject, addressing real-world issues with guest economics experts. An example is the series "*Finanças é Mara*" with journalist and personal finance specialist Mara Luquet.

We also offer and have expanded our suite of learning solutions for employees to improve their skills in assisting customers using our different service channels. In addition, our users have access to guides, handbooks, book recommendations, and an online calculator for financial management.

We support financial inclusion by creating diverse products and services, offering both physical and digital channels, and providing financial education

# Financial Inclusion and Education

Sharing our financial expertise is one way we support social and economic development while also enhancing our relations with partners, customers and non-checking account customers. We see financial education and inclusion as a strategic imperative. Bradesco is committed to contributing to people's access to the financial system and credit, as a matter of citizenship.

One way we achieve this is through our Financial Education Portal, which is open to the general public and provides users with information about good budget management practices and products and services, with no commercial undertone. The Portal provides more than 20 free courses, including Business Planning and Budgeting, Financial Mathematics, Personal Finances and Energy Savings. Since implementation, the Portal has received more than 1.6 million visits. In 2018 there were 222,000 visits. Another available education channel is our *Saber para Crescer* (Learning to Grow) Facebook page and blog, which has more than 515,000 fans. Yet another initiative is our MEI Portal, which provides customers and non-customers with a variety of information that can be useful for incipient businesses (read more on p. 58 and 74).

## READ MORE

Visit our of financial education portal

## ACCESSIBILITY

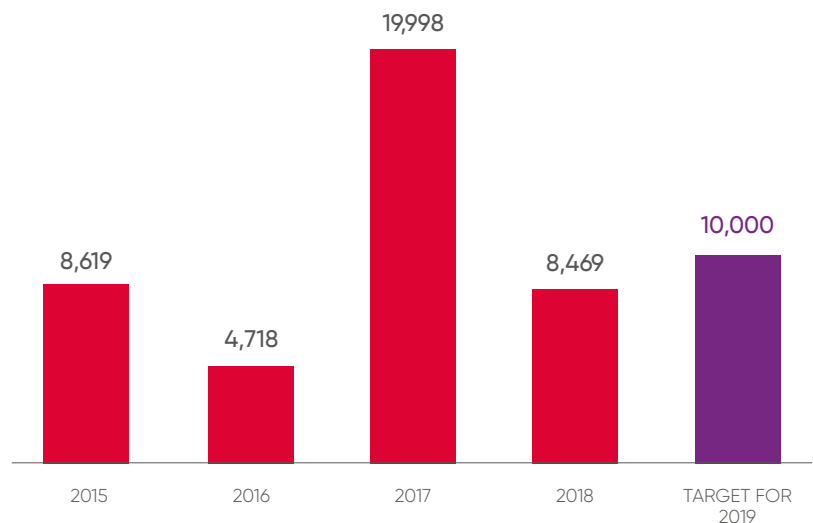
We first launched accessibility solutions for people with disabilities in 1998, offering a range of innovative and free-to-use tools. Bradesco provides banking functionality that helps customers with hearing, physical, visual and intellectual disabilities to be more self-sufficient and independent. Some examples include: virtual mouse technology, virtual vision technology, tutorials in sign language, welcome kits in Braille, large-font text, WebLibras on our homepage, and withdrawals in Brazilian Sign Language with assistance from our innovative Bradesco Digital Interpreter, called Íris. In 2018 we implemented a number of initiatives aimed at strengthening relations with the hearing impaired community.

## Supporting initiatives

We are a member of the Brazilian Bank Federation (FEBRABAN) Financial Education Working Group, which is developing a harmonized model to measure customers' financial health, in order to inform initiatives to promote better management of personal finances and better use of banking products by Brazilians.

We also support the Brazilian Financial Education Association (AEF) in related initiatives in Brazil, with a focus on developing social and educational technologies.

## EMPLOYEES TRAINED IN FINANCIAL EDUCATION COURSES





## Regional events

Bradesco organized 311 Regional Financial Education Events in 2018 in underdeveloped locations where banking service is provided through PAs and/or correspondent banks. These events feature lectures on responsible borrowing and other products and services, and about managing personal finances. During the year, more than 13,000 people attended lectures presented by the Bradesco Expresso commercial team. In many presentations, booklets with financial advice were distributed to participants. Since the program was implemented in 2010, more than 68,000 people have attended the lectures.

We are the only private member in the financial industry of the Working Groups for Local Productive Arrangements

### PRODUCTS AND SERVICES

Bradesco is the only private member in the financial industry of the Working Groups for Local Productive Arrangements (APLs), which are formed by 40 public institutions and led by the Ministry of Industry, Foreign Trade and Services (MDIC). We are active in 423 APLs, in 1,543 municipalities, spanning 57 industries and serving more than 40,000 companies country-wide.

In 2016, our membership led to an agreement with a bank syndicate and the World Bank's International Finance Corporation (IFC) to offer a financing package exclusively for small and medium enterprises within APLs. We have also launched specific products such as credit facilities, inventory replenishment and microcredit, among other products, specifically designed for companies within Local Production Arrangements.

At year-end 2018 Bradesco raised a three-year US\$ 300 million financing package from the IFC to expand our credit portfolio for micro, small, and medium enterprises operating within APLs.

### NUMBER OF EVENTS AND ATTENDANCES

|   | 2015  | 2016   | 2017   | 2018   | Target for 2019        |
|---|-------|--------|--------|--------|------------------------|
| Events                                  | 300   | 319    | 312    | 311    | 320                    |
| Participants                            | 8,000 | 13,500 | 15,917 | 13,161 | 16,000                 |
|   | 2015  | 2016   | 2017   | 2018   | Change 2017/2018 %p.a. |
| Average participants per regional event | 26    | 42     | 51     | 42     | –                      |



# Products and services providing financial inclusion

## **AACD Card**

A portion of annuities is donated to charities.

## **University Account**

These accounts can be opened without proof of income and provide exclusive products and services.

## **Poupa Troco**

This product helps customers build savings without realizing it by rounding up checking account debits to the nearest Real and placing the difference, plus a pre-fixed margin, into a savings account.

## **Membership Rewards Program**

Customers can donate points to charitable organizations, allowing them to contribute to social and environmental projects.

## **Click Conta Bradesco**

This product includes financial education guidance for young customers aged up to 17 years, who can use it to receive their monthly allowance from their parents or other sources.

## **Bradesco First Protection**

This product provides coverage for personal accidents at a monthly cost of R\$ 5.50 with individual funeral coverage.

## **Losango Personal Protection Micro-insurance**

Includes coverage for involuntary unemployment, permanent invalidity due to injury and accidental death. This product can be purchased at Losango partner stores.

## **Double Protection Microinsurance**

The first micro-insurance policy authorized by SUSEP. Coverage includes residential fire, plus individual funeral expenses.

## **Bradesco SOS Mata Atlântica Cards**

This product provides education and knowledge about the Atlantic Rainforest biome, mobilizing, training and encouraging people to exercise social and environmental citizenship.

## **Bradesco Fundação Amazonas Sustentável Cards**

This product promotes sustainable engagement, environmental preservation and quality of life in riverside communities in Amazonas.

## **Mobile device access**

We were among the first financial institutions to provide free access for customers to make transactions and view their account balances on the Bradesco app without being charged from their mobile data package.

## **Floating branch**

The *Voyager V* travels a 1,600 kilometer route between Manaus and Tabatinga, in the State of Amazonas, in a 15-day round-trip voyage touring 11 municipalities and 50 communities with a total population of 250,000 people, mostly indigenous, who previously had no access to financial services.

## **Bradesco Expresso**

Two Bradesco Expresso units operate in remote locations within protected areas in the Amazon, in partnership with Fundação Amazonas Sustentável, benefiting 4,000 people with banking and account opening services in an area greater than 1 million hectares.

## **MEI Portal**

The MEI Portal provides free information to sole proprietors, including both Bradesco customers and non-customers, to help them get their business running.

## **SUPPORTING DEVELOPMENT**

We have implemented a wide range of social, sporting and cultural initiatives that promote development in the communities where we operate.

Some of the most significant initiatives in 2018 include:

### **EDUCATION PROGRAM**

Approximately 400 children and adolescents at children's shelters in the metropolitan area of Curitiba participate in free educational activities supplementary to regular school activities. In partnership with local suppliers and with support from the local government, Bradesco offers health care, supplementary Portuguese and mathematics lessons, and music appreciation and choir singing lessons, which are also open to municipal school students.

At the end of the year, these children star in the Bradesco Christmas Pageant through the windows of the historical building *Palácio Avenida*, which houses our offices and branch.

## **PARCERIA FUNDAÇÃO AMAZONAS SUSTENTÁVEL – DICARA PROJECT**

Fundação Amazonas Sustentável's (FAS) mission is to protect the Atlantic Rainforest and offer quality of life to communities in the region. In 10 years of activities, FAS has developed an ecosystem services compensation program that has become a global benchmark for poverty reduction and environmental preservation in forest areas.

One example is DICARA, a project funded by the Municipal Fund for the Rights of Children and Adolescents that supports the integral development of children and adolescents in riverside communities in the Amazon, providing first-time access to information technology, music, recreational activities, basic civic engagement advice and health care.

Since 2014, with support from Bradesco and other partners, the initiative has benefited more than 2,000 children and adolescents in 134 riverine Amazon communities.

The DICARA project, in partnership with Fundação Amazonas Sustentável, has benefited more than 2,000 children and adolescents in 134 riverine Amazon communities

# Fundação Bradesco

Bradesco's social outreach activities are primarily undertaken through Fundação Bradesco, which for more than six decades has invested in education for the benefit of the regions where we operate, providing free, high-quality education to children, adolescents and adults.

Foundation activities are based on the principle that education is the key to equal opportunities and personal and collective fulfillment, and helps to build a transformational, productive and dignified society. A total of 40 Foundation-run schools are present primarily in severely underdeveloped areas in every state of Brazil and in the Federal District. In 2018, more than 94,000 students were benefited by social programs run by the Foundation.

Fundação Bradesco is headquartered in Cidade de Deus, Osasco (SP). In all, the Foundation employs more than 3,000 people, of which 1,700 are teachers, instructors, and coordinators.

The Foundation works across the education spectrum from early childhood education through secondary education to associate-level professional education. It also provides young adult education and initial and continuing education, promoting entrepreneurship, employability and income opportunities in our communities. Our schools have a full range of educational, administrative and technological support from the Foundation, as well as a Virtual School on the Foundation's distance-learning portal.

## READ MORE

To learn more about Fundação Bradesco, visit: <https://fundacao.bradesco/>



STAKEHOLDERS

# Sustainable architecture

The new dormitory complex at the Fazenda Canuanã school in the municipality of Formoso do Araguaia (TO), which has been supported by Fundação Bradesco for the past 45 years and currently has 860 students, was a winner in the Royal Institute of British Architects (RIBA) Awards. The building was also recognized in ArchDaily's Building of The Year awards as the best building in the Educational Architecture category, as well as receiving other awards.



## OUR HIGHLIGHTS

**94,000+**  
students benefited

More than  
**90**  
free online courses

**789,000+**  
Virtual School students

**1,700**  
teachers, instructors and coordinators

**R\$ 606.9**  
million  
invested in 2018

# Governance Bodies

As of: 1/28/2019

## BOARD OF DIRECTORS

### CHAIRMAN

Luiz Carlos Trabuco Cappi

### VICE-CHAIRMAN

Carlos Alberto Rodrigues Guilherme

### MEMBERS

- Denise Aguiar Alvarez
- João Aguiar Alvarez
- Milton Matsumoto
- Alexandre da Silva Glüher
- Josué Augusto Pancini
- Maurício Machado de Minas

## BOARD OF EXECUTIVE OFFICERS

### EXECUTIVE OFFICERS

#### Chief Executive Officer

Octavio de Lazari Junior

#### Executive Vice-Presidents

- Marcelo de Araújo Noronha
- André Rodrigues Cano
- Cassiano Ricardo Scarpelli
- Eurico Ramos Fabri

#### Managing Officers

- Moacir Nachbar Junior
- Renato Eijnisman
- Walkiria Schirrmeister Marchetti
- Guilherme Muller Leal
- Rogério Pedro Câmara
- João Carlos Gomes da Silva
- Bruno D'Ávila Melo Boetger

#### Deputy Officers

- Luiz Carlos Brandão Cavalcanti Junior
- Glaucimor Peticov
- José Ramos Rocha Neto
- Antonio José da Barbara
- Edson Marcelo Moreto
- José Sérgio Bordin
- Leandro de Miranda Araujo\*
- Roberto de Jesus Paris

#### Department Officers

- Alessandro Décio Farkuh\*
- Amilton Nieto
- André Bernardino da Cruz Filho
- André Ferreira Gomes
- Antonio Carlos Melhado
- Antonio Daissuke Tokuriki
- Antonio Gualberto Diniz
- Carlos Wagner Firetti
- Clayton Camacho
- Edilson Dias dos Reis
- Edilson Wiggers
- Fernando Antônio Tenório
- Fernando Freiburger

- Fernando Honorato Barbosa
- Frederico William Wolf
- João Albino Winkelmann
- José Gomes Fernandes
- Julio Cardoso Paixão
- Klayton Tomaz dos Santos
- Layette Lamartine Azevedo Júnior
- Leandro José Diniz
- Lucio Rideki Takahama
- Manoel Guedes de Araujo Neto
- Marcelo Frontini
- Marcelo Santos Dall'Occo
- Marcio Henrique Araujo Parizotto
- Marcos Aparecido Galende
- Marlos Francisco de Souza Araujo
- Mauricio Gomes Maciel
- Oswaldo Tadeu Fernandes
- Paulo Aparecido dos Santos
- Paulo Eduardo Waack
- Roberto Medeiros Paula
- Waldemar Ruggiero Júnior

### Officers

- Albert Adell Roso
- Alexandre Cesar Pinheiro Quercia
- Alexandre Panico\*
- Antranik Haroutiounian
- Carlos Alberto Alástico
- Carlos Henrique Villela Pedras
- Carlos Leibowicz
- Edmir José Domingues
- Gilvandro Matos Silva
- Jeferson Ricardo Garcia Honorato\*
- Jefferson Ricardo Romon
- José Augusto Ramalho Miranda
- José Leandro Borges\*
- Marcos Antônio Martins
- Nairo José Martinelli Vidal Júnior
- Nilton Pereira dos Santos Junior
- Roberto França
- Romero Gomes de Albuquerque
- Ruy Celso Rosa Filho\*
- Victor Rosa Marinho de Queiroz

### Regional Officers

- Ademir Aparecido Correa Junior
- Alberto do Nascimento Lemos
- Almir Rocha
- Altair Luiz Guarda
- Altair Naumann
- Amadeu Emilio Suter Neto
- César Cabús Berenguer Silvano
- Delvair Fidêncio de Lima
- Francisco Henrique França Fernandes
- Geraldo Dias Pacheco
- João Pedro da Silva Villela
- Joel Queiroz de Lima
- José Flávio Ferreira Clemente
- José Roberto Guzela
- Luís Francisco da Silva Júnior
- Marcos Daniel Boll\*
- Nelson Veiga Neto
- Osmar Sanches Biscuola
- Paulo Roberto Andrade de Aguiar
- Telma Maria dos Santos Calura\*

## COMMITTEES ADVISING THE BOARD OF DIRECTORS

### STATUTORY COMMITTEES

#### Audit Committee

- Milton Matsumoto (Coordinator)
- Paulo Roberto Simões da Cunha (Financial Expert)
- Wilson Antonio Salmeron Gutierrez
- Paulo Ricardo Satyro Bianchin

#### Remuneration Committee

- Luiz Carlos Trabuço Cappi (Coordinator)
- Carlos Alberto Rodrigues Guilherme
- Milton Matsumoto
- Valdirene Soares Secato (non-management member)

### NON-STATUTORY COMMITTEES

#### Internal Controls & Compliance

- Carlos Alberto Rodrigues Guilherme (Coordinator)
- Milton Matsumoto
- Alexandre da Silva Glüher
- Josué Augusto Pancini
- Maurício Machado de Minas
- Marcelo de Araújo Noronha
- André Rodrigues Cano
- Moacir Nachbar Junior
- Clayton Camacho
- Edilson Wiggers
- Frederico William Wolf
- Marlos Francisco de Souza Araujo

#### Ethics Committee

- Carlos Alberto Rodrigues Guilherme (Coordinator)
- Milton Matsumoto
- Alexandre da Silva Glüher
- Josué Augusto Pancini
- Maurício Machado de Minas
- Octavio de Lazari Junior
- Marcelo de Araújo Noronha
- André Rodrigues Cano
- Glaucimar Peticov
- Clayton Camacho
- Edilson Wiggers
- Frederico William Wolf
- Nairo José Martinelli Vidal Júnior

#### Integrated Risk Management & Capital Allocation Committee

- André Rodrigues Cano (Coordinator)
- Alexandre da Silva Glüher
- Josué Augusto Pancini
- Maurício Machado de Minas
- Marcelo de Araújo Noronha
- Cassiano Ricardo Scarpelli
- Eurico Ramos Fabri
- Moacir Nachbar Junior
- Vinicius José de Almeida Albernaz
- Marlos Francisco de Souza Araujo

#### Risk Committee

- Alexandre da Silva Glüher (Coordinator)
- Carlos Alberto Rodrigues Guilherme
- André Rodrigues Cano

#### Succession and Nomination Committee

- Luiz Carlos Trabuço Cappi (Coordinator)
- Carlos Alberto Rodrigues Guilherme
- Milton Matsumoto
- Octavio de Lazari Junior
- André Rodrigues Cano
- Glaucimar Peticov

#### Sustainability & Diversity Committee

- Luiz Carlos Trabuço Cappi (Coordinator)
- Carlos Alberto Rodrigues Guilherme
- Milton Matsumoto
- Alexandre da Silva Glüher
- Josué Augusto Pancini
- Maurício Machado de Minas
- Octavio de Lazari Junior
- Marcelo de Araújo Noronha
- André Rodrigues Cano
- Eurico Ramos Fabri
- Moacir Nachbar Junior
- Glaucimar Peticov
- Marcos Aparecido Galende

### COMMITTEE ADVISING THE CEO

#### Executive Disclosure Committee

- Leandro de Miranda Araujo (Coordinator)
- Octavio de Lazari Junior
- Marcelo de Araújo Noronha
- André Rodrigues Cano
- Cassiano Ricardo Scarpelli
- Eurico Ramos Fabri
- Moacir Nachbar Junior
- Antonio José de Barbara
- Carlos Wagner Firetti
- Marcelo Santos Dall'Occo
- Marcos Aparecido Galende
- Oswaldo Tadeu Fernandes
- Antonio Campanha Junior
- Vinicius José de Almeida Albernaz
- Haydewaldo Roberto Chamberlain da Costa

### FISCAL COUNCIL

#### Members

- Ariovaldo Pereira (Coordinator)
- Domingos Aparecido Maia
- José Maria Soares Nunes
- João Carlos de Oliveira
- Walter Luis Bernardes Albertoni

#### Substitutes

- Jorge Tadeu Pinto de Figueiredo
- Nilson Pinhal
- Renaud Roberto Teixeira
- Reginaldo Ferreira Alexandre

#### Ombudsman's Department

Nairo José Martinelli Vidal Júnior (Ombudsman)

\*Currently being ratified by BACEN.



# Independent auditor's limited assurance report

To the  
Shareholders and Board of Directors of Banco Bradesco S.A.  
Osasco – SP

## **Independent Limited Assurance Report for Banco Bradesco S.A. on the Sustainability Information included within the 2018 Bradesco Integrated Report short form**

We were engaged by Banco Bradesco S.A. (“Bradesco” or “Bank”) for preparing a Limited Assurance Report on the Sustainability Information included within the 2018 Bradesco Integrated Report short form, for the year ended on December 31, 2018, in the form of an independent limited assurance conclusion if, based on the work performed and evidence obtained, nothing has come to our attention that cause us to believe that the Sustainability Information contained in the 2018 Integrated Report short form is not adequately presented, in all material respects, based on the information referred to in the “Criteria for Preparing the Sustainability Information included within the Integrated Report short form” paragraph.

### **Responsibilities of Bradesco Management**

Bradesco Management is responsible for preparing and adequately presenting the Sustainability Information included within the Integrated Report short form based on the information referred to in the “Criteria for Preparing the Sustainability Information included within the Integrated Report short form” paragraph, and for other information contained within this report, as well as for the design, implementation and maintenance of

internal controls relevant for preparing and presenting the Sustainability Information included within the Integrated Report short form necessary to allow for such information to be free from material misstatement, whether due to fraud or error.

### **Responsibility of the Independent Auditors**

Our responsibility is to examine the Sustainability Information included within the Integrated Report short form prepared by Bradesco and to report thereon in the form of a limited assurance conclusion based on evidence obtained. We conducted our engagement in accordance with NBC TO 3000 – Assurance Engagements other than Audit and Review and ISAE 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the Federal Accounting Council and International Auditing and Assurance Standards Board, respectively. These standards require that we plan and perform our procedures to obtain a meaningful level of limited assurance about whether the Sustainability Information included within the Integrated Report short form is adequately presented, in all material respect, as the basis for our limited assurance conclusion.

KPMG Auditores Independentes (“KPMG”) applies international and Brazilian standards for quality control and, therefore, maintains a comprehensive quality control system, including policies and formal procedures related to the fulfillment of ethical and professional standards, in addition to the applicable legal and regulatory requirements. We comply with the comprehensive code of ethics, including detailed requirements of independence,



established based on ethical principles of integrity, objectivity, competence and professional care, confidentiality and professional behavior.

The procedures selected depends on our understanding of Sustainability Information included within the Integrated Report short form, as well as other circumstances of our work and our consideration of areas that may contain material misstatements.

The procedures performed in a limited assurance engagement change in terms of nature and time, and its extension is less than a reasonable assurance engagement. Therefore, the assurance level obtained in a limited assurance engagement is significantly smaller than the assurance that would have been obtained, if a reasonable assurance engagement had been performed.

#### **Scope and Limitations on the Sustainability Information included within the 2018 Bradesco Integrated Report short form**

Our conclusion does not contemplate aspects related to any prospective information included in the Sustainability Information included within the 2018 Bradesco Integrated Report short form, nor offers any guarantee whether the assumptions used by Management provide reasonable basis for the projections presented. Therefore, our report does not offer any type of assurance on the scope of future information (such as goals, expectations and ambitions) and descriptive information that is subject to subjective assessment.

#### **Criteria for Preparing the Sustainability Information included within Integrated Report short form**

The Sustainability Information included within Bradesco Integrated Report short form, for the year ended on December 31, 2018, has been prepared by the Management of Bradesco based on the criteria described in the "About the Report" section of 2018 Bradesco Integrated Report short form.

#### **Conclusion**

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

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

Based on procedures performed and evidence obtained, we did not become aware of any fact that lead us to believe that the Sustainability Information included within the Integrated Report short form is not presented accurately, in all material respects, in accordance with the information referred to in the "Criteria for Preparing the Sustainability Information included within the Integrated Report short form" paragraph.

Osasco, March 8, 2019

#### **KPMG Auditores Independentes**

CRC 2SP028567/O-1 F-SP

#### **Rodrigo de Mattos Lia**

Accountant CRC 1SP252418/O-3



# Corporate Information

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### **Shareholder Services**

To exercise rights or to obtain information about shares, dividends or other matters, Bradesco shareholders can contact the Bradesco branches where they operate their accounts. For other information, please contact:

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## Credits

### **Overall coordination**

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Report Sustentabilidade

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**bradesco**