

BANK BRADESCO  
Form 6-K  
September 01, 2017

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

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**FORM 6-K**

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

**For the month of August, 2017  
Commission File Number 1-15250**

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

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

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

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

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

Yes  No

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Financial Position of the Prudential Conglomerate on June 30** -in thousands of Reais

<b>Assets</b>	<b>2017</b>
<b>Current</b>	<b>562,964,568</b>
<b>Cash and due from banks (Note 4)</b>	<b>13,267,198</b>
<b>Interbank investments (Notes 3d and 5)</b>	<b>176,167,466</b>
Securities purchased under agreements to resell	171,012,283
Interbank investments	5,168,014
Allowance for losses	(12,831)
<b>Securities and derivative financial instruments (Notes 3e, 3f and 6)</b>	<b>84,119,799</b>
Own portfolio	32,393,862
Subject to repurchase agreements	27,049,772
Derivative financial instruments (Notes 3f and 6d II)	14,933,662
Given in guarantee to the Brazilian Central Bank	83,599
Given in guarantee	8,959,878
Securities under resale agreements with free movement	699,026
<b>Interbank accounts</b>	<b>68,909,482</b>
Unsettled payments and receipts	1,351,244
Reserve requirement (Note 7):	
- Reserve requirement - Brazilian Central Bank	67,472,257
- SFH - housing finance system	23,406
Correspondent banks	62,575
<b>Interdepartmental accounts</b>	<b>110,732</b>
Internal transfer of funds	110,732
<b>Loans (Notes 3g and 8)</b>	<b>137,070,625</b>
Loans:	
- Public sector	1,075,740
- Private sector	156,717,195
Loans transferred under an assignment with recourse	984,481
Allowance for loan losses (Notes 3g, 8f, 8g and 8h)	(21,706,791)
<b>Leasing (Notes 3g and 8)</b>	<b>(55,821)</b>
Leasing operations and sublease receivables	
- Private sector	1,065,272
Unearned income from leasing	(1,023,583)
Allowance for leasing losses (Notes 3g, 8f, 8g and 8h)	(97,510)
<b>Other receivables</b>	<b>80,683,242</b>
Receivables on sureties and guarantees honored (Note 8a-3)	416,316
Foreign exchange portfolio (Note 9a)	17,402,106
Receivables	8,626,784
Securities trading	1,029,205
Specific receivables	18,947
Sundry (Note 9b)	55,068,046
Allowance for other loan losses (Notes 3g, 8f, 8g and 8h)	(1,878,162)

<b>Other assets (Note 10)</b>	<b>2,691,845</b>
Other assets	2,825,909
Provision for losses	(1,308,260)
Prepaid expenses (Notes 3i and 10b)	1,174,196
<b>Long-term receivables</b>	<b>355,128,897</b>
<b>Interbank investments (Note 3d and 5)</b>	<b>1,128,277</b>
Interbank investments	1,128,277
<b>Securities and derivative financial instruments (Notes 3e, 3f and 6)</b>	<b>137,953,090</b>
Own portfolio	99,330,844
Subject to repurchase agreements	27,455,297
Derivative financial instruments (Notes 3f and 6d II)	90,818
Privatization rights	46,517
Securities under resale agreements with free movement	8,091,153

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Financial Position of the Prudential Conglomerate on June 30** -In thousands of Reais

<b>Assets</b>	<b>2017</b>
<b>Interbank accounts</b>	<b>802,502</b>
Reserve requirement (Note 7):	
- SFH - housing finance system	802,502
<b>Loans (Notes 3g and 8)</b>	<b>158,974,066</b>
Loans:	
- Public sector	2,000,000
- Private sector	<b>163,361,536</b>
Loans transferred under an assignment with recourse	7,292,471
Allowance for loan losses (Notes 3g, 8f, 8g and 8h)	(13,679,941)
<b>Leasing (Notes 3g and 8)</b>	<b>(65,579)</b>
Leasing receivables:	
- Private sector	1,181,855
Unearned income from leasing	<b>(1,181,538)</b>
Allowance for leasing losses (Notes 3g, 8f, 8g and 8h)	(65,896)
<b>Other receivables</b>	<b>55,497,458</b>
Securities trading	374,153
Sundry (Note 9b)	55,231,709
Allowance for other loan losses (Notes 3g, 8f, 8g and 8h)	(108,404)
<b>Other assets (Note 10)</b>	<b>839,083</b>
Prepaid expenses (Notes 3i and 10b)	839,083
<b>Permanent assets</b>	<b>68,392,931</b>
<b>Investments (Notes 3j and 11)</b>	<b>46,106,004</b>
Earnings of Affiliates and Subsidiaries	
- In Brazil	45,772,613
- Overseas	288,457
Other investments	<b>176,206</b>
Allowance for losses	(131,272)
<b>Premises and equipment (Notes 3k and 12)</b>	<b>4,388,986</b>
Premises	697,236
Other premises and equipment	8,680,387
Accumulated depreciation	<b>(4,988,637)</b>
<b>Leased premises and equipment (Note 12)</b>	<b>4,084,545</b>
Leased Assets	7,065,726
Accumulated depreciation	(2,981,181)
<b>Intangible assets (Notes 3m and 13)</b>	<b>13,813,396</b>
Intangible Assets	<b>24,000,817</b>
Accumulated amortization	<b>(10,187,421)</b>
<b>Total</b>	<b>986,486,396</b>



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

June 2017

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Financial Position of the Prudential Conglomerate on June 30** -In thousands of Reais

<b>Liabilities</b>	<b>2017</b>
<b>Current</b>	<b>600,022,596</b>
<b>Deposits (Notes 3o and 14a)</b>	<b>157,832,902</b>
Demand deposits	30,886,127
Savings deposits	95,736,763
Interbank deposits	481,914
Time deposits (Note 14a)	30,728,098
<b>Securities sold under agreements to repurchase (Notes 3o and 14b)</b>	<b>242,686,056</b>
Own portfolio	87,107,624
Third-party portfolio	144,238,406
Unrestricted portfolio	11,340,026
<b>Funds from issuance of securities (Note 14c)</b>	<b>72,477,559</b>
Mortgage and real estate notes, letters of credit and others	71,479,699
Securities issued overseas	671,060
Structured Operations Certificates	326,800
<b>Interbank accounts</b>	<b>1,526,011</b>
Unsettled payments and receipts	<b>76,305</b>
Correspondent banks	1,449,706
<b>Interdepartmental accounts</b>	<b>4,800,663</b>
Third-party funds in transit	4,800,663
<b>Borrowing (Note 15a)</b>	<b>21,508,622</b>
Borrowing overseas	21,508,622
<b>On-lending in Brazil - official institutions (Note 15b)</b>	<b>11,224,756</b>
National treasury	64,143
BNDES	4,597,299
FINAME	6,561,724
Other institutions	1,590
<b>Derivative financial instruments (Notes 3f and 6d II)</b>	<b>13,864,795</b>
Derivative financial instruments	13,864,795
<b>Other liabilities</b>	<b>74,101,232</b>
Payment of taxes and other contributions	3,243,238
Foreign exchange portfolio (Note 9a)	7,105,535
Social and statutory	2,444,258
Tax and social security (Note 18a)	1,792,375
Securities trading	2,049,142
Financial and development funds	1,297
Subordinated debts (Note 17)	14,250,427
Sundry (Note 18b)	43,214,960
<b>Long-term liabilities</b>	<b>279,232,005</b>
<b>Deposits (Notes 3o and 14a)</b>	<b>103,853,673</b>
Interbank deposits	48,459
Time deposits (Note 14a)	103,805,214

<b>Securities sold under agreements to repurchase (Notes 3o and 14b)</b>	<b>13,784,487</b>
Own portfolio	13,784,487
<b>Funds from issuance of securities (Note 14c)</b>	<b>71,156,684</b>
Mortgage and real estate notes, letters of credit and others	68,749,426
Securities issued overseas	2,334,319
Structured Operations Certificates	72,939
<b>Borrowing (Note 15a)</b>	<b>1,920,137</b>
Borrowing overseas	1,920,137
<b>On-lending in Brazil - official institutions (Note 15b)</b>	<b>21,888,871</b>
BNDES	9,825,810
FINAME	12,063,061
<b>Derivative financial instruments (Notes 3f and 6d II)</b>	<b>160,578</b>
Derivative financial instruments	160,578

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Financial Position of the Prudential Conglomerate on June 30 - In thousands of Reais**

<b>Liabilities</b>	<b>2017</b>
<b>Other liabilities</b>	<b>66,467,575</b>
Tax and social security (Note 18a)	2,734,255
Subordinated debts (Note 17)	16,818,082
Eligible Debt Capital Instruments (Note 17)	22,622,595
Sundry (Note 18b)	24,292,643
<b>Deferred income</b>	<b>406,567</b>
Deferred income	406,567
<b>Non-controlling interests in subsidiaries (Note 19)</b>	<b>17,715</b>
<b>Shareholders' equity (Note 20)</b>	<b>106,807,513</b>
<b>Capital:</b>	
- Domiciled in Brazil	58,361,528
- Domiciled overseas	738,472
Capital reserves	11,441
Profit reserves	47,620,614
Asset valuation adjustments	515,972
Treasury shares (Note 20d)	(440,514)
<b>Total</b>	<b>986,486,396</b>

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

June 2017

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Income of the Prudential Conglomerate on June 30 – In thousands of Reais**

	<b>2017</b>
<b>Revenue from financial intermediation</b>	<b>65,964,517</b>
Loans (Note 8j)	37,650,145
Leasing (Note 8j)	995,021
Operations with securities (Note 6h)	22,631,430
Income from derivative financial instruments (Note 6h)	813,640
Foreign exchange operations (Note 9a)	1,197,531
Reserve requirement (Note 7b)	2,683,447
Sale or transfer of financial assets	(6,697)
<b>Expenses from financial intermediation</b>	<b>50,748,568</b>
Retail and professional market funding (Note 14d)	32,270,669
Borrowing and on-lending (Note 15c)	2,837,408
Leasing (Note 8j)	850,335
Allowance for loan losses (Notes 3g, 8g and 8h)	14,790,156
<b>Gross income from financial intermediation</b>	<b>15,215,949</b>
<b>Other operating income (expenses)</b>	<b>(6,771,352)</b>
Fee and commission income (Note 21)	11,653,990
Other fee and commission income	7,935,901
Income from banking fees	3,718,089
Payroll and related benefits (Note 22)	(8,729,274)
Other administrative expenses (Note 23)	(10,568,598)
Tax expenses (Note 24)	(2,320,263)
Equity in the earnings (losses) of Affiliates and Subsidiaries (Note 11)	4,174,776
Other operating income (Note 25)	6,179,795
Other operating expenses (Note 26)	(7,161,778)
<b>Operating income</b>	<b>8,444,597</b>
<b>Non-operating income (loss) (Note 27)</b>	<b>(291,239)</b>
<b>Income before income tax and social contribution and non-controlling interests</b>	<b>8,153,358</b>
<b>Income tax and social contribution (Notes 31a and 31b)</b>	<b>(169,824)</b>
<b>Non-controlling interests in subsidiaries</b>	<b>(1,364)</b>
<b>Net income</b>	<b>7,982,170</b>

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

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Changes in Shareholders' Equity – In thousands of Reais**

Events	Capital	Capital	Profit reserves		Asset valuation		Treasury	Retained	Total
	Paid in	reserves	Legal	Statutory	adjustments	Subsidiaries			
	Capital	Share					shares	earnings	
		premium			Bradesco				
<b>Balance on January 1st, 2017</b>	<b>51,100,000</b>	<b>11,441</b>	<b>6,807,128</b>	<b>43,641,474</b>	<b>(403,160)</b>	<b>(273,956)</b>	<b>(440,514)</b>		<b>-100,442,414</b>
Capital increase with reserves	8,000,000	-		-(8,000,000)	-	-	-	-	
Asset valuation adjustments	-	-	-	-	766,716	426,372	-	-	1,193,088
Net income	-	-	-	-	-	-	-	7,982,170	7,982,170
Allocations:									
- Reserves	-	-	399,109	4,772,903	-	-	-	-(5,172,012)	
- Interest on Shareholders' Equity Paid and/or provisioned	-	-	-	-	-	-	-	-(2,810,158)	(2,810,158)
<b>Balance on June 30, 2017</b>	<b>59,100,000</b>	<b>11,441</b>	<b>7,206,237</b>	<b>40,414,377</b>	<b>363,556</b>	<b>152,416</b>	<b>(440,514)</b>		<b>-106,807,514</b>

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

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Added Value of the Prudential Conglomerate on June 30 – In thousands of Reais**

Description	2017	%
<b>1 – Revenue</b>	<b>61,561,445</b>	<b>302.1</b>
<b>1.1) Financial intermediation</b>	<b>65,964,517</b>	<b>323.7</b>
<b>1.2) Fees and commissions</b>	<b>11,653,990</b>	<b>57.2</b>
<b>1.3) Allowance for loan losses</b>	<b>(14,790,156)</b>	<b>(72.6)</b>
<b>1.4) Others (Includes private social investments (Note 32c))</b>	<b>(1,266,906)</b>	<b>(6.2)</b>
<b>2 – Financial intermediation expenses</b>	<b>(35,958,412)</b>	<b>(176.5)</b>
<b>3 – Inputs acquired from third-parties</b>	<b>(6,861,761)</b>	<b>(33.7)</b>
Outsourced services	(2,081,568)	(10.2)
Data processing	(1,036,592)	(5.1)
Communication	(779,067)	(3.8)
Asset maintenance	(554,354)	(2.7)
Financial system services	(506,509)	(2.5)
Security and surveillance	(416,863)	(2.0)
Transport	(375,843)	(1.8)
Material, water, electricity and gas	(324,511)	(1.6)
Advertising and marketing	(288,524)	(1.4)
Travel	(84,944)	(0.4)
Others (Includes private social investments (Note 32c))	(412,986)	(2.0)
<b>4 – Gross value added (1-2-3)</b>	<b>18,741,272</b>	<b>92.0</b>
<b>5 – Depreciation and amortization</b>	<b>(2,538,858)</b>	<b>(12.5)</b>
<b>6 – Net value added produced by the entity (4-5)</b>	<b>16,202,414</b>	<b>79.5</b>
<b>7 – Value added received through transfer</b>	<b>4,174,776</b>	<b>20.5</b>
Equity in the earnings (losses) of unconsolidated and jointly controlled companies	4,174,776	20.5
<b>8 – Value added to distribute (6+7)</b>	<b>20,377,190</b>	<b>100.0</b>
<b>9 – Value added distributed</b>	<b>20,377,190</b>	<b>100.0</b>
<b>9.1) Personnel</b>	<b>7,687,326</b>	<b>37.7</b>
Salaries	4,031,983	19.8
Benefits	2,007,521	9.9
Government Severance Indemnity Fund for Employees (FGTS)	447,396	2.2
Other	1,200,426	5.9
<b>9.2) Tax, fees and contributions</b>	<b>3,532,035</b>	<b>17.3</b>
Federal	3,124,725	15.3
State	5,139	-
Municipal	402,171	2.0
<b>9.3) Remuneration for providers of capital</b>	<b>1,174,295</b>	<b>5.8</b>
Rental	825,306	4.1
Asset leasing	348,989	1.7
<b>9.4) Value distributed to shareholders</b>	<b>7,983,534</b>	<b>39.2</b>
Interest on Shareholders' Equity Dividends paid and/or provisioned	2,810,158	13.8
Retained earnings	5,172,012	25.4
Non-controlling interests in retained earnings	1,364	-

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

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Statement of Cash Flow of the Prudential Conglomerate on June 30 – In thousands of Reais**

	<b>2017</b>
<b>Cash flow from operating activities:</b>	
<b>Income before income tax and social contribution and non-controlling interests</b>	<b>8,153,358</b>
<b>Adjustments to net income before income tax and social contribution</b>	<b>16,132,280</b>
Effect of Changes in Exchange Rates in Cash and Cash equivalents	(349,403)
Allowance for loan losses	14,790,156
Depreciation and amortization	2,538,858
Impairment losses of financial assets	833,283
Expenses with civil, labor and tax provisions	1,142,230
Equity in the earnings (losses) of Affiliates and Subsidiaries	(4,174,776)
(Gain)/loss on sale of fixed assets	16,440
(Gain)/loss on sale of foreclosed assets	246,582
Foreign exchange variation of assets and liabilities overseas/Other	1,088,910
<b>Net income before taxes after adjustments</b>	<b>24,285,638</b>
(Increase)/Decrease in interbank investments	1,865,412
(Increase)/Decrease in trading securities and derivative financial instruments	(2,947,966)
(Increase)/Decrease in interbank and interdepartmental accounts	(2,142,507)
(Increase)/Decrease in loan and leasing	(1,291,145)
(Increase)/Decrease in other receivables and other assets	(2,499,477)
(Increase)/Decrease in reserve requirement - Central Bank	(9,435,726)
Increase/(Decrease) in deposits	26,214,926
Increase/(Decrease) in securities sold under agreements to repurchase	(1,269,903)
Increase/(Decrease) in funds from issuance of securities	(18,579,343)
Increase/(Decrease) in borrowings and on-lending	(1,657,775)
Increase/(Decrease) in other liabilities	(2,493,073)
Increase/(Decrease) in deferred income	(45,519)
Income tax and social contribution paid	(2,791,383)
<b>Net cash provided by/(used in) operating activities</b>	<b>7,212,159</b>
<b>Cash flow from investing activities:</b>	
(Increase)/Decrease in held-to-maturity securities	510,345
Sale of/maturity of and interest on available-for-sale securities	57,511,609
Proceeds from sale of foreclosed assets	333,127
Sale of premises and equipment	758,789
Purchases of available-for-sale securities	(59,011,665)
Investment acquisitions	(2,001,400)
Purchase of premises and equipment	(790,870)
Intangible asset acquisitions	(760,957)
Dividends and interest on shareholders' equity received	209,421
<b>Net cash provided by/(used in) investing activities</b>	<b>(3,241,601)</b>
<b>Cash flow from financing activities:</b>	
Increase/(decrease) in subordinated debts	1,062,239

Interest on Shareholders' Equity Paid	(4,720,677)
Non-controlling interest	(313)
<b>Net cash provided by/(used in) financing activities</b>	<b>(3,658,751)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>311,807</b>
Cash and cash equivalents - at the beginning of the period	181,119,377
Effect of Changes in Exchange Rates in Cash and Cash equivalents	349,403
Cash and cash equivalents - at the end of the period	181,780,587
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>311,807</b>

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

June 2017

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Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

***Notes to the Financial Statements of the Prudential Conglomerate***

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Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

***Notes to the Financial Statements of the Prudential Conglomerate***

**1) OPERATIONS**

Banco Bradesco S.A. (Bradesco) is a private-sector publicly traded company and universal bank that, through its commercial, foreign exchange, consumer financing and housing loan portfolios, carries out all the types of banking activities for which it has authorization. The Bank is involved in a number of other activities, either directly or indirectly, through its subsidiaries, specifically leasing, investment banking, brokerage, consortium management, credit cards, real estate projects, insurance, pension plans and capitalization bonds. All these activities are undertaken by the various companies in the Bradesco Organization (Organization), working together in an integrated manner in the market.

**2) PRESENTATION OF THE FINANCIAL STATEMENTS**

The Financial Statements of the Prudential Conglomerate were prepared to comply with the requirements of Resolution No. 4,280/13 of the National Monetary Council (CMN) and additional rules of the Brazilian Central Bank (Bacen). Thus, specific requirements were applied when consolidating the financial statements of Bradesco, its foreign branches, subsidiaries and investment funds, as requested by Resolution No. 4,280/13. These requirements are not necessarily the same as those established by corporate law.

For the preparation of these consolidated financial statements, equity interests, balances of balance sheet accounts, revenues, expenses and unrealized gains were eliminated and net income and shareholders' equity attributable to the non-controlling shareholders were accounted for in a separate line. Investments in companies in which shareholding control is shared with other shareholders are accounted for using the equity method. Goodwill on acquisitions of investments in subsidiaries / affiliates and jointly controlled companies is presented in investments and intangible assets (Note 13a).

Bradesco opted for the provision in Article 5 of CMN Resolution No. 4,517/16, which affirms that, as for January 1, 2017, equity holdings in jointly controlled companies must be accounted for using the equity method of accounting and no longer using the proportional consolidation method. In addition, paragraph 2 of Article 5 of said Resolution does not require comparable information for companies that changed their accounting policies as a consequence of these dispositions. Then, consolidated financial statements of the

prudential conglomerate are not comparable with previous periods.

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

Bradesco's financial statements of the Prudential Conglomerate were approved by the Board of Executive Officers on August 28, 2017.

Below are the significant directly and indirectly owned companies and investment funds included in the financial statements of the Prudential Conglomerate:

	<b>Activity</b>	<b>On June 30 Equity interest 2017</b>
<b>Financial Institutions</b>		
Ágora Corretora de Títulos e Valores Mobiliários S.A.	Brokerage	100.00%
Banco Alvorada S.A.	Banking	99.99%
Banco Boavista Interatlântico S.A.	Banking	100.00%
Banco Bradescard S.A.	Cards	100.00%
Banco Bradesco Argentina S.A.	Banking	99.99%
Banco Bradesco BBI S.A.	Investment bank	99.81%
Banco Bradesco BERJ S.A.	Banking	100.00%
Banco Bradesco Cartões S.A.	Cards	100.00%
Banco Bradesco Europa S.A.	Banking	100.00%

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## Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Notes to the Financial Statements of the Prudential Conglomerate**

		On June 30 Equity interest 2017
	Activity	
Banco Bradesco Financiamentos S.A.	Banking	100.00%
Banco Bradesco S.A. New York Branch	Banking	100.00%
Banco Bradesco S.A. Grand Cayman Branch (1)	Banking	100.00%
Banco Losango S.A.	Banking	100.00%
Bradesco Kirton Corretora de Títulos e Valores Mobiliários S.A.	Brokerage	99.97%
Bradesco Leasing S.A. Arrendamento Mercantil	Leasing	100.00%
Bradesco S.A. Corretora de Títulos e Valores Mobiliários	Brokerage	100.00%
Bradesco Securities Hong Kong	Brokerage	100.00%
Bradesco Securities, Inc.	Brokerage	100.00%
Bradesco Securities, UK.	Brokerage	100.00%
Bradescard México, Sociedad de Responsabilidad Limitada	Cards	100.00%
BRAM - Bradesco Asset Management S.A. DTVM	Asset management	100.00%
BEC - Distribuidora de Títulos e Valores Mobiliários Ltda.	Asset management	100.00%
BEM - Distribuidora de Títulos e Valores Mobiliários Ltda.	Asset management	100.00%
BMC Asset Management - DTVM Ltda.	Asset management	100.00%
Everest Leasing S.A. Arrendamento Mercantil	Leasing	100.00%
Kirton Bank Brasil S.A.	Banking	100.00%
Nova Marília Administração de Bens Móveis e Imóveis Ltda. (2)	Asset management	100.00%
Serel Participações em Imóveis S.A. (2)	Asset management	100.00%
Tibre Distribuidora de Títulos e Valores Mobiliários Ltda.	Asset management	100.00%
<b>Consortium Management</b>		
Bradesco Administradora de Consórcios Ltda.	Consortium management	100.00%
<b>Payment Institutions</b>		
Alvorada Administradora de Cartões Ltda.	Services	100.00%
Bankpar Consultoria e Serviços Ltda. (2)	Services	100.00%
Cidade Capital Markets Limited	Banking	100.00%
Tempo Serviços Ltda.	Services	100.00%
<b>Securitization Companies</b>		
Alvorada Cia. Securitizadora de Créditos Financeiros	Credit acquisition	100.00%
Alvorada Serviços e Negócios Ltda.	Credit acquisition	100.00%
BCN - Consultoria, Adm. Bens, Serv. e Publicidade Ltda.	Credit acquisition	100.00%
Cia. Securitizadora de Créditos Financeiros Rubi	Credit acquisition	100.00%
Promosec Cia. Securitizadora de Créditos	Credit acquisition	100.00%
<b>Investment Funds (3)</b>		
Alpha FI Mult. Cred. Priv. Inv. no Exterior	Investment Fund	100.00%

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Bradesco F.I.C.F.I. R.F. DI Galáxia	Investment Fund	100.00%
Bradesco FI Mult. Cred. Priv. Inv. Exterior Andromeda	Investment Fund	100.00%
Bradesco FI Mult. Cred. Priv. Inv. Exterior Pioneiro	Investment Fund	100.00%
Bradesco FI Referenciado DI Performance	Investment Fund	100.00%
Bradesco FI Referenciado DI União	Investment Fund	99.66%
FI Mult. Inv. no Exterior Tellus	Investment Fund	100.00%
FIP Mult. Plus	Investment Fund	100.00%
FI RF DI GJ	Investment Fund	100.00%
FII - FI RF Cred. Privado	Investment Fund	100.00%

(1) The special purpose entity International Diversified Payment Rights Company is being consolidated. The company is part of a structure set up for the securitization of the future flow of payment orders received overseas;

(2) In accordance with CMN Resolution No. 4,280/13, it is now consolidated; and

(3) The investment funds in which Bradesco assumes or substantially retains the risks and benefits were consolidated.

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Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

***Notes to the Financial Statements of the Prudential Conglomerate***

**3) SIGNIFICANT ACCOUNTING PRACTICES**

**a) Functional and presentation currencies**

Financial statements of Prudential Conglomerate are presented in Brazilian reais, which is also Bradesco's functional currency. Foreign branches and subsidiaries are mainly a continuation of activities in Brazil, and, therefore, assets, liabilities and profit or loss are translated into Brazilian reais using the appropriate currency exchange rate, to comply with accounting practices adopted in Brazil. Foreign currency translation gains and losses arising are recognized in the period's statement of income in the lines "Derivative Financial Instruments" and "Borrowing and On-lending".

**b) Income and expense recognition**

Income and expenses are recognized on an accrual basis in order to determine the net income for the period to which they relate, regardless of when the funds are received or paid.

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

Floating rate and foreign-currency-indexed contracts are adjusted for interest and foreign exchange rates applicable at the reporting date.

**c) Cash and cash equivalents**

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

Cash and cash equivalents detailed balances are presented in Note 4.

#### **d) Interbank investments**

Unrestricted repurchase and reverse repurchase agreements are stated at their fair value. All other interbank investments are stated at cost, plus income earned up to the end of the reporting period, net of any devaluation allowance, if applicable.

The breakdown, terms and proceeds relating to interbank investments are presented in Note 5.

#### **e) Securities – Classification**

- Trading securities – securities acquired for the purpose of being actively and frequently traded. They are recognized at cost, plus income earned and adjusted to fair value with changes recognized in the Statement of Income for the period;
- Available-for-sale securities – securities that are not specifically intended for trading purposes or to be held to maturity. They are recognized at cost, plus income earned, which is recognized in profit or loss in the period and adjusted to fair value with changes recognized in shareholders' equity, net of tax, which will be transferred to the Statement of Income only when effectively realized; and
- Held-to-maturity securities – securities for which there is positive intent and financial capacity to hold to maturity. They are recognized at cost, plus income earned recognized in the Statement of Income for the period.

Securities classified as trading and available-for-sale, as well as derivative financial instruments, are recognized in the consolidated statement of financial position at their fair value. Fair value is generally based on quoted market prices or quotations for assets or liabilities with similar characteristics. If market prices are not available, fair values are based on traders' quotations, pricing models, discounted cash flows

or similar techniques to determine the fair value and may require judgment or significant estimates by Management.

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Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

***Notes to the Financial Statements of the Prudential Conglomerate***

Classification, breakdown and segmentation of securities are presented in Note 6 (a to c).

**f) Derivative financial instruments (assets and liabilities)**

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

Operations involving derivative financial instruments are designed to meet the Bank's own needs in order to manage overall exposure, as well as to meet customer requests to manage their positions. The gains or losses are recognized in the statement of income or shareholders' equity.

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

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

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

A breakdown of amounts included as derivative financial instruments, in the statement of financial position and off-balance-sheet accounts, is disclosed in Note 6 (d to g).

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

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

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

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

Interest and inflation adjustments on past-due transactions are only recognized in the Statement of Income up to the 60<sup>th</sup> day that they are past due.

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

Renegotiated operations are maintained at least at the same rating in which they were classified.

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Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Notes to the Financial Statements of the Prudential Conglomerate**

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

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

Type, values, terms, levels of risk, concentration, economic sector of client's activity, renegotiation and income from loans, as well as the breakdown of expenses and statement of financial position accounts for the allowance for loan losses are presented in Note 8.

**Leasing**

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

**I- Leases receivable**

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

**II- Unearned income from leasing and Guaranteed Residual Value (GRV)**

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

### **III- Leased fixed assets**

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

### **IV- Losses on leases**

The losses recorded in the sale of leased assets are deferred and amortized over the remaining normal life cycle of assets, and are shown along with the Leased Fixed Assets (Note 8k).

### **V- Excessive (insufficient) depreciation**

The accounting records of leasing operations are maintained as legal requirements, specific for this type of operation. The procedures adopted and summarized in items "II" to "IV" above differ from the accounting practices provisioned in Brazilian corporate law, especially concerning the regime of competence in the record of revenues and expenses related to lease contracts. As a result, in accordance with Bacen Circular No. 1,429/89, the present value of outstanding leasing installments was calculated, using the internal rate of return of each contract, recording a leasing revenue or expenditure, conversely to the entries of excessive or insufficient depreciation, respectively, recorded in Permanent Assets, with the objective of adapting the leasing operations to the regime of competence (Note 8k).

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Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

***Notes to the Financial Statements of the Prudential Conglomerate***

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

Deferred tax assets, calculated on income tax losses, social contribution losses and temporary differences, are recognized in "Other Receivables - Sundry" and the deferred tax liabilities on tax differences in leasing depreciation (applicable only for income tax), fair value adjustments on securities, inflation adjustment of judicial deposits, among others, are recognized in "Other Liabilities - Tax and Social Security", in which for the differences in leasing depreciation only the income tax rate is applied.

Deferred tax assets on temporary differences are realized when the difference between the accounting treatment and the income tax treatment reverses. Deferred tax assets on income tax and social contribution losses are realizable when taxable income is generated, up to the 30% limit of the taxable profit for the period. Deferred tax assets are recognized based on current expectations of realization considering technical studies and analyses carried out by Management.

The provision for income tax is calculated at 15% of taxable income plus a 10% surcharge. For financial companies, for companies considered as such and for the insurance industry, the social contribution on the profit was calculated until August 2015, considering the rate of 15%. For the period between September 2015 and December 2018, the rate was changed to 20%, according to Law No. 13,169/15 and the rate will be 15% again as from January 2019. For the other companies, the social contribution is calculated considering the rate of 9%.

Due to the amendment of the rate, Organization recognized, in September 2015, an incremental amount to the deferred tax of social contribution, considering the annual expectations of realization and their respective rates in force in each period, according to the technical study produced.

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



The breakdown of income tax and social contribution, showing the calculations, the origin and expected use of deferred tax assets, as well as unrecognized deferred tax assets, is presented in Note 31.

**i) Prepaid expenses**

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

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

In the case of the remuneration paid for the origination of credit operations or leasing to the banking correspondents related to credit operations originated during 2015 and 2016, Bradesco opted to recognize part of the total value of compensation, pursuant to the provisions of Bacen Circular No. 3,738/14. As of 2017, the remuneration mentioned is fully recognized as an expense.

Prepaid expenses are shown in detail in Note 10b.

**j) Investments**

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

Tax incentives and other investments are stated at cost, less allowance for losses/impairment, where applicable.

Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

***Notes to the Financial Statements of the Prudential Conglomerate***

Subsidiaries are consolidated – the composition of the main companies are disclosed in Note 2. The composition of unconsolidated and jointly controlled companies, as well as other investments, are disclosed in Note 11.

**k) Premises and equipment**

Relates to the tangible assets used by the Bank in its activities, including those resulting from transactions that transfer risks, benefits and control of the assets to the Bank.

Premises and equipment are stated at acquisition cost, net of accumulated depreciation, calculated by the straight-line method based on the assets' estimated economic useful life, using the following rates: real estate – 4% per annum; installations, furniture, equipment for use, security systems and communications – 10% per annum; transport systems – 20% per annum; and data processing systems – 20% to 40% per annum, and adjusted for impairment, when applicable.

The breakdown of asset costs and their corresponding depreciation, as well as the unrecognized surplus value for real estate and the fixed asset ratios, are disclosed in Note 12.

**l) Intangible assets**

Relates to the right over intangible assets used by the Bank in its activities.

Intangible assets comprise:

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

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

Intangible assets and the movement in these balances by class are presented in Note 13.

#### **m) Impairment**

Financial and non-financial assets are tested for impairment.

Objective evidence of impairment may comprise the non-payment or payment delay by the debtor, possible bankruptcy process or the significant or extended decline in an asset value.

An impairment loss of a financial or non-financial asset is recognized in the profit or loss for the period if the carrying amount of an asset or cash-generating unit exceeds its recoverable value. Impairment losses are presented in Notes 6c(6) and 6g.

#### **n) Securities sold under agreements to repurchase**

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

A breakdown of the contracts recognized in deposits and securities sold under agreements to repurchase, as well as terms and amounts recognized in the statement of financial position and statement of income, is presented in Note 14.

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Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

***Notes to the Financial Statements of the Prudential Conglomerate***

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

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

- Contingent Assets: these are not recognized in the financial statements, except to the extent that there are real guarantees or favorable judicial decisions, to which no further appeals are applicable, and it is considered virtually certain that cash inflows will flow to Bradesco. Contingent assets with a chance of probable success are disclosed in the notes to the financial statements;
- Provisions: these are recognized taking into consideration the opinion of legal counsel, the nature of the lawsuits, similarity with previous lawsuits, complexity and positioning of the courts, whenever an entity has a present obligation (legal or constructive) as a result of a past even, it is probable that an outflow of resources will be required to settle the obligation and when the amount can be reliably measured;
- Contingent Liabilities: according to CPC 25, the term “contingent” is used for liabilities that are not recognized because their existence will only be confirmed by the occurrence of one or more uncertain future events beyond Management’s control. Contingent liabilities do not meet the criteria for recognition because they are considered as possible losses should only be disclosed in the notes when relevant. Obligations deemed remote are not recognized as a provision nor disclosed; and
- Legal Obligations – Provision for Tax Risks: results from judicial proceedings, which contest the applicability of tax laws on the grounds of legality or constitutionality, which, regardless of the assessment of the probability of success, are fully provided for in the financial statements.

Details on lawsuits, as well as segregation and changes in amounts recognized, by type, are presented in Note 16.

**p) Other assets and liabilities**

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

**q) Subsequent events**

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

They comprise the following:

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

Subsequent events, if any, are described in Note 32.

**4) CASH AND CASH EQUIVALENTS**

	On June 30 - R\$ thousand
	<b>2017</b>
Cash and due from banks in domestic currency	9,437,231
Cash and due from banks in foreign currency	3,829,774
Investments in gold	193
<b>Total cash and due from banks</b>	<b>13,267,198</b>
Interbank investments (1)	168,513,389
<b>Total cash and cash equivalents</b>	<b>181,780,587</b>

(1) It refers to operations that mature in 90 days or less from the date they were effectively invested and with insignificant risk of change in fair value

Bradesco

Financial Statements of the Prudential Conglomerate and Independent Auditor's Report

**Notes to the Financial Statements of the Prudential Conglomerate**

**5) INTERBANK INVESTMENTS**

**a) Breakdown and maturity**

	On June 30 - R\$ thousand				
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	2017
<b>Securities purchased under agreements to resell:</b>					
<b>Own portfolio position</b>	<b>24,377,707</b>	-	-	-	<b>- 24,377,707</b>
Financial treasury bills	6,956,328	-	-	-	- 6,956,328
National treasury notes	11,662,272				