

BANK BRADESCO
Form 6-K
November 07, 2014

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

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 November, 2014
Commission File Number 1-15250**

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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Bradesco

Forward-Looking Statements

This Economic and Financial Analysis Report contains forward-looking statements related to our business. Such statements are based on management's current expectations, estimates and projections concerning future events and financial trends that may affect our business. Words such as "believe", "anticipate", "plan", "expect", "intend", "goal", "estimate", "forecast", "predict", "project", "guidelines", "should" and other similar expressions are used to indicate predicting statements. However, forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that may be beyond our control. In addition, some forward-looking statements are based on assumptions which, depending on future events, may prove not to be accurate. Therefore, actual results may differ significantly from the plans, goals, expectations, projections and intentions expressed or implied in such statements.

The factors that may impact the actual results include, among others, changes in regional, national and international trade and economic policies; inflation; an increased number of defaults by borrowers in loan operations, with a consequent increase in the allowance for losses from loan operations; loss of ability to receive deposits; loss of customers or revenues; our ability to sustain and improve performance; changes in interest rates which may, among other things, adversely affect our margins; competition in the banking industry, financial services, credit card services, insurance, asset management and other related industries; government regulation and fiscal affairs; disputes or adverse legal proceedings or regulations; and credit and other risks involved in lending and investment activities.

As a result, one should not rely excessively on these forward-looking statements. The statements are valid only for the date on which they were drafted. Except as required by applicable law, we do not assume any obligation to update these statements as a result of new information, future developments or any other matters which may arise.

Some numbers included in this report have been subjected to rounding adjustments.

As a result, some amounts indicated as total amounts in some charts may not be the arithmetic sum of the preceding numbers.

Report on Economic and Financial Analysis – September 2014

Press Release

Highlights

The main figures obtained by Bradesco in the first three quarters of 2014 are presented below:

1. The Adjusted Net Income⁽¹⁾ in the first three quarters of 2014 stood at R\$ 11.227 billion (a 24.7% increase compared to the R\$ 9.003 billion Adjusted Net Income recorded in the same period of 2013), corresponding to earnings per share of R\$ 3.44, and Return of 20.4% on the Average Adjusted Shareholder's Equity⁽²⁾.
2. As for the source, the Adjusted Net Income is composed of R\$ 8.057 billion from financial activities, representing 71.8% of the total, and of R\$ 3.170 billion from insurance, pension plan and capitalization bond operations, which together account for 28.2%.
3. On September 30, 2014, Bradesco market value stood at R\$ 146.504 billion⁽³⁾, showing a growth of 7.6% over September 30, 2013.
4. Total Assets, in September 2014, stood at R\$ 987.364 billion, an increase of 8.8% over September 2013 balance. The return on Average Total Assets was 1.6%.
5. In September 2014, the Expanded Loan Portfolio⁽⁴⁾ reached R\$ 444.195 billion, up 7.7% over September 2013. Operations with individuals totaled R\$ 138.028 billion (increase of 8.6% over September 2013), while corporate segment operations totaled R\$ 306.167 billion (up 7.2% over September 2013).
6. Assets under Management stood at R\$ 1.385 trillion, a 10.3% increase from September 2013.
7. The Shareholders' Equity totaled R\$ 79.242 billion in September 2014, 18.2% more
9. The Interest Earning Portion of the Net Interest Income stood at R\$ 35.043 billion, up 10.5% compared to the first three quarters of 2013.
10. The Delinquency Ratio over 90 days remained stable in the last twelve months, and stood at 3.6% on September 30, 2014.
11. The Operating Efficiency Ratio (ER)⁽⁵⁾ in September 2014 was 39.9%, the best level ever recorded (42.1% in September 2013), while in the "risk-adjusted" concept it stood at 48.7% (52.5% in September 2013). It is worth mentioning that, in the third quarter of 2014, we recorded the best quarterly ER (38.5%) in the past 5 years.
12. Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income totaled R\$ 38.346 billion in the first three quarters of 2014, up 8.8% over the same period in 2013. Technical Reserves stood at R\$ 145.969 billion, an increase of 9.3% compared to September 2013 balance.
13. Investments in infrastructure, information technology and telecommunications amounted to R\$ 3.471 billion in the first three quarters of 2014.
14. Taxes and contributions, including social security, paid or recorded in provision, summed R\$ 18.438 billion, R\$ 7.244 billion of which referred to taxes withheld and collected from third parties, and R\$ 11.194 billion calculated based on activities developed by Bradesco Organization, equivalent to 99.7% of the Adjusted Net Income⁽¹⁾.
15. Bradesco has a large Customer Service network in Brazil, with highlight to the 4,659 Branches and 3,497 Service Points – PAs. Customers can also count with 1,159 Electronic Service Points - PAEs, 49,020 Bradesco Expresso points, 31,107 Bradesco

than in September 2013. The Basel Capital Adequacy Ratio stood at 16.3% in September 2014, 12.6% of which was classified as Common Equity/Tier I.

Dia & Noite (Day&Night) ATMs, and 16,946 Banco24Horas Network ATMs.

8. A total of R\$ 3.760 billion were paid and recorded in provision to shareholders, as Interest on Equity and Dividends for the first three quarters of 2014, R\$ 1.575 billion of which as paid monthly and interim dividends, and R\$ 2.185 billion recorded in provision.

(1) According to the non-recurring events described on page 8 of this Report on Economic and Financial Analysis; (2) Excludes mark-to-market effect of Securities Available for Sale recorded under Shareholders' Equity; (3) Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the last trading day of the period; (4) Includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk – commercial portfolio, which includes debentures and promissory notes; and (5) In the last 12 months.

Report on Economic and Financial Analysis – September 2014

Highlights

16. Payroll, plus charges and benefits, totaled R\$ 8.670 billion. Social benefits provided to all 98,849 employees of Bradesco Organization and their dependents amounted to R\$ 2.140 billion, while investments in education, training and development programs totaled R\$ 93.760 million.

17. In July 2014, Bradesco's internal audit process was awarded the Certificate of Quality by the Institute of Internal Auditors (IIA), institution present in more than 130 countries, qualified to rate and grant Certification of Quality to Internal Audits.

18. In September 2014, for the ninth consecutive year, Bradesco was chosen to join the Dow Jones Sustainability Index (DJSI), in the "Dow Jones Sustainability World Index" and "Dow Jones Sustainability Emerging Markets" portfolios, a short list of the New York Stock Exchange that comprises the top companies for corporate sustainability practices.

19. Major Awards and Acknowledgments in the period:

- It was considered the most valuable Bank brand in Latin America and came 5th in the overall ranking among all the segments (BrandAnalytics/Millward Brown consultancy);
- Bradesco was granted the title in the category "Banks", and Bradesco Seguros in the category "Insurances", in the "*Anuário Época Negócios 360º*", ranking that listed the top 250 companies in the country (Época Negócios Magazine, in partnership with Dom Cabral Foundation);
- It was granted the "Technology Awards 2014", in the category "Social Media", with the case "F. Banking Bradesco - *Investimentos e Crédito*" via Facebook; and
- For the 15th time, it appeared in the annual list of the "*130 Melhores Empresas para Trabalhar no Brasil*" [130 Top Companies to Work in Brazil]

The Bradesco Organization fully complies with best global sustainability and corporate governance practices, particularly: Global Compact, PRI (Principles for Responsible Investment), Equator Principles, Carbon Disclosure Project and Green Protocol. Our sustainability actions, strategies and guidelines are guided by best corporate governance practices. The Organization's main activities focus on banking inclusion, social and environmental variables for loan approvals and product offerings, based on social and environmental aspects. Regarding responsible management and engagement with stakeholders, we highlight activities geared towards valuing professionals, improving the workplace, client relations, managing suppliers and adopting environmental management practices. We also highlight the Organization's role in Brazilian society as one of its leading social investors, supporting education, environment, culture and athletic programs. We point out Bradesco Foundation, which has been developing an extensive social and educational work for 57 years, with 40 schools in Brazil. Its 2014 budget is foreseen at R\$ 523.434 million, of which R\$ 71.095 million are intended to expand classrooms for High School restructuring and R\$ 452.339 million that will allow it to provide free quality education: a) 105,672 students in its Schools, in the following levels: Basic Education (from Kindergarten to High School and Vocational Training), Youth and Adult Education and in Preliminary and Continuing Training focused on creating jobs and income; b) 370,000 students who will complete at least one of the distance-learning courses (EaD) available on the e-learning portal; and c) 21,527 beneficiaries in partnership projects and initiatives, such as the Digital Inclusion Centers (CIDs), the *Educa+Ação* Program, and in technology courses (*Educar e Aprender*). In addition to free formal and quality education, the approximately 45 thousand students enrolled in Basic Education are also provided with uniforms, school supplies, food and medical and dental assistance.

(Época Magazine, with rating by the Great Place to Work Institute).

Bradesco _____

Press Release**Main Information**

	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13
Income Statement for the Period - R\$ million						
Book Net Income	3,875	3,778	3,443	3,079	3,064	2,9
Adjusted Net Income	3,950	3,804	3,473	3,199	3,082	2,9
Total Net Interest Income	12,281	12,066	10,962	11,264	10,729	10,5
Gross Credit Margin	8,249	7,967	7,711	7,850	7,793	7,6
Net Credit Margin	4,901	4,826	4,850	4,889	4,912	4,5
Provision for Loan Losses (ALL) Expenses	(3,348)	(3,141)	(2,861)	(2,961)	(2,881)	(3,0)
Fee and Commission Income	5,639	5,328	5,283	5,227	4,977	4,9
Administrative and Personnel Expenses	(7,192)	(7,023)	(6,765)	(7,313)	(6,977)	(6,7)
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	12,904	13,992	11,450	14,492	11,069	13,2
Statement of Financial Position - R\$ million						
Total Assets	987,364	931,132	922,229	908,139	907,694	896,6
Securities	343,445	333,200	321,970	313,327	313,679	309,0
Loan Operations ⁽¹⁾	444,195	435,231	432,297	427,273	412,559	402,5
- Individuals	138,028	135,068	132,652	130,750	127,068	123,2
- Corporate	306,167	300,163	299,645	296,523	285,490	279,2
Allowance for Loan Losses (ALL) ⁽²⁾	(22,623)	(21,791)	(21,407)	(21,687)	(21,476)	(21,4)
Total Deposits	211,882	213,270	218,709	218,063	216,778	208,4
Technical Reserves	145,969	142,731	137,751	136,229	133,554	131,8
Shareholders' Equity	79,242	76,800	73,326	70,940	67,033	66,0
Assets under Management	1,385,135	1,304,690	1,277,670	1,260,056	1,256,220	1,233,5
Performance Indicators (%) on Adjusted Net Income (unless otherwise stated)						
Adjusted Net Income per Share - R\$ ^{(3) (4)}	3.44	3.23	3.03	2.91	2.84	2.
Book Value per Common and Preferred Share - R\$ ⁽⁴⁾	18.89	18.31	17.48	16.90	15.97	15.
Annualized Return on Average Equity ^{(5) (6)}	20.4	20.7	20.5	18.0	18.4	18.
Annualized Return on Average Assets ⁽⁶⁾	1.6	1.6	1.5	1.4	1.3	1.
Average Rate - Annualized (Adjusted Net Interest Income / Total Average Assets - Purchase and Sale Commitments - Permanent Assets)	7.6	7.8	7.2	7.3	7.1	7.
Fixed Assets Ratio - Total Consolidated	13.0	13.2	15.0	15.2	17.5	17.
Combined Ratio - Insurance ⁽⁷⁾	86.5	86.3	86.4	86.1	86.9	86.
Efficiency Ratio (ER) ⁽³⁾	39.9	40.9	41.9	42.1	42.1	42.
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) ⁽³⁾	75.9	74.1	73.6	71.8	70.8	69.
Market Capitalization - R\$ million ⁽⁸⁾	146,504	134,861	135,938	128,085	136,131	124,7
Loan Portfolio Quality % ⁽⁹⁾						
ALL / Loan Portfolio ⁽²⁾	6.7	6.6	6.5	6.7	6.9	7.
Non-performing Loans (> 60 days) ⁽¹⁰⁾ / Loan Portfolio	4.4	4.4	4.2	4.2	4.4	4.

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Delinquency Ratio (> 90 days ⁽¹⁰⁾ / Loan Portfolio)	3.6	3.5	3.4	3.5	3.6	3
Coverage Ratio (> 90 days ⁽¹⁰⁾) ⁽²⁾	187.2	186.9	193.8	192.3	190.3	18
Coverage Ratio (> 60 days ⁽¹⁰⁾) ⁽²⁾	154.2	149.9	153.7	158.9	156.8	15
Operating Limits %						
Capital Adequacy Ratio - Total ⁽¹¹⁾	16.3	15.8	15.7	16.6	16.4	1
Capital Nivel I	12.6	12.1	11.9	12.3	12.7	1
- Common Equity	12.6	12.1	11.9	12.3	-	
Capital Nivel II	3.7	3.7	3.8	4.3	3.7	3
<u>Report on Economic and Financial Analysis – September 2014</u>						

Press Release**Main Information**

	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13	Mar13	Dec12	Var Sept x Jun1
Structural Information - Units									
Service Points	74,028	73,208	73,320	72,736	71,724	70,829	69,528	68,917	1
- Branches	4,659	4,680	4,678	4,674	4,697	4,692	4,687	4,686	(0)
- PAs ⁽¹²⁾	3,497	3,497	3,484	3,586	3,760	3,795	3,786	3,781	
- PAEs ⁽¹²⁾	1,159	1,175	1,186	1,180	1,421	1,454	1,457	1,456	(1)
- External Bradesco ATMs ⁽¹³⁾ ⁽¹⁴⁾	1,398	1,684	2,701	3,003	3,298	3,498	3,712	3,809	(17)
- Banco24Horas Network ATMs ⁽¹³⁾	12,213	12,023	11,873	11,583	11,229	11,154	10,966	10,818	1
- Bradesco Expresso (Correspondent Banks)	49,020	48,186	47,430	46,851	45,614	44,819	43,598	43,053	1
- Bradesco Promotora de Vendas	2,068	1,949	1,955	1,846	1,692	1,404	1,309	1,301	6
- Branches / Subsidiaries Abroad	14	14	13	13	13	13	13	13	
ATMs	48,053	47,612	48,295	48,203	47,969	47,972	48,025	47,834	0
- Bradesco Network	31,107	31,509	32,909	33,464	33,933	34,322	34,719	34,859	(1)
- Banco24Horas Network	16,946	16,103	15,386	14,739	14,036	13,650	13,306	12,975	5
Employees	98,849	99,027	99,545	100,489	101,410	101,951	102,793	103,385	(0)
Outsourced Employees and Interns	12,896	12,790	12,671	12,614	12,699	12,647	13,070	12,939	0
Customers - in millions									
Active Checking Account Holders ⁽¹⁵⁾ ⁽¹⁶⁾	26.6	26.5	26.6	26.4	26.4	26.2	25.8	25.7	0
Savings Accounts ⁽¹⁷⁾	52.9	51.8	49.0	50.9	48.3	47.7	46.6	48.6	2
Insurance Group	46.3	45.5	45.3	45.7	45.3	44.2	42.9	43.1	1
- Policyholders	40.5	39.6	39.4	39.8	39.5	38.4	37.1	37.3	2
- Pension Plan Participants	2.4	2.4	2.4	2.4	2.4	2.4	2.3	2.3	
- Capitalization Bond Customers	3.4	3.5	3.5	3.5	3.4	3.4	3.5	3.5	(2)
Bradesco Financiamentos ⁽¹⁵⁾	3.1	3.2	3.2	3.3	3.4	3.5	3.6	3.7	(3)

(1) Expanded Loan Portfolio: includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk – commercial portfolio, covering debentures and promissory notes;

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letter of credit, which comprises the concept of “excess” ALL;

(3) In the last 12 months;

(4) For comparison purposes, shares were adjusted in accordance with bonuses and stock splits;

(5) Excluding mark-to-market effect of Securities Available for Sale recorded under Shareholders' Equity;

(6) Year-to-Date Adjusted Net Income;

- (7) Excludes additional reserves;
- (8) Number of shares (excluding treasury shares) multiplied by the closing price for common and preferred shares on the period's last trading day;
- (9) As defined by the Brazilian Central Bank (Bacen);
- (10) Delinquent Credits;
- (11) Since October 2013, the Capital Adequacy Ratio calculation follows regulatory guidelines set forth in CMN Resolutions No. 4.192/13 and 4.193/13 Capital Adequacy Ratio (Basel III);
- (12) PA (Service Branch): a result of the consolidation of PAB (Banking Service Branch), PAA (Advanced Service Branch) and Exchange Branches, according to CMN Resolution No. 4.072/12; and PAEs – ATMs located on a company's premises;
- (13) Including overlapping ATMs within the Bank's own network and the Banco24Horas Network;
- (14) Such reduction relates to the sharing of external network ATM terminals by the Banco24Horas ATM network;
- (15) Number of individual customers (Corporate Tax IDs (CNPJs) and Individual Taxpayer IDs (CPF));
- (16) Refers to first and second checking account holders; and
- (17) Number of accounts.

Bradesco _____

Press Release

Ratings

Main Ratings

		Fitch Ratings				Domestic Scale	
Feasibility	Support	International Scale		Foreign Currency		Domestic	
		Domestic Currency	Foreign Currency	Long Term	Short Term	Long Term	Short Term
a -	2	Long Term A -	Short Term F1	Long Term BBB +	Short Term F2	Long Term AAA (bra)	Short Term F1 + (bra)

		Moody's Investors Service				Domestic Scale	
Financial Strength / Individual Credit Risk Profile	International Scale				Domestic Scale		
	Foreign Currency Senior Debt	Domestic Currency Deposit		Foreign Currency Deposit		Domestic Currency	
C - / baa1	Long Term Baa1	Long Term Baa1	Short Term P - 2	Long Term Baa2	Short Term P-2	Long Term Aaa.br	Short Term BR - 1

Standard & Poor's				Austin Rating			
International Scale - Issuer's Credit Rating		Domestic Scale		Corporate Governance	Domestic Scale		
Foreign Currency	Domestic Currency	Issuer's Credit Rating			Long Term	Short Term	
Long Term BBB -	Short Term A - 3	Long Term BBB -	Short Term A - 3	Long Term brAAA	Short Term brA - 1 + (1)	brAA+	brAAA brA - 1

(1) In September 2014, the rating agency Standard & Poor's raised the nationwide short-term rating of Bradesco to the highest level in its scale (brA-1+). This action reflects the update performed by the agency of its rating criterion nationwide.

Book Net Income vs. Adjusted Net Income

The main non-recurring events that affected Book Net Income in the periods below are presented in the following comparative chart:

	9M14	9M13	3Q14	R\$ million 2Q14
Book Net Income	11,096	8,932	3,875	3,778
Non-Recurring Events	131	71	75	26
- Reversal of provision for tax contingencies ⁽¹⁾	(1,378)	-	(1,378)	-
- Impairment of assets ⁽²⁾	598	-	598	-
- Provision for labor contingencies ⁽³⁾	488	-	488	-
- Provision for tax contingencies ⁽⁴⁾	212	-	212	-
- Other ⁽⁵⁾	294	118	201	43
- Tax Effects	(83)	(47)	(46)	(17)
Adjusted Net Income	11,227	9,003	3,950	3,804
ROAE % ⁽⁶⁾	20.2	18.3	21.5	21.7
(ADJUSTED) ROAE % ⁽⁶⁾	20.4	18.4	22.0	21.9

(1) The first three quarters of 2014 and the third quarter of 2014 include the reversal of provision for tax risks related to the Cofins case, which ended favorable to the Organization;

(2) It refers, in 9M14 and 3Q14, to the impairment of Securities - Shares, classified as Available for Sale, resulting from the acknowledgment of impairment in shares of Banco Espírito Santo S.A. (BES);

(3) The first three quarters of 2014 and the third quarter of 2014 include the improvement of the calculation method;

(4) The first three quarters of 2014 and the third quarter of 2014 include a provision for tax risks relating to the PIS-EC 17/97 case;

(5) It basically refers, in 9M14 and 3Q14, to constitution of civil provisions; and

(6) Annualized.

Press Release**Summarized Analysis of Adjusted Income**

To provide for better understanding, comparison and analysis of Bradesco results, we use the Adjusted Income Statement for analysis and comments contained in this Report on Economic and Financial Analysis, obtained from adjustments made to the Book Income Statement, detailed at the end of this Press Release, which includes adjustments to non-recurring events shown on the previous page. Note that the Adjusted Income Statement serves as the basis for the analysis and comments made in Chapters 1 and 2 of this report.

R\$ million

	Adjusted Income Statement							
	Variation				Variation			
	9M14	9M13	9M14 x 9M13	3Q14	2Q14	3Q14 x 2Q14	3Q14	2Q14
		Amount	%			Amount	%	
Net Interest Income	35,309	32,022	3,287	10.3	12,281	12,066	215	1.8
- Interest Earning Portion	35,043	31,700	3,343	10.5	12,238	11,854	384	3.2
- Non-interest Earning Portion	266	322	(56)	(17.4)	43	212	(169)	(79.7)
ALL	(9,350)	(9,084)	(266)	2.9	(3,348)	(3,141)	(207)	6.6
Gross Income from Financial Intermediation	25,959	22,938	3,021	13.2	8,933	8,925	8	0.1
Income from Insurance, Pension Plans and Capitalization Bonds ⁽¹⁾	3,684	3,283	401	12.2	1,170	1,270	(100)	(7.9)
Fee and Commission Income	16,250	14,559	1,691	11.6	5,639	5,328	311	5.8
Personnel Expenses	(10,291)	(9,596)	(695)	7.2	(3,564)	(3,448)	(116)	3.4
Other Administrative Expenses	(10,689)	(10,664)	(25)	0.2	(3,628)	(3,575)	(53)	1.5
Tax Expenses	(3,416)	(3,127)	(289)	9.2	(1,182)	(1,120)	(62)	5.5
Companies	130	17	113	664.7	43	35	8	22.9
Other Operating Income/ (Expenses)	(4,035)	(3,511)	(524)	14.9	(1,311)	(1,333)	22	(1.7)
Operating Result	17,592	13,899	3,693	26.6	6,100	6,082	18	0.3
Non-Operating Result	(115)	(89)	(26)	29.2	(45)	(34)	(11)	32.4
Income Tax / Social Contribution	(6,161)	(4,729)	(1,432)	30.3	(2,075)	(2,215)	140	(6.3)
Non-controlling Interest	(89)	(78)	(11)	14.1	(30)	(29)	(1)	3.4
Adjusted Net Income	11,227	9,003	2,224	24.7	3,950	3,804	146	3.8

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums – Changes in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption – Insurance, Pension Plan and Capitalization Bond Sales Expenses.

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Press Release

Summarized Analysis of Adjusted Income

Adjusted Net Income and Profitability

The return on the Average Adjusted Shareholder's Equity (ROAE) reached 20.4% in September 2014. Such performance stems from the growth of the adjusted net income, which increased by 3.8% in the quarterly comparison, and 24.7% comparing the first three quarters of 2014 with the same period of the previous year. The main events that affected adjusted net income are detailed below.

Adjusted net income came to R\$ 3,950 million in the third quarter of 2014, up R\$ 146 million compared to the previous quarter, mainly due to (i) higher income from provision of services, resulting from an increased business volume and extended service channels; (ii) higher net interest income, a result of increased income with "interests" earning portion; and partially affected by: (iii) growth of expense with allowance for loan losses; and (iv) increased personal expenses, which mainly results from collective agreement.

Year-over-year, adjusted net income for the first three quarters of 2014 increased by R\$ 2,224 million, basically reflecting: (i) higher net interest income; (ii) greater fee and commission income; (iii) better operating income of Insurances, Pension Plan and Capitalization Bond; and affected, in part, by: (iv) higher personnel expenses.

Shareholders' Equity stood at R\$ 79,242 million in September 2014, up 18.2% over September 2013. The Capital Adequacy Ratio recorded 16.3%, 12.6% of which was classified as Common Equity/Tier I.

Total Assets stood at R\$ 987,364 million in September 2014, an increase of 8.8% over September 2013, driven by the increased business volume. Return on Average Assets (ROAA) reached 1.6%.

- Report on Economic and Financial Analysis – September 2014

Summarized Analysis of Adjusted Income

Efficiency Ratio (ER)

The ER improved in all calculation criteria presented. Highlight to the ER in the last 12 months⁽¹⁾, reaching 39.9% in the third quarter of 2014, the lowest level ever recorded, with improvement of 1.0 p.p. compared with the previous quarter, and 2.2 p.p. over the same period of 2013, and the quarterly ER that stood at 38.5%. The events that have most contributed to this improvement in the ER were: (i) the income growth, with highlight to (a) provision of services and (b) net interest income - influenced by the increase in the average business volume; and (ii) the behavior of operating expenses, affected by the rigid costs control, even considering the organic growth in the period and the impact of 2013 and 2014 collective agreements, in addition to the benefits of new systems that came into operation in due to the IT upgrading process.

The “risk-adjusted” ER, which reflects the risk’s impact associated to loan operations⁽²⁾, totaled 48.7%, an improvement of 1.3 p.p. and 3.8 p.p. compared to the previous quarter and the same period in 2013, respectively. Such improvement was mostly influenced by the stabilization of the levels of allowances for loan loss expenses in the last 12 months, resulting from the sustained loan portfolio quality, in addition to the aforementioned reasons.

(1) $ER = (\text{Personnel Expenses} - \text{Employee Profit Sharing} + \text{Administrative Expenses}) / (\text{Net Interest Income} + \text{Fee and Commission Income} + \text{Income from Insurance} + \text{Equity in the Earnings (Losses) of Unconsolidated Companies} + \text{Other Operating Income} - \text{Other Operating Expenses})$. If we considered the ratio between (i) total administrative costs (Personnel Expenses + Administrative Expenses + Other Operating Expenses + Tax Expenses not related to income generation + Insurance Sales Expenses) and (ii) net income generation of related taxes (not considering Insurance Claims and Sales Expenses), our ER accumulated in the last 12 months in the third quarter of 2014 would be 43.7%; and

(2) Including ALL expenses, adjusted for discounts granted, loan recovery and sale of foreclosed assets, among others.

Press Release

Summarized Analysis of Adjusted Income

Net Interest Income

In the quarter-over-quarter comparison, the R\$ 215 million growth was mainly due to: (i) higher results obtained with the “interest” margin totaling R\$ 384 million, particularly with “Loan” and “Securities/Other”; and offset (ii) by the reduction of the “non-interest” margin totaling R\$ 169 million, due to lower gains from the market arbitrage.

Year-over-year, the net interest income for the first three quarters of 2014 rose by R\$ 3,287 million, mainly due to: (i) a R\$ 3,343 million increase in interest earning operations, due to an increase in business volume, particularly in the Loan and Funding business lines, and in the latter case, cost-reduction management.

- Report on Economic and Financial Analysis – September 2014

Press Release**Summarized Analysis of Adjusted Income****NII - Interest Earning Portion – Annualized Average Rates**

	R\$ million					
	9M14			9M13		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	23,926	338,308	9.5%	22,841	307,983	10.0%
Funding	4,610	371,005	1.7%	3,332	333,559	1.3%
Insurance	3,050	140,896	2.9%	2,651	129,721	2.7%
Securities/Other	3,457	336,617	1.4%	2,876	307,431	1.2%
Net Interest Income	35,043	-	7.2%	31,700	-	6.9%
	3Q14			2Q14		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	8,249	340,395	10.1%	7,967	339,341	10.1%
Funding	1,625	373,221	1.8%	1,570	365,285	1.8%
Insurance	1,005	144,792	2.8%	1,081	141,206	3.2%
Securities/Other	1,359	339,591	1.6%	1,236	324,770	1.6%
Net Interest Income	12,238	-	7.5%	11,854	-	7.7%

The annualized interest financial margin rate stood at 7.5% in the third quarter of 2014, down 0.2 p.p. on the previous quarter, mainly due to the results obtained from Insurance interest margins.

 Bradesco

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Summarized Analysis of Adjusted Income

Expanded Loan Portfolio⁽¹⁾

In September 2014, Bradesco expanded loan portfolio totaled R\$ 444.2 billion. The increase of 2.1% in the quarter was a result mostly: (i) of the portfolio of Corporations, which represented a growth of 2.6%; and (ii) of Individuals, whose growth stood at 2.2%.

In the last twelve months, the portfolio increased by 7.7%: (i) 10.1% in Corporations; (ii) 8.6% in Individuals; and (iii) 2.7% in SMEs.

In the Corporate segment, the products that posted the strongest growth in the last 12 months were: (i) real estate financing; and (ii) foreign transactions. For Individuals, the highlights were: (i) real estate financing; and (ii) payroll-deductible loan. In the two segments, the higher increase is related to products with lower risk.

(1) In addition to Bacen loan portfolio, it includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in receivables-backed investment funds, mortgage-backed receivables, and farm loans.

For more information, see Chapter 2 of this Report.

Allowance for Loan Losses (ALL) ⁽¹⁾

In the third quarter of 2014, allowance for loan losses (ALL) stood at R\$ 3,348 million, representing a variation of 6.6% over the previous quarter, basically affected by: (i) the increase of 2.2% in the volume of credit operations - Bacen concept; and (ii) the continued deterioration of the risk level of individual cases, occurred in operations with corporate clients, beginning in the 2nd quarter of 2014.

In the comparison between the first three quarters of 2014 and the same period of the previous year, this expense increased by 2.9%, despite the 7.8% increase in loan operations – as defined by Bacen, resulting from the stable delinquency level in the last 12 months. It is important to note that these results reflect the consistency of policy and proceedings for loan granting, of the quality of obtained guarantees, as well as of an enhanced credit recovery process.

(1) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letter of credit, which comprises the concept of “excess” ALL.

For more information, see Chapter 2 of this Report.

- Report on Economic and Financial Analysis – September 2014

Summarized Analysis of Adjusted Income

Delinquency Ratio⁽¹⁾

The total delinquency ratio, which comprehends transactions due over 90 days, was stable in the year-over-year comparison . In the quarter-over-quarter comparison, there was a slight increase, mostly due to the slowing of the credit portfolio growth, as well as some specific cases occurring in operations with corporate clients, not representing a change in tendency in the direction of the ratio, which can be demonstrated below in the short-term delinquency chart of 15 to 90 days, indicating stability at this level.

Compared to the last quarter, short-term delinquency, including transactions overdue between 15 and 90 days, decreased for Individuals, and remained stable for Corporations.

(1) As defined by the Brazilian Central Bank (Bacen).

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Press Release

Summarized Analysis of Adjusted Income

Coverage Ratios

Bradesco monitors the development of its loan portfolio, as well as respective risks, by internally applying the expanded portfolio concept. In addition to the allowance for loan losses (ALL) required by Bacen, Bradesco has excess ALL to support potential stress scenarios, as well as other operations/commitments bearing credit risks.

The following graph presents the changes in coverage ratio of the Allowance for Loan Losses for loans overdue for more than 60 and 90 days. In September 2014, these ratios stood at comfortable levels, reaching 154.2% and 187.2%, respectively.

(1) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit, and standby letter of credit, which comprises the concept of “excess” ALL.

Report on Economic and Financial Analysis – September 2014

Summarized Analysis of Adjusted Income**Income from Insurance, Pension Plans and Capitalization Bonds**

Net income for the third quarter of 2014 totaled R\$ 1.058 billion, up 20.5% compared to the same period in the previous year (R\$ 878 million in the third quarter of 2013), and compared to the second quarter of 2014, which totaled R\$ 1.072 billion, the Net Income reduced by 1.3%, and an annualized return on the Adjusted Shareholder's Equity of 25.4%.

Year to Date Net income for September 2014 stood at R\$ 3.170 billion, up 15.7% compared to the same period in the previous year (R\$ 2.739 billion), for a return on Adjusted Average Equity of 23.9%.

(1) Excluding additional provisions.

	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
Net Income	1,058	1,072	1,040	1,001	878	931	931
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	12,904	13,992	11,450	14,492	11,069	13,238	10,931
Technical Reserves	145,969	142,731	137,751	136,229	133,554	131,819	127,300
Financial Assets	158,207	154,261	147,725	146,064	143,423	141,984	141,500
Claims Ratio (%)	72.7	70.2	70.1	71.1	72.7	71.1	69.8
Combined Ratio (%)	86.5	86.3	86.4	86.1	86.9	85.5	85.8
Policyholders / Participants and Customers (in thousands)	46,303	45,468	45,260	45,675	45,292	44,215	42,900
Employees (unit)	7,135	7,152	7,265	7,383	7,462	7,493	7,500
Market Share of Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income (%) ⁽¹⁾	23.4	23.5	23.4	24.2	23.8	24.0	23.5

(1) In 3Q14, it considers the latest data made available by Susep (Aug/14).

Note: For purposes of comparison between the indexes for the aforementioned periods, the effects of non-recurring events have not been considered.

Press Release

Summarized Analysis of Adjusted Income

In a comparison between the third quarter of 2014 and the same period of the previous year, there was an increase of 16.6% in written premiums, pension plan contribution and capitalization bond income. As for the second quarter of 2014, it reduced by 7.8%, due to the exceptional growth of 46.2% in the previous quarter of “Life and Pension Plan” products.

Cumulatively, production increased by 9.8%, without considering the DPVAT agreement, over the same period of the previous year, influenced by “Auto RE”, “Health” and “Capitalization” products, which grew 30.9%, 21.0% and 17.0%, respectively.

The net income in the third quarter of 2014 was 20.5% higher than the result in the same period of the previous year, basically due to: (i) the 16.6% increase in revenue; (ii) improved financial and equity income; (iii) improved administrative efficiency ratio; and (iv) sustained claims ratio.

Minimum Capital Required - Grupo Bradesco Seguros

According to Resolution CNSP No. 302/13, corporations should have adjusted shareholder's equity (ASE) equal to or higher than the minimum capital required (MCR). MCR is equivalent to the largest value between the base capital and risk capital. Until the National Council of Private Insurance (CNSP) regulates the market-risk additional capital, the Company is calculating the venture capital based on underwriting, credit and operating risks. For companies regulated by the ANS, Normative Resolution No. 209/09 establishes that corporations should have adjusted shareholder's equity (ASE) equal to or higher than the Solvency Margin.

The net income until September 2014 increased 15.7% in comparison with the net income calculated for the same period of the previous year, due to: (i) increased revenue; (ii) improved financial and equity income; and (iii) claims and sales ratios kept at the same levels calculated until September 2013.

The net income of the third quarter of 2014 was 1.3% lower than the figure calculated in the previous quarter, basically due to: (i) the reduction in revenue of 7.8%; (ii) increase of 2.5 p.p. in claims ratio; (iii) the decrease in the financial result; counterbalanced, in part: (iv) by the improvement of 0.7 p.p. in sales; and (v) by the increase in operating incomes and equity result.

The capital adjustment and management process is continuously monitored, and aims to ensure that Grupo Bradesco Seguros keeps a solid capital base to support the development of activities and cope with the risks in any market situation, meeting regulatory requirements and/or Corporate Governance aspects. Companies must permanently maintain a capital compatible with the risks for their activities and transactions, according to the characteristics and peculiarities of each company belonging to Grupo Bradesco Seguros, represented by adequate capital levels. Grupo Bradesco Seguros permanently observes the limits required by the respective regulatory entities. The Minimum Capital Required on September 30, 2014 was R\$ 7.082 billion (Aug/14).

Summarized Analysis of Adjusted Income

Fee and Commission Income

In the third quarter of 2014, provision of services income amounted to R\$ 5,639 million, with growth of R\$ 311 million or 5.8% over the previous quarter, mainly resulting from increased business volume. The revenues that have most contributed to this result were those coming from: (i) funds management; (ii) credit operations; (iii) card income; and (iv) checking account income.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the increase of R\$ 1,691 million, or 11.6%, was mostly due to our increased customer base, combined with a higher volume of operations resulting from ongoing investments in customer service channels and technology. It is worth highlighting that the incomes that have most contributed to this result derived from: (i) the good performance of the cards segment, result of (a) increased revenue; (b) increased credit and debit cards base; and (c) the greater volume of transactions made; (ii) the growth of checking account incomes, due to increased business and in the account-holder customers base, which presented a net growth of 177,000 active account-holder customers in the period; (iii) higher incomes from credit operations, resulting from increased volume of contracted operations and sureties and guarantees operations in the period; and increased incomes from: (iv) consortium management; (v) underwriting/financial advising; and (vi) collection.

Press Release

Summarized Analysis of Adjusted Income

Personnel Expenses

In the third quarter of 2014, the increase of R\$ 116 million or 3.4% over the previous quarter is basically composed of the variation in the “structural” portion, due to increased wage levels and labor obligations updates, in accordance with collective agreement.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the R\$ 695 million or 7.2% increase was mainly due to:

- by the growth of R\$ 509 million of the “structural” portion, related to higher expenses with payroll, social charges and benefits, affected by increased wage levels, in accordance with 2013 and 2014 collective agreements (readjustments of 8.0% and 8.5%, respectively); and
- by the “non-structural” portion, totaling R\$ 186 million, which resulted mainly from higher expenses with: (i) profit and results sharing of managers and employees; and (ii) termination and charges costs.

Note: Structural Expenses = Salaries + Social Charges + Benefits + Pension Plans.

Non-Structural Expenses = Employee and Management Profit Sharing + Training + Labor Provision + Costs with Termination of Employment Contracts.

Report on Economic and Financial Analysis – September 2014

Summarized Analysis of Adjusted Income

Administrative Expenses

In the comparison between the first three quarters of 2014 and the same period of the previous year, total administrative expenses remained stable, with variation of 0.2%, while inflation, IPCA and IGP-M ratios showed variations of 6.75% and 3.54%, respectively. Such behavior reflects the constant control over costs, despite (i) the expansion in business volumes and (ii) the organic growth recorded in the period, with the opening of 2,304 Service Points, with highlight to Bradesco Expresso, for totaling 74,028 Service Points on September 30, 2014.

In the third quarter of 2014, the 1.5% increase in administrative expenses compared to the previous quarter resulted mostly from higher business and service volumes in the quarter, which ultimately generated higher expenses with: (i) depreciation and amortization; (ii) outsourced services; (iii) data processing; (iv) marketing and advertising; and offset by smaller expenses with: (v) maintenance and preservation of assets.

Other Operating Income and Expenses

In the third quarter of 2014, other operating expenses, net of other operating income, totaled R\$ 1,311 million, reduction of R\$ 22 million over the previous quarter. In the comparison between the first three quarters of 2014 and the same period of the previous year, the R\$ 524 million increase basically reflects: (i) higher expenses with operating provisions, mainly contingent liabilities; and (ii) higher expenses with the "Credit Card" product sales.

Press Release

Summarized Analysis of Adjusted Income

Income Tax and Social Contribution

Expenses with income tax and social contribution, in the quarter-over-quarter comparison, reduced by 6.3%, or R\$ 140 million, which is a result, in part, of a greater use of the tax benefit on interest on owner's equity. In the year-over-year comparison, the annual increase of 30.3%, or R\$ 1,432 million, is related to the higher taxable result.

Unrealized Gains

In the third quarter of 2014, unrealized gains totaled R\$ 18,998 million, a R\$ 2,675 million decrease over the previous quarter. Such variation basically derived from the devaluation of our investments, especially Cielo shares, which had its market value reduced by 12.1% in the quarter.

 Report on Economic and Financial Analysis – September 2014

Economic Scenario

The third quarter was characterized by the resumption of international financial volatility. Geopolitical concerns and epidemic issues were added to the resurgence of uncertainties regarding the pace of recovery of the world's economy. Downward re-evaluations for economic growth, even if relatively limited, have been performed for many of the major economies. Europe remains as the center of attention, despite recent efforts by European Central Bank, which expanded monetary and credit stimulus.

However, so far the more adverse global scenario has not been enough to interrupt the recovery of U.S. growth. As a consequence of this performance differential in comparison with the rest of the world, the demand of American government bonds has increased in the last months, which has also been favored by an "escape towards quality" process. This greater appetite of investors for treasuries contributes to explain the reduced level of long-term interest rates, which tend, however, to raise in the next quarters.

There is also the prospective trend of additional appreciation of the dollar and deceleration of the Chinese growth, which generate relevant challenges to the management of the economic policy of emerging nations. On the other hand, this very same global scenario also creates some valuable opportunities for countries that adopt effective economic and institutional differentiation measures.

Under this context, it becomes increasingly imperative that Brazil strengthens its commitment to sustainable economic policies. Efforts in this direction represent a requirement for the maintenance of the macroeconomic foreseeability and income gains, in addition to raising the confidence level of economic agents.

Indicators for Domestic economic activities have been modest, further highlighting the relevance of structural initiatives aimed at promoting future growth. The constant search for excellence in education is Brazil's front line in its battle to become more competitive and to expedite its efforts to upgrade infrastructure. It is always important to remind that, in the long term, the main source of economic growth is productivity, which becomes an even more relevant topic within a global context characterized by high levels of efficiency.

Productive investments tend to play an increasingly relevant role in the composition of growth over the next few years, which should be favored by the increased share of the capital market in funding of infrastructure projects. At the same time, despite the shift in consumer market expansion levels in some segments, the potential of domestic demand for goods and services has yet to be depleted, and there is still much room for growth. Income gains, employment formalization, diversification of consumption habits and social mobility are still key influential factors.

Bradesco maintains a positive outlook towards Brazil, with favorable perspectives for its operating segments. Credit volume is growing at sustainable and risk-compatible rates, whereas delinquency rates are stabilized at historically low and controlled levels. The scenario is still very promising for the Brazilian banking and insurance sectors.

Press Release**Main Economic Indicators**

Main Indicators (%)	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12	3Q12
Interbank Deposit Certificate (CDI)	2.72	2.51	2.40	2.31	2.12	1.79	1.61	1.70	1.70
Ibovespa	1.78	5.46	(2.12)	(1.59)	10.29	(15.78)	(7.55)	3.00	3.00
USD – Commercial Rate	11.28	(2.67)	(3.40)	5.05	0.65	10.02	(1.45)	0.64	0.64
General Price Index - Market (IGP-M)	(0.68)	(0.10)	2.55	1.75	1.92	0.90	0.85	0.68	0.68
Extended Consumer Price Index (IPCA) – Brazilian Institute of Geography and Statistics (IBGE)	0.83	1.54	2.18	2.04	0.62	1.18	1.94	1.99	1.99
Federal Government Long-Term Interest Rate (TJLP)	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.36	1.36
Reference Interest Rate (TR)	0.25	0.15	0.19	0.16	0.03	-	-	-	-
Savings Account (Old Rule) ⁽¹⁾	1.75	1.66	1.70	1.67	1.54	1.51	1.51	1.51	1.51
Savings Account (New Rule) ⁽¹⁾	1.75	1.66	1.70	1.67	1.47	1.30	1.25	1.26	1.26
Business Days (number)	66	61	61	64	66	63	60	62	62
Indicators (Closing Rate)	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13	Mar13	Dec12	Sept12
USD – Commercial Selling Rate - (R\$)	2.45	102.20	52.26	302.34	26 2.23	00 2.21	56 2.01	38 2.04	35 2.04
Euro - (R\$)	3.09	543.01	503.11	753.22	65 3.01	81 2.88	27 2.58	53 2.69	54 3.00
Country Risk (points)	239	208	228	224	236	237	189	142	142
Basic Selic Rate Copom (% p.a.)	11.00	11.00	10.75	10.00	9.00	8.00	7.25	7.25	7.25
BM&F Fixed Rate (% p.a.)	11.77	10.91	11.38	10.57	10.07	9.39	7.92	7.14	7.14

(1) Regarding the new savings account yield rule, it was defined that: (i) existing deposits up to May 3, 2012 will continue to yield at TR + interest of 6.17% p.a.; and (ii) for deposits made as of May 4, 2012, the new rules are: (a) if the Selic rate is higher than 8.5% p.a., a yield of TR + 6.17% p.m. interest will be maintained; and (b) if the Selic rate is equal or lower than 8.5% p.a., the yield will be 70% of Selic rate + TR.

Projections for 2016

%	2014	2015	2016
USD - Commercial Rate (year-end) - R\$	2.45	2.55	2.65
Extended Consumer Price Index (IPCA)	6.30	6.00	5.50
General Price Index - Market (IGP-M)	3.20	5.40	5.00
Selic (year-end)	11.00	11.00	10.00
Gross Domestic Product (GDP)	0.50	1.50	3.00

Guidance**Bradesco's Outlook for 2014**

This guidance contains forward-looking statements that are subject to risks and uncertainties, as they are based on Management's expectations and assumptions and information available to the market as of the date hereof.

Loan Portfolio ^{(1) (2)}	7 to 11 %
Individuals ⁽³⁾	8 to 12 %
Companies ⁽⁴⁾	6 to 10 %
NII - Interest Earning Portion ⁽⁵⁾	9 to 12 %
Fee and Commission Income ⁽⁶⁾	11 to 14 %
Operating Expenses ⁽⁷⁾	3 to 6 %
Insurance Premiums	9 to 12 %

(1) Expanded Loan Portfolio;

(2) Changed from 10% - 14% to 7% - 11%;

(3) Changed from 11% - 15% to 8% - 12%;

(4) Changed from 9% - 13% to 6% - 10%;

(5) Changed from 6% - 10% to 9% - 12%;

(6) Changed from 9% - 13% to 11% - 14%; and

(7) Administrative and Personnel Expenses;

Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement**

Third quarter of 2014

	Book Income Statement	Managerial Reclassifications (1)	3Q14 Income Statement prior to Non-recurring Events
Net Interest Income	9,889	1,794	11,683
ALL	(3,775)	427	(3,348)
Gross Income from Financial Intermediation	6,114	2,221	8,335
Income from Insurance, Pension Plans and Capitalization Bonds	1,170	-	1,170
Fee and Commission Income	5,587	52	5,639
Personnel Expenses	(4,052)	-	(4,052)
Other Administrative Expenses	(3,664)	35	(3,628)
Tax Expenses	(910)	(286)	(1,195)
Companies	43	-	43
Other Operating Income/Expenses	(545)	187	(358)
Operating Result	3,743	2,209	5,954
Non-Operating Result	(94)	51	(45)
Income Tax / Social Contribution and Non-controlling Interest	226	(2,260)	(2,034)
Net Income	3,875	-	3,875

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 2,536 million.

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Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement****Second Quarter of 2014**

	Book Income Statement	Managerial Reclassifications (1)	2Q14 Income Statement prior to Non-recurring Events	N
Net Interest Income	14,274	(2,208)	12,066	
ALL	(3,645)	504	(3,141)	
Gross Income from Financial Intermediation	10,629	(1,704)	8,925	
Income from Insurance, Pension Plans and Capitalization Bonds	1,270	-	1,270	
Fee and Commission Income	5,226	102	5,328	
Personnel Expenses	(3,448)	-	(3,448)	
Other Administrative Expenses	(3,607)	32	(3,575)	
Tax Expenses	(1,169)	49	(1,120)	
Companies	35	-	35	
Other Operating Income/Expenses	(2,298)	921	(1,376)	
Operating Result	6,639	(600)	6,039	
Non-Operating Result	(134)	100	(34)	
Income Tax / Social Contribution and Non-controlling Interest	(2,727)	500	(2,227)	
Net Income	3,778	-	3,778	

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 561 million.

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Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement**

First three quarters of 2014

	Book Income Statement	Managerial Reclassifications (1)	9M14 Income Statement prior to Non-recurring Events
Net Interest Income	36,933	(2,222)	34,711
ALL	(10,671)	1,321	(9,350)
Gross Income from Financial Intermediation	26,262	(901)	25,361
Income from Insurance, Pension Plans and Capitalization Bonds	3,685	-	3,684
Fee and Commission Income	16,003	247	16,250
Personnel Expenses	(10,779)	-	(10,779)
Other Administrative Expenses	(10,786)	96	(10,689)
Tax Expenses	(3,220)	(210)	(3,429)
Companies	130	-	130
Other Operating Income/Expenses	(4,896)	1,720	(3,175)
Operating Result	16,399	952	17,353
Non-Operating Result	(338)	224	(115)
Income Tax / Social Contribution and Non-controlling Interest	(4,965)	(1,176)	(6,142)
Net Income	11,096	-	11,096

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 1,352 million.

Report on Economic and Financial Analysis – September 2014

Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement**

First three quarters of 2013

	Book Income Statement	Managerial Reclassifications (1)	9M13 Income Statement prior to Non-recurring Events
Net Interest Income	33,666	(1,644)	32,022
ALL	(10,343)	1,260	(9,084)
Gross Income from Financial Intermediation	23,322	(385)	22,938
Income from Insurance, Pension Plans and Capitalization Bonds	3,283	-	3,283
Fee and Commission Income	14,303	257	14,559
Personnel Expenses	(9,596)	-	(9,596)
Other Administrative Expenses	(10,499)	(164)	(10,664)
Tax Expenses	(2,933)	(193)	(3,127)
Companies	17	-	17
Other Operating Income/Expenses	(5,489)	1,863	(3,629)
Operating Result	12,410	1,374	13,781
Non-Operating Result	(86)	(3)	(89)
Income Tax / Social Contribution and Non-controlling Interest	(3,393)	(1,368)	(4,760)
Net Income	8,932	-	8,932

(1) Includes managerial reclassifications in items from the income statement, which allow a better analysis of business items, particularly hedge adjustment, which represents the partial result of derivatives used for hedge investments abroad, which in terms of Net income, simply cancels the tax effect (IR/CS and PIS/COFINS) of this hedge strategy, in the amount of R\$ 1,535 million.

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 Report on Economic and Financial Analysis – September 2014



Economic and Financial Analysis**Consolidated Statement of Financial Position and Adjusted Income Statement****Statement of Financial Position**

	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13
Assets						
Current and Long-Term Assets	972,315	915,986	906,760	892,495	892,363	881,111
Cash and Cash Equivalents	11,316	11,535	12,110	12,196	16,427	16,111
Interbank Investments	181,335	137,654	127,014	135,456	144,967	147,411
Securities and Derivative Financial Instruments	343,445	333,200	321,970	313,327	313,679	309,011
Interbank and Interdepartmental Accounts	48,540	56,115	61,740	56,995	52,121	52,111
Loan and Leasing Operations	309,264	302,276	301,914	296,629	286,899	281,911
Allowance for Loan Losses (ALL) ⁽¹⁾	(22,255)	(21,458)	(21,051)	(21,349)	(21,476)	(21,411)
Other Receivables and Assets	100,670	96,664	103,063	99,241	99,746	95,711
Permanent Assets	15,049	15,146	15,469	15,644	15,331	15,511
Investments	1,931	1,887	1,871	1,830	1,910	1,911
Premises and Leased Assets	4,591	4,579	4,597	4,668	4,392	4,411
Intangible Assets	8,527	8,680	9,001	9,146	9,029	9,189
Total	987,364	931,132	922,229	908,139	907,694	896,622
Reserve Requirements						
Current and Long-Term Liabilities	907,366	853,622	847,794	835,917	839,393	829,411
Deposits	211,882	213,270	218,709	218,063	216,778	208,411
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	297,814	255,611	250,716	256,279	258,580	266,811
Funds from Issuance of Securities	75,283	69,877	64,511	57,654	55,427	53,811
Interbank and Interdepartmental Accounts	4,540	5,673	5,343	6,864	4,806	3,711
Borrowing and Onlending	56,561	54,142	56,724	56,095	51,307	49,111
Derivative Financial Instruments	5,076	4,727	3,894	1,808	3,238	3,111
Reserves for Insurance, Pension Plans and Capitalization Bonds	145,969	142,732	137,751	136,229	133,554	131,811
Other Reserve Requirements	110,241	107,590	110,146	102,925	115,703	112,411
Deferred Income	266	224	560	677	676	611
Non-controlling Interest in Subsidiaries	490	486	549	605	592	511
Shareholders' Equity	79,242	76,800	73,326	70,940	67,033	66,011
Total	987,364	931,132	922,229	908,139	907,694	896,622

(1) Including the allowance for guarantees provided, in September 2014, the allowance for loan losses totaled R\$ 22,623 million.

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Economic and Financial Analysis

Consolidated Statement of Financial Position and Adjusted Income Statement

Adjusted Income Statement

	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
Net Interest Income	12,281	12,066	10,962	11,264	10,729	10,587	10,706
- Interest Earning Portion	12,238	11,854	10,951	10,986	10,622	10,569	10,509
- Non-interest Earning Portion	43	212	11	278	107	18	197
ALL	(3,348)	(3,141)	(2,861)	(2,961)	(2,881)	(3,094)	(3,109)
Gross Income from Financial Intermediation	8,933	8,925	8,101	8,303	7,848	7,493	7,597
Income from Insurance, Pension Plans and Capitalization Bonds ⁽¹⁾	1,170	1,270	1,244	1,188	1,100	1,028	1,155
Fee and Commission Income	5,639	5,328	5,283	5,227	4,977	4,983	4,599
Personnel Expenses	(3,564)	(3,448)	(3,279)	(3,465)	(3,346)	(3,191)	(3,059)
Other Administrative Expenses	(3,628)	(3,575)	(3,486)	(3,848)	(3,631)	(3,578)	(3,455)
Tax Expenses	(1,182)	(1,120)	(1,114)	(1,254)	(987)	(1,017)	(1,123)
Equity in the Earnings (Losses) of Unconsolidated Companies	43	35	52	26	2	12	3
Other Operating Income/ (Expenses)	(1,311)	(1,333)	(1,391)	(1,232)	(1,194)	(1,147)	(1,170)
Operating Result	6,100	6,082	5,410	4,945	4,769	4,583	4,547
Non-Operating Result	(45)	(34)	(36)	(31)	(27)	(24)	(38)
Income Tax and Social Contribution	(2,075)	(2,215)	(1,871)	(1,696)	(1,638)	(1,553)	(1,538)
Non-controlling Interest	(30)	(29)	(30)	(19)	(22)	(28)	(28)
Adjusted Net Income	3,950	3,804	3,473	3,199	3,082	2,978	2,943

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums – Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption – Insurance, Pension Plan and Capitalization Bond Sales Expenses.

NII - Interest and Non-Interest Earning Portions

Net Interest Income Breakdown

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Economic and Financial Analysis**NII - Interest and Non-Interest Earning Portions****Net Interest Margin**

					R\$ million	
	Net Interest Income				Variation	
	9M14	9M13	3Q14	2Q14	12 Months	Quarter
Interest - due to volume					3,152	144
Interest - due to spread					191	240
- NII - Interest Earning Portion	35,043	31,700	12,238	11,854	3,343	384
- NII - Non-Interest Earning Portion	266	322	43	212	(56)	(169)
Net Interest Income	35,309	32,022	12,281	12,066	3,287	215
Average NIM ⁽¹⁾	7.2%	7.0%	7.6%	7.8%		

(1) Average Net Interest Income Rate = (Net Interest Income/Average Assets – Repos – Permanent Assets) Annualized

In the comparison between the third quarter of 2014 and the previous quarter, the R\$ 215 million increase was mainly due to the greater: (i) interest earning portion, totaling R\$ 384 million, particularly in the Loan and Security/Other business lines, and offset in part by: (ii) lower non-interest earning portion, totaling R\$ 169 million, basically due to lower gains from the market arbitrage.

In the comparison between the first three quarters of 2014 and the same period of the previous year, net interest income rose by R\$ 3,287 million, mainly due to: (i) higher interest earning portion of the net interest income, totaling R\$ 3,343 million, due to an increased business volume, particularly in the “Loan” and “Funding” business lines, and in the latter case, cost-reduction management.

NII - Interest Earning Portion**Interest Earning Portion Breakdown**

					R\$ million	
	Interest Earning Portion Breakdown				Variation	
	9M14	9M13	3Q14	2Q14	12 Months	Quarter
Loans	23,926	22,841	8,249	7,967	1,085	282
Funding	4,610	3,332	1,625	1,570	1,278	55
Insurance	3,050	2,651	1,005	1,081	399	(76)
Securities/Other	3,457	2,876	1,359	1,236	581	123
Interest Earning Portion	35,043	31,700	12,238	11,854	3,343	384

The interest earning portion stood at R\$ 12,238 million in the third quarter of 2014, against R\$ 11,854 million recorded in the previous quarter, accounting for an increase of R\$ 384 million. The business lines that most contributed to this result were: (i) Loan and (ii) Securities/Other, broken down under items Loan Financial Margin – Interest and Securities/Other Financial Margin – Interest.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the interest earning portion was up R\$ 3,343 million. All business lines contributed to this increase, particularly “Funding” and “Loans”.

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Economic and Financial Analysis

NII - Interest Earning Portion**NII - Interest Earning Portion – Rates**

The annualized interest financial margin rate stood at 7.5% in the third quarter of 2014, down 0.2 p.p. on the previous quarter, mainly due to the results obtained from Insurance interest margins.

NII - Interest Earning Portion – Annualized Average Rates

	R\$ million					
	9M14			9M13		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	23,926	338,308	9.5%	22,841	307,983	10.0%
Funding	4,610	371,005	1.7%	3,332	333,559	1.3%
Insurance	3,050	140,896	2.9%	2,651	129,721	2.7%
Securities/Other	3,457	336,617	1.4%	2,876	307,431	1.2%
Interest Earning Portion	35,043	-	7.2%	31,700	-	6.9%
	3Q14			2Q14		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	8,249	340,395	10.1%	7,967	339,341	10.1%
Funding	1,625	373,221	1.8%	1,570	365,285	1.8%
Insurance	1,005	144,792	2.8%	1,081	141,206	3.2%
Securities/Other	1,359	339,591	1.6%	1,236	324,770	1.6%
Interest Earning Portion	12,238	-	7.5%	11,854	-	7.7%

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Economic and Financial Analysis**Credit Margin - Interest Earning Operations****Credit Margin - Interest Earning Operations - Breakdown**

	R\$ million					
	Credit Margin - Interest Earning Operations				Variation	
	9M14	9M13	3Q14	2Q14	12 Months	Quarter
Interest - due to volume					2,145	26
Interest - due to spread					(1,060)	256
Interest Earning Portion	23,926	22,841	8,249	7,967	1,085	282
Income	43,270	40,424	15,481	14,127	2,846	1,354
Expenses	(19,344)	(17,583)	(7,232)	(6,160)	(1,761)	(1,072)

In the third quarter of 2014, financial margin with loan operations reached R\$ 8,249 million, up R\$ 282 million over the second quarter of 2014. The variation is the result of: (i) a R\$ 256 million increase in the average spread; and (ii) a R\$ 26 million increase in average business volume.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the net interest income was up R\$ 1,085 million. The variation is the result of: (i) a R\$ 2,145 million increase in the volume of operations; and partially offset by: (ii) a decrease in the average spread, amounting to R\$ 1,060 million, affected mostly by the change in loan portfolio mix.

Credit Margin - Interest Earning Operations

Net Credit Margin

The graph above presents a summary of loan activity. The Gross Margin line refers to interest income from loans, net of opportunity cost (a specific rate by type of operation and term).

The ALL curve shows delinquency costs, which are represented by Allowance for Loan Losses (ALL) expenses, plus discounts granted in transactions net of loan recoveries, arising from the sale of foreclosed assets, among others. The increased expenses in the 3rd quarter of 2014 was basically affected by: (i) the increase of 2.2% in the volume of credit operations - Bacen concept; and (ii) the continued deterioration of the risk level of individual cases, occurred in operations with corporate clients, beginning in the 2nd quarter of 2014.

The net margin curve, which refers to loan interest income net of ALL, was up 1.6% in the third quarter of 2014, compared to the previous quarter. In the comparison between the first three quarters of 2014 and the same period of the previous year, the net margin was up 6.0%, mainly due to: (i) increased business volume; and (ii) maintained delinquency costs.

Economic and Financial Analysis**Credit Margin - Interest Earning Operations****Expanded Loan Portfolio⁽¹⁾**

In December 2013, the expanded loan portfolio stood at R\$ 444.2 billion, up 2.1% in the quarter and 7.7% over the last 12 months.

In the quarter, the growth of 2.6% of Corporations and 2.2% of Individuals stand out.

In the last twelve months, the growth of 10.1% of Corporations and 8.6% of Individuals is worth of attention.

(1) In addition to Bacen loan portfolio, it includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, co-obligation in receivables-backed investment funds, mortgage-backed receivables, and farm loans.

Expanded Loan Portfolio Breakdown by Product and Type of Customer (Individual and Corporate)

A breakdown of expanded loan portfolio products for Individuals is presented below:

Individuals	R\$ million			Variation %	
	Sept14	Jun14	Sept13	Quarter	12M
Payroll-deductible Loan	29,225	28,727	25,919	1.7	12.8
CDC / Vehicle Leasing	25,043	25,248	28,232	(0.8)	(11.3)
Credit Card	24,273	23,793	21,866	2.0	11.0
Personal Loans	16,753	16,694	16,556	0.4	1.2
Real Estate Financing	16,730	15,564	12,576	7.5	33.0
Rural Loans	9,876	9,350	7,832	5.6	26.1
BNDES/Finame Onlending	7,224	6,955	6,534	3.9	10.6
Overdraft Facilities	3,956	3,982	3,604	(0.7)	9.8
Sureties and Guarantees	381	372	191	2.5	99.5
Other	4,568	4,382	3,757	4.2	21.6
Total	138,028	135,068	127,068	2.2	8.6

Individual segment operations grew by 2.2% in the quarter and 8.6% over the last 12 months. The lines that contributed most to such increase were: (i) real estate financing; and (ii) payroll-deductible loan.

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Economic and Financial Analysis**Credit Margin - Interest Earning Operations**

A breakdown of expanded loan portfolio products for Corporations is presented below:

Corporate	R\$ million			Variation %	
	Sept14	Jun14	Sept13	Quarter	12M
Working Capital	42,802	42,869	44,255	(0.2)	(3.3)
BNDES/Finame Onlending	33,872	33,198	32,483	2.0	4.3
Operations Abroad	33,474	29,249	27,530	14.4	21.6
Real Estate Financing	22,527	21,739	15,069	3.6	49.5
Export Financing	15,469	16,118	15,620	(4.0)	(1.0)
CDC / Leasing	12,686	12,787	13,042	(0.8)	(2.7)
Credit Card	12,468	12,649	13,516	(1.4)	(7.8)
Overdraft Account	10,704	11,054	10,651	(3.2)	0.5
Rural Loans	7,048	7,376	4,964	(4.4)	42.0
Sureties and Guarantees	69,899	69,504	65,157	0.6	7.3
Operations bearing Loan Risk - Commercial Portfolio ⁽¹⁾	34,553	33,356	32,917	3.6	5.0
Other	10,665	10,264	10,287	3.9	3.7
Total	306,167	300,163	285,490	2.0	7.2

(1) Including debenture and promissory note operations.

Corporate segment operations grew by 2.0% in the quarter and 7.2% in the last 12 months. In the quarter and in the last 12 months, the lines that showed significant growth were: (i) real estate financing; and (ii) foreign transactions.

Expanded Loan Portfolio – Consumer Financing^(j)

The graph below shows lines related to Individual Consumer Financing, which reached R\$ 95.3 billion in September 2014, representing a growth of 0.9% in the quarter and 2.9% in the last 12 months.

The following types of credit posted the strongest numbers for September 2014: (i) personal loans, including payroll-deductible loans, totaling R\$ 46.0 billion; and (ii) Vehicle CDC/leasing, totaling R\$ 25.0 billion. Together, these operations totaled R\$ 71.0 billion, accounting for 74.5% of the Consumer Financing balance.

(1) Including vehicle CDC/leasing, personal loans, revolving credit card and cash and installment purchases at merchants operations.

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Economic and Financial Analysis**Credit Margin - Interest Earning Operations****Breakdown of Vehicle Portfolio**

	R\$ million			Variation %	
	Sept14	Jun14	Sept13	Quarter	12M
CDC Portfolio	33,117	33,063	35,192	0.2	(5.9)
Individuals	24,674	24,805	27,378	(0.5)	(9.9)
Corporate	8,443	8,258	7,814	2.2	8.0
Leasing Portfolio	1,842	2,071	3,051	(11.1)	(39.6)
Individuals	368	443	854	(16.9)	(56.9)
Corporate	1,474	1,628	2,197	(9.5)	(32.9)
Finame Portfolio	11,173	11,136	11,396	0.3	(2.0)
Individuals	659	701	832	(6.0)	(20.8)
Corporate	10,514	10,435	10,564	0.8	(0.5)
Total	46,132	46,270	49,639	(0.3)	(7.1)
Individuals	25,701	25,949	29,064	(1.0)	(11.6)
Corporate	20,431	20,321	20,575	0.5	(0.7)

Vehicle financing operations (individual and corporate segment) totaled R\$ 46.1 billion in September 2014, with decrease in quarter-over-quarter and year-over-year comparisons. Of the total vehicle portfolio, 71.8% corresponds to CDC, 24.2% to Finame, and 4.0% to Leasing. Individuals represented 55.7% of the portfolio, while corporate customers accounted for the remaining 44.3%.

The presented variations reflect the market behavior and the portfolio's new position, which started to operate mainly with newer vehicles, seeking better financing conditions and lower risk.

Expanded Loan Portfolio Concentration – By Sector

The expanded loan portfolio by economic activity sector increased the "Individual segment" share, both in the quarter and the last 12 months.

Activity Sector	R\$ million					
	Sept14	%	Jun14	%	Sept13	%
Public Sector	7,797	1.8	7,359	1.7	1,204	0.3
Private Sector	436,398	98.2	427,872	98.3	411,355	99.7
Corporate	298,370	67.2	292,804	67.3	284,287	68.9

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Industry	89,607	20.2	89,141	20.5	79,460	19.3
Commerce	55,223	12.4	54,304	12.5	59,837	14.5
Financial Intermediaries	9,017	2.0	9,042	2.1	8,631	2.1
Services	140,763	31.7	136,461	31.4	133,253	32.3
Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration	3,760	0.8	3,856	0.9	3,106	0.8
Individuals	138,028	31.0	135,068	31.0	127,068	30.8
Total	444,195	100.0	435,231	100.0	412,559	100.0

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Economic and Financial Analysis

Credit Margin – Interest Earning Operations

Changes in the Expanded Loan Portfolio

Of the R\$ 31.6 billion growth in the expanded loan portfolio over the last 12 months, new borrowers accounted for 98.4%, representing 7.0% of the portfolio in September 2014.

(1) Including new loans contracted in the last 12 months by customers since September 2013.

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Economic and Financial Analysis**Credit Margin – Interest Earning Operations****Changes in the Expanded Loan Portfolio – By Rating**

The chart below shows that the vast majority of new borrowers and customers that remained in the loan portfolio since September 2013 received ratings between AA and C, demonstrating the adequacy and consistency of the loan assignment and monitoring policy and processes, as well as the quality of guarantees.

Changes in the Extended Loan Portfolio by Rating between September 2013 and 2014

Rating	Total Loan as at September 2014		New Customers from October 2013 and September 2014		Remaining Debtors as at September 2013	
	R\$ million	%	R\$ million	%	R\$ million	%
AA - C	417,606	94.0	29,225	93.9	388,381	94.0
D	6,109	1.4	292	0.9	5,817	1.4
E - H	20,480	4.6	1,608	5.2	18,872	4.6
Total	444,195	100.0	31,125	100.0	413,070	100.0

Expanded Loan Portfolio – By Customer Profile

The chart below presents the evolution in the expanded loan portfolio by customer profile:

Customer Profile	R\$ million			Variation %	
	Sept14	Jun14	Sept13	Quarter	12M
Corporations	192,810	187,983	175,095	2.6	10.1
SMEs	113,357	112,180	110,396	1.0	2.7
Individuals	138,028	135,068	127,068	2.2	8.6
Total Loan Operations	444,195	435,231	412,559	2.1	7.7

Expanded Loan Portfolio – By Customer Profile and Rating (%)

Loans rated as AA to C remained stable in the quarter and improved over the last 12 months.

Customer Profile	By Rating								
	Sept14			Jun14			Sept13		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Corporations	98.2	0.5	1.3	98.4	0.4	1.2	96.9	2.6	0.5
SMEs	90.3	2.7	7.0	90.3	2.9	6.8	90.6	3.4	6.0
Individuals	91.2	1.5	7.3	91.0	1.7	7.3	90.3	1.9	7.8
Total	94.0	1.4	4.6	94.0	1.5	4.5	93.2	2.6	4.2

Economic and Financial Analysis**Credit Margin - Interest Earning Operations****Expanded Loan Portfolio - By Business Segment**

Regarding the growth of the expanded loan portfolio by “Business Segment”, we highlight the growth of “Prime”, “Corporate”, and “Retail” segments, in the quarter and the last 12 months.

Business Segments	R\$ million				Variation %			
	Sept14	%	Jun14	%	Sept13	%	Quarter	12M
Retail	124,715	28.1	121,878	28.0	115,451	28.0	2.3	8.0
Corporate	194,102	43.7	189,727	43.6	178,209	43.2	2.3	8.9
Middle Market	48,603	11.0	48,199	11.1	46,289	11.2	0.8	5.0
Prime	21,176	4.8	20,222	4.6	18,091	4.4	4.7	17.1
Other / Non-account Holders ⁽¹⁾	55,599	12.5	55,206	12.7	54,518	13.2	0.7	2.0
Total	444,195	100.0	435,231	100.0	412,559	100.0	2.1	7.7

(1) Mostly, non-account holders using vehicle financing, credit cards and payroll-deductible loans.

Expanded Loan Portfolio – By Currency

The balance of foreign currency-indexed and/or denominated loan and onlending operations (excluding ACCs - Advances on Foreign Exchange Contracts) totaled US\$ 15.8 billion in September 2014 (US\$ 15.5 billion in June 2014 and US\$ 14.9 billion in September 2013), with growth of 1.9% in the quarter and 6.0% in the last 12 months, in U.S. Dollars. In Brazilian Reais, such operations totaled R\$ 38.8 billion in September 2014 (R\$ 34.0 billion in June 2014 and R\$ 33.2 billion in September 2013), up 14.1% in the quarter and 16.9% over the last 12 months.

In September 2014, total loan operations in Reais stood at R\$ 405.4 billion (R\$ 401.2 billion in June 2014 and R\$ 379.4 billion in September 2013), up 1.0% in the quarter and 6.9% in the last 12 months.

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Economic and Financial Analysis**Credit Margin – Interest Earning Operations****Expanded Loan Portfolio – by Debtor**

The concentration level among the largest debtors was slightly higher when compared to the previous quarter and the last twelve months. The quality of the 100 largest debtors' portfolio showed an improvement in the period analyzed, based on AA-A rating.

Loan Portfolio⁽¹⁾ – By Type

The sum of operations with credit risk reached R\$ 469.8 billion, an increase of 1.8% in the quarter and 8.1% in the last 12 months.

	R\$ million			Variation %	
	Sept14	Jun14	Sept13	Quarter	12M
Loans and Discounted Securities	159,876	156,010	151,823	2.5	5.3
Financing	120,926	117,955	110,176	2.5	9.8
Rural and Agribusiness Financing	23,854	23,341	18,823	2.2	26.7
Leasing Operations	4,608	4,969	6,077	(7.3)	(24.2)
Advances on Exchange Contracts	5,814	6,414	6,239	(9.4)	(6.8)
Other Loans	20,826	19,978	18,517	4.2	12.5
Subtotal Loan Operations ⁽²⁾	335,904	328,668	311,655	2.2	7.8
Sureties and Guarantees Granted (Memorandum Accounts)	70,280	69,875	65,348	0.6	7.5
Operations bearing Credit Risk - Commercial Portfolio ⁽³⁾	34,553	33,356	32,917	3.6	5.0
Letters of Credit (Memorandum Accounts)	507	402	751	26.1	(32.5)
Advances from Credit Card Receivables	1,457	1,386	871	5.1	67.3
Co-obligation in Loan Assignment FIDC/CRI (Memorandum Accounts)	1,383	1,432	897	(3.4)	54.2
Co-obligation in Rural Loan Assignment (Memorandum Accounts)	112	111	120	0.6	(6.9)
Subtotal of Operations bearing Credit Risk - Expanded Portfolio	444,195	435,231	412,559	2.1	7.7
Other Operations Bearing Credit Risk ⁽⁴⁾	25,639	26,344	21,962	(2.7)	16.7
Total Operations bearing Credit Risk	469,834	461,575	434,521	1.8	8.1

(1) In addition to the Expanded Portfolio, it includes other operations bearing credit risk;

(2) As defined by Bacen;

(3) Including debenture and promissory note operations; and

(4) It includes CDI operations, Rural DI, international treasury, swap, non-deliverable forward transaction and investments in FIDC and Certificates of Real Estate Receivables (CRI).

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Economic and Financial Analysis

Credit Margin – Interest Earning Operations

The charts below refer to the Loan Portfolio, as defined by Bacen.

Loan Portfolio⁽¹⁾ – By Flow of Maturities⁽²⁾

The loan portfolio by flow of maturities of operations showed a longer profile in September 2014, compared to the same period of the previous year, mainly due to the representativeness of real estate financing and payroll-deductible loans operations. It should be noted that, due to their guarantees and characteristics, these operations are not only exposed to lower risk, but they also provide favorable conditions to gain customer loyalty.

(1) As defined by Bacen; and

(2) Only performing loans.

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Economic and Financial Analysis

Credit Margin – Interest Earning Operations

Loan Portfolio⁽¹⁾ – Delinquency

The total delinquency ratio, which comprehends transactions due over 90 days, was stable in the year-over-year comparison . In the quarter-over-quarter comparison, there was a slight increase, mostly due to the slowing of the credit portfolio growth, as well as some specific cases occurring in operations with corporate clients, not representing a change in tendency in the direction of the ratio, which can be demonstrated below in the short-term delinquency chart of 15 to 90 days, indicating stability at this level.

Compared to the last quarter, short-term delinquency, including transactions overdue between 15 and 90 days, decreased for Individuals, and remained stable for Corporations.

(1) As defined by Bacen.

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Credit Margin - Interest Earning Operations

Allowance for Loan Losses (ALL) vs. Delinquency vs. Losses⁽¹⁾

The development of the loan portfolio, as well as respective risks, are monitored internally by applying the expanded portfolio concept.

In addition to the allowance for loan losses, required by Bacen Resolution N^o 2682/99, there is excess ALL to support eventual stress scenarios, as well as other operations/commitments bearing credit risks.

The ALL totaled R\$ 22.6 billion in September 2014, representing 6.7% of the total loan portfolio, comprising: (i) generic provision (customer and/or operation rating); (ii) specific provision (non-performing loans); and (iii) excess provision (internal criteria, including provision for guarantees provided).

Provisioning levels are deemed appropriate and sufficient to support possible changes in scenarios, such as higher delinquency levels and/or changes in the loan portfolio profile.

(1) As defined by Bacen; and

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of "excess" ALL.

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Economic and Financial Analysis

Credit Margin - Interest Earning Operations

It is worth mentioning the assertiveness of the provisioning criteria adopted, which is proven by: (i) analyzing historical data on recorded allowances for loan losses; and (ii) effective losses in the subsequent twelve-month period. When analyzed in terms of net loss of recovery, for an existing provision of 6.9% of the portfolio⁽¹⁾ in September 2013, the net loss in the subsequent twelve months was 3.0%, that is, the existing provision exceeded over 133% the loss occurred in the subsequent twelve months.

In September 2013, for an existing provision of 6.9% of the portfolio⁽¹⁾, the gross loss in the subsequent twelve-month period was 4.2%, meaning that the existing provision exceeded over 64% the loss in the subsequent twelve months, as illustrated in the graph below.

(1) As defined by Bacen; and

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of “excess” ALL.

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Credit Margin - Interest Earning Operations

Allowance for Loan Losses⁽¹⁾

The Non Performing Loans ratio (operations due over 60 days) remained stable in the year-over-year and quarter-over-quarter comparison. Coverage ratios were stabilized at comfortable levels.

(1) As defined by Bacen;

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of “excess” ALL; and

(3) Loan operations overdue for over 60 days and that do not generate revenue appropriation on accrual accounting.

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Economic and Financial Analysis**Credit Margin - Interest Earning Operations****Loan Portfolio – Portfolio Indicators**

With a view to facilitating the monitoring of the quantitative and qualitative performance of Bradesco's loan portfolio, a comparative summary of the main figures and indicators is presented below:

	R\$ million (exc		
	Sept14	Jun14	Sept13
Total Loan Operations ⁽¹⁾	335,904	328,668	3
- Individuals	136,946	133,959	1
- Corporate	198,958	194,709	1
Total Provision ⁽²⁾	22,623	21,791	
- Specific	11,590	11,097	
- Generic	7,025	6,685	
- Excess ⁽²⁾	4,008	4,009	
Specific Provision / Total Provision ⁽²⁾ (%)	51.2	50.9	
Total Provision ⁽²⁾ / Loan Operations (%)	6.7	6.6	
AA - C Rated Loan Operations / Loan Operations (%)	92.3	92.2	
D Rated Operations under Risk Management / Loan Operations (%)	1.7	1.9	
E - H Rated Loan Operations / Loan Operations (%)	6.0	5.9	
D Rated Loan Operations	5,734	6,224	
Provision for D-rated Operations	1,591	1,717	
D Rated Provision / Loan Operations (%)	27.8	27.6	
D - H Rated Non-Performing Loans	16,601	16,551	
Total Provision ⁽²⁾ / D-to-H-rated Non-performing Loans (%)	136.3	131.7	
E - H Rated Loan Operations	20,267	19,388	
Provision for E-to-H-rated Loan Operations	17,044	16,190	
E - H Rated Provision / Loan Operations (%)	84.1	83.5	
E - H Rated Non-Performing Loans	13,960	13,560	
Total Provision ⁽²⁾ / E-to-H-rated Non-performing Loans (%)	162.1	160.7	
Non-performing Loans ⁽³⁾	14,669	14,538	
Non-performing Loans ⁽³⁾ / Loan Operations (%)	4.4	4.4	
Coverage Ratio - Total Provision ⁽²⁾ / Non Performing Loans ⁽³⁾ (%)	154.2	149.9	
Loan Operations Overdue for over 90 days	12,082	11,658	
Loan Operations Overdue for over 90 days / Loan Operations (%)	3.6	3.5	
Coverage Ratio - Total Provision ⁽²⁾ / Operations Overdue for over 90 days (%)	187.2	186.9	

(1) As defined by Bacen;

(2) Includes provision for guarantees provided, encompassing sureties, guarantees, letters of credit and standby letters of credit, which comprises the concept of "excess" ALL; and

(3) Loan operations overdue for over 60 days and that do not generate revenue appropriation on accrual accounting.

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Economic and Financial Analysis**Funding Margin – Interest Earning Operations****Funding Margin Breakdown - Interest Earning Operations**

	Funding Margin - Interest Earning Operations					R\$ million	
	9M14	9M13	3Q14	2Q14	12 Months	Quarter	Variation
Interest - due to volume					465	34	
Interest - due to spread					813	21	
Interest Earning Portion	4,610	3,332	1,625	1,570	1,278	55	

Quarter-over-quarter, the funding margin of interest earning operations increased 3.5%, or R\$ 55 million, in the third quarter of 2014. The variation occurred mainly due to: (i) a greater volume of operations, which amounted to R\$ 34 million; and (ii) a R\$ 21 million increase in the average spread.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the Funding Margin - Interest Earning Operations was up 38.4% or R\$ 1,278 million. The variation occurred mainly due to: (i) the R\$ 813 million increase in average spread as a result of an improved cost structure, with greater focus on funding obtained from Retail customers, associated with the increased Selic rate; and (ii) the greater volume of operations, amounting to R\$ 465 million.

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Economic and Financial Analysis**Funding Margin – Interest Earning Operations****Loans vs. Funding**

To analyze Loan Operations in relation to Funding, the following should be deducted from total customer funding: (i) the amount committed to reserve requirements at Bacen, (ii) the amount of available funds held at customer service network, as well as (iii) funds from domestic and foreign lines of credit that finance the demand for loans.

Bradesco depends little on interbank deposits and foreign lines of credit, given its capacity to effectively obtain funding from customers.

This is a result of: (i) the outstanding location of its Service Points; (ii) the broad diversity of products offered; and (iii) the market's confidence in the Bradesco brand.

Note that the use of funds provides a comfortable margin, which proves that Bradesco is capable of meeting demand for loaning funds through its own funding.

Funding vs. Investments	R\$ million			Variation %	
	Sept14	Jun14	Sept13	Quarter	12M
Demand Deposits + Sundry Floating	37,227	39,913	43,008	(6.7)	(13.4)
Savings Deposits	87,293	84,319	76,488	3.5	14.1
Time Deposits + Debentures ⁽¹⁾	157,576	158,532	157,356	(0.6)	0.1
Funds from Financial Bills ⁽²⁾	66,754	61,809	43,952	8.0	51.9
Customer Funds	348,850	344,573	320,803	1.2	8.7
(-) Reserve Requirements	(46,713)	(53,502)	(49,473)	(12.7)	(5.6)
(-) Available Funds	(7,596)	(7,651)	(12,708)	(0.7)	(40.2)
Customer Funds Net of Reserve Requirements	294,541	283,420	258,622	3.9	13.9
Onlending	41,489	40,414	39,317	2.7	5.5
Securities Abroad	8,529	8,068	11,475	5.7	(25.7)
Borrowing	15,072	13,727	11,990	9.8	25.7
Other (Subordinated Debt + Other Borrowers - Cards)	52,515	50,751	50,723	3.5	3.5
Total Funding (A)	412,146	396,380	372,127	4.0	10.8
Expanded Loan Portfolio (Excluding Sureties and Guarantees) (B)	373,915	365,356	347,210	2.3	7.7
B/A (%)	90.7	92.2	93.3	(1.5) p.p.	(2.6) p.p.

(1) Debentures mainly used to back repos; and

(2) Including: Collateral Mortgage Notes, Mortgage Bonds, Letters of Credit for Agribusiness, Financial Bills and Structured Operations Certificates.

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Economic and Financial Analysis**Funding Margin – Interest Earning Operations****Main Funding Sources**

The following table presents changes in main funding sources:

	R\$ million			Variation %	
	Sept14	Jun14	Sept13	Quarter	12M
Demand Deposits	33,300	36,176	39,456	(8.0)	(15.6)
Savings Deposits	87,293	84,319	76,488	3.5	14.1
Time Deposits	90,615	92,254	99,993	(1.8)	(9.4)
Debentures ⁽¹⁾	66,961	66,278	57,363	1.0	16.7
Borrowing and Onlending	56,561	54,142	51,307	4.5	10.2
Funds from Issuance of Securities ⁽²⁾	75,283	69,877	55,427	7.7	35.8
Subordinated Debts	36,464	35,384	36,135	3.1	0.9
Total	446,477	438,430	416,169	1.8	7.3

(1) Considering mostly debentures used to back repos; and

(2) Including: Financial Bills, on September 30, 2014, amounting to R\$ 49,671 million (June 30, 2014 - R\$ 48,111 and September 30, 2013 - R\$ 34,242 million).

Demand deposits

The R\$ 2,876 million reduction in the third quarter of 2014 over the previous quarter, and the R\$ 6,156 million reduction over the same period of the previous year were mostly due to new business opportunities offered to customers, basically because of interest rate fluctuations in the period.

Savings Deposits

Savings deposits increased 3.5% in the quarter-over-quarter comparison, and 14.1% compared to the same period in the previous year, mainly as a result of: (i) greater funding volume; (ii)

the yield of savings account reserve; and (iii) increase in voluntary deposits by customers.

Bradesco is always increasing its savings accounts base, posting net growth of 4.6 million new savings accounts over the last 12 months.

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Economic and Financial Analysis

Funding Margin – Interest Earning Operations

Time Deposits

In the third quarter of 2014, time deposits balance totaled R\$ 90,615 million, with a reduction of 1.8% over the second quarter of 2014, and reduction of 9.4% over the same period of the previous year.

This performance was due mostly to new investment alternatives available to customers.

Debentures

On September 30, 2014, Bradesco's debentures balance reached R\$ 66,961 million, an increase of 1.0% in the quarter-over-quarter comparison, and of 16.7% in the last 12 months.

These variations are mainly due to the placement and maturity of the securities, which are also used to back repos that are, in turn, impacted by the levels of economic activity.

Borrowing and Onlending

The increase of R\$ 2,419 million in the quarter-over-quarter comparison was mainly a result of: (i) the increase of R\$ 1,368 million in foreign-currency-denominated and/or indexed borrowing and onlending bonds, a result, essentially, of the positive exchange rate fluctuation of 11.3% in the period; and (ii) the increase of R\$ 1,051 million in the volume of fundings raised by borrowings and onlending in the country, especially through BNDES operations.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the balance of borrowings and onlending presented a growth of R\$ 5,254 million, basically due to: (i) the increase of R\$ 3,147 million in foreign-currency-denominated and/or indexed borrowing and onlending bonds, whose balance went from R\$ 12,142 million in September 2013 to R\$ 15,289 million in September 2014, mainly as a result of: (a) the positive exchange rate fluctuation of 9.9% in the period; and (b) the increase in the volume of funds raised; and (ii) the increase of R\$ 2,107 million in the volume of funds raised through borrowings and onlending in the country, especially through Finame operations.

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Funding Margin – Interest Earning Operations**Funds from the Issuance of Securities**

Funds from issuance of securities totaled R\$ 75,283 million, up 7.7% or R\$ 5,406 million over the previous quarter, mainly due to: (i) the increase in Real Estate Credit Bill, in the value of R\$ 2,582 million; (ii) the increase in Financial Bills inventory, in the amount of R\$ 1,560 million; and (iii) the increase in the volume of Letters of Credit for Agribusiness, in the amount of R\$ 820 million.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the increase in net interest income of R\$ 19,856 million was mainly driven by: (i) increased inventory of Financial Bills, whose balance went from R\$ 34,242 million in September 2013 to R\$ 49,671 million in September 2014, mainly due to new issuances in the period; (ii) increased volume of Mortgage Bonds, in the amount of R\$ 6,778 million; and partially counterbalanced by: (iii) the reduction of R\$ 2,946 million in the volume of securities issued abroad.

Subordinated Debt

Subordinated Debt totaled R\$ 36,464 billion in September 2014 (R\$ 8,472 million abroad and R\$ 27,992 million in Brazil), showing a growth of 3.1% in the quarter-over-quarter comparison, and of 0.9% in the comparison with the same period of the previous year, basically driven by the adjustment of dollar-indexed instruments abroad, and partially counterbalanced by debts due in previous periods.

_____ Economic and Financial Analysis**Securities/Other Margin – Interest Earning Operations****Securities/Other Margin Breakdown – Interest Earning Operations**

	R\$ million					
	Securities/Other Margin - Interest Earning Operations				Variation	
	9M14	9M13	3Q14	2Q14	12 Months	Quarter
Interest - due to volume					300	60
Interest - due to spread					281	63
Interest Earning Portion	3,457	2,876	1,359	1,236	581	123
Income	29,343	22,495	12,804	8,820	6,848	3,984
Expenses	(25,886)	(19,619)	(11,445)	(7,584)	(6,267)	(3,861)

Securities/Other Margin – Interest Earning Operations rose R\$ 123 million between the third quarter of 2014 and the previous quarter. The variation occurred mainly due to: (i) the R\$ 63 million increase in average spread; and (ii) the greater volume of operations, which amounted to R\$ 60 million.

In the comparison between the first three quarters of 2014 and the same period of the previous year, the Securities/Other Margin - Interest Earning Operations was down R\$ 581 million. This result was primarily due to: (i) a greater volume of operations, which affected the result in R\$ 300 million; and (ii) increased average spread, totaling R\$ 281 million.

Insurance Margin - Interest Earning Operations**Insurance Margin Breakdown - Interest Earning Operations**

	R\$ million					
	Insurance Margin - Interest Earning Operations				Variation	
	9M14	9M13	3Q14	2Q14	12 Months	Quarter
Interest - due to volume					242	25
Interest - due to spread					157	(101)
Interest Earning Portion	3,050	2,651	1,005	1,081	399	(76)
Income	10,535	6,085	3,480	3,607	4,450	(127)
Expenses	(7,485)	(3,434)	(2,475)	(2,526)	(4,051)	51

Comparing the third quarter of 2014 with the previous quarter, interest financial margin from insurance operations decreased R\$ 76 million, or 7.0%, basically impacted by: (i) the R\$ 101 million decrease in average spread; and offset, in part by: (ii) the greater volume of operations, which amounted to R\$ 25 million.

Comparing the first three quarters of 2014 and the same period of the previous year, Insurance Margin – Interest Earning Operations increased 15.1%, or R\$ 399 million, mostly due to: (i) a greater volume of operations, which amounted to R\$ 242 million; and (ii) a R\$ 157 million increase in the average spread.

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Economic and Financial Analysis**NII - Non-Interest Earning Portion****NII - Non-Interest Earning Portion – Breakdown**

	NII - Non-Interest Earning Portion					R\$ million	
	9M14	9M13	3Q14	2Q14	Variation	12 Months	Quarter
Funding	(231)	(221)	(76)	(77)	(10)		1
Insurance	21	32	52	49	(11)		3
Securities/Other	476	511	67	240	(35)		(173)
Total	266	322	43	212	(56)		(169)

The non-interest earning portion in the third quarter of 2014 was R\$ 43 million, versus R\$ 212 million in the previous quarter, which amounted to a R\$ 169 million reduction primarily due to an increase in Securities/Other margin obtained in the previous quarter. In the comparison between the first three quarters of 2014 and the same period of the previous year, the non-interest earning portion was down R\$ 56 million. The variations in non-interest financial margin were basically a result of:

- “Insurance” – represented by gains/losses from variable-income securities; the variations in the periods are associated with market conditions, which enable greater/lower gain opportunity; and
- “Securities/Other” - decreased R\$ 173 million and R\$ 35 million quarter-over-quarter, and in a comparison between the first three quarters of 2014 with the same period of the previous year, respectively, were due to lower gains from market arbitrage.

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Economic and Financial Analysis**Insurance, Pension Plans and Capitalization Bonds**

Below is the analysis of the Statement of Financial Position and Income Statement of Grupo Bradesco Seguros e Previdência:

Consolidated Statement of Financial Position

	R\$ million		
	Sept14	Jun14	Sept13
Assets			
Current and Long-Term Assets	169,512	165,203	154,464
Securities	158,207	154,261	143,423
Insurance Premiums Receivable	3,118	2,969	2,623
Other Loans	8,187	7,973	8,418
Permanent Assets	4,589	4,434	4,040
Total	174,101	169,637	158,504
Reserve Requirements			
Current and Long-Term Liabilities	153,993	150,230	141,531
Tax, Civil and Labor Contingencies	2,438	2,354	2,920
Payables on Insurance, Pension Plan and Capitalization Bond Operations	475	446	374
Other Reserve Requirements	5,111	4,699	4,683
Insurance Technical Reserves	12,609	12,272	11,978
Life and Pension Plan Technical Reserves	126,858	124,192	115,814
Capitalization Bond Technical Reserves	6,502	6,267	5,762
Non-controlling Interest	601	594	647
Shareholders' Equity	19,507	18,813	16,326
Total	174,101	169,637	158,504

Consolidated Income Statement

	R\$ million			
	9M14	9M13	3Q14	2Q14
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	38,346	35,260	12,904	13,992
Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond	22,449	19,612	7,980	7,378
Financial Result from the Operation	3,127	2,510	1,019	1,098
Sundry Operating Income	707	699	324	188
Retained Claims	(13,053)	(11,375)	(4,778)	(4,193)
Capitalization Bond Draws and Redemptions	(3,555)	(2,992)	(1,295)	(1,173)
Selling Expenses	(2,152)	(1,879)	(735)	(737)
General and Administrative Expenses	(1,706)	(1,571)	(615)	(553)
Tax Expenses	(463)	(424)	(145)	(158)

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Other Operating Income/Expenses	(591)	(320)	(182)	(236)
Operating Result	4,763	4,260	1,573	1,614
Equity Result	500	329	176	160
Non-Operating Result	(25)	(34)	(4)	(9)
Income before Taxes and Profit Sharing	5,238	4,555	1,745	1,765
Income Tax and Contributions	(1,907)	(1,681)	(634)	(641)
Profit Sharing	(65)	(51)	(20)	(21)
Non-controlling Interest	(96)	(84)	(33)	(31)
Net Income	3,170	2,739	1,058	1,072

Note: For comparison purposes, the non-recurring events' effects are not considered.

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Economic and Financial Analysis**Insurance, Pension Plans and Capitalization Bonds****Income Distribution of Grupo Bradesco Seguros e Previdência**

	R\$ million							
	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12
Life and Pension Plans	588	698	639	582	552	564	542	570
Health	168	184	192	175	139	155	167	167
Capitalization Bonds	74	119	110	101	105	97	131	103
Basic Lines and Other	228	71	99	143	82	115	90	124
Total	1,058	1,072	1,040	1,001	878	931	930	964

Performance Ratios

	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12	%
Claims Ratio ⁽¹⁾	72.7	70.2	70.1	71.1	72.7	71.1	69.6	70.5	
Expense Ratio ⁽²⁾	10.5	11.2	10.4	10.9	10.4	10.9	11.0	11.6	
Administrative Expenses Ratio ⁽³⁾	4.6	4.0	4.7	4.3	4.9	4.1	4.3	4.2	
Combined Ratio ^{(4) (5)}	86.5	86.3	86.4	86.1	86.9	85.5	86.0	86.6	

(1) Retained Claims/Earned Premiums;

(2) Sales Expenses/Earned Premiums;

(3) Administrative Expenses/Net Written Premiums;

(4) (Retained Claims + Sales Expenses + Other Operating Income and Expenses)/Earned Premiums + (Administrative Expenses + Taxes)/Net Written Premiums; and

(5) Excluding additional reserves.

Note: For comparison purposes, the non-recurring events' effects are not considered.

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

In a comparison between the third quarter of 2014 and the same period of the previous year, there was an increase of 16.6% in written premiums, pension plan contribution and capitalization bond income. As for the second quarter of 2014, there was a reduction of 7.8%, due to the exceptional growth of 46.2% in the previous quarter of “Life and Pension Plan” products.

Cumulatively until September 2014, production increased by 9.8%, without considering the DPVAT agreement, over the same period of the previous year, influenced by “Auto RE”, “Health” and “Capitalization” products, which grew 30.9%, 21.0%, and 17.0%, respectively.

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Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

(*) In January 2014, Bradesco Vida e Previdência requested the shutdown of DPVAT insurance consortia. The DPVAT agreement share went from 18.4% to 5.4%, decrease of 13 p.p. over September 2013.

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Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Retained Claims by Insurance Line

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Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Insurance Sales Ratio by Segment

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Insurance, Pension Plans and Capitalization Bonds

Efficiency Ratio

General and Administrative Expenses / Revenue

The improvement in the administrative efficiency ratio between the third quarter of 2014 and the same period of the previous year, is a result of: (i) the benefits generated by cost-cutting measures; and (ii) the 16.6% growth in revenue in the period. In turn, the reduction of 0.6 p.p. in the efficiency ratio in the third quarter of 2014 over the previous quarter is basically a result of the decrease of 7.8% in revenue.

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Insurance, Pension Plans and Capitalization Bonds

Technical Reserves

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Economic and Financial Analysis

Bradesco Vida e Previdência

	R\$ million (unless otherwise specified)						
	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13
Net Income	588	698	639	582	552	564	552
Premium and Contribution Income ⁽¹⁾	5,645	7,301	4,994	8,505	4,971	7,535	5,645
- Income from Pension Plans and VGBL	4,383	6,117	3,898	7,317	3,838	6,475	4,383
- Income from Life/Personal Accidents Insurance Premiums	1,262	1,184	1,096	1,188	1,133	1,060	1,262
Technical Reserves	126,858	124,192	119,942	119,228	115,814	114,383	110,814
Investment Portfolio	132,535	129,193	126,001	124,655	121,211	119,842	118,842
Claims Ratio	36.6	31.5	29.9	37.3	43.3	37.3	36.6
Expense Ratio	18.5	20.7	21.8	21.2	21.8	18.8	18.5
Combined Ratio	63.4	57.8	58.6	67.3	72.6	61.0	63.4
Participants / Policyholders (in thousands)	27,625	27,789	27,451	28,256	28,044	27,030	25,625
Premium and Contribution Income Market Share (%) ⁽²⁾	25.8	26.6	26.1	30.2	29.1	28.8	25.8
Life/AP Market Share - Insurance Premiums (%) ⁽²⁾	17.5	17.2	17.6	17.0	16.9	16.3	17.5

(1) Life/VGBL/PGBL/Traditional; and

(2) In 3T14, it considers the latest data made available by Susep (Aug/14).

Note: For comparison purposes, the non-recurring events' effects are not considered.

Because of the solid structure, innovative product policy and market trust earned, Bradesco Vida e Previdência accounted for 25.8% of the pension plan and VGBL income. (source: Susep - data from August 2014).

The net income for the third quarter of 2014 15.8% lower compared to the previous quarter, influenced by the following factors: (i) a 5.1% increase in the "Life" product claims ratio; (ii) reduction in financial result; and partially counterbalanced by: (iii) improved sales ratio.

The net income for the first three quarters of 2014 increased 16.1% over the same period of the previous year, basically due to improvement: (i) of 5.9 p.p. in claims ratio; (ii) in sales ratio; (iii) in financial result; and (iv) in general and administrative expenses.

Bradesco

Economic and Financial Analysis

Bradesco Vida e Previdência

In September 2014, technical reserves for Bradesco Vida e Previdência stood at R\$ 126.9 billion, made up of R\$ 120.4 billion from “Pension Plans and VGBL” and R\$ 6.5 billion from “Life, Personal Accidents and Other Lines”, meaning a growth of 9.5% over September 2013.

The Pension Plan and VGBL Investment Portfolio accounted for 31.0% of market funds in August 2014 (source: Fenaprevi).

Growth of Participants and Life and Personal Accident Policyholders

In September 2014, the number of Bradesco Vida e Previdência customers surpassed 2.4 million pension plan and VGBL participants, and 25.2 million life and personal accident policyholders.

This impressive growth was fueled by the strength of the Bradesco brand and the improvement of selling and management policies.

Economic and Financial Analysis

Bradesco Saúde and Mediservice

	R\$ million (unless otherwise stated)							
	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12
Net Income	168	184	192	175	139	155	167	167
Net Written Premiums	3,851	3,509	3,372	3,274	3,154	2,926	2,787	2,727
Technical Reserves	6,226	6,149	5,794	5,726	6,585	6,503	6,308	5,582
Claims Ratio	87.6	86.1	86.9	88.5	89.8	87.3	84.7	85.3
Expense Ratio	4.8	4.6	4.1	5.4	5.4	5.4	5.2	5.1
Combined Ratio	98.1	97.7	96.9	99.5	99.6	98.9		