

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	3.5
Coverage Ratio (> 90 days ⁽¹⁰⁾) ⁽²⁾	187.2	186.9	193.8	192.3	190.3	187.2
Coverage Ratio (> 60 days ⁽¹⁰⁾) ⁽²⁾	154.2	149.9	153.7	158.9	156.8	154.2
Operating Limits %						
Capital Adequacy Ratio - Total ⁽¹¹⁾	16.3	15.8	15.7	16.6	16.4	16.3
Capital Nivel I	12.6	12.1	11.9	12.3	12.7	12.6
- Common Equity	12.6	12.1	11.9	12.3	-	12.6
Capital Nivel II	3.7	3.7	3.8	4.3	3.7	3.7
<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	(1)
- 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	0
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	0
- 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 (CPFs));
- (16) Refers to first and second checking account holders; and
- (17) Number of accounts.

Bradesco _____

Press Release**Ratings****Main Ratings**

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

Moody's Investors Service							
Financial Strength / Individual Credit Risk Profile	International Scale				Domestic Scale		
	Foreign Currency Senior Debt		Domestic Currency Deposit		Foreign Currency Deposit		Domestic Currency
	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term	Long Term
C - / baa1	Baa1	P - 2	Baa1	P - 2	Baa2	P-2	Aaa.br 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	Short Term	Long Term	Short Term	Long Term	Short Term	brAA+	brAAA	brA -1
BBB -	A - 3	BBB -	A - 3	brAAA	brA - 1 + ⁽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.

- _ Report on Economic and Financial Analysis – September 2014

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			
			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.

Bradesco

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%.

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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

Press Release

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.

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Press Release

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).

Bradesco

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

Press Release**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	69.1
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	23.9

(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.

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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.

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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.

Bradesco

Press Release**Main Economic Indicators**

Main Indicators (%)	3Q14	2Q14	1Q14	4Q13	3Q13	2Q13	1Q13	4Q12	9
Interbank Deposit Certificate (CDI)	2.72	2.51	2.40	2.31	2.12	1.79	1.61	1.70	
Ibovespa	1.78	5.46	(2.12)	(1.59)	10.29	(15.78)	(7.55)	3.00	
USD – Commercial Rate	11.28	(2.67)	(3.40)	5.05	0.65	10.02	(1.45)	0.64	
General Price Index - Market (IGP-M)	(0.68)	(0.10)	2.55	1.75	1.92	0.90	0.85	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	
Federal Government Long-Term Interest Rate (TJLP)	1.24	1.24	1.24	1.24	1.24	1.24	1.24	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	
Savings Account (New Rule) ⁽¹⁾	1.75	1.66	1.70	1.67	1.47	1.30	1.25	1.26	
Business Days (number)	66	61	61	64	66	63	60	62	
Indicators (Closing Rate)	Sept14	Jun14	Mar14	Dec13	Sept13	Jun13	Mar13	Dec12	S
USD – Commercial Selling Rate - (R\$)	2.4510	2.2025	2.2630	2.3426	2.2300	2.2156	2.0138	2.0435	2
Euro - (R\$)	3.0954	3.0150	3.1175	3.2265	3.0181	2.8827	2.5853	2.6954	3
Country Risk (points)	239	208	228	224	236	237	189	142	
Basic Selic Rate Copom (% p.a.)	11.00	11.00	10.75	10.00	9.00	8.00	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	

(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

Press Release

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;

Bradesco

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	N
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.

Bradesco

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	N
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.

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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 2013**

	Book Income Statement	Managerial Reclassifications (1)	9M13 Income Statement prior to Non-recurring Events	N
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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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	9,111
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.

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**Bradesco

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**

	Credit Margin - Interest Earning Operations					R\$ million
	9M14	9M13	3Q14	2Q14	Variation	
					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.

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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.

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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			