

Notice to the Market

Disclosure of the results for the year ended on December 31, 2018, in accordance with the International Financial Reporting Standards - IFRS

Banco Bradesco S.A. ("Bradesco") hereby informs its shareholders, clients, employees and the Market in general that it has prepared the complete set of consolidated financial statements, according to the International Financial Reporting Standards - IFRS, in accordance with pronouncements issued by the International Accounting Standards Board - IASB, pursuant to CMN Resolution No. 3,786/09 and CVM Rule No. 457/07.

Consequently, these are the main changes we have made to our consolidated financial statements, as a result of the adoption of the IFRS:

Comparative between the BR GAAP and the IFRS

R\$ million

Consolidated Statements	December 31, 2018		
	BR GAAP ⁽¹⁾	Adjustments ⁽²⁾	IFRS
Asset			
Cash and balances with banks	107,210	-	107,210
Financial assets at fair value through profit or loss	246,161	-	246,161
Financial assets at fair value through other comprehensive income	223,727	(45,676)	178,051
Financial assets at amortized cost:			
- Loans and advances to financial institutions, net of provision for losses	104,235	1,014	105,249
- Loans and advances to customers, net of provision for losses	361,572	18,815	380,387
- Securities, net of provision for losses	93,776	46,829	140,605
- Other financial assets	43,893	-	43,893
Non-current assets held for sale	1,353	-	1,353
Investments in associates and joint ventures	7,640	486	8,126
Premises and equipment	8,160	667	8,827
Intangible assets and goodwill, net of accumulated amortization	13,895	2,234	16,129
Taxes to be offset	13,498	-	13,498
Deferred income tax assets	54,047	(5,364)	48,683
Other assets	8,125	(753)	7,373
Total assets	1,287,292	18,252	1,305,544

Liabilities and Shareholders' Equity	December 31, 2018		
	BR GAAP ⁽¹⁾	Adjustments ⁽²⁾	IFRS
Liabilities			
Liabilities at amortized cost:			
- Deposits from Banks	247,314	-	247,314
- Deposits from customers	340,748	-	340,748
- Funds from issuance of securities	147,721	308	148,029
- Subordinated debts	53,643	-	53,643
- Other financial liabilities	62,598	-	62,598
Financial liabilities at fair value through profit or loss	16,152	-	16,152
Provision for Expected Loss:			
- Loan Commitments	-	2,552	2,552
- Financial guarantees	719	-	719
Insurance technical provisions and pension plans	250,568	1,010	251,578
Other reserves	19,802	-	19,802
Current income tax liabilities	2,373	-	2,373
Deferred income tax assets	4,120	(2,919)	1,200
Other liabilities	19,747	14,412	34,158
Total liabilities	1,165,505	15,363	1,180,868
Equity attributable to controlling shareholders	121,121	3,154	124,275
Non-controlling interest	666	(265)	401
Total equity	121,787	2,889	124,676
Total liabilities	1,287,292	18,252	1,305,544

⁽¹⁾ The information presented considers the amounts calculated according to the accounting practices adopted in Brazil (BR GAAP), applicable to financial institutions, according to the regulation of the Central Bank of Brazil, grouped according to the presentation model required by the IFRS; and

⁽²⁾ The differences are the result of the reclassification between the accounts and adjustments applicable to the international accounting standards.

The reconciliation of the Shareholders' Equity and Net Income related to the fiscal year ended on December 31, 2018 is shown below:

Reconciliation of the Shareholders' Equity and Net Income

R\$ million

	Shareholders' Equity	Net income
	December 31, 2018	12M18
BR GAAP – Attributed to the Controller	121,121	19,085
1) Impacts of the Adoption of the IFRS 9 ⁽²⁾	698	(2,657)
2) Complementary Provision for Coverage	(578)	(578)
3) Business combination	2,735	998
Other	299	(264)
IFRS – Attributed to the Controlling Shareholders ⁽¹⁾	124,275	16,584
Non-controlling interest	401	165
IFRS – Attributed to the controlling and to non-controlling shareholders⁽¹⁾	124,676	16,749

(1) The net income, base for the calculation of dividends and interest on own capital paid to the shareholders, originates from the BR GAAP, which was disclosed on January 31, 2019.

(2) The effects of the initial adoption of the IFRS 9 are included in the Shareholders' Equity.

Next, the descriptive of the main adjustments resulting from the effect of the adoption of the IFRS:

1) *Impacts of the Adoption of the IFRS 9*

It considers: (i) The adjustment at fair value of the financial assets/Securities; (ii) Expected loss on loans and advances to customers; and (iii) Expected loss on other financial assets.

We highlight that, with the adoption of the IFRS 9, the total balance of the provision for loss expected in the IFRS is aligned with the values recorded in the Expanded ALL in the BR GAAP. We highlight that most of the value refers to the initial adoption and subsequent adjustments of models implemented during the year.

2) *Complementary Provision for Coverage*

Difference between the IFRS 4 and SUSEP Circular No. 543/16 that required the compensation of any insufficiency calculated in the Liability Adequacy Test (LAT) with the difference between the market value and the accounting value of the securities offered in guarantee as the technical provisions classified in the category "held to maturity".

3) *Business combination*

For purposes of the IFRS, the assets and liabilities identified originating from the business combination were adjusted by the differences of the accounting practices, as well as recognized at fair value, whereby the value of the goodwill is not amortized, but tested, periodically, to verify if there is objective evidence of impairment.

The complete consolidated financial statements in the IFRS, related to the fiscal years ended on December 31, 2018 and 2017, accompanied by the independent auditor's report on the consolidated financial statements, with no amendments, issued by KPMG Auditores Independentes, are available on our site www.bradesco.com.br.

Cidade de Deus, Osasco, SP, March 7, 2019

Banco Bradesco S.A.
André Rodrigues Cano
Executive Vice-President