



Notice to the Market

Disclosure of the results for the year ended on December 31, 2019, 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.

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, 2019		
	BR GAAP ⁽¹⁾	Adjustments ⁽²⁾	IFRS
Cash and balances with banks	109,611	-	109,611
Financial assets at fair value through profit or loss	250,571	(811)	249,760
Financial assets at fair value through other comprehensive income	261,892	(69,442)	192,450
Financial assets at amortized cost:			
- Loans and advances to financial institutions, net of provision for losses	58,612	472	59,084
- Loans and advances to customers, net of provision for losses	404,382	19,147	423,529
- Securities, net of provision for losses	97,076	69,842	166,918
- Other financial assets	56,102	-	56,102
Non-current assets held for sale	1,357	-	1,357
Investments in associates and joint ventures	7,291	345	7,636
Property and equipment	9,732	4,927	14,659
Intangible assets and goodwill	11,523	3,202	14,725
Taxes to be offset	15,686	-	15,686
Deferred income tax assets	67,400	(7,830)	59,570
Other assets	7,904	(463)	7,441
Total assets	1,359,139	19,389	1,378,528

(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.

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

Liabilities and Shareholders' Equity	December 31, 2019		
	BR GAAP ⁽¹⁾	Adjustments ⁽²⁾	IFRS
Liabilities			
Liabilities at amortized cost:			
- Deposits from Banks	227,820	-	227,820
- Deposits from customers	366,228	-	366,228
- Funds from issuance of securities	170,728	-	170,728
- Subordinated debts	49,314	-	49,314
- Other financial liabilities	74,728	4,393	79,121
Financial liabilities at fair value through profit or loss	14,244	-	14,244
Provision for Expected Loss:			
- Loan Commitments	-	2,316	2,316
- Financial guarantees	1,972	-	1,972
Insurance technical provisions and pension plans	265,927	2,376	268,303
Other reserves	25,240	-	25,240
Current income tax liabilities	2,595	-	2,595
Deferred income tax assets	8,070	(6,989)	1,081
Other liabilities	17,840	16,182	34,022
Total liabilities	1,224,706	18,278	1,242,984
Equity attributable to shareholders of the parent	133,723	1,377	135,100
Non-controlling interest	710	(266)	444
Total equity	134,433	1,111	135,544
Total liabilities and equity	1,359,139	19,389	1,378,528

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The reconciliation of the Shareholders' Equity and Net Income related to the fiscal year ended on December 31, 2019 is shown below:

Reconciliation of the Shareholders' Equity and Net Income

R\$ million

	Shareholders' Equity	Net income
	December 31, 2019	12M19
BR GAAP – Attributed to the Controller	133,723	22,583
1) Expected Loss on Financial Assets	(1,471)	(1,011)
2) Complementary Provision for Coverage	(1,359)	(781)
3) Business combination	3,750	722
Other	456	(490)
IFRS – Attributed to the Controlling Shareholders ⁽¹⁾	135,099	21,023
Non-controlling interest	445	150
IFRS – Attributed to the controlling and to non-controlling shareholders⁽¹⁾	135,544	21,173

(1) The net income, the basis for calculating dividends and interest on own capital paid to the shareholders, originates from the BR GAAP, which was disclosed on February 5, 2020.

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

1) *Expected Loss on Financial Assets*

It includes: (i) Expected loss on loans and advances to customers; and (ii) Expected loss on other financial assets.

2) *Complementary Provision for Coverage*

Difference between SUSEP Standard No. 543/16 that established the use of the mark-to-market effects of assets given in guarantee classified as held to maturity, to be part of the amount necessary to complement technical provisions, as calculated in the Liability Adequacy Test (TAP), event that does not occur for IFRS 4.

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, 2019 and 2018, accompanied by the independent auditor's report on the consolidated financial statements, with no amendments, issued by KPMG Auditores Independentes, are available on our website www.bradescori.com.br.

Cidade de Deus, Osasco, SP, March 6, 2020

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