

BANK BRADESCO
Form 6-K
May 07, 2018

**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 May, 2018
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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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.

Percentage variations not presented in the framework of this report, are related, in their majority, to the low value balances compared with the other periods presented.



Average Net Interest Income Rate

R\$ million	1Q18	4Q17	1Q17	Variation	
				1Q18 x 4Q17	1Q18 x 1Q17
Net Interest Income					
NII - Interest-earning portion - due to volume				(171)	(507)
NII - Interest-earning portion - due to spread				3	100
- NII - Interest Earning Portion	15,493	15,661	15,900	(168)	(407)
- NII - Non-Interest Earning Portion	193	152	136	41	57
Net Interest Income	15,686	15,813	16,036	(127)	(350)
Average Earning Portion Rate (1)	6.6%	6.8%	7.2%		

(1) Average rate in the quarter = (Earning Portion / Total Average Assets Repos Permanent Assets).

Interest Earning Portion Average Rates (12 months)

R\$ million	NII - Interest Earning Portion	1Q18		NII - Interest Earning Portion	1Q17	
		Average Balance	Average Rate		Average Balance	Average Rate
Credit Intermediation ⁽¹⁾	11,690	415,962	11.6%	12,781	432,409	12.0%
Insurance	1,526	249,299	2.4%	1,481	227,358	2.8%
ALM /Other ⁽¹⁾ (2)	2,277	367,642	2.1%	1,638	408,650	1.6%
NII - Interest-Earning Portion	15,493	-	6.6%	15,900	-	7.4%
		1Q18			4Q17	

R\$ million	NII - Interest Earning Portion	Average Balance	Average Rate	NII - Interest Earning Portion	Average Balance	Average Rate
Credit Intermediation ⁽¹⁾	11,690	415,962	11.6%	12,129	418,839	11.7%
Insurance	1,526	249,299	2.4%	1,460	243,996	2.4%
ALM /Other ⁽¹⁾ (2)	2,277	367,642	2.1%	2,072	390,203	1.9%
NII - Interest-Earning Portion	15,493	-	6.6%	15,661	-	6.7%

(1) As per this quarter we considered the margin of the financial assets of fixed income, with characteristic of credit (mostly debentures) in the margin of credit intermediation, formerly classified as ALM/other. For the purposes of comparability, the previous periods have been reclassified; and

(2) It reflects, mainly, treasury operations in the assets and liabilities management (ALM).

Interest Earning Portion Volume Variation vs. Spread

o Credit Intermediation the reduction of the average spreads in operations with individuals is in line with the amendment of the mix of loan portfolios, which evolved into products with a lower rate and risk, like: consigned, real estate and CDC vehicles. Highlight to the evolution of the average daily origination for this segment, which grew 3% in the quarter and 35% compared to the daily average of the 1Q17. The behavior of the operations with companies is impacted by the lower credit demand, mainly of the corporate and middle market segments.

o Insurance the performance of the periods benefited from the good performance of the multimarket funds and of shares, highlighting the growth of 11.7% of the Ibovespa index this quarter.

o ALM/Other reflect, mainly, treasury operations in assets and liabilities management (ALM).

R\$ million	1Q18	4Q17	1Q17	Variation	
				1Q18 x 4Q17	1Q18 x 1Q17
Net Interest Income					
NII - Interest-earning portion - due to volume				(171)	(507)
NII - Interest-earning portion - due to spread				3	100
- NII - Interest Earning Portion	15,493	15,661	15,900	(168)	(407)
- NII - Non-Interest Earning Portion	193	152	136	41	57
Net Interest Income	15,686	15,813	16,036	(127)	(350)
Average NIM ⁽¹⁾	6.6%	6.8%	7.2%		

R\$ million	Credit Intermediation		Insurance		ALM/Other		NII - Interest-Earning Portion	
	1Q18 x 4Q17	1Q18 x 1Q17	1Q18 x 4Q17	1Q18 x 1Q17	1Q18 x 4Q17	1Q18 x 1Q17	1Q18 x 4Q17	1Q18 x 1Q17
	Volume x Spread							
NII - Interest-earning portion - due to volume	(83)	(486)	32	143	(120)	(164)	(171)	(507)
NII - Interest-earning portion - due to spread	(356)	(605)	34	(98)	325	803	3	100
Variation NII - Interest-Earning Portion	(439)	(1,091)	66	45	205	639	(168)	(407)

Earning Portion of Credit Intermediation vs. ALL (Expanded)

The improvement of the quality of the loan portfolio has reduced the cost of delinquency (Expanded ALL) in the periods, boosting the evolution of the net margin of credit intermediation, offsetting the reduction in the gross margin.

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

Flow of Maturities ⁽¹⁾

The loan portfolio by flow of maturities of operations has, as one of its features, a longer profile, mainly due to the presence of real estate financing and payroll-deductible loans. It must be noted that, due to their guarantees and characteristics, these operations are not only exposed to lower risk but also provide favorable conditions to gain customer loyalty.

(1) Only normal course operations.

Delinquency Ratio

Over 90 days

The ratio showed improvement for the fourth consecutive quarter, maintaining the decreasing trend, as presented in the graph, mainly related to the performance of the segments of Micro, Small and Medium-Sized Enterprises and Individuals, which in the last 12 months presented reductions in the balance of non-performing loans, of 30% and 21%, respectively.

15-90 days

In the quarter, short-term delinquency presented growth, impacted partly by seasonal issues at the beginning of the year that affected the segment of individuals, and, therefore, do not represent a trend variation, and specific cases of corporate clients. It is highlighted the improvement showed in the last 12 months for Micro, Small and Medium-Sized Enterprises and Individuals.

In the 1Q18, loans were granted (without retention of risks and benefits, already written off as loss, totaling R\$5.3 billion), which does not modify the delinquency ratio in the period. The sale value of these portfolios did not impact significantly the outcome.

Effective Coverage Ratio

Monitoring the continuous improvement of the indicators of delinquency and of the ALL expenses (Expanded), the net losses of recoveries estimated for March 2018 indicates 3.7%, resulting in an effective coverage ratio of 269%.

NPL Creation 90 days vs. Write-offs

As a consequence of the strengthening of the policy and of the processes of credit granted, the NPL Creation also follows the trend of decrease, reaching the lowest level of the last ten quarters, boosted by the reduction of delinquent credits in the segments of Micro, Small and Medium-Sized Enterprises and Individuals.

We have demonstrated below the opening of the NPL Creation per business segment.

Coverage Ratio

The adjacent graph presents the behavior of the ratios covering the allowance for loan losses in relation to default credits exceeding 60 and 90 days. In March 2018, ratios showed very comfortable levels. Along with the allowance for loan losses required by Bacen, Bradesco has an excess provision of R\$6.9 billion to cover possible adverse scenarios, as well as other operations/ commitments with credit risk.

Bacen Portfolio vs. Expanded Portfolio

The loan portfolio performance (Bacen), counts on the evolution of the segment of individuals, with emphasis on the growth of real estate credit, consigned and CDC vehicles. Also in relation to individuals, highlight to the growth in average daily origination, which raised 3% in the quarter and 35% compared to the first quarter of 2017.

The behavior of the operations with companies is impacted by the lower credit demand of the corporate and middle markets segments.

In the expanded portfolio, in addition to the effects mentioned above, the developments in the periods are impacted by the operations with sureties and guarantees, and debentures not renewed, which are almost entirely designed for large corporates.

	Mar18	Dec17	Mar17	Variation %	
				Quarter	12 months
Individuals	176,879	174,537	170,726	1.3	3.6
Companies	194,520	195,542	211,225	(0.5)	(7.9)
Loan Portfolio - Bacen	371,399	370,079	381,950	0.4	(2.8)
Sureties and Guarantees	72,676	78,867	75,951	(7.8)	(4.3)
Operations bearing Credit Risk - Commercial Portfolio ⁽¹⁾	38,336	39,980	42,385	(4.1)	(9.6)
Other ⁽²⁾	4,234	4,005	2,428	5.7	74.4
Expanded Loan Portfolio	486,645	492,931	502,714	(1.3)	(3.2)

(1) It includes debentures operations and promissory notes; and

(2) It considers letter of credit, advances of credit card receivables and co-obligation in the assignment of CRI and rural credit.

Expanded Loan Portfolio Breakdown By Customer Profile, Product and Currency

R\$ million	Mar18	Dec17	Mar17	Variation %	
				Quarter	12 months
Customer Profile					
Individuals	177,814	175,469	171,820	1.3	3.5
Consumer Financing	117,428	116,066	111,242	1.2	5.6
Payroll-deductible Loans	45,281	43,968	39,937	3.0	13.4
Credit Card	32,982	34,437	34,018	(4.2)	(3.0)
CDC / Vehicle Leasing	21,584	20,784	19,526	3.8	10.5
Personal Loans	17,581	16,877	17,761	4.2	(1.0)
Real Estate Financing	34,396	33,687	32,589	2.1	5.5
Other Products	25,990	25,716	27,989	1.1	(7.1)
Rural Loans	8,032	7,947	8,306	1.1	(3.3)
BNDES/Finame Onlendings	6,376	6,394	6,668	(0.3)	(4.4)
Other	11,582	11,374	13,015	1.8	(11.0)
Companies	308,831	317,462	330,894	(2.7)	(6.7)
Working Capital	39,894	40,075	43,807	(0.5)	(8.9)
Operations Abroad	28,436	29,776	33,671	(4.5)	(15.5)
Export Financing	30,979	26,335	29,120	17.6	6.4
Real Estate Financing	25,886	27,179	28,612	(4.8)	(9.5)
BNDES/Finame Onlendings	21,945	24,261	27,705	(9.5)	(20.8)
Overdraft Account	6,894	6,566	7,798	5.0	(11.6)
CDC / Leasing	7,371	7,249	7,295	1.7	1.0
Rural Loans	6,248	5,618	6,643	11.2	(5.9)
Sureties and Guarantees	72,060	78,267	75,251	(7.9)	(4.2)
Operations bearing Credit Risk					
- Commercial Portfolio	38,336	39,980	42,385	(4.1)	(9.6)
Other	30,782	32,155	28,608	(4.3)	7.6
Total Loan Operations	486,645	492,931	502,714	(1.3)	(3.2)
Domest Currency	451,469	452,075	460,489	(0.1)	(2.0)
Foreign Currency	35,176	40,856	42,226	(13.9)	(16.7)

Distribution by Business Sector

Among the segments of business, Retail and Prime are highlighted, which currently represent 35.8% of the total expanded portfolio and presented evolutions in the periods.

R\$ million Business Segments	Mar18	%	Dec17	%	Mar17	%	Variation %	
							Quarter	12 months
Retail	129,248	26.6	125,470	25.5	121,079	24.2	3.0	6.7
Prime	45,180	9.3	43,557	8.8	42,870	8.5	3.7	5.4
Corporate	217,294	44.7	225,993	45.8	236,816	47.1	(3.8)	(8.2)
Middle Market	44,771	9.2	45,672	9.3	48,917	9.7	(2.0)	(8.5)
Other / Non-checking account Holders ⁽¹⁾	50,152	10.2	52,240	10.6	53,033	10.5	(4.0)	(5.4)
Total	486,645	100.0	492,931	100.0	502,714	100.0	(1.3)	(3.2)

(1) It consists, mostly, of non-account holders, originating from the credit cards, payroll-deductible loans and financing of vehicles activities.

Expanded Loan Portfolio Concentration By Economic Sector

R\$ million	Mar18	%	Dec17	%	Mar17	%
Economic Sector						
Public Sector	11,577	2.4	13,518	2.7	12,484	2.5
Oil, derivatives and aggregate activities	9,632	2.0	11,097	2.3	9,848	2.0
Production and distribution of electricity	1,194	0.2	1,260	0.3	2,041	0.4
Other sectors	751	0.2	1,161	0.2	595	0.1
Private Sector	475,068	97.6	479,413	97.3	490,230	97.5
Companies	297,254	61.1	303,944	61.7	318,410	63.3
Real estate and construction activities	35,240	7.2	36,380	7.4	46,429	9.2
Retail	29,853	6.1	33,565	6.8	34,396	6.8
Transportation and concession	24,250	5.0	23,159	4.7	27,012	5.4
Services	26,430	5.4	25,485	5.2	23,435	4.7
Wholesale	13,920	2.9	13,307	2.7	14,385	2.9
Automotive	12,691	2.6	13,370	2.7	17,599	3.5
Food products	10,727	2.2	10,453	2.1	13,414	2.7
Other sectors	144,143	29.6	148,225	30.1	141,740	28.2
Individuals	177,814	36.5	175,469	35.6	171,820	34.2
Total	486,645	100.0	492,931	100.0	502,714	100.0

Changes in the Expanded Loan Portfolio By Rating

In addition, as a consequence of the reinforcement of the policy and the credit granting processes and risk management, 94.3% of new borrowers were classified ratings from AA to C, presenting improvement of the quality of the loan portfolio.

Changes in Expanded Loan Portfolio by Rating between March 2017 and 2018	Total Credit on March 2018		New customers between April 2017 and March 2018		Remaining customers from March 2017	
	R\$ million	%	R\$ million	%	R\$ million	%
Rating						
AA - C	428,301	88.0	24,220	94.3	404,081	87.6

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D	12,546	2.6	244	0.9	12,302	2.7
E - H	45,798	9.4	1,229	4.8	44,569	9.7
Total	486,645	100.0	25,693	100.0	460,952	100.0

Expanded Loan Portfolio By Customer Profile and Rating (%)

The range represented by credits classified between AA and C remained at comfortable levels.

Customer Profile	Mar18			Dec17			Mar17		
	By Rating			By Rating			By Rating		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Large Corporates	87.9	2.4	9.7	88.4	3.5	8.1	89.4	3.1	7.5
Micro, Small and Medium-Sized Enterprises	84.8	3.8	11.4	84.0	3.8	12.2	82.4	4.5	13.1
Individuals	89.9	2.1	8.0	89.3	2.1	8.6	87.7	2.3	10.0
Total	88.0	2.6	9.4	87.9	3.0	9.1	87.5	3.1	9.4

Bacen Portfolio Indicators

With the aim of 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 (except %)	Mar18	Dec17	Mar17	Variation% (unless otherwise stated)	
				Quarter	12 months
Total Provision	35,763	36,527	39,181	(2.1)	(8.7)
- Specific	16,499	16,887	21,575	(2.3)	(23.5)
- Generic	12,365	12,721	10,699	(2.8)	15.6
- Excess	6,899	6,918	6,907	(0.3)	(0.1)
Specific Provision / Total Provision (%)	46.1	46.2	55.1	(0.1) p.p.	(9.0) p.p.
Total Provision / Loans (%)	9.6	9.9	10.3	(0.3) p.p.	(0.7) p.p.
AA - C Rated Loans / Loans (%)	87.6	87.2	86.9	0.4 p.p.	0.7 p.p.
D-rated Operations under Risk Management / Loans (%)	3.0	3.5	3.4	(0.5) p.p.	(0.4) p.p.
E-H rated Loans / Loans(%)	9.4	9.3	9.7	0.1 p.p.	(0.3) p.p.
D-rated loans	11,137	12,933	13,131	(13.9)	(15.2)
Provision for D-rated loans	1,710	1,904	2,022	(10.2)	(15.4)
Provision / D-rated loans (%)	15.4	14.7	15.4	0.7 p.p.	-
D-H rated Non-Performing Loans	23,205	23,597	29,090	(1.7)	(20.2)
Total Provision / D-to-H-rated Non-performing Loans (%)	154.1	154.8	134.7	(0.7) p.p.	19.4 p.p.
E-H Rated Loans	34,901	34,527	37,062	1.1	(5.8)
Provision for E-H rated loans	31,478	32,113	34,557	(2.0)	(8.9)
Provision / E-H rated loans (%)	90.2	93.0	93.2	(2.8) p.p.	(3.0) p.p.
E-H rated Non-Performing Loans	20,191	20,510	25,166	(1.6)	(19.8)
Total Provision / E-to-H-rated Non-performing Loans (%)	177.1	178.1	155.7	(1.0) p.p.	21.4 p.p.

Funds Raised and Managed

R\$ million	Mar18	Dec17	Mar17	Variation %	
				Quarter	12 months
Demand Deposits	33,177	34,082	30,564	(2.7)	8.5
Savings Deposits	101,777	103,333	94,353	(1.5)	7.9
Time Deposits	134,789	125,615	109,944	7.3	22.6
Debentures	22,192	44,453	73,904	(50.1)	(70.0)
Borrowing and Onlending	50,052	51,669	56,417	(3.1)	(11.3)
Funds from Approvals and Issuance of Securities	142,590	135,011	142,751	5.6	(0.1)
Subordinated Debts	22,993	27,050	35,046	(15.0)	(34.4)
Eligible Debt Capital Instruments	23,155	23,130	15,800	0.1	46.6
Subtotal	530,725	544,343	558,779	(2.5)	(5.0)
Securities Sold Under Agreements to Repurchase ⁽¹⁾	273,738	269,109	277,359	1.7	(1.3)
Interbank Deposits	1,648	2,247	571	(26.7)	188.6
Working Capital (Own/Managed)	86,026	81,720	75,952	5.3	13.3
Foreign Exchange Portfolio	15,256	7,655	10,964	99.3	39.1
Payment of Taxes and Other Contributions	3,341	1,114	4,490	199.9	(25.6)
Technical Provisions for Insurance, Pension Plans and Capitalization Bonds	251,231	246,653	229,433	1.9	9.5
Funds raised	1,161,965	1,152,841	1,157,548	0.8	0.4
Investment Funds and Managed Portfolios	841,983	834,646	786,139	0.9	7.1
Total Assets under Management	2,003,948	1,987,487	1,943,687	0.8	3.1

(1) Does not consider debentures.

Loans vs. Funding

In order to analyze Loan Operations in relation to Funding, the following should be deducted from the total client funding the amount committed to reserve requirements at Bacen, the amount of available funds within the customer service network, along with the addition of, funds from domestic and foreign lines of credit that finance the demand for loans. Bradesco shows low dependency on interbank deposits and foreign lines of credit, given its capacity to obtain funding from clients effectively.

This is a result of significant capillarity, the broad diversity of products offered, and the market's confidence in the Bradesco brand and the important presence in the client's sector.

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

R\$ million	Mar18	Dec17	Mar17	Variation % Quarter 12 months	
Funding vs. Investments					
Demand Deposits + Sundry Floating	36,518	35,203	35,054	3.7	4.2
Savings Deposits	101,777	103,333	94,353	(1.5)	7.9
Time Deposits + Debentures	156,981	170,068	183,848	(7.7)	(14.6)
Funds from Financial Bills	139,720	131,933	139,784	5.9	-
Customer Funds ⁽¹⁾	434,996	440,537	453,039	(1.3)	(4.0)
(-) Reserve Requirements	(70,814)	(66,714)	(61,637)	6.1	14.9
(-) Available Funds (Real)	(14,297)	(13,107)	(9,801)	9.1	45.9
Customer Funds Net of Reserve Requirements	349,885	360,716	381,601	(3.0)	(8.3)
Borrowing and Onlending	50,052	51,669	56,417	(3.1)	(11.3)
Other (Securities Abroad + Subordinated Debt + Other Borrowers - Cards)	73,940	79,420	76,192	(6.9)	(3.0)
Total Funding (A)	473,877	491,805	514,210	(3.6)	(7.8)
Expanded Loan Portfolio (Excluding Sureties and Guarantees) (B)	413,969	414,064	426,763	-	(3.0)
B / A	87.4%	84.2%	83.0%	3.2 p.p.	4.4 p.p.

(1) It considers: Demand deposits, Miscellaneous Floating, Saving deposits, Time deposits, Debentures (with collateral of repo operations) and Credit Notes (considers Mortgage Bonds, Letters of Credit for Agribusiness, Financial Bills and Structured Operations Certificate).

Below is an analysis of Grupo Bradesco Seguros Balance Sheet and Consolidated Statement of Income.

R\$ million	Mar18	Dec17	Mar17	Variation %	
				Mar18 x Dec17	Mar18 x Mar17
Assets					
Current and Long-Term Assets	289,487	283,405	263,258	2.1	10.0
Securities	278,982	272,612	251,140	2.3	11.1
Life and Pension Plans	236,081	231,887	214,933	1.8	9.8
Other Lines	42,901	40,725	36,207	5.3	18.5
Insurance Premiums Receivable	3,431	3,676	3,791	(6.7)	(9.5)
Other Loans	7,073	7,117	8,327	(0.6)	(15.1)
Permanent Assets	6,158	5,963	5,039	3.3	22.2
Total	295,645	289,368	268,297	2.2	10.2
Liabilities					
Current and Long-Term Liabilities	261,142	256,122	238,753	2.0	9.4
Tax, Civil and Labor Contingencies	2,298	2,160	2,292	6.4	0.3
Payables on Insurance, Pension Plan and Capitalization Bond Operations	610	623	671	(2.1)	(9.1)
Other liabilities	7,003	6,686	6,357	4.7	10.2
Insurance Technical Provisions	15,260	14,837	14,950	2.9	2.1
Life and Pension Plan Technical Provisions	228,269	224,253	207,052	1.8	10.2
Capitalization Bond Technical Provisions	7,702	7,563	7,431	1.8	3.6
Non-controlling Interest	625	581	602	7.6	3.8
Shareholder's Equity ⁽¹⁾	33,878	32,665	28,942	3.7	17.1
Total	295,645	289,368	268,297	2.2	10.2

(1) In March 2018 the shareholders equity of Bradesco Seguros S.A., which controls the operational companies (insurance, pension and capitalization), is of R\$16,632 million.

Consolidated Statement of Income

R\$ million	1Q18	4Q17	1Q17	Variation %	
				1Q18 x 4Q17	1Q18 x 1Q17
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond	17,570	21,192	17,948	(17.1)	(2.1)

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Income					
Variation in Technical Provisions for Insurance, Pension Plans and Capitalization Bonds ⁽¹⁾	(7,710)	(11,015)	(7,792)	(30.0)	(1.1)
Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond Income	9,860	10,177	10,156	(3.1)	(2.9)
Retained Claims	(6,253)	(6,178)	(6,313)	1.2	(1.0)
Capitalization Bond Draw s and Redemptions	(1,265)	(1,321)	(1,300)	(4.2)	(2.7)
Selling Expenses	(827)	(805)	(916)	2.7	(9.7)
Income from Insurance, Pension Plans and Capitalization Bonds	1,515	1,873	1,627	(19.1)	(6.9)
General and Administrative Expenses	(690)	(824)	(702)	(16.3)	(1.7)
Tax Expenses	(205)	(222)	(247)	(7.7)	(17.0)
Other Operating Income / Expenses	410	294	69	39.5	-
Operating Income	1,030	1,121	747	(8.1)	37.9
Financial Results	1,612	1,474	1,499	9.4	7.5
Equity Results	157	155	194	1.3	(19.1)
Income before Taxes and Profit Sharing	2,799	2,750	2,440	1.8	14.7
Taxes and Contributions	(1,150)	(1,312)	(1,006)	(12.3)	14.3
Profit Sharing	(26)	(24)	(23)	8.3	13.0
Non-controlling interests in subsidiaries	(60)	(7)	(37)	-	62.2
Net Income	1,563	1,407	1,374	11.1	13.8

(1) Includes reinsurance premiums.

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

Income Distribution of Grupo Bradesco Seguros e Previdência

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

In the 1Q18 the turnover did not show the same performance when compared to the previous quarter due to the volume of the private pension contributions, which has an important seasonality, in the last quarter of each year.

In comparison to the 1Q17, the turnover was impacted by the lower performance of the line of “life and pension plans”, decreased 5.4%. In the same period, we highlight the “health” product, which presented a growth of 4.9%.

Life and pension plans

The net income for the 1Q18 was in line with the results for the previous quarter. It is worth noting that the maintenance of claims ratio and the efficiency ratio indexes, whose contribution compensated for the decrease of 29.2% in the turnover of the line, was a consequence of the seasonality of the 4Q17, and the decrease in the financial results, a reflection of the behavior of the economic-financial ratios in the period.

In the last 12 months the net income increased 19.9%, due to the increase in the commercialization ratio and maintenance of the administrative efficiency ratio. These factors compensated for the lower turnover, the increase in the claims ratio, and the decrease in the financial results, a reflection of the behavior of the economic-financial behavior in the period.

Evaluation of Participants and Life and Personal Accident Policyholders

Health

The net income of 1Q18 remained stable in the annual comparison and recorded an 14.1% increase in relation to the previous quarter, due to greater revenue, improvement in the efficiency ratio and increase in the financial and equity results.

Number of Bradesco Saúde and Mediservice Policyholders

Net income increased in the quarterly and annually comparison. The improvement presented was due to the increase in the operating incomes and administrative efficiency ratio.

The growth of profit reflects the improvement of the claims, efficiency and commercialization ratios, mainly in property & casualty. The transfer of the portfolio of large risks to Swiss RE impacted the decrease in turnover, in comparison to the 1Q17.

Below is the composition of fee and commission income in the respective periods:

R\$ million	1Q18	4Q17	1Q17	Variation %		As %
				1Q18 x 4Q17	1Q18 x 1Q17	1Q18
Card Income	2,763	2,949	2,637	(6.3)	4.8	35.3
Checking Account	1,748	1,727	1,601	1.2	9.2	22.3
Asset Management	994	944	912	5.3	9.0	12.7
Loan Operations	724	761	731	(4.9)	(1.0)	9.2
Collections and Payments	612	613	586	(0.2)	4.4	7.8
Consortium Management	383	389	369	(1.5)	3.8	4.9
Custody and Brokerage Services	234	226	211	3.5	10.9	3.0
Underwriting / Financial Advisory Services	153	245	180	(37.6)	(15.0)	2.0
Other	220	208	203	5.8	8.4	2.8
Total	7,831	8,062	7,430	(2.9)	5.4	100.0
Business Days	61	61	63	-	(2)	-

Highlights

The evolution of the fee and commission income in 12 months reflects the good performance of practically all the lines, even with the lower number of business days in the period. The quarterly behavior reflects the seasonal effect of the end of the year, which impacted mainly on the income from the card activities, and the lower activity of the capital market, which affected the performance of the income from underwriting / financial advice. The results obtained with the fee and commission income shows signs of improvements in the management and the higher offer of products and services, widely available in the digital channels, in addition to the traditional channels, as well as with benefits of the process of segmentation of clients and the gains in synergies related to the acquisition of HSBC Brasil.

Below are some highlights that influence the results of the income from the provision of services:

- Cards – growth in the 12 months resulted in the increase of the volume and of the transactions made in the period and higher income with the annual fee, due to the end of the period of exemptions at the beginning of the relationship.
- Checking account – growth in the periods observed is a reflection of the improvement in the management of the portfolio of services provided, highlighting the continuous improvement process, which aims to improve and expand the variety of products offered to clients according to their segmentation.
- Asset Management – good performance resulting from the increase in the volume of the funds and portfolios managed, highlighting the multimarket funds.
- Loan Operations – this line was impacted by the lower income from commissions on guarantees offered (sureties and guarantees).

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- Consortium – good performance due to the increase in the sales made, receipt from bids and average price, ensuring the leadership of Bradesco Consórcios in the segments in which it operates (real estate, auto and trucks/machinery and equipment).
 - Custody and Brokerage Services – growth in the quarter and in the 12 months, resulting from the increment of the total assets in custody and higher volumes of securities traded.
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Personnel and Administrative Expenses

R\$ million	1Q18	4Q17	1Q17	Variation %		As of %
				1Q18 x 4Q17	1Q18 x 1Q17	1Q18
Personnel Expenses						