



Banco Bradesco S.A. (BBD)

Updated November 20th, 2025 by Nikolaos Sismanis

Key Metrics

Current Price:	\$3.51	5 Year Annual Expected Total Return:	-2.6%	Market Cap:	\$34.5 B
Fair Value Price:	\$2.86	5 Year Growth Estimate:	0.0%	Ex-Dividend Date:	12/03/2025
% Fair Value:	123%	5 Year Valuation Multiple Estimate:	-4.0%	Dividend Payment Date:	01/09/2026
Dividend Yield:	1.2%	5 Year Price Target	\$2.86	Years Of Dividend Growth:	0
Dividend Risk Score:	D	Sector:	Financials	Rating:	Sell

Overview & Current Events

Banco Bradesco offers various banking products and financial services to individuals, corporations, and businesses in Brazil and internationally. The company's two main segments are banking and insurance, including checking and savings accounts, demand deposits, and time deposits, as well as accident and property insurance products, and investment products. The company generates around \$34 billion in total interest income and is headquartered in Osasco, Brazil. All financials have been converted to USD unless otherwise specified.

On October 30th, 2025, Banco Bradesco released its Q3 results for the period ending September 30th, 2025. For the quarter, the banking segment's net interest income reached approximately \$3.55 billion, a 16.9% increase year-over-year. The growth was primarily supported by higher interest income from financial assets and the expansion of the loan portfolio, with management highlighting continued strength in client NII and a decline in market NII compared to the prior year. Insurance operations also performed well, with gross profit from insurance and pension plans rising to \$1.08 billion, up 13.0% year-over-year. The insurance segment posted a net income attributable to shareholders of \$475 million, representing a 6.5% increase over last year, driven by improved underwriting results and stronger financial income.

Recurring net income came in at \$1.18 billion, marking an 18.8% year-over-year increase. This result benefited from higher fee and commission income, which rose 6.9% in BRL terms, and continued improvement in credit costs, which remained well behaved despite growth in the loan book. EPS for the quarter was about \$0.11 per share.

We are forecasting FY2025 EPS of \$0.44. Still, we remain cautious due to the possibility of the Brazilian Real depreciating against the dollar.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$0.43	\$0.51	\$0.48	\$0.40	\$0.49	\$0.29	\$0.39	\$0.38	\$0.28	\$0.26	\$0.44	\$0.44
DPS	\$0.18	\$0.25	\$0.31	\$0.25	\$0.61	\$0.14	\$0.15	\$0.13	\$0.18	\$0.17	\$0.04	\$0.04
Shares¹	8,839	8,836	8,836	8,836	8,836	8,835	9,689	10,657	10,642	10,614	10,577	11,000

Banco Bradesco's EPS has been improving gradually in constant currency but is shown as flat or reduced over the years when converted into USD due to BRL/USD depreciation. At the end of Q3, the company reported its loan portfolio was worth R\$1.03 trillion, up 1.6% sequentially and up 9.6% year-over-year. Further, the company's client base in its Ágora digital investment brokerage app rose to 1.3 million, a 14% increase over the past 12 months, with R\$120 billion of assets under custody, up 17% year-over-year. While we would typically price in positive growth in the company's EPS results, especially given the continued momentum in its brokerage platform, such growth could once again be offset by FX fluctuations.

Dividend payments are made on a monthly basis, which is quite rare for an international company. The company usually pays around \$0.0035 per share each month (\$0.042/year), coupled with a couple of special dividends per year, which define the final amount. Note that the company had consecutively grown its dividend annually from 2012 to 2019, but

¹ Share count in millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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again, FX changes have distorted that amount. The annual dividend should be higher than our current DPS entry, which only includes the base monthly dividend. Due to the special payouts being unpredictable, we don't forecast them.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	11.7	10.8	12.1	13.5	13.2	11.8	10.9	9.2	10.6	10.7	8.0	6.5
Avg. Yld.	3.0%	3.7%	4.5%	3.9%	7.8%	3.5%	3.2%	3.8%	6.2%	4.3%	1.2%	1.5%

Banco Bradesco's historical P/E has been quite stable over the year, hovering in the mid-teens. On the one hand, the company's modest growth and monthly payouts, which provide rather predictable returns, could suggest a valuation appreciation potential. The current, elevated interest rates should boost its interest income and insurance results as well. On the other hand, due to the company being based outside of the U.S. (lack of shareholder-interest prioritization, different reporting standards, etc.) and the prospect of a weakening BRL rightfully drags the valuation lower. Thus, we consider the stock overpriced today, despite the single-digit multiple.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	42%	49%	65%	64%	124%	48%	38%	34%	65%	65%	10%	10%

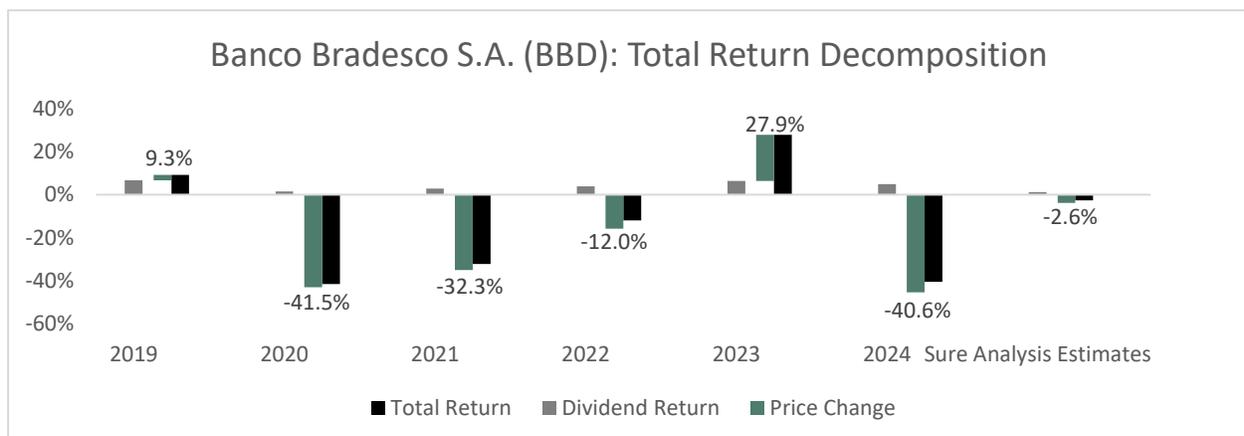
While Banco Bradesco's dividend is not consistent and will continue to vary based on the company's underlying results and FX changes, a base level (\$0.0033/month) should be considered quite safe, being well-covered by the company's cash from operations. The company continued to pay its base monthly rate even under the Great Financial Crisis, despite its financials suffering along with the rest of its sector.

The company's Basel ratio currently stands at 13.4% (the minimum capital ratio banks must maintain to ensure solvency is 8%), reflecting a solid capital structure. Liquidity coverage stands at 152.6%, also ample to ensure sufficient available funds if needed.

Final Thoughts & Recommendation

Banco Bradesco S.A. is a well-managed financial services company. In its original Sao Paulo listing, shares have delivered investors positive returns over the years when valued in constant currency. Still, for American investors, the company's underlying growth has been wiped out by the continuous depreciation of BRL/USD. Further, we believe shares are pricy today. While special dividends could boost returns beyond our original estimate, we still find BBD's total returns outlook underwhelming. Thus, we rate the stock a sell.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	28,953	20,314	27,785	28,509	24,430	25,183	19,020	21,140	20,090	19,630
SG&A Exp.	11,338	8,485	9,559	12,802	10,765	11,217	7,258	8,276	8,143	8,043
D&A Exp.	1,248	899	1,054	1,428	1,323	1,488	1,072	1,098	1,306	1,255
Net Profit	6,518	5,539	5,159	5,343	4,563	5,333	4,303	4,070	2,855	3,216
Net Margin	22.5%	27.3%	18.6%	18.7%	18.7%	21.2%	22.6%	19.3%	14.2%	16.4%
Free Cash Flow	33,185	-20,009	14,080	9,351	-3,285	-6,285	-19,760	6,275	-1,867	7,862
Income Tax	1,666	-2,637	4,011	2,010	741	-1,976	1,759	580	-860	-120

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets (\$B)	349.5	259.1	366.2	369.5	336.9	342.5	300.7	340.3	297.2	334.8
Cash & Equivalents	9,692	7,518	9,489	9,918	32,497	31,881	23	27,040	35,410	27,240
Acc. Receivable	767	499	557	910	171	41	252	386	550	976
Goodwill & Int.	2,828	1,870	4,853	4,882	4,162	3,659	2,675	3,555	4,555	3,842
Total Liab (\$B)	318.6	236.2	333.8	333.9	304.7	308.9	273.7	310.3	362.8	307.5
Long-Term Debt	47,910	42,162	64,883	58,213	56,232	58,510	42,040	54,490	73,330	65,250
Total Equity	30,861	22,918	32,348	35,427	32,068	33,569	26,870	29,930	34,270	27,250
LTD/E Ratio	1.55	1.84	2.01	1.64	1.75	1.74	1.56	1.82	2.14	2.40

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.9%	1.8%	1.7%	1.5%	1.3%	1.6%	1.4%	1.3%	0.8%	0.9%
Return on Equity	21.3%	20.6%	18.7%	15.8%	13.5%	16.2%	15.7%	14.3%	8.8%	10.4%
ROIC	8.6%	7.7%	6.4%	5.6%	5.0%	5.9%	6.2%	5.3%	2.8%	3.2%
Shares Out.	8,839	8,836	8,836	8,836	8,836	9,295	10,670	10,670	10,640	10,610
Revenue/Share	3.27	2.30	3.14	3.23	2.76	2.85	1.78	1.98	1.89	1.85
FCF/Share	3.75	(2.26)	1.59	1.06	(0.37)	(0.71)	(1.85)	0.59	(0.18)	0.74

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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