Banco Bradesco S.A. (BBD)

Updated October 31st, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$2.55	**5 Year Annual Expected Total Return:**	14.6%	**Market Cap:**	$28.5 B
Fair Value Price:	$3.75	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	11/05/2026
% Fair Value:	68%	**5 Year Valuation Multiple Estimate:**	8.0%	**Dividend Payment Date:**	12/11/2026
Dividend Yield:	10.2%	**5 Year Price Target**	$3.75	**Years Of Dividend Growth:**	0
Dividend Risk Score:	F	**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 generated about $48 billion in total interest income last year and is headquartered in Osasco, Brazil. All financials have been converted to USD unless otherwise specified.

On October 8th, 2026, the Central Bank of Brazil approved Bradesco's $1.84 billion capital increase. The issuance of 604.9 million new shares strengthens the bank's capital position but dilutes per-share earnings. Outstanding shares after the increase totaled about 11.18 billion, excluding treasury shares.

On October 22nd, Banco Bradesco released third-quarter results for the period ended September 30th, 2026. Recurring net income rose 14.6% year over year to $1.31 billion. Net interest income increased 14.2% to $3.94 billion, supported by 11.1% growth in the expanded loan portfolio to approximately $212.1 billion. Client NII grew 10.1%, while fee income rose 3.1%. Credit provisions increased 24.3%, and the 90-day delinquency ratio rose to 4.6% from 4.3% in Q2, limiting the benefit from stronger income.

Income from insurance, pension plans, and capitalization bonds fell 2.0% year over year to $1.03 billion. The insurance group's net income nevertheless increased 14.1% to about $535 million, with ROAE of 22.0%. Operating expenses fell 1.0%, helping the group's efficiency ratio improve to 45.4% from 50.1% a year earlier. We continue to expect FY2026 EPS of $0.50.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.46	$0.61	$0.59	$0.54	$0.35	$0.42	$0.38	$0.27	$0.30	$0.42	***$0.50***	***$0.50***
DPS	$0.35	$0.32	$0.28	$0.51	$0.17	$0.21	$0.11	$0.18	$0.11	$0.21	***$0.26***	***$0.26***
Shares[1]	8836	8836	8836	8836	8835	9689	10657	10642	10614	10579	***10705***	***11176***

Banco Bradesco's EPS has been recovering in local currency but is shown as flat or reduced over the years when converted into USD due to BRL/USD depreciation. While we would typically price in positive growth in the company's EPS results, supported by loan growth, fee income, and improvements in operating efficiency, such growth could once again be offset by FX fluctuations.

Banco Bradesco pays a rare monthly dividend of about $0.0035 per share. However, most of its payout comes from supplemental Interest on Equity (JCP), making the annual yield harder to predict. We estimate a $0.26 total dividend for 2026, supported by improving Net Interest Income (NII) and progress in its 2024–2028 Strategic Plan, which should drive payout recovery as ROE returns toward historical levels. The regular monthly payment remains unchanged in local currency, while supplemental payments vary with results.

[1] Share count in millions.

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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	10.8	12.1	13.5	13.2	11.8	10.9	9.2	10.6	10.7	6.4	***5.1***	***7.5***
Avg. Yld.	3.7%	4.5%	3.9%	7.8%	3.5%	3.2%	3.8%	6.2%	4.3%	7.8%	***10.2%***	***6.9%***

Banco Bradesco's historical P/E has been quite stable over the past decade, averaging about 10.9 times earnings. On the one hand, the company's modest growth and regular monthly payouts, 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, currency volatility, credit risk, and uncertainty surrounding Brazil's economic outlook warrant a lower valuation. Today, we consider the stock undervalued at around 5.1 times projected EPS.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	76%	52%	47%	94%	49%	50%	29%	67%	37%	50%	***52%***	***52%***

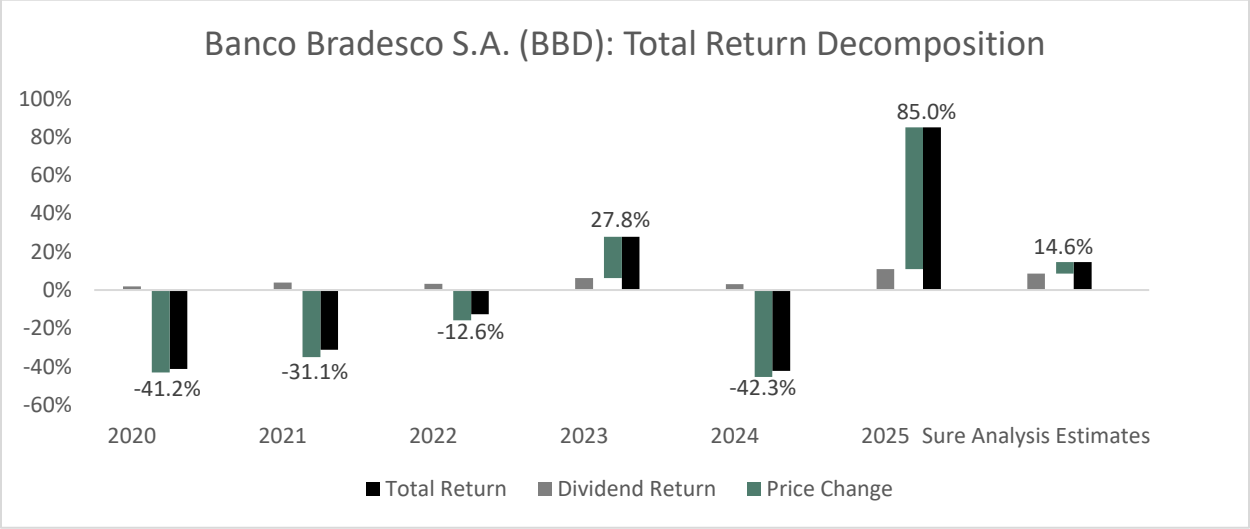
While Banco Bradesco's dividend is not consistent and will continue to vary based on the company's underlying results and FX changes, the small base monthly payment remains well covered by earnings. The company continued to pay its base monthly rate even under the Great Financial Crisis, despite its financials suffering along with the rest of its sector.

At the end of Q3 2026, the company's reported Basel ratio stood at 16.0%, with a Tier 1 ratio of 13.7% and a Common Equity Tier 1 ratio of 12.1%, up from 11.3% in Q2. These ratios reflect the capital increase. The remaining capital benefit related to Bradsaúde remains subject to regulatory approval. Although capital has strengthened, rising delinquencies and provisions show that credit quality remains a material risk.

Final Thoughts & Recommendation

Banco Bradesco S.A. is a well-managed financial services company. In its original São 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. While we believe the stock trades below our $3.75 fair value estimate, we still find BBD's lack of continued dividend growth and overall consistency underwhelming. Our model indicates 14.6% annualized total returns over five years, but the payout remains variable and exposed to currency and credit risks. We retain our sell rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	20,314	27,785	28,509	24,430	25,183	19,020	21,140	20,090	19,630	23,913
SG&A Exp.	8,485	9,559	12,802	10,765	11,217	7,258	8,276	8,143	8,043	7,276
D&A Exp.	899	1,054	1,428	1,323	1,488	1,072	1,098	1,306	1,255	1,269
Net Profit	5,539	5,159	5,343	4,563	5,333	4,303	4,070	2,855	3,216	4,252
Net Margin	27.3%	18.6%	18.7%	18.7%	21.2%	22.6%	19.3%	14.2%	16.4%	17.8%
Free Cash Flow	-20,009	14,080	9,351	-3,285	-6,285	-19,760	6,275	-1,867	7,862	-13,320
Income Tax	-2,637	4,011	2,010	741	-1,976	1,759	580	-860	-120	-521

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	259.1	366.2	369.5	336.9	342.5	300.7	340.3	397.1	334.8	423.5
Cash & Equivalents	7,518	9,489	9,918	32,497	31,881	12,811	27,040	35,410	27,240	35,170
Acc. Receivable	499	557	910	171	41	252	386	550	976	---
Goodwill & Int.	1,870	4,853	4,882	4,162	3,659	2,675	3,555	4,555	3,842	4,678
Total Liab ($B)	236.2	333.8	333.9	304.7	308.9	273.7	310.3	362.8	307.5	391.0
Long-Term Debt	42,162	64,883	58,213	56,232	58,510	42,040	54,490	73,330	65,250	53,219
Total Equity	22,918	32,348	35,427	32,068	33,569	26,870	29,930	34,270	27,250	32,522
LTD/E Ratio	1.84	2.01	1.64	1.75	1.74	1.56	1.82	2.14	2.40	1.64

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.8%	1.7%	1.5%	1.3%	1.6%	1.4%	1.3%	0.8%	0.9%	1.1%
Return on Equity	20.6%	18.7%	15.8%	13.5%	16.2%	15.7%	14.3%	8.8%	10.4%	14.2%
ROIC	7.7%	6.4%	5.6%	5.0%	5.9%	6.2%	5.3%	2.8%	3.2%	5.0%
Shares Out.	8,836	8,836	8,836	8,836	9,295	10,670	10,670	10,640	10,610	10,580
Revenue/Share	2.30	3.14	3.23	2.76	2.85	1.78	1.98	1.89	1.85	2.26
FCF/Share	(2.26)	1.59	1.06	(0.37)	(0.71)	(1.85)	0.59	(0.18)	0.74	(1.26)

Note: USD millions unless per share or indicated otherwise. FY2025 uses IFRS statements; revenue is net interest plus non-interest income. Long-term debt includes non-deposit borrowings and securities due after one year. Earlier currency conversions are retained.

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