

BANK BRADESCO
Form 6-K
October 30, 2008

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 October, 2008

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 ☒

Banco Bradesco S.A.

Corporate Taxpayer's ID (CNPJ) 60.746.948/0001-12	BM&F Bovespa	BBDC3 (common) and BBDC4 (preferred)	NYSE BBD	Latibex XBBDC
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Main Indicators %

Indicators	2007			2008			
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD	12 month accumulated
CDI	2.89	2.79	8.96	2.74	3.16	8.72	11.57
Ibovespa	18.74	11.16	35.94	6.64	(23.80)	(22.45)	(18.07)
USD Commercial Rate	(6.05)	(4.52)	(13.98)	(8.99)	20.25	8.07	4.10
IGP-M	0.34	2.57	4.06	4.34	1.54	8.47	12.31
IPCA IBGE	0.81	0.89	2.99	2.09	1.07	4.76	6.25
TJLP	1.59	1.53	4.81	1.54	1.54	4.68	6.29
TR	0.39	0.34	1.21	0.28	0.55	1.00	1.24
Savings Accounts	1.91	1.85	5.85	1.80	2.06	5.64	7.48
Number of Business Days	62	64	188	62	66	189	254

Closing Amount

Indicators	2007		2008	
	June	September	June	September
USD Commercial Selling Rate R\$	1.9262	1.8389	1.5919	1.9143
Euro R\$	2.6073	2.6237	2.5063	2.6931
Country Risk Points	160	173	228	331
Selic Copom Base Rate (% p.a.)	12.00	11.25	12.25	13.75
Pre-BM&F Rate - 1 year (% p.a.)	10.77	11.16	14.45	14.43

Obs.: country risk refers to EMBI+ Brazil calculated by JPMorgan.

Compulsory Deposit Rates % (*)**Rates and Limits %**

Deposits	2007				Deposits	2008			
	2 nd Qtr.	3 rd Qtr.	2 nd Qtr.	3 rd Qtr.		2 nd Qtr.	3 rd Qtr.	2 nd Qtr.	3 rd Qtr.
Demand ⁽¹⁾	45	45	45	45	Income Tax	25	25	25	25
Additional ⁽²⁾	8	8	8	8	Social Contribution ⁽¹⁾	9	9	15	15

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Time ⁽³⁾	15	15	15	15	PIS ⁽²⁾	0.65	0.65	0.65	0.65
Additional ⁽²⁾	8	8	8	8	Cofins ⁽³⁾	4	4	4	4
Savings					Legal Reserve on Net				
Accounts ⁽⁴⁾	20	20	20	20	Income	5	5	5	5
Additional ⁽²⁾	10	10	10	10	Maximum Fixed				
					Assets ⁽⁴⁾	50	50	50	50
					Capital Adequacy				
Interbank ⁽⁵⁾			10	15	Ratio (Basel) ⁽⁵⁾	11	11	11	11

- (1) Cash deposit No remuneration. (1) Up to April 2008, the rate was 9%. The rate applicable to non-financing and similar companies remains at 9%.
- (2) Cash deposit Remuneration by Selic rate. (2) The rate applicable to non-financial and similar companies is 1.65% (non-cumulative PIS).
- (3) Restricted Securities From the amount calculated at 15%, R\$300 million is deducted. (3) The rate applicable to non-financial and similar companies is 7.6% (non-cumulative Cofins).
- (4) Cash deposit Remuneration by TR + interest of 6.17% p.a. (4) Maximum Fixed Assets are applied over Reference Equity.
- (5) Restricted Securities - Originated form Leasing Companies. (5) Reference Equity may not be lower than 11% of Risk-Weighted Assets.
- (*) For further information on new regulations see Note 35 of the Financial Statements included in Chapter 9 of this report.

Forward-Looking Statements

This Report on Economic and Financial Analysis contains forward-looking statements relating to our business. Such statements are based on management's current expectations, estimates and projections about future events and financial trends, which could affect our business. Words such as: believes, anticipates, plans, expects, intends, aims, predicts, foresees, projects, guidelines, should and similar expressions are intended to identify forward-looking statements. These statements, however, do not guarantee future performance and involve risks and uncertainties, which could be beyond our control. Furthermore, certain forward-looking statements are based on assumptions that, depending on future events, may prove to be inaccurate. Therefore, actual results may differ materially from the plans, objectives, expectations, projections and intentions expressed or implied in such statements.

Factors which could modify actual results include, among others, changes in regional, national and international commercial and economic conditions; inflation rates; increase in customer delinquency on the account of borrowers in loan operations, with the consequent increase in the allowance for loan losses; loss of funding capacity; loss of clients or revenues; our capacity to sustain and improve performance; changes in interest rates which could, among other events, adversely affect our margins; competition in the banking sector, financial services, credit card services, insurance, asset management and other related sectors; government regulations and fiscal matters; disputes or adverse legal proceedings or rulings; as well as credit risks and other loan and investment activity risks.

Accordingly, the reader should not rely excessively on these forward-looking statements. These statements are valid only as of the date they were prepared. Except as required under applicable legislation, we assume no obligation whatsoever to update these statements, whether as a result of new information, future events or for any other motive.

Economic Scenario

First of all, the current world's economy scenario must be understood as an intense and unprecedented deleverage process in several markets. This trend has many consequences: (i) strong financial volatility and banking system instability in several countries; (ii) credit restrictions and capital flow reduction; (iii) decrease in assets and commodity prices; (iv) increased risk aversion, affecting foreign exchange markets; and (v) slowdown already in progress of the world's economy growth.

In the next months, the world's economy adjustment will be maintained, mainly affecting the emerging countries, whose expansion pace remains strong, but it is showing moderate signs. It is worth mentioning that this adjustment occurs after a period of strong world's growth, from which Brazil took advantage. Among the consequences of this adverse scenario for Brazil, it is worth pointing out the pressure on the foreign exchange rate and restrictions on international credit lines.

Although Brazil is not immune to the crisis and its consequences, it is worth pointing out that over the past years, the country has advanced in terms of fundamentals, which should soften to a certain extent the impacts caused by the panic that has been prevailing over the international markets. For 2008, we expect a 5.0% growth of GDP (after 5.4% in 2007), moving towards 3.0% in 2009. Looking at a broader future, it is worth mentioning that Brazil's outlook remains favorable, which will certainly bring benefits, as soon as current crisis is surpassed.

Risk Factors and Critical Accounting Practices

In order to reinforce Bradesco's commitment to the best international practices for transparency and corporate governance, we point out Risk Factors and Critical Accounting Practices. We consider these factors and practices the most significant and those that could affect our daily business, the results of our operations or our financial position. We stress that Bradesco addresses the management of all risks inherent to its activities in a complete and integrated manner. This integrated approach facilitates the improvement of risk management models and avoids the existence of any gaps that could jeopardize the correct identification and assessment of these risks.

Risks Relating to Brazil

1) Brazilian political and economic conditions have a direct impact on our business and on the market value of our shares and ADSs.

The majority of our operations and clients are located in Brazil. Accordingly, our financial condition and results of operations are substantially dependent on the Brazilian economy, which in the past has been characterized both by frequent intervention by the Brazilian Government and volatile economic cycles. In addition, our financial condition and the market value of our shares and ADSs may also be adversely affected by changes in policies involving exchange rate and tax controls, as well as factors such as: fluctuations in exchange rates, interest rates, inflation rates, and other political, diplomatic, social and economic events inside and outside Brazil that affect the country.

We cannot control nor predict which measures or policies may be taken by the Brazilian Government in response to the current or future situation of the country's economy or how these measures or policies may affect the Brazilian economy and, both directly and indirectly, our operations and revenues.

2) Should Brazil undergo a period of high inflation in the future, our revenues and the market value of our shares and ADSs may decrease.

In the past, Brazil has faced periods of extremely high inflation rates, with annual rates (IGP - DI from the Fundação Getulio Vargas) reaching as high as 2,708% in 1993. More recently, Brazil's inflation rates were 1.2% in 2005, 3.8% in 2006, 7.9% in 2007 and 8.3% in the first nine months of 2008. In previous years, inflation and governmental

measures to fight it have had significant negative effects on the Brazilian economy. In addition, general speculation about possible future actions has also contributed to economic uncertainty in Brazil and to heightened volatility in Brazilian securities markets. Should Brazil suffer a period of high inflation in the future, our costs may increase, our operating and net margins may decrease and, if investor confidence falters, the price of our shares and ADSs may drop. Inflationary pressures may curtail our ability to access foreign financial markets and may occasionally lead to further government intervention in the economy, including the implementation of policies that may adversely affect the overall performance of the Brazilian economy.

II

3) Access to international capital markets by Brazilian companies is influenced by the perception of risk in emerging economies which may harm our ability to finance our operations.

The market of securities issued by Brazilian companies is influenced by economic and market conditions in Brazil and, at different levels, by the market conditions in other Latin American countries and other emerging countries. Although economic conditions in these countries may significantly differ from Brazilian economic conditions, investor reaction to events in these countries may have an adverse effect on the market value of Brazilian companies securities. Crises in other emerging countries or economic policies in other countries, especially in the United States and European Union, may reduce the investor demand for Brazilian companies securities, including ours. Any of the events described above may negatively affect the market price of our shares and complicate, or even prevent, our access to capital markets and our financing of future operations on acceptable terms.

4) Developments in other emerging markets may adversely affect the market value of our shares and ADSs.

The market value of our shares and ADSs may be adversely affected by declines in the international financial markets and world economic conditions. The Brazilian securities market is influenced by the local and other emerging countries economies, especially those in Latin America. Although economic conditions are different in each country, investor reaction to developments in one of them may affect the securities markets and the securities issued in other countries, including Brazil.

Occasionally, developments in other countries have also adversely affected the market value of our and other Brazilian companies shares, as investor perception of high risk due to crisis in other emerging markets may lead to reduced levels of investment in Brazil and, in addition, may hurt our ability to finance our operations through the international capital markets. If the economic situation in Latin America deteriorates, or if similar developments occur in the international financial markets in the future, the market value of our shares and ADSs may be adversely affected.

Risks Relating to Bradesco and the Brazilian Banking and Insurance Industries

1) The Brazilian government regulates the operations of Brazilian banks and insurance companies, and changes in prevailing laws and regulations or the imposition of new ones may adversely affect our operations and results.

Brazilian banks and insurance companies are subject to extensive and continuous regulatory review by the Brazilian government. We have no control over government regulations, which govern all facets of our operations, including the imposition of minimum reference equity and capital requirements, compulsory deposits, loan limits and other loan restrictions.

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving; laws and regulations may be amended and, moreover, they may be changed according to their enforcement or interpretation, causing the adoption of new laws and regulations. Such changes could materially affect in a negative manner our operations and our results.

Regulatory changes affecting other businesses in which we are engaged, including our brokerage, consortium and leasing operations, could also have an adverse effect on our operations and our results.

2) The increasingly competitive environment in the Brazilian banking and insurance industries may adversely affect our business prospects.

We face significant competition in all of our principal areas of operation from other large Brazilian banks and public and private insurance companies. Brazilian regulations raise limited barriers only to market entry and do not

differentiate between local or foreign commercial and investment banks and insurance companies. As a result, the growing presence of foreign banks and insurance companies in Brazil, some of which have greater resources than we do, has increased competition both in the banking and insurance industries. The privatization of publicly-owned banks has also made the Brazilian markets for banking and other financial services more competitive.

III

The increased competition may adversely affect our business results and prospects by, among other things: limiting our ability to increase our client base and expand our operations; reducing our profit margins on the banking, insurance, leasing services and other products we offer; and increasing competition for foreign investment opportunities.

Furthermore, additional publicly-owned banks and insurance companies may be privatized in the future, and their acquisition by one of our competitors would generally add to the buyer's market share, and as a result we may face increased competition from said buyer.

3) Some of our common shares are held by two shareholders whose interests may conflict with other investors interests.

On September 30, 2008 Cidade de Deus Companhia Comercial de Participações held 49.00% of our common shares and Fundação Bradesco directly and indirectly held 50.07% of our common shares. As a result, these shareholders have the power to prevent a change in control of our Company, even if a transaction of that nature would be beneficial to our other shareholders, as well as to approve transactions with related parties or corporate reorganization, which may not be beneficial to our other shareholders.

Critical Accounting Practices

Bradesco's results are susceptible to accounting policies, assumptions and estimates. It is incumbent upon the management to adopt proper accounting policies and provide reasonable and suitable judgments and estimates when preparing the financial statements.

Our relevant accounting policies are outlined in note 3 to the consolidated financial statements included in chapter 9 of this Report.

In terms of relevance, the following items outline the accounting policies deemed critical as well as areas requiring greater judgment and consideration or involving a higher level of complexity, which may affect our financial condition and the results of our operations. The accounting estimates made in such a context compel us to make assumptions on uncertain issues. In each case, if we had made other estimates, or if changes in estimates had occurred period by period, these could have significantly impacted our financial condition or the results of our operations:

1) Allowance for Loan Losses

We periodically adjust our allowance for loan losses, which include leasing operations and other operations with loan characteristics, based on the analysis of our portfolio, including probable loss estimates in these segments at the end of each period.

The determination of the amount of allowance for loan losses by its nature requires us to make judgments and assumptions related to our loan operations portfolio, not only on an individual basis, but also on a portfolio basis. When we revise our portfolio as a whole, various factors may affect our estimate of probable extent of losses, including the methodology we use to measure historical rates of delinquency and the historical period we take into account in such measurements. When we revise our loan operations on an individual basis, we make judgments related to the factors that most probably will affect the risk levels and which specific credit rating we should apply. Additional factors that may affect our determination of allowance for loan losses include:

general economic conditions in Brazil and conditions of the relevant sector;

previous experience with the borrower or relevant sector of economy, including recent loss experience;

credit quality trends;

amount and quality of guarantee for the loan operation;

volume, composition and growth of our loan operations portfolio;

Brazilian government's monetary policy; and

any delays when receiving information necessary to assess loan operations or confirm the deterioration of existing credit.

IV

Our determination of allowance for loan losses is influenced by the risk rating of each loan operation. By assuming a decrease of 1% in the delinquency ratio expected for our loan operations portfolio in full performance, on September 30, 2008 the allowance for loan losses would increase approximately R\$63 million. Such an analysis of sensitivity is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance and, thus, must not be considered a reflection of our expectations for future determinations of risk rating or future alterations in loss severity. Because of the procedures we follow, in order to determine our risk rating of loan portfolio and our assessment of loss severity, we believe that the current risk rating and the estimate of loss severity for our loan portfolio are appropriate.

For further information about our practices referring to the allowance for loan losses, see the content of loan operations included in chapter 3 and notes 3e and 10 included in chapter 9 of this report.

2) Classification of Securities and Derivatives

Securities and derivatives are classified into three categories: for trading, available for sale and held to maturity. This classification is based on the Management's intent of maintaining or trading such securities on the date of their acquisition. We account for securities held depending on our classification upon their acquisition.

Circumstantial changes may modify our strategy related to a specific security, which will require a transfer among the three categories.

The classification of securities and derivatives can be found in note 8 included in chapter 9 of this report.

3) Assessment of Securities and Derivatives

The financial instruments recorded at fair value in our financial statements mainly include securities classified as for trading, available for sale and other trading assets, including derivatives. The fair value is defined as the value in which a position could be closed or sold in a transaction with a party aware of the issue and willing to trade, without any benefit.

We estimate the fair value by using quoted market prices when available. We observe that the fair value may be affected by the volume of shares traded and also may not reflect the control premiums resulting from agreements with shareholders holding significant investments. However, the Management believes that quoted-market prices are the best indicators of fair value.

When quoted market prices are not available, we use models to estimate the fair value. The factors used in these models include distributors' quotations, pricing models, prices of instruments with similar characteristics and discounted cash flows. The pricing based on models also uses information about interest rates, exchange rates and options volatility, when these are relevant and available.

In the determination of fair value, when quoted market prices are not available, we use the Management's judgment, since the models depend on our judgment concerning the weight to be attributed to different factors and the quality of information we receive. For instance, reliable market data are generally limited when estimating the impact of maintaining a high position. Likewise, we use our judgment in the estimate of prices when there is no external parameter. Should we make incorrect assumptions or if the model itself makes incorrect correlations or assumptions, the value of income or loss recorded for a specific asset or liability may be improper. The judgment shall also determine if a decline in fair value below the up-to-date cost of a held to maturity or available for sale security is not temporary, to require that we recognize a devaluation of the up-to-date cost and reflect such reduction as an expense. In the assessment, if devaluation is not temporary, the Management decides which historical period should be considered and how severe a loss may be.

Such assessment methods may lead Bradesco to different results, if models used or assumptions and estimates are inaccurate.

For further information about our practices referring to the assessment of securities and derivative financial instruments, see notes 3c, 3d and 8 included in chapter 9 of this report.

4) Income Tax and Social Contribution

The determination of the amount of our taxes and contributions is related to the analysis of our deferred tax assets and liabilities, income tax and social contribution. Generally, our assessment requires us to estimate the future values of deferred tax assets, income tax and social contribution. Our assessment about the possibility that a deferred tax asset may be realized is subjective and involves evaluations and assumptions originally uncertain. The realization of deferred tax assets is subject to alterations in future tax rates and the development of our tax planning strategies. As a result of unpredictable occurrences or circumstances, the support to our assessments and assumptions may change over time, influencing the determination of the value of our tax liabilities.

We constantly monitor and assess the impact of new tax laws on our liabilities, which could affect the assessments and assumptions of our analysis about the possibility of realizing deferred tax assets.

For further information about Bradesco's income tax and social contribution, see notes 3f and 34 of our financial statements included in chapter 9 of this report.

5) Insurance Technical Provisions

Provisions for insurance claims and related expenses are created as they are incurred. The calculation of these provisions considers estimates for reported claims and includes provisions for claims incurred but not reported. Methods to determine these estimates and establish technical provisions are regularly reviewed and updated. The resulting adjustments are recognized in the income of the respective period.

For further information on our technical provisions, see notes 3l, 21a and 21b of our financial statements included in chapter 9 of this report.

6) Use of Estimates

Our management estimates and makes assumptions, which include: the amount of provisions for deferred taxes and contributions; the assumptions for the calculation of allowances for loan losses; the assumptions for calculations of technical provisions for insurance, private pension plans and certificated savings plans; the choice of useful lives of certain assets; and the determination of whether an asset or group of specific assets will be deteriorated. The estimates are based on Management's judgment and available information. Therefore, effective results may differ from such estimates.

Commercial Strategy

We believe that the expansion of the Brazilian economy, influenced by the favorable macroeconomic environment resulting from the significant growth of the purchasing power of certain income segments of the Brazilian population, especially the low- and medium-income citizens and companies' investment, will increase the demand for financial and insurance services in the next years.

Our main objective is to maintain our focus on the domestic market to take advantage of our position as the largest private bank in Brazil, so that we can increase our profitability, maximize value for shareholders and generate higher returns compared to other Brazilian financial institutions.

Our strategy to achieve such goals is not only focused on continuing to expand our client base, but also consolidating our role as an All-Inclusive Bank in the Brazilian market in order for us to be the first-choice bank for each of our clients. We have been increasingly segmenting our services by efficiently allocating our human resources and talents in order to offer our clients the products and services that truly meet their needs. We believe that paying attention to the financial profile of our clients and respecting their individuality results in greater satisfaction and loyalty in our

clients' relationship with us. The segmentation of our financial services has also enabled us to increase synergies of the institutions we have acquired over the past years.

We own the largest and probably best network of distribution channels among private Brazilian banks, comprised of branches, service stations, ATMs, Banco Postal and other third-party channels whose growth was especially significant with the adhesion of large retail networks like our correspondent banks. We have over 60,000 customer service branches. The strict, segmented and well-distributed coverage of our customer service network optimizes the delivery logistics of our products and services and enables us to fully compete in retail banking. We intend to continue expanding and refining our customer service network and offer more and better products and mass services to our clients, in order to meet the increasing demand for loan and insurance in the Brazilian market.

VI

We are also focused on expanding our businesses as a wholesale bank in all its aspects, especially corporate service, and expand our private banking business. In the corporate segment, in which we believe we are well placed, the Brazilian economic scenario has significantly improved the performance of small and medium companies. In addition, since 2006 we have been paying special attention to our investment bank segment, Banco Bradesco BBI. We resort to the market to search for qualified professionals and we intend to fully use the strong relationship with our corporate and high income clients to increase our investment bank operations.

We also intend to strongly increase our share in markets that we were traditionally less focused on, such as securities brokerage. With the significant growth of the Brazilian securities market over the past years, and the recent acquisition of the largest securities brokerage firm in Brazil, Ágora Corretora, we became leaders in the securities brokerage market.

In the insurance segment, we believe that there is great potential for the growth of our operations because the insurance industry is still under-represented in Brazilian gross domestic product. The increase in average Brazilian income has incorporated millions of new policyholders, and we expect to take advantage of this increasing demand for insurance products in order to consolidate our leadership in several insurance segments.

We have organized ourselves to increase our gains in scale and operational efficiency by segmenting the supply of our products with the creation of insurance companies specializing in each insurance line, which we call a multi-line insurance company. Thus, we avoid cross subsidies and have full control over the performance of each product line. We believe we can benefit from our structure to maximize insurance product sales, which in their essence have a high contribution margin, creating access to independent brokers.

Furthermore, in every line of our operation, we intend to stand out and be recognized by our clients as a leader in terms of performance and efficiency. We closely follow and constantly try to improve our operating efficiency levels.

We understand that the essence of business success in the financial sector consists of the combination between winning the client and a highly qualified staff devoted to providing service, permanently trained and with strict discipline and ethical standards in their work. Also fundamental to promote the business is the treatment given to our team in terms of qualification, promotion and creation of a culture of solidarity at work, fomenting an environment where our employees can develop a career that endures their entire professional life. In 2007, we were chosen by the Guia Você S/A Exame publication as one of the best companies to work for in Brazil.

Finally, the main component of our philosophy is to conduct business according to the highest ethical standards. Therefore, our strategy is guided and driven by seeking the best Corporate Governance practices and by understanding what we should be, besides a profit generator for our shareholders, a constructive element within our society.

The key elements of our business strategy are:

- expansion by means of organic growth;

- operation based on Insurance-Bank Model, to maintain profitability and consolidate our leadership in the insurance industry;

- increase of revenues, profitability and value for shareholders, by consolidating our loan and financing operations, our main activities, and the expansion of new products and services;

- maintain our commitment to technological innovation;

- profitability and return for the shareholders by means of ongoing efficiency ratio improvements;

maintain acceptable risk levels in our operations; and

expansion by means of strategic alliances and selective acquisitions, when these are beneficial.

a) To expand by means of organic growth

The Brazilian economy has been sustainably growing over the past five years and, meanwhile, has been creating strategic opportunities for financial and insurance segment growth, chiefly by means of increased business volume in segments in which we are well placed. We intend to continue taking advantage of such progress to increase our revenues, obtain profitability and maximize value for the shareholders, outlined as follows:

- capitalize on the opportunity to obtain new clients in the Brazilian markets, mainly low and medium-income clients, with unmet loan and financial needs, and, in addition, maintain the strong competition for a small group of clients with higher income levels;

- expand our distribution of financial services by using creativity in developing new mass products, strongly employing outsourced channels, e.g., expanding our credit cards and financial and insurance products and services in large retail networks through alliances with a network of stores, Banco Postal and other correspondent banks;

- benefit from the existing distribution channels, including our traditional branch network and other means of access to identify demand for new products, and the expansion of the supply of products that are gradually being requested again due to Brazil's monetary stability, such as long-term financing, especially real estate loans;

- use our client base, offering our products and services more widely and increasing the average of products used per checking account from 4.8 in December 2007, to an estimated average of 5.0 products per checking account in December 2008;

- use the systems supported by our branches to assess and monitor the use of our products by clients to apply the appropriate sale, delivery and commercialization platforms; and

- develop segmented products according to the profiles and needs of our clients (both potential and current).

b) To operate based on the Insurance-Bank Model in order to maintain the profitability and consolidate Bradesco's leadership in the insurance industry

Our goal is to make our clients look to us as their first-choice bank to meet their banking, insurance and private pension needs. We believe that we are in a privileged position to capitalize on the synergy among banking, insurance, private pension services and other financial activities. Our insurance group has nationwide coverage and, in addition to our banking distribution network that is of great importance in our distribution of insurance and private pensions, distribution services via internet and new distribution channels which we developed thanks to our creativity, we also have specific channels for the supply of these products, which count on our platform of more than 15,000 brokers and dealerships for the basic line and 8,000 for life and private pension plans. Our brokers and dealerships are permanently assisted and encouraged to improve the service they provide to our clients.

Concurrently, we aim at increasing the profitability of the insurance and supplementary private pension plan segments by using the profitability measure rather than the volume of underwritten premiums or amounts deposited, which can be observed as follows:

- managing our reserves and portfolio;

- intensively trading our products and services; and

- maintaining acceptable risk levels in our operations by means of a strategy of:

- setting priorities for insurance underwriting opportunities according to the risk spread between the expected revenue pursuant to the insurance agreement and the value of projected claims (statistically) to be due under the terms of such agreement;
- performing hedge transactions so as to avoid the mismatch between the real inflation index on one hand, and provisions for adjustments of interest rates and inflation in long-term agreements on the other; and
- using reinsurance contracts with important reinsurance companies taking advantage of the new reality of the Brazilian insurance market.

c) To increase revenues, profitability and value for shareholders by reinforcing our loan and financing operations (our main activity), and expanding new products and services

We focus on the increase of revenues and profitability in our banking operations, with the following measures:

carrying out our traditional deposit-raising activities and loan and financing operations, continuously seeking to improve the quality of our loan portfolio with risk mitigation plans and improvement of the pricing models of delinquency risks, which ensures better results in the concession, follow-up, recovery and adequate provisions for expected loan losses;

building our client base of corporate and individual clients, by offering services meeting the profile and needs of specific clients;

intensively seeking the development of paid services based on fees, such as the collection and processing of payments;

expanding our financial services and products distributed outside of our conventional means of branches, such as credit card activities, capitalizing on the change in the consumers' behavior concerning the financial services consumption;

increasing our revenues from asset management; and

continuously building our high-income customer base by providing a wide range of tailor-made financial products and services.

d) To maintain our commitment to technological innovation

The development of efficient means to reach clients and to process operations, safely and continuously, is a key element of our goal to increase our profitability and capitalize on opportunities of coordinated growing.

We have a history of over six decades of being a pioneer, always anticipating the coming challenges with efficient strategies and positive impacts on society. In this context, we point out the use of state-of-the-art technology, one of the central pillars of the Organization's strategy to propel sustainability and business and create easy access to innovative and safe services for clients. We are among the Brazilian companies that most invest in research and development focused on the banking area. Thus, with the purpose of increasingly improving the Organization's IT environment, getting ready for the next decades and increasing the public perception regarding the technological resources we use based on the best existing practices and technologies, we have invested in a sweeping strategic program called IT Improvements that affects 5 macro-areas of the IT chain (Processes, Applications, Operational Environments, Technologies and Infrastructure).

We believe that technology offers unequalled opportunities for us to reach our clients efficiently in terms of cost. We maintain our commitment to being ahead in the banking automation process by creating opportunities for Brazilians to contact us via the internet and other means of access, such as:

enlarging our mobile banking service, Bradesco Celular, allowing clients to carry out their banking operations with compatible mobile phones; and

providing Pocket Internet Banking for palmtops and PDAs, as well as mobile phones, allowing our clients to see their checking and savings accounts, see their credit card transactions, make payments, transfer funds and also obtain institutional information.

e) To obtain profitability and return for shareholders by the ongoing improvement of the efficiency ratio

We intend to improve our efficiency levels:

by maintaining austerity as guideline of our cost control policy;

by continuously reviewing our internal processes, allowing us to reduce resources consumed and contribute to our corporate sustainability policy;

by consolidating the synergies enabled by our recent acquisitions;

by continuously reducing our operational costs with technology investments, decreasing costs per transaction, always emphasizing our updated automated distribution channels, including our wireless distribution systems of phone, internet and ATMs; and

by continuing to incorporate institutions, which by chance may be acquired as part our existing system in order to remove potential overlaps, redundancies and inefficiency, diminishing gains of scale.

f) To maintain acceptable risk levels in our operations

We approach the management of risks inherent to our activities in an integrated manner, in a process within our Internal Controls and Compliance structure, which we call the Risk Management Process. This process allows the continuous improvement of our risk management models and minimizes the existence of gaps which compromise its correct identification and evaluation. Thus, we identify, measure, control, monitor and mitigate in a centralized and permanent manner our credit, market, liquidity and operational risks.

The unity of our risk management process is guaranteed thanks to the Integrated Risk Management and Capital Allocation Committee, a statutory committee whose duty is to advise the Board of Directors in the approval of institutional policies, operational guidelines and establishment of risk exposure limits within the scope of the consolidated financial economic statement. Additionally, we have three Executive Committees for issues related to credit, market and liquidity, and operational risks, which, among their duties, are responsible for suggesting limits of tolerance to their respective risks and preparation of mitigation plans to be submitted to the Integrated Risk Management and Capital Allocation Committee. Finally, we have an independent department exclusively dedicated to the activities of global risk management and internal controls - DGRC - that implements and follows, in a continuous and integrated manner, the guidelines and processes prepared by our high-level committees.

Our internal risk management bodies and processes ensure the maintenance of operational risks in adequate levels and the efficient allocation of capital, being similar to the best international practices, which allows us to obtain competitive advantages.

g) To expand by means of strategic alliances and selective acquisitions, when beneficial

We understand that there will be an expansion of Brazilian financial institutions due to organic growth over the next years. In addition, we believe that acquisition opportunities will consist of smaller-sized institutions. Notwithstanding, we believe that certain institutions, which will be susceptible to acquisition, could present niche opportunities, such as consumer financing, credit cards and investment banking. Therefore, we continuously evaluate potential strategic alliances as well as consolidation opportunities, including privatization and acquisition proposals, as well as other means that offer potential opportunities for Bradesco to increase its market share or improve its efficiency. In addition to focusing on the value and quality of our assets, we take into account potential operating synergies, cross-selling opportunities, knowhow acquisitions and other advantages of potential alliance or acquisition. The analysis of potential opportunities is guided by the impact these would have over our results.

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Certain figures included in this report have been subject to rounding adjustments.
Accordingly, figures shown as total in certain tables may not be an arithmetic
sum of
the figures preceding them.

List of Acronyms

AACD	Association of Assistance to Disabled Children	CS or CSLL	Social Contribution or Social Contribution on Net Income
ABC	Activity-Based Costing	CTI	Information Technology Center
Abecs	Brazilian Association of Credit Card Companies and Services	CVM	Brazilian Securities and Exchange Commission
ABEL	Brazilian Association of Leasing Companies	DARF	Federal Revenue Collection Document
ABGR	Brazilian Association of Risk Management	DAS	Brazilian Unified Tax Collection System Document (<i>Simples</i>)
Abrasco	Brazilian Association of Graduation Courses in Public Health	Decon	Economic Control Department
ACC	Advances on Foreign Exchange Contracts	DGRC	Risk Management and Compliance Department
ADR	American Depositary Receipt	DJSI	Dow Jones Sustainability World Index
ADS	American Depositary Share	DMA	Direct Market Access
ADVB	Association of Sales and Marketing Managers of Brazil	DPV	Available for Sale (Securities)
AIGOR	Accord Implementation Group Operational Risk Subgroup	DPVAT	Compulsory Vehicle Insurance
AMA	Advanced Measurement Approach	DR	Depositary Receipt
Anahp	Brazilian Association of Private Hospitals	DRE	Statement of Income for the Year
Anbid	National Association of Investment Banks	DRI	Interpersonal Relations Development
Anfavea	Brazilian Association of Automobile Vehicles	DRII	Disaster Recovery Institute International
ANS	National Agency for Supplementary Healthcare	DTVM	Securities Dealer
AP	Personal Accident	DVA	Statement of Value Added
APAE	Association of Parents and Friends of People with Disabilities	ECT	Empresa Brasileira de Correios e Telégrafos
Apimec	Association of the Capital Markets Investment Analysts and Professionals	EL	Expected Loss
APF	Foundations Association of São Paulo	EMBI	Emerging Markets Bond Index
Bacen	Brazilian Central Bank	Embrapa	Brazilian Company of Farming and Ranching Research
BBI	Banco Bradesco de Investimento S.A.	ENEM	Brazilian High School Examination
BBVA	Banco Bilbao Vizcaya Argentaria	EPE	Specific Purpose Entities
BCI	Business Continuity Institute	ERP	Enterprise Resource Planning
BDR	Brazilian Depositary Receipt	EVE	Economic Equity Value
BES	Banco Espírito Santo	EXIM	Export and Import BNDES Financing Line
BIS	Bank for International Settlements	FDIC	Federal Deposit Insurance Corporation
BIT	Bradesco Instituto de Tecnologia	Febraban	Brazilian Banks Federation
BMC	Banco BMC S.A.	Fenaprevi	National Federation of Life and Private Pension Plans
BM&FBovespa	Mercantile and Futures Exchange	FGV	Fundação Getulio Vargas
BNDES	National Bank for Economic and Social Development	FIA	Management Institute Foundation
BRGAAP		FIDC	Receivables Securitization Fund

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	Brazilian Generally Accepted Accounting Principles		
Bovespa	São Paulo Stock Exchange	Fides	Inter-American Federation of Insurance Companies
BRAM	Bradesco Asset Management	FIE	Exclusive Investment Fund
BRIC	Brazil, Russia, India and China (group of the world's four main emerging countries)	Fiesp	Federation of the Industries of the State of São Paulo
BVP	Bradesco Vida e Previdência	Finabens	Financing Line of other Assets and Services
Cabec	Private Pension Plan Fund of the Bank of the State of Ceará	Finame	Fund for Financing the Acquisition of Industrial Machinery and Equipment
CADU	Clients' Single Registration	Fiocruz	Fundação Oswaldo Cruz
Capof	Assistance and Retirement Pension Fund for the Employees of the Bank of the State of Maranhão	FIP	Investment Fund in Interest
CBLC	Brazilian Settlement and Custody Company	FIPE	Economic Research Institute Foundation
CCE	Exports Credit Certificate	Fipecafi	Accounting, Actuarial and Financial Research Institute Foundation
CDB	Bank Deposit Certificate	FIRN	Floating Rate Note
CDC	Consumer Sales Financing	FFS	Insurance Company's Financial Strength
CDI	Interbank Deposit Certificate	FSF	Financial Stability Forum
CDP	Carbon Disclosure Project	FxRN	Fixed Rate Note
CDS	Credit Default Swap	GCN	Business Continuity Management
CEF	Federal Savings Bank	Geaco	Market Follow-up Management
CFC	Federal Accounting Council	GEE	Greenhouse Gases
Cetip	Clearing House for the Custody and Financial Settlement of Securities	GDP	Gross Domestic Product
CID	Digital Inclusion Center	GPR	Global Postural Reeducation
CFA	Chartered Financial Analyst	GPS	Social Pension Plan Voucher
CIAB	Information Technology Congress and Exposition of the Financial Institutions	GRI	Global Reporting Initiative
CLC	Company Level Controls	IAS 39	Financial Instruments' Recognition and Measurement
CMN	National Monetary Council	IAS	International Accounting Standards
CNSP	National Private Insurance Council	IASB	International Accounting Standards Board
Cobit	Control Objectives for Information and Related Technology	IASC	International Accounting Standards Committee
Cofins	Contribution for Social Security Financing	IBCC	Brazilian Institute of Cancer Control
Conanda	National Council for the Rights of Children and Adolescents	IBGE	Brazilian Institute of Geography and Statistics
Copom	Monetary Policy Committee	Ibmec	Brazilian Capital Markets Institute
Consif	National Confederation of the Financial System	IBNR	Incurred But Not Reported
Cosif	Chart of Accounts for National Financial System Institutions	Ibovespa	São Paulo Stock Exchange Index
COSO	Committee of Sponsoring Organizations	Ibracon	Brazilian Institute of Independent Auditors

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CPC	Committee of Accounting Pronouncements	IBRE	Brazilian Economy Institute
CPMF	Provisory Contribution on Financial Transactions	IBRI	Brazilian Investor Relations Institute
CRI	Certificate of Real Estate Receivables	IDEC	Brazilian Institute for the Defense of the Consumer
		IDHO	Organizational Human Development Index

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List of Acronyms

IDR	Issuer Default Ratings	PMO	Project Management Office
IEO	Efficiency Ratio	PMP	Project Management Professional
IFC	International Finance Corporation	PN	Preferred Shares
IFRIC	International Financial Reporting Interpretation Committee	POPR	Portion Related to Operational Risk
IFRS	International Financial Reporting Standards	PPNG	Unearned Premiums Provision
IFRS1	First-Time adoption of International Financial Reporting Standards	PPQG	São Paulo Management Quality Award
IFRIC	International Financial Reporting Interpretations Committee	PR	Reference Equity
IFT	Quarterly Financial Information	PRD	Disaster Recovery Plan
IGP DI	General Price Index Internal Availability	PRE	Required Reference Equity
IGP-M	General Price Index Market	Procon	Consumer Protection and Defense Bureau
ILL	Tax on Net Income	PUC	Pontifícia Universidade Católica
IMF	International Monetary Fund	QIS	Quantitative Impact Study
INI	Brazilian Institute of Investors	RAV	Visual Analysis Report
Inmetro	National Institute of Metrology, Standardization and Industrial Quality	RCF	Optional Third-Party Liability
INSS	Social Security National Institute	RE	Basic Lines (of Insurance Products)
IOSCO	International Organization of Securities Commissions	ROA	Return on Assets
IPCA	Extended Consumer Price Index	ROAA	Return on Average Assets
IPEG	São Paulo's Excellence and Management Institute	ROAE	Return on Average Shareholders' Equity
IPO	Initial Public Offering	ROCI	Operational Risk and Internal Control
IPTU	Municipal Real Estate Tax	ROE	Return on Shareholders' Equity
IQNet	International Quality Network	SA 8000	Social Accountability
IR	Income Tax	Sae Brasil	Mobility Engineers Association
IRPJ	Corporate Income Tax	SAC	Standards Advisory Council
IRRF	Withholding Income Tax	SAI	Social Accountability International
ISE	Corporate Sustainability Index	SANA	Automatic System of Shares Negotiation
ISO	International Standard Organization	SAP	Systems Applications and Products
ISS	Tax on Services	SBPC	Brazilian Association for the Science Progress
ISSQN	Tax on Services of Any Nature	SBPE	Brazilian Savings and Loan System
IT	Information Technology	Sebrae	Brazilian Micro and Small Business Support Service
JCP	Interest on Shareholders' Capital	SEC	U.S. Securities and Exchange Commission
JEC	Special Civil Court	Selic	Special Clearance and Custody System
Latibex	Latin American Stock Exchange Market in Euros (Spain)	Serpro	Brazilian Federal Data Processing Service
LDA	Loss Distribution Approach	Sesc	Commerce Social Service
LDCE	Loss Data Collection Exercise	SESI	National Industry Social Service
Libras	Brazilian Sign Language	SIC	Standing Interpretations Committee
LOMA	Life Office Management Association (North American institution which develops courses, examinations and researches in life, health and social security insurance segments)	Sisbacen	Brazilian Central Bank Information System

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MBA	Master of Business Administration	S&P	Standard & Poor's Ratings Services
M&E	Management and Excellence	SFH	National Housing System
MUFG	Mitsubishi UFJ Financial Group	SGQB	Bradesco Quality Management System
NBR	Registered Brazilian Rule	Sipat	Internal Week of Labor Accident Prevention
NDEV	New Debtor	SmartSeg	Supervised Remote Service in Traffic
NCE	Exports Credit Note	SND	National System of Debentures
NGO	Non Governmental Organization	SPG	Health for Small Groups
NPL	Non-Performing Loans	SRI	Socially Responsible Investments
NYSE	New York Stock Exchange	Susep	Insurance Superintendence
DECD	Organization of Economic Cooperation and Development	TAC	Loan Opening Rate
OHSAS	Occupational Health and Safety Assessment Series	TISS	Supplementary Health Information Exchange
OIT	International Labor Organization	TJLP	Federal Government Long-Term Interest Rate
ON	Common Shares	TLA	Advanced Settlement Rate
ORX	Operational Riskdata eXchange Association	TLM	Unrestricted Securities
PAA	Advanced Service Branch		