

OSCIENT PHARMACEUTICALS CORP
Form 8-K
August 03, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to

Section 13 or 15(d) of

THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of Earliest Event Reported): August 2, 2005

OSCIENT PHARMACEUTICALS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction
of incorporation)

0-10824
(Commission File Number)

04-2297484
(I.R.S. Employer
Identification Number)

1000 Winter Street, Suite 2200

Waltham, Massachusetts 02451

(Address of principal executive offices, including zip code)

(781) 398-2300

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Page 1 of 4 pages.

ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On August 2, 2005, Oscient Pharmaceuticals Corporation issued a press release announcing its financial results for its second fiscal quarter ended June 30, 2005. A copy of that press release is furnished with this Current Report on Form 8-K as Exhibit 99.1.

The information in this Current Report on Form 8-K and the Exhibit attached hereto shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the Exchange Act) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(c) Exhibits

99.1 Press Release issued by Oscient Pharmaceuticals Corporation on August 2, 2005.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

OSCIENT PHARMACEUTICALS CORPORATION

By: /s/ Stephen Cohen
Name: Stephen Cohen
Title: Senior Vice President and Chief Financial

Officer

Date: August 3, 2005

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>	
99.1	Press Release issued by Oscient Pharmaceuticals Corporation on August 2, 2005.	
		4
		DING-RIGHT: 3.5pt; BACKGROUND: #bfbfbf; HEIGHT: 12.75pt; BORDER-RIGHT: windowtext 1pt solid; PADDING-TOP: 0cm" vAlign=bottom width="10%" noWrap>
		409,337
		432,741
		723,588
National treasury notes		-
		-
		121,926
		21,795,684
		21,917,610
		21,266,637
		19,852,337
Financial treasury bills		-
		-
		-
		-
		-
		-
		149
		5

Overall total (4)

22,275

570,148

466,498

30,131,614

31,190,535

30,380,677

28,647,995

Notes to the Consolidated Financial Statements**d) Breakdown of the portfolios by financial statements classification**

Securities	2011					Total on September 30 (3) (5) (6) (7)	Total June (3) (5) (7)
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days			
Own portfolio	57,496,560	7,103,463	8,302,147	81,598,200	154,500,370	148,330,000	
Fixed income securities	53,384,427	7,103,463	8,302,147	81,598,200	150,388,237	144,240,000	
Financial treasury bills	19,443	481,918	248,060	4,145,539	4,894,960	4,790,000	
Purchase and sale commitments (2)	42,475,565	962,112	1,682,908	35,041	45,155,626	44,220,000	
National treasury notes	271,479	2,096	122,273	30,223,403	30,619,251	29,960,000	
Brazilian foreign debt securities	11,143	274,086	18,504	185,303	489,036	250,000	
Bank deposit certificates	392,879	139,902	101,181	1,336,109	1,970,071	1,880,000	
National treasury bills	1,236,774	918	932,671	124,837	2,295,200	2,310,000	
Foreign corporate securities	33,482	3,167	-	1,325,732	1,362,381	1,430,000	
Debentures	-	2,113,691	500,368	20,268,403	22,882,462	21,710,000	
Promissory notes	48,464	311,923	-	-	360,387	190,000	
Foreign government securities	63,018	25,447	-	-	88,465	70,000	
PGBL/VGBL restricted bonds	2,672,284	2,543,168	4,395,989	18,198,728	27,810,169	25,370,000	
Other	6,159,896	245,035	300,193	5,755,105	12,460,229	12,020,000	
Equity securities	4,112,133	-	-	-	4,112,133	4,080,000	
Shares of listed companies (technical provision)	1,602,228	-	-	-	1,602,228	1,720,000	
Shares of listed companies (other)	2,509,905	-	-	-	2,509,905	2,350,000	
Restricted securities	61,955,14,090	556,669	844,644	64,436,086	87,258,441	79,760,000	
Repurchase agreements	60,054,13,735,401	8,568,516	62,332,736	84,696,707	76,180,000	76,180,000	
National treasury bills	-	-	-7,297,675	33,773,034	41,070,709	31,270,000	
Brazilian foreign debt securities	21,593	296,063	-	885,606	1,203,262	1,200,000	
Financial treasury bills	-	35,254	9,897	255,623	300,774	290,000	
National treasury notes	-	13,404,084	1,260,944	24,614,514	39,279,542	41,210,000	
Foreign corporate securities	38,461	-	-	2,803,959	2,842,420	2,190,000	

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

Securities	2011				To Sep 30 (
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	
Central Bank	1,901	-	-	-	
National treasury bills	1,901	-	-	-	
Privatization currencies	-	-	-	82,397	
Guarantees provided	-	355,155	101,328	2,020,953	2,
National treasury bills	-	-	66,705	156,317	
Financial treasury bills	-	355,155	34,623	1,864,636	2,
National treasury notes	-	-	-	-	
Derivative financial instruments (1)	1,272,429	1,134,511	223,331	173,735	2,
Securities subject to unrestricted repurchase agreements	-	13,816	-	44,981	
National treasury bills	-	-	-	8,143	
Financial treasury bills	-	-	-	36,838	
National treasury notes	-	13,816	-	-	
Overall total	58,830,944	22,342,346	17,195,322	146,253,002	244,
%	24.0	9.1	7.0	59.9	

(1) Consistent with the criterion adopted by Bacen Circular Letter 3,068/01 and due to the characteristics of the securities, we are considering the derivative financial instruments, except those considered as cash flow hedge under the category "Trading Securities";

(2) These refer to investment fund resources and managed portfolios applied on purchase and sale commitments with Bradesco, whose owners are consolidated subsidiaries, included in the consolidated financial statements;

(3) The investment fund quotas were distributed according to the instruments composing their portfolios and preserving the category classification of the funds;

(4) In compliance with the provisions of Article 8 of Bacen Circular Letter 3,068/01, Bradesco declares that it has both the financial capacity and the intention to hold to maturity the securities classified as 'held-to-maturity'. This financial capacity is evidenced in Note 32a, which presents the maturities of asset and liability operations as of September 30, 2011;

(5) The number of days to maturity was based on the maturity of the securities, regardless of their accounting classification;

(6) This column reflects book value subsequent to mark-to-market according to item (7), except for held-to-maturity securities, whose market value is higher than the restated cost in the amount of R\$4,403,399 thousand (June 30, 2011 – R\$3,457,591 thousand and September 30, 2010 – R\$4,026,102 thousand);

(7) The market value of securities is determined based on the market price available on the balance sheet date. Should there be no market prices available, amounts are estimated based on the prices quoted by dealers, on pricing models, quotation models or price quotations for instruments with similar characteristics; in case of investment funds, the restated cost reflects the market value of the respective quotas; and

(8) In the nine-month period ended September 30, 2011, other than temporary impairments were realized in the amount of R\$122 thousand, and in the nine-month period ended September 30, 2010, there were no other than temporary impairments for the securities classified as “available for sale”.

Notes to the Consolidated Financial Statements**e) Derivative financial instruments**

Bradesco carries out transactions involving derivative financial instruments, which are recorded in the balance sheet or memorandum accounts, to meet its own needs in managing its global exposure, as well as to meet its customer's requests, in order to manage their exposures. These operations involve a series of derivatives, including interest rate swaps, currency swaps, futures and options. Bradesco's risk management policy is based on the utilization of derivative financial instruments mainly in order to mitigating the risks of operations carried out by the Bank and its subsidiaries.

Securities classified in the trading and available-for-sale categories, as well as derivative financial instruments, are stated in the consolidated balance sheet at their estimated fair value. Fair value is generally based on market prices or quotations for assets or liabilities with similar characteristics. Should market prices not be available, fair values are based on dealer quotations, pricing models, discounted cash flows or similar techniques for which the determination of fair value may require judgment or significant estimates by the Management.

Market price quotations are used to determine the fair value of derivative financial instruments. The fair value of swaps is determined by using discounted cash flow modeling techniques that use yield curves, reflecting adequate risk factors. The information to build yield curves is mainly obtained from BM&FBOVESPA (Futures and Commodities Exchange) and the domestic and international secondary market. These yield curves are used to determine the fair value of currency swaps, interest rate and other risk factors swaps. The fair value of forward and futures contracts is also determined based on market price quotations for derivatives traded at the stock exchange or using methodologies similar to those outlined for swaps. The fair value of loan derivative instruments is determined based on market price quotation or from specialized entities. The fair value of options is determined based on mathematical models, such as Black & Scholes, using yield curves, implied volatilities and the fair value of corresponding assets. Current market prices are used to price the volatilities.

Derivative financial instruments in Brazil mainly refer to swap and futures operations and are registered at Cetip (OTC Clearing House) and BM&FBOVESPA.

Operations involving forward contracts of indexes and currencies are contracted by Management to hedge Bradesco's overall exposures and to meet customer needs.

Derivative financial instruments abroad refer to swap, forward, options, credit and futures operations and are mainly carried out at the stock exchanges of Chicago and New York, as well as the over-the-counter markets.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

l) Amount of derivative financial instruments recorded in equity and memorandum accounts

	2011			
	September 30	Net	June 30	Net
	Overall amount	amount	Overall amount	amount
Futures contracts				
Purchase commitments:	13,885,590		31,497,162	
- Interbank market	9,859,303	-	24,939,155	-
- Foreign currency	4,026,287	-	6,558,007	-
- Other	-	-	-	-
Sale commitments:	191,145,519		144,442,898	
- Interbank market (1)	169,549,948	159,690,645	127,332,061	102,392,906
- Foreign currency (2)	20,299,719	16,273,432	15,859,337	9,301,330
- Other	1,295,852	1,295,852	1,251,500	1,251,500
Option contracts				
Purchase commitments:	91,244,797		20,296,581	
- Interbank market	90,465,381	-	19,383,650	-
- Foreign currency	124,066	54,570	229,232	-
- Other	655,350	-	683,699	-
Sale commitments:	93,502,836		22,606,874	
- Interbank market	91,940,800	1,475,419	20,218,600	834,950
- Foreign currency	69,496	-	1,572,330	1,343,098
- Other	1,492,540	837,190	815,944	132,245
Forward contracts				
Purchase commitments:	11,096,520		4,728,829	
- Interbank market	-	-	61,454	-
- Foreign currency	10,558,527	1,929,248	4,661,005	-
- Other	537,993	153,235	6,370	-
Sale commitments:	9,014,037		6,324,938	
- Interbank market	-	-	392,364	330,910
- Foreign currency	8,629,279	-	5,915,486	1,254,481
- Other	384,758	-	17,088	10,718
Swap contracts				

Assets (Long position):	23,477,837		19,456,619	
- Interbank market	3,329,522	-	2,886,823	-
- Fixed rate	609,368	-	623,232	-
- Foreign currency (3)	16,394,122	4,393,336	13,144,704	4,373,384
- Reference Interest Rate - TR	15,000	-	15,034	-
- Special Clearance and Custody System Rate (Selic)	24,681	11,269	32,345	5,991
- General Price Index –Market (IGP-M)	1,888,833	1,430,773	1,723,951	1,448,753
- Other	1,216,311	724,031	1,030,530	587,263
Liabilities (Short position):	22,523,286		18,233,208	
- Interbank market	7,298,960	3,969,438	6,806,431	3,919,608
- Fixed rate	993,630	384,262	660,915	37,683
- Foreign currency (3)	12,000,786	-	8,771,320	-
- TR	1,266,158	1,251,158	1,249,723	1,234,689
- Selic	13,412	-	26,354	-
- IGP-M	458,060	-	275,198	-
- Other	492,280	-	443,267	-

Derivatives include operations maturing in D+1.

(1) Includes cash flow hedges to protect CDI-related funding, in the amount of R\$76,368,739 thousand (R\$57,502,527 thousand on June 30, 2011 and R\$75,928,223 thousand on September 30, 2010) (Note 8g);

(2) Includes specific hedges to protect investments abroad that totaled R\$19,994,041 thousand (R\$16,617,177 thousand on June 30, 2011 and R\$15,090,078 thousand on September 30, 2010); and

(3) Includes derivative credit operations (Note 8f).

For the purposes of obtaining an increased liquidation guarantee in operations with financial institutions and customers, Bradesco set forth agreements for compensation and liquidation of obligations within the National Financial System, in accordance with CMN Resolution 3,263/05.

Notes to the Consolidated Financial Statements**II) Breakdown of derivative financial instruments (assets and liabilities) stated at restated cost and market value**

	2011					
	September 30		Market	June 30		Market
	Restated cost	Mark-to-market adjustment	value	Restated cost	Mark-to-market adjustment	value
Adjustment receivables – swaps	1,390,247	8,001	1,398,248	1,532,971	83,973	1,616,944
Receivable forward purchases	1,116,804	-	1,116,804	62,982	-	62,982
Receivable forward sales	279,345	-	279,345	568,798	-	568,798
Premiums on exercisable options	27,213	(17,604)	9,609	29,054	(18,706)	10,348
Total assets	2,813,609	(9,603)	2,804,006	2,193,805	65,267	2,259,072
Adjustment payables – swaps	(317,472)	(126,225)	(443,697)	(413,402)	19,869	(393,533)
Payable forward purchases	(548,116)	-	(548,116)	(367,969)	-	(367,969)
Payable forward sales	(682,456)	-	(682,456)	(397,475)	-	(397,475)
Premiums on written options	(88,110)	37,934	(50,176)	(79,787)	17,432	(62,355)
Total liabilities	(1,636,154)	(88,291)	(1,724,445)	(1,258,633)	37,301	(1,221,332)

III) Futures, option, forward and swap contracts – (Notional)

	2011						R\$ thous
	1 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Total on September 30	Total on June 30	Total on September 30, 2010
Futures contracts	52,355,521	58,001,865	21,277,402	73,396,321	205,031,109	175,940,060	185,376,000
Option contracts	164,598,209	18,980,677	1,045,859	122,888	184,747,633	42,903,455	30,272,000
Forward contracts	12,262,381	1,861,495	2,279,426	3,707,255	20,110,557	11,053,767	11,549,000
Swap contracts	4,770,297	2,191,714	2,564,479	12,553,099	22,079,589	17,839,675	17,933,000
Total on September 30, 2011	233,986,408	81,035,751	27,167,166	89,779,563	431,968,888		
Total on June 30, 2011	68,816,700	56,951,753	56,009,641	65,958,863		247,736,957	
Total on September 30, 2010	62,514,311	104,366,677	12,029,861	66,221,347			245,132,000

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

IV) Types of guarantee margin for derivative financial instruments, mainly futures contracts

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Government securities			
National treasury notes	718,825	1,501,123	1,730,033
Financial treasury bills	32,265	31,315	48,686
National treasury bills	3,972,455	1,293,865	2,442,172
Total	4,723,545	2,826,303	4,220,891

V) Revenues and expenses, net

	2011			R\$ thousand 2010
	3rd Quarter	2nd Quarter	September 30 YTD	September 30 YTD
Swap contracts	(579,514)	323,044	(85,660)	83,987
Forward contracts	550,801	(193,239)	270,320	(24,674)
Option contracts	18,915	(11,967)	18,564	193,401
Futures contracts	(1,151,758)	400,186	(206,211)	1,067,579
Foreign exchange variation of investments abroad	520,736	(717,976)	(465,796)	(641,256)
Total	(640,820)	(199,952)	(468,783)	679,037

VI) Overall amounts of derivative financial instruments, broken down by trading place and counter parties

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Cetip - OTC Clearing House (over-the-counter)	24,377,441	20,335,016	9,043,014
BM&FBOVESPA (stock exchange)	384,778,750	214,278,318	223,801,964
Foreign (over-the-counter) (1)	19,034,665	10,208,708	8,890,313
Foreign (stock exchange) (1)	3,778,032	2,914,915	3,396,905

Total	431,968,888	247,736,957	245,132,196
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(1) Comprise operations carried out on the Chicago and New York Stock Exchanges and over-the-counter markets.

On September 30, 2011, counter parties are distributed among corporate entities with 94%, financial institutions with 5% and individuals/others with 1%.

Notes to the Consolidated Financial Statements**f) Credit Default Swaps (CDS)**

In general, these represent bilateral agreements in which one of the parties purchases protection against the credit risk of a certain financial instrument (the risk is transferred). The selling counterparty receives remuneration that is usually paid in a linear manner during the term of the agreement.

In the case of a default, the purchasing counterparty will receive a payment to offset the loss incurred on the financial instrument. In this case, the selling counterparty usually receives the underlying asset of the agreement in exchange for the payment.

	R\$ thousand					
	Credit risk amount			Effect on the calculation of the required shareholders' equity		
	2011 September 30	2011 June 30	2010 September 30	2011 September 30	2011 June 30	2010 September 30
Sold protection						
Credit swaps whose underlying assets are:						
Securities – Brazilian public debt	(537,776)	(452,719)	(508,260)	-	-	-
Securities – Foreign public debt	-	-	(508,260)	-	-	(27,954)
Derivatives with companies	(3,709)	(3,122)	(3,388)	(204)	(172)	(186)
Purchased protection						
Credit swaps whose underlying assets are:						
Securities – Brazilian public debt	751,032	476,136	1,797,546	-	-	-
Derivatives with companies	5,563	4,683	13,554	612	515	1,491
Total	215,110	24,978	791,192	408	343	(26,649)
Deposited margin	7,551	6,357	95,432			

Bradesco carries out operations involving credit derivatives in order to better manage its risk exposure and assets. Contracts related to the credit derivatives operations described above have several maturities up to 2013. The mark-to-market of protection rates that remunerate the counterparty selling protection amounts to R\$(1,010) thousand (R\$654 thousand on June 30, 2011 and R\$994 thousand on September 30, 2010). There was no credit event related to triggering events as defined in the contracts in the period.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

g) Cash flow hedge

Bradesco uses cash flow hedges to protect its cash flows from payment of interest rates on funds indexed to Bank Deposit Certificates (CDB), related to variable interest rate risk of Interbank Deposit Rate (DI Cetip), thus registering fixed cash flow.

Bradesco trades DI Future contracts at BM&FBOVESPA since 2009, used as a cash flow hedge for funding linked to DI. The following table presents the DI Future position, where:

	2011		R\$ thousand 2010
	September 30	June 30	September 30
DI Future with maturity between 2012 and 2017	76,368,739	57,502,527	75,928,223
Funding indexed to CDI	75,127,294	57,473,929	75,356,945
Mark-to-market adjustment recorded in shareholders' equity(1)	(841,509)	418,395	67,101
Non-effective market value recorded in income	(32)	17	448

(1) The adjustment in the shareholders' equity is R\$(504,905) thousand net of tax effects (R\$251,037 thousand on June 30, 2011 and R\$40,261 thousand on September 30, 2010).

The effectiveness of the hedge portfolio was assessed in conformity with Bacen Circular Letter 3,082/02.

h) Income from securities, insurance, private pension plans and savings bonds financial activities and derivative financial instruments

	2011		
	3 rd Quarter	2 nd Quarter	September 30 YTD
Fixed income securities	5,448,234	3,269,257	11,687,445
Interbank investments (Note 7b)	3,051,661	2,500,758	7,932,331
Equity securities	1,809	13,579	10,659
Subtotal	8,501,704	5,783,594	19,630,435
Financial result of insurance, private pension plans and savings bonds	2,386,598	2,234,135	7,346,667
Income from derivative financial instruments (Note 8e V)	(640,820)	(199,952)	(468,783)
Total	10,247,482	7,817,777	26,508,319

Notes to the Consolidated Financial Statements**9) INTERBANK ACCOUNTS – RESTRICTED DEPOSITS****a) Mandatory reserve**

	Remuneration	2011		R\$ thousand 2010
		September 30	June 30	September 30
Reserve requirements – demand deposits	not remunerated	6,624,826	7,981,845	8,655,197
Reserve requirements – savings deposits	savings index	11,295,694	10,907,864	10,118,767
Time reserve requirements (1)	Selic rate	22,797,819	19,538,124	11,467,274
Collection of funds from rural loan (2)	not remunerated	-	39,722	39,722
Additional reserve requirements (3)	Selic rate	28,989,607	26,694,883	18,817,435
• Savings deposits		5,647,847	5,453,932	5,059,383
• Demand deposits		3,890,236	3,912,803	2,810,724
• Time deposits		19,451,524	17,328,148	10,947,328
Restricted deposits – National Housing System (SFH) TR + interest rate		523,012	517,365	496,498
Funds from rural loan	not remunerated	578	578	578
Total		70,231,536	65,680,381	49,595,471

(1) Pursuant to BACEN Circular Letter 3,513/10, as from December 2010, Banks are collecting 20% from time deposits in cash;

(2) On August 1, 2011, funds from rural loan, collected to Bacen, were refunded, pursuant to Circular Letter 3,460/09; and

(3) Pursuant to BACEN Circular Letter 3,514/10, as from December 2010, additional liabilities began to be met in cash with the Selic rate at the following rates: demand and time deposits – 12%; and savings deposits – 10%.

b) Revenue from compulsory deposits

	2011		R\$ thousand 2010	
	3rd Quarter	2nd Quarter	September 30 YTD	September 30 YTD
Compulsory deposits - Bacen (reserves requirement)	1,702,408	1,488,214	4,559,660	1,880,277
Restricted deposits - SFH	7,656	7,201	22,051	19,000
Total	1,710,064	1,495,415	4,581,711	1,899,277

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143



Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

10) LOAN OPERATIONS

Information related to loan operations, including advances on foreign exchange contracts, leasing operations and other receivables with characteristics of credit, can be found below:

a) By type and maturity

	Perform					
	1 to 30	31 to 60	61 to 90	91 to 180	181 to 360	Mo
	days	days	days	days	days	36
Discounted trade receivables and loans (1)	16,744,337	13,302,945	9,314,545	13,786,838	14,739,225	45,
Financing	3,272,908	3,177,702	4,027,293	8,039,010	13,585,356	51,
Agricultural and agribusiness financing	940,179	1,179,545	693,244	1,477,782	4,014,758	6,
Subtotal	20,957,424	17,660,192	14,035,082	23,303,630	32,339,339	103,
Leasing operations	637,852	496,650	512,956	1,425,236	2,424,980	5,
Advances on foreign exchange contracts (2)	730,994	723,340	1,018,569	1,874,750	1,820,806	
Subtotal	22,326,270	18,880,182	15,566,607	26,603,616	36,585,125	109,
Other receivables (3)	4,607,340	2,791,047	1,199,666	2,082,159	1,569,717	
Total loan operations	26,933,610	21,671,229	16,766,273	28,685,775	38,154,842	109,
Sureties and guarantees (4)	920,886	1,006,702	1,008,633	2,465,466	3,989,983	34,
Loan assignment (5)	27,467	26,327	25,395	70,854	116,035	
Loan assignment – real estate receivables certificate	21,310	21,309	21,308	61,325	91,521	
Co-obligation in rural loan assignment (4)	-	-	-	-	-	-
Loans available for import (4)	331,151	49,180	52,172	187,707	613,503	
Confirmed export credits (4)	4,877	11,805	21,342	23,214	17,812	
Acquisition of credit card receivables	431,494	192,437	137,079	356,675	403,870	
Overall total on September 30, 2011	28,670,795	22,978,989	18,032,202	31,851,016	43,387,566	145,
Overall total on June 30, 2011	30,241,497	20,063,656	16,194,233	33,024,232	41,241,955	139,
Overall total on September 30, 2010	28,288,418	17,818,819	14,482,781	25,930,534	36,251,670	118,

Notes to the Consolidated Financial Statements

	R\$ thousand										
	Non-performing loans Installments past due					2011		2010			
	Total on					Total on		Total on			
	1 to 30	31 to 60	61 to 90	91 to 180	181 to	September	%	Total on	%	September	%
	days	days	days	days	540 days	30	(6)	June 30	(6)	30	(6)
						(B)		(B)		(B)	
Discounted trade receivables and loans (1)	894,759	841,384	774,081	1,623,603	2,372,735	6,506,562	84.96	96,219,141	82.7	5,168,655	79.4
Financing Agricultural and agribusiness financing	182,215	144,182	79,487	152,182	142,578	700,644	9.1	683,263	9.1	679,056	10.4
Subtotal	1,102,609	1,004,060	870,205	1,800,159	2,531,237	7,308,270	95.36	989,287	93.0	5,986,716	91.9
Leasing operations	78,620	58,096	32,193	61,781	57,910	288,600	3.8	391,866	5.2	440,625	6.8
Advances on foreign exchange contracts (2)	4,549	3,349	1,132	6,060	1,928	17,018	0.2	19,170	0.3	5,341	0.1
Subtotal	1,185,778	1,065,505	903,530	1,868,000	2,591,075	7,613,888	99.37	400,323	98.5	6,432,682	98.8
Other receivables (3)	5,954	6,722	1,903	4,180	35,740	54,499	0.7	113,611	1.5	79,593	1.2
Overall total on September 30, 2011	1,191,732	1,072,227	905,433	1,872,180	2,626,815	7,668,387	100.0				
Overall total on June 30, 2011	1,239,759	1,043,036	956,317	1,866,095	2,408,727			7,513,934	100.0		
Overall total on September 30, 2010	1,130,593	907,215	754,911	1,601,486	2,118,070					6,512,275	100.0

Bradesc

145

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

	Non-performing loans Outstanding Installments						2011		2010		
	1 to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	181 to 360 days	More than 360 days	Total on September 30 (C)	% (6)	Total on June 30 (C)	% (6)	Total on September 30 (C)
Discounted trade receivables and loans (1)	534,596	439,527	361,329	784,597	1,118,093	2,434,211	5,672,353	50.9	5,000,939	47.1	4,076,290
Financing	176,372	165,324	166,038	457,346	759,929	2,143,171	3,868,180	34.8	3,656,389	34.5	2,980,870
Agricultural and agribusiness financing	7,075	921	506	4,018	23,230	164,403	200,153	1.8	313,281	3.0	323,020
Subtotal	718,043	605,772	527,873	1,245,961	1,901,252	4,741,785	9,740,686	87.5	8,970,609	84.6	7,380,180
Leasing operations	69,689	60,450	62,697	179,249	319,319	694,254	1,385,658	12.5	1,627,516	15.4	2,085,570
Subtotal	787,732	666,222	590,570	1,425,210	2,220,571	5,436,039	11,126,344	100.0	10,598,125	100.0	9,465,750
Other receivables (3)	212	213	210	609	926	323	2,493	-	3,281	-	4,380
Overall total on September 30, 2011	787,944	666,435	590,780	1,425,819	2,221,497	5,436,362	11,128,837	100.0			
Overall total on June 30, 2011	700,557	638,899	564,841	1,395,284	2,151,791	5,150,034			10,601,406	100.0	
Overall total on September 30, 2010	610,945	552,435	506,451	1,248,800	1,924,208	4,627,304					9,470,140

Notes to the Consolidated Financial Statements

	R\$ thousand					
	Overall total					
	2011			2010		
	Total on	%	Total on	%	Total on	%
	September		June 30		September	
	30 (A+B+C)	(6)	(A+B+C)	(6)	30 (A+B+C)	(6)
Discounted trade receivables and loans (1)	125,883,295	40.8	121,142,011	40.7	100,927,662	39.2
Financing	87,951,680	28.4	82,177,812	27.5	67,861,730	26.4
Agricultural and agribusiness financing	15,435,153	5.0	14,822,775	5.0	13,658,691	5.3
Subtotal	229,270,128	74.2	218,142,598	73.2	182,448,083	70.9
Leasing operations	12,541,706	4.1	13,719,578	4.6	17,643,732	6.8
Advances on foreign exchange contracts (2)	6,185,477	2.0	6,788,080	2.3	5,578,908	2.2
Subtotal	247,997,311	80.3	238,650,256	80.1	205,670,723	79.9
Other receivables (3)	12,473,844	4.0	12,184,160	4.1	11,603,281	4.5
Total loan operations	260,471,155	84.3	250,834,416	84.2	217,274,004	84.4
Sureties and guarantees (4)	44,388,714	14.3	43,443,374	14.6	35,293,223	13.7
Loan assignment (5)	444,788	0.1	442,156	0.1	395,332	0.2
Loan assignment – real estate receivables certificate	524,473	0.2	551,965	0.2	682,476	0.3
Co-obligation in rural loan assignment (4)	141,618	-	140,963	-	156,879	0.1
Loans available for imports (4)	1,865,374	0.6	1,588,510	0.5	1,594,463	0.5
Confirmed exports loans (4)	80,310	-	41,321	-	42,458	-
Acquisition of credit card receivables	1,619,206	0.5	1,286,227	0.4	1,973,442	0.8
Overall total on September 30, 2011	309,535,638	100.0				
Overall total on June 30, 2011			298,328,932	100.0		
Overall total on September 30, 2010					257,412,277	100.0

(1) It includes loans of credit card operations and operations for advances of credit card receivables in the amount of R\$17,110,437 thousand (R\$16,713,840 thousand on June 30, 2011 and R\$13,038,490 thousand on September 30, 2010);

(2) Advances on foreign exchange contracts are classified as a deduction from "Other Liabilities";

(3) Item "Other Receivables" comprises receivables on sureties and guarantees honored, receivables on sale of assets, trade and credit receivables, income from foreign exchange contracts and export contracts receivables and credit card receivables (cash and credit purchases from storeowners) in the amount of R\$11,686,662 thousand (R\$11,210,660 thousand on June 30, 2011 and R\$9,954,317 thousand on September 30, 2010);

(4) Recorded in memorandum accounts;

(5) Restated amount of loan assignment up to September 30, 2011, June 30, 2011 and September 30, 2010, respectively, net of installments received; and

(6) Ratio between each type and the total loan portfolio including sureties and guarantee, loan assignment and acquisition of receivables.

Bradesco

147

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

b) By type and risk level

	Risk levels									
	AA	A	B	C	D	E	F	G	H	T
Discounted trade receivables and loans	27,163,964	52,300,457	8,768,874	23,090,337	3,382,268	1,565,451	1,234,014	1,183,129	7,194,801	12
Financings	15,772,775	37,475,084	9,750,980	21,941,688	976,896	415,755	288,377	216,994	1,113,131	8
Agricultural and agribusiness financings	1,812,638	3,585,355	1,638,776	7,652,123	362,762	116,716	184,226	26,428	56,129	1
Subtotal	44,749,377	93,360,896	20,158,630	52,684,148	4,721,926	2,097,922	1,706,617	1,426,551	8,364,061	22
Leasing operations	101,685	4,001,194	1,900,714	5,142,577	414,938	174,771	117,433	111,093	577,301	1
Advances on foreign exchange contracts (2)	3,028,573	1,556,994	979,225	554,483	40,533	376	2,973	-	22,320	
Subtotal	47,879,635	98,919,084	23,038,569	58,381,208	5,177,397	2,273,069	1,827,023	1,537,644	8,963,682	24
Other receivables	257,356	9,139,017	395,367	2,226,222	90,293	31,827	22,218	17,766	293,778	1
Overall total on September 30, 2011	48,136,991	108,058,101	23,433,936	60,607,430	5,267,690	2,304,896	1,849,241	1,555,410	9,257,460	26
%	18.5	41.5	9.0	23.3	2.0	0.9	0.7	0.6	3.5	
Overall total on June 30, 2011	45,497,161	104,800,675	23,871,069	57,317,338	5,094,994	2,063,477	1,983,743	1,491,055	8,714,904	
%	18.1	41.8	9.5	22.9	2.0	0.8	0.8	0.6	3.5	
Overall total on September 30, 2010	36,015,252	96,104,799	22,136,406	45,830,249	4,124,854	1,883,490	1,649,379	1,306,654	8,222,921	
%	16.6	44.2	10.2	21.1	1.9	0.9	0.7	0.6	3.8	

- (1) Ratio between the type and total of loan portfolio without sureties and guarantee, assignment of loans and acquisition of receivables; and
- (2) Note 11a.

Notes to the Consolidated Financial Statements**c) Maturity ranges and risk level**

	Risk levels								Total on September 30	2011 %	Total Jun	
	Non-performing loan operations											
	AAA	B	C	D	E	F	G	H		(1)		
Outstanding installments	-	-	1,780,932	2,411,863	1,674,198	1,024,862	755,981	639,798	2,841,203	11,128,837	100.0	10,600,000
1 to 30	-	-	138,239	182,993	101,510	52,389	38,593	34,900	239,320	787,944	7.1	700,000
31 to 60	-	-	122,225	172,343	82,360	51,928	38,274	35,682	163,623	666,435	6.0	630,000
61 to 90	-	-	104,633	138,884	72,048	48,545	35,793	32,705	158,172	590,780	5.3	560,000
91 to 180	-	-	227,157	318,457	189,729	123,170	91,366	85,729	390,211	1,425,819	12.8	1,390,000
181 to 360	-	-	350,890	486,374	309,133	193,840	142,224	134,178	604,858	2,221,497	20.0	2,150,000
More than 360	-	-	837,788	1,112,812	919,418	554,990	409,731	316,604	1,285,019	5,436,362	48.8	5,150,000
Past due installments (2)	-	-	402,014	821,277	686,906	648,745	556,122	607,051	3,946,272	7,668,387	100.0	7,510,000
1 to 14	-	-	16,980	79,796	43,865	23,582	16,466	14,676	85,456	280,821	3.7	320,000
15 to 30	-	-	360,763	252,085	89,493	44,505	26,278	23,065	114,722	910,911	11.9	910,000
31 to 60	-	-	24,271	466,172	183,235	100,834	53,316	41,929	202,470	1,072,227	14.0	1,040,000
61 to 90	-	-	-	16,891	342,885	135,252	78,144	64,574	267,687	905,433	11.8	950,000
91 to 180	-	-	-	6,333	27,428	335,245	367,356	443,240	692,578	1,872,180	24.4	1,860,000
181 to 360	-	-	-	-	-	9,327	14,562	19,567	2,444,507	2,487,963	32.4	2,230,000
More than 360	-	-	-	-	-	-	-	-	138,852	138,852	1.8	170,000
Subtotal	-	-	2,182,946	3,233,140	2,361,104	1,673,607	1,312,103	1,246,849	6,787,475	18,797,224		18,110,000
Specific provision	-	-	21,829	96,994	236,111	502,081	656,051	872,795	6,787,475	9,173,336		8,660,000

(1) Ratio between maturities and type of installments; and

(2) Operations maturing after 36 months have their past-due periods multiplied by two, as allowed by CMN Rule 2,682/99.

Bradesc

149

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

	Risk levels									
	Performing loan operations									
	AA	A	B	C	D	E	F	G	H	S
Outstanding										
installments	48,136,991	108,058,101	21,250,990	57,374,290	2,906,586	631,289	537,138	308,561	2,469,985	24
1 to 30	3,684,165	15,007,913	1,985,922	5,499,965	253,493	74,470	49,785	39,258	338,639	2
31 to 60	3,713,221	10,963,227	1,719,705	4,723,567	194,600	50,430	34,779	26,535	245,165	2
61 to 90	4,194,740	7,406,089	1,270,654	3,538,933	126,206	33,629	21,504	16,580	157,938	1
91 to 180	5,512,877	13,299,467	2,542,694	6,584,501	316,966	70,519	48,571	34,543	275,637	2
181 to 360	6,629,889	17,652,988	3,527,586	9,359,766	398,351	101,056	65,584	49,391	370,231	3
More than 360	24,402,099	43,728,417	10,204,429	27,667,558	1,616,970	301,185	316,915	142,254	1,082,375	10
Generic provision	-	540,290	212,509	1,721,228	290,659	189,387	268,569	215,993	2,469,985	-
Overall total on September 30, 2011 (2)	48,136,991	108,058,101	23,433,936	60,607,430	5,267,690	2,304,896	1,849,241	1,555,410	9,257,460	26
Existing provision	-	541,775	239,509	3,749,331	1,418,620	1,113,053	1,248,335	1,522,827	9,257,460	1
Minimum required provision	-	540,290	234,338	1,818,222	526,770	691,468	924,620	1,088,788	9,257,460	1
Excess provision	-	1,485	5,171	1,931,109	891,850	421,585	323,715	434,039	-	-
Overall total on June 30, 2011 (2)	45,497,161	104,800,675	23,871,069	57,317,338	5,094,994	2,063,477	1,983,743	1,491,055	8,714,904	904
Existing provision	-	525,550	243,668	2,707,230	1,379,030	996,566	1,335,842	1,461,835	8,714,904	904
Minimum required provision	-	524,002	238,711	1,719,518	509,499	619,043	991,871	1,043,738	8,714,904	904
Excess provision	-	1,548	4,957	987,712	869,531	377,523	343,971	418,097	-	-
Overall total on September 30, 2010 (2)	36,015,252	96,104,799	22,136,406	45,830,249	4,124,854	1,883,490	1,649,379	1,306,654	8,222,921	921

Existing provision	-	607,522	235,627	2,599,400	1,066,455	905,684	1,104,162	1,276,969	8,222,921
Minimum required provision	-	480,524	221,364	1,374,907	412,485	565,047	824,689	914,657	8,222,921
Excess provision	-	126,998	14,263	1,224,493	653,970	340,637	279,473	362,312	-

(1) Ratio between maturities and types; and

(2) The overall total includes performing loan operations in the amount of R\$241,673,931 thousand (R\$232,719,076 thousand on June 30, 2011 and R\$201,291,586 thousand on September 30, 2010) and non-performing loan operations of R\$18,797,224 thousand (R\$18,115,340 thousand on June 30, 2011 and R\$15,982,418 thousand on September 30, 2010).

Notes to the Consolidated Financial Statements**d) Concentration of loan operations**

	R\$ thousand					
	2011			2010		
	September 30	%	June 30	%	September 30	%
Largest borrower	2,400,490	0.9	2,242,730	0.9	2,364,686	1.1
10 largest borrowers	14,567,125	5.6	14,636,948	5.8	13,054,180	6.0
20 largest borrowers	23,529,678	9.0	22,979,451	9.2	20,232,808	9.3
50 largest borrowers	37,557,724	14.4	36,274,219	14.5	31,571,613	14.5
100 largest borrowers	47,917,263	18.4	45,964,280	18.3	40,380,290	18.6

e) By economic activity sector

	R\$ thousand					
	2011			2010		
	September 30	%	June 30	%	September 30	%
Public sector	1,407,391	0.5	1,082,773	0.4	960,301	0.4
Federal Government	1,077,849	0.4	748,742	0.3	526,527	0.2
Petrochemical	1,071,039	0.4	739,614	0.3	511,020	0.2
Financial intermediaries	6,810	-	9,128	-	15,507	-
State Government	329,542	0.1	334,031	0.1	433,774	0.2
Production and distribution of electricity	329,542	0.1	334,031	0.1	433,774	0.2
Private sector	259,063,764	99.5	249,751,643	99.6	216,313,703	99.6
Manufacturing	51,430,587	19.7	49,380,260	19.7	44,446,043	20.4
Food products and beverages	12,964,638	5.0	12,532,737	5.0	11,854,582	5.5
Steel, metallurgy and mechanics	8,689,172	3.3	8,179,044	3.3	7,143,603	3.3
Pulp and paper	3,909,816	1.5	3,295,455	1.3	2,979,109	1.4
Chemical	3,463,407	1.3	4,027,414	1.6	4,496,717	2.1
Oil refining and production of alcohol	3,312,713	1.3	2,894,091	1.2	2,126,614	1.0
Textiles and apparel	3,170,915	1.2	3,051,636	1.2	2,367,136	1.1
Light and heavy vehicles	2,781,897	1.1	2,435,224	1.0	1,995,873	0.9
Rubber and plastic articles	2,608,400	1.0	2,427,940	1.0	2,258,115	1.0
Electric and electronic products	2,099,509	0.8	2,072,428	0.8	1,782,765	0.8
Furniture and wood products	1,901,059	0.7	1,726,563	0.7	1,528,372	0.7
	1,567,574	0.6	1,960,527	0.8	1,801,779	0.8

Extraction of metallic and non-metallic ores						
Non-metallic materials	1,543,097	0.6	1,448,775	0.6	1,156,517	0.5
Automotive parts and accessories	1,085,706	0.4	972,488	0.4	915,530	0.4
Publishing, printing and reproduction	660,484	0.3	614,404	0.2	479,560	0.2
Leather articles	575,461	0.2	630,635	0.2	480,652	0.2
Other industries	1,096,739	0.4	1,110,899	0.4	1,079,119	0.5
Commerce	40,859,935	15.7	39,648,959	15.8	31,104,293	14.2
Merchandise in specialty stores	10,551,239	4.1	10,410,376	4.2	7,632,205	3.5
Food products, beverages and tobacco	5,002,391	1.9	4,579,454	1.8	3,940,514	1.8
Non-specialized retailer	4,000,675	1.5	3,818,923	1.5	2,838,491	1.3
Automobile	3,387,420	1.3	3,296,244	1.3	2,869,368	1.3
Clothing and footwear	3,323,054	1.3	3,496,046	1.4	2,303,316	1.1
Motor vehicle repairs, parts and accessories	2,822,564	1.1	2,724,484	1.1	2,195,399	1.0
Grooming and household articles	2,647,925	1.0	2,592,479	1.0	2,009,895	0.9
Waste and scrap	1,861,631	0.7	1,753,392	0.7	1,531,995	0.7

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

	2011				R\$ thousand 2010	
	September 30	%	June 30	%	September 30	%
Fuel	1,843,528	0.7	1,756,401	0.7	1,398,349	0.6
Trade intermediary	1,615,444	0.6	1,550,546	0.6	1,344,078	0.6
Wholesale of goods in general	1,397,319	0.5	1,334,514	0.5	1,140,490	0.5
Agricultural products	1,115,535	0.4	1,089,642	0.5	818,752	0.4
Other commerce	1,291,210	0.6	1,246,458	0.5	1,081,441	0.5
Financial intermediaries	688,405	0.3	821,461	0.3	602,936	0.3
Services	58,398,110	22.4	54,858,275	21.9	45,536,387	21.1
Transportation and storage	14,854,957	5.7	14,392,237	5.7	11,608,318	5.3
Civil construction	14,551,505	5.6	13,383,208	5.3	10,087,159	4.6
Real estate activities, rentals and corporate services	10,214,750	3.9	9,806,687	3.9	9,215,153	4.2
Production and distribution of electric power, gas and water	4,824,328	1.9	4,768,529	1.9	4,921,142	2.3
Holding companies, legal, accounting and business advisory services	2,334,367	0.9	1,925,993	0.8	1,926,865	0.9
Hotels and catering	2,153,860	0.8	2,037,894	0.8	1,675,494	0.8
Social services, education, health, defense and social security	2,007,467	0.8	1,934,529	0.8	1,671,285	0.8
Clubs, leisure, cultural and sport activities	1,659,290	0.6	1,496,658	0.6	1,247,045	0.6
Telecommunications	518,440	0.2	448,868	0.2	414,081	0.2
Other services	5,279,146	2.0	4,663,672	1.9	2,769,845	1.4
Agriculture, cattle raising, fishing, forestry and timber industry	3,785,721	1.5	3,580,621	1.4	2,970,007	1.4
Individuals	103,901,006	39.9	101,462,067	40.5	91,654,037	42.2
Total	260,471,155	100.0	250,834,416	100.0	217,274,004	100.0

Notes to the Consolidated Financial Statements**f) Breakdown of loan operations and allowance for loan losses**

Risk level	Non-performing loans		Portfolio balance				R\$ thousand		
	Past due	Outstanding non-performing loans	Total – non-performing loans	Performing loans	Total	%	2011	2010	
							%	%	%
						(1)	September 30	June 30	September 30
							YTD (2)	YTD (2)	YTD (2)
AA	-	-	-	48,136,991	48,136,991	18.5	18.5	18.1	16.6
A	-	-	-	108,058,101	108,058,101	41.5	60.0	59.9	60.8
B	402,014	1,780,932	2,182,946	21,250,990	23,433,936	9.0	69.0	69.4	71.0
C	821,277	2,411,863	3,233,140	57,374,290	60,607,430	23.3	92.3	92.3	92.1
Subtotal	1,223,291	4,192,795	5,416,086	234,820,372	240,236,458	92.3			
D	686,906	1,674,198	2,361,104	2,906,586	5,267,690	2.0	94.3	94.3	94.0
E	648,745	1,024,862	1,673,607	631,289	2,304,896	0.9	95.2	95.1	94.9
F	556,122	755,981	1,312,103	537,138	1,849,241	0.7	95.9	95.9	95.6
G	607,051	639,798	1,246,849	308,561	1,555,410	0.6	96.5	96.5	96.2
H	3,946,272	2,841,203	6,787,475	2,469,985	9,257,460	3.5	100.0	100.0	100.0
Subtotal	6,445,096	6,936,042	13,381,138	6,853,559	20,234,697	7.7			
Overall total on September 30, 2011	7,668,387	11,128,837	18,797,224	241,673,931	260,471,155	100.0			
%	2.9	4.3	7.2	92.8	100.0				
Overall total on June 30, 2011	7,513,934	10,601,406	18,115,340	232,719,076	250,834,416				
%	3.0	4.2	7.2	92.8	100.0				
Overall total on September 30, 2010	6,512,275	9,470,143	15,982,418	201,291,586	217,274,004				
%	3.0	4.4	7.4	92.6	100.0				

(1) Ratio between risk level and total portfolio; and

(2) Accumulated ratio between risk level and total portfolio.

Bradescio

153

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

Risk level	Minimum required allowance	Minimum required Specific					Allowance		Existing	September 30	2011 % YTD (1)
		Past due	Outstanding	Total specific	Generic	Total	Additional	September 30			
AA	-	-	-	-	-	-	-	-	-	-	-
A	0.5	-	-	-	540,290	540,290	1,485	541,775		0.5	
B	1.0	4,020	17,809	21,829	212,509	234,338	5,171	239,509		1.0	
C	3.0	24,638	72,356	96,994	1,721,228	1,818,222	1,931,109	3,749,331		6.2	
Subtotal		28,658	90,165	118,823	2,474,027	2,592,850	1,937,765	4,530,615		1.9	
D	10.0	68,691	167,420	236,111	290,659	526,770	891,850	1,418,620		26.9	
E	30.0	194,623	307,458	502,081	189,387	691,468	421,585	1,113,053		48.3	
F	50.0	278,061	377,990	656,051	268,569	924,620	323,715	1,248,335		67.5	
G	70.0	424,936	447,859	872,795	215,993	1,088,788	434,039	1,522,827		97.9	
H	100.0	3,946,272	2,841,203	6,787,475	2,469,985	9,257,460	-	9,257,460		100.0	
Subtotal		4,912,583	4,141,930	9,054,513	3,434,593	12,489,106	2,071,189	14,560,295		72.0	
Overall total on September 30, 2011		4,941,241	4,232,095	9,173,336	5,908,620	15,081,956	4,008,954	19,090,910		7.3	
%		25.9	22.2	48.1	30.9	79.0	21.0	100.0			
Overall total on June 30, 2011		4,729,782	3,939,164	8,668,946	5,692,340	14,361,286	3,003,339	17,364,625			
%		27.2	22.7	49.9	32.8	82.7	17.3	100.0			
Overall total on September 30, 2010		4,229,424	3,665,412	7,894,836	5,121,758	13,016,594	3,002,146	16,018,740			
%		26.4	22.9	49.3	32.0	81.3	18.7	100.0			

(1) Ratio between existing allowance and total portfolio by risk level.

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Notes to the Consolidated Financial Statements**g) Changes in allowance for loan losses**

	2011		R\$ thousand 2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Opening balance	17,364,625	16,740,058	16,289,671	16,313,243
- Specific provision (1)	8,668,946	8,298,470	7,898,327	8,886,147
- Generic provision (2)	5,692,340	5,438,685	5,389,925	4,424,421
- Excess provision (3)	3,003,339	3,002,903	3,001,419	3,002,675
Additions	3,905,934	2,685,136	9,125,115	6,737,963
Reductions	(2,179,649)	(2,060,569)	(6,323,876)	(7,032,466)
Closing balance	19,090,910	17,364,625	19,090,910	16,018,740
- Specific provision (1)	9,173,336	8,668,946	9,173,336	7,894,836
- Generic provision (2)	5,908,620	5,692,340	5,908,620	5,121,758
- Excess provision (3)	4,008,954	3,003,339	4,008,954	3,002,146

(1) For operations with installments overdue for more than 14 days;

(2) Recorded based on the customer/transaction classification and, accordingly, not included in the preceding item; and

(3) The additional provision is recorded based on Management's experience and expected realization of the loan portfolio, to determine the total provision deemed sufficient to cover specific and general credit risks, together with the provision calculated based on risk level ratings and the corresponding minimum percentage of provision established by CMN Resolution 2,682/99. The additional provision per customer was classified according to the corresponding risk levels (Note 10f).

h) Allowance for loan losses (ALL) expenses net of amounts recovered

Expenses with the allowance for loan losses, net of recoveries of written-off credits, are as follows.

	2011		R\$ thousand 2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Amount recorded	3,905,934	2,685,136	9,125,115	6,737,963
Amount recovered (1)	(733,521)	(704,081)	(2,051,092)	(1,954,481)
ALL expense net of amounts recovered	3,172,413	1,981,055	7,074,023	4,783,482

(1) Classified in income from loan operations (Note 10j).

i) Changes in renegotiated portfolio

	2011			R\$ thousand 2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Opening balance	7,804,324	7,273,546	6,911,604	5,546,177
Amount renegotiated	2,062,516	2,099,275	5,834,659	4,325,474
Amount received	(938,269)	(906,538)	(2,608,743)	(1,773,082)
Write-offs	(638,696)	(661,959)	(1,847,645)	(1,427,424)
Closing balance	8,289,875	7,804,324	8,289,875	6,671,145
Allowance for loan losses	5,168,704	4,851,715	5,168,704	4,197,715
Percentage on renegotiated portfolio	62.3%	62.2%	62.3%	62.9%

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

j) Income on loan and leasing operations

	2011		R\$ thousand 2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Discounted trade receivables and loans	8,247,645	7,717,526	23,150,131	18,436,376
Financings	3,015,292	2,626,149	8,068,215	6,100,919
Agricultural and agribusiness loans	256,617	245,164	778,293	810,552
Subtotal	11,519,554	10,588,839	31,996,639	25,347,847
Recovery of credits charged-off as loss	733,521	704,081	2,051,092	1,954,481
Subtotal	12,253,075	11,292,920	34,047,731	27,302,328
Leasing net of expenses	310,773	441,044	1,196,675	1,732,873
Total	12,563,848	11,733,964	35,244,406	29,035,201

11) OTHER RECEIVABLES

a) Foreign exchange portfolio

Balance sheet accounts

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Assets – other receivables			
Exchange purchases pending settlement	10,612,982	11,235,550	12,100,799
Exchange sale receivables	3,488,401	3,183,493	6,827,865
(-) Advances in local currency received	(165,716)	(539,566)	(316,462)
Income receivable on advances granted	64,065	50,127	86,455
Total	13,999,732	13,929,604	18,698,657
Liabilities – other liabilities			
Exchange sales pending settlement	3,514,895	3,162,492	6,804,667
Exchange purchase payables	9,756,448	11,528,464	12,461,631
(-) Advances on foreign exchange contracts	(6,185,477)	(6,788,080)	(5,578,908)
Other	5,315	4,823	9,236
Total	7,091,181	7,907,699	13,696,626
Net foreign exchange portfolio	6,908,551	6,021,905	5,002,031
Memorandum accounts:			
- Loans available for imports	1,865,374	1,588,510	1,594,463
- Confirmed exports loans	80,310	41,321	42,548

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Notes to the Consolidated Financial Statements**Foreign exchange results****Breakdown of foreign exchange transaction results adjusted to facilitate presentation**

	2011			R\$ thousand 2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Foreign exchange operations result	784,613	142,010	1,056,034	409,8
Adjustments:				
- Income on foreign currency financing (1)	136,359	5,313	146,775	44,0
- Income on export financing (1)	160,966	119,700	395,237	277,8
- Income on foreign investments (2)	312,471	378	313,001	27,8
- Expenses of liabilities with foreign bankers (3) (Note 17c)	(1,107,498)	11,264	(1,099,189)	(232,12
- Funding expenses (4)	(74,501)	(71,140)	(216,700)	(197,66
- Other	(35,389)	(53,093)	(144,691)	(21,87
Total adjustments	(607,592)	12,422	(605,567)	(101,92
Adjusted foreign exchange operations result	177,021	154,432	450,467	307,8

(1) Recognized in item "Income from loan operations;"

(2) Recognized in item "Income on securities transactions;"

(3) Related to funds for financing advances on foreign exchange contracts and import financing, classified in item "Borrowing and onlending expenses;" and

(4) Refer to funding expenses of investments on foreign exchange transactions.

b) Sundry

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Tax credits (Note 34c)	21,659,214	19,979,224	17,187,593
Credit card operations	13,305,868	12,496,887	11,927,759
Borrowers by escrow deposits	9,097,143	8,251,539	7,290,302
Prepaid taxes (1)	4,300,796	4,635,965	2,103,925
Sundry borrowers	2,571,916	2,671,777	2,149,807
Trade and credit receivables (2)	1,197,615	1,353,959	2,074,690
Advances to <i>Fundo Garantidor de Crédito</i> (Deposit Guarantee Fund – FGC)	395,765	441,431	578,426

Payments to be reimbursed	510,726	455,950	503,866
Receivables from sale of assets	66,334	66,910	65,949
Other	329,658	370,621	308,089
Total	53,435,035	50,724,263	44,190,406

(1) Includes taxes to be offset amounting to R\$2,506,844 thousand (R\$2,911,634 thousand on June 30, 2011), which was made available in the second quarter of 2011 and started to be offset in the third quarter of 2011, due to the conclusion of legal proceedings; and

(2) Includes receivables from the acquisition of financial assets from loan operations without substantial transfer of risks and benefits.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

12) OTHER ASSETS

a) Foreclosed assets/others

	Cost	Provision for losses	Residual value		
			2011		2010
			September 30	June 30	September 30
Real estate	160,429	(32,448)	127,981	113,212	109,725
Goods subject to special conditions	58,610	(58,610)	-	-	-
Vehicles and similar	373,235	(116,702)	256,533	261,190	332,990
Inventories/warehouse	59,519	-	59,519	41,399	21,258
Machinery and equipment	16,574	(6,670)	9,904	9,362	10,565
Others	8,238	(7,263)	975	1,100	1,139
Total on September 30, 2011	676,605	(221,693)	454,912		
Total on June 30, 2011	652,451	(226,188)		426,263	
Total on September 30, 2010	735,123	(259,446)			475,677

b) Prepaid expenses

	R\$ thousand		
	2011		2010
	September 30	June 30	September 30
Commission on the placement of financing (1)	1,069,559	896,224	681,846
Insurance selling expenses (2)	561,158	523,900	461,195
Advertising and publicity expenses (3)	73,524	87,999	55,917
Other	180,181	160,645	156,809
Total	1,884,422	1,668,768	1,355,767

(1) Commissions paid to storeowners and car dealers;

(2) Commissions paid to brokers for the sale of insurance, private pension plans and savings bond products; and

(3) Prepaid expenses of future advertising and marketing campaigns.

13) INVESTMENTS

a) Changes in investments in the consolidated financial statements

Affiliates	2011		R\$ thousand 2010
	September 30	June 30	September 30
- IRB-Brasil Resseguros S.A.	465,643	448,234	439,337
- Integritas Participações S.A.	455,594	452,446	425,184
- BES Investimento do Brasil S.A.	99,274	97,282	91,651
- Other	171,863	167,585	177,920
Total in affiliates	1,192,374	1,165,547	1,134,092
- Tax incentives	239,646	239,760	260,323
- Other investments	552,018	556,786	503,843
Provision for:			
- Tax incentives	(211,578)	(212,912)	(231,295)
- Other investments	(51,432)	(50,212)	(51,105)
Overall total of investments	1,721,028	1,698,969	1,615,858

Notes to the Consolidated Financial Statements

b) The adjustments resulting from the equity accounting for investments were recorded in income statements, under "Equity in the Earnings of Unconsolidated Companies" and corresponded to R\$90,732 thousand in the nine-month period ended September 30, 2011 (R\$66,689 thousand in the nine-month period ended September 30, 2010) and R\$40,667 thousand in the third quarter of 2011 (R\$15,877 thousand in the second quarter of 2011).

Companies	Capital stock	Adjusted shareholders' equity	Number of shares/quotas held (thousands)		Consolidated ownership on capital stock	Adjusted net income	Equity accounting 2011		
			Common	Preferred			3 rd Quarter	2 nd Quarter	September 30 Y
IRB-Brasil Resseguros S.A. (2)	1,350,000	2,192,293	-	212	21.24%	232,721	17,087	5,243	4
BES Investimento do Brasil S.A. – Banco de Investimento (2)	320,000	496,368	10,745	10,745	20.00%	50,205	4,792	1,670	1
Integritas Participações S.A. (2)	57,406	667,845	22,581	-	22.32%	29,458	4,577	2,046	2
Other (2)							14,211	6,918	2
Equity in the earnings of unconsolidated companies							40,667	15,877	9

(1) Equity adjustments comprise participation in the results recorded by the companies as from their acquisition and include equity variations in the investees not derived from results, as well as adjustments arising from the equalization of accounting practices, when applicable; and

(2) Based on back-dated financial information.

Notes to the Consolidated Financial Statements**14) PREMISES AND EQUIPMENT AND LEASED ASSETS**

These assets are stated at acquisition cost. Depreciation is calculated based on the straight-line method at annual rates which take into consideration their economic useful lives.

	Annual rate	Cost	Depreciation	R\$ thousand		
				Residual value		September 30
				2011 September 30	2010 June 30	
Premises and equipment:						
- Buildings	4%	814,337	(367,052)	447,285	424,928	278,203
- Land	-	364,920	-	364,920	351,197	345,182
Facilities, furniture and equipment in use	10%	3,901,667	(2,173,266)	1,728,401	1,623,213	1,495,997
Security and communication systems	10%	221,276	(136,268)	85,008	83,833	77,633
Data processing systems	20 to 50%	3,751,859	(2,594,074)	1,157,785	1,161,161	1,185,259
Transportation systems	20%	52,945	(24,762)	28,183	11,679	13,525
Subtotal		9,107,004	(5,295,422)	3,811,582	3,656,011	3,395,799
Leased assets		8,946	(7,888)	1,058	1,857	5,251
Total on September 30, 2011		9,115,950	(5,303,310)	3,812,640		
Total on June 30, 2011		8,948,629	(5,290,761)		3,657,868	
Total on September 30, 2010		8,289,042	(4,887,992)			3,401,050

Notes to the Consolidated Financial Statements

Bradesco Organization's premises and equipment present an unrecorded surplus value of R\$2,978,978 thousand (R\$2,889,995 thousand on June 30, 2011 and R\$2,070,510 thousand on September 30, 2010), which results in large part from the increase in their market price, based on appraisal reports prepared by independent experts in 2011, 2010 and 2009.

The fixed asset to reference shareholders' equity ratio in the "economic-financial consolidated", which includes all entities of the Group, is 16.74% (17.33% on June 30, 2011 and 16.66% on September 30, 2010), and in the "financial consolidated", which includes only the financial institutions of the Group (ex.: bank, securities, etc.), is 44.11% (47.13% on June 30, 2011 and 47.29% on September 30, 2010), whereas the maximum limit is 50%.

The difference between the fixed assets to shareholders' equity ratio in the "economic-financial consolidated" and in the "financial consolidated" is due to non-financial subsidiaries which have high liquidity and low fixed assets to shareholders' equity ratio, with the consequent increase in the fixed assets to shareholders' equity ratio of the "financial consolidated." Whenever necessary, we may reallocate the funds to the financial companies through the payment of dividends/interest on shareholders' equity to financial companies or a corporate reorganization between the financial and non-financial companies, thus improving the ratio.

15) INTANGIBLE ASSETS

a) Goodwill

Goodwill from investment acquisitions amounted to R\$2,821,874 thousand, net of accrued amortization, when applicable, of which: (i) R\$509,666 thousand represents the difference between the purchase price and the book value of the net assets acquired, which is recorded in Permanent Assets – Investments (BM&FBOVESPA and Integritas/Fleury shares), to be amortized upon their realization; and (ii) R\$2,312,208 thousand representing future profitability/client portfolio, which is amortized over twenty years, net of accrued amortization, when applicable.

In the period ended September 30, 2011, goodwill amortization totaled R\$198,481 thousand (R\$171,514 thousand on September 30, 2010) and R\$66,256 thousand in the third quarter of 2011 (R\$66,490 thousand in the second quarter of 2011) (Note 29).

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

b) Intangible assets

Acquired intangible assets comprise:

	Amortization rate (1)	Cost	Amortization	Residual value		
				September 30	2011 June 30	2010 September 30
Acquisition of banking services rights	Contract (4)	4,089,496	(2,265,071)	1,824,425	1,731,170	1,294,834
Software (2)	20% to 50%	4,847,124	(2,511,107)	2,336,017	2,203,236	1,877,168
Future profitability/client portfolio (3)	Up to 20%	2,888,067	(575,859)	2,312,208	2,404,087	2,478,254
Other	20%	107,540	(62,503)	45,037	40,735	56,160
Total on September 30, 2011		11,932,227	(5,414,540)	6,517,687		
Total on June 30, 2011		11,433,948	(5,054,720)		6,379,228	
Total on September 30, 2010		9,850,064	(4,143,648)			5,706,416

(1) Intangible assets are amortized over the estimated period of economic benefit and charged under "other administrative expenses" and "other operating expenses", when applicable;

(2) Software acquired and/or developed by specialized companies;

(3) Mainly composed by goodwill on the acquisition of interest in Banco Ibi - R\$942,720 thousand, Odontoprev - R\$351,870 thousand, Ágora Corretora - R\$188,427 thousand, Ibi México - R\$25,255 thousand, Europ Assistance Serviços de Assistência Personalizados - R\$23,243 thousand, CBSS – Cia. Brasileira de Soluções e Serviços - R\$160,613 thousand and Cielo S.A. - R\$408,014 thousand, net of accrued amortization, when applicable; and

(4) Based on each pay-back agreement.

Notes to the Consolidated Financial Statements**c) Change in intangible assets by type**

	R\$ thousand				
	Acquisition of banking service rights	Software	Future profitability/ client portfolio	Other	Total
Balance on December 31, 2010	1,909,831	1,992,843	2,416,496	39,981	6,359,151
Additions/reductions	433,835	658,795	94,193	6,994	1,193,817
Amortization for the period	(519,241)	(315,621)	(198,481)	(1,938)	(1,035,281)
Balance on September 30, 2011	1,824,425	2,336,017	2,312,208	45,037	6,517,687

16) DEPOSITS, FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS TO REPURCHASE AND FUNDS FROM ISSUANCE OF SECURITIES**a) Deposits**

	2011				September 30	June 30	Se
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days			
Demand deposits (1)	31,861,863	-	-	-	31,861,863	33,007,178	3
Savings deposits (1)	56,583,682	-	-	-	56,583,682	54,810,856	5
Interbank deposits	145,879	170,483	51,291	2,269	369,922	328,507	
Time deposits (2)	22,012,992	18,777,058	10,294,815	84,763,628	135,848,493	125,385,063	10
Other – investment deposits	-	-	-	-	-	29,307	
Overall total on September 30, 2011	110,604,416	18,947,541	10,346,106	84,765,897	224,663,960		
%	49.3	8.4	4.6	37.7	100.0		
Overall total on June 30, 2011	99,878,689	22,142,265	12,632,553	78,907,404		213,560,911	
%	46.8	10.4	5.9	36.9		100.0	
Overall total on September 30, 2010	94,162,844	9,663,098	8,491,795	73,876,521			18
%	50.6	5.2	4.5	39.7			

(1) Classified as "1 to 30 days", not considering average historical turnover; and

(2) Considers the maturities established in investments.

Bradesco

163

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

b) Federal funds purchased and securities sold under agreements to repurchase

	2011					June 30
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days	September 30	
Own portfolio	81,953,454	5,168,840	8,227,290	35,948,008	131,297,592	122,649,403
Government securities	79,133,711	517,898	243,184	45,493	79,940,286	72,428,367
Debentures of own issuance	943,825	3,680,581	7,568,754	35,332,529	47,525,689	47,114,965
Foreign	1,875,918	970,361	415,352	569,986	3,831,617	3,106,071
Third-party portfolio (1)	35,730,466	519,982	-	-	36,250,448	34,995,792
Unrestricted portfolio (1)	313,626	3,579,427	-	16,482	3,909,535	6,559,300
Overall total on September 30, 2011 (2)	117,997,546	9,268,249	8,227,290	35,964,490	171,457,575	
%	68.8	5.4	4.8	21.0	100.0	
Overall total on June 30, 2011 (2)	109,502,097	11,923,542	9,685,647	33,093,209		164,204,495
%	66.7	7.3	5.8	20.2		100.0
Overall total on September 30, 2010 (2)	105,145,858	12,981,922	6,191,739	32,689,218		
%	67.0	8.3	3.9	20.8		

(1) Represented by government securities; and

(2) Includes R\$45,155,626 thousand (R\$44,223,223 thousand on June 30, 2011 and R\$34,017,837 thousand on September 30, 2010) of investment funds in purchase and sale commitments with Bradesco, whose quotaholders are subsidiaries included in the consolidated financial statements (Notes 8a, b, cl and d).

Notes to the Consolidated Financial Statements**c) Funds from issuance of securities**

	2011			
	1 to 30	31 to 180	181 to	Mor
	days	days	360 days	360
Securities - domestic:				
- Mortgage bonds	143,185	636,236	559,920	
- Letters of credit for real estate	130,593	427,680	1,082,460	1
- Letters of credit for agribusiness	138,356	1,054,157	728,010	4
- Financial bills	-	-	-4,502,725	14,7
- Debentures (1)	-	-	-	-
Subtotal	412,134	2,118,073	6,873,115	15,3
Securities - foreign:				
- MTN Program Issues (2)	26,979	-	-	4,3
- Securitization of future flow of money orders received from abroad (Note 16d)	6,368	220,210	285,480	3,2
- Securitization of future flow of credit card bill receivables from				
cardholders resident abroad (Note 16d)	-	-	-	-
- Issuance costs	-	-	-	(2)
Subtotal	33,347	220,210	285,480	7,6
Overall total on September 30, 2011	445,481	2,338,283	7,158,595	22,9
%	1.4	7.1	21.7	
Overall total on June 30, 2011	397,925	2,126,188	5,872,566	20,6
%	1.4	7.3	20.2	
Overall total on September 30, 2010	593,078	1,560,501	2,484,204	9,1
%	4.3	11.4	18.1	

(1) Past due transactions on May 1, 2011 referring to issuances of simple debentures not convertible into Bradesco Leasing S.A. Arrendamento Mercantil shares; and

(2) Issuance of securities in the foreign market for costumers' foreign exchange operations, through purchase and sale of foreign currencies, related to discounts of export bills, pre-financing of exports, financing of imports and working capital financing, substantially in the medium and long terms.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

d) Since 2003, the Bradesco Organization has been entering into certain agreements designed to optimize its funding and liquidity management activities through the use of SPEs. These SPEs, named International Diversified Payment Rights Company and Brazilian Merchant Voucher Receivables Limited are financed with long-term debt and settled through future cash flows of the underlying assets, which basically include:

- (i) Current and future flows of money orders remitted by individuals and corporate entities located abroad to beneficiaries in Brazil for which the Bank acts as a paying agent; and
- (ii) Current and future flows of credit card receivables arising from expenditures in Brazil by holders of credit cards issued outside Brazil.

Long-term notes issued by the SPEs and sold to investors are settled through funds derived from the money order flows and credit card bills. Bradesco is obliged to redeem these securities in specific cases of delinquency or if SPEs' operations are discontinued.

Funds from the sale of current and future money order flows and credit card receivables, received by the SPEs, must be maintained in a specific bank account until a minimum limit is attained.

We present below the main features of the notes issued by SPEs:

				R\$ thousand		
	Date of issue	Transaction amount	Maturity	2011 September 30	Total June 30	2010 September 30
	7.28.2004	305,400	8.20.2012	27,568	30,972	53,825
	6.11.2007	481,550	5.20.2014	289,516	268,109	370,279
	6.11.2007	481,550	5.20.2014	289,378	267,937	370,093
	12.20.2007	354,260	11.20.2014	222,206	202,656	270,658
	12.20.2007	354,260	11.20.2014	222,206	202,656	270,658
Securitization of future flow of money orders received from abroad	3.6.2008	836,000	5.22.2017 ⁽¹⁾	926,097	779,573	845,901
	12.19.2008	1,168,500	2.20.2019 ⁽²⁾	925,764	779,328	845,657
	12.17.2009	133,673	11.20.2014	138,674	116,740	126,657
	12.17.2009	133,673	2.20.2017	138,172	116,286	126,200
	12.17.2009	89,115	2.20.2020	92,091	77,503	84,110
	8.20.2010	307,948	8.21.2017	323,609	272,386	295,519
	9.29.2010	170,530	8.21.2017	184,915	155,666	168,942
Total		4,816,459		3,780,196	3,269,812	3,828,499
Securitization of future flow of credit card bill receivables from cardholders resident abroad	7.10.2003	800,818	6.15.2011 ⁽³⁾	-	-	46,161

Total	800,818	-	-	46,161
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- (1) The maturity date was postponed from May 20, 2015 to May 22, 2017;
- (2) The maturity date was postponed from February 20, 2015 to February 22, 2016 and from February 22, 2016 to February 20, 2019; and
- (3) Security settled on June 15, 2011.

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Notes to the Consolidated Financial Statements**e) Expenses with funding and monetary restatement and interest on technical provisions for insurance, private pension plans and savings bonds**

	3 rd Quarter	2011 2 nd Quarter	September 30 YTD
Savings deposits	1,006,088	922,912	2,807,544
Time deposits	3,739,482	3,408,639	10,252,500
Federal funds purchased and securities sold under agreements to repurchase	5,189,102	4,607,268	14,325,744
Funds from issuance of securities	1,073,224	647,451	2,220,555
Other funding expenses	118,493	92,020	299,163
Subtotal	11,126,389	9,678,290	29,905,506
Expenses for monetary restatement for inflation and interest on technical provisions from insurance, private pension plans and savings bonds	1,582,155	1,382,278	4,667,434
Total	12,708,544	11,060,568	34,572,940

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

17) BORROWING AND ONLENDING

a) Borrowing

	2011				September 30	June 30	R\$ thousand
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days			2010
Foreign	1,586,609	6,118,779	4,018,987	1,515,502	13,239,877	11,280,466	9,130,315
Overall total on September 30, 2011	1,586,609	6,118,779	4,018,987	1,515,502	13,239,877		
%	12.0	46.2	30.4	11.4	100.0		
Overall total on June 30, 2011	2,414,831	4,725,350	3,245,480	894,805		11,280,466	
%	21.4	41.9	28.8	7.9		100.0	
Overall total on September 30, 2010	1,683,148	4,110,480	2,214,302	1,122,385			9,130,315
%	18.4	45.0	24.3	12.3			100.0

b) Onlending

	2011				September 30	June 30	R\$ thousand
	1 to 30 days	31 to 180 days	181 to 360 days	More than 360 days			2010
Local	1,268,920	4,775,497	5,665,254	24,043,635	35,753,306	33,898,969	28,401,822
- National Treasury	-	-	67,642	-	67,642	17,087	24,190
- BNDES	436,296	2,174,329	2,400,676	8,467,336	13,478,637	12,910,312	11,484,466
- CEF	1,621	7,231	8,677	53,622	71,151	72,762	87,450
- FINAME	831,003	2,593,937	3,188,259	15,522,046	22,135,245	20,898,181	16,805,070
- Other institutions	-	-	-	631	631	627	627
Foreign	64,292	-	-	-	64,292	28,194	465,850
Overall total on September 30, 2011	1,333,212	4,775,497	5,665,254	24,043,635	35,817,598		
%	3.8	13.3	15.8	67.1	100.0		
Overall total on June 30, 2011	1,176,055	4,649,036	4,609,152	23,492,920		33,927,163	
%	3.5	13.7	13.6	69.2		100.0	
Overall total on September 30, 2010	1,119,374	3,625,703	3,856,054	20,266,544			28,867,670
%	3.9	12.6	13.3	70.2			100.0

Notes to the Consolidated Financial Statements**c) Borrowing and onlending expenses**

	2011			R\$ thousand 2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Borrowing:				
- Local	312	340	1,675	2,065
- Foreign	35,219	20,022	73,470	44,972
Subtotal borrowing	35,531	20,362	75,145	47,037
Local onlending:				
- National Treasury	645	162	986	2,210
- BNDES	201,397	186,654	569,978	440,238
- CEF	1,602	1,201	4,552	5,211
- FINAME	306,232	243,790	772,420	584,636
- Other institutions	5	6	16	77
Foreign onlending:				
- Payables to foreign bankers (Note 11a)	1,107,498	(11,264)	1,099,189	232,129
- Other expenses with foreign onlending	4,705,952	(866,900)	3,395,227	(504,603)
- Exchange variation from investments abroad	(2,434,428)	-	(2,434,428)	-
Subtotal onlending	3,888,903	(446,351)	3,407,940	759,898
Total	3,924,434	(425,989)	3,483,085	806,935

18) PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES – TAX AND SOCIAL SECURITY**a) Contingent assets**

Contingent assets are not recognized in the financial statements; however, there are ongoing proceedings whose chances of success are assessed as probable, such as: a) Social Integration Program (PIS), claiming the offset of PIS on Revenues, paid in accordance with Decree-Laws 2445/88 and 2449/88, regarding the payment exceeding the amount due under Supplementary Law 07/70 (PIS Repique); and b) other taxes, the legality and/or constitutionality of which is being challenged, whose decision may lead to the reimbursement of the amounts paid.

b) Provisions and contingent liabilities classified as probable losses and legal obligations– tax and social security

The Bradesco Organization is currently party to a number of labor, civil and tax lawsuits, arising from the normal course of its business activities.

Provisions were recorded based on the opinion of legal advisors, the type of lawsuit, similarity with previous lawsuits, complexity and positioning of the courts, whenever a loss is deemed probable.

Management considers that the provision recorded is sufficient to cover losses generated by the corresponding proceedings.

Liability related to litigation is held until the definite successful outcome of the lawsuit, represented by favorable judicial decisions, for which appeals can no longer be lodged or due to the statute of limitation.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

I - Labor claims

These are claims brought by former employees seeking indemnifications, especially for unpaid overtime. In proceedings requiring judicial deposit, except for lawsuits with appeal deposits, the amount of labor provision is recorded considering the effective perspective of loss of these deposits. For other proceedings, the provision is recorded based on the average of payments made for claims settled in the last 12 months.

Upon implementation of more effective control over working hours in 1992, through the use of electronic time cards, overtime is paid regularly during the employment contract and, accordingly, the amount of claims on an individual basis subsequent to 1997 dropped substantially.

II - Civil claims

These are claims for pain and suffering and property damages, mainly relating to notarized protests, returned checks, the inclusion of information about debtors in the restricted credit registry and the reincorporation of inflation adjustments excluded as a result of government economic plans. These lawsuits are individually controlled by computer-based systems and provisioned whenever the loss is assessed as probable, considering the opinion of the legal advisors, the nature of the lawsuits, and similarity with previous lawsuits, complexity and positioning of the courts.

The issues discussed in lawsuits relating to protests, returned checks and information on debtors in the credit restriction registry usually are not events that cause a significant impact on our statements of income. Most of these lawsuits are brought to the Special Civil Court (JEC), in which the claims are limited to 40 minimum wages.

It is worth noting the significant number of legal claims pleading the incidence of inflation rates which were excluded from the monetary restatement of savings accounts balances due to Government Economic Plans which were part of the Government economic policy to reduce inflation in the past. Although the Bank complied with the legal requirements in force at the time, these lawsuits have been provisioned taking into consideration claims effectively notified and their assessed loss perspectives, taking into consideration the current judicial decision of the Superior Court of Justice (STJ).

Regarding the disputes related to Economic Plans, it is worth noting two aspects: a) the bank does not expect any significant provisions to be recorded in excess of what has been provided for, as the legal periods for new claims has expired; and b) the "APDF"/165 lawsuit (failure to comply with fundamental concepts) brought by the National Confederation of the Financial System (CONSIF), aiming at suspending all the pending lawsuits about economic plans is pending judgment by the Federal Supreme Court (STF).

Notes to the Consolidated Financial Statements**III - Legal obligations – provision for tax risks**

The Bradesco Organization is disputing in court the legality and constitutionality of certain taxes and contributions, for which provisions have been recorded in full, although there are good chances for a favorable outcome in the medium- and long-term, based on the opinion of the legal advisors.

The main issues are:

- Cofins – R\$6,008,316 thousand: a request for authorization to calculate and pay Cofins, from October 2005, based on effective income, whose concept is in Article 2 of Supplementary Law 70/91, removing the unconstitutional increase in the calculation basis introduced by paragraph 1 of Article 3 of Law 9,718/98;
- INSS Autonomous Brokers – R\$963,870 thousand: we are questioning the incidence of social security contribution on remunerations paid to autonomous service providers, established by Supplementary Law 84/96 and subsequent regulations/amendments, at the rate of 20% and additional of 2.5%, under the argument that services are not provided to insurance companies, but to policyholders, thus being outside the incidence of the contribution provided for in item I, Article 22, of Law 8,212/91, with new wording given in Law 9,876/99;
- IRPJ/Loan Losses – R\$788,058 thousand: we are requesting authorization to deduct, for purposes of determination of the calculation basis of IRPJ and CSLL, the total or partial amount of effective and definite loan losses suffered, regardless of the compliance with the conditions and terms provided for in Articles 9 to 14 of Law 9,430/96 that only apply to temporary losses;
- CSLL – Deductibility on the IRPJ calculation basis – R\$596,740 thousand: we are requesting to calculate and pay income tax due, related to the reference year of 1997 and subsequent years, without adding the CSLL to the respective calculation basis, set forth by Article 1, of Law 9,316/96, since this contribution represents an effective, necessary and mandatory expense to the Company; and
- PIS – R\$290,451 thousand: we are requesting the authorization to offset amounts overpaid 1994 and 1995 as contribution to PIS, corresponding to the amount that exceeds the calculation basis established in the Constitution, i.e., gross operating revenue, as defined in the income tax legislation – concept in Article 44 of Law 4,506/64, not including interest income.

IV - Provisions by nature

	2011		R\$ thousand
	September 30	June 30	2010 September 30
Labor claims	2,254,882	1,727,735	1,575,954
Civil claims	3,123,697	2,901,382	2,528,732

Subtotal (1)	5,378,579	4,629,117	4,104,686
Provision for tax risks (2)	11,641,721	13,274,393	8,660,207
Total	17,020,300	17,903,510	12,764,893

(1) Note 20b; and

(2) Classified under "Other liabilities – tax and social security" (Note 20a).

Bradesco

171

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

V - Changes in provisions

		2011	R\$ thousand
	Labor	Civil	Tax (1)
Balance at the beginning of the period	1,580,811	2,664,436	9,234,533
Monetary restatement for inflation	140,564	281,531	755,098
Net reversals and write-offs	900,406	499,076	1,743,897
Payments	(366,899)	(321,346)	(91,807)
Balance at the end of the period	2,254,882	3,123,697	11,641,721

(1) Substantially comprised of legal liabilities.

c) Contingent liabilities classified as possible losses

The Bradesco Organization maintains a system to monitor all administrative and judicial proceedings in which the institution is plaintiff or defendant and, based on the opinion of legal advisors, classifies the lawsuits according to the expectation of loss. The trends of administrative and judicial proceedings are periodically analyzed and, if necessary, the related risks are reclassified. In this context the contingent proceedings evaluated as having the risk of possible loss are not recorded as a liability in the financial statements. The main proceeding with this classification is leasing companies' Tax on Services of any Nature (ISSQN), the total processes of which correspond to R\$449,365 thousand. In this lawsuit, we discuss the demand of tax by municipalities other than those where the companies are located and where, in compliance with the law, the tax is collected.

Notes to the Consolidated Financial Statements**19) SUBORDINATED DEBTS**

Maturity	Original term in years	Amount of the operation	Currency	Remuneration
In Brazil:				
Subordinated CDB:				
2011 (1)	5	-	R\$	103.0% 103.0%
2012 (2)	5	2,713,100	R\$	100.0% of CDI rate + (0.344% p.a. - 0.4 IPCA + (7.102% p.a. - 1.0)
2013	5	575,000	R\$	100.0% of CDI rate + (0.344% p.a. - 1.0 IPCA + (7.74% p.a. - 1.0)
2014	6	1,000,000	R\$	112.0% 108.0% to 112.0% IPCA + (6.92% p.a. - 1.0)
2015	6	1,274,696	R\$	IPCA + (6.7017% p.a. - 1.0 100.0% IGPM + (6.0% p.a. - 1.0) 108.0% to 110.0% 100.0% PRE + (13.0% p.a. - 1.0)
2016	6	100,518	R\$	100.0% PRE + (13.0% p.a. - 1.0)
2012 (2)	10	702,060	R\$	100.0% to 101.5% of CDI rate + (0.75% p.a. - 1.0)
2019	10	20,000	R\$	IPCA + (7.0% p.a. - 1.0)
Financial Letters/other:				
2011 to 2016 (3)	up to 5	7,773	R\$	100%
2017 (4)	6	2,990,837	R\$	100% of CDI rate + (1.2685% p.a. - 1.0)
2017 to 2021 (4)	6 to 10	159,634	R\$	IGPM rate + (5.8351% p.a. - 1.0)
2017 to 2021 (4)	6 to 10	365,687	R\$	IPCA rate + (5.8137% p.a. - 1.0)
2017 to 2021 (4)	6 to 10	105,946	R\$	PRE rate of 11.8392% p.a. - 1.0
2017 to 2021 (4)	6 to 10	4,870,246	R\$	104% to 112.5%
Subtotal in Brazil				
Abroad:				
2011	10	353,700	US\$	10.0%
2012 (5)	10	315,186	Yen	4.0%
2013	10	1,434,750	US\$	8.0%
2014	10	801,927	Euro	8.0%
2019	10	1,333,575	US\$	6.0%
2021 (6)	11	1,600,000	US\$	5.0%
Issuance costs				
Subtotal abroad				

Overall total

- (1) Maturity of subordinated debts amounting to R\$3,981,022 thousand, of which: (i) R\$1,000,000 thousand in January 2011; (ii) R\$1,171,022 thousand in February 2011; (iii) R\$710,000 thousand in March, 2011; and (iv) R\$1,100,000 thousand in June 2011;
- (2) Early settlement of subordinated debts, of which: (i) R\$3,001,001 thousand in July 2011; and (ii) R\$718,702 thousand in September 2011;
- (3) Refers to the redemptions made in advance in subordinated CDB pegged to loan operations/others in December 2010;
- (4) Issue of financial bills, of which: (i) R\$1,520,700 thousand in February 2011; (ii) R\$944,662 thousand in June 2011; (iii) R\$3,036,137 thousand in July 2011; and (iv) R\$1,217,106 thousand in August 2011, falling due up to 2021;
- (5) Including the cost of swap to U.S. dollar, the rate increases to 10.15% p.a.; and
- (6) In August 2010 and in January 2011, subordinated debts in the amount of US\$1,100,000 thousand and US\$500,000 thousand, respectively, were issued abroad with a 5.90% p.a. rate, due in 2021;

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

20) OTHER LIABILITIES

a) Tax and social security

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Provision for tax risks (Note 18b IV)	11,641,721	13,274,393	8,660,207
Provision for deferred income tax (Note 34f)	5,147,014	4,810,120	5,038,682
Taxes and contributions on profits payable	2,527,811	3,416,483	1,661,513
Taxes and contributions payable	847,634	904,709	823,221
Total	20,164,180	22,405,705	16,183,623

b) Sundry

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Credit card operations	11,151,857	10,881,090	9,238,839
Provision for payments	4,476,922	3,850,215	3,751,921
Civil and labor provisions (Note 18b IV)	5,378,579	4,629,117	4,104,686
Sundry creditors	2,966,476	2,526,619	2,586,965
Liabilities for acquisition of assets and rights	1,067,891	1,101,374	1,342,482
Liabilities for official agreements	286,043	300,387	257,888
Other	1,218,476	1,072,286	921,524
Total	26,546,244	24,361,088	22,204,305

Notes to the Consolidated Financial Statements**21) INSURANCE, PRIVATE PENSION PLAN AND SAVINGS BOND OPERATIONS****a) Technical provisions by account**

	Insurance (1)			Life and private pension plans (2)			Savings bonds		
	2011		2010	2011		2010	2011		2010
	September 30	June 30	September 30	September 30	June 30	September 30	September 30	June 30	September 30
Current and long-term liabilities									
Mathematical provision for benefits to be granted	699,696	690,423	662,169	71,786,074	69,176,011	60,040,322	-	-	-
Mathematical provision for benefits granted	137,157	134,380	123,156	5,279,332	5,224,924	4,821,753	-	-	-
Mathematical provision for redemptions	-	-	-	-	-	-	3,632,751	3,412,918	2,866,100
Provision for incurred but not reported (IBNR) claims	986,690	1,092,651	1,455,372	736,532	702,334	591,292	-	-	-
Unearned premiums provision	1,962,905	1,892,095	1,826,069	137,622	115,566	73,078	-	-	-
Provision for contribution insufficiency (3)	-	-	-	3,632,135	3,553,018	3,213,973	-	-	-
Provision for unsettled claims	2,464,992	2,306,015	1,401,739	938,355	927,114	845,052	-	-	-
Financial fluctuation	-	-	-	625,230	619,739	640,008	-	-	-

provision										
Premium										
insufficiency										
provision	-	-	-	539,990	547,090	572,665	-	-	-	-
Financial										
surplus										
provision	-	-	-	374,898	373,782	353,796	-	-	-	-
Provision for										
drawings and										
redemptions	-	-	-	-	-	-	528,834	528,202	487,120	487,120
Provision for										
administrative										
expenses	-	-	-	100,017	99,543	110,369	158,714	147,319	123,200	123,200
Provision for										
contingencies	-	-	-	-	-	-	8,263	7,470	6,720	6,720
Other										
provisions	1,730,280	1,735,638	1,636,224	638,304	652,071	512,535	-	-	-	-
Total										
provisions	7,981,720	7,851,202	7,104,729	84,788,489	81,991,192	71,774,843	4,328,562	4,095,909	3,483,200	3,483,200

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

b) Technical provisions by product

	Insurance		Life and private p		June 30
	2011	2010	2011	2010	
	September 30	June 30	September 30	September 30	June 30
Health (1)	3,990,822	3,887,910	3,470,574	-	-
Auto/RCF	2,414,945	2,348,777	2,147,920	-	-
DPVAT	120,669	117,960	94,809	293,003	283,000
Life	17,462	16,858	14,061	3,763,638	3,592,000
Basic lines	1,437,822	1,479,697	1,377,365	-	-
Unrestricted Benefits Generating Plan - PGBL to be granted	-	-	-	-14,429,373	13,916,000
Long-Term Life Insurance - VGBL - to be granted	-	-	-	-48,058,675	46,194,000
Pension plans	-	-	-	-18,243,800	18,003,000
Savings bonds	-	-	-	-	-
Total technical provisions	7,981,720	7,851,202	7,104,729	84,788,489	81,991,000

Notes to the Consolidated Financial Statements**c) Guarantees of technical provisions**

	Insurance		Life and private pension plans				Savings bonds		
	2011		2010		2011		2011		2010
	September 30	June 30	September 30	September 30	June 30	September 30	September 30	June 30	September 30
Investment fund quotas (VGBL and PGBL)	-	-	-	-62,488,049	60,111,213	51,772,113	-	-	-
Investment fund quotas (excluding VGBL and PGBL)	6,713,234	6,561,137	5,891,865	16,003,011	15,482,170	13,756,600	3,980,085	3,717,142	3,133,537
Government securities	-	-	80,027	4,573,592	4,544,307	4,413,690	-	-	-
Private securities	72,203	62,533	35,033	564,466	583,707	507,276	215,943	227,136	198,907
Shares	2,593	2,945	2,414	1,267,063	1,373,551	1,434,614	332,571	351,665	350,780
Receivables	787,025	790,392	716,058	-	-	-	-	-	-
Deposits retained at IRB and court deposits	22,620	39,644	6,585	71,664	73,230	69,484	-	-	-
Reinsurance credits	660,852	702,416	617,833	8,102	7,977	4,939	-	-	-
Total guarantees of technical provisions	8,258,527	8,159,067	7,349,815	84,975,947	82,176,155	71,958,716	4,528,599	4,295,943	3,683,224

1) "Other provisions" basically refers to the technical provisions of the "individual health" portfolio made in order to cover the differences of future premium adjustments and those necessary to the portfolio technical balance;

2) Includes personal insurance and private pension operations; and

3) The provision for contribution insufficiency for retirement and pension plans is calculated according to the normalized biometric table AT-2000, improved by 1.5% p.a., considering males separated from

females, who have a longer life expectancy, and actual real interest rate of 4.0% p.a. For disabilities plans, the provision is also actuarially calculated according to the biometric AT-49 (male) table and the 4.0% p.a. real interest rate.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

d) Retained premiums from insurance, private pension plans contributions and savings bonds

	3rd Quarter	2011 2nd Quarter	Sept 30
Premiums written	4,436,462	4,245,631	12,6
Supplementary private pension plan contributions (including VGBL)	3,828,800	4,712,625	11,8
Revenues from savings bonds	849,109	750,429	2,2
Coinsurance premiums	(48,578)	(49,476)	(13
Refunded premiums	(40,538)	(31,185)	(10
Net premiums written	9,025,255	9,628,024	26,4
Reinsurance premiums	(71,288)	(63,370)	(19
Retained premiums from insurance, private pension plans and savings bonds	8,953,967	9,564,654	26,3

22) NON-CONTROLLING INTEREST IN SUBSIDIARIES

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Andorra Holdings S.A. (1)	-	-	185,957
Banco Bradesco BBI S.A.	114,442	112,232	91,724
Other (2)	498,998	486,631	405,617
Total	613,440	598,863	683,298

(1) 100% interest after the acquisition of shares in December 2010; and

(2) Mainly represented by non-controlling interest in Odontoprev S.A.

23) SHAREHOLDERS' EQUITY (PARENT COMPANY)

a) Breakdown of capital stock in number of shares

Fully subscribed and paid-up capital stock comprises non-par, registered, book-entry shares.

	2011		2010
	September 30	June 30	September 30
Common shares	1,912,397,390	1,912,397,390	1,881,225,318
Preferred shares	1,912,397,191	1,912,397,191	1,881,225,123
Subtotal	3,824,794,581	3,824,794,581	3,762,450,441
Treasury (common shares)	(2,487,000)	(2,487,000)	-
Treasury (preferred shares)	(4,466,400)	-	-
Total outstanding shares	3,817,841,181	3,822,307,581	3,762,450,441

b) Changes in capital stock in number of shares

	Common	Preferred	Total
Number of outstanding shares on December 31, 2010	1,880,830,018	1,881,225,123	3,762,055,141
Capital stock increase through share subscription	31,172,072	31,172,068	62,344,140
Shares acquired and not cancelled	(2,091,700)	(4,466,400)	(6,558,100)
Number of outstanding shares on September 30, 2011	1,909,910,390	1,907,930,791	3,817,841,181

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Notes to the Consolidated Financial Statements

The Special Shareholders' Meeting held on December 17, 2010 resolved to increase the capital stock by R\$1,500,000 thousand, from R\$28,500,000 thousand to R\$30,000,000 thousand through the issuance of 62,344,140 new registered, book-entry shares with no par value, of which 31,172,072 are common shares and 31,172,068 are preferred shares, at the price of R\$24.06 per share, through the private subscription by shareholders from December 29, 2010 to January 31, 2011, at a ratio of 1.657008936% of their shareholding position on the date of the Meeting. Shareholders paid subscribed shares on February 18, 2011, corresponding to 96.53% of all shares. The 3.47% remaining from the offer were sold at an auction held on February 15, 2011 on the BM&FBOVESPA, with financial settlement on February 18, 2011. The excess of the total amount allocated to the creation of capital stock, of R\$11,441 thousand, from the difference between the issue price and the sale price of stock at auction was recorded in the "Capital Reserve – Share Premium" account. The process was approved by the Brazilian Central Bank on March 18, 2011.

The Special Shareholders' Meeting held on March 10, 2011 resolved to increase capital stock by R\$100,000 thousand, from R\$30,000,000 thousand to R\$30,100,000 thousand, through the use of the balance held in the "Capital Reserve - Fiscal Incentives - Income tax, Restatement of Equity Securities and Share Fractions" account and a portion of the balance of the "Capital Reserve – Share Premium and Profit Reserve – Legal Reserve" account, without the issue of shares. The process was approved by the Brazilian Central Bank on March 18, 2011.

c) Interest on shareholders' equity/dividends

Preferred shares have no voting rights, but are entitled to all other rights and advantages given to common shares and, in compliance with Bradesco's Bylaws, have priority in repayment of capital and an additional ten per cent (10%) interest on shareholders' equity and/or dividends, in accordance with the provisions of Paragraph 1, item II, of Article 17 of Law 6,404/76, with the new wording given in Law 10,303/01.

According to Bradesco's Bylaws, shareholders are entitled to interest on shareholders' equity and/or total dividends of at least 30% of the net income for the year, adjusted in accordance with Brazilian Corporation Law.

Interest on shareholders' equity is calculated based on the shareholders' equity accounts and is limited to the variation in the Federal Government Long-Term Interest Rate (TJLP), provided there are available profits, calculated prior to the deduction thereof, or retained earnings and profit reserves in amounts equivalent to, or exceeding twice, the amount of such interest.

Bradesco's capital remuneration policy aims at distributing interest on shareholders' equity at the maximum amount calculated pursuant to prevailing laws, and this is included, net of Withholding Income Tax, in the calculation of the mandatory dividends of the year set forth in the Company's Bylaws.

The Board of Directors' Meeting held on December 6, 2010 approved Management's proposal to pay shareholders complementary interest on shareholders' equity related to the 2010 fiscal year, in the amount of R\$1,906,000 thousand, at R\$0.482461664 (net of 15% withholding income tax – R\$0.410092414) per common share and R\$0.530707830 (net of 15% withholding income tax – R\$0.451101656) per preferred share, which was paid on February 18, 2011.

The Board of Directors' Meeting held on February 11, 2011 approved the Board of Executive Officers' proposal for the payment to shareholders of dividends, to complement interest on shareholders' equity and dividends for the 2010 fiscal year, in the amount of R\$315,100 thousand, at a rate of R\$0.079771188 per common share and R\$0.087748307 per preferred share, the payment of which was made on February 18, 2011.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

The Board of Directors' Meeting held on June 27, 2011 approved the Board of Executive Officers' proposal to pay shareholders interim interest on shareholders' equity for the first half of 2011, in the amount of R\$624,200 thousand, at R\$0.155520588 (net of 15% withholding income tax - R\$0.132192500) per common share and R\$0.171072647 (net of 15% withholding income tax - R\$0.145411750) per preferred share, which was paid on July 18, 2011.

The Board of Directors' Meeting held on August 29, 2011 approved the Board of Executive Officers' proposal to boost by 10% the amount of monthly dividends, prepaid to shareholders in compliance with the Monthly Compensation Treatment, increasing from R\$0.013219250 to R\$0.014541175, referred to common shares and from R\$0.014541175 to R\$0.015995293, to preferred shares, in effect as of dividends for September 2011, paid on October 3, 2011, benefiting shareholders enrolled on September 1, 2011.

Interest on shareholders' equity and dividends related to the nine-month period ended September 30, 2011 is calculated as follows:

	R\$ thousand	% (1)
Net income for the period	8,302,583	
(-) Legal reserve	(415,129)	
Adjusted calculation basis	7,887,454	
Supplementary interest on shareholders' equity (gross) paid and provisioned	2,358,063	
Withholding income tax on interest on shareholders' equity	(353,709)	
Interest on shareholders' equity (net)	2,004,354	
Monthly dividends paid	480,195	
Interest on shareholders' equity (net) and dividends on September 30, 2011 YTD	2,484,549	31.50
Interest on shareholders' equity (net) and dividends on September 30, 2010 YTD	2,111,994	31.60

(1) Percentage of interest on shareholders' equity/dividends over adjusted calculation basis.

Interest on shareholders' equity and dividends were paid and provisioned as follows:

Description	Per share (gross)		Gross paid/ provisioned amount	Withholding Income Tax (IRRF) (15%)	R\$ thousand
	Common shares	Preferred shares			Net paid/ provisioned amount
Complementary interest on shareholders' equity paid	0.358770	0.394647	1,417,347	212,602	1,204,745
	0.155521	0.171073	558,600	83,790	474,810

Interim interest on shareholders' equity paid and (provisioned)					
Monthly dividends paid	0.118973	0.130870	432,439	-	432,439
Total on September 30, 2010 YTD	0.633264	0.696590	2,408,386	296,392	2,111,994
Complementary interest on shareholders' equity provisioned	0.432246	0.475471	1,733,863	260,079	1,473,784
Interim interest on shareholders' equity paid (1)	0.155521	0.171073	624,200	93,630	530,570
Monthly dividends paid	0.120295	0.132325	480,195	-	480,195
Total on September 30, 2011 YTD	0.708062	0.778869	2,838,258	353,709	2,484,549
(1) Paid on July 18, 2011.					

Notes to the Consolidated Financial Statements**d) Treasury shares**

The Board of Directors' Meeting held on December 20, 2010 authorized the acquisition of shares issued by Bradesco in the amount of up to 15,000,000 registered, book-entry shares, with no par value, of which 7,500,000 are common shares and 7,500,000 preferred shares, to be held in treasury and later sold or cancelled, without reducing capital stock. This authorization was valid until June 21, 2011. The Board of Directors' Meeting held on June 20, 2011 approved the renewal of the share acquisition term based on the same previous conditions. The new authorization will be valid up to December 22, 2011.

As of September 30, 2011, 2,487,000 common shares and 4,466,400 preferred shares had been acquired for a total of R\$183,109 thousand and remain in treasury. The minimum, average and maximum cost per common share is R\$23.62221, R\$25.36840 and R\$26.83286, respectively, and R\$26.20576, R\$26.87120 and R\$27.54291 per preferred share, respectively. The market value of the shares, as of September 30, 2011, was R\$22.94 per common share and R\$27.71 per preferred share.

24) FEE AND COMMISSION INCOME

	2011			R\$ thousand 2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Credit Card income	1,248,294	1,165,818	3,527,066	2,982,768
Checking accounts	708,425	680,735	2,038,644	1,714,672
Loan operations	510,868	503,592	1,477,893	1,308,694
Asset management	505,817	474,144	1,450,812	1,340,511
Collections	318,283	297,858	893,179	795,760
Consortium management	139,162	129,288	389,073	314,084
Custody and brokerage services	107,929	102,002	318,066	341,251
Taxes paid	77,954	76,288	231,331	212,447
Underwriting/Financial advisory services	57,551	103,768	208,947	200,374
Other	98,016	90,543	280,710	421,560
Total	3,772,299	3,624,036	10,815,721	9,632,121

25) PERSONNEL EXPENSES

	2011			R\$ thousand 2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Payroll	1,326,467	1,191,228	3,668,231	3,183,343

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Benefits	579,508	510,524	1,585,476	1,331,984
Social security charges	492,159	451,506	1,377,667	1,201,960
Employee profit sharing	232,587	211,336	662,404	605,346
Provision for labor claims (1)	697,597	201,250	1,017,048	378,375
Training	50,220	38,766	108,268	68,286
Total	3,378,538	2,604,610	8,419,094	6,769,294

(1) Includes the review of calculation methodology, in the amount of R\$500,185 thousand, in the third quarter of 2011 and for the nine-month period ended September 30, 2011.

Bradesco

181

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

26) OTHER ADMINISTRATIVE EXPENSES

	R\$ thousand			
	2011			2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Third-party services	935,873	873,845	2,649,019	2,245,637
Communication	408,006	391,434	1,176,619	1,031,241
Depreciation and amortization	361,490	344,423	1,063,488	967,125
Data processing	246,831	219,023	691,211	614,280
Advertising and publicity	211,114	193,502	607,001	519,535
Transportation	201,415	179,878	560,319	466,522
Rentals	170,386	162,280	489,756	419,420
Asset maintenance and conservation	138,614	138,665	400,039	330,538
Financial system services	134,908	121,195	364,733	267,177
Supplies	105,375	94,824	281,172	203,693
Security and surveillance	83,585	79,855	239,520	202,916
Water, electricity and gas	53,032	56,701	168,338	155,891
Travel	41,870	35,660	112,751	89,452
Other	221,843	200,983	639,955	521,982
Total	3,314,342	3,092,268	9,443,921	8,035,409

27) TAX EXPENSES

	R\$ thousand			
	2011			2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Contribution for Social Security Financing (Cofins)	352,715	703,968	1,678,345	1,576,082
Social Integration Program (PIS) contribution	75,349	125,196	304,744	265,560
Tax on Services (ISS)	103,979	100,803	302,461	277,886
Municipal Real Estate Tax (IPTU) expenses	8,753	9,085	34,421	30,034
Other	154,522	89,131	298,688	158,416
Total	695,318	1,028,183	2,618,659	2,307,978

28) OTHER OPERATING INCOME

	R\$ thousand			
	2011			2010
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD

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Other interest income	258,654	253,255	784,600	738,163
Reversal of other operating provisions (1)	2,211,955	105,710	2,394,426	258,238
Gains on sale of goods	8,082	11,334	34,035	42,418
Revenues from recovery of charges and expenses	99,677	39,196	171,167	46,228
Others (2)	323,782	3,263,991	3,877,364	816,004
Total	2,902,150	3,673,486	7,261,592	1,901,051

(1) Includes (i) reversal of tax risk provision amounting to R\$2,911,634 thousand, and (ii) recording of tax provision amounting to R\$785,920 thousand in the third quarter of 2011 and the nine-month period ended September 30, 2011; and

(2) Includes revenues from taxes to be offset amounting to R\$2,911,634 thousand in the second quarter of 2011. (Note 11.b1)

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Notes to the Consolidated Financial Statements**29) OTHER OPERATING EXPENSES**

	R\$ thousand			
	2011		2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Other financial expenses	758,824	670,139	2,086,374	1,752,400
Sundry losses	354,060	312,997	986,565	942,300
Intangible assets amortization – acquisition of banking services rights	182,479	179,828	519,241	438,260
Expenses with other operating provisions (1)	507,480	3,121,546	3,920,806	1,044,180
Goodwill amortization (Note 15a)	66,256	66,490	198,481	171,510
Other (2)	769,622	310,204	1,611,394	836,680
Total	2,638,721	4,661,204	9,322,861	5,185,350

(1) Includes: (i) R\$232,419 thousand of provision for civil lawsuits – economic plans for the nine-month period ended September 30, 2011 (R\$183,070 thousand for the nine-month period ended September 30, 2010) and R\$110,226 thousand in the third quarter of 2011 (R\$68,647 thousand in the second quarter of 2011); and (ii) provision for tax of R\$2,911,634 thousand in the second quarter of 2011 and for the nine-month period ended September 30, 2011 (R\$396,731 thousand on September 30, 2010); and

(2) Includes: (i) expenses with impairment analysis in the third quarter of 2011 and the nine-month period ended September 30, 2011; and (ii) reversal of provision in the second quarter of 2011 to cover fluctuations resulted from the revaluation of IBNR provisions and benefits to grant recorded in the first quarter of 2011.

30) NON-OPERATING INCOME

	R\$ thousand			
	2011		2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Result on sale and write-off of assets and investments (1)	2,675	(68,096)	(127,796)	(171,691)
Recording/reversal of non-operating provisions	(9,268)	(15,280)	(21,198)	(46,710)
Others	16,384	9,356	29,243	(21,991)
Total	9,791	(74,020)	(119,751)	(240,392)

(1) Includes: (i) income from the partial sale of Ibi Promotora de Vendas Ltda. shares in the third quarter of 2011 and the nine-month period ended September 2011 for the amount of R\$55,356 thousand; and (ii) income from the partial sale of CPM Braxis shares in the nine-month period ended September 30, 2011 for the amount of R\$79,173 thousand.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

31) RELATED PARTY TRANSACTIONS (DIRECT AND INDIRECT)

a) Related party transactions (direct and indirect) are carried out in conditions and at rates consistent with the entered into with third parties, and effective on the dates of the operations, and main transactions are as follows:

	2011		2010	2011
	September 30	June 30	September 30	3rd Quarter 2nd Qua
	Assets (liabilities)	Assets (liabilities)	Assets (liabilities)	Revenues (expenses)
Interest on shareholders' equity and dividends:	(550,921)	(505,556)	(460,202)	-
Cidade de Deus Companhia Comercial de Participações	(405,752)	(366,151)	(333,303)	-
Fundação Bradesco	(145,169)	(139,405)	(126,899)	-
Demand deposits:	(267)	(140)	(311)	-
Fundação Bradesco	(241)	(125)	(290)	-
BBD Participações S.A.	(4)	(11)	(9)	-
Nova Cidade de Deus Participações S.A.	(1)	(1)	(8)	-
Cidade de Deus Companhia Comercial de Participações	(21)	(3)	(4)	-
Time deposits:	(13,725)	(30,982)	(40,475)	(19)
Cidade de Deus Companhia Comercial de Participações	(13,725)	(30,982)	(40,475)	(19)
Rental of branches:	-	-	-	(134)
Fundação Bradesco	-	-	-	(134)
Subordinated debts:	(58,584)	(36,572)	(251,269)	(1,535)
Cidade de Deus Companhia Comercial de Participações	(20,889)	(1,534)	(174,611)	(441)
Fundação Bradesco	(37,695)	(35,038)	(76,658)	(1,094)

Notes to the Consolidated Financial Statements**b) Compensation of key Management personnel**

Each year, the Annual Shareholders' Meeting approves:

- The annual overall amount of management compensation, set forth at the Board of Directors Meetings among the board members and members of the Board of Executive Officers, as determined by the Company's Bylaws; and
- The amount allocated to finance supplementary private pension plans to Management, within the private pension plan for employees and management of the Bradesco Organization.

For 2011, the maximum amount of R\$360,400 thousand was set for Management compensation (salaries and bonuses) and R\$341,000 thousand to finance defined contribution supplementary private pension plans.

Short-term Management benefits

	2011		R\$ thousand 2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Salaries	88,668	36,446	185,646	106,920
Bonuses	2,535	10,797	25,006	79,209
Subtotal	91,203	47,243	210,652	186,129
INSS contributions	20,428	10,597	47,186	41,705
Total	111,631	57,840	257,838	227,834

Post-employment benefits

	2011		R\$ thousand 2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Defined contribution supplementary private pension plans	85,394	52,060	179,418	148,748
Total	85,394	52,060	179,418	148,748

Bradesco does not offer long-term benefits related to severance pay or share-based compensation to its key Management personnel.

Other information

l) According to current laws, financial institutions are not allowed to grant loans or advances to:

- a) Officers and members of the advisory, administrative, fiscal or similar councils, as well as to their respective spouses and family members up to the second degree;
- b) Individuals or corporations that own more than 10% of their capital; and
- c) Corporations of which the financial institution itself, any officers or administrators of the institution, as well as their spouses and respective family members up to the second degree own more than 10%.

Bradesco

185

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

Therefore, no loans or advances are granted by financial institutions to any subsidiary, members of the Board of Directors or Board of Executive Officers and their relatives.

II) Shareholding

b) Members of the Board of Directors and Board of Executive Officers, jointly, had the following shareholding in Bradesco:

	2011		2010
	September 30	June 30	September 30
Common shares	0.74%	0.74%	0.74%
Preferred shares	1.03%	1.03%	1.04%
Total shares	0.89%	0.89%	0.89%

32) FINANCIAL INSTRUMENTS

a) Risk management

Risk management activity is highly strategic due to the increasing complexity of services and products offered and the globalization of the Organization's business, reason why its processes are constantly improved.

Decisions made by the Organization are guided by factors that account for return on risk that has previously been identified, measured and evaluated, making the achievement of strategic objectives possible and ensuring the strengthening of the Institution.

The Organization approaches risk management in an integrated manner, ensuring unique policies, processes, criteria and methodologies for risk control through a statutory body, the Integrated Risk Management and Capital Allocation Committee, which is supported by specific committees and risk management policies approved by the Board of Directors.

Credit risk management

Credit risk refers to the possibility of losses associated to the non-compliance by the borrower or counterparty of their respective financial obligations pursuant to agreed terms, as well as to the reduction of a loan agreement value from decrease in the borrower's risk rating, to the reduction of gains or compensations, the advantages in renegotiations, recovery costs and other values related to the

counterparty's non-compliance with its financial obligations.

Credit risk management in the Organization is a continuous and evolving process of mapping, development, assessment and diagnosis through the use of models, instruments and procedures that require a high degree of discipline and control during the analysis of operations in order to preserve the integrity and autonomy of the processes.

The Organization carefully controls its exposure to credit risk, which mainly results from credit operations, securities and derivative financial instruments. Credit risk also stems from financial obligations related to loan commitments or financial guarantees.

Notes to the Consolidated Financial Statements

Market risk management

Market risk is represented by the possibility of financial loss due to fluctuating prices and interest rates of the Organization's financial assets as its asset and liability portfolios may show mismatched maturities, currencies and indexes.

Market risk is carefully identified, measured, mitigated and managed. The Organization has a conservative exposure profile to market risk, with the guidelines and limits monitored independently on a daily basis.

Market risk is controlled for all of the Organization's companies in a corporate and centralized manner. All activities exposed to market risk are mapped, measured and classified by probability and importance, with their respective mitigation plans are duly approved by the corporate governance structure.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

We present below the balance sheet by currency, as follows:

	2011		
	September 30		
	Balance	Domestic	Foreign
Assets			
Current and long-term assets	710,238,013	657,126,042	53,111,900
Funds available	10,018,083	5,665,877	4,352,000
Interbank investments	85,962,875	82,651,437	3,311,438
Securities and derivative financial instruments	244,621,614	235,564,229	9,057,385
Interbank and interdepartmental accounts	71,951,156	71,951,156	
Loan and leasing operations	223,350,457	198,573,674	24,776,783
Other receivables and assets	74,333,828	62,719,669	11,614,155
Permanent assets	12,051,355	12,008,351	43,000
Investments	1,721,028	1,720,764	2,263
Premises and equipment and leased assets	3,812,640	3,797,384	15,212
Intangible assets	6,517,687	6,490,203	27,011
Total	722,289,368	669,134,393	53,154,900
Liabilities			
Current and long-term liabilities	667,311,555	605,478,607	61,832,000
Deposits	224,663,960	200,843,055	23,820,905
Federal funds purchased and securities sold under agreements to repurchase	171,457,575	167,625,959	3,831,616
Funds from issuance of securities	32,878,650	24,727,309	8,151,341
Interbank and interdepartmental accounts	2,974,222	1,326,074	1,648,148
Borrowing and onlending	49,057,475	35,374,760	13,682,715
Derivative financial instruments	1,724,445	1,623,980	100,465
Technical provision for insurance, private pension plans and savings bonds	97,098,771	97,097,642	1,129
Other liabilities:			
- Subordinated debt	26,180,460	19,574,071	6,606,389
- Other	61,275,997	57,285,757	3,990,240
Deferred income	622,272	622,272	
Non-controlling interest in subsidiaries	613,440	613,440	
Shareholders' equity	53,742,101	53,742,101	
Total	722,289,368	660,456,420	61,832,000
Net position of assets and liabilities			(8,677,900)
Net position of derivatives (2)			(8,106,300)
Other net memorandum accounts (3)			(133,200)

Net exchange position (liability)

(16,917,5

- (1) Amounts expressed and/or indexed mainly in USD;
- (2) Excluding operations maturing in D+1, to be settled at the rate of the last day of the month; and
- (3) Other commitments recorded in memorandum accounts.

Notes to the Consolidated Financial Statements**VaR Internal Model – Trading Portfolio**

Risk factors	2011		R\$ thousand 2010
	September 30	June 30	September 30
Fixed rates	35,157	39,678	6,061
Exchange coupon	23,252	4,799	873
Foreign currency	52,912	30,270	455
IGP-M	514	824	1,569
IPCA	101,157	10,376	1,563
Equities	19,999	9,100	2,181
Sovereign/Eurobonds and Treasuries	16,627	186	302
Other	4,648	4	1
Correlation/diversification effect	(102,226)	(35,984)	(4,532)
VaR (Value at Risk)	152,040	59,253	8,473

Sensitivity analysis

The Trading Portfolio is also daily monitored by sensitivity analyses that measure the effect of movements of market and price curves on our positions. Furthermore, a sensitivity analysis of the Organization's financial exposures (Trading and Banking Portfolio) is performed on a quarterly basis, in compliance with CVM Rule 475/08.

It is worth noting that the impacts of the financial exposure on the Banking Portfolio (notably interest rates and price indexes), do not necessarily represent a potential accounting loss for the Organization because a portion of loan operations held in the Banking Portfolio is financed by time and/or savings deposits, which are "natural hedges" for future variations in interest rates; moreover, interest rate variations do not represent a material impact on the institution's result, as loan operations are held to maturity.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

Sensitivity Analysis – Trading and Banking Portfolios

Period	Scenario (1)	Trading and Banking portfolios Risk Factors							Total without correlation	Total correl
		Interest rate in Reais	Price indexes	Exchange coupon	Foreign currency	Equities	Sovereign/ Eurobonds and Treasuries	Other		
Sep 11	1	(4,749)	(10,663)	(155)	(14,785)	(15,814)	(1,182)	(24)	(47,372)	(31)
	2	(1,362,030)	(1,353,094)	(14,607)	(369,634)	(395,355)	(35,259)	(588)	(3,530,567)	(2,685)
	3	(2,554,838)	(2,449,531)	(28,723)	(739,268)	(790,710)	(70,987)	(1,176)	(6,635,233)	(5,012)
Jun 11	1	(7,026)	(11,079)	(152)	(13,510)	(15,481)	(551)	(12)	(47,811)	(19)
	2	(2,137,828)	(1,454,501)	(14,192)	(337,745)	(387,017)	(19,803)	(303)	(4,351,389)	(3,128)
	3	(4,089,479)	(2,584,329)	(27,792)	(675,491)	(774,035)	(42,192)	(607)	(8,193,925)	(5,841)
Mar 11	1	(4,588)	(12,669)	(134)	(4,085)	(15,725)	(600)	(55)	(37,856)	(23)
	2	(1,369,728)	(1,638,667)	(10,555)	(102,114)	(393,113)	(31,648)	(1,383)	(3,547,208)	(2,800)
	3	(2,631,091)	(2,904,244)	(20,870)	(204,228)	(786,226)	(65,492)	(2,765)	(6,614,916)	(5,165)
Dec 10	1	(4,559)	(11,338)	(76)	(3,061)	(16,610)	(383)	(10)	(36,037)	(24)
	2	(1,333,759)	(1,440,641)	(5,223)	(76,533)	(415,241)	(7,411)	(246)	(3,279,054)	(2,721)
	3	(2,552,669)	(2,578,706)	(10,283)	(153,066)	(830,483)	(17,556)	(492)	(6,143,255)	(5,058)
Sept 10	1	(3,102)	(10,469)	(81)	(2,753)	(15,182)	(311)	(15)	(31,913)	(17)
	2	(860,938)	(1,375,770)	(4,008)	(68,826)	(379,542)	(16,579)	(373)	(2,706,036)	(1,953)
	3	(1,664,177)	(2,449,167)	(7,986)	(137,653)	(759,085)	(30,860)	(745)	(5,049,673)	(3,585)

Definition	Exposure subject to variations in fixed interest rates and interest rate coupons	Exposure subject to variations in price index coupon rates	Exposure subject to variations in foreign currency coupon rates	Exposure subject to exchange variations	Exposure subject to variation in stock prices	Exposure subject to variations in the interest rate of securities traded on the international market	Exposure not classified in previous definitions
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(1) Amounts net of tax effects.

Notes to the Consolidated Financial Statements

The sensitivity analysis of the Trading Portfolio, which represents exposures that may cause material impacts on the Organization's results, is presented below. It is worth mentioning that results show the impacts for each scenario for a static portfolio position. The market dynamism results in continuous changes in these positions and does not necessarily reflect the current position. Moreover, as previously mentioned, we have an ongoing process of market risk management, which constantly seeks for market dynamism to mitigate/minimize related risks according to the strategy determined by Senior Management. Therefore, in cases of indicators of deterioration in a certain position, proactive measures are taken to minimize potential negative impacts, aiming at maximizing the risk/return ratio for the Organization.

Sensitivity Analysis – Trading Portfolio

Period	Scenario (1)	Trading Portfolio Risk Factors							Other	Total without correlation	Total w correla
		Interest Rate in Reais	Price Indexes	Exchange Coupon	Foreign Currency	Equities	Sovereign/ Eurobonds and Treasuries				
Sep 11	1	(679)	(1,792)	(24)	(10,618)	(1,718)	(616)	-	(15,447)	(11,	
	2	(179,733)	(226,537)	(2,413)	(265,441)	(42,946)	(20,093)	(1)	(737,164)	(515,	
	3	(342,539)	(439,604)	(4,706)	(530,883)	(85,892)	(39,778)	(3)	(1,443,405)	(1,004,	
Jun 11	1	(1,727)	(669)	(59)	(14,736)	(1,821)	(37)	-	(19,049)	(12,	
	2	(522,985)	(110,693)	(5,815)	(368,399)	(45,535)	(684)	-	(1,054,111)	(729,	
	3	(1,001,940)	(214,829)	(11,362)	(736,797)	(91,070)	(1,362)	(1)	(2,057,361)	(1,416,	
Mar 11	1	(281)	(112)	(34)	(4,140)	(1,378)	(275)	-	(6,220)	(4,	
	2	(85,271)	(17,771)	(3,617)	(103,498)	(34,450)	(15,540)	(1)	(260,148)	(147,	
	3	(164,173)	(34,765)	(7,019)	(206,996)	(68,899)	(30,660)	(1)	(512,513)	(289,	
Dec 10	1	(439)	(374)	(40)	(3,707)	(322)	(154)	-	(5,036)	(2,	
	2	(130,396)	(55,064)	(3,924)	(92,673)	(8,054)	(4,570)	(1)	(294,682)	(155,	
	3	(251,911)	(106,444)	(7,650)	(185,345)	(16,109)	(8,927)	(1)	(576,387)	(301,	
Sept 10	1	(284)	(117)	(15)	(297)	(613)	(168)	-	(1,494)	(
	2	(78,051)	(16,801)	(865)	(7,427)	(15,324)	(861)	-	(119,329)	(91,	
	3	(152,110)	(31,858)	(1,711)	(14,854)	(30,648)	(1,620)	(1)	(232,802)	(177,	
Definition		Exposure subject to variations in fixed interest	Exposure subject to variations in price index	Exposure subject to variations in foreign currency	Exposure subject to exchange variations	Exposure subject to variation in stock	Exposure subject to variations in the interest rate of	Exposure not classified in previous definitions			

rates and interest rate coupons	coupon rates	coupon rates	prices	securities traded on the international market
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(1) Amounts net of tax effects.

Bradesco

191

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

Sensitivity analyses were carried out based on scenarios prepared for the respective dates, always considering market data on the time and scenarios they would adversely affect our positions, according to the examples below:

Scenario 1: Based on market information (BM&FBOVESPA, Anbima, etc), base point stresses were applied for interest rates and 1% variation for prices. For instance, in the scenario applied to positions on September 30, 2011, the exchange rate of Real/Dollar was R\$1.90. For the interest rate scenario, the 1-year fixed interest rate applied on the positions on September 30, 2011 was 10.39% p.a.

Scenario 2: 25% stresses were determined based on market information. For instance, in the scenario applied to positions on September 30, 2011, the exchange rate of Real/Dollar was R\$2.36. For the interest rate scenario, the 1-year fixed interest rate applied to positions as of September 30, 2011 was 12.97% p.a. Scenarios for other risk factors also represented a 25% stress on the respective curves or prices; and

Scenario 3: 50% stresses were determined based on market information. For instance, in the scenario applied to positions on September 30, 2011, the exchange rate of Reais/Dollar was R\$2.83. For the interest rate scenario, the 1-year fixed interest rate applied to positions as of September 30, 2011 was 15.57% p.a. Scenarios for other risk factors also represented a 50% stress on the respective curves or prices.

Liquidity Risk

The Liquidity Risk is the possibility of the Organization not having enough financial funds to honor its commitments due to the mismatch between payments and deposits, taking into consideration different currencies and the settlement terms of its rights and obligations.

In addition to defining minimum levels to be complied with, the Organization's liquidity policy also considers stress situations, the type of financial instruments in which funds should remain invested and the operating strategy for cases of need.

The liquidity risk management process includes the daily monitoring of the composition of available resources, compliance with the minimum level of liquidity and contingency plans for stress situations. The controlling and monitoring of positions are conducted in a centralized manner.

Notes to the Consolidated Financial Statements

We present the balance sheet by maturity in the chart below.

	1 to 30 days	31 to 180 days	181 to 365 days
Assets			
Current and long-term assets	373,078,125	125,161,666	44,900,000
Funds available	10,018,083	-	-
Interbank investments	31,316,643	51,435,917	1,400,000
Securities and derivative financial instruments (1) (2)	205,618,367	5,934,175	2,600,000
Interbank and interdepartmental accounts	71,429,907	-	-
Loan and leasing operations	23,974,631	56,670,474	34,600,000
Other receivables and assets	30,720,494	11,121,100	6,200,000
Permanent assets	278,222	1,279,957	1,100,000
Investments	-	-	-
Premises and equipment and leased assets	50,843	254,228	300,000
Intangible assets	227,379	1,025,729	800,000
Total on September 30, 2011	373,356,347	126,441,623	46,000,000
Total on June 30, 2011	357,359,096	116,979,648	42,600,000
Total on September 30, 2010	332,999,209	89,116,782	44,600,000
Liabilities			
Current and long-term liabilities	345,067,218	47,545,877	41,200,000
Deposits (3)	110,604,416	18,947,541	10,300,000
Federal funds purchased and securities sold under agreements to repurchase (2)	117,997,546	9,268,249	8,200,000
Funds from issuance of securities	445,481	2,338,283	7,100,000
Interbank and interdepartmental accounts	2,974,222	-	-
Borrowing and onlending	2,919,821	10,894,276	9,600,000
Derivative financial instruments	1,127,030	299,164	1,000,000
Technical provisions for insurance, private pension plans and savings bonds (3)	72,003,504	2,395,207	1,400,000
Other liabilities:			
- Subordinated debts	80,532	547,566	2,400,000
- Other	36,914,666	2,855,591	1,700,000
Deferred income	622,272	-	-
Non-controlling interest in subsidiaries	-	-	-
Shareholders' equity	-	-	-
Total on September 30, 2011	345,689,490	47,545,877	41,200,000
Total on June 30, 2011	323,190,542	49,302,836	45,600,000
Total on September 30, 2010	301,800,520	41,092,960	31,600,000
Accumulated net assets on September 30, 2011	27,666,857	106,562,603	111,300,000

Accumulated net assets on June 30, 2011	34,168,554	101,845,366	98,8
Accumulated net assets on September 30, 2010	31,198,689	79,222,511	92,2

- (1) Investments in investment funds are classified as up to 30 days;
- (2) Sale and purchase agreements are classified according to the maturity of the operation; and
- (3) Demand and savings deposits and technical provisions for insurance, private pension plans and savings bonds comprising VGBL and PGBL products are classified as up to 30 days, without considering average historical turnover.

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

Operating Risk

Operating risk is represented by losses from internal processes, personnel and inadequate systems or failures and external events. This definition includes legal risk, but excludes strategic and reputational risk.

The Organization considers operational risk management to be essential to the generation of added value. Risk control is conducted in a centralized manner through identification, measurement, mitigation plans and administration of operating risks, on a consolidated basis and by company.

Among plans for mitigating operating risk, the most important is business continuity management, which is made up of formal plans to be adopted during moments of crisis in order to guarantee the recovery and continuation of business, thereby preventing or mitigating losses.

Capital Management

The capital management process is conducted in order to provide the conditions necessary to meet the Organization's strategic objectives, considering the economic and commercial environment in which it operates. This process is compatible with the nature of operations, complexity of service and products and dimension of the Organization's exposure to risks.

Under Bacen regulations, financial institutions are required to permanently maintain capital (Reference Shareholders' Equity) compatible with the risks of their activities, represented by Required Reference Shareholders' Equity (PRE). PRE is calculated considering, at least, the sum of credit risk, market risk and operating risk.

The process of adjustment to Reference Shareholders' Equity is daily followed up and aims to ensure that the Organization has a solid capital base in order to support development of activities and face risks incurred, whether in normal situations or in extreme market conditions, in addition to meeting capital regulatory requirements.

Notes to the Consolidated Financial Statements

We present the Capital Adequacy Ratio in the chart below.

Calculation basis – Capital Adequacy Ratio	2011			
	September 30		June 30	
	Financial	Economic-financial	Financial	Economic-financial
Shareholders' equity	53,742,101	53,742,101	52,842,768	52,842,768
Reduction of deferred assets – CMN Resolution 3,444/07	(182,700)	(259,744)	(197,221)	(279,101)
Decrease in gains/losses of mark-to-market adjustments in DPV and derivatives – CMN Resolution 3,444/07	2,780,991	2,780,991	1,947,294	1,947,294
Non-controlling interest/other	181,619	613,440	176,560	598,863
Reference shareholders' equity - Tier I	56,522,011	56,876,788	54,769,401	55,109,824
Total of gains/losses of adjustments to market value in Available for Sale (DPV) and derivatives – CMN Resolution 3,444/07	(2,780,991)	(2,780,991)	(1,947,294)	(1,947,294)
Subordinated debt	14,844,275	14,844,275	9,491,195	9,491,195
Reference shareholders' equity – Tier II	12,063,284	12,063,284	7,543,901	7,543,901
Total reference shareholders' equity (Tier I + Tier II)	68,585,295	68,940,072	62,313,302	62,653,725
Deduction of instruments for funding - CMN Resolution 3,444/07	(99,269)	(134,078)	(96,828)	(130,064)
Reference shareholders' equity (a)	68,486,026	68,805,994	62,216,474	62,523,661
Capital allocation (by risk)				
- Credit risk (1)	46,956,944	47,182,731	43,209,088	43,324,158
- Market risk	1,399,717	1,399,717	846,567	846,567
- Operational risk	2,004,420	2,810,237	1,883,392	2,690,028
Required reference shareholders' equity (b)	50,361,081	51,392,685	45,939,047	46,860,753
Margin (a – b)	18,124,945	17,413,309	16,277,427	15,662,908
Risk-weighted assets (c)	457,828,008	467,206,228	417,627,700	426,006,845
Capital adequacy ratio (a/c)	14.96%	14.73%	14.90%	14.68%

(1) As set forth by Bacen Circular Letter 3,515/10, as of July 2011 the weighing factor of risk for exposures related to loan and financial leasing operations contracted with corporate customers was changed to 150%, taking in consideration the exceptions set forth by rules.

Notes to the Consolidated Financial Statements**b) Market value**

The book value, net of provisions for loss of the main financial instruments is as follows:

Portfolios	Book value	Market value	Unrealized gain/(loss) with		
			In the result		
			2011 September 30	2011 September 30	2011 June 30
Securities and derivative financial instruments (Notes 3e, 3f and 8)	244,621,614	249,025,013	2,594,692	3,031,829	4,188,000
- Adjustment of available-for-sale securities (Note 8 cII)			(1,808,707)	(425,762)	16,000
- Adjustment of held-to-maturity securities (Note 8d item 6)			4,403,399	3,457,591	4,020,000
Loan and leasing operations (Notes 2, 3g and 10) (1)	260,471,155	260,039,789	(431,366)	(574,261)	420,000
Investments (Notes 3j and 13) (2)	1,721,028	9,522,434	7,801,406	7,312,832	6,920,000
Treasury shares (Note 23d)	183,109	180,816	-	-	-
Time deposits (Notes 3n and 16a)	135,848,493	135,652,863	195,630	223,827	150,000
Funds from issuance of securities (Note 16c)	32,878,650	33,064,688	(186,038)	(175,053)	-
Borrowing and onlending (Notes 17a and 17b)	49,057,475	48,571,030	486,445	586,484	110,000
Subordinated debts (Note 19)	26,180,460	27,584,535	(1,404,075)	(1,028,800)	(640,000)
Unrealized gains without tax effects			9,056,694	9,376,858	11,160,000

(1) Includes advances on foreign exchange contracts, leasing operations and other receivables with credit features; and

(2) Basically includes the surplus of interest in subsidiaries and affiliated companies (Cielo, Odontoprev and Fleury) and other investments (BM&FBOVESPA and Cetip).

Notes to the Consolidated Financial Statements

Determination of market value of financial instruments:

- Securities and derivative financial instruments, investments, subordinated debts and treasury shares are based on the market price on the balance sheet date. Should there be no available market price quotations, amounts are estimated based on the prices quoted by dealers, on pricing models, quotation models or quotations for instruments with similar characteristics;
- Fixed rate loan operations were determined by discounting estimated cash flows, using interest rates applied by the Bradesco Organization for new contracts with similar features. These rates are compatible with prices practiced in the market on the balance sheet date; and
 - Time deposits, funds from issuance of securities, borrowing and onlending were calculated by discounting the difference between the cash flows under the contract terms and the rates practiced in the market on the balance sheet date.

33) EMPLOYEE BENEFITS

Bradesco and its subsidiaries sponsor a supplementary private pension plan for employees and directors, in the PGBL modality, which is a private defined contribution pension plan that allows the accumulation of financial resources by participants over their professional careers through contributions paid by the professional and the sponsoring company. The related resources are invested in an Exclusive Investment Fund (FIE).

PGBL is managed by Bradesco Vida e Previdência S.A. and Bradesco Asset Management (BRAM). The Securities Dealer company (DTVM) is responsible for the financial management of FIE funds.

Contributions paid by employees and directors of Bradesco and its subsidiaries are equivalent to 4% of salary, except for participants who, in 2001, opted to migrate to the defined contribution plan (PGBL) plan from the defined benefit plan, whose contributions to the PGBL plan were maintained at the levels in force for the defined benefits plan at the time of migration, nonetheless respecting the 4% minimum.

The actuarial liabilities of defined contribution plan (PGBL) are fully covered by the net assets of the corresponding FIE.

In addition to the aforementioned plan (PGBL), former participants who chose to migrate from the defined benefit plan are guaranteed a proportional deferred benefit, corresponding to their accumulated rights in this plan. For participants of the defined benefit plan, whether they migrated or not to the PGBL plan, retired participants and pensioners, the present value of the plan's actuarial liabilities is fully covered by plan assets.

Banco Alvorada S.A. (merging company of Banco Baneb S.A.) maintains supplementary retirement plans of defined contribution and defined benefit, through Fundação Baneb de Seguridade Social - Bases (related to former employees of Baneb). The actuarial liabilities of defined contribution and defined benefit plans are fully covered by assets of the plans.

Banco Bradesco BBI S.A. (current name of Banco BEM S.A.) sponsors supplementary retirement plans of both defined benefit and defined contribution types, through the Assistance and Retirement Pension Fund for the Employees of the Bank of the State of Maranhão (Capof).

Alvorada Cartões, Crédito, Financiamento e Investimento S.A. (Alvorada CCFI) (merging company of Banco BEC S.A.) sponsors a defined benefit plan by means of the Private Pension Plan Fund of the Bank of the State of Ceará (Cabec).

Bradesco

197

Notes to the Consolidated Financial Statements

The assets of private pension plans are invested in compliance with the applicable legislation (government securities and private securities, listed company shares and real estate properties).

Bradesco's branches and subsidiaries abroad provide their employees and directors with a private pension plan in compliance with the rules set forth by local authorities, which authorize to accumulate funds during the participant's professional career.

Expenses with contributions made in the nine-month period ended September 30, 2011 totaled R\$334,789 thousand (R\$251,255 thousand on September 30, 2010) and R\$147,742 thousand in the third quarter of 2011 (R\$98,012 thousand in the second quarter of 2011).

In addition to this benefit, Bradesco and its subsidiaries offer their employees and management several other benefits including: health insurance, dental care, life and personal accident insurance, as well as professional training. The related expenses, including the aforementioned contributions, amounted to R\$1,693,744 thousand in the nine-month period ended September 30, 2011 (R\$1,400,270 thousand in the nine-month period ended on September 30, 2010) and R\$629,728 thousand in the third quarter of 2011 (R\$549,290 thousand in the second quarter of 2011).

34) INCOME TAX AND SOCIAL CONTRIBUTION**a) Calculation of income tax and social contribution charges**

	2011		R\$ thousand 2010	
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD
Income before income tax and social contribution	2,349,238	4,530,565	10,953,283	10,385,683
Total income tax and social contribution at rates of 25% and 15%, respectively (1)	(939,695)	(1,812,226)	(4,381,313)	(4,154,273)
Effect on the tax calculation:				
Equity in the earnings of unconsolidated companies	16,267	6,351	36,293	26,676
Exchange gain / (loss)	1,182,066	(287,190)	787,453	(256,502)
Non-deductible expenses, net of non-taxable income	(95,701)	(79,104)	(270,598)	(216,077)
Tax credits recorded from previous periods	-	-	-	241,732
Interest on shareholders' equity (paid and payable)	299,051	295,061	880,432	740,379
Other amounts (2)	19,660	155,968	410,464	366,013
Income tax and social contribution for the period	481,648	(1,721,140)	(2,537,269)	(3,252,052)

(1) The social contribution rate for companies of the financial and insurance sectors was increased to 15%, according to Law 11,727/08, remaining at 9% for other companies (Note 3h); and

b) Market value

(2) Includes the equalization of effective social contribution rate related to the 40% rate posted.

Notes to the Consolidated Financial Statements**b) Breakdown of income tax and social contribution in the result**

	3rd Quarter	2011 2nd Quarter	September 30 YTD	R\$ thous 2010 September 30
Current taxes:				
Income tax and social contribution payable	(785,951)	(3,120,821)	(6,185,463)	(4,716,
Deferred taxes:				
Amount recorded/realized for the period on temporary additions	1,346,235	1,460,037	3,962,088	1,614
Use of opening balances of:				
Negative basis of social contribution	(17,800)	(11,181)	(114,814)	(96,
Tax loss	8,087	(114,306)	(261,526)	(349,
Tax credits recorded from previous periods:				
Negative basis of social contribution	-	-	-	12
Tax loss	-	-	-	33
Temporary additions	-	-	-	196
Recording/utilization in the period on:				
Negative basis of social contribution	(23,808)	21,738	21,098	22
Tax loss	(45,115)	43,393	41,348	31
Total deferred taxes	1,267,599	1,399,681	3,648,194	1,464
Income tax and social contribution for the period	481,648	(1,721,140)	(2,537,269)	(3,252,

c) Origin of tax credits of deferred income tax and social contribution

	Balance on 12.31.2010	Amount recorded (3)	Amount realized	Balan on 9.30.2
Allowance for loan losses	8,797,082	4,183,532	1,633,199	11,347
Civil provisions	1,025,560	389,014	176,408	1,238
Tax provisions	2,770,672	1,239,901	131,607	3,878
Labor provisions	627,215	420,813	155,120	892
Provision for devaluation of securities and investments	100,554	7,406	2,883	105
Provision for devaluation of foreclosed assets	105,913	47,900	57,489	96
Adjustment to market value of trading securities	58,546	2,780	40,928	20
Amortized goodwill	906,512	28,143	166,054	768
Provision for interest on shareholders' equity (1)	-	630,756	-	630
Other	1,941,814	882,304	1,506,773	1,317
Total tax credits over temporary differences	16,333,868	7,832,549	3,870,461	20,295
Tax losses and negative basis of social contribution in Brazil and abroad	739,453	62,446	376,340	425
Subtotal	17,073,321	7,894,995	4,246,801	20,721
Adjustment to market value of available-for-sale securities	215,881	630,790	53,615	793
Social contribution – Provisional Measure 2,158-35/01 (2)	157,813	-	13,170	144

b) Market value

Total tax credits (Note 11b)	17,447,015	8,525,785	4,313,586	21,659
Deferred tax liabilities (Note 34f)	4,791,462	952,887	597,335	5,147
Tax credits net of deferred tax liabilities	12,655,553	7,572,898	3,716,251	16,512
- Percentage of net tax credits over reference shareholders' equity (Note 32a)		22.5%		24
- Percentage of net tax credits over total assets		2.0%		2

- (1) Tax credit on interest on shareholders' equity is recorded up to the authorized tax limit;
- (2) Up to the end of the fiscal year, we expect to realize R\$39,959 thousand, to be recorded upon effective use (item d); and
- (3) Includes tax credit related to the increase in the social contribution rate for companies in the financial and insurance sectors, established by Law 11,727/08, equivalent to R\$226,711 thousand (Note 3h).

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Notes to the Consolidated Financial Statements

d) Expected realization of tax credits over temporary differences, tax loss and negative basis of social contribution and social contribution tax credit – Provisional Measure 2,158-35

	Temporary differences		Tax loss and negative basis		R\$ thousand
	Income	Social contribution	Income	Social contribution	Total
	tax		tax		
2011	2,311,999	1,207,543	100,468	9,754	3,629,764
2012	3,969,949	2,247,543	51,244	28,736	6,297,472
2013	4,033,960	2,277,164	39,367	24,470	6,374,961
2014	1,514,253	953,684	47,157	30,765	2,545,859
2015	875,704	556,237	62,398	28,706	1,523,045
2016 (9 months)	205,661	142,259	48	2,446	350,414
Total	12,911,526	7,384,430	300,682	124,877	20,721,515

	Social contribution tax credit - Provisional Measure 2,158-35				R\$ thousand
	2011	2012	2013	2014	Total
Total	39,959	94,256	9,260	1,168	144,643

The projected realization of tax credits is an estimate and it is not directly related to the expected accounting income.

The present value of tax credits, calculated based on the average funding rate, net of tax effects, amounts to R\$19,642,629 thousand (R\$18,258,148 thousand on June 30, 2011 and R\$15,633,173 thousand as of September 30, 2010), of which R\$19,105,710 thousand (R\$17,653,909 thousand on June 30, 2011 and R\$14,722,985 thousand as of September 30, 2010) is relative to temporary differences, R\$396,253 thousand (R\$465,465 thousand as of June 30, 2011 and R\$723,434 thousand as of September 30, 2010) to tax losses and negative basis of social contribution and R\$140,666 thousand (R\$138,774 thousand as of June 30, 2011 and R\$186,754 thousand as of September 30, 2010) comprises tax credit over social contribution – Provisional Measure 2,158-35.

e) Unrecorded tax credits

Tax credits of R\$2,555 thousand (R\$2,578 thousand on June 30, 2011 and R\$78,494 thousand on September 30, 2010) have not been recorded in the financial statements, and will be recorded when

prospects of realization are probable according to studies and analyses prepared by the Management and in accordance with Bacen rules.

Due to the Direct Action of the Declaration of Unconstitutionality filed by CONSIF against articles 17 and 41 of Law 11,727/08, tax credits from periods prior to the increase in the Social Contribution rate from 9% to 15% were recorded up to the limit of the corresponding consolidated tax obligations. In this period, the remaining balance of December 31, 2010 in the amount of R\$226,711 thousand, was fully provisioned (Note 3h).

Notes to the Consolidated Financial Statements**f) Deferred tax liabilities**

	2011		R\$ thousand 2010
	September 30	June 30	September 30
Mark-to-market adjustment of derivative financial instruments	555,675	222,709	389,853
Difference in depreciation	3,591,787	3,796,765	3,884,253
Judicial deposit update and others	999,552	790,646	764,576
Total	5,147,014	4,810,120	5,038,682

The deferred tax liabilities of financial and insurance sector companies were established considering the increase of the social contribution rate, determined by Law 11,727/08 (Note 3h).

35) OTHER INFORMATION

a) The Bradesco Organization manages investment funds and portfolios with net assets on September 30, 2011 of R\$319,451,263 thousand (R\$310,681,731 thousand on June 30, 2011 and R\$276,634,519 thousand on September 30, 2010).

b) As part of the process of convergence with international accounting standards, certain accounting pronouncements, their interpretations and orientations were issued by the Brazilian Accounting Pronouncements Committee (CPC), which are applicable to financial institutions only after approval by CMN.

The accounting standards which have been approved by CMN include the following:

- Resolution 3,566/08 – Impairment of Assets (CPC 01);
- Resolution 3,604/08 – Statement of Cash Flow (CPC 03);
- Resolution 3,750/09 – Related-Party Disclosures (CPC 05);
- Resolution 3,823/09 – Provisions, Contingent Liabilities and Contingent Assets (CPC 25);
- Resolution 3,973/11 – Subsequent Event (CPC 24);

- Resolution 3,989/11 – Share-Based Payment (CPC 10 – effective as of January 1, 2012); and
- Resolution 4,007/11 – Accounting Policies, Change of Estimate and Error Correction (CPC 23 – effective as of January 1, 2012).

At present, it is not practicable to estimate when the CMN will approve the other CPC accounting standards or whether their adoption, subsequent to approval, will be effective for future periods or applicable retroactively.

CMN Resolution 3,786/09 and Circular Letters 3,472/09 and 3,516/10 established that financial institutions and other entities authorized to operate by Bacen, which are listed companies or which are required to maintain an Audit Committee shall, as from December 31, 2010, prepare annually and publish in up to 90 days from the base date December 31, their consolidated financial statements, prepared in accordance with International Financial Reporting Standards (IFRS), in compliance with standards issued by the International Accounting Standards Board. (IASB).

Notes to the Consolidated Financial Statements

As required by CMN regulation on April 15, 2011, Bradesco made its financial statements for December 31, 2010 and 2009 prepared in accordance with IFRS standards available on its website. Such IFRS financial statements do not form part or are not incorporated into these financial statements. Management believes that the differences between net income and shareholders equity as of September 30, 2011 would not be significantly different as to its nature or amounts presented in the reconciliation as of December 31, 2010 presented in those IFRS financial statements not incorporated into these financial statements.

c) In May 2011, at the auction carried out by BM&FBOVESPA, Bradesco acquired the shareholding control of Banco do Estado do Rio de Janeiro S.A. (BERJ). The operation involved the purchase of 96.99% of common shares and 95.21% of preferred shares, which represent 96.23% of BERJ's capital stock for the amount of R\$1.025 billion (price of BERJ).

With the acquisition of BERJ, Bradesco was also entitled to provide to the State of Rio de Janeiro services related to payroll, payment to suppliers and collection of state taxes, among other services, from January 2012 to December 2014. Bradesco will pay R\$748.7 million for the right of providing payroll services (payroll price).

The aforementioned amounts should be paid as follows:

- 20% of price of BERJ and 100% of the payroll price within 5 days after certain conditions are met, such as the approval by Bacen of shareholding control transfer, checking of settlement status and the execution of the Purchase Agreement of the Single Share Lot; and
- 80% of BERJ price within 5 days after the ratification as to the existence and possibility of realization of BERJ tax credit.

Special Shareholders' Meetings will be held on November 3, 2011 to resolve on BERJ's settlement status and elect new Management members.

After the conclusion of the share purchase, Bradesco will conduct the public offering to non-controlling shareholders, in compliance with Article 254-A of Law 6,404/76 and CVM Rule 361/02.

Management Bodies

Reference Date: October 25, 2011

Board of Directors

Chairman

Lázaro de Mello Brandão

Vice-Chairman

Antônio Bornia

Members

Mário da Silveira Teixeira Júnior
João Aguiar Alvarez

Denise Aguiar Alvarez
Luiz Carlos Trabuco Cappi
Carlos Alberto Rodrigues
Guilherme
Milton Matsumoto
Ricardo Espírito Santo Silva
Salgado

Board of Executive Officers

Executive Officers

Chief Executive Officer

Luiz Carlos Trabuco Cappi

Executive Vice-Presidents

Laércio Albino Cezar
Julio de Siqueira Carvalho de
Araujo
Domingos Figueiredo de Abreu

Department Directors

Adineu Santesso
Altair Antônio de Souza
Amilton Nieto
André Bernardino da Cruz Filho

André Marcelo da Silva Prado
Antonio Carlos Melhado
Antonio de Jesus Mendes
Antonio José da Barbara

Arnaldo Nissental
Aurélio Guido Pagani

Cassiano Ricardo Scarpelli
Clayton Camacho

Denise Pauli Pavarina

Douglas Tevis Francisco

Edilson Wiggers

Fernando Roncolato Pinho
Frederico William Wolf
Glaucimar Peticov
Jean Philippe Leroy
João Albino Winkelmann
Joel Antonio Scalabrini
Jorge Pohlmann Nasser
José Luis Elias

José Luiz Rodrigues Bueno
José Maria Soares Nunes

Compensation Committees

Lázaro de Mello Brandão -
Coordinator
Antônio Bornia
Mário da Silveira Teixeira Júnior
Luiz Carlos Trabuco Cappi
Carlos Alberto Rodrigues
Guilherme
Milton Matsumoto

Audit Committee

Carlos Alberto Rodrigues
Guilherme - Coordinator
José Lucas Ferreira de Melo

Romulo Nagib Lasmar
Osvaldo Watanabe

Compliance and Internal Control Committee

Mário da Silveira Teixeira Júnior –
Coordinator
Carlos Alberto Rodrigues
Guilherme
Milton Matsumoto
Domingos Figueiredo de Abreu
Alexandre da Silva Glüher
Marco Antonio Rossi
Clayton Camacho
Frederico William Wolf
Moacir Nachbar Junior

Roberto Sobral Hollander

Managing Directors

José Alcides Munhoz
Aurélio Conrado Boni
Ademir Cossiello
Sérgio Alexandre Figueiredo
Clemente

Candido Leonelli
Maurício Machado de Minas

Managing Directors

Alexandre da Silva Glüher
Alfredo Antônio Lima de Menezes
André Rodrigues Cano
Josué Augusto Pancini

Luiz Carlos Angelotti

Marcelo de Araújo Noronha

Nilton Pelegrino Nogueira

José Ramos Rocha Neto

Júlio Alves Marques

Laércio Carlos de Araújo Filho
Layette Lamartine Azevedo Júnior
Lúcio Rideki Takahama

Luiz Alves dos Santos
Luiz Carlos Brandão Cavalcanti
Junior

Luiz Fernando Peres
Marcos Aparecido Galende
Marcos Bader

Marcos Daré
Mario Helio de Souza Ramos
Marlene Morán Millan
Moacir Nachbar Junior

Nobuo Yamazaki

Octávio de Lazari Júnior
Octavio Manoel Rodrigues de
Barros
Paulo Aparecido dos Santos
Paulo Faustino da Costa
Roberto Sobral Hollander
Waldemar Ruggiero Júnior
Walkiria Schirrmeister Marquetti

Directors

Antonio Chinellato Neto
Cláudio Borges Cassemiro
Cláudio Fernando Manzato
Eurico Ramos Fabri

Guilherme Muller Leal

Luis Carlos Furquim Vermieiro
Osmar Roncolato Pinho
Renan Mascarenhas Carmo
Roberto de Jesus Paris
Rogério Pedro Câmara
Vinicius José de Almeida Albernaz

Regional Officers

Alex Silva Braga
Almir Rocha
Antonio Gualberto Diniz

**Executive Disclosure Committee
(Non-Statutory)**

Domingos Figueiredo de Abreu -
Coordinator

Julio de Siqueira Carvalho de
Araujo

Alexandre da Silva Glüher
Luiz Carlos Angelotti

Marco Antonio Rossi

Antonio José da Barbara
José Maria Soares Nunes
Paulo Faustino da Costa
Marcos Aparecido Galende
Haydewaldo Roberto Chamberlain
da Costa

Ethical Conduct Committee

Milton Matsumoto - Coordenador
Carlos Alberto Rodrigues
Guilherme
Julio de Siqueira Carvalho de
Araujo

Domingos Figueiredo de Abreu
Alexandre da Silva Glüher
André Rodrigues Cano
Josué Augusto Pancini
Marco Antonio Rossi
Clayton Camacho
Frederico William Wolf
Glaucimar Peticov
José Luiz Rodrigues Bueno
Júlio Alves Marques
Moacir Nachbar Junior

**Integrated Risk Management and
Capital Allocation Committee**

Julio de Siqueira Carvalho de
Araujo - Coordinator
Laércio Albino Cezar
Domingos Figueiredo de Abreu
José Alcides Munhoz
Alexandre da Silva Glüher
Nilton Pelegrino Nogueira
Marco Antonio Rossi
Roberto Sobral Hollander

Fiscal Council

Antonio Piovesan

Delvair Fidencio de Lima

Diaulas Morize Vieira Marcondes
Junior

Francisco Aquilino Pontes Gadelha

Francisco Assis da Silveira Junior

Geraldo Dias Pacheco

João Alexandre Silva

João Carlos Gomes da Silva

José Sergio Bordin

Mauricio Gomes Maciel

Volnei Wulff

Wilson Reginaldo Martins

Members

Ricardo Abecassis Espírito Santo
Silva - Coordinator

Domingos Aparecido Maia

Nelson Lopes de Oliveira

Substitute Members

Renaud Roberto Teixeira

João Batistela Biazon

Jorge Tadeu Pinto de Figueiredo

Ombudsman Department

Júlio Alves Marques – Ombudsman

General Accounting Department

Marcos Aparecido Galende

Accountant -CRC 1SP201309/O-6

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Report on Limited Review of Interim Consolidated Financial Information

To the Board of Directors and Shareholders of

Banco Bradesco S.A.

Osasco - SP

Introduction

We have reviewed the consolidated balance sheet of Banco Bradesco S.A., as of September 30, 2011 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the three and nine month periods then ended, as well as the summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with accounting practices adopted in Brazil, applicable to financial institutions authorized to operate by the Brazilian Central Bank (BACEN). Our responsibility is to express an opinion on this interim consolidated financial information based on our limited review.

Scope of review

We conducted our limited review in accordance with Brazilian and International Standards for the Review of Interim Financial Information (NBC TR 2410 – NBC TR 2410 *Revisão de Informações Intermediárias Executada pelo Auditor da Entidade* and ISRE 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity).

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. The scope of a review is significantly lower than an audit conducted in accordance with auditing standards and therefore does not allow us to obtain assurance that we become aware of all significant matters that might be identified in an audit. Therefore, we do not express an audit opinion.

Conclusion

Based on our review, we are not aware of any facts that would lead us to believe that the consolidated interim information does not present fairly, in all material aspects, the consolidated financial position of Banco Bradesco S.A. as of September 30, 2011, the consolidated results of their operations and their consolidated cash flows for the three and nine month periods then ended, in accordance with accounting practices adopted in Brazil applicable to financial institutions authorized to operate by the Brazilian Central Bank.

Other matters

Interim consolidated statements of value added

We also reviewed the interim consolidated statements of value added for the three and nine month periods ended September 30, 2011, presented as supplemental information. These statements were subject to the same review procedures described above and based on our review, we are not aware of any facts that would lead us to believe that they are not presented fairly, in all material respects, in relation to the other interim consolidated financial information taken as a whole.

Report on Limited Review of Interim Consolidated Financial Information

Review of corresponding values as of and for the periods ended September 30, 2010.

The corresponding values relating to the three and nine month periods ended September 30, 2010, presented for comparative purposes, were previously reviewed by other independent auditors who issued their report dated October 26, 2010, which did not contain any modification.

São Paulo, October 25, 2011

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC 2SP014428/O-6

Cláudio Rogélio Sertório

Accountant CRC 1SP212059/O-0

Financial Statements, Report of Independent Auditors and
Fiscal Council's Report

Fiscal Council's Report

The undersigned members of the Fiscal Council of Banco Bradesco S.A., in the exercise of their legal and statutory duties, having examined the Management Report and the Financial Statements related to the third quarter of 2011, and the technical feasibility study of taxable income generation, brought at present value, which has the purpose of recording the Deferred Tax Assets pursuant to the CVM Rule 371/02, CMN Resolution 3,059/02, and Bacen Circular Letter 3,171/02, and in view of the unqualified review report prepared by KPMG Auditores Independentes, are of the opinion that the aforementioned documents, based on the Brazilian accounting practices adopted and applicable to entities that the Brazilian Central Bank authorizes to operate, fairly reflect the Company's equity and financial position.

Cidade de Deus, Osasco, São Paulo, October 25, 2011

Ricardo Abecassis E. Santo Silva

Domingos Aparecido Maia

Nelson Lopes de Oliveira

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 31, 2011

BANCO BRADESCO S.A.

By:

/S/ Domingos Figueiredo de Abreu

Domingos Figueiredo de Abreu
Executive Vice President and Investor Relations
Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
