

BANK BRADESCO
Form 6-K
February 06, 2009

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934**

For the month of February, 2009

Commission File Number 1-15250

BANCO BRADESCO S.A.
(Exact name of registrant as specified in its charter)

BANK BRADESCO
(Translation of Registrant's name into English)

**Cidade de Deus, s/n, Vila Yara
06029-900 - Osasco - SP
Federative Republic of Brazil
(Address of principal executive office)**

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

Banco Bradesco S.A.

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

Main Indicators %

Indicators	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
CDI	2.79	2.62	11.81	3.16	3.32	12.32
Ibovespa	11.16	5.66	43.65	(23.80)	(24.20)	(41.22)
USD Commercial Rate	(4.52)	(3.68)	(17.15)	20.25	22.08	31.94
IGP-M	2.57	3.54	7.75	1.54	1.23	9.81
IPCA IBGE	0.89	1.43	4.46	1.07	1.09	5.90
TJLP	1.53	1.53	6.42	1.54	1.54	6.29
TR	0.34	0.24	1.45	0.55	0.63	1.63
Savings Accounts	1.85	1.75	7.70	2.06	2.15	7.90
Number of Business Days	64	62	250	66	65	254

Closing Amount

Indicators	2007		2008	
	September	December	September	December
USD Commercial Selling Rate R\$	1.8389	1.7713	1.9143	2.3370
Euro R\$	2.6237	2.6086	2.6931	3.2382
Country Risk Points	173	221	331	428
Selic Copom Base Rate (% p.a.)	11.25	11.25	13.75	13.75
Pre-BM&F Rate - 1 year (% p.a.)	11.16	12.05	14.43	12.17

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

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

Deposits	2007				2008				
	3 rd Qtr.	4 th Qtr.	3 rd Qtr.	4 th Qtr.	Taxes and Limits	2007	2008		
	3 rd Qtr.	4 th Qtr.	3 rd Qtr.	4 th Qtr.		3 rd Qtr.	4 th Qtr.	3 rd Qtr.	4 th Qtr.

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Demand ⁽¹⁾	45	45	45	42	Income Tax	25	25	25	25
Additional ⁽²⁾	8	8	8	5	Social Contribution ⁽¹⁾	9	9	15	15
Time ⁽³⁾	15	15	15	15	PIS ⁽²⁾	0.65	0.65	0.65	0.65
Additional ⁽²⁾	8	8	8	5	Cofins ⁽³⁾	4	4	4	4
Savings					Legal Reserve on Net				
Accounts ⁽⁴⁾	20	20	20	20	Income	5	5	5	5
					Maximum Fixed Assets				
Additional ⁽²⁾	10	10	10	10	⁽⁴⁾	50	50	50	50
					Capital Adequacy Ratio				
Interbank ⁽⁵⁾			15	15	(Basel) ⁽⁵⁾	11	11	11	11

(1) Cash deposit No remuneration.

(1) Up to April 2008, the rate was 9%. The rate applicable to non-financing and similar companies remains at 9%.

(2) Restricted securities. From the amount calculated at percentages, R\$1 billion is deducted.

(2) The rate applicable to non-financial and similar companies is 1.65% (non-cumulative PIS).

(3) Restricted securities From the amount calculated at 15%, R\$2 billion is deducted.

(3) The rate applicable to non-financial and similar companies is 7.6% (non-cumulative Cofins).

(4) Cash deposit Remuneration by TR + interest of 6.17% p.a.

(4) Maximum Fixed Assets are applied over Reference Shareholders Equity.

(5) Restricted securities - Originated form Leasing Companies.

(5) Reference Shareholders Equity may not be lower than 11% of Risk-Weighted Assets.

(*) For further information on new regulations see Note 35 of the Financial Statements included in Chapter 9 of this report.

Forward-Looking Statements

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

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

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

Economic scenario

The reversion of the strong expansion process in the global economy that began in 2004 that we saw in 2008 was abrupt, and in several countries, unexpected. In fact, the financial and real economic volatility was such that 2008 could have been classified as a period of several years in one. In the first half, in spite of the deceleration in several developed countries, the principal emerging economies continued to show great signs of endogenous growth, helping to explain the continuous increase of commodity prices which have reached record levels that resulted in inflationary pressures and drove many authorities to adopt restricted monetary policies. By mid-year, we could see that the effects would be generalized, which started a financial deleveraging process that impacted many markets, including the commodities markets. In September, the bankruptcy of Lehman Brothers led to an unprecedented systematic crisis, intensifying risk aversion. The response from domestic and multilateral authorities was and has been unprecedented which should help to prevent a global depression but strong global economic deceleration in 2009.

In the first three quarters of 2008, Brazil recorded 6.4% growth y-o-y, mainly from the domestic market. The inflationary pressures resulting from an imbalance between supply and demand and intensified by the mid-year increase in commodities prices were answered with monetary tightening, which decisively contributed to Brazil not recording inflation rates as those in other countries. It is also worth mentioning the intense inflow of direct foreign investments, which reached in 2008 US\$45 billion for the first time in history. In this scenario, Brazil achieved the long-sought investment grade in the 1st half. However, by mid-September, the robustness of the domestic economy took its cue from the rest of the world, and, having been negatively affected, began to show signs of weakness.

The Brazilian economy has been mainly affected by the exchange depreciation, credit constraints and the deterioration of consumers and corporate confidence. Inevitably, the Brazilian economy will decelerate, as GDP growth may decrease from 5.6% estimated for 2008 to a level close to 1.5% in 2009. In this scenario, there will be more room for loosen monetary and fiscal policies. Looking at wider horizons, however, Bradesco reaffirms its outlook for the country, which, despite the economic and social problems already nationally and internationally known, remains positive given Brazil's democratic environment with few similarities to other emerging countries. To make this positive outlook a reality, we must push a reform agenda that should bring GDP to a new, higher level of sustainable expansion. Perhaps, the global crisis is the opportunity for that.

Risk Factors and Critical Accounting Practices

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

Macroeconomic Risks

Our businesses and the results of our operations are significantly affected by global financial markets conditions

Over the past months a strong volatility has been occurring, reaching unprecedented levels in 2H08 with crashes in global credit and capital markets, which led to lower liquidity and higher credit risk premiums to several market participants, resulting in lower available funds and/or higher financing costs, both for financial institutions and their clients. High interest rates or in upward trend and/or growing credit spreads have created a less favorable environment to most of businesses and may impair the ability of some of our clients to pay their debts and, thus, reduce our flexibility to plan or react to changes in operations and the financial market as a whole. Accordingly, the results of our operations will most likely continue to be affected by the global financial market conditions while these remain

volatile and subject to crashes and uncertainties.

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Risks Relating to Brazil

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

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

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

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

In the past, Brazil has faced periods of extremely high inflation rates, with annual rates (IGP-DI from the Fundação Getulio Vargas) reaching as high as 2,708% in 1993. More recently, Brazil's inflation rates were 1.2% in 2005, 3.8% in 2006, 7.9% in 2007 and 9.1% in 2008. In previous years, inflation and governmental measures to fight it have had significant negative effects on the Brazilian economy. In addition, general speculation about possible future actions has also contributed to economic uncertainty in Brazil and to heightened volatility in Brazilian securities markets. Should Brazil suffer a period of high inflation in the future, our costs may increase, our operating and net margins may decrease and, if investor confidence falters, the price of our shares and ADSs may drop. Inflationary pressures may curtail our ability to access foreign financial markets and may occasionally lead to further government intervention in the economy, including the implementation of policies that may adversely affect the overall performance of the Brazilian economy.

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

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

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

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

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

Risks Relating to Bradesco and the Brazilian Banking and Insurance Industries

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

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

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

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

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

We face significant competition in all of our principal areas of operation from other large Brazilian banks and public and private insurance companies. Brazilian regulations raise limited barriers only to market entry and do not differentiate between local or foreign commercial and investment banks and insurance companies. As a result, the growing presence of foreign banks and insurance companies in Brazil, some of which have greater resources than we do, has increased competition both in the banking and insurance industries. The privatization of government-owned banks has also made the Brazilian markets for banking and other financial services more competitive.

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

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

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

On December 31, 2008 Cidade de Deus Companhia Comercial de Participações held 49.00% of our common shares and Fundação Bradesco directly and indirectly held 50.34% of our common shares. As a result, these shareholders have the power to prevent a change in control of our Company, even if a transaction of that nature would be beneficial to our other shareholders, as well as to approve transactions with related parties or corporate reorganization, which may not be beneficial to our other shareholders.

4) We may suffer losses associated with counterparty's risk exposures

There is a possibility of a counterparty not being able of meeting its contractual liabilities. These counterparties may not be able to pay their liabilities due to delinquency, lack of liquidity, operating deficiency or other reasons. This risk

may arise, for instance, due to our participation in swap contracts or other derivatives in which these counterparties are required to pay us; exchange trades or other businesses not settled within due time as counterparty failed to pay or due to system failures at clearance agents, stock exchanges, clearance houses or other financial brokers. This counterparty risk is higher in troublesome market conditions, when counterparty's risk of bankruptcy is higher.

Critical Accounting Practices

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

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

IV

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

1) Allowance for Loan Losses

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

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

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

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

- credit quality trends;

- amount and quality of guarantee for the loan operation;

- volume, composition and growth of our loan operations portfolio;

- Brazilian government's monetary policy; and

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

Our determination of allowance for loan losses is influenced by the risk rating of each loan operation. By assuming a decrease of 1% in the delinquency ratio expected for our loan operations portfolio in full performance, on December 31, 2008 the allowance for loan losses would increase approximately R\$63 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance and, thus, must not be considered a reflection of our expectations for future determinations of risk rating or future alterations in loss severity. Because of the procedures we follow, in order to determine our risk rating of loan portfolio and our assessment of loss severity, we believe that the current risk rating and the estimate of loss severity for our loan portfolio are appropriate.

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

2) Classification of Securities and Derivatives

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

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

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

3) Assessment of Securities and Derivatives

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

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

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

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

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

For further information about our practices referring to the assessment of securities and derivative financial instruments and the respective risk management, see notes 3e, 3f and 32 included in chapter 9 of this report.

4) Income Tax and Social Contribution

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

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

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

5) Insurance Technical Provisions

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

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

6) Use of Estimates

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

VI

Commercial Strategy

We believe that, despite the sudden change in the world economic scenario triggered in the second half of 2008, verified by liquidity difficulties faced by large financial institutions, the reliability factor of the National Financial System proved to be strengthened, thus we understand that this turmoil scenario will not last long, with a gradual upturn of the expansion of the Brazilian economy, resulting from the significant growth of the purchasing power of certain income segments of the Brazilian population, especially the low- and medium-income citizens and companies investments, resulting in a sustained expansion of demand for financial and insurance services in the next years.

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

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

We own the largest and probably best network of distribution channels among private Brazilian banks, comprised of branches, service stations, ATMs, Banco Postal and other third-party channels whose growth was especially significant with the adhesion of large retail networks like our correspondent banks. We have over 63 thousand customer service branches. The strict, segmented and well-distributed coverage of our customer service network optimizes the delivery logistics of our products and services and enables us to fully compete in retail banking. We intend to continue expanding and refining our customer service network and offer more and better products and mass services to clients, in order to meet the increasing demand for loan and insurance in the Brazilian market.

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

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

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

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

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

We understand that the essence of business success in the financial sector consists of the combination between winning the client and a highly qualified staff devoted to providing service, permanently trained and with strict discipline and ethical standards in their work. Also fundamental to promote the business is the treatment given to our team in terms of qualification, promotion and creation of a culture of solidarity at work, fomenting an environment where our employees can develop a career that endures their entire professional life. In 2008, we were again chosen by the Guia Você S/A Exame publication as one of the best companies to work for in Brazil, in some research directly carried out with employees.

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

The key elements of our business strategy are:

expansion by means of organic growth;

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

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

maintain our commitment to technological innovation;

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

maintain acceptable risk levels in our operations; and

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

a) To expand by means of organic growth

Despite the turmoil scenario verified as of the second half of 2008, that we believe will shortly retrocede, the Brazilian economy has been sustainably growing over the past five years and, meanwhile, has been creating strategic opportunities for financial and insurance segment growth, chiefly by means of increased business volume in segments in which we are well placed. We intend to continue taking advantage of such progress to increase our revenues, obtain profitability and maximize value for the shareholders, outlined as follows:

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

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

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

use our client base, offering our products and services more widely and increasing the average of products used per checking account from 4.7 in December 2008, to an estimated average of 5.0 products per checking account in December 2009;

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

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

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

Our goal is to make our clients look to us as their first-choice bank to meet their banking, insurance and private pension needs. We believe that we are in a privileged position to capitalize on the synergy among banking, insurance, private pension services and other financial activities. Our insurance group has nationwide coverage and, in addition to our banking distribution network that is of great importance in our distribution of insurance and private pensions, distribution services via internet and new distribution channels which we developed thanks to our creativity, we also have specific channels for the supply of these products, which count on 27,774 insurance brokers and 8,295 for supplementary private pension plans and VGBL. Our brokers and dealerships are permanently assisted and encouraged to improve the service they provide to our clients.

VIII

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

managing our reserves and portfolio;

intensively trading our products and services; and

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

setting priorities for insurance underwriting opportunities according to the risk spread between the expected revenue pursuant to the insurance agreement and the value of projected claims (statistically) to be due under the terms of such agreement;

performing hedge transactions so as to avoid the mismatch between the real inflation index, and provisions for adjustments of interest rates and inflation in long-term agreements; and

using reinsurance contracts with important reinsurance companies taking advantage of the new reality of the Brazilian insurance market.

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

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

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

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

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

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

increasing our revenues from asset management; and

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

d) To maintain our commitment to technological innovation

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

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

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

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

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

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

We intend to improve our efficiency levels:

by maintaining austerity as guideline of our cost control policy;

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

by consolidating the synergies enabled by our recent acquisitions;

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

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

f) To maintain acceptable risk levels in our operations

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

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

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

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

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

results.

X

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

List of Acronyms

AACD	Association of Assistance to Disabled Children	CS or CSLL	Social Contribution or Social Contribution on Net Income
ABC	Activity-Based Costing	CTI	Information Technology Center
Abecs	Brazilian Association of Credit Card Companies and Services	CVM	Brazilian Securities and Exchange Commission
ABEL	Brazilian Association of Leasing Companies	DARF	Federal Revenue Collection Document
ABGR	Brazilian Association of Risk Management	DAS	Brazilian Unified Tax Collection System Document (<i>Simples</i>)
Abrasca	Brazilian Association of Publicly-Held Companies	DCO	Operating Control Department
Abrasco	Brazilian Association of Graduation Courses in Public Health	DECD	Organization of Economic Cooperation and Development
ACC	Advances on Foreign Exchange Contracts	Decon	Economic Control Department
Acoplan	Association of Health and Dental Insurance Brokers of the State of São Paulo	DGRC	Risk Management and Compliance Department
ADC	Workers Sport Association	DJSI	Dow Jones Sustainability World Index
ADR	American Depositary Receipt	DMA	Direct Market Access
ADS	American Depositary Share	DNV	Det Norske Veritas
ADVB	Association of Sales and Marketing Managers of Brazil	DPV	Available for Sale (Securities)
AIGOR	Accord Implementation Group Operational Risk Subgroup	DPVAT	Compulsory Vehicle Insurance
AMA	Advanced Measurement Approach	DR	Depositary Receipt
Anahp	Brazilian Association of Private Hospitals	DRE	Statement of Income for the Year
Anbid	National Association of Investment Banks	DRI	Interpersonal Relations Development
Anfavea	Brazilian Association of Automobile Vehicles	DRII	Disaster Recovery Institute International
ANS	National Agency for Supplementary Healthcare	DTVM	Securities Dealer
APAE	Association of Parents and Friends of People with Disabilities	DVA	Statement of Value Added
Apimec	Association of the Capital Markets Investment Analysts and Professionals	ECT	Empresa Brasileira de Correios e Telégrafos
APF	Foundations Association of São Paulo	EL	Expected Loss
Bacen	Brazilian Central Bank	ELC	Entity Level Control
BBI	Banco Bradesco de Investimento S.A.	EMBI	Emerging Markets Bond Index
BBVA	Banco Bilbao Vizcaya Argentaria	Embrapa	Brazilian Company of Farming and Ranching Research
BCI	Business Continuity Institute	ENEM	Brazilian High School Examination
BDR	Brazilian Depositary Receipt	ERP	Enterprise Resource Planning
BES	Banco Espírito Santo	EVE	Economic Equity Value
BIS	Bank for International Settlements	EXIM	Export and Import BNDES Financing Line
BIT	Bradesco Instituto de Tecnologia	FAS	Fundação Amazonas Sustentável
BMC	Banco BMC S.A.	FCACP	

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			Financial Coalition Against Child Pornography
BM&FBovespa	Securities, Commodities & Futures Exchange	FCAV	Carlos Alberto Vanzolini Foundation
BNDES	National Bank for Economic and Social Development	Febraban	Brazilian Banks Federation
BR GAAP	Brazilian Generally Accepted Accounting Principles	Febrace	Brazilian Science and Engineering Fair
BRAM	Bradesco Asset Management	Fenaprevi	National Federation of Life and Private Pension Plans
BRIC	Brazil, Russia, India and China (group of the world's four main emerging countries)	FGC	<i>Fundo Garantidor de Crédito</i> (Deposit Guarantee Association)
BSC	Balanced Scorecard	FGV	Fundação Getulio Vargas
BT	British Telecom	FGV-EAESP	Business Administration School of Fundação Getulio Vargas
Cabec	Private Pension Plan Fund of the Bank of the State of Ceará	FIA	Management Institute Foundation
CAPM	Certified Associate in Project Management	FIDC	Receivables Securitization Funds
Capof	Assistance and Retirement Pension Fund for the Employees of the Bank of the State of Maranhão	Fides	Inter-American Federation of Insurance Companies
CBLC	Brazilian Settlement and Custody Company	FIE	Exclusive Investment Fund
CCE	Exports Credit Certificate	Fiesp	Federation of the Industries of the State of São Paulo
CDB	Bank Deposit Certificate	Fimaden	Institute of Gastrointestinal Tract Disease and Nutrition Foundation
CDC	Consumer Sales Financing	Finabens	Financing Line of other Assets and Services
CDI	Interbank Deposit Certificate	Finame	Fund for Financing the Acquisition of Industrial Machinery and Equipment
CDP	Carbon Disclosure Project	Fiocruz	Fundação Oswaldo Cruz
CDS	Credit Default Swap	FIP	Investment Fund in Interest
CEF	Federal Savings Bank	FIPE	Economic Research Institute Foundation
CES-CG	Sustainability Studies Center	Fipecafi	Accounting, Actuarial and Financial Research Institute Foundation
CFC	Federal Accounting Council	FIRN	Floating Rate Note
Cetip	Clearing House for the Custody and Financial Settlement of Securities	FFS	Insurance Company's Financial Strength
CID	Digital Inclusion Center	FSF	Financial Stability Forum
CFA	Chartered Financial Analyst	FxRN	Fixed Rate Note
CIAB	Information Technology Congress and Exposition of the Financial Institutions	GCN	Business Continuity Management
CLC	Company Level Controls	GDAD	Performance Management and Decision Support
CMN	National Monetary Council	GDP	Gross Domestic Product
CNPq	National Council of Scientific and Technological Development	Geaco	Market Follow-Up Management

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CNSP	National Private Insurance Council	GHG	Greenhouse Gases
Cobit	Control Objectives for Information and Related Technology	Gife	Foundation, Institutions and Companies Group
Cofins	Contribution for Social Security Financing	GPR	Global Postural Reeducation
Conanda	National Council for the Rights of Children and Adolescents	GPS	Social Pension Plan Voucher
Conec	Insurance Brokers Congress	GRI	Global Reporting Initiative
Consif	National Confederation of the Financial System	IAS	International Accounting Standards
Copom	Monetary Policy Committee	IAS 39	Financial Instruments - Recognition and Measurement
Cosif	Chart of Accounts for National Financial System Institutions	IASB	International Accounting Standards Board
COSO	Committee of Sponsoring Organizations	IASC	International Accounting Standards Committee
CPC	Committee of Accounting Pronouncements	IBCC	Brazilian Institute of Cancer Control
CPMF	Provisory Contribution on Financial Transactions	IBGE	Brazilian Institute of Geography and Statistics
CRI	Certificate of Real Estate Receivables	Ibmec	Brazilian Capital Markets Institute
		IBNR	Incurred But Not Reported
		Ibovespa	Index of Securities, Commodities & Futures Exchange
		Ibracon	Brazilian Institute of Independent Auditors
		IBRE	Brazilian Economy Institute
		IBRI	Brazilian Investor Relations Institute

List of Acronyms

ICMEC	International Centre for Missing & Exploited Children	PIS	Social Integration Program
IDEC	Brazilian Institute for the Defense of the Consumer	PL	Shareholders' Equity
IDHO	Organizational Human Development Index	PLR	Management and Employee Profit Sharing
IDR	Issuer Default Ratings	PMO	Project Management Office
IEO	Efficiency Ratio	PMP	Project Management Professional
IFC	International Finance Corporation	POPR	Portion Related to Operational Risk
IFRIC	International Financial Reporting Interpretation Committee	PPNG	Unearned Premiums Provision
IFRS	International Financial Reporting Standards	PPP	Public Private Partnership
IFRS 1	First-Time Adoption of International Financial Reporting Standards	PPQG	São Paulo Management Quality Award
IFT	Quarterly Financial Information	PR	Reference Shareholders' Equity
IGC	Corporate Governance index	PRD	Disaster Recovery Plan
IGP-DI	General Price Index - Internal Availability	PRE	Required Reference Shareholders' Equity
IGP-M	General Price Index - Market	Procon	Consumer Protection and Defense Bureau
ILL	Tax on Net Income	PTRB	Electronic Tax Payment
IMF	International Monetary Fund	PUC	Pontifícia Universidade Católica
INI	Brazilian Institute of Investors	QIS	Quantitative Impact Study
Inmetro	National Institute of Metrology, Standardization and Industrial Quality	RAV	Visual Analysis Report
INSS	Social Security National Institute	RCF	Optional Third-Party Liability
Iosco	International Organization of Securities Commissions	RE	Basic lines (of Insurance Products)
IPCA	Extended Consumer Price Index	RENC	Client's Profitability
IPEG	São Paulo's Excellence and Management Institute	REP	Registered Education Provider
IPO	Initial Public Offering	ROA	Return on Assets
IPTU	Municipal Real Estate Tax	ROAA	Return on Average Assets
IQNet	International Quality Network	ROAE	Return on Average Shareholders' Equity
IR or IRPJ	Income Tax or Corporate Income Tax	ROCI	Operational Risk and Internal Control
IRRF	Withholding Income Tax	ROE	Return on Shareholders' Equity
ISE	Corporate Sustainability Index	RTT	Tax Regime Transition
ISO	International Standards Organization	SA 8000	Social Accountability
ISS or ISSQN	Tax on Services or Tax on Services of Any Nature	Sae Brasil	Mobility Engineers Association
IT	Information Technology	SAC	Standards Advisory Council
ITAG	Special Tag Along Share Index	SAP	Systems Applications and Products
JCP	Interest on Shareholders' Equity	SBPC	Brazilian Association for the Science Progress
JEC	Special Civil Court	SBPE	Brazilian Savings and Loan System
Latibex	Latin American Stock Exchange Market in Euros (Spain)	Sebrae	Brazilian Micro and Small Business Support Service
LDA	Loss Distribution Approach	SEC	U.S. Securities and Exchange Commission
LDCE	Loss Data Collection Exercise	Selic	Special Clearance and Custody System

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LFT	Treasury Financial Bills	Senad	National Department Against Drugs
Libras	Brazilian Sign Language	Serpro	Brazilian Federal Data Processing Service
LIME	Personal Loan Limit	Sesc	Commerce Social Service
LOMA	Life Office Management Association (North American institution which develops courses, examinations and researches in life, health and social security insurance segments)	SESI	National Industry Social Service
LTN	National Treasury Bills	SIC	Standing Interpretations Committee
MBA	Master of Business Administration	Sincor-SP	Insurance Brokers Union of São Paulo
M&E	Management and Excellence	Sisbacen	Brazilian Central Bank Information System
MP	Provisional Measure	S&P	Standard & Poor's Ratings Services
MTN	Medium Term Notes	SFH	National Housing System
MUAM	Mitsubishi UFJ Asset Management	SGQB	Bradesco Quality Management System
MUFG	Mitsubishi UFJ Financial Group	Sipat	Internal Week of Labor Accident Prevention
NBR	Registered Brazilian Rule	SmartSeg	Supervised Remote Service in Traffic
NCE	Exports Credit Note	SME	Small and Medium-Sized Enterprises
NCIIA	National Collegiate Inventors and Innovators Alliance/ The Lemelson Foundation	SND	National System of Debentures
NCMEC	International Center for Missing & Exploited Children	SPE	Specific Purpose Entities
NGO	Non-Governmental Organization	SPG	Health for Small Groups
NPL	Non-Performing Loans	SRI	Socially Responsible Investments
NTN	National Treasury Notes	Susep	Insurance Superintendence
NYSE	New York Stock Exchange	TAC	Loan Opening Rate
OCT	Credit Order by Teleprocessing	TIC	Communication and Information Technology
OHSAS	Occupational Health and Safety Assessment Series	TISS	Supplementary Health Information Exchange
OIT	International Labor Organization	TJLP	Federal Government Long-Term Interest Rate
ORX	Operational Riskdata eXchange Association	TLA	Advanced Settlement Rate
PAA	Advanced Service Branch	TLM	Unrestricted Securities
PAB	Banking Service Branch	TR	Reference Interest Rate
PAC	Crisis Management Plan	TVaR	Tail Value at Risk
PAE	Electronic Service Branch in Companies	UFIR	Reference Fiscal Unit
PCAM	Portion related to the Risk Exports in Gold, Foreign Currency and Operations subject to Foreign Exchange Variation	UL	Unexpected Loss
PCAOB	Public Company Accounting Oversight Board	UN	United Nations
PCN	Business Continuity Plan	Unesco	United Nations Educational, Scientific and Cultural Organization
PCO	Operational Continuity Plan	Unipalmares	Universidade da Cidadania Zumbi dos Palmares
PCP	Supplementary Premium Provision	UniverSeg	<i>Universo do Conhecimento do Seguro</i> (Insurance Knowledge Universe)

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PDA	Personal Digital Assistants	US GAAP	United States Generally Accepted Accounting Principles
PDD	Allowance for Loan Losses	USP	Universidade de São Paulo
PEPR	Capital Allocation Portion for Credit Risk	VaR	Value at Risk
PGBL	Unrestricted Benefits Generating Plan	VGBL	Long-term Life Insurance
		WebTA	Web File Transmission
		WWF	World Wild Life Fund

1 Bradesco Line by Line

Net Income

The reported net income was impacted by some extraordinary events. Thus, in order to better analyze and compare between the periods, we present below the Reported Net Income Statement, without considering such events (Adjusted Net Income).

	In millions of R\$			
	Years		2008	
	2007	2008	3rd Qtr.	4th Qtr.
Reported Net Income	8,010	7,620	1,910	1,605
(-) Divestment/Mark-to-Market - Visa Inc. (1)		(806)		(454)
(+) Additional PDD (2)		597		597
(+) Effects of Law 11,638/07 (3)		88		88
(+) Full goodwill amortization	953	53		
(-) Total sale of investment in Arcelor	(354)			
(-) Partial sale of investment in Serasa	(599)			
(-) Partial sale of Bovespa securities	(253)			
(-) Partial sale of BM&F securities	(227)			
(-) Total sale of investment in Indiana Seguros	(64)			
(+) Supplementary labor provision	232			
(-) Activated tax credit of previous periods	(718)			
(+) Civil provision economic plans (4)	274	124		68
(+/-) Other	(87)	(28)		7
(+/-) Fiscal effects	43	(23)		(105)
Non-recurring events of the period	(800)	5		201
Adjusted Net Income	7,210	7,625	1,910	1,806

(1) Partial sale in 1Q08 of R\$352 million and mark-to-market in 4Q08 of R\$454 million from Visa Inc.;

(2) Out of R\$597 million, R\$429 million are recorded as excess PDD and R\$168 million are recorded as general PDD, due to rating review of some corporate companies; and

(3) It refers basically to the financial lease adjustment (lessee); and

(4) In 2008, represented by civil provisions economic plans above the average of recordings of previous quarters.

Returns on Shareholders' Equity - Adjusted Net Income - %

	Years		2008	
	2007	2008	3rd Qtr.	4th Qtr.
	ROE	23.8	22.3	24.3
ROAE	26.3	23.2	24.5	23.1
ROE (without adjustment to market value reserve Securities and Derivatives)	25.0	21.8	24.4	22.4

ROAE (without adjustment to market value reserve Securities and Derivatives)	28.3	23.8	25.1	22.8
ROE (straight-line calculation)	23.8	22.3	22.4	21.1
ROAE (straight-line calculation)	26.3	23.2	22.5	21.3
ROA	2.1	1.7	1.8	1.6
ROAA	2.4	1.9	1.9	1.7

Reported Net Income x Net Income Adjusted by Non-Recurring Events and Goodwill Amortization - in millions of R\$

Summarized Analysis of the Statement of Income

For better understanding, comparability and analysis of Bradesco's results, we are disclosing the Statement of Adjusted Income that is obtained from a series of adjustments made on the Reported Statement of Income. We point out that the Statement of Adjusted Income will be the basis used for analyses and comments of this Report on Economic and Financial Analysis. Below, we show tables with the Reported Statement of Income, the respective adjustments and the Statement of Adjusted Income.

2007 x 2008 - in millions of R\$

	2007			2008			Variations			
	Reported Statement of Income	Adjustments		Adjusted Statement of Income	Reported Statement of Income	Adjustments		Adjusted Statement of Income	Amount	%
		Fiscal Hedge (1)	Other			Fiscal Hedge (1)	Other			
Financial Margin (a)	23,530	(876)	(354) ⁽²⁾	22,300	23,657	2,446	(454) ⁽⁸⁾	25,649	3,349	15.0
PDD (b)	(5,498)			(5,498)	(7,884)		597 ⁽⁹⁾	(7,287)	(1,789)	32.5
Intermediation Gross Income	18,032	(876)	(354)	16,802	15,773	2,446	143	18,362	1,560	9.3
Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations (c)	711			711	2,254			2,254	1,543	217.0
Fee and Commission Income (d)	10,806			10,806	11,215			11,215	409	3.8
Personnel Expenses (e)	(6,570)			(6,570)	(7,167)			(7,167)	(597)	9.1
Supplementary Labor Provision Other	(232)		232 ⁽³⁾							
Administrative Expenses (e)	(6,912)			(6,912)	(8,145)		(40) ⁽¹⁰⁾	(8,185)	(1,273)	18.4
Tax Expenses (e)	(2,499)	110		(2,389)	(1,950)	(257)		(2,207)	182	(7.6)
Other Operating Income/Expenses and Equity in Earnings (Losses) of Unconsolidated Companies (f)	(3,042)		223 ⁽⁴⁾	(2,819)	(4,194)		312 ⁽¹¹⁾	(3,882)	(1,063)	37.7

Full Goodwill Amortization	(953)		953 ⁽⁵⁾							
Operating Income	9,341	(766)	1,054	9,629	7,786	2,189	415	10,390	761	7.9
Non-Operating Income			(1,179)							
IR/CS and Minority Interest	1,203		⁽⁶⁾	24	384		(387) ⁽¹²⁾	(3)	(27)	(112.5)
Net Income	8,010	766	(800)	7,210	7,620	(2,189)	(23) ⁽¹³⁾	(2,762)	(319)	13.1

(1) Partial result of derivatives used for hedge effect of investments abroad, which in terms of net income, simply annuls the fiscal and tax effect (IR/CS and PIS/Cofins) of this hedge strategy;

(2) Positive result verified in the sale our interest in Arcelor;

(3) Supplementary provision for labor claims as a result of calculation methodology improvements in 2007;

(4) Mainly due to the record of civil provision economic plans in the amount of R\$(274) million and tax credit (PIS) recovery, in the amount of R\$51 million;

(5) Full goodwill amortization in subsidiaries;

(6) Mainly due to positive result assessed in the sale of part of our interest in Serasa in the amount of R\$599 million, in Bovespa in the amount of R\$253 million, in BM&F in the amount of R\$227 million and in Indiana Seguros in the amount of R\$64 million;

(7) Tax effect of adjustments in the amount of R\$(43) million and activation of tax credits from previous periods in the amount of R\$718 million;

(8) Effect of mark-to-market of Visa Inc. shares;

(9) It refers to the rating review for the corporate segment in the amount of R\$168 million and increase in excess PDD in the amount of R\$429 million;

(10) Effect of Law 11,638/07; (finance lease adjustment)

(11) Basically, due to effects of law 11,638/07 (finance lease adjustment) in the amount of R\$128 million, recording of civil provision economic plans in the amount of R\$124 million, and full goodwill amortization in subsidiaries in the amount of R\$53 million;

(12) Basically, profit derived from partial divestment of Visa Inc. shares; and

(13) Adjustments tax effects.

Bradesco's net income reached R\$7,625 million in, accounting for an 5.8% y-o-y increase. Bradesco's shareholders equity amounted to R\$34,257 million on December 31, 2008, equivalent to a 12.8% increase compared to the balance on December 31, 2007. Consequently, the annualized ROAE(*) reached 23.8%. Total consolidated assets reached R\$454,413 million on December 31, 2008 for 33.2% growth in relation to the balance of same date of the previous year. ROAA, in 2008, was 1.9%. Earnings per share reached R\$2.48.

The main items influencing net income in 2008, compared to 2007, can be seen below:

(a) Financial Margin R\$3,349 million

The year's growth is primarily due to: (i) higher income from interest-earning operations, in the amount of R\$3,787 million, R\$6,036 million of which from the increase in the average business volume, and R\$2,249 million from the decrease in spreads; basically **offset** by: (ii) to the reduction in the non-interest income, in the amount of R\$438 million, of which R\$776 million from lower treasury/securities gains, of which R\$326 million from the negative mark-to-market variation of CDS related to Brazilian government securities issued abroad, caused by world financial markets volatility in 2H08, mitigated by higher credit recovery in the amount of R\$360 million.

(b) Allowance for Loan Losses R\$(1,789) million

The variation in the year is mostly due to a 33.4% increase in the volume of loan operations in 2008. We would like to point out individual client operations, up 24.7%, mainly of the consumer financing type, which, in view of its specific characteristic, requires a higher provisioning volume .

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations R\$1,543 million

The variation in the year is basically due to: (i) insurance operations, R\$957 million, R\$855 million of which mainly arises from the additional provision for health insurance recorded in 2007; and (ii) supplementary private pension plan, R\$540 million, as a result of the increase in business volume .

(d) Fee and Commission Income R\$409 million

The increase in the year is mainly due to a higher volume of operations, pointing out increases in the items Card Income, R\$585 million, Asset Management, R\$131 million, Collection, R\$114 million, Custody and Brokerage Services, R\$88 million; and Consortium , R\$82 million; **mitigated** by a reduction verified in the items Checking Account R\$92 million and Loan Operations , R\$350 million, due to the impact caused by fees adjustment and by TAC no longer charged to individuals occurred in 2008.

(e) Personnel, Administrative and Tax Expenses R\$(1,688) million

Out of that amount, the R\$597 million of personnel expenses is mainly due to: (i) the expansion of the customer service network (from 29,982 in 2007 to 38,183 in 2008 which includes 3,359 branches) and the subsequent hiring of employees (from 82,773 in 2007 to 86,622 in 2008), as well as the increase in salary levels resulting from the collective bargaining agreements of 2007 (6%), in addition to benefits and others in the amount of R\$439 million and the collective bargaining agreement of 2008 (8.15% to 10%) of R\$158 million (R\$42 million related to the restatement of labor liabilities and R\$116 million increase of payroll); (ii) higher expenses with provisions for labor claims in the amount of R\$20 million; (iii) higher expenses with training in the amount of R\$16 million; **mitigated** by: lower expenses related to PLR of R\$45 million.

The variation of R\$1,273 million in other administrative expenses in the year basically refers to: (i) organic growth; (ii) the effects of increased volume of business; (iii) investments in the improvement and optimization of the technological platform (IT Improvements Project); and (iv) contractual adjustments .

The R\$(182) million of the decrease in tax expenses derives basically from (i) the reduction in expenses with CPMF, in the amount of R\$252 million, since it is no longer collected in 2008; **mitigated** by: (ii) the increase in PIS/Cofins expenses in the amount of R\$69 million, due to the increase in taxable income .

(f) Other Operating Income/Expenses R\$(1,063) million

The increase in the year is mainly due to: (i) the increase of sundry losses, R\$235 million; (ii) higher expenses related to operating provisions, R\$259 million; (iii) the increase in expenses from the amortization of prepaid expenses arising from operational agreements, R\$170 million; (iv) the increase in financing commission expenses, R\$122 million; and (v) the increase in expenses with search and seizure, R\$81 million .

(*) It does not consider the mark-to-market effects of available -for-sale securities.

3Q08 x 4Q08 - in millions of R\$

	3Q08			4Q08			Variations		
	Reported Statement of Income	Adjustments Fiscal Hedge ⁽¹⁾	Adjusted Statement of Income	Reported Statement of Income	Adjustments Fiscal Hedge ⁽¹⁾	Other	Adjusted Statement of Income	Amount	%
Financial Margin (a)	5,152	1,182	6,334	5,375	1,751	(454) ⁽²⁾	6,672	338	5.3
PDD (b)	(1,824)		(1,824)	(2,559)		597 ⁽³⁾	(1,962)	(138)	7.6
Intermediation Gross Income	3,328	1,182	4,510	2,816	1,751	143	4,710	200	4.4
Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations (c)	629		629	543			543	(86)	(13.7)
Fee and Commission Income (d)	2,819		2,819	2,818			2,818	(1)	
Personnel Expenses (e)	(1,825)		(1,825)	(1,890)			(1,890)	(65)	3.6
Other Administrative Expenses (e)	(2,111)		(2,111)	(2,250)		(40) ⁽⁴⁾	(2,290)	(179)	8.5
Tax Expenses (e)	(408)	(128)	(536)	(306)	(190)		(496)	40	(7.5)
Other Operating Income/Expenses and Equity in Earnings (Losses) of									
Unconsolidated Companies (f)	(878)		(878)	(1,159)		203 ⁽⁵⁾	(956)	(78)	8.9
Operating Income	1,554	1,054	2,608	572	1,561	306	2,439	(169)	(6.5)
Non-Operating Income	8		8	(6)			(6)	(14)	
IR/CS and Minority Interest	348	(1,054)	(706)	1,039	(1,561)	(105) ⁽⁶⁾	(627)	79	(11.2)
Net Income	1,910		1,910	1,605		201	1,806	(104)	(5.4)

(1) Partial result of derivatives used for hedge effect of investments abroad, which, in terms of net income, simply annuls the fiscal and tax effect (IR/CS and PIS/Cofins) of this hedge strategy.

(2) Effect of the mark-to-market of Visa Inc. shares;

(3) It refers to the review of risks in corporate segment in the amount of R\$168 million and increase of excess PDD in the amount of R\$429 million;

(4) Effect of Law 11,638/07; (finance lease adjustment)

(5) Basically, effect of adopting Law 11,638/07 (finance lease adjustment) in the amount of R\$128 million, recording of civil provision above the average of last quarters - economic plans in the amount of R\$68 million; and

(6) Adjustments tax effects.

In 4Q08, Bradesco's net income reached R\$1,806 million, against R\$1,910 million in 3Q08, a 5.4% decrease in the quarter. Bradesco's shareholders' equity amounted to R\$34,257 million on December 31, 2008, a 0.3% increase in relation to September 30, 2008. Total consolidated assets reached R\$454,413 million on December 31, 2008, growing 7.5% in 4Q08.

The main items influencing net income in 4Q08 compared to the previous quarter can be seen below:

(a) Financial Margin R\$338 million

This variation is mainly due to: (i) an increase in income from interest-earning operations in the amount of R\$275 million, R\$682 million of which correspond to increase in the average volume of business and R\$407 million to decrease in spreads due to change in portfolio mix (higher growth of corporate segment) and; (ii) an increase of non-interest income in the amount of R\$63 million, related to higher securities/treasury gains, even considering R\$(126) million from the negative mark-to-market variation of CDS related to Brazilian government securities issued abroad (R\$(276) million in 4Q08 and R\$(150) million in 3Q08), caused by world financial market volatility.

(b) Allowance for Loan Losses R\$(138) million

The expense variation is due to the growth of total delinquency index (over 90 days), which recorded an increase of 0.1 percentage point in view of the downturn in the macroeconomic scenario.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans R\$(86) million

The variation is mainly due to: (i) R\$258 million insurance operations, out of which R\$100 million are mainly due to the IBNR tail expansion from 5 to 7 years (life line) and R\$ 40 million to the losses caused by floods that stroke the state of Santa Catarina, as well as claim increase in the Health line, reflecting the impact of the U.S. Dollar valuation in laboratory/medical costs; **mitigated** by: (ii) supplementary private pension plan, R\$181 million due to the seasonal increase in business volume in 4Q08 (Christmas bonus) .

(d) Fee and Commission Income R\$(1) million

The variation in the quarter is basically due to: (i) the lower revenue from loan operation fees in the amount of R\$34 million, due to the lower volume of operations, mainly from vehicle financing; (ii) the lower revenue from asset management, R\$21 million, resulting from the reallocation of funds to more conservative investments, such as savings accounts and CDB; and (iii) lower revenues from underwriting operations, R\$26 million; **offset** by: (iv) the higher volume of card transactions, R\$86 million.

(e) Personnel, Administrative and Tax Expenses R\$(204) million

Out of that amount, R\$65 million are related to the variation in personnel expenses and was a result, basically, of the increase in salary levels (8.15% to 10%) in the amount of R\$34 million, and R\$96 million were recorded in 4Q08 and R\$62 million in 3Q08; and the R\$31 million due to expansion of the customer service network and the growth in business volume, with increase in the number of employees.

The R\$179 million increase in other administrative expenses is mainly due to higher expenses with: (i) Third-Party Services , R\$51 million; (ii) Advertisement and Publicity , R\$61 million; (iii) Communication , R\$19 million; (iv)

Rentals , R\$14 million; (v) Maintenance and Repairs, R\$12 million and (vi) Asset Leasing R\$13 million.

The R\$40 million variation of tax expenses is chiefly due to the lower PIS/Cofins expenses in the amount of R\$41 million, due to the reduction in the calculation basis for taxable income in 4Q08.

(f) Other Operating Income and Expenses R\$(78) million

The variation in the quarter is basically due to the fiscal provision reversal in the amount of R\$186 million in 3Q08, mitigated by higher interest income in 4Q08.

Highlights**Income**

	In millions of R\$					
	Years		Variation	2008		Variation
	2007	2008	%	3 rd Qtr.	4 th Qtr.	%
Adjusted Financial Margin	22,300	25,649	15.0	6,334	6,672	5.3
Allowance for Loan Losses Expenses	5,498	7,287	32.5	1,824	1,962	7.6
Fee and Commission Income	10,806	11,215	3.8	2,819	2,818	
Insurance, Private Pension Plans and Certificated Savings						
Plans Retained Premiums	20,857	22,824	9.4	5,737	6,135	6.9
Personnel Expenses	6,570	7,167	9.1	1,825	1,890	3.6
Other Administrative Expenses	6,912	8,185	18.4	2,111	2,290	8.5
Operating Income	9,629	10,390	7.9	2,608	2,439	(6.5)
Adjusted Net Income	7,210	7,625	5.8	1,910	1,806	(5.4)

Balance Sheet

	In millions of R\$					
	December		Variation	2008		Variation
	2007	2008	%	September	December	%
Total Assets	341,143	454,413	33.2	422,662	454,413	7.5
Securities and Derivative Financial Instruments	114,452	131,598	15.0	132,372	131,598	(0.6)
Loan Operations (Expanded Concept)	161,407	215,345	33.4	197,250	215,345	9.2
Loan and Leasing Operations (*)	131,307	173,423	32.1	160,634	173,423	8.0
Sureties and Guarantees (accounted for in Memorandum Accounts)	24,296	33,879	39.4	29,640	33,879	14.3
Credit Cards (lump sum payment and installment purchase plan from storeowners)	5,804	7,548	30.0	6,468	7,548	16.7
Loan Assignment (accounted for in Memorandum Accounts)		495		508	495	(2.6)
Permanent Assets (**)	4,922	7,611	54.6	6,501	7,611	17.1
Deposits	98,323	164,493	67.3	139,170	164,493	18.2
Borrowing and Onlending	23,410	31,947	36.5	31,979	31,947	(0.1)
Technical Provisions	58,526	64,587	10.4	62,888	64,587	2.7
Shareholders Equity	30,357	34,257	12.8	34,168	34,257	0.3

(*) Includes ACC and Other Credits.

(**) In December 08, it includes the adjustment to Law 11,638/07 financial lease (lessee).

Change in Number of Outstanding Shares

	Common shares	Preferred shares	Total
Number of Outstanding Shares on December 31, 2007	1,009,337,030	1,009,336,926	2,018,673,956
Shares Acquired and not Cancelled	(129,021)	(34,600)	(163,621)
Shares Subscription	13,953,489	13,953,488	27,906,977
50% Stock Bonus	511,644,460	511,644,407	1,023,288,867
Number of Outstanding Shares on December 31, 2008	1,534,805,958	1,534,900,221	3,069,706,179

Share Performance (*)

	R\$					
	Years		Variation	2008		Variation
	2007	2008	%	3 rd Qtr.	4 th Qtr.	%
Net Income per Share	2.38	2.48	4.2	0.62	0.59	(4.8)
Dividends/Interest on Shareholders Equity per Common Share (net of IR)	0.815	0.865	6.1	0.167	0.169	1.2
Dividends/Interest on Shareholders Equity per Preferred Share (net of IR)	0.897	0.951	6.0	0.184	0.186	1.1
Book Value per Share (Common and Preferred)	10.02	11.16	11.4	11.13	11.16	0.3
Last Business Day Price Common	34.33	19.99	(41.8)	26.90	19.99	(25.7)
Last Business Day Price Preferred	37.97	22.59	(40.5)	30.94	22.59	(27.0)
Market Value (in millions of R\$) (**)	109,463	65,354	(40.3)	88,777	65,354	(26.4)

(*) For comparison purposes, in 2008 there was a 50% stock bonus, which was applied for 2007.

(**) Number of shares (disregarding treasury shares) x closing price of common and preferred shares of the last day of the period.

Cash Generation (*)

	In millions of R\$					
	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Income before Income Tax and Social Contribution	2,459	2,502	9,653	2,616	2,433	10,387
Equity in Earnings (Losses) of Unconsolidated Companies	(16)	(10)	(42)	(23)	(47)	(136)
Allowance for Loan Losses	1,438	1,556	5,498	1,824	1,962	7,287
Recording (Reversal) of Provision		1	2	(3)	(10)	(8)
Expenses related to Civil, Labor and Tax Provisions	363	345	1,995	243	210	1,802
Expenses related to Restatement and Interest from Technical Provision for Insurance, Private Pension Plan and Certificated Savings Plans	1,188	1,288	4,617	346	926	4,008
Depreciation and Amortization	190	254	797	279	276	1,090
Gain/Loss on Divestments	(3)	(27)	(45)	(29)	(151)	(243)
Gain/Loss on Sale of Fixed Assets	(5)	(11)	(25)		30	25
Gain/Loss on Sale of Foreclosed Assets	12	21	51	44	115	204
Goodwill Amortization				8	25	33
Other	18	11	63	67	102	280
Cash Generation	5,644	5,930	22,564	5,372	5,871	24,729

(*) Considers the adjusted net income.

Value Added with Hedge Adjustment and without Extraordinary Events

	In millions of R\$					
	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Value Added (A+B+C)	4,696	4,940	18,601	4,967	4,802	19,727
A Gross Income from Financial Intermediation	4,142	4,441	16,802	4,510	4,710	18,362
B Fee and Commission Income	2,742	2,896	10,806	2,819	2,818	11,215
C Other Income/Expenses	(2,188)	(2,397)	(9,007)	(2,362)	(2,726)	(9,850)
Distribution of Value Added (D+E+F+G)	4,696	4,940	18,601	4,967	4,802	19,727
D Employees	1,426	1,594	5,741	1,583	1,636	6,232
E Government Contribution	1,420	1,492	5,650	1,474	1,360	5,870

F	Interest on Shareholders Equity/Dividends to Shareholders (paid and provisioned)	743	683	2,823	613	621	2,693
G	Profit Reinvestment	1,107	1,171	4,387	1,297	1,185	4,932
	Distribution of Value Added %	100.0	100.0	100.0	100.0	100.0	100.0
	Employees	30.4	32.3	30.9	31.9	34.1	31.5
	Government Contribution	30.2	30.2	30.4	29.7	28.3	29.8
	Interest on Shareholders Equity/Dividends to Shareholders (paid and provisioned)	15.8	13.8	15.2	12.3	12.9	13.7
	Profit Reinvestments	23.6	23.7	23.5	26.1	24.7	25.0

Calculation of Fixed Assets to Shareholders' Equity Ratio (1)

	In millions of R\$			
	2007		2008	
	September	December	September	December
Shareholders Equity + Minority Shareholders	29,390	30,513	34,795	34,578
Subordinated Debts	10,028	11,750	11,041	11,893
Tax Credits	(79)	(81)	(102)	(143)
Exchange Membership Certificates	(69)	(35)	(51)	(254)
Additional Provision for the Minimum Required Bacen Resolution 3,674				1,621
Other Adjustments	(1,171)	(733)	(1,019)	(686)
Reference Shareholders Equity (A) (*)	38,099	41,414	44,665	47,009
Permanent Assets	12,193	14,963	31,923	36,259
Leased Assets	(8,561)	(11,203)	(26,913)	(29,991)
Unrealized Leasing Losses	(106)	(102)	(99)	(93)
Intangible Assets (*)				(976)
Other Adjustments	2,083	2,329	2,959	1,170
Total Premises and Equipment (B) (**)	5,609	5,987	7,870	6,369
Fixed Assets to Shareholders Equity Ratio (B/A) - %	14.7	14.5	17.6	13.5
Margin	13,441	14,720	14,463	17,135

(1) Calculated based on the economic-financial consolidated.

(*) Acquisition of rights for banking services provision until June 30, 2009 pursuant to Bacen Resolution 3,642.

(**) For the calculation of Fixed Assets to Shareholders Equity Ratio, the Exchange Membership Certificates are excluded from the Reference Shareholders Equity and Fixed Assets, as per Bacen Resolution 2,283.

Performance Ratios (annualized) - %

	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Return on Shareholders Equity (total)	27.8	26.8	23.8	24.3	22.8	22.3
Return on Average Shareholders Equity	29.3	27.5	26.3	24.5	23.1	23.2
Return on Shareholders Equity (total) without adjustment to market value reserve Securities and Derivatives	29.9	28.3	25.0	24.4	22.4	21.8
Return on Average Shareholders Equity without adjustment to market value reserve Securities and Derivatives	31.4	29.4	28.3	25.1	22.8	23.8
Return on Shareholders Equity (total) - straight-line calculation	25.3	24.4	23.8	22.4	21.1	22.3
Return on Average Shareholders Equity - straight-line calculation	26.5	25.1	26.3	22.5	21.3	23.2
Return on Total Assets (total)	2.4	2.2	2.1	1.8	1.6	1.7
Return on Average Total Assets	2.5	2.3	2.4	1.9	1.7	1.9
Shareholders Equity on Total Assets	9.2	8.9	8.9	8.1	7.5	7.5
Capital Adequacy Ratio (Basel) Financial Consolidated (*)	16.3	15.6	15.6	16.2	16.9	16.9
Capital Adequacy Ratio (Basel) Total Consolidated (*)	14.2	14.0	14.0	15.6	16.1	16.1
Fixed Assets to Shareholders Equity Ratio Financial Consolidated	48.9	45.8	45.8	47.4	48.0	48.0
Fixed Assets to Shareholders Equity Ratio Economic-Financial Consolidated	14.7	14.5	14.5	17.6	13.5	13.5
Combined Ratio - Insurance	92.3	92.8	95.0	84.4	89.7	85.8
Efficiency Ratio (in the previous 12 months)	41.8	41.8	41.8	41.6	42.0	42.0
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) (in the previous 12 months)	80.6	80.2	80.2	75.5	73.1	73.1

(*) in 2008, it refers to Basel II.

Consolidated Market Share - %

	2007		2008	
	September	December	September	December

Banks Source: Bacen				
Time Deposit	8.3	9.4	11.9	N/A
Savings Deposit	13.9	14.0	13.8	N/A
Demand Deposit	17.4	16.4	18.7	N/A
Loan Operations	12.6	13.1	13.0	13.2
Online Collection (Balance)	29.4	33.2	30.1	N/A
Number of Branches	16.8	17.3	17.4	17.7
Banks Source: Internal Revenue Service /Serpro				
DARF	18.7	18.9	19.7	20.0 (*)
DAS	N/I	16.8	16.3	16.6 (*)
Banks Source: INSS/Dataprev				
GPS	13.8	13.9	14.0	14.2 (*)
Benefit Payment to Retirees and Pensioners	19.7	19.6	19.6	19.6 (*)
Banks Source: Anbid				
Investment Funds + Portfolios	14.1	14.1	14.9	15.2
Insurance, Private Pension Plans and Certificated Savings Plans Source: Susep and ANS				
Insurance, Private Pension Plans and Certificated Savings Plans				
Premiums	25.2	25.5	24.0	23.8 (*)
Insurance Premiums (including VGBL)	25.4	25.8	23.7	24.0 (*)
Life Insurance and Personal Accidents Premiums	15.7	15.8	16.6	16.7 (*)
Auto/RE Insurance Premiums	12.5	12.0	10.7	10.6 (*)
Health Insurance Premiums	42.3	42.4	43.2	45.9 (*)
Revenues from Private Pension Plans Contributions (excluding VGBL)	28.8	27.9	28.3	27.9 (*)
Revenues from Certificated Savings Plans	20.3	19.9	19.2	18.9 (*)
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	36.0	36.4	34.6	34.3 (*)
Insurance and Private Pension Plans Source: Fenaprevi				
Income on VGBL Premiums	41.6	41.9	37.6	36.8 (*)
Revenues from PGBL Contributions	27.3	26.1	24.9	24.5 (*)
Private Pension Plans Investment Portfolios (including VGBL)	41.1	41.0	38.8	38.4 (*)
Credit and Debit Card Source: Abecs				
Credit Card Revenue	18.2	18.1	18.1	17.9 (*)
Debit Card Revenue	19.8	19.8	18.8	18.9 (*)
Leasing Source: ABEL				
Lending Operations	12.2	12.9	17.8	18.3 (*)
Banco Finasa BMC Source: Bacen				
Finabens (Portfolio)	16.6	14.8	10.5	10.6 (*)
Auto (Portfolio) Including Banco Bradesco	25.8	26.0	25.6	23.2
Consortium Source: Bacen				
Real Estate	26.5	27.1	27.7	27.1 (*)
Auto	20.9	21.1	23.3	23.4 (*)
Trucks, Tractors and Agricultural Implements	6.9	6.8	11.7	13.4 (*)
International Area Source: Bacen				
Export Market	20.4	20.4	22.0	22.2
Import Market	15.8	16.1	16.2	16.0

(*) Reference date: November 2008 (in relation to health insurance, the ANS indexes were estimated).

N/A Not Available

I Inapplicable

Other Information

	December		Variation	2008		Variation
	2007	2008	%	September	December	%
Funding and Assets Managed in millions of R\$	482,971	597,177	23.6	570,116	597,177	4.7
Number of Organization Employees	82,773	86,622	4.7	85,577	86,622	1.2
Number of Fundação Bradesco Employees	2,668	2,665	(0.1)	2,725	2,665	(2.2)
Number of Fimaden Employees	863	885	2.5	872	885	1.5
Number of ADC Employees	16	25	56.3	25	25	
Number of Outsourced Employees	7,606	8,341	9.7	8,168	8,341	2.1
Number of Interns	973	921	(5.3)	977	921	(5.7)
Number of Minor Apprentices	969	1,378	42.2	1,149	1,378	19.9
Number of Branches	3,160	3,359	6.3	3,235	3,359	3.8
Number of Savings Accounts in thousands	34,623	35,796	3.4	33,763	35,796	6.0
Number of Credit, Private Label and Debit Cards in thousands	70,469	81,691	15.9	80,207	81,691	1.9

Bradesco Shares**Number of Shares (in thousands) - Common and Preferred Shares (*)**

	December				
	2004	2005	2006	2007	2008
Common Shares	1,430,107	1,468,350	1,500,214	1,514,006	1,534,806
Preferred Shares	1,416,491	1,469,817	1,502,435	1,514,006	1,534,900
Subtotal Outstanding	2,846,598	2,938,167	3,002,649	3,028,012	3,069,706
Treasury Shares		696	1,137	3,368	164
Total	2,846,598	2,938,863	3,003,786	3,031,380	3,069,870

(*) For comparison purposes, in 2008, there was a 50% stock bonus which was applied for previous years. Likewise, 100% stock bonus occurred in 2005 and 2007.

On December 31, 2008, Banco Bradesco's capital stock was R\$23 billion, composed of 3,069,869,800 shares, of which 1,534,934,979 are common shares and 1,534,934,821 are preferred shares, all non-par and book-entry shares. The largest shareholder is the holding company Cidade de Deus Participações, which directly holds 49% of our voting capital and 24.51% of our total capital. Cidade de Deus Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações. Nova Cidade de Deus Participações is owned by Fundação Bradesco and Elo Participações e Investimento, which has as shareholders the majority of members of Bradesco's Board of Directors and Statutory Executive Board (see page 140).

Number of Shareholders - Domiciled in Brazil and Abroad

	2007			2008		
	December	%	Capital Interest	December	%	Capital Interest
Individuals	1,248,310	91.3	26.7	1,269,542	91.4	26.9
Corporations	115,710	8.4	44.6	116,111	8.3	45.8
Subtotal of Domiciled in Brazil	1,364,020	99.7	71.3	1,385,653	99.7	72.7
Domiciled Abroad	3,699	0.3	28.7	3,832	0.3	27.3
Total	1,367,719	100	100	1,389,485	100	100

With regard to Bradesco's shareholders on December 31, 2008, 1,385,653 shareholders were domiciled in Brazil, accounting for 99.72% of the total shareholders' base and holding 72.68% of Bradesco shares. The number of shareholders domiciled abroad was 3,832, representing 0.28% of total shareholders' base and holding 27.32% of Bradesco shares.

Market Value - in millions of R\$

Obs.: the market value considers the closing quotation of the common and preferred shares multiplied by the respective number of shares (excluding treasury shares).

Market Value/Shareholders' Equity

Market Value/Shareholders' Equity: indicates the number of times Bradesco's market value is higher than its accounting shareholders' equity.

Formula used: number of common and preferred shares multiplied by the closing price of common and preferred shares of the last business day of the period. The amount is divided by the accounting shareholders' equity of the period.

Dividend Yield - % (in the previous 12 months)

Dividend yield: it is the relation between dividends and/or JCP distributed to shareholders in the last 12 months and the share price, indicating the investment result by the profit sharing. Formula used: amount received by shareholders as dividends and/or JCP (gross of income tax), in the last 12 months, divided by the preferred share closing quotation of the last day of the period.

Payout Index - % (in the previous 12 months)

Payout index: it indicates the percentage of the net income paid as dividends/JCP.

Formula used: amount received by shareholders as dividends and/or JCP (net of income tax) divided by the adjusted net income by non-recurring events (discounted the legal reserve).

Financial Volume - Bradesco PN x Ibovespa

Source: Economática

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Adjusted Net Earnings per Share - R\$ (in the previous 12 months) (*)

(*) For comparison purposes, the amounts were adjusted according to stock bonus and splits in the period.

Appreciation Index - Bradesco PN (BBDC4) x Ibovespa - %

Source: Economática

Bradesco Share Performance

In 4Q08, Bradesco preferred shares depreciated by 24.9% (adjusted by dividends). In 2008, the loss stood at 37.0%. Ibovespa also recorded losses of 24.2% in 4Q08 and losses of 41.2% in the year. Stocks performance mainly reflects a strong devaluation in the Brazilian stock market (and also the world market), effects of the world financial crisis.

Adjusted Statement of Income

	In millions of R\$					
	Years		Variation	2008		Variation
	2007	2008	%	3rd Qtr.	4th Qtr.	%
Revenues from Financial Intermediation	41,594	59,603	43.3	16,081	19,060	18.5
Loan Operations	22,372	29,863	33.5	8,004	8,865	10.8
Leasing Operations	917	2,398	161.5	691	817	18.2
Securities Transactions	7,649	14,153	85.0	4,702	5,391	14.7
Insurance, Private Pension Plans and Certificated						
Savings Plans	7,501	6,477	(13.7)	866	1,467	69.4
Derivative Financial Instruments	1,264	1,546	22.3	95	161	69.5
Foreign Exchange Transactions	647	3,639	462.4	1,244	2,013	61.8
Compulsory Deposits	1,244	1,527	22.7	479	346	(27.8)
Expenses From Financial Intermediation (excluding PDD)	19,294	33,954	76.0	9,747	12,388	27.1
Federal Funds Purchased and Securities Sold under						
Agreements to Repurchase	13,726	22,762	65.8	6,560	7,666	16.9
Price-Level Restatement and Interest on Technical						
Provisions for Insurance, Private Pension Plans						
and Certificated Savings Plans	4,617	4,008	(13.2)	346	926	167.6
Borrowing and Onlending	943	7,179	661.3	2,840	3,794	33.6
Leasing Operations	8	5	(37.5)	1	2	100.0
Financial Margin	22,300	25,649	15.0	6,334	6,672	5.3
Allowance for Loan Losses	5,498	7,287	32.5	1,824	1,962	7.6
Gross Income from Financial Intermediation	16,802	18,362	9.3	4,510	4,710	4.4
Other Operating Income/Expenses	(7,173)	(7,972)	11.1	(1,902)	(2,271)	19.4
Fee and Commission Income	10,806	11,215	3.8	2,819	2,818	
Operating Income from Insurance, Private						
Pension Plans and Certificated Savings Plans	711	2,254	217.0	629	543	(13.7)
(+) Net Premiums Written	21,479	23,149	7.8	5,821	6,204	6.6
(-) Reinsurance Premiums	(622)	(325)	(47.7)	(84)	(69)	(17.9)
(=) Retained Premiums from Insurance, Private						
Pension Plans and Certificated Savings Plans	20,857	22,824	9.4	5,737	6,135	6.9
Retained Premiums from Insurance	8,659	10,183	17.6	2,695	2,694	
Private Pension Plans Contributions	10,642	10,941	2.8	2,599	2,964	14.0
Income from Certificated Savings Plans	1,556	1,700	9.3	443	477	7.7

Variation in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	(11,670)	(10,533)	(9.7)	(2,624)	(2,733)	4.2
Variation in Technical Provisions for Insurance	(1,423)	(525)	(63.1)	(222)	(151)	(32.0)
Variation in Technical Provisions for Private Pension Plans	(10,258)	(10,004)	(2.5)	(2,397)	(2,582)	7.7
Variation in Technical Provisions for Certificated Savings Plans	11	(4)		(5)		
Retained Claims	(6,014)	(7,391)	22.9	(1,823)	(2,147)	17.8
Certificated Savings Plans Drawings and Redemptions	(1,378)	(1,466)	6.4	(382)	(411)	7.6
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(1,084)	(1,179)	8.8	(279)	(301)	7.9
Insurance Products Selling Expenses	(849)	(937)	10.4	(237)	(241)	1.7
Private Pension Plans Selling Expenses	(218)	(230)	5.5	(58)	(56)	(3.4)
Certificated Savings Plans Selling Expenses	(17)	(12)	(29.4)	16	(4)	
Personnel Expenses	(6,570)	(7,167)	9.1	(1,825)	(1,890)	3.6
Other Administrative Expenses	(6,912)	(8,185)	18.4	(2,111)	(2,290)	8.5
Tax Expenses	(2,389)	(2,207)	(7.6)	(536)	(496)	(7.5)
Equity in Earnings of Unconsolidated Companies	42	136	223.8	23	47	104.3
Other Operating Income	1,436	1,718	19.6	544	521	(4.2)
Other Operating Expenses	(4,297)	(5,736)	33.5	(1,445)	(1,524)	5.5
Operating Income	9,629	10,390	7.9	2,608	2,439	(6.5)
Non-Operating Income	24	(3)		8	(6)	
Income before Tax on Income and Interest	9,653	10,387	7.6	2,616	2,433	(7.0)
Income Tax and Social Contribution	(2,432)	(2,728)	12.2	(696)	(610)	(12.4)
Minority Interest in Subsidiaries	(11)	(34)	209.1	(10)	(17)	70.0
Adjusted Net Income	7,210	7,625	5.8	1,910	1,806	(5.4)
Annualized Return on Shareholders Equity (*) (%)	28.3	23.8		25.1	22.8	

(*) Refers to average Shareholders Equity and does not consider the mark-to-market effects on available-for-sale securities.

Analysis of the Statement of Income - in millions of R\$**Income from Loan and Leasing Operations**

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
23,281	32,256	38.6	8,694	9,680	11.3

In the year, income was up mainly as result of: (i) the increase in the average volume of the loan portfolio, which totaled R\$150,558 in December/08 against R\$110,709 in December/07, that is, a 36.0% increase. We highlight the corporate portfolio, with an increase of 37.1% due to Financing to Export, Working Capital, BNDES Onlending and Estate Financing products. In the individual portfolio, the growth was 24.7%, with focus on the products connected to Consumer Financing ; (ii) the better credit recovery R\$360; (iii) the increase in average rate, from 21.0% in 2007 to 21.4% in 2008, observing CDI variation.

The variation was basically due to: (i) the 22.1% foreign exchange variation, which impacted Loans and Financing indexed/denominated in foreign currency, which represent 8.0% of the loan portfolio, impacting the average rate of 5.6% in 3Q08 to 5.8% in 4Q08. We point out the 10.1% increase in the corporate portfolio, basically due to the Financing to Export , Real Estate Financing , and Working Capital products and; (ii) the 4.6% increase in the individual portfolio, with focus on products linked to Consumer Financing .

Income from Securities and Derivative Financial Instruments

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
8,913	15,699	76.1	4,797	5,552	15.7

The increase in income during the year is mainly due to: (i) the increase in the average portfolio volume (Securities, Derivative Financial Instruments and Interbank Investments); (ii) the increase in the average rate from 11.9% in 2007 to 14.4% in 2008, as a result of IGP-M, CDI and U.S. dollar variation; partially **mitigated** by: (iii) the lower non-interest income in the amount of R\$376 of IGP-M, CDI, U.S. dollar and the higher non-interest income gains in the amount of R\$46, related to treasury/securities considering R\$(126) from the negative mark-to-market variation of CDS on Brazilian government securities issued abroad.

The variation in income in the quarter is mainly due to: (i) the increase in the average portfolio volume (Securities, Derivative Financial Instruments and Interbank Investments); and (ii) the increase in the average rate of 4.0% in 3Q08 to 4.4% in 4Q08, as a result of IGP-M, CDI, U.S. dollar and the higher non-interest income gains in the amount of R\$46, related to treasury/securities considering R\$(126) from the negative mark-to-market variation of CDS, on Brazilian government securities issued abroad.

Income from Insurance, Private Pension Plans and Certificated Savings Plans

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
7,501	6,477	(13.7)	866	1,467	69.4

The variation in the year was basically due to:

(i) the decrease in average rate from 12.1% in 2007 to 9.3% in 2008, as a result of the IGP-M, CDI and Ibovespa index variation in the year, reflected in the negative variation of equities funds that comprise the PGBL/ VGBL portfolio and traditional plans in the year, as well as the lower non-interest income of R\$400, chiefly due to the lower gains in share trading, resulting from the world's financial market volatility in 2H08; **offset** by: (ii) the increase in the average portfolio volume.

The R\$601 increase in the revenue is mainly comprised by: (i) the R\$418 increase in the equities portfolio revenue of VGBL and PGBL products, which presents a recovery q-o-q; and (ii) the R\$174 increase in the fixed income portfolio revenue of VGBL/PGBL products. We point out that the VGBL/PGBL volume invested in fixed income increased from R\$27,450 in September 2008 to R\$31,066 in December 2008, and the VGBL/PGBL amount invested in fixed income dropped from R\$9,225 in September 2008 to R\$6,972 in December 2008.

Income from Foreign Exchange Transactions

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
647	3,639	462.4	1,244	2,013	61.8

For a better analysis, this item should be analyzed with the deduction of expenses with foreign funding, used to finance import/export operations, in accordance with note 11a. After these deductions, the result would be R\$378 in 2007 and R\$1,017 in 2008, chiefly due to the increase in average interest rates in view of volatility of world financial market, as well as the volume of foreign exchange portfolio.

For a better analysis, this item should be analyzed with the deduction of expenses with foreign funding used to finance import/export operations, in accordance with note 11a. After these deductions, the result would be R\$257 in 3Q08 and R\$441 in 4Q08, primarily due to the increase in average interest rates in view of volatility of world financial market, as well as the volume of foreign exchange portfolio.

Income from Compulsory Deposits

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
1,244	1,527	22.7	479	346	(27.8)

The variation is basically due to: (i) the increase in the average volume of time deposits in the year, since average rates remained practically steady; **mitigated** by: (ii) Bacen softened compulsory deposits requirements, aiming at increasing liquidity at the Brazilian Financial System.

The variation is primarily due to Bacen softened compulsory deposits requirements, aiming at increasing liquidity at the Brazilian Financial System.

Expenses with Federal Funds Purchased and Securities Sold under Agreements to Repurchase

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
13,726	22,762	65.8	6,560	7,666	16.9

The variation in the year is mostly due to: (i) the increase in the average funding volume, especially time deposits; and (ii) the increase in the average cost of funding in 2H08, due to liquidity shortage caused by world financial crisis.

The variation in the quarter essentially derives from: (i) the increase in the average funding volume; and (ii) the increase in the average rate from 2.9% in 3Q08 to 3.2% in 4Q08, as a result of higher average cost of funding in 4Q08.

Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
4,617	4,008	(13.2)	346	926	167.6

The variation in the year is basically due to: (i) the decrease in the average rate from 8.7% in 2007 to 6.5% in 2008, as a result of IGP-M, CDI and Ibovespa index variation in 2H08 (indexes which remunerate technical provisions); **mitigated** by: (ii) the higher average volume of technical provisions, especially the PGBL and VGBL products.

The increase in the R\$580 expense is basically related to the counter- entry of the R\$418 increase in variable income and the R\$174 increase in fixed income of VGBL/PGBL products, already mentioned in the Financial Income from Insurance, Private Pension Plans and Certificated Savings Plans item. The same prior observations in relation to the portfolio breakdown of the mentioned products are valid for the VGBL/PGBL technical provisions.

Borrowing and Onlending Expenses

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
943	7,179	661.3	2,840	3,794	33.6

The variation in the year is basically due to: (i) the increase in the average funding volume, represented by domestic and foreign operations; and (ii) the increase of the average rate from 4.7% in 2007 to 26.0% in 2008, resulting from a positive exchange variation on funding/onlending abroad.

The variation in the quarter is mainly due to: (i) the increase in the average rate from 10.0% in 3Q08 to 11.5% in 4Q08, resulting from foreign exchange variation from 22.1% in 4Q08 over funding/ onlending abroad; and (ii) the increase in the average funding volume, represented by domestic and foreign operations.

Financial Margin

(*) (Interest Financial Margin)/(Average Total Assets - Permanent Assets - Purchase and Sale Commitments).

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
22,300	25,649	15.0	6,334	6,672	5.3

The variation of R\$3,349 in the financial margin is basically due to: (i) the increase in the result of interest-earning operations of R\$3,787, R\$6,036 of which is due to a growth in the average business volume and R\$2,249 is due to the decrease in spreads; basically **offset** by: (ii) the decrease in non-interest income in the amount of R\$438, of which R\$776 from lower treasury/securities gains, of which R\$326 from the negative mark-to-market the variation of CDS related to Brazilian government securities issued abroad, caused by the world financial market volatility in 2H08, **mitigated** by higher credit recovery in the amount of R\$360.

The variation of R\$338 in financial margin is basically due to: (i) the growth in the result of interest-earning operations in the amount of R\$275, R\$682 from increase in the average business volume and R\$407 from reduction in spreads due to change in portfolio mix (higher growth of corporate segment); and (ii) the increase in the non-interest income in the amount of R\$63 related to treasury/securities gains, even considering R\$(126) from the negative mark-to-market variation of CDS related to Brazilian government securities issued abroad (R\$(276) in 4Q08 and R\$(150) in 3Q08), caused by world financial market volatility.

Allowance for Loan Losses Expenses

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
5,498	7,287	32.5	1,824	1,962	7.6

The increase in the year of R\$1,789 is compatible with the growth of our loan portfolio (33.4% or R\$53,938 in 2008) with the relevant participation of individuals that, due to their characteristics, require higher provisioning volume, whose growth in the year was 24.7% or R\$13,227.

The expense variation in the quarter due to higher total delinquency ratio (over 90 days), which recorded an increase of 0.1 percentage point in view of the downturn in the macroeconomic scenario.

Fee and Commission Income

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
10,806	11,215	3.8	2,819	2,818	

The increase of income in the year is mainly due to: (i) the higher volume of operations; with focus on: (a) card income, R\$585; (b) asset management, R\$131; (c) collection R\$114; **mitigated** by: (ii) the effect of the fee adjustments charged from individuals affecting the checking account item R\$92; and (iii) TAC no longer collected R\$350, impacting the operations item.

Income in the quarter remained practically steady. The variations occurred were the following: (i) lower revenue from loan operation fees, in the amount of R\$34, due to the lower volume of operations, mainly from vehicle financing; (ii) lower underwriting operations, R\$26; (iii) lower revenue from asset management, R\$21, resulting from the reallocation of funds to more conservative loan investments, such as savings accounts and CDB; **mitigated** by: (iv) higher card income, R\$86.

Retained Premiums from Insurance, Private Pension Plans and Certificated Savings Plans

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
20,857	22,824	9.4	5,737	6,135	6.9

The growth of premiums in the year is detailed in the charts below.

The variation in the quarter is detailed in the charts below.

a) Retained Premiums from Insurance

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
8,659	10,183	17.6	2,695	2,694	

The variation in the year is basically due to the increase in the production of: (i) Health line, R\$1,012, in which premiums presented an increase due to the expansion of the corporate health and dental insurance portfolio premium and SPG (Health for Small Groups), as well as the implementation of annual financial restatements and for technical balance of the policies; (ii) Life line, R\$357 (mainly in Group Life and Moneylender lines); (iii) basic lines, R\$51; (iv) other lines, R\$91; and (v) Auto line, R\$13, despite the strong competition in auto insurance, the insurance company had growth in premiums excluding premiums collected by former subsidiary Indiana in 2007. This fact is mainly due to the competitiveness maintenance policy and the pricing according to profile, improvement of processes and creation of products destined to specific publics, such as Auto Muller for women.

Obs.: in order to comply with Susep Circular Letter 356, Individual Life redemption was reclassified to technical provision variation.

The variation between the quarters was steady. However, there were the following variations between the lines: (i) in the Health line R\$21 (ii) in the Life line R\$29; **offset** by the drop: (iii) in basic lines R\$24; (iv) in the Auto line R\$7; and (v) in other lines R\$20.

Obs.: in order to comply with Susep Circular Letter 356, Individual Life redemption was reclassified to technical provision variation .

b) Private Pension Plans Contributions

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
10,642	10,941	2.8	2,599	2,964	14.0

The increase in the year is due to the higher commercialization of the VGBL product, R\$162 and the PGBL/Traditional products R\$137.

Obs.: in order to comply with Susep Circular Letter 356, VGBL redemption was reclassified to technical provision variation.

The variation in the quarter is due to the higher sales of the PGBL/ Traditional products, R\$252 and the VGBL product R\$113, due to the seasonal increase in the business volume in 4Q08 (Christmas bonus).

Obs.: in order to comply with Susep Circular Letter 356, VGBL redemption was reclassified to technical provision variation.

c) Income on Certificated Savings Plans

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
1,556	1,700	9.3	443	477	7.7

The variation in the year is due to: (i) the sale in 2008 of the new products: *Pé Quente Bradesco Pessoa Juridica* (lump sum payment of R\$1,000.00), *Pé Quente Bradesco Amazonas Sustentável* (monthly payment of R\$20.00) and *Pé Quente Bradesco Instituto Ayrton Senna* (monthly payment of R\$30.00).

The variation in the quarter is mainly due to the beginning of the sales, in September/08, of the new product *Pé Quente Bradesco Amazonas Sustentável Empresarial* (lump sum payment of R\$20,000.00) and of the beginning of the automatic renewal of the products *Pé Quente Bradesco SOS Mata Atlântica Empresarial* and *Pé Quente Bradesco Ayrton Senna Empresarial* as of October/08.

Variation in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(11,670)	(10,533)	(9.7)	(2,624)	(2,733)	4.2

The variation in the year is detailed in the charts below.

The variation in the quarter is detailed in the charts below.

a) Variation in Technical Provisions for Insurance

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(1,423)	(525)	(63.1)	(222)	(151)	(32.0)

The variation in technical provisions is directly related to the sale of insurance in its respective effectiveness period. The higher the sale of premiums, the higher the recording of technical provisions, considering an average period of 12 months. The higher amounts of technical provisions in 2008 were: (i) in the Life line, R\$339; (ii) Health line, R\$79; (iii) in the Auto line, R\$79; and (iv) in the basic lines R\$25.

Obs. 1: the 2007 amount was influenced by the excess provision for health insurance.

Obs. 2: in order to comply with Susep Circular Letter 356, there was a reclassification of Individual Life Plan redemptions to this item.

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The higher the sale of premiums, the higher the recording of technical provisions, considering an average period of 12 months. The higher amounts of technical provisions in 4Q08 were: (i) in the Life Line, R\$100; and (ii) Auto line, R\$53.

Obs. 1: the 2007 quarter amounts were influenced by the excess provision for health insurance.

Obs. 2: In order to comply with Susep Circular Letter 356, there was a reclassification of Individual Life Plan redemptions to this item.

b) Variation in Technical Provisions for Private Pension Plans

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(10,258)	(10,004)	(2.5)	(2,397)	(2,582)	7.7

Variations in technical provisions are directly related to production. The variations in the year are due to the smaller number of provisions for PGBL/Traditional products, R\$251.

Obs.: In order to comply with Susep Circular Letter 356, there was a reclassification of benefits and redemptions to this item.

Variations in technical provisions are directly related to production. The variations in the quarter are due to the higher recording of provision for: (i) VGBL product, R\$126; and (ii) for the PGBL/Traditional products R\$59.

Obs.: In order to comply with Susep Circular Letter 356, there was a reclassification of benefits and redemptions to this item.

c) Variation in Technical Provisions for Certificated Savings Plans

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
11	(4)		(5)		

The variation is mainly due to the reversion of technical provision for contingencies in 2007.

The variation in the quarter is mainly due to the creation of technical provision for contingencies and administrative provision occurred in 3Q08.

Retained Claims

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(6,014)	(7,391)	22.9	(1,823)	(2,147)	17.8

The increase of claims in the year is due to the increase in production and the resulting growth in the volume of reported claims (i) in the Health line, R\$989, (ii) in the Life lines, R\$209 (R\$100 of which related to the increase of the IBRN tail from 5 to 7 years); (iii) in basic lines, R\$72, R\$40 of which are related to losses caused by flooding in the state of Santa Catarina; (iv) in other lines, R\$87; and (v) in the Auto line, R\$20.

The increase of claims in the quarter is due to the increase in production and the resulting growth in the volume of reported claims: (i) Health line R\$138 also affected by the U.S. Dollar valuation in laboratory/medical costs; (ii) in the Life lines, R\$115 (R\$100 of which related to the increase of the IBNR tail from 5 to 7 years); (iii) in the Auto/RE lines, R\$85, R\$40 of which are related to losses caused by flooding in the state of Santa Catarina; **mitigated** by: (iv) the decrease in reported claims and in other lines, R\$14.

Obs.: Claim ratios were recalculated due to new resolutions in Susep Circular Letter 356.

Obs.: Claim ratios were recalculated due to new resolutions in Susep Circular Letter 356.

Certificated Savings Plans Drawings and Redemptions

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(1,378)	(1,466)	6.4	(382)	(411)	7.6

The redemptions are directly related to revenue. The variation in the year is due to the increase in revenues.

The redemptions are directly related to revenue. The variation in the quarter is due to the increase in revenues.

Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(1,084)	(1,179)	8.8	(279)	(301)	7.9

The variation in the year is detailed in the charts below.

The variation in the quarter is detailed in the charts below.

a) Insurance Products Selling Expenses

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(849)	(937)	10.4	(237)	(241)	1.7

The variation in the year is due to the increase of insurance production, mainly in the Health line, R\$49, and Life lines, R\$37.

Obs.: selling ratios were recalculated due to resolutions in the Susep Circular Letter 356.

The expense in the quarter remained practically stable.

Obs.: selling ratios were recalculated due to resolutions in the Susep Circular Letter 356.

b) Private Pension Plans Selling Expenses

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(218)	(230)	5.5	(58)	(56)	(3.4)

The variation in the year is basically due to the increase in sales of private pension plan products and, consequently, in selling expenses.

The expense in the quarter remained practically stable.

c) Certificated Savings Plans Selling Expenses

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(17)	(12)	(29.4)	16	(4)	

The variation in the year is due to the higher volume of selling activities in 2007.

The variation is due to the accounting reclassification of administrative and selling expenses. After this reclassification, selling expenses would be R\$(3) in 3Q08.

Personnel Expenses

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(6,570)	(7,167)	9.1	(1,825)	(1,890)	3.6

The growth in the year is basically due to: (i) the expansion of the customer service network (from 29,982 in 2007 to 38,183 in 2008 which includes 3,359 branches) and the subsequent hiring of employees (from 82,773 in 2007 to 86,622 in 2008); (ii) the increase in salary levels resulting from collective bargaining agreements of 2007 (6%), in addition to benefits and others in the amount of R\$439; (iii) the collective bargaining agreement of 2008 (8.15% to 10%) of R\$158 (R\$42 related to the restatement of labor liabilities and R\$116 increase of payroll); (iv) higher expenses with labor claims provisions in the amount of R\$20; (v) higher expenses with training in the amount of R\$16; **mitigated** by: (vi) lower expenses related to PLR in the amount of R\$45.

The variation in the quarter is basically due to: (i) the increase in the salary levels (8.15% to 10%) in the amount of R\$34, and R\$96 were recorded in 4Q08 and R\$62 in 3Q08; and (ii) increase of R\$31, related to the expansion of the customer service network and increase in business volume, with the increase in the number of employee.

Other Administrative Expenses

Years			2008		
2007	2008	Variation %	3rd Qtr.	4th Qtr.	Variation %
(6,912)	(8,185)	18.4	(2,111)	(2,290)	8.5

The increase in the year is basically due to: (i) organic growth, with the expansion of customer service network in Brazil (from 29,982 service stations in December/07 to 38,183 in December/08 which includes 3,359 branches); (ii) the increase in the volume of businesses; (iii) contractual adjustments; and (iv) investments in the improvement and optimization of the technological platform (IT Improvements Project).

The variation in the quarter is basically due to the higher expenses with: (i) advertisement and publicity, R\$61; (ii) outsourced services, R\$51; (iii) communication, R\$19; (iv) rental, R\$14; (v) lease of assets R\$13; and (vi) maintenance and repairs, R\$12.

Tax Expenses

Years			2008		
2007	2008	Variation %	3rd Qtr.	4th Qtr.	Variation %
(2,389)	(2,207)	(7.6)	(536)	(496)	(7.5)

The reduction in the year is basically due to: (i) the lower CPMF expenses R\$252, given the abolishment of this contribution in 2008, **mitigated** by (ii) the PIS/Cofins higher expenses in the amount of R\$69 due to the increase of taxable income.

The variation in the quarter is basically due to the lower PIS/Cofins expenses, R\$41, due to the decrease in the calculation basis of taxable income in 4Q08.

Equity in Earnings (Losses) of Unconsolidated Companies

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
42	136	223.8	23	47	104.3

The variation in the year is due to the higher results in affiliated companies in 2008, basically through IRB-Brasil Resseguros, R\$84.

The variation in the quarter derives from higher results in affiliated companies in 4Q08, basically through IRB-Brasil Resseguros, R\$28.

Other Operating Income

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
1,436	1,718	19.6	544	521	(4.2)

The increase in the year is mainly due to: (i) higher financial revenues, R\$175; and (ii) higher reversals of operating provisions, R\$79, basically from the fiscal provision.

The variation in the quarter is mainly due to: (i) lower reversals of operating provisions, basically from the fiscal provision; **mitigated** by: (ii) higher financial revenues.

Other Operating Expenses

Years			2008		
2007	2008	Variation %	3rd Qtr.	4th Qtr.	Variation %
(4,297)	(5,736)	33.5	(1,445)	(1,524)	5.5

The increase in the year is mostly due to higher expenses with: (i) other financial expenses, R\$306; (ii) recording of operating provisions, R\$259; (iii) sundry losses, R\$235; (iv) amortization of prepaid expenses with operational agreements R\$170; (v) financing commission, R\$122; and (vi) search and seizure, R\$81.

The variation in the quarter basically derives from: (i) sundry losses, R\$46; and (ii) financial expenses, R\$29.

Operating Income

Years			2008		
2007	2008	Variation %	3rd Qtr.	4th Qtr.	Variation %
9,629	10,390	7.9	2,608	2,439	(6.5)

The increase in the year derives from: (i) the higher financial margin, R\$3,349; (ii) the increase in the income from insurance, private pension plans and certificated savings plans operations, R\$1,543; (iii) the higher fee and commission income, R\$409; (iv) the lower tax expenses, R\$182; (v) the increase in the equity in earnings (losses) of unconsolidated companies, R\$94; **mitigated** by (vi) the higher personnel and administrative expenses, R\$1,870; (vii) the higher allowance for loan losses expenses, R\$1,789; and (viii) the higher operating expenses (net of income), R\$1,157.

Obs.: for a more detailed analysis of the variation of each item, we recommend reading each specific item mentioned herein.

The variation in the quarter derives from: (i) the higher personnel and administrative expenses, R\$244; (ii) the higher allowance for loan losses expenses, R\$138; (iii) the higher operating expenses (net of income), R\$103; (iv) the decrease in the income from insurance, private pension plans and certificated savings plans, R\$86; **offset** by: (v) the increase in financial margin, R\$338; (vi) the lower tax expenses, R\$40 and; (vii) the increase in the equity in earnings (losses) of unconsolidated companies, R\$24.

Obs.: for a more detailed analysis of the variation of each item, we recommend reading each specific item mentioned herein.

Non-Operating Income

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
24	(3)		8	(6)	

The variation in the period is mainly due to the higher recording of non-operating provisions.

The variation in the quarter is basically due to the higher recording of non-operating provisions.

Income Tax and Social Contribution

Years			2008		
2007	2008	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(2,432)	(2,728)	12.2	(696)	(610)	(12.4)

The variation in income tax and social contribution expenses in the year reflects tax charge on earnings before taxes, adjusted by additions and exclusions, according to note 34.

The variation in income tax and social contribution expenses in the quarter reflects tax charge on earnings before taxes, adjusted by additions and exclusions, according to note 34.

Comparative Balance Sheet

Assets	In millions of R\$					
	December		Variation	2008		Variation
	2007	2008	%	September	December	%
Current and Long-Term Assets	336,221	446,802	32.9	416,161	446,802	7.4
Funds Available	5,487	9,295	69.4	7,259	9,295	28.0
Interbank Investments	37,622	74,191	97.2	57,351	74,191	29.4
Securities and Derivative Financial Instruments	114,452	131,598	15.0	132,372	131,598	(0.6)
Interbank and Interdepartmental Accounts	24,466	13,804	(43.6)	27,082	13,804	(49.0)
Restricted Deposits:						
Brazilian Central Bank	23,539	13,201	(43.9)	25,541	13,201	(48.3)
Others	927	603	(35.0)	1,541	603	(60.9)
Loan and Leasing Operations	116,258	150,545	29.5	144,349	150,545	4.3
Loan and Leasing Operations	123,974	160,500	29.5	153,336	160,500	4.7
Allowance for Loan Losses	(7,716)	(9,955)	29.0	(8,987)	(9,955)	10.8
Other Receivables and Assets	37,936	67,369	77.6	47,748	67,369	41.1
Foreign Exchange Portfolio	9,837	24,837	152.5	13,435	24,837	84.9
Other Receivables and Assets	28,209	42,840	51.9	34,462	42,840	24.3
Allowance for Other Loan Losses	(110)	(308)	180.0	(149)	(308)	106.7
Permanent Assets	4,922	7,611	54.6	6,501	7,611	17.1
Investments	604	1,048	73.5	823	1,048	27.3
Premises and Equipment and						
Leased Assets	2,103	3,250	54.5	2,309	3,250	40.8
Intangible Assets	2,215	3,313	49.6	3,369	3,313	(1.7)
Intangible Assets	4,111	5,833	41.9	5,682	5,833	2.7
Accumulated Amortization	(1,896)	(2,520)	32.9	(2,313)	(2,520)	8.9
Total	341,143	454,413	33.2	422,662	454,413	7.5
Liabilities						
Current and Long-Term Liabilities	310,442	419,561	35.1	387,640	419,561	8.2
Deposits	98,323	164,493	67.3	139,170	164,493	18.2
Demand Deposits	28,495	27,610	(3.1)	26,694	27,610	3.4
Savings Deposits	32,813	37,768	15.1	35,681	37,768	5.8
Interbank Deposits	373	698	87.1	340	698	105.3
Time Deposits	35,717	97,414	172.7	75,529	97,414	29.0
Other Deposits	925	1,003	8.4	926	1,003	8.3
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	73,634	79,977	8.6	87,464	79,977	(8.6)
Funds from Issuance of Securities	6,488	9,012	38.9	6,535	9,012	37.9
Securities Issued Abroad	2,991	5,202	73.9	3,417	5,202	52.2

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Other Funds	3,497	3,810	9.0	3,118	3,810	22.2
Interbank and Interdepartmental Accounts	2,538	2,914	14.8	2,538	2,914	14.8
Borrowing and Onlending	23,410	31,947	36.5	31,979	31,947	(0.1)
Borrowing	8,066	14,205	76.1	14,002	14,205	1.4
Onlending	15,344	17,742	15.6	17,977	17,742	(1.3)
Derivative Financial Instruments	952	2,042	114.5	2,326	2,042	(12.2)
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	58,526	64,587	10.4	62,888	64,587	2.7
Other Liabilities	46,571	64,589	38.7	54,740	64,589	18.0
Foreign Exchange Portfolio	3,467	13,538	290.5	5,978	13,538	126.5
Taxes and Social Security Contributions,						
Social and Statutory Payables	12,035	13,275	10.3	10,844	13,275	22.4
Subordinated Debt	15,818	19,249	21.7	17,518	19,249	9.9
Sundry Liabilities	15,251	18,527	21.5	20,400	18,527	(9.2)
Deferred Income	189	274	45.0	227	274	20.7
Minority Interest in Subsidiaries	155	321	107.1	627	321	(48.8)
Shareholders Equity	30,357	34,257	12.8	34,168	34,257	0.3
Total	341,143	454,413	33.2	422,662	454,413	7.5

Equity Analysis in millions of R\$**Funds Available**

December			2008		
2007	2008	Variation %	September	December	Variation %
5,487	9,295	69.4	7,259	9,295	28.0

The variation in the year is due to the higher volume of funds available: (i) in foreign currency, R\$2,950; and (ii) in local currency, R\$858.

The variation in the quarter is due to the higher volume of funds available: (i) in foreign currency, R\$1,107; and (ii) in local currency, R\$929.

Interbank Investments

December			2008		
2007	2008	Variation %	September	December	Variation %
37,622	74,191	97.2	57,351	74,191	29.4

The variation in the year derives from: (i) an increase in our own portfolio position in the amount of R\$18,190; (ii) an increase in funded status, R\$10,171; (iii) an increase in short position, R\$1,058; and (iv) the increase in interest-earning deposits in other banks, R\$7,150.

The variation in the quarter derives from: (i) an increase in our own portfolio position, R\$14,489; (ii) an increase in interest-earning deposits in other banks, R\$8,106; (iii) an increase in short position, R\$184; **offset** by: (iv) a decrease in the funded status in the amount of R\$5,939.

Equity Analysis in millions of R\$**Securities and Derivative Financial Instruments**

December			2008		
2007	2008	Variation %	September	December	Variation %
114,452	131,598	15.0	132,372	131,598	(0.6)

The increase in the year is substantially due to (i) the additional funds derived from the increase in funding, particularly technical provisions for insurance, private pension plans and certificated savings plans; (ii) the variation in average rate, mainly observing the 12.3% CDI variation in 2008; partially **mitigated** by (iii) the redemption/maturity of securities. The portfolio profile (excluded from purchase and sale commitments), based on the Management's intent, is distributed as follows: Trading Securities, 69.8%; Available-for-Sale Securities, 9.4%; and Held-to-Maturity Securities, 20.8%. In December/08, 52.9% of the total portfolio (excluded from purchase and sale commitments) was represented by Government securities, 22.8% by Corporate Securities and 24.3% by PGBL and VGBL fund quotas.

The decrease in the quarter is mainly due to: (i) the redemption/ maturity of securities; partially **mitigated** by: (ii) additional funds arising from higher funding, especially the raising of time deposits; (iii) the variation in average rate, observing the 3.3% CDI variation in 4Q08;

Interbank and Interdepartmental Accounts

December			2008		
2007	2008	Variation %	September	December	Variation %
24,466	13,804	(43.6)	27,082	13,804	(49.0)

The variation in the year is basically due to (i) the decrease in Bacen additional compulsory deposit requirements, R\$8,110 which in compliance with Circular Letter 3,419 of the Central Bank altered the additional requirement over bank deposits to be no longer collected in cash but in federal government securities; (ii) the reduction in the volume of compulsory deposit requirements collected from demand deposits, R\$3,269, in view of a decrease in the 45% rate of compulsory deposit in December/07

The variation in the quarter is basically due to (i) the decrease in additional compulsory deposit requirements, R\$10,707 which in compliance with Circular Letter 3,419 of Brazilian Central Bank altered the additional requirement over bank deposits to be no longer collected in cash but in federal government securities; (ii) the decrease in the volume of compulsory deposit requirements collected from demand deposits, R\$2,076 in view of a reduction in the compulsory deposit rate from 45% in September/08 to 42% in December/08; (iii) the decrease in items Check Clearance Services,

to 42% in December/08; **offset** by: (iii) an increased volume of compulsory deposit requirements collected from savings accounts in the amount of R\$1,041, due to an increase in the balance of savings deposits by 15.1% in the year.

Correspondent Bank Accounts and Interdepartmental Accounts, in the amount of R\$942; **offset** by: (iv) an increase in the volume of compulsory deposit requirements collected from savings deposits in the amount of R\$443, due to an increase in the balance of the savings deposits by 5.8% in the period.

Loan and Leasing Operations

December			2008		
2007	2008	Variation %	September	December	Variation %
131,307	173,423	32.1	160,634	173,423	8.0

The increase in the year is due to the individuals client portfolio, with 24.7% growth, particularly in the products Leasing, up by 247.2%; Personal Loan, up by 6.7%; Credit Card, up 24.4%; Rural, up 31.5%; and Real Estate Financing, up 47.7%. The 37.1% growth recorded in the corporate portfolio is a result of the 28.2% increase in micro and SMEs portfolio, coupled with a 47.6% increase in the portfolio of large companies (Corporate). In the corporate portfolio we point out operations of: Export Financing up 75.6%;

Working Capital, with an increase of 76.1% Leasing, up 83.8%; and Real Estate Financing, up 67.3%. In December/08, the portfolio was distributed at 61.6% for corporate (25.7% directed to industry, public and private sectors, 13.6% to commerce, 20.2% to services, 1.3% to farming and ranching and 0.8% to financial intermediation) and 38.4% for individuals. In terms of concentration, the 100 largest borrowers accounted for 20.6% of the portfolio in December/07 and for 22.1% in December/08. The Performing Loan Portfolio reached the amount of R\$159,634 in December/08. Out of this total, 28.6% is due within up to 90 days.

Obs. 1: this item includes advances on foreign exchange contracts and other receivables and does not include the allowance for loan losses, as described in note 10.

Obs. 2: for a better understanding of these operations, see item Loan Operations on page 83.

The variation in the quarter is a result of 10.1% growth recorded in the corporate portfolio resulting from the 419% increase in the portfolio of micro and SMEs and 16.0% in the portfolio of large corporates. It is worth pointing out the increase of: 3.7% in Foreign Operations; 2.3% in Leasing; and 17.5% in Working Capital. There was 4.6% growth in the individual portfolio, especially in the products: Leasing, with a 10.2% increase; and Real Estate Financing, up 9.4%. In terms of concentration, the 100 largest borrowers accounted for 20.7% of the portfolio in September/08 and 22.1% in December/08.

Obs. 1: this item includes advances on exchange contracts and other receivables and does not take into account the allowance for loan losses, as described in Note 10.

Obs. 2: for a better understanding of these operations, see item Loan Operations on page 83.

Allowance for Loan Losses (PDD)

December			2008		
2007	2008	Variation %	September	December	Variation %
(7,826)	(10,263)	31.1	(9,136)	(10,263)	12.3

The variation in the PDD balance for the year was mostly due to a 33.4% increase in the volume of loan operations. The PDD ratio in relation to the loan portfolio went from 6.0% in December/07 to 5.9% in December/08. Provision coverage ratios in relation to the portfolio of non-performing loans, respectively, rated between E and H, decreased from 148.3% in December/07 to 144.5% in December/08 and, between D and H, reduced from 125.7% in December/07 to 117.3% in December/08. The preventive maintenance of current provision levels made all performance indicators remain at high levels. In 2008, PDD in the amount of R\$7,884 was recorded, and R\$5,447 was written off. The exceeding PDD volume in relation to the minimum required increased from R\$1,128 in December/07 to R\$1,621 in December/08.

The increase in the PDD balance in the quarter basically results from (i) the 9.2% growth of the loan portfolio; (ii) the recording of non-recurring provisions, in the amount of R\$597, R\$429 of which were recorded as Excess PDD and R\$168 as General PDD, due to rating review of some corporate clients. The PDD ratio in relation to the loan portfolio increased from 5.7% in September/08 to 5.9% and December/08. The provision coverage ratios in relation to the portfolio of non-performing loans, respectively, rated from E to H, went from 143.9% in September/08 to 144.5% in December/08, and those rated from D to H went from 121.6% in September/08 to 117.3% in December/08. The preventive maintenance of current provision levels made all performance indicators remain at high levels. In 4Q08, PDD in the amount of R\$2,559 was recorded and R\$1,432 was written off. The exceeding PDD volume in relation to the minimum required went from R\$1,192 in September/08 to 1,621 in December/08.

Other Receivables and Assets

December			2008		
2007	2008	Variation %	September	December	Variation %
37,495	64,600	72.3	47,387	64,600	36.3

The variation in the year is mainly due to (i) the increase in exchange operations, R\$15,000; (ii) the increase in tax credit balances, R\$4,935, basically as a result of temporary provisions; (iii) the increase in credit card operations R\$1,744; (iv) the increase in the balance of debtors by secured deposits, R\$1,693; (v) the increase in the balance of securities trading and intermediation of R\$1,619; and (vi) the increase in the balance of recoverable taxes and contributions, R\$985.

The variation in the quarter is mainly derived from (i) the increase in exchange operations, R\$11,402; (ii) the higher tax credit balances, R\$2,667, basically due to temporary provisions; (iii) the increase in credit card operations R\$1,080; (iv) the advance of funds to FGC, in the amount of R\$898; and (v) the increase in the balance of recoverable taxes and contributions, in the amount of R\$766.

Obs.: balances are deducted (net of corresponding PDD) from R\$361 in September/08 to R\$2,769 in December/08, allocated to the Loan and Leasing

Obs.: balances are deducted (net of Operations and Allowance for Loan Losses items. corresponding PDD) of R\$411 in December/07 and of R\$2,769 in December/08, allocated to the Loan and Leasing Operations and Allowance for Loan Losses items.

Permanent Assets

December			2008		
2007	2008	Variation %	September	December	Variation %
4,922	7,611	54.6	6,501	7,611	17.1

The variation in the year is basically due to: (i) the increase in premises and equipment and leased assets R\$1,147, with R\$805 related to the financial lease adjustment (Law 11,638/07); (ii) the goodwill in the acquisition of Ágora Corretora, R\$662, R\$459 of which refer to future profitability/client portfolio and R\$203 are related to the surplus of acquired assets (BM&FBovespa); (iii) other intangible assets, R\$638; and (iv) the increase in investments in affiliated companies, R\$125, basically resulting from the non-consolidation of Serasa in 2008 and equity in the earnings of unconsolidated companies.

The variation in the quarter is basically due to: (i) the increase in premises and equipment and leased assets, R\$940, R\$805 of which related to the financial lease adjustment (Law 11,638/07); and (ii) the increase in intangible assets, R\$147.

Deposits

December			2008		
2007	2008	Variation %	September	December	Variation %
98,323	164,493	67.3	139,170	164,493	18.2

The increase in the year is detailed in the charts below:

The variation in the quarter is detailed in the charts below:

a) Demand Deposits

December			2008		
2007	2008	Variation %	September	December	Variation %
28,495	27,610	(3.1)	26,694	27,610	3.4

The R\$885 variation in the year arises: (i) the decrease in funds from corporate clients R\$1,786; **offset** by: (ii) the increase in funds from individuals, R\$901. This variation is influenced by the no longer collection of CPMF in the last week of December/07, that resulted in the maintenance of funds in checking accounts for further investments.

The R\$916 variation in the quarter is due to: (i) the increase in funds resulting from: (i) corporate clients, R\$458; and (ii) individuals, R\$458.

b) Savings Deposits

December			2008		
2007	2008	Variation %	September	December	Variation %
32,813	37,768	15.1	35,681	37,768	5.8

The increase is mainly due to (i) the deposits made in the year, partially a result of the migration of funds deriving from investment funds (search for more conservative investments); and (ii) the deposit remuneration (TR + 0.5% p.m.), which reached 7.9% in the year/08.

The variation is mainly due to (i) the deposit remuneration (TR + 0.5% p.m.), which reached 2.2% in 4Q08; and (ii) the deposits occurred in the quarter, partially a result of the migration of funds deriving from investment funds (search for more conservative investments).

c) Time Deposits

December			2008		
2007	2008	Variation %	September	December	Variation %
35,717	97,414	172.7	75,529	97,414	29.0

The increase in the year is mostly due to (i) the remuneration of deposits; and (ii) the increase in the volume raised in the year, resulting from investors and branch network clients, partially as a result of the migration of funds deriving from investment funds (search for more conservative investments); and (iii) a greater need of funding of this modality in order to meet the new compulsory deposit requirements created for interbank investments deriving from leasing companies.

The increase in the quarter is mainly due to (i) the income appropriated; and (ii) the increase in the volume raised in the quarter, resulting from investors and branch network clients, partially as a result of the migration of funds deriving from investment funds (search for more conservative investments).

d) Interbank Deposits and Other Deposits

December			2008		
2007	2008	Variation %	September	December	Variation %
1,298	1,701	31.0	1,266	1,701	34.4

The variation in the year results from (i) the increase in the volume of Interbank Deposits in the amount of R\$325; and (ii) the increase in Other Deposits Investment Account, in the amount of R\$78.

The variation in the quarter is due to: (i) the increase in the volume of Interbank Deposits in the amount of R\$358; and (i) the increase in Other Deposits Investment Account, in the amount of R\$77.

Federal Funds Purchased and Securities Sold under Agreements to Repurchase

December			2008		
2007	2008	Variation %	September	December	Variation %
73,634	79,977	8.6	87,464	79,977	(8.6)

The variation in the year derives from: (i) the increase in third-party portfolio by R\$9,781; (ii) the increase in the funding volume, using as base government and private securities of its own portfolio by R\$354; **offset** by (iii) the decrease in the unrestricted portfolio by R\$3,792.

Obs.: includes investment funds applied in purchase and sale commitments with Bradesco, whose owners are subsidiaries included in the consolidated financial statements, in the amount of R\$10,198 in December/07 and R\$16,397 in December/08.

The variation in the quarter derives from: (i) the decrease in the third- party portfolio, R\$6,332; (ii) the decrease in funding volume, using as base its own portfolio, R\$1,409; **offset** by: (iii) the increase in the unrestricted portfolio, R\$254.

Obs.: includes investment funds applied in purchase and sale commitments with Bradesco, whose owners are subsidiaries included in the consolidated financial statements, in the amount of R\$15,691 in September/08 and R\$16,397 in December/08.

Funds from Issuance of Securities

December			2008		
2007	2008	Variation %	September	December	Variation %
6,488	9,012	38.9	6,535	9,012	37.9

The variation in the year basically derives from: (i) the increase in the volume of funding of securitization securities of the future flow MTN100, in the amount of R\$2,813; (ii) the funding from letters of credit for agribusiness, R\$1,353; (iii) the exchange variation of 31.9% in 2008; **offset** by: (iv) the decrease in the balance of debentures, R\$1,108, repurchased from clients and redirected to purchase and sale commitments; and (v) the reduction in the MTN Program Issues balance, R\$456.

The increase mainly derives from (i) the volume of funding of securitization securities of the future flow MTN100, in the amount of R\$1,782; (ii) the 22.1% exchange variation in the quarter; and (iii) the funding from letters of credit for agribusiness, R\$774.

Interbank and Interdepartmental Accounts

December			2008		
2007	2008	Variation %	September	December	Variation %
2,538	2,914	14.8	2,538	2,914	14.8

The variation in the year is mostly due to the higher volume of collection of third parties in transit.

The variation in the quarter is mainly due to the higher volume of collection of third parties in transit.

Borrowing and Onlending

December			2008		
2007	2008	Variation %	September	December	Variation %
23,410	31,947	36.5	31,979	31,947	(0.1)

The variation in the year is due to the increase in the volume of funds from foreign and local borrowing and onlending in the amounts of R\$4,882 and R\$3,655, respectively (mainly by means of Finame and BNDES operations), influenced by exchange variation of 31.9% in 2008, which affected the foreign currency indexed and/or denominated borrowing and onlending liabilities, the balances of which were R\$9,621 in December/07 and R\$14,593 in December/08.

The variation in the quarter results from (i) the decrease in the volume of funds from foreign and local borrowing and onlending R\$1,225, **offset** by: (ii) the increase in the country R\$1,193 (mainly by means of Finame and BNDES operations), influenced by the exchange variation of 22.1% in 4Q08, which affected the foreign currency indexed and/or denominated borrowing and onlending liabilities, the balances of which were R\$15,741 in September/08 and R\$14,593 in December/08.

Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans

December			2008		
2007	2008	Variation %	September	December	Variation %
58,526	64,587	10.4	62,888	64,587	2.7

The increase in the year is basically due to: (i) the increase in sales of supplementary private pension plans, certificated savings plans and insurance policies; and (ii) the price-level restatement and interest of technical provisions. The main variations occurred: (a) in the private pension plan segment, in the VGBL, R\$3,111 and PGBL/Traditional, R\$1,957, plans; (b) in the insurance segments, in the Health line, R\$214, and in the Life line, R\$399 (R\$100 of which resulting from the increase of the IBNR tail from 5 to 7 years); and (c) in the certificated savings plans segment, R\$214.

The increase in the quarter is basically due to: (i) the price-level restatement and interest of technical provisions; and (ii) the increase in sales of supplementary private pension plans, certificated savings plans and insurance policies. The main variations occurred: (a) in the private pension plan segment, in the VGBL, R\$849, and PGBL/Traditional, R\$483, plans; (b) in the insurance segment, in the Life line, R\$194 (R\$100 of which resulting from the increase of the IBNR tail from 5 to 7 years); and (c) in the Auto line, R\$100.

Other Liabilities, Derivative Financial Instruments and Deferred Income

December			2008		
2007	2008	Variation %	September	December	Variation %
54,494	76,751	40.8	64,081	76,751	19.8

The variation in the year mostly derives from: (i) the increase of the Exchange Portfolio , R\$13,135; (ii) the increase in Subordinated Debts , R\$3,431; (iii) the increase of the balance of items Tax and Social Security , R\$1,644; (iv) Derivative Financial Instruments , R\$1,090; (v) Acquisition of Assets and Rights , R\$810.

The variation in the quarter is mainly due to: (i) the increase of the Exchange Portfolio , R\$10,618; (ii) the increase in Subordinated Debts , R\$1,731; (iii) Acquisition of Assets Financial Lease , R\$1,042; (iv) the increase in the Acquisition of Assets and Rights , R\$700; (v) the increase in items Tax and Social Security R\$639; (vi) **mitigated** by: (v) the decrease in item Collection and Payment of Securities and Similar Bonds , R\$2,039.

Obs.: excludes advances on foreign exchange contracts of R\$6,782 and R\$9,846 allocated to the specific item of loan operations in December/07 and December/08, respectively.

Obs.: excludes advances on foreign exchange contracts of R\$6,788 in September/08 and R\$9,846 in December/08, allocated to the specific item of loan operations.

Equity Analysis R\$ million**Minority Interest in Subsidiaries**

December			2008		
2007	2008	Variation %	September	December	Variation %
155	321	107.1	627	321	(48.8)

The variation in the year is basically due to the minority shareholders of Banco Bradesco BBI S.A., R\$81 and of Celta Holding S.A. R\$69.

The variation in the quarter is basically due to the decrease in minority shareholders of Banco Bradesco BBI S.A. by R\$322.

Shareholders' Equity

December			2008		
2007	2008	Variation %	September	December	Variation %
30,357	34,257	12.8	34,168	34,257	0.3

The variation in the year is due to: (i) the appropriation of reported net income in the amount of R\$7,620; (ii) the capital increase in the amount of R\$1,200; (iii) the goodwill calculated in the sale of the remaining shares from the subscription in the amount of R\$7; which was **offset** by: (iv) the interest on shareholders' equity/dividends paid and provisioned, R\$2,692; (v) the reduction of the market value adjustment reserve of Securities and Derivatives, R\$2,131; (vi) the adjustment of previous years (Law 11,638/07), R\$99; and (vii) the acquisition of our own shares for treasury, R\$5. (*) In September and December 2008, it refers to Basel II.

The variation in the quarter is due to: (i) the appropriation of reported net income in the amount of R\$1,605 which was **offset** by: (ii) the decrease in the market value adjustment reserve of Securities and Derivatives, R\$795, (iii) the interest on shareholders' equity/dividends paid and provisioned, R\$621; (iv) adjustment of previous years (Law 11,638/07), R\$99; and (v) the acquisition of our own treasury shares, R\$1.

2-Main Statement of Income Information

Consolidated Statement of Adjusted Income in thousand of R\$

	Years				
	2008	2007	2006	2005	2004
Revenues from Financial Intermediation	59,603,824	41,592,988	38,375,859	34,268,623	27,210,965
Loan Operations	29,862,392	22,372,226	20,408,469	17,158,864	13,000,941
Leasing Operations	2,398,185	916,745	653,260	444,389	300,850
Operations with Securities	14,152,733	7,647,781	7,025,986	7,073,266	5,975,474
Financial Income from Insurance, Private Pension Plans and Certificated Savings Plans	6,477,152	7,501,995	6,887,472	6,171,213	5,142,434
Derivative Financial Instruments	1,547,028	1,264,654	1,344,438	1,307,818	922,827
Foreign Exchange Operations	3,639,003	646,352	729,647	617,678	691,302
Compulsory Deposits	1,527,331	1,243,235	1,326,587	1,495,395	1,177,137
Expenses from Financial Intermediation (Excluding PDD)	33,954,595	19,293,584	18,536,698	17,719,666	13,980,085
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	22,761,960	13,726,131	12,666,708	12,421,171	9,341,527
Price-Level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	4,007,684	4,616,356	4,004,823	3,764,530	3,215,677
Borrowing and Onlending Operations	7,179,517	942,776	1,857,009	1,525,270	1,405,389
Leasing Operations	5,434	8,321	8,158	8,695	17,492
Financial Margin	25,649,229	22,299,404	19,839,161	16,548,957	13,230,880
Allowance for Loan Losses Expenses	7,286,779	5,497,709	4,412,413	2,507,206	2,041,649
Gross Income from Financial Intermediation	18,362,450	16,801,695	15,426,748	14,041,751	11,189,231
Other Operating Income/Expenses	(7,970,370)	(7,172,136)	(6,759,505)	(6,543,186)	(7,071,120)
Fee and Commission Income	11,215,095	10,805,490	8,897,882	7,348,879	5,824,368
Operating Income from Insurance, Private Pension Plans and Certificated Savings Plans	2,255,643	711,512	1,025,221	620,991	(60,645)
Insurance, Private Pension Plans and Certificated Savings Plans Retained Premiums	22,823,750	20,856,935	18,008,226	13,647,089	13,283,677
Net Premiums Written	23,148,752	21,478,969	19,021,852	16,824,862	15,389,170
Reinsurance Premiums	(325,002)	(622,034)	(1,013,626)	(3,177,773)	(2,105,493)
Variation of Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	(10,532,671)	(11,669,410)	(8,711,991)	(5,010,940)	(6,094,753)
Retained Claims	(7,391,196)	(6,014,455)	(6,026,651)	(5,825,292)	(5,159,188)
Certificated Savings Plans Drawings and Redemptions	(1,466,045)	(1,377,758)	(1,221,626)	(1,228,849)	(1,223,287)
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(1,178,195)	(1,083,800)	(1,022,737)	(961,017)	(867,094)

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Personnel Expenses	(7,166,253)	(6,569,547)	(5,932,406)	(5,311,560)	(4,969,007)
Other Administrative Expenses	(8,184,330)	(6,911,514)	(5,870,030)	(5,142,329)	(4,937,143)
Tax Expenses	(2,206,502)	(2,388,815)	(2,149,905)	(1,827,337)	(1,464,446)
Equity in the Earnings (Losses) of Unconsolidated Companies	135,356	42,268	72,324	76,150	163,357
Other Operating Income	1,718,246	1,435,192	1,420,217	1,096,968	1,198,532
Other Operating Expenses	(5,737,625)	(4,296,722)	(4,222,808)	(3,404,948)	(2,826,136)
Operating Income	10,392,080	9,629,559	8,667,243	7,498,565	4,118,111
Non-Operating Income	(3,432)	24,550	(8,964)	(106,144)	(491,146)
Income Before Tax on Income and Interest	10,388,648	9,654,109	8,658,279	7,392,421	3,626,965
Income Tax and Social Contribution	(2,728,848)	(2,432,630)	(2,286,765)	(1,869,516)	(554,345)
Minority Interest in Subsidiaries	(33,821)	(11,213)	(9,007)	(8,831)	(12,469)
Adjusted Net Income	7,625,979	7,210,266	6,362,507	5,514,074	3,060,151
 Adjustments	 (5,741)	 799,458	 (1,308,467)		
 Reported Net Income	 7,620,238	 8,009,724	 5,054,040	 5,514,074	 3,060,151
 Return on (Average) Shareholders Equity without Adjustment to Market Value Reserve Securities and Derivatives (Adjusted Income)	 23.8%	 28.3%	 31.1%	 32.7%	 22.5%
Adjusted Financial Margin Interest (*)	7.6%	8.3%	9.0%	9.0%	8.2%

(*) (Adjusted Interest Financial Margin) / (Total Average Assets - Permanent Assets - Purchase and Sale Commitments).

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	2008				2007			
	4 th Qtr.	3 rd Qtr.	2 nd Qtr.	1 st Qtr.	4 th Qtr.	3 rd Qtr.	2 nd Qtr.	1 st Qtr.
Revenues from Financial Intermediation	19,061,087	16,080,524	12,768,540	11,693,673	11,162,847	10,612,598	10,248,772	9,566,811
Loan Operations	8,864,704	8,003,935	6,422,633	6,571,120	6,073,076	5,650,541	5,416,011	5,233,111
Leasing Operations	816,841	691,068	517,740	372,536	283,874	248,354	192,700	191,111
Operations with Securities	5,391,255	4,701,956	2,239,185	1,820,337	1,807,151	2,026,424	2,018,989	1,791,111
Financial Income from Insurance, Private Pension Plans and Certificated Savings Plans	1,467,509	865,743	2,467,555	1,676,345	2,068,229	1,889,168	1,859,454	1,681,111
Derivative Financial Instruments	162,016	94,496	761,901	528,615	390,459	371,879	303,746	191,111
Foreign Exchange Operations	2,013,231	1,244,094	(14,203)	395,881	231,895	121,888	143,305	141,111
Compulsory Deposits	345,531	479,232	373,729	328,839	308,163	304,344	314,567	311,111
Expenses from Financial Intermediation (Excluding PDD)	12,388,745	9,746,539	6,175,442	5,643,869	5,165,547	5,033,028	4,545,323	4,541,111
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	7,666,503	6,559,832	4,717,570	3,818,055	3,523,771	3,536,178	3,370,988	3,291,111
Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	926,147	345,659	1,711,644	1,024,234	1,287,681	1,188,122	1,096,964	1,041,111
Borrowing and Onlending	3,794,252	2,839,757	(254,877)	800,385	352,835	306,355	74,374	201,111
Leasing Operations	1,843	1,291	1,105	1,195	1,260	2,373	2,997	1,111
Financial Margin	6,672,342	6,333,985	6,593,098	6,049,804	5,997,300	5,579,570	5,703,449	5,011,111
Allowance for Loan Losses Expenses	1,961,700	1,823,900	1,834,342	1,666,837	1,555,779	1,438,305	1,343,964	1,151,111
Gross Income from Financial Intermediation	4,710,642	4,510,085	4,758,756	4,382,967	4,441,521	4,141,265	4,359,485	3,851,111
Other Operating Income/Expenses	(2,271,390)	(1,902,013)	(1,981,631)	(1,815,336)	(1,960,671)	(1,683,978)	(1,949,496)	(1,571,111)
Fee and Commission Income	2,817,724	2,819,169	2,774,673	2,803,529	2,895,760	2,742,006	2,608,536	2,551,111
Operating Income from Insurance, Private Pension Plans and Certificated Savings Plans	543,941	628,781	568,164	514,757	146,407	208,341	115,334	241,111
Retained Premiums	6,135,168	5,737,083	5,666,383	5,285,116	6,052,442	5,268,063	4,892,880	4,641,111
Net Premiums Issued	6,204,046	5,821,416	5,756,330	5,366,960	6,174,894	5,448,219	5,054,748	4,801,111
Reinsurance Premiums	(68,878)	(84,333)	(89,947)	(81,844)	(122,452)	(180,156)	(161,868)	(151,111)

Variation of Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	(2,732,824)	(2,624,258)	(2,642,347)	(2,533,242)	(3,643,969)	(2,952,534)	(2,659,549)	(2,411,111)
Retained Claims	(2,147,086)	(1,822,420)	(1,782,118)	(1,639,572)	(1,594,955)	(1,488,084)	(1,503,530)	(1,421,111)
Certificated Savings Plans Drawings and Redemptions	(410,563)	(382,466)	(354,756)	(318,260)	(378,480)	(345,729)	(352,506)	(301,111)
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(300,754)	(279,158)	(318,998)	(279,285)	(288,631)	(273,375)	(261,961)	(251,111)
Personnel Expenses	(1,889,770)	(1,824,801)	(1,715,129)	(1,736,553)	(1,820,181)	(1,640,132)	(1,649,408)	(1,451,111)
Other Administrative Expenses	(2,290,141)	(2,110,603)	(1,968,592)	(1,814,994)	(1,972,778)	(1,755,090)	(1,644,146)	(1,531,111)
Tax Expenses	(495,509)	(536,007)	(569,391)	(605,595)	(622,899)	(599,256)	(581,290)	(581,111)
Equity in the Earnings (Losses) of Unconsolidated Companies	46,930	22,601	33,656	32,169	9,771	16,403	4,505	1,111
Other Operating Income	520,615	543,998	323,851	329,782	424,016	374,964	298,938	331,111
Other Operating Expenses	(1,525,180)	(1,445,151)	(1,428,863)	(1,338,431)	(1,020,767)	(1,031,214)	(1,101,965)	(1,141,111)
Operating Income	2,439,252	2,608,072	2,777,125	2,567,631	2,480,850	2,457,287	2,409,989	2,281,111
Non-operating Income	(5,516)	7,857	(20,604)	14,831	21,425	1,710	4,129	(1,111)
Income Before Income Taxes and Interest	2,433,736	2,615,929	2,756,521	2,582,462	2,502,275	2,458,997	2,414,118	2,279,999
Income Tax and Social Contribution	(610,783)	(695,681)	(750,375)	(672,009)	(644,495)	(605,489)	(612,311)	(571,111)
Minority Interest in Subsidiaries	(16,502)	(10,013)	(3,715)	(3,591)	(3,678)	(3,018)	(1,450)	(1,111)
Adjusted Net Income	1,806,451	1,910,235	2,002,431	1,906,862	1,854,102	1,850,490	1,800,357	1,707,999
Adjustments Made	(201,364)			195,623	338,787	(40,277)	500,948	
Reported Net Income	1,605,087	1,910,235	2,002,431	2,102,485	2,192,889	1,810,213	2,301,305	1,707,999
Return on (Average) Shareholders Equity without Adjustment to Market Value Reserve Securities and Derivatives (Adjusted Income)	22.8%	25.1%	27.6%	28.7%	29.4%	31.4%	32.9%	33.3%
Adjusted Financial Margin Annualized Interest (*)	7.3%	7.8%	8.1%	8.4%	8.5%	8.6%	8.7%	

(*) (Adjusted Interest Financial Margin) / (Total Average Assets - Permanent Assets - Purchase and Sale Commitments).

Profitability

Bradesco's adjusted net income reached R\$7,625 million in 2008, against R\$7,210 million recorded in 2007, a 5.8% increase. Shareholders' equity amounted to R\$34,257 million on December 31, 2008, a 12.8% y-o-y growth. Accordingly, ROAE reached 23.8% (*). On December 31, 2008, total assets added up to R\$454,413 million, growing 33.2% y-o-y. The annualized ROAA in 2008 stood at 1.9%. Earnings per share reached R\$2.48.

In 4Q08, the result was R\$1,806 million, a decrease of R\$104 million or 5.4% compared to the adjusted net income of 3Q08. The annualized ROAE reached 22.8% (*) and the annualized ROAA, in 4Q08, was 1.7%. Earnings per share reached R\$0.59.

In 4Q08, financial margin revenues increased, in the amount of R\$338 million, mainly due to: (i) the increase in interest-earning operations, in the amount of R\$275 million, R\$682 million from higher average volume of business and R\$407 million from decrease in spread due to change in portfolio mix (higher growth of corporate segment); and (ii) the increase in the non-interest income, in the amount of R\$63 million, related to higher treasury/securities gains, even considering R\$(126) million from the negative CDS variation related to Brazilian government securities issued abroad, (R\$(276) million in 4Q08 and R\$(150) million in 3Q08), caused by world financial markets volatility.

The operating result from insurance, private pension plans and certificated savings plans had, in the 4Q08, an R\$86 million decrease, basically motivated: (i) by insurance operations, in the amount of R\$258 million, of which R\$100 million are mainly due to the IBNR tail expansion from 5 to 7 years (life line) and R\$40 million by losses caused by floods that stroke the state of Santa Catarina, as well as claim increase in the Health line, reflecting the impact of the U.S. Dollar valuation in laboratory/ medical costs; **mitigated** by: (ii) by supplementary private pension plan in the amount of R\$181 million, due to the seasonal increase in business volume in 4Q08 (Christmas bonus).

In 4Q08, the allowance for loan losses expenses had a variation of R\$138 million, as a result, basically, of the increase in the total delinquency ratio (over 90 days), which had an increase of 0.1 percentage point due to the downturn in the macroeconomic scenario.

The efficiency ratio of the year was 42.0%, with a decrease when compared to the 41.8%, recorded in 2007, and to the 41.6% recorded in the twelvemonth period ended on September 30, 2008. The variation occurred in the last two quarters reflects the organic growth and the investments in technology, which have been made more intensively in this period and results of which are expected for the next years.

The Coverage Ratio (fee and commission income)/ (personnel expenses + administrative expenses) of 2008 (73.1%) decreased 7.1 percentage points compared to the ratio recorded in 2007 (80.2%) and 2.4 percentage against the ratio of the twelvemonth period ended on September 30, 2008 (75.5%), mainly influenced by (i) the effect of the fee adjustment and TAC no longer charged as of 2008; (ii) the expansion of our service stations in the country (from 29,982 in December 2007 to 38,183 in December 2008, which includes 3,359 branches); and (iii) the investments in our technological platform (IT Improvement Project).

(*) not considering the mark-to-market effects of Available-for-Sale Securities in the Shareholders' Equity

Income by Business Segment

Income Breakdown %

Variation in the Main Statement of Income Items

Breakdown of Net Income in 2007 x 2008 in millions of R\$

(1) Composition: Premiums and net Contributions of variations in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans deducted from Claims, Drawings, Redemptions and Commissions, not including Financial Income on Insurance activities and price-level restatement and interest on Technical Provisions, which are included in the Financial Margin.

(2) Composition: Tax Expenses, Equity in the Earnings of Affiliated Companies, Other Operating Income, Other Operating Expenses, Non-Operating Income and Minority Interest in Subsidiaries.

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Breakdown of Net Income from 3Q08 to 4Q08 in millions of R\$

(1) Composition: Premiums and net Contributions of variations in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans deducted from Claims, Drawings, Redemptions and Commissions, not including Financial Income on Insurance activities and price-level restatement and interest on Technical Provisions, which are included in the Financial Margin.

(2)Composition: Tax Expenses, Equity in the Earnings of Affiliated Companies, Other Operating Income, Other Operating Expenses, Non-Operating Income and Minority Interest in Subsidiaries.

Variation in Items Composing the Financial Margin

Breakdown of Financial Margin in 2007 x 2008 in millions of R\$

Obs.: Considers the revenue generated by each product composing the financial margin, except the opportunity cost which, most of the time, is represented by the CDI variation.

Breakdown of Financial Margin from 3Q08 to 4Q08 in millions of R\$

Obs.: Considers the revenue generated by each product composing the financial margin, except the opportunity cost which, most of the time, is represented by the CDI variation.

Analysis of the Adjusted Financial Margin and Average Rates

Income x Loan Operations

	in millions of R\$			
	Year		2008	
	2007	2008	3 rd Qtr.	4 th Qtr.
Loan Operations	98,588	127,019	129,709	137,026
Leasing Operations	5,480	14,829	17,121	19,892
Advances on Exchange	6,135	7,669	7,182	8,317
Other Receivables	506	1,041	509	1,793
1 Total (Quarterly Average Balance)	110,709	150,558	154,521	167,028
2 Income (Loan, Leasing and Exchange Operations) (*)	23,557	32,324	8,587	9,674
3 Exponentially Annualized Average Rate (2/1)	21.3%	21.5%	24.1%	25.4%

(*) Includes Income from Loan Operations, Net Income from Leasing Operations and Income of the Adjusted Exchange (Note 11a).

Income on Securities x Securities

	in millions of R\$			
	Year		2008	
	2007	2008	3 rd Qtr.	4 th Qtr.
Securities	104,182	120,509	125,664	131,985
Interbank Investments	32,493	58,306	65,521	65,771
Purchase and Sale Commitments	(58,917)	(81,779)	(92,871)	(83,720)
Derivative Financial Instruments	(1,356)	(1,708)	(1,962)	(2,184)
4 Total (Quarterly Average Balance)	76,402	95,328	96,352	111,852
5 Income on Securities (Net of Purchase and Sale Commitments Expenses) (*)	10,260	12,106	2,590	4,029
6 Exponentially Annualized Average Rate (5/4)	13.4%	12.7%	11.2%	15.2%

(*) Includes Interest Income from Insurance, Private Pension Plans and Certificated Savings Plans, Derivative Financial Instruments and Foreign Exchange Adjustment (Note 11a).

Income from Financial Intermediation x Total Assets

	in millions of R\$			
	Year		2008	
	2007	2008	3 rd Qtr.	4 th Qtr.
7 Total Assets Permanent Assets Purchase and Sale Commitments (Quarterly Average Balance)	236,651	308,231	314,834	347,761
8 Income from Financial Intermediation	41,593	59,604	16,081	19,061
9 Exponentially Annualized Average Rate (8/7)	17.6%	19.3%	22.0%	23.8%

Expenses x Funding

	in millions of R\$			
	Year		2008	
	2007	2008	3 rd Qtr.	4 th Qtr.
Deposits	87,145	126,290	130,961	151,832
Funds from Acceptance and Issuance of Securities	6,249	6,949	6,002	7,774
Interbank and Interdepartmental Accounts	2,082	2,522	2,498	2,726
Subordinated Debts	13,312	17,172	17,113	18,383
10 Total Funding (Quarterly Average Balance)	108,788	152,933	156,574	180,715
11 Expenses (*)	6,342	11,336	3,198	4,304
12 Exponentially Annualized Average Rate (11/10)	5.8%	7.4%	8.4%	9.9%

(*) Funding Expenses except Purchase and Sale Commitment expenses, less Income on Compulsory Deposits and Foreign Exchange Adjustment (Note 11a).

Expenses x Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans

	in millions of R\$			
	Year		2008	
	2007	2008	3 rd Qtr.	4 th Qtr.
13 Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans (Quarterly Average Balance)	53,305	61,558	62,478	63,738
14 Expenses (*)	4,616	4,008	346	926
15 Exponentially Annualized Average Rate	8.7%	6.5%	2.2%	5.9%

(14/13)

(* Price-Level Restatement and Interest on Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans.

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Expenses x Borrowing and Onlending (Local and Foreign)

	in millions of R\$			
	Year		2008	
	2007	2008	3 rd Qtr.	4 th Qtr.
Borrowing	6,929	10,502	11,138	14,103
Onlending	12,943	16,715	17,219	17,859
16 Total Borrowing and Onlending (Quarterly Average Balance)	19,873	27,217	28,358	31,962
17 Expenses from Borrowing and Onlending (*)	559	3,437	1,298	1,800
18 Exponentially Annualized Average Rate (17/16)	2.8%	12.6%	19.6%	24.5%

(*) Includes Foreign Exchange Adjustment (Note 11a).

Financial Margin x Total Assets

	in millions of R\$			
	Year		2008	
	2007	2008	3 rd Qtr.	4 th Qtr.
19 Total Assets Permanent Assets Purchase and Sale Commitments (Quarterly Average Balance)	236,651	308,231	314,834	347,761
20 Financial Margin (*)	22,300	25,649	6,334	6,672
21 Exponentially Annualized Average Rate (20/19)	9.4%	8.3%	8.3%	7.9%

(*) Gross Income from Financial Intermediation, excluding PDD.

Financial Market Indicators

Analysis of Financial Margin

a) Financial Margin Adjustment

We separately show the hedge fiscal effect referring to investments abroad in the compared periods that, regarding income, simply annuls the fiscal effect (IR/CS and PIS/Cofins) of this hedge strategy.

The fiscal effect is caused by the fact that the foreign exchange variation of investments abroad is not deductible when there is loss and non taxable when there is gain, while the income from derivatives is taxable when it generates gain and deductible when it generates loss.

Thus, the gross hedge income is reflected in the financial margin, in the Results from Derivative Financial Instruments item and its respective taxes are included in the Tax Expenses and Income Tax and Social Contribution items, as shown below:

Hedge Fiscal Effect of Investments Abroad in millions of R\$

Effect in the Items	Effect in 2007				Effect in 2008			
	Financial Margin	Tax Expenses	IR/CS	Net Income	Financial Margin	Tax Expenses	IR/CS	Net Income
Partial Result of the Hedge of Investments Abroad Foreign Exchange Variation of Investments Abroad	2,363	(110)	(766)	1,487	(5,538)	257	2,189	(3,092)
Total	876	(110)	(766)	(1,487)	(2,446)	257	2,189	3,092

Effect in the Items	Effect in 3Q08				Effect in 4Q08			
	Financial Margin	Tax Expenses	IR/CS	Net Income	Financial Margin	Tax Expenses	IR/CS	Net Income
Partial Result of the Hedge of Investments Abroad Foreign Exchange Variation of Investments Abroad	(2,762)	128	1,054	(1,580)	(4,091)	190	1,561	(2,340)
Total	(1,182)	128	1,054	1,580	(1,751)	190	1,561	2,340

For a better understanding of the financial margin in the periods, the effects of the referred hedge and the foreign exchange variation of investments abroad in the financial margin were excluded, as well as results on sale/mark-to-market of investments, as follows:

Adjusted Financial Margin

	In millions of R\$					
	Year		Variation	2008		Variation
	2007	2008		3 st Quarter	4 nd Quarter	
Reported Financial Margin	23,530	23,657	127	5,152	5,375	223
(-) Sale of Arcelor	(354)		354			
(-) Mark-to-market of Visa Inc. shares		(454)	(454)		(454)	(454)
(-) Hedge/Foreign Exchange Variation	(876)	2,446	3,322	1,182	1,751	569
Adjusted Financial Margin	22,300	25,649	3,349	6,334	6,672	338
Average Adjusted Financial Margin Rate (*)	9.4%	8.3%		8.3%	7.9%	

(*) (Annualized Adjusted Financial Margin) / (Total Average Assets - Permanent Assets - Purchase and Sale Commitments).

b) Adjusted Financial Margin Variation

In 2008, the adjusted financial margin reached R\$25,649 million, representing a 15.0% y-o-y increase over the R\$22,300 million recorded in 2007. When comparing 4Q08 with 3Q08, there was a 5.3% increase in the adjusted financial margin. The analytical opening of the financial margin result between interest and non-interest results is shown below:

Adjusted Financial Margin Breakdown

	In millions of R\$					
	Year		Variation	2008		Variation
	2007	2008		3 st Quarter	4 nd Quarter	
Interest due to volume			6,036			682
Interest due to spreads			(2,249)			(407)
(=) Financial Margin - Interest	19,633	23,420	3,787	5,939	6,214	275
(+) Financial Margin - Non-Interest	2,667	2,229	(438)	395	458	63
(=) Adjusted Financial Margin	22,300	25,649	3,349	6,334	6,672	338

In 2008, the interest financial margin amounted to R\$23,420 million versus R\$19,633 million recorded in 2007, accounting for a y-o-y increase of 19.3% or R\$3,787 million. This variation had an impact due to the increase in the volume of operations, which positively contributed to the financial margin by R\$6,036 million. This result was partially minimized by the increase in the share of operations of large and medium-sized companies, which reduced the average spread, in the amount of R\$2,249 million.

There was a 4.6% or R\$275 million q-o-q increase in the interest financial margin. This variation was positively impacted by R\$682 million due to the higher credit growth in relation to funding, while the reduction in spreads had a negative effect of R\$407 million, due to the change in the portfolio mix (higher growth of corporate segment).

Below, we show the interest financial margin entry among the main business lines of Bradesco:

In millions of R\$

	Year		Variation	2008		Variation
	2007	2008		3 st Quarter	4 nd Quarter	
Loan	13,159	16,136	2,977	4,081	4,256	175
Funding	2,201	2,748	547	733	830	97
Insurance	2,147	2,097	(50)	495	499	4
Securities/Others	2,126	2,439	313	630	629	(1)
(=) Financial Margin Interest	19,633	23,420	3,787	5,939	6,214	275

In 2008 we can observe a strong increase in the loan margin, with a growth of R\$2,977 million compared to 2007 and a 22.6% growth. Q-o-q we can observe that the highest results of the financial margin interest were observed in funding and loan, evolving R\$97 million, growing 13.2% and R\$175 million, with a growth of 4.3%, respectively, especially leveraged by the growth of volumes.

Bradesco recorded a 32.1% y-o-y growth in loan operations, reflecting an increase in the financial margin, both in individuals segment, in products for consumer financing, and in the corporate clients segment, in products for the business working capital.

In the q-o-q comparison, we observe a growth in the volume of Corporate portfolio, reflecting the companies needs of funds denominated in domestic currency, especially in the working capital segment. In addition, we point out an ongoing growth of consumer financing for individuals.

We also point out the real estate financing product, which had a significant organic growth in 2008 compared to 2007, benefited by the Organization's extensive network.

As result of the confidence achieved in the market and its excellent capacity and reputation, Bradesco has been outstandingly performing in funding operations. When comparing 2008 with 2007, the balance increased R\$54 billion or 48.4% and time deposits standing out, and the margin had a variation of R\$547 million or a 24.9% growth.

Q-o-q, the funding business line recorded an increase in the balance of R\$25 billion or 14.2% and the time deposits was the main product that contributed to such growth, and the margin had a variation of R\$97 million or a 13.2% growth.

In relation to securities and other operations, the evolutions recorded in the q-o-q comparison and in the 2008 y-o-y comparison mainly derive from the volume growth.

The result of insurance business line stood at R\$499 million in 4Q08, slightly improving compared to the previous quarter.

The growth in the interest financial margin when compared to the quarter since 2005 is shown in the graph below:

Adjusted Financial Margin Breakdown

(* (Interest Financial Margin) / Average Total Assets - Permanent Assets - Purchase and Sale Commitments).

The annualized interest financial margin rate reached 7.3% in 4Q08, a decrease when compared to the 7.8% index observed in the previous quarter. The growth of loan, in lower risk lines, and funding volumes, as previously mentioned were essential to soften the effect of this decrease, reaffirming Bradesco's solidity.

The non-interest adjusted financial margin reached R\$458 million in 4Q08 against R\$395 million in 3Q08. This growth of R\$63 million was basically due to higher treasury/securities gains, even considering R\$(126) million from the negative mark-to-market variations of CDS related to Brazilian government securities issued abroad (R\$(276) million in 4Q08 and R\$(150) million in 3Q08) caused by world financial markets volatility.

Y-o-y, the non-interest adjusted financial margin reached R\$2,229 million against R\$2,667 million in 2007. The R\$438 million decrease is basically comprised of: (i) R\$776 million of lower treasury/ securities gains, R\$326 million of which are related to the negative mark-to-market variation of CDS, related to Brazilian government securities issued abroad, caused by world financial markets volatility in 2H08; **mitigated** by: (ii) the higher credit recovery, in the amount of R\$360 million.

Allowance for Loan Losses**PDD Growth**

In millions of R\$

	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
	Opening Balance	7,033	7,428	6,646	8,652	9,136
Amount Recorded	1,438	1,556	5,498	1,824	2,559	7,884
Amount Written-off	(1,105)	(1,158)	(4,389)	(1,340)	(1,432)	(5,447)
Balance from Acquired Institutions	62		71			
Closing Balance	7,428	7,826	7,826	9,136	10,263	10,263
Specific Allowance	4,196	4,413	4,413	5,274	5,928	5,928
Generic Allowance	2,120	2,285	2,285	2,670	2,714	2,714
Excess Allowance	1,112	1,128	1,128	1,192	1,621	1,621
Credit Recovery	197	288	882	345	353	1,242

PDD for Loan and Leasing Operations

In millions of R\$

	2007		2008	
	September	December	September	December
	PDD (A)	7,428	7,826	9,136
Loan Operations (B)	116,357	131,307	160,634	173,423
PDD over Loan Operations (A/B)	6.4%	6.0%	5.7%	5.9%

Coverage Ratio PDD/Non-performing Loans (E to H)

In millions of R\$

	2007		2008	
	September	December	September	December
	(1) Total Allowances	7,428	7,826	9,136
(2) Non-performing Loans (E-H)	5,034	5,277	6,347	7,100
Coverage Ratio (1/2)	147.5%	148.3%	143.9%	144.5%

Coverage Ratio NPL (*)

In millions of R\$

	2007		2008	
	September	December	September	December
(1) Total Allowances	7,428	7,826	9,136	10,263
(2) Non Performing Loans	5,155	5,564	6,734	7,853
NPL Ratio (1/2)	144.1%	140.7%	135.7%	130.7%

(*) Loan operations overdue for more than 59 days and which do not generate income under the accrual method of accounting.

For further information on PDD, see pages 170 and 171 of this Report.

Fee and Commission Income

	In millions of R\$					
	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Card Income	623	688	2,449	779	865	3,034
Checking Accounts	591	609	2,357	557	554	2,265
Loan Operations	504	521	1,934	356	322	1,584
Assets under Management	376	384	1,439	407	386	1,570
Collection	217	227	859	252	254	973
Interbank Fee	81	85	321	89	95	353
Consortium Management	61	65	236	84	84	318
Custody and Brokerage Services	64	71	241	79	101	329
Tax Payment	63	56	255	60	61	239
Other	162	190	715	156	96	550
Total	2,742	2,896	10,806	2,819	2,818	11,215

In 2008, fee and commission income increased by 3.8%, an increase of R\$409 million y-o-y.

The main items that influenced in the increase of fee and commission income over the years were:

23.9% growth, represented by the increase of R\$585 million in Card Income item itself related to the increase of 15.9% of the cards base, from 70,469 thousand to 81,691 thousand, as well as the 19.7% increase of the number of transactions, from 798,474 thousand to 955,902 thousand;

5.4% growth in asset management, from R\$177.5 billion on December 31, 2007 to R\$187.2 billion on December 31, 2008, related to the R\$131 million growth in the Asset Management item;

13.3% growth represented by the increase of R\$114 million in the Collection item related to the increase in business volume, of which it is market leader with a 30.1% market share (Sisbacen September 2008);

R\$82 million growth in the Consortium Management item, resulting from the 15.9% increase in active quotas, varying from 298,618 on December 31, 2007 to 345,969 on December 31, 2008; and

reduction in the Checking Account (R\$92 million) and Loan Operations items (R\$350 million), basically due to the fees adjustment and TAC no longer charged to individuals.

When comparing 4Q08 and 3Q08, revenue remained steady. The highest variations derived from:

the reduction in loan operation fees in the amount of R\$ 34 million, due to the lower volume of operations, especially vehicles financing;

the R\$26 million reduction in underwriting operations, due to the reduction of operations;

the R\$21 million decrease in Asset Management item, resulting from the reallocation of funds to more conservative assets, such as savings accounts and CDB; and

the 11.0% increase represented by the R\$86 million increase in item Card Income item related to the 1.9% increase in the card base, from 80,207 thousand to 81,691 thousand, as well as the 9.8% increase in the number of transactions, from 240,654 thousand to 264,333 thousand;

Administrative and Personnel Expenses

	In millions of R\$					
	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Administrative Expenses						
Third-Party Services	433	474	1,635	576	627	2,129
Communication	238	250	940	264	283	1,061
Financial System Services	138	142	532	163	169	631
Depreciation and Amortization	135	137	538	149	151	612
Advertising and Publicity	133	229	598	150	211	643
Transportation	132	142	522	145	150	566
Rentals	102	104	402	116	130	462
Data Processing	106	114	407	120	124	449
Maintenance and Repairs	76	82	296	95	107	377
Assets Leasing	63	77	231	89	102	352
Security and Vigilance	50	50	193	58	57	218
Materials	52	52	197	52	60	204
Water, Electricity and Gas	39	45	174	43	48	183
Travel	19	20	70	23	22	87
Other	39	55	177	68	49	211
Total	1,755	1,973	6,912	2,111	2,290	8,185
Structural Personnel Expenses	1,373	1,380	5,295	1,517	1,582	5,903
Compensation/Social Charges	1,020	1,033	3,956	1,178	1,223	4,529
Benefits	353	347	1,339	339	359	1,374
Non Structural	267	441	1,275	308	308	1,264
PLR	149	272	771	180	169	726
Provision for Labor Claims	75	122	327	78	85	347
Training	22	24	75	28	30	91
Termination cost	21	23	102	22	24	100
Total	1,640	1,821	6,570	1,825	1,890	7,167
Total Administrative and Personnel Expenses	3,395	3,794	13,482	3,936	4,180	15,352

In 2008, administrative and personnel expenses reached R\$15,352 million, representing an R\$1,870 million increase when compared to the R\$13,482 million reached in 2007. The nominal variation of administrative expenses over the years showed a R\$1,273 million increase, reaching R\$8,185 million primarily due to: (i) organic growth, according to the expansion of service stations in the country from 29,982 in December 2007 to 38,183 in December 2008, which includes 3,359 branches; (ii) the increase in business volume; (iii) contractual adjustments in the period; and (iv) investments in the improvement and optimization of the technological platform (IT Improvements Project).

Personnel expenses increased R\$597 million y-o-y, reaching R\$7,167 million. The portion considered Structural increased R\$608 million, mainly due to the expansion of the customer service network and the consequent increase in staff (from 82,773 in December 2007 to 86,622 in December 2008), as well as the increase in the salary levels

resulting from the 2007 (6.0%) collective bargaining agreement, in addition to benefits and others in the amount of R\$439 million and the 2008 collective bargaining agreement (8.15% to 10%) of R\$158 million (R\$42 million related to the restatement of labor liabilities and R\$116 million increase of payroll). In relation to the portion considered Non-structural, there was an R\$11 million decrease, basically due to lower contribution from PLR in the amount of R\$45 million, which was **mitigated** by: (i) higher provisions for labor proceedings, R\$20 million; and (ii) higher expenses with training R\$16 million.

When compared to the previous quarter, administrative and personnel expenses increased R\$244 million, an increase of 6.2%, from the R\$3,936 million in 3Q08 to R\$4,180 million in the 4Q08.

When compared to the previous quarter, administrative expenses increased R\$179 million, basically due to expenses with: (i) Advertising and Publicity , R\$ 61 million; (ii) Outsourced Services , R\$51 million; (iii) Communication , R\$19 million; (iv) Rental , R\$14 million; (v) Lease of Assets , R\$13 million; and (vi) Maintenance and Repairs , R\$12 million.

Personnel expenses increased R\$65 million, basically due to: (i) the 2008 collective bargaining agreement (8.15% to 10.0%) in the amount of R\$34 million, and R\$96 million were recorded in 4Q08 and R\$(62) million in 3Q08; and (ii) the R\$31 million increase related to the expansion of service stations and increase in business volume, with the increase in the number of employees. The non-structural portion remained steady at R\$308 million.

Operating Efficiency

	In millions of R\$					
	Years				2008 (*)	
	2004	2005	2006	2007	September	December
Personnel Expenses	4,969	5,312	5,932	6,570	7,098	7,167
Employee Profit Sharing	(182)	(287)	(415)	(521)	(577)	(547)
Other Administrative Expenses	4,937	5,142	5,870	6,912	7,868	8,185
Total (1)	9,724	10,167	11,387	12,961	14,389	14,805
Financial Margin	13,231	16,550	19,838	22,300	24,974	25,649
Fee and Commission Income	5,824	7,349	8,898	10,806	11,293	11,215
Insurance, Private Pension Plans and Certificated Savings						
Plans Subtotal	(60)	621	1,025	711	1,857	2,254
Insurance, Private Pension Plans and Certificated Savings						
Plans Retained Premiums	13,284	13,647	18,008	20,857	22,741	22,824
Technical Provisions Variation for Insurance, Private Pension						
Plans and Certificated Savings Plans	(6,095)	(5,011)	(8,712)	(11,670)	(11,446)	(10,533)
Retained Claims	(5,159)	(5,825)	(6,026)	(6,014)	(6,840)	(7,391)
Certificated Savings Plans Drawings and Redemptions	(1,223)	(1,229)	(1,222)	(1,378)	(1,433)	(1,466)
Insurance, Private Pension Plans and Certificated Savings	(867)	(961)	(1,023)	(1,084)	(1,165)	(1,179)
Equity in Earnings (Losses) of Unconsolidated Companies	163	76	72	42	99	136
Other Operating Expenses	(2,826)	(3,405)	(4,223)	(4,297)	(5,234)	(5,736)
Other Operating Income	1,198	1,097	1,420	1,436	1,621	1,718
Total (2)	17,530	22,288	27,030	30,998	34,610	35,236
Operating Efficiency Ratio (%) = (1/2)	55.5	45.6	42.1	41.8	41.6	42.0

(*) Amounts in the previous 12 months based on the statement of adjusted income.

Efficiency Ratio %

Efficiency Ratio

The 2008 efficiency ratio was 42.0%, worse when compared to 41.8% recorded in 2007 and 41.6% recorded in the 12-month period ended on September 30, 2008. The variation occurred in the

last two quarters reflects the organic growth and the investments in technology, which have been made more intensively in this period and whose results are expected for the next years.

Coverage Ratio

Administrative + Personnel Expenses and Fee and Commission Income

The 2008 coverage ratio (fee and commission income)/(personnel expenses + administrative expenses) (73.1%) decreased 7.1 percentage points when compared to the ratio recorded in 2007 (80.2%) and 2.4 percentage points when compared to the September 30, 2008 ratio (75.5%), mainly influenced by: (i) the effect of the fee adjustment and TAC no longer charged to individuals as of 2008; (ii) the expansion of our service stations in Brazil (from 29,982 in December 2007 to 38,183 in December 2008, which includes 3,359 branches); and (iii) investments in our technological platform (IT Improvement Project).

Other Indicators

3-Main Balance Sheet Information

Consolidated Balance Sheet in thousand of R\$

Assets	December				
	2008	2007	2006	2005	2004
Current and Long-Term Assets	446,802,328	336,221,092	262,054,823	204,325,065	180,038,498
Funds Available	9,295,541	5,486,606	4,761,972	3,363,041	2,639,260
Interbank Investments	74,191,225	37,622,125	25,989,190	25,006,158	22,346,721
Federal Funds Purchased and Securities Sold Under Agreements to Repurchase	61,434,616	32,014,861	20,617,520	19,615,744	15,667,078
Interest-earning Deposits in Other Banks	12,759,752	5,617,413	5,372,658	5,390,726	6,682,608
Allowance for Losses	(3,143)	(10,149)	(988)	(312)	(2,965)
Securities and Derivative Financial Instruments	131,597,673	114,451,709	97,249,959	64,450,808	62,421,658
Own Portfolio	104,052,123	84,079,171	72,052,850	59,324,858	51,255,745
Subject to Repurchase Agreements	4,265,370	11,731,427	15,352,073	1,051,665	4,807,769
Derivative Financial Instruments	2,364,140	1,207,040	549,065	474,488	397,956
Restricted Deposits - Brazilian Central Bank	13,183,184	8,273,662	440,235	2,506,172	4,512,563
Privatization Currencies	99,658	79,535	70,716	98,142	82,487
Subject to Collateral Provided	7,591,144	4,070,210	765,129	995,483	1,365,138
Securities from Unrestricted Purchase and Sale Commitments	42,054	5,010,664	8,019,891		
Interbank Accounts	13,748,082	24,036,514	19,124,806	16,922,165	16,087,102
Unsettled Receipts and Payments	71,077	36,332	50,945	39,093	22,075
Restricted Credits:					
Restricted Deposits - Brazilian Central Bank	13,200,677	23,538,587	18,664,706	16,444,866	15,696,154
National Treasury - Rural Loan SFH	578	578	578	578	578
Correspondent Banks	9,061	8,118	3,112	41,539	32,975
Interdepartmental Accounts	55,960	429,362	186,338	172,831	147,537
Internal Transfer of Funds	55,960	429,362	186,338	172,831	147,537
Loan Operations	130,725,814	108,295,627	79,714,969	68,328,802	51,890,887
Loan Operations:					
Public Sector	839,767	763,973	784,870	821,730	536,975
Private Sector	139,122,691	115,001,602	85,315,248	72,205,630	55,242,348
Allowance for Loan Losses	(9,236,644)	(7,469,948)	(6,385,149)	(4,698,558)	(3,888,436)
Leasing Operations	19,819,743	7,962,395	3,751,558	2,411,299	1,556,321
Leasing Receivables:					
Public Sector	101,457	134,197	152,125	66,237	
Private Sector	34,671,098	13,802,117	7,231,519	4,896,717	3,237,226
Unearned Income from Leasing	(14,234,693)	(5,728,551)	(3,472,246)	(2,444,596)	(1,576,690)
Allowance for Leasing Losses	(718,119)	(245,368)	(159,840)	(107,059)	(104,215)
Other Receivables	65,569,546	35,829,910	29,302,217	22,106,013	21,664,592
Receivables on Sureties and Guarantees Honored	40,513	12,181	38		811
Foreign Exchange Portfolio	24,836,825	9,836,732	7,946,062	6,937,144	7,336,806

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Receivables	385,343	371,427	175,570	183,015	197,120
Securities Trading	2,997,122	1,378,130	709,034	1,124,197	357,324
Insurance Premiums Receivable	1,362,825	1,276,612	1,257,298	1,073,002	988,029
Sundry	36,254,756	23,065,328	19,315,264	12,941,687	12,937,408
Allowance for Other Loan Losses	(307,838)	(110,500)	(101,049)	(153,032)	(152,906)
Other Assets	1,798,744	2,106,844	1,973,814	1,563,948	1,284,420
Other Assets	545,589	389,856	369,099	367,688	477,274
Provisions for Devaluations	(204,877)	(179,097)	(189,591)	(180,941)	(230,334)
Prepaid Expenses	1,458,032	1,896,085	1,794,306	1,377,201	1,037,480
Permanent Assets	7,610,715	4,922,672	3,492,450	4,357,865	4,887,970
Investments	1,048,497	604,076	696,582	984,970	1,101,174
Interest in Affiliated Companies:					
In Brazil	592,655	467,944	403,033	438,819	496,054
Other Investments	806,042	487,365	651,568	895,836	971,311
Allowance for Losses	(350,200)	(351,233)	(358,019)	(349,685)	(366,191)
Premises and Equipment	3,236,644	2,091,682	2,136,783	1,985,571	2,270,497
Premises and Equipment	1,042,890	1,076,053	1,055,640	1,115,987	1,357,063
Other Premises and Equipment	6,466,671	3,846,169	4,101,918	3,644,874	3,604,741
Accumulated Depreciation	(4,272,917)	(2,830,540)	(3,020,775)	(2,775,290)	(2,691,307)
Leased Assets	12,741	11,421	16,136	9,323	18,951
Leased Assets	22,691	20,777	25,142	23,161	58,463
Accumulated Depreciation	(9,950)	(9,356)	(9,006)	(13,838)	(39,512)
Deferred Charges			642,949	1,378,001	1,497,348
Organization and Expansion Costs			1,593,771	1,315,881	1,170,866
Accumulated Amortization			(950,822)	(785,364)	(699,710)
Goodwill on Acquisition of Subsidiaries, Net of Amortization				847,484	1,026,192
Intangible Assets	3,312,833	2,215,493			
Intangible Assets	5,832,703	4,111,245			
Accumulated Amortization	(2,519,870)	(1,895,752)			
Total	454,413,043	341,143,764	265,547,273	208,682,930	184,926,468

The Notes are an integral part of the Financial Statements.

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Liabilities	December				
	2008	2007	2006	2005	2004
Current and Long-Term Liabilities	419,561,494	310,441,861	240,673,011	189,163,465	169,596,632
Deposits	164,493,353	98,323,446	83,905,213	75,405,642	68,643,327
Demand Deposits	27,610,162	28,495,555	20,526,800	15,955,512	15,297,825
Savings Deposits	37,768,508	32,812,974	27,612,587	26,201,463	24,782,646
Interbank Deposits	698,194	372,473	290,091	145,690	19,499
Time Deposits	97,413,781	35,717,178	34,924,541	32,836,656	28,459,122
Other Deposits	1,002,708	925,266	551,194	266,321	84,235
Federal Funds Purchased and Securities Sold Under					
Agreements to Repurchase	79,977,153	73,633,649	47,675,433	24,638,884	22,886,403
Own Portfolio	38,218,690	37,864,704	36,595,268	12,690,952	8,248,122
Third-party Portfolio	39,359,625	29,578,200	3,471,383	11,947,932	14,430,876
Unrestricted Portfolio	2,398,838	6,190,745	7,608,782		207,405
Funds from Issuance of Securities	9,011,671	6,488,374	5,636,279	6,203,886	5,057,492
Exchange Acceptances	249	406			
Mortgage and Real Estate Notes and Letters of Credit and Others	2,322,415	901,641	857,697	847,508	681,122
Debentures	1,486,643	2,594,921	2,603,194	2,624,899	
Securities Issued Abroad	5,202,364	2,991,406	2,175,388	2,731,479	4,376,370
Interbank Accounts	12,920	16,632	5,814	139,193	174,066
Correspondent Banks	12,920	16,632	5,814	139,193	174,066
Interdepartmental Accounts	2,900,799	2,521,233	2,225,711	1,900,913	1,745,721
Third-party Funds in Transit	2,900,799	2,521,233	2,225,711	1,900,913	1,745,721
Borrowing	14,204,605	8,065,830	5,777,906	7,135,327	7,561,395
Local Borrowing - Official Institutions	114	450	778	1,088	1,376
Local Borrowing - Other Institutions	439	373	44,447	18	11,756
Borrowing Abroad	14,204,052	8,065,007	5,732,681	7,134,221	7,548,263
Local Onlending - Official Institutions	17,742,336	14,086,436	11,640,969	9,427,571	8,355,398
National Treasury	114,608	50,881	99,073	52,318	72,165
BNDES	7,140,886	6,147,703	5,532,018	4,237,973	3,672,007
CEF	99,197	101,280	69,909	59,588	395,820
Finame	10,386,890	7,785,347	5,938,037	5,075,232	4,211,762
Other Institutions	755	1,225	1,932	2,460	3,644
Foreign Onlending	182	1,257,281	170	183	42,579
Foreign Onlending	182	1,257,281	170	183	42,579
Derivative Financial Instruments	2,041,926	951,733	519,004	238,473	173,647
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	64,587,132	58,526,265	49,129,214	40,862,555	33,668,654
Other Liabilities	64,589,417	46,570,982	34,157,298	23,210,838	21,287,950
Collection of Taxes and Other Contributions	256,155	228,722	175,838	156,039	204,403
Foreign Exchange Portfolio	13,538,239	3,467,189	2,386,817	2,206,952	3,011,421
Social and Statutory Payables	1,791,868	2,195,653	190,916	1,254,651	900,266
Fiscal and Pension Plans Activities	11,482,597	9,839,791	8,014,520	5,041,312	4,495,387
Securities Trading	792,180	657,700	422,232	893,957	312,267
Financial and Development Funds	7,031	1,851	876		

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Subordinated Debt	19,248,566	15,818,232	11,949,457	6,719,305	5,972,745
Sundry	17,472,781	14,361,844	11,016,642	6,938,622	6,391,461
Deferred Income	273,506	189,147	180,460	52,132	44,600
Deferred Income	273,506	189,147	180,460	52,132	44,600
Minority Interest in Subsidiaries	321,499	155,412	57,440	58,059	70,590
Shareholders Equity	34,256,544	30,357,344	24,636,362	19,409,274	15,214,646
Capital:					
Domiciled in Brazil	21,665,186	17,693,485	13,162,481	11,914,375	6,959,015
Domiciled Abroad	1,334,814	1,306,515	1,037,519	1,085,625	740,985
Realizable Capital					(700,000)
Capital Reserves	62,614	55,624	55,005	36,032	10,853
Profit Reserves	11,860,287	9,963,593	8,787,106	5,895,214	7,745,713
Assets Valuation Adjustments					
Available-for-Sale Securities	(661,504)	1,469,976	1,644,661	507,959	458,080
Treasury shares	(4,853)	(131,849)	(50,410)	(29,931)	
Shareholders Equity Managed by the Parent Company	34,578,043	30,512,756	24,693,802	19,467,333	15,285,236
Total	454,413,043	341,143,764	265,547,273	208,682,930	184,926,468

The Notes are an integral part of the Financial Statements.

Total Assets by Currency and Maturity

Total Assets by Currency in millions of R\$

Total Assets by Maturity in millions of R\$

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Securities

Summary of the Classification of Securities

in millions of R\$

	Financial	Insurance/ Certificated Savings Plans	Pension Plans	Other Activities	Total	%
Trading Securities	49,566	2,154	28,409	255	80,384	69.8
Available-for-Sale Securities	6,919	1,962	1,915		10,796	9.4
Held-to-Maturity Securities	1,160	6,314	16,547		24,021	20.8
Subtotal	57,645	10,430	46,871	255	115,201	100.0
Purchase and Sale Commitments	2,724	3,187	10,486		16,397	
Total on December 31, 2008	60,369	13,617	57,357	255	131,598	
Total on September 30, 2008	61,157	14,365	56,567	283	132,372	
Total on December 31, 2007	46,652	13,310	54,221	269	114,452	

Breakdown of Securities by Issuance

in millions of R\$

Securities	2007		2008	
	September	December	September	December
Government	51,380	58,284	63,413	60,940
Private	17,935	17,535	25,778	26,280
PGBL / VGBL	26,676	28,435	27,490	27,981
Subtotal	95,991	104,254	116,681	115,201
Purchase and Sale Commitments:	12,107	10,198	15,691	16,397
Funds	7,448	4,703	6,495	6,328
PGBL / VGBL	4,659	5,495	9,196	10,069
Total	108,098	114,452	132,372	131,598

Classification of Securities by Segment %

Obs.: The breakdown of the Securities Portfolio consolidated by issuer, maturity, business segment and category can be found in Note 8.

Loan Operations

The world financial crisis, deepened as of September 2008, resulted in significant credit constraints, particularly in developed economies, particularly the United States and European countries. Within this context, the Brazilian financial market also suffered, however, in a smaller scale than the rest of the world, due to good economic ratios and domestic growth seen over the past years, which generated a lower reliance on the foreign market.

For the Organization, 2008 was a year of opportunities, due to its excellent funding capacity, even under situations of crisis in the markets, and different from what occurred in the financial market in general, Bradesco increased its capacity of use of funds. At the end of 2008, the consolidated balance of loan operations (according to the concept defined by the Bacen, which does not include debentures, guarantees, loans to be granted, letters of credit, interbank deposit certificates, etc.) reached a total of R\$173.4 billion, representing an increase of 32.1% in the year and of 8.0% in the quarter.

We stress that part of this growth was due to Circular Letter 3,407 of Bacen, which authorized 40% discount over compulsory collection from time deposits for the acquisition of loan portfolios from other banks. The loan approval criteria adopted for these acquisitions strictly observed the same criteria used in the contracting of daily operations of the Organization.

We would like to point out the increase in operations targeted at corporate clients affected by the capital markets slowdown and by the greater need for funds both for working capital and investments, and a decreased demand for loans for consumer financing, with consumers moderateness in this moment of uncertainties.

Loan Operations Total Portfolio

In December 2008, the balance of foreign currency indexed and/or denominated borrowing and onlending (excluding ACCs) reached a total of US\$5.9 billion, showing a decrease of 18.7% in U.S. dollars in the quarter and of only 0.7% in reais, due to the Real devaluation. Over the past 12 months, there was a 13.0% decrease and a 14.8%, increase, respectively.

For comparison purposes with the National Financial System, which does not include Operations Abroad and non-financial operations, the Organization posted a growth of 32.1% in 2008 compared to 31.1% recorded by the National Financial System.

Bradesco X SFN

Real Estate Financing

At the end of December 2008, the balance of mortgage for individuals and corporate clients stood at R\$5.4 billion, a 19.8% q-o-q increase, while in relation to the balance of last 12 months, the growth stood at 63.9% . The number of mortgage units this quarter showed a y-o-y growth of 5.9% . When comparing the total mortgage units on y-o-y basis, the increase corresponded to 46.1% . The website www.bradescoimoveis.com.br, created to assist those interested in purchasing their own house and to strengthen the partnership with the home builders, developers and real estate agencies that are our clients, has been an important tool in this real estate financing growth process.

BNDES

The Organization is leader in BNDES onlending operations for the sixth consecutive year. Out of the total loans granted up to November 2008, 47.1% of the amount, representing 91.2% of contracts, was for SMEs and individuals.

Rural Loan

We point out the website www.bradescorural.com.br, that can be accessed with the purpose of assisting the agribusiness sector with information related to financial products and services, in addition to information about main commodity prices, climate in the regions of the country and news related to the sector.

Loan Operations Individuals

The balance of the loan portfolio for individuals showed growth of 24.7% over the last twelve months and of 4.6% in the quarter, despite the lower increase of products directed towards consumer financing in the last quarter. The main products responsible for the increase in the portfolio balance both over the last 12 months and in 4Q08 were CDC/Vehicles Leasing and real estate financing.

In the following graph, the types related to the consumer financing for individuals were considered (CDC/leasing, personal loans and asset financing, rotating credit card and amounts related to credit card purchases in one lump sum and installment purchase plan from storeowners, which are not included in the total loan operations).

The balance reached the amount of R\$57.4 billion in December 2008, representing a 3.1% growth in the quarter and 19.4% over the last twelve months. If we exclude assignments (FIDC) made in the year, the amount would reach R\$57.9 billion and growths would be 3.1% and 20.4%, respectively. We would like to point out the vehicle financing (CDC/ Leasing) and the payroll-deductible loans in the amount of R\$37.2 billion, representing 64.2% of the total consumer financing balance that, due to their guarantees and characteristics, provide the portfolio with an adequate credit risk level.

Loan Operations Consumer Financing

Loan Operations Corporate Clients

The growth in loans granted to companies was 10.1% in the quarter and 37.1% over the last twelve months. The main products responsible for the balance portfolio increase in the quarter were working capital, operations abroad (benefited by U.S. dollar appreciation against real) and BNDES onlending; and in the last twelve months were working capital, vehicle leasing and export financing.

The following graph shows the growth of the five main types of products designed to serve corporate clients, which represented 68.6% of the total loan portfolio in December 2008.

Loan Operations By Client Characteristic

Below, we present the loan portfolio breakdown by type of client, pointing out the increase of corporate clients' share, both in the quarter and in the 12 months ended in December 2008, mainly in Large Corporates which were affected by the capital markets slowdown, as previously mentioned.

Client Characteristics	in billions of R\$							
	2007		September		2008		Variation (%)	
	December	%	September	%	December	%	Quarter	Year
Large Corporates	35.9	27.3	45.6	28.5	53.0	30.5	16.0	47.6
SMEs	41.9	32.0	51.3	31.9	53.7	31.0	4.9	28.2
Individuals	53.5	40.7	63.7	39.6	66.7	38.5	4.6	24.7
Total	131.3	100.0	160.6	100.0	173.4	100.0	8.0	32.1

Loan Operations Distribution by Business Segment

In the table below, the growth of the business segments' share in the Organization's total portfolio is observed, and we highlight the corporate and middle-market segments in this quarter and in the last 12 months.

Business Segment	in billions of R\$							
	2007		September		2008		Variation (%)	
	December	%	September	%	December	%	Quarter	Year
Corporate	39.7	30.2	49.9	31.1	60.5	34.9	21.3	52.5
Retail / Postal / Prime	43.1	32.8	54.2	33.7	54.6	31.5	0.8	26.8
Finasa	25.0	19.1	28.6	17.8	28.1	16.2	(1.8)	12.2
Middle Market	18.7	14.3	21.5	13.4	23.2	13.4	8.1	23.8
BMC and Others	4.8	3.6	6.4	4.0	7.0	4.0	8.6	46.2
Total	131.3	100.0	160.6	100.0	173.4	100.0	8.0	32.1

The reduction above of the Finasa portfolio in the quarter was due to the vehicle financial market retraction. As of the third week of December, we noticed an upturn caused by government measures encouraging the production and sale of automobile.

Loan Operations By Type

In the last quarter of 2008, discounted trade receivables, loan operations and advances on exchange contracts presented distinguished growth. The growth in balance of operations with sureties and guarantees provided is also outstanding, mainly those operations carried out with clients of the corporate segment.

Below, we present the total loan operations, including sureties and guarantees and credit card (cash and installment purchase plan from store owners), which presented growth of 9.2% in the quarter and 33.1% in the last 12 months.

Types	in millions of R\$			
	2007		2008	
	September	December	September	December
Discounted Trade Receivables and Other				
Loans (1)	52,776	60,792	72,694	77,541
Financing	41,523	45,777	50,052	51,701
Rural and Agroindustrial Loans	9,008	9,197	11,343	10,720
Leasing Operations	6,319	8,208	19,247	20,538
Advances on Foreign Exchange Contracts	6,210	6,782	6,788	9,846
Other Loans	521	551	510	3,077
Total Loan Operations (2)	116,357	131,307	160,634	173,423
Sureties and Guarantees Recorded in				
Memorandum Accounts	18,471	24,296	29,640	33,879
Credit Cards (3)	5,266	5,804	6,468	7,548
Total Expositions Loan Operations	140,094	161,407	196,742	214,850
Loan Assignment (FIDC)			508	495
Total (Excluding Assignment)	140,094	161,407	197,250	215,345

(1) Includes revolving credit of credit card.

(2) According to concept defined by the Brazilian Central Bank.

(3) Cash and installment purchase plan from storeowners.

Loan Operations Delinquency

The total delinquency ratio (90 days), which has been remaining stable in the first quarters of 2008, had a small increase in the 4Q08, ending 2008 slightly above the previous year, an effect of social-economic situation.

Loan Operations Delinquency over 90 days %

Loan Operations Portfolio Breakdown by Rating between December 2007 and 2008

Out of the R\$42.1 billion growth of the Organization's loan portfolio over the last 12 months, new borrowers accounted for R\$26.8 billion, i.e., nearly two thirds of the growth corresponds to new loan clients.

Rating	Remaining Borrowers since December 2007		New Borrowers between January 2008 and December 2008		Total Loans Operations in December 2008	
	R\$ million	%	R\$ million	%	R\$ million	%
AA - C	136,572	93.2	25,390	94.6	161,962	93.4
D	2,404	1.6	396	1.5	2,800	1.6
E - H	7,616	5.2	1,045	3.9	8,661	5.0
Total	146,592	100.0	26,831	100.0	173,423	100.0

Loan Operations Portfolio Breakdown between December 2007 and 2008

Loan Operations Quality of the Portfolio

Although in the past twelve month there has been an improve in corporate clients, compared to the previous quarter, the quality of the total active portfolio had a small reduction due to the decrease in the participation of AA-C rated credits in operations focused on SMEs and individuals.

Loan Operations By Rating %

Client Characteristic	2007			2008					
	December			September			December		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Large Corporates	98.6	0.7	0.7	98.7	0.7	0.7	98.7	0.4	0.9
SMEs	93.7	2.0	4.3	94.4	1.7	3.9	93.8	2.0	4.2
Individuals	89.6	1.8	8.6	89.3	1.8	8.8	88.9	2.2	8.9
Total	93.3	1.6	5.1	93.7	1.4	5.0	93.4	1.6	5.0

Portfolio Concentration By Activity Sector

The portfolio distribution by economic activity sector did not have a concentration. Despite their significant participation, operations for individuals are dispersed. In the last quarter we point out the participation and balance growth of the industry (mainly in pulp and paper, food and beverage, steel, metallurgy and mechanics sectors).

In millions of R\$

Activity Sector	2007				2008			
	September	%	December	%	September	%	December	%
Public Sector	926	0.8	901	0.7	905	0.6	941	0.6
Private Sector	115,431	99.2	130,406	99.3	159,729	99.4	172,482	99.4
Corporate Clients	66,146	56.9	76,932	58.6	95,983	59.8	105,781	61.0
Industry	28,765	24.7	31,401	23.9	39,701	24.9	44,261	25.5
Commerce	15,807	13.6	18,724	14.3	21,626	13.4	23,547	13.6
Financial								
Brokers	342	0.3	1,049	0.8	914	0.6	1,236	0.7
Services	19,655	16.9	24,135	18.4	31,627	19.6	34,491	19.9
Agriculture, Cattle Raising,								
Fishing,								
Silviculture and Forestry								
Exploration	1,577	1.4	1,623	1.2	2,115	1.3	2,246	1.3
Individuals	49,285	42.3	53,474	40.7	63,746	39.6	66,701	38.4
Total	116,357	100.0	131,307	100.0	160,634	100.0	173,423	100.0

Portfolio Concentration By Flow of Maturities

The term of operations regularly coming due has been extended, mainly due to CDC/vehicle leasing and real estate loan operations that are, by their nature, of longer terms, however of lower risk due to their characteristics. Operations with terms longer than 180 days represented 59.0% of the total portfolio in December 2008, against 56.2% twelve months ago.

Loan Operations Flow of Installments by Terms Payable %

Portfolio Concentration By Debtor

In the last twelve months, the concentration levels of loan operations of the total portfolio by debtor had an increase in all levels of the largest debtors, and also a decrease was verified in the quality of these assets with lower participation of the ratings AA and A.

Portfolio Concentration %

Loan Operations Portfolio Indicators

Aiming at facilitating the follow-up of the quantitative and qualitative performance of the Organization's loan portfolio, we present below a comparative summary of the main figures and indicators:

Items	In millions of R\$ (except %)			
	2007		2008	
	September	December	September	December
Total Loan Operations	116,357	131,307	160,634	173,423
Individual	49,285	53,474	63,746	66,701
Corporate Client	67,072	77,833	96,888	106,722
Existing Provision	7,428	7,826	9,136	10,263
Specific	4,196	4,413	5,274	5,928
General	2,120	2,285	2,670	2,714
Excess	1,112	1,128	1,192	1,621
Specific Provision/Existing Provision (%)	56.5	56.4	57.7	57.8
Existing Provision/ Loan Operations (%)	6.4	6.0	5.7	5.9
AA - C Rated Loan Operations/ Loan Operations (%)	92.8	93.3	93.7	93.4
D Rated Operations under Risk Management /Loan Operations (%)	1.7	1.6	1.4	1.6
E - H Rated Loan Operations / Loan Operations (%)	5.5	5.1	5.0	5.0

In millions of R\$ (except %)

Items	2007		2008	
	September	December	September	December
D Rated Loan Operations	1,981	2,060	2,327	2,800
Existing Provision for D Rated Loan Operations	526	544	624	757
D Rated Provision/Loan Operations (%)	26.5	26.4	26.8	27.0
D H Rated Non-Performing Loans	5,900	6,227	7,515	8,752
Existing Provision/D H Rated Non-Performing Loans (%)	125.9	125.7	121.6	117.2
E H Rated Loan Operations	6,434	6,693	7,927	8,661
Existing Provision for E H Rated Loan Operations	5,619	5,848	6,916	7,543
E H Rated Provision/Loan Operations (%)	87.3	87.4	87.2	87.1
E H Rated Non-Performing Loans	5,034	5,277	6,347	7,100
Existing Provision/E H Rated Non-Performing Loan (%)	147.5	148.3	143.9	144.5
Non Performing Loans (*) / Loan Operations (%)	4.4	4.2	4.2	4.5
Existing Provision/ Non Performing Loans (*) (%)	144.1	140.7	135.7	130.7

(*) Loan operations overdue for more than 59 days and which do not generate income under the accrual method of accounting.

We remain prepared to take full advantage of any business opportunities. In 2009 we will continue giving priority to increasing the loan portfolio, always respecting the grant

Loan Operations Net Financial Margin

ing policy, focusing on the risk/return ratio.

The Net Financial Margin grew 2.1% in 4Q08, while over the last 12 months increased 18.6%, according to the following table:

Funding

Investment Department

In order to facilitate the client's orientation in the diversification of investments, the Investment Department centralized the commercial management of the Funds, CDB, Savings Account, Demand Deposits, Purchase and Sale Commitments and Mortgage Notes products. It also carries out the management of actions related to the Checking Account product and its guidelines.

In this sense, the department maintains efforts aimed at establishing funding policies and strategies, developing products and services and providing structures for local and specialized assistance to the branch network and especially to investors, such as Bradesco Investment Consulting Services, online chat and scheduling consulting services via internet.

The results below state the commercial efficiency, provided by the strategic centralization of subjects inherent to funding.

Breakdown of Deposits by Maturity

In millions of R\$

2008

Deposits	September		December			Total
	Total	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	
Demand	26,694	27,610				27,610
Savings	35,681	37,768				37,768
Interbank	340	501	80	94	23	698
Time	75,529	6,215	8,731	9,743	72,725	97,414
Other Deposits	926	1,003				1,003
Total	139,170	73,097	8,811	9,837	72,748	164,493

Funding x Investments

To analyze Loan Operations x Funding ratio, it is necessary to discount the committed amount related to compulsory deposits collected by Bacen and the amount of funds available held for service stations operations from total clients funding. These funds added to those derived from domestic and international lines provide the institution's funding to meet loans and financing needs.

Banco Bradesco shows low reliance on interbank funds and foreign credit lines in view of its effective funding capacity with clients. This efficiency is a result of an extensive network, an ample product portfolio and market's confidence in Bradesco brand.

As you can see below, the percentage of utilization of funds improved when compared to previous periods. This shows that Banco Bradesco was able to basically meet the funding needs required in loan operations, by means of funds raised with clients.

In millions of R\$

Loans and Funding	December		Variation %	2008		Variation %
	2007	2008		September	December	
Demand Deposits	29,420	28,613	(2.7)	27,620	28,613	3.6
Sundry Floating	1,237	1,664	34.5	2,968	1,664	(43.9)
Savings Deposits	32,813	37,768	15.1	35,681	37,768	5.8
Purchase and Sale Commitments	31,310	41,597	32.9	42,068	41,597	(1.1)
Time Deposits	35,582	91,074	156.0	72,788	91,074	25.1

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Cards (Others Creditors)	6,052	6,009	(0.7)	5,382	6,009	11.6
Agribusiness Credit Letters		1,353		579	1,353	133.7
Debentures	2,595	1,487	(42.7)	1,532	1,487	(2.9)
Clients Funds	139,009	209,565	50.8	188,618	209,565	11.1
(-) Compulsory Deposits/ Funds Available ⁽¹⁾	(33,230)	(31,618)	(4.9)	(44,630)	(31,618)	(29.2)
Clients Funds Net of Compulsory Deposits	105,779	177,947	68.2	143,988	177,947	23.6
Onlending	13,562	17,091	26.0	15,870	17,091	7.7
Foreign Credit Lines	10,456	12,005	14.8	10,637	12,005	12.9
Funding Abroad	10,196	15,189	49.0	12,011	15,189	26.5
Total Funding (A)	139,993	222,232	58.7	182,506	222,232	21.8
Loan Portfolio/ Leasing / Cards (Other Loans) / Acquired CDI (B) ⁽²⁾	136,233	184,536	35.5	166,756	184,536	10.7
B/A (%)	97.31	83.04		91.37	83.04	

(1) It does not include amounts from savings-pegged government securities.

(2) It comprises an amount related to cards (cash purchase and credit purchase from storeowner), R\$7,548 million in December/08, R\$6,468 million in September/08 and R\$5,804 million in December/07. In December/08 it includes R\$3,564 million of acquired CDI for deduction in compulsory deposit.a0

Demand Deposits in billions of R\$

Checking Account Holders

At the end of 2008, the balance of the Bradesco Organization's checking accounts was R\$27.6 billion. We have reached historical 20.1 million savings accounts clients, representing a 6.8% y-o-y increase.

We point out the launching of products and services for Individuals and Corporate clients in this last quarter.

To Individual Clients, we launched Click Conta Bradesco, a strategic product developed to expand and renew the Bank's checking accounts base with clients who use several customer service channels provided by Bradesco, such as Internet Banking and Bradesco Celular. Especially targeting 11 to 17-year-old youths, this account has an educational characteristic, since it brings teenagers closer to the financial system in an easy and safe manner. In addition, it also has several features such as a specific website and differentiated debit card, among others.

To Corporate Clients, we point out the launching of Bradesco Checking Account Corporate Card, which is a debit card that allows the businessman, or its representatives, to view and manage ones current financial activities, easy and safely.

Number of Checking Account Holders Individuals and Corporate

Savings Accounts

At the end of 2008, the balance of the Bradesco Organization's savings accounts totaled R\$37.8 billion, an 15.1% growth compared to December 2007, representing an 18.0% market share in the SBPE and Bradesco's leadership among all private banks in the Brazilian financial system.

Savings Account Deposits in billions of R\$

The profitability (TR + 0.5% p.m.) accumulated up to 2008 was 7.9%, and our balance enjoyed growth of 15.1%, higher than the profitability in 2008, showing the investors' loyalty to savings account, which continues to be a good safe investment alternative, mainly for small savers.

SBPE Market Share - %

Number of Savings Accounts in thousands

Assets Managed

BRAM, company that manages Bradesco's Investment Funds, was pointed out in 2008 for the awards it has received and the launching of innovative Investment Funds. Namely:

Bradesco was elected the Best Manager of Assets, Long Short and Exchange Funds by *Gazeta Investe* magazine, published in March 2008.

In August 2008, Bradesco was elected the Best Manager of Leveraged Funds by *Guia Exame de Investimentos Pessoais 2008* (Exame's 2008 Guide of Personal Investments).

Bradesco was classified as Excellent for 10 Funds aimed at institutional investors, in the ranking published by *Investidor Institucional* magazine, in the September 2008 Best Funds for Institutional Investors issue.

In December 2008, Bradesco had the greatest number of 5-star Funds in the Equities category in the ranking published by *Valor Investe* magazine.

It created the **Corporate Governance Funds** **Equity Funds** belonging to BM&FBovespa's Special Corporate Governance Share Index - IGC; the **Sustainable Planet Fund**, aimed at providing its participants profitability that seeks to overcome the ISE return calculated by BM&FBovespa; and the **Fundação Amazonas Sustentável Fund** in partnership with FAS, whose income will be allocated to the *Bolsa Floresta* program.

BRAM launched, on November 10, 2008, **Brazil Saiken Fund**, a fixed-income investment fund for Japanese retail investors who will invest its funds in Brazil. This is the very first fund created in partnership with MUAM. On December 31, 2008, the fund reached a R\$411 million equity.

Shareholders Equity

	In millions of R\$			
	2007		2008	
	September	December	September	December
Investment Funds	153,439	157,383	164,970	166,162
Managed Portfolios	7,646	12,597	17,021	15,365
Third-Party Fund Quotas	6,502	7,506	6,004	5,624
Total	167,587	177,486	187,995	187,151

Asset Distribution

	In millions of R\$			
	2007		2008	
	September	December	September	December
Investment Funds Fixed Income	141,871	143,214	152,054	155,365
Investment Funds Equities	11,568	14,169	12,916	10,797
Investment Funds Third-Party Funds	5,670	6,580	5,119	4,857
Total	159,109	163,963	170,089	171,019
Managed Portfolios Fixed Income	4,387	4,952	8,223	8,484
Managed Portfolios Equities	3,259	7,645	8,798	6,881
Managed Portfolios Third-Party Funds	832	926	885	767
Total	8,478	13,523	17,906	16,132
Total Fixed Income	146,258	148,166	160,277	163,849
Total Variable Income	14,827	21,814	21,714	17,678
Total Third-Party Funds	6,502	7,506	6,004	5,624
Overall Total	167,587	177,486	187,995	187,151

Total Assets under Management according to the Anbid Global Ranking in millions of R\$ (*)

(*) Considering third-party fund quotas.

Number of Funds, Portfolios and Quotaholders

	December 2007		September 2008		December 2008	
	Number	Quotaholders	Number	Quotaholders	Number	Quotaholders
Investment Funds	666	3,312,565	729	3,242,975	807	3,281,540

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Managed Portfolios	121	540	214	581	209	568
Total	787	3,313,105	943	3,243,556	1,016	3,282,108

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4 - Operating Companies

Grupo Bradesco de Seguros e Previdência**Insurance Companies (Consolidated)**

Consolidated Balance Sheet (*)

	In millions of R\$			
	2007		2008	
	September	December	September	December
Assets				
Current and Long-Term Assets	68,889	72,215	76,046	76,751
Securities	64,618	67,718	71,073	71,309
Insurance Premiums Receivable	1,289	1,225	1,356	1,353
Other Receivables	2,982	3,272	3,617	4,089
Permanent Assets	1,107	1,103	1,198	1,217
Total	69,996	73,318	77,244	77,968
Liabilities				
Current and Long-Term Liabilities	61,038	64,647	68,451	69,086
Tax, Civil and Labor Contingencies	1,724	1,710	1,854	1,881
Payables on Insurance, Private Pension Plans and Certificated Savings				
Plans Operations	496	468	375	350
Other Liabilities	3,499	3,943	3,334	2,268
Technical Provisions for Insurance	5,496	5,492	5,690	5,829
Technical Provisions for Life and Private Pension Plans	47,405	50,543	54,530	56,052
Technical Provisions for Certificated Savings Plans	2,418	2,491	2,668	2,706
Minority Interest	73	24	105	110
Shareholders Equity	8,885	8,647	8,688	8,772
Total	69,996	73,318	77,244	77,968

Consolidated Statement of Income (*)

	In millions of R\$					
	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Insurance Premiums, Private Pension Plan Contribution and Certificated Savings Plan Revenues	5,448	6,175	21,479	5,822	6,204	23,149
Premiums Earned from Insurance, Private						

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Pension Plan Contribution and Certificated						
Savings Plan Revenues	2,556	2,574	10,043	3,113	3,402	12,291
Interest Income of the Operation	681	758	2,981	547	569	2,548
Sundry Operating Revenues	237	248	861	242	186	888
Retained Claims	(1,488)	(1,595)	(6,014)	(1,822)	(2,147)	(7,391)
Certificated Savings Plans Drawing and						
Redemptions	(346)	(379)	(1,379)	(382)	(411)	(1,466)
Selling Expenses	(274)	(287)	(1,085)	(279)	(301)	(1,179)
General and Administrative Expenses	(301)	(305)	(1,120)	(341)	(374)	(1,295)
Other Operating Expenses	5	(57)	(86)	(6)	(26)	(170)
Tax Expenses	(51)	(25)	(180)	(67)	(78)	(288)
Health Provision	(239)	(166)	(855)			
Operating Income	780	766	3,166	1,005	820	3,938
Equity Result	51	29	221	19	66	188
Non-operating Income	(2)	67	72		(9)	(6)
IR/CS and Minority Interest	(281)	(280)	(1,104)	(395)	(327)	(1,472)
Net Income	548	582	2,355	629	550	2,648

(*) Information prepared in accordance with the accounting policies established by CNSP, Susep and ANS.

Performance Ratios %

	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Claims Ratio (1)	73.3	75.0	74.9	72.4	78.0	74.3
Selling Ratio (2)	11.7	11.5	11.6	10.3	10.1	10.5
Administrative Expenses Ratio (3)	5.5	5.1	5.3	5.9	6.0	5.6
Combined Ratio (4)	92.3	92.8	95.0	84.4	89.7	85.8

Obs.: For 4Q08 and 2008 index calculation, we have excluded the amount of R\$99.8 million related to the IBNR tail expansion from five to seven years (life line) and R\$40 million to losses deriving from floods that stroke the state of Santa Catarina.

(1) Retained Claims/Earned Premiums.

(2) Selling Expenses/Earned Premiums.

(3) Administrative Expenses/Net Premiums Written.

(4) (Retained Claims + Selling Expenses + Other Operating Income and Expenses)/Earned Premiums + (Administrative Expenses + Taxes)/ Net Premiums Written. Obs: the ratios have been recalculated, pursuant to Susep Circular Letter 356.

Insurance Premiums Market Share %

Source: Susep and ANS

According to information published by Susep and ANS, up to November 2008, in the insurance segment, Bradesco Seguros e Previdência collected R\$17.1 billion in premiums and maintained its leadership in the ranking with a 24.0% market share. The insurance sector obtained a total of R\$71.2 billion in premiums in the same period.

Increase in Technical Provisions for Insurance In millions of R\$

The technical provision charts of Bradesco Vida e Previdência and Bradesco Capitalização are presented in the section specifically related to these companies.

Earned Premiums (Retained Premiums less Technical Provision Variation) by Insurance Line in millions of R\$

Insurance Line	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Health	1,045	1,096	4,162	1,348	1,404	5,180
Auto/RCF	536	464	2,017	502	505	1,987
Life/AP/VGBL	288	413	1,177	452	474	1,781
Basic Lines	111	108	440	131	128	490
Other Lines	51	45	230	82	61	322
Total	2,031	2,126	8,026	2,515	2,572	9,760

Obs.: As of 4Q07, we do not consider premiums related to Indiana Seguros S.A, whose interest sale was approved by Susep on December 12, 2007.

In 2008, there was a y-o-y increase of 21.6% in premiums earned in the insurance segment.

Earned Premiums (Retained Premiums less Variation of Technical Provisions) by Insurance Line %

Retained Claims by Insurance Line in millions of R\$

Insurance Line	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Health	872	981	3,475	1,118	1,255	4,464
Auto/RCF	375	322	1,459	365	378	1,439
Life/AP/VGBL	147	172	640	200	215	750
Basic Lines	52	77	245	70	101	321
Other Lines	42	43	195	69	58	277
Total	1,488	1,595	6,014	1,822	2,007	7,251

Obs.: For 4Q08 and 2008 index calculation, we have excluded the amount of R\$99.8 million related to the IBNR tail expansion from five to seven years (Life Line) and R\$40 million related to losses deriving from floods that stroke the state of Santa Catarina.

Claims Ratio by Insurance Line %

Selling Expenses by Insurance Line in millions of R\$

Insurance Line	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Health	36	39	137	47	52	186
Auto/RCF	101	90	386	95	86	376
Life/AP/VGBL	81	95	327	93	97	365
Basic Lines	19	21	85	24	25	96
Total	237	245	935	259	260	1,023

Selling Ratios by Insurance Line %

Number of Policyholders in thousands

Obs. 1: it includes Mediservice and Bradesco Dental policyholders.

Obs. 2: as of December 2007 we do not consider policyholders related to Indiana Seguros S.A., whose interest sale was approved by Susep on December 12, 2007.

In December 2008, there was an y-o-y increase of 16.0% in the client base.

Rating

At the beginning of June, the risk rating agency Fitch Ratings increased the international Financial Strength rating of Bradesco Seguros from BBB to BBB+ Stable and stated the FFS on the domestic scale as AAA(bra), stable prospect, as a result of the increase of the sovereign credit rating of Brazil to BBB, considered investment grade.

Operational Risk

Grupo Bradesco de Seguros e Previdência, part of the Bradesco Organization, has adapted its methods and activities as part of its permanent commitment to comply with laws and regulations, using methodologies and resources in line with the best market practices especially those related to risk management.

Thus, in order to comply with the guidelines established by the New Basel Capital Accord (Basel II), provisions of the monetary authority and alignment of definitions related to Solvability II, we performed a survey and analysis of the events related to operating risk. This initiative enabled the improvement in the management and knowledge of losses and their causes. The dissemination of the operating risk management culture on several levels, the disclosure of corporate policies and establishment of ongoing monitoring of exposure levels are inserted in this context.

Awards/Acknowledgments

1 Bradesco Seguros e Previdência won the Fides award in the Institutional category for the marketing campaign for the 2006 edition of Bradesco Seguros e Previdência's Christmas tree, with the theme "A Present for the Brazilian Family." The award, promoted by Fides, considered marketing campaigns of the affiliated insurance companies. The event took place in Ecuador in January.

2 Grupo Bradesco de Seguros e Previdência was awarded the *Prêmio Segurador Brasil 2008*

(2008 Brazilian Insurance Company award), for Distinguished Global Insurance Sales. The award is sponsored by Segurador Brasil magazine as a means to acknowledge the leadership, performance and achievements of companies in the insurance sector in the previous year. The award highlights the role of companies and entities in the development and implementation of concepts, products and services for the Brazilian insurance market.

3 In 2007, Grupo Bradesco de Seguros e Previdência maintained first place in the ranking of the largest insurance groups of Brazil. In the fifth edition of *Prêmio Os Melhores Grupos Seguradores do País* (The Best Insurance Groups in the Country Award), sponsored by Conjuntura Econômica magazine, edited by the IBRE of FGV, Grupo Bradesco de Seguros e Previdência was also appointed as the leader in the total assets, shareholders' equity and net income categories.

4 Bradesco Seguros e Previdência was granted, for the seventh consecutive time, Folha Top of Mind award, sponsored by Instituto Datafolha. The company was the most remembered one by consumers in the Insurance category and ranked first, with 11% of result, in the Awareness research (a type of ranking of the other most remembered brands).

5 Bradesco Seguros e Previdência was acknowledged by the British magazine World Finance as the Best Insurance Company in Latin America - 2008 due to its financial solidity indexes and growth in all its operation segments. The award ceremony took place on the London Stock Exchange.

Sponsorships and Highlights

1 Bradesco Seguros e Previdência is one of the sponsors of the series of events to be promoted by the Sincor-SP in 2008, to provide opportunities for integration and updating of the professionals who operate in the insurance market.

2 Bradesco Seguros e Previdência, in a partnership with Ibmecc, formed the second class of the MBA course "Business Management Focused on Insurance." Forty-one employees of Grupo Bradesco de Seguros e Previdência nominated by their managers were part of the class of 2008 and attended classes in the period from March to December 2008. The purpose of the MBA is to qualify students through courses in the business management and other areas focused on insurance.

3 Bradesco Seguros e Previdência, with the purpose of stimulating the quality of life by means of physical activities, sponsored the following sport events:

The *3ª Corrida Oral-B - Prevenção do Câncer Bucal* (3rd Oral-B Race - Oral Cancer Prevention) - the race was part of the 26th Congresso Internacional de Odontologia de São Paulo (26th Odontology International Congress of São Paulo) activities and was the beginning of the street race season in the city.

A Corrida e Caminhada Contra o Câncer de Mama (The Run and Walk Against Breast Cancer), which occurred in June 8, in Aterro do Flamengo, in Rio de Janeiro - approximately 6 thousand people participated to make women aware of the fast detection and the importance of the self-exam to control breast cancer, the most common cancer among them. The event was created by IBCC.

The *Circuito Corrida e Caminhada da Longevidade* (Longevity Run and Walk Circuit) - created in 2007 by Grupo Bradesco de Seguros e Previdência, the initiative aims at stimulating the interest in longevity.

Ayrton Senna Racing Day relay marathons, which took place in Brasília and in São Paulo. In addition to honoring Ayrton Senna, the races invest the amount collected from enrollments in the Brazilian education.

4 Circuito Cultural Bradesco Seguros e Previdência promoted several cultural manifestations:

Plays - *Othello*, *The Sound of Music*, *No Natal a gente vem te buscar*, *Tom & Vinícius*, *Vergonha dos Pés*, *A Forma das Coisas* and *7 - O Musical*.

Music- Series of international concerts performed by Dell Arte, the marathon of classical music of *Rio Folle Journée* 2008 and the Jazz All Nights season in Rio de Janeiro, *Loucos por Música*, in Canecão. 2008 Solo Piano Series with César Camargo Mariano, Marcos Valle and João Donato, in Rio de Janeiro;

Plastic Arts - Exhibition *Segall Realista*, in São Paulo, and the show *O Teatro Pitoresco de Debret*, in Rio de Janeiro, and *50 Years of Bossa Nova* in São Paulo.

5 Bradesco Seguros e Previdência set up for the 13th consecutive year the Christmas Tree of Bradesco Seguros e Previdência which, since 1996, decorates Rodrigo de Freitas Lagoon, in Rio de Janeiro. The 2008 decoration had angels and musical notes and for the first time it was represented in thirteen sequential phases. It is considered by the Guinness Book of Records the world's tallest floating Christmas Tree due to its 85-meter height. The event was broadcasted live in national network by TV Bandeirantes and in real time by the hot site (www.arvorenatalbradescoseguros.com.br).

6 Bradesco Seguros e Previdência was the first company in the country to have a commercial application ratified by Apple for iPhone. The license is for the launch of the Bradesco Seguro Auto software which makes available, on a free of charge basis, to iPhone users - Insurance Company's clients or not - a series of exclusive functionalities such as access to repair shops, gas stations and parking lots, digital maps and videotips, among other.

Bradesco Saúde

Health Insurance Premiums Market Share %

Net Premiums Written in millions of R\$ (*)

Insurance Line	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Corporate Plan	805	851	3,224	1,087	1,178	4,209
Individual Plan	260	260	1,022	302	232	1,050
Total	1,065	1,111	4,246	1,389	1,410	5,259

Growth in Technical Provisions for Health in millions of R\$ (*)

(*) Includes provisions of Bradesco Dental.

Number of Policyholders in Health Insurance Lines in thousands

In December 2008, Bradesco Saúde and Bradesco Dental maintained its outstanding market position in the corporate segment (source: ANS). Brazilian companies are increasingly convinced that health and dental insurance are the best alternatives for meeting their medical, hospital and dental care needs.

More than 25 thousand companies in Brazil have acquired Bradesco Saúde and Bradesco Dental insurance products. Among Brazil's 100 largest companies in terms of revenue, 35 are clients of both insurance companies. Considering Mediservice, this number increases to 40. (source: Exame magazine's

Melhores e Maiores de Julho de 2008 Best and Largest Companies, July 2008).

Together, the three companies have 3.8 million clients. The large market share of corporate insurance in this total portfolio (93.5% in December 2008) confirms its high level of expertise and customization in the corporate plans, a distinct advantage in the supplementary health insurance market.

As of February 22, 2008, Mediservice S.A. started to integrate Grupo Bradesco de Seguros e Previdência, and with a portfolio of more than 270,000 clients, Mediservice operates health and dental insurance for corporate clients in the post-payment line.

Awards/Acknowledgments

1 Bradesco Saúde was acknowledged in the health insurance segment as the most well-rated company according to the *Os 100 Melhores Fornecedores para RH 2008* ranking (The Top 100 Best HR Suppliers 2008), promoted by Gestão RH e Editora. Bradesco Saúde was also awarded with the *10 Fornecedores Mais Votados e Melhores Avaliados* (10 Most Voted for and Well-Rated Suppliers) trophy, being the only insurance company on the list where the participating companies were voted on regardless of their operational area. The company won both awards for the second consecutive time. The research, conducted between August and November 2007 by means of questionnaires, was conducted with the human resources areas (HR) of the companies listed in the 1,000 Largest Companies and Best Companies to Work For published by Exame magazine.

2 Bradesco Saúde was granted the *Prêmio Segurador Brasil 2008* (2008 Brazilian Insurance Company award), for Distinguished Sales by Health Insurance Line. The award is sponsored by Segurador Brasil magazine as a means to acknowledge the leadership, performance and achievements of the companies in the insurance sector in the previous year. The award highlights the role of companies and entities in the development and implementation of concepts, products and services for the Brazilian insurance market.

3 Bradesco Saúde ranked first among the largest insurance companies in Brazil in premiums awarded in the fifth edition of the *Prêmio Os Melhores Grupos Seguradores do País* (The Best Insurance Groups in Brazil Award), sponsored by Conjuntura Econômica magazine, edited by the IBRE of FGV.

4 Bradesco Saúde was appointed, for the third consecutive year, as Prime Benefits in the Health Insurance category, in the special edition of *Guia Você S/A Exame 150 Melhores Empresas para Você Trabalhar* (Você S/A - Exame Guide - the 150 Best Companies to Work for). The evaluation method was developed by teachers of Fundação Instituto de Administração (FIA).

5 Bradesco Saúde was granted two awards in the 1st HR Top of Mind in the Health Insurance and Outstanding Entrepreneur - Supplying Company categories, sponsored by Editora Fênix. The award ceremony was held in HSBC Brasil in São Paulo.

Sponsorships/Highlights

1 Bradesco Saúde, in a pioneering initiative, promoted the technical and operational work forum in São Paulo, targeted to hospital employees associated to Anahp. The forum presented the main operational routines of Bradesco Saúde, focused on the company's daily relationship with its medical and hospital service providers' network and on routines related to TISS, standard established by ANS in 2007.

2 - Bradesco Saúde sponsored Bradesco Saúde and Sindhosp Operational-Technical Work Forum held in São Paulo. Participants of the meeting included hospitals, clinics and laboratories segments affiliated to São Paulo hospitals unions accredited at Bradesco Saúde.

Bradesco Dental

Sponsorships/Highlights

1 To give more attention to dental insurance, Grupo Bradesco de Seguros e Previdência structured Bradesco Dental, which is a market leader among the insurance companies that operate in the sector nowadays. In August, Bradesco Dental reached one million policyholders, all of them included in collective policies - corporate and SPG. The company has the strength of the largest insurance conglomerate of Latin America and on the group's more than 15 years of experience in the dental segment.

2 Bradesco Dental was one of the gold sponsors of the 2nd Seminar on Development of the Dental Insurance Market, carried out by the Association of Health and Dental Insurance Brokers of the State of São Paulo - Acoplan.

Bradesco Auto/RE

Insurance Premiums of Auto/RE Market Share %

Source: Susep

Obs.: in 2007, it included Indiana Seguros.

Growth in Technical Provisions of Auto/RE in millions of R\$

Obs. 1: In 2004, Bradesco Seguros' Auto/RE portfolio was merged.

Obs. 2: As of 2007, technical provisions from Indiana Seguros are not included.

Net Premiums Written in millions of R\$

Insurance Line	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Auto/RE	912	653	2,862	791	739	2,894

Number of Policyholders of Auto/RE in thousands

Grupo Bradesco de Seguros e Previdência maintained an outstanding position among the main insurance companies in the Brazilian basic line insurance market, with a 7.1% share of total market sales in November 2008 in this area.

In lines related to equity insurance, Bradesco Auto/RE has renewed the insurance programs of its main clients through partnerships with brokers specialized in the segment and proximity to Bradesco Corporate and Bradesco Empresas. The fact that the oil industry had outstanding performance and civil construction had picked up has also contributed to the growth of Bradesco Auto/RE in this segment.

In the insurance of air- and watercraft, the exchange between managers of Bradesco Corporate and Bradesco Empresas has been widely employed, taking advantage of the market increase in the sales of new aircraft, as well as in the maritime segment of watercraft constructions.

The transportation segment is still the primary focus, with essential investments to improve new businesses, especially, among others, the qualification of Transportation Products Managers that will be established in the main Brazilian economic centers, and the creation of Bradesco Cargo System, a complete transport insurance management system on the internet.

In the mass market insurance segment of basic lines, whose products are destined for individuals, self-employed professionals and SMEs, the launch of new products, along with the continuous improvement of methods and systems, have contributed to the growth of the client base. Such increase can be observed mainly in residential and equity insurance, such as *Bradesco Seguro Residencial* and *Bradesco Seguro Empresarial*. We would also like to point out the new insurance line destined to support machinery and equipment used in sectors in expansion (such as agriculture, civil construction and industry): *Bradesco Seguro Equipamentos*, *Bradesco Seguro Benfeitorias*, *Bradesco Seguro Penhor Rural Público* and *Bradesco Seguro Penhor Rural Privado*. These products gained more competitiveness and a new issue process, enabling a faster quoting process and a better use of business opportunities.

Another important launching was Auto + Residential which consist of policyholders simultaneously contracting vehicles and home insurances, providing higher profitability to insurance companies and higher protection to policyholders.

Despite strong competition in the Auto/RCF Lines, the insurance company has increased its client base. This is mainly due to the current product improvement and to the creation of products for specific groups. Among these, we can name *Bradesco Seguro Exclusivo Cliente Bradesco*, for Banco Bradesco's account holders, *Auto Mulher*, for the female public, and *Auto Corretor*, for insurance brokers.

Grupo Bradesco de Seguros e Previdência's market share of the Auto/RCF portfolio, in November 2008, was 13.3% .

Awards/Acknowledgements

1 Bradesco Auto/RE Companhia de Seguros was awarded the *Prêmio Segurador Brasil 2008* (2008 Brazilian Insurance Company Award), for Distinction in the Auto/RE Market. The award is sponsored by Segurador Brasil magazine as a means to acknowledge the leadership, performance and achievements of the companies in the insurance sector in the previous year. The award highlights the role of companies and entities in the development and implementation of concepts, products and services for the Brazilian insurance market.

2 Bradesco Auto/RE Companhia de Seguros received the Gaivota de Ouro Trophy for Excellence in the Transportation Portfolio, in the *VII Prêmio Mercado de Seguros* (VII Insurance Market Award), sponsored by Seguro Total magazine.

3 Bradesco Auto/RE was granted *XI Prêmio Cobertura Performance 2008* (11th Cobertura Performance Award - 2008), in the Best Financial-Economic Performance - Residential Risks category, sponsored by Editora Cobertura. The award ceremony, considered one of the most important of the insurance market, paid homage to companies that showed innovation capacity, through the development of products and sale strategies.

Highlights

1 Bradesco Auto/RE Companhia de Seguros was one of the sponsors of the Seminar *The Challenge of Urban Mobility*, which took place on August 18, in Centro de Convenções Millennium, in São Paulo. The seminar, promoted by Anfavea and SAE Brasil, was attended by approximately 250 people and discussed themes on urban mobility challenge, such as planning, urban mobility in cities, public policies and the automobile of the future.

2 During the 19th edition of Conec, Insurance Brokers Congress, Bradesco Auto/RE launched Bradesco Seguro Residencial Corretor and Bradesco Seguro Empresarial Corretor, products exclusively focused on Insurance Brokers accredited at the Company.

Bradesco Vida e Previdência

Income from Private Pension Plans and VGBL Market Share %

Source: Susep

Up to December 2008, total income from private pension plants totaled R\$10.9 billion.

People Insurance Premiums (Life and Personal Injuries) Market Share %

Source: Susep

Up to December 2008, total income from net premiums written amounted to R\$2.0 billion.

Growth in Technical Provisions in millions of R\$

Technical provisions of Bradesco Vida e Previdência in December 2008 reached R\$56.1 billion, of which R\$53.5 billion was for private pension plans and VGBL and R\$2.6 billion for life, personal injury and other lines, with a y-o-y increase of 10.9% .

Private Pension Plans and VGBL Investment Portfolios Market Share %

Source: Fenaprevi

In December 2008, the investment portfolio of Bradesco Vida e Previdência reached R\$57.4 billion, of which R\$55.1 billion came from private pension plans and VGBL and R\$2.3 billion came from life and personal injury and other lines.

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Number of Participants in thousands

Number of Life Insurance and Personal Injury Policyholders in thousands

Due to its solid structure, innovative product policy and trusted market standing, Bradesco Vida e Previdência maintained its leadership of both markets in which it operates, with a 34.5% share of income from private pension plans and VGBL and a 16.7% share of personal insurance premiums.

Bradesco is also sole leader in VGBL plans, with a 36.8% share, and in Private Pension plans, with a 27.9% share (sources: Fenaprevi data accumulated up to November 2008).

The number of Bradesco Vida e Previdência clients grew by 12.8% in December 2008 compared to December 2007, surpassing the record of 1.9 million private pension plans and VGBL participants and 16.9 million life insurance and personal injury policyholders. This significant increase was prompted by the strength of the Bradesco brand and by the use of appropriate management and sales policies.

In November 2008, the portfolio of investments in private pension plans and VGBL totaled R\$54.3 billion, comprising 38.4% of all market resources.

Awards/Acknowledgements

1 Bradesco Vida e Previdência won awards in 3 categories of the *Prêmio Segurador Brasil 2008* (2008 Brazilian Insurance Company Award): Best Global Performance in Private Pension Plan; Distinguished Sales by Life Insurance Line; and Distinguished Global Sales in Private Pension Plans. The Brazilian Insurance Company Award is an initiative of Segurador Brasil magazine. The technical evaluation was prepared by economist Luiz Roberto Castiglione and takes into account the number of awards obtained by insurance companies, from November 2006 to November 2007.

2 Bradesco Vida e Previdência was awarded as the largest company in net income and Brazil's best insurance group in the Private Pension Plan segment. The award is sponsored by Conjuntura Econômica magazine of FGV. The award criteria were based on the economic-financial performance of the companies in the previous year.

3 Bradesco Vida e Previdência was chosen the Best Private Pension Plan Company of 2007 by Gazeta Mercantil, based on an analysis of Austin Rating, the first national company to grant ratings in Brazil.

4 Bradesco Vida e Previdência is the only Brazilian company recognized at the Regional Educational Achievement Awards 2007. The awards are Loma's public recognition to companies that maintain significant professional development and qualification plans, investing in the development of their employees, of the industry and in the qualification of their markets.

5 Bradesco Vida e Previdência was granted *Prêmio CORP RH* (CORP HR Award). It was the Private Pension institution most mentioned by the participants of III CORP RH, who spontaneously voted in the most outstanding companies as HR product and service suppliers, considering criteria such as quality of services and assistance.

6 Bradesco Vida e Previdência received *Troféu Destaque Vip Brasil 2008* (2008 Vip Brazil Highlight Trophy), from Espaço Brasil Gente magazine and Diana Szortycka TV Show. The purpose of the initiative is to make companies distinguished for Excellence in Quality and Enterprising known to the public.

7 Bradesco Vida e Previdência received the Companies which most respect the consumer in Brazil award in the Private Pension Plan category. This research is done by Consumidor Moderno magazine in partnership with TNS/Interscience, to evaluate features as customer service, price, quality of services and products, social and environmental responsibility among others.

Bradesco Capitalização

Bradesco Capitalização closed 2008 in an outstanding position in the certificated savings plans market, which is the result of its transparent operating policy, which is focused on adjusting its products to meet the potential consumer demand.

Regionally, Bradesco Capitalização is a leading company in two Brazilian states: with a 29.29% market share in Amazonas and 25.72% in São Paulo, according to the latest figures for July 2008 disclosed by Susep.

Aiming at offering the bond that best suits its clients' profiles and budgets, a number of products were developed that vary in accordance with the type of payment (lump sum or monthly), contribution term, regularity of drawings and related prize amounts. That phase was mainly characterized by its proximity to the public via the consolidation of *Pé Quente Bradesco* family products.

Among them, we can highlight the performance of social-environmental products, in which a part of the amount collected is allocated to social responsibility projects, in addition to enabling the client to make a financial reserve. Currently, Bradesco Capitalização has the following social-environmental products: *Pé Quente Bradesco SOS Mata Atlântica*, that contributes to reforestation projects of the Fundação SOS Mata Atlântica; *Pé Quente Bradesco Instituto Ayrton Senna*, whose great competitive advantage is the designation of a percentage of the amount collected with bonds for social projects of the Instituto Ayrton Senna, as well as *Pé Quente Bradesco O Câncer de Mama no Alvo da Moda* (Fashion Targets Breast Cancer), which the client contributes to the development of projects for prevention, early diagnosis and treatment of cancer in Brazil, since part of the amount collected is given to the IBCC; and *Pé Quente Bradesco Amazonas Sustentável*, whose part of amount collected is allocated to Fundação Amazonas Sustentável, which develops programs and projects related to environmental preservation and sustainable development.

Rating

Bradesco Capitalização S.A. is currently graded *brAAA Stable* by Standard & Poor's and is maintained as the only company in the certificated savings plans segment with this rating. The solid financial and equity protection standard that Bradesco Capitalização ensures to its clients contributed to this result.

Quality Management System

Bradesco Capitalização S.A. maintains its quality management system according to the ISO 9001:2000 version within the scope of Bradesco Certificated Savings Plans Management. Granted by Fundação Vanzolini, this certification attests the quality of its internal processes and confirms the principle grounded in Bradesco Certificated Savings Plans: good products, good services and permanent evolution.

Income from Certificated Savings Plans Market Share %

Source: Susep

Technical Provisions for Certificated Savings Plans Market Share %

Source: Susep

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Growth in Technical Provisions for Certificated Savings Plans in millions of R\$

Due to the growing strengthening of the volume of technical provisions, Bradesco Capitalização reached the amount of R\$2.7 billion in December 2008, and according to November 2008 data released by Susep, it holds 20.2% of the total volume of technical provisions in the market.

All of these results convey safety and reaffirm the financial solidity and ability to honor commitments to its clients.

Number of Certificated Savings Plans Clients in thousands

As a result of a policy of building customer loyalty, focused on the quality of customer service and on offering innovative products, Bradesco Capitalização ended 2008 with over 2.5 million clients, which represented a growth of 11.2% compared to December 2007.

Outstanding Traditional Certificated Savings Plans in thousands

Outstanding Certificated Savings Plans Incentive (with Transfer of Drawing Participation Righths) in thousands

Total Outstanding Certificated Savings Plans in thousands

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The portfolio includes 15.7 million outstanding certificated savings plans. Out of this total, 32.3% is represented by traditional plans sold at the branch network and in the channels Bradesco Dia&Noite. This portfolio had a growth of 12.8% compared to December 2007. The other 67.7% of the portfolio is represented by plans of the incentive type (transfer of drawing participation rights), such as the partnerships with Bradesco Cartões, Bradesco Vida e Previdência, Bradesco Auto/RE etc. Considering that the purpose of this type of certificated savings plans is to add value to partners' products or even to provide incentives for customer payments, these plans are sold with reduced terms and grace periods and at a lower unit purchase price.

Awards/Acknowledgments

- 1 Bradesco Capitalização received the 2nd *Prêmio Brasil de Meio Ambiente* (2nd Brazil Environmental Award) for the Best Work in Environment Communication Program, with the product *Pé Quente Bradesco SOS Mata Atlântica*. The award, which is sponsored by Jornal do Brasil newspaper, was created to encourage the continuity and the expansion of environmental awareness in Brazil. It is targeted at artists and public and private institutions from several sectors which perform an essential and active role in relation to the environment. The prizewinners are chosen by the CNI.
- 2 Bradesco Capitalização won the *Prêmio Segurador Brasil 2008* (2008 Brazilian Insurance Company Award) in the Marketing 10 and Entrepreneurs in the Certificated Savings Plan Area categories. The award is sponsored by Segurador Brasil magazine as a way to acknowledge the leadership, performance and achievements of insurance companies in the previous year. It highlights the role of the companies and entities in the development and implementation of concepts, products and services for the Brazilian insurance market.
- 3 Bradesco Capitalização received the Dr. Oswaldo Cruz Award in the category Education and Social/Environmental Responsibility. Ibrasi and Sbase, sponsors of the award, chose the Company in recognition of the launch of certificated savings plans which allocate part of the revenues from the sale of these products to programs aimed at the quality of life of Brazilians.

Highlights

- 1 On February 12, in the city of Piracicaba (State of São Paulo), Bradesco Capitalização, in partnership with Fundação SOS Mata Atlântica, opened a community nursery where 250 thousand seedlings of over 80 different kinds of native trees can be raised. They will be planted on properties in the region, mainly in areas of Atlantic Forest reforestation.
- 2 On March 10, Bradesco Capitalização launched the certificated savings plan *Pé Quente Bradesco Amazonas Sustentável*. The product, created in partnership with Fundação Amazonas Sustentável, grants part of the amount collected on behalf of the Foundation to sponsor environmental preservation and sustainable development programs and projects. With this new product, Bradesco Capitalização strengthens its social-environmental commitment, which already includes partnerships with Fundação SOS Mata Atlântica, the IBCC and Instituto Ayrton Senna.

3 From May 30 to June 1, Bradesco Capitalização sponsored the 4th edition of *Viva a Mata* at Parque do Ibirapuera, in São Paulo. Held during the week that celebrates the Atlantic Forest Day (May 27), the event had several activities such as lectures, debates and thematic stands.

Banco Finasa BMC

Consolidated Balance Sheet

	In millions of R\$			
	2007 (3)		2008 (4)	
	September	December	September	December
Assets				
Current and Long-Term Assets	27,282	33,438	50,843	62,326
Funds Available	8	14	3	110
Interbank Investments	1,274	4,097	16,455	32,207
Securities and Derivative Financial Instruments	278	235	371	381
Interbank Accounts	34	4	20	3
Loan and Leasing Operations	24,396	27,444	32,017	28,038
Allowance for Loan Losses	(1,246)	(1,346)	(1,715)	(1,755)
Other Receivables and Other Assets	2,538	2,990	3,692	3,342
Permanent Assets (1)	1,987	2,081	78	83
Total	29,269	35,519	50,921	62,409
Liabilities				
Current and Long-Term Liabilities	27,689	33,819	38,689	39,793
Demand, Time and Interbank Deposits	26,336	32,372	36,608	37,976
Federal Funds Purchased and Securities Sold under Agreements to Repurchase and Funds from Issuance of Securities	95	90		
Interbank Accounts	2		5	
Borrowing and Onlending	82	34		
Derivative Financial Instruments	23			
Other Liabilities	1,151	1,323	2,076	1,817
Deferred Income	18	18	43	70
Shareholders Equity (2)	1,562	1,682	12,189	22,546
Total	29,269	35,519	50,921	62,409

(1) Investment Reduction in March 2008: Banco Bradesco acquired an interest of 34.6% in Banco Alvorada, which belongs to Banco Finasa S.A.

(2) The Special Shareholders Meetings held on March 3, 2008 and April 3, 2008 resolved on the capital increase in the amount of R\$5 billion, respectively, totaling R\$10 billion and the Special Shareholders Meeting held on November 5, 2008 resolved on the capital increase in the amount of R\$10 billion.

Consolidated Statement of Income

	In millions of R\$					
	2007 (3)			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year (4)
Income from Financial Intermediation	1,825	2,062	7,334	2,072	3,673	10,230
Financial Intermediation Expenses	(1,059)	(1,264)	(4,181)	(974)	(2,440)	(5,848)
Financial Margin	766	798	3,153	1,098	1,233	4,382
Provision for Loan Losses	(344)	(373)	(1,337)	(427)	(391)	(1,679)
Gross Income from Financial Intermediation	422	425	1,816	671	842	2,703
Other Operating Income/Expenses	(395)	(259)	(1,288)	(340)	(389)	(1,639)
Operating Income	27	166	528	331	453	1,064
Non-Operating Income	(4)	(19)	(27)	(50)	(95)	(260)
Income before Taxes and Contributions	23	147	501	281	358	804
Taxes and Contributions on Income	(40)	48	(55)	(95)	(122)	(270)
Net Income	(17)	195	446	186	236	534

(3) Bound data for comparison purposes.

(4) Already considers the merger of Finasa into BMC, according to the Meeting of April 30, 2008.

Profile

Banco Finasa BMC offers consumer sale financing lines for the acquisition of passenger or cargo vehicles, as well as other goods and services, in addition to offering leasing and traditional personal loan operations, deductible loans, operating as Bradesco's financing company.

Finasa Segment

Finasa specializes in consumer sale financing lines for the acquisition of passenger and cargo vehicles, as well as other goods and services, in addition to leasing operations and personal loans.

It operates in the granting of financing segment and also in the strategy of entering into operational agreements with large car makers, as well as auto, truck and implements resale, in addition to important retail chains.

BMC Segment

BMC specializes in deductible loans for INSS retirees and pensioners, payroll of companies of the federal, state and municipal public sector, employees of private sector companies, CDC of used vehicles and secured transaction loans.

It operates by means of correspondent banks. In the second quarter, also through correspondent banks, it started granting payroll-deductible loans in branches of Banco Bradesco (Synergy Project) and granting payroll-deductible loans of private sector companies (Federal Government Project) focused on companies which compose the portfolios of Bradesco Empresas and Corporate segments.

Operation Strategy

The Finasa and BMC segments, operating in a different manner, mainly in partnership with stores and retailers, complete the distribution network of the Bradesco Organization's financial products.

For its new business prospects, the Finasa segment hires the services of Finasa Promotora de Vendas, a wholly-owned subsidiary of Banco Finasa BMC, through its 156 branches established nationwide and a structure of business partners; on the other hand, the BMC segment uses its specialized team and prospective opportunities markets. It is currently operating with 883 correspondent banks whose distribution includes all Brazilian states.

Operating Performance

Finasa Segment

At the end of 2008, the Finasa segment totaled R\$24.153 billion from its financing portfolio/ vehicle leasing and personal loan, a drop of 3.6% over the same period in 2007. In December 2008, Banco Finasa BMC S.A. and Banco Bradesco S.A. entered into a private instrument for assignment of leasing agreements in which Bradesco assumed

rights in the amount of R\$3.933 billion.

Not taking such assignment in consideration, the portfolio would be R\$28.086 billion, recording a 12.1% growth in 2008.

BMC Segment

In 2008, the segment totaled R\$3.886 billion in loans and financing portfolio with a growth of 60.5% compared to the same period of 2007. The highlight was the payroll-deductible loans portfolio, which enjoyed growth of 44.3%, increasing from R\$1.884 billion in December 2007 to R\$2.718 billion, a result of the strategy and structuring of the team dedicated to agreements with INSS, government bodies and private companies, with the consequent increase of granting of funds in this modality. The production of new businesses increased from an average of R\$235.8 million/month in 2007, to R\$293.6 million/month in the same period of 2008, with a growth of 24.5% .

During the year, loan operations of payroll-deductible loans were granted in the amount of R\$700.4 million. Incorporating the operations granted, total loan portfolio would be R\$4.914 billion, with a growth of 40.7% on the same period of 2007.

Results

Net income for 2008 was R\$534 million, representing a 19.7% y-o-y growth.

Banco Finasa BMC ended 2008 with shareholders' equity of R\$22.546 billion.

Banco Bradesco BBI

Balance Sheet

	In millions of R\$			
	2007		2008	
	September	December	September	December
Assets				
Current and Long-Term Assets	2,244	1,607	6,711	6,509
Funds Available			2	
Interbank Investments	538	538	5,627	5,220
Securities and Derivative Financial Instruments	1,541	897	954	1,146
Other Receivables and Other Assets	165	172	128	143
Permanent Assets (1)	269	378	1,401	1,402
Total	2,513	1,985	8,112	7,911
Liabilities				
Current and Long-Term Liabilities	1,183	559	2,527	2,303
Time Deposits			1,807	1,867
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	1,015	243	253	
Derivative Financial Instruments	58	123	325	333
Other Liabilities	110	193	142	103

Shareholders Equity (2)	1,330	1,426	5,585	5,608
Total	2,513	1,985	8,112	7,911

(1) Merger of total shares of Ágora Holdings S.A., changed into a wholly-owned subsidiary, pursuant to Special Shareholders Meeting held on September 17, 2008.

(2) Capital increase in the amount of R\$60.3 million on April 28, 2008, R\$ 3.0 billion on June 30, 2008 and R\$346.2 million on September 17, 2008, pursuant to the Special Shareholders Meetings of these dates.

Statement of Income

	In millions of R\$					
	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Income from Financial Intermediation	53	47	167	188	268	561
Financial Intermediation Expenses	(19)	(19)	(50)	(60)	(64)	(191)
Gross Income from Financial Intermediation	34	28	117	128	204	370
Other Operating Income/Expenses	23	46	89	23	(110)	(24)
Operating Income	57	74	206	151	94	346
Taxes and Contributions on Income	(14)	(20)	(44)	(46)	(28)	(92)
Net Income	43	54	162	105	66	254

Banco Bradesco BBI S.A. is the company responsible for the development of operations in the variable income, fixed income, structured operations, mergers and acquisitions and project financing segments.

Variable Income

In December 2008, BBI ranked 6th in Anbid's Origination and Distribution ranking, by volume, in the domestic variable income market. In 2008, characterized by a significant decrease in share offering operations, we would like to highlight our participation as coordinators and joint-bookrunners in the public offering of shares of Cia. Vale do Rio Doce, in the amount of R\$19.4 billion, and our participation as hired coordinators in the offering of shares of Visa Inc⁽¹⁾, held in the United States of America, by means of our subsidiary Bradesco Securities Inc⁽¹⁾, in the amount of US\$ 19.7 billion, and in the public offerings of shares of Gerdau S.A., in the amount of R\$2.9 billion and of Metalúrgica Gerdau S.A., in the amount of R\$1.5 billion. We also assisted Petróleo Brasileiro S.A. - Petrobras in the Public Offering of Share Acquisition from Suzano Petroquímica S.A., in the amount of R\$566.2 million.

Fixed Income

In December 2008, pursuant to the Anbid's Origination and Distribution ranking, BBI ranked second, by volume, in consolidated fixed income⁽²⁾ in the domestic market. We participated as lead manager in several transactions, from which we highlight: the issue of Debentures of American Banknote S.A., in the amount of R\$180 million, of Usiminas S.A., in the amount of R\$500 million, of Trisul S.A., in the amount of R\$200 million, of Companhia de Gás de São Paulo - Comgás, in the amount of R\$100 million, of Localiza S.A., in the amount of R\$300 million and of Companhia de Concessões Rodoviárias, in the amount of R\$300 million. We also participated as lead managers, of the first issue, of Commercial Promissory Notes of Bradespar S.A., in the amount of R\$1,400 million, of Cosan S.A. Indústria e Comércio, in the amount of R\$1,100 million, of Telemar Norte Leste S.A., in the amount of R\$2,000 million and in

the coordination leadership of the issue of Commercial Promissory Notes of Ultrapar, in the amount of R\$1,200 million. In addition, we also participated as Coordinator of the debentures issue of MRV Engenharia e Participações S.A., in the amount of R\$300 million, and of the Commercial Promissory Notes of Telemar Norte Leste S.A., in the amount of R\$3,600 million.

(1) Visa Inc operation is not accounted for in Anbid's Domestic Market ranking.

(2) Since January 2008, Consolidated Fixed Income ranking is comprised by the sum of the subdivisions: short-term fixed income, long-term fixed income and securitization (FIACs and CRIs).

Structured Operations

BBI develops structures used to segregate credit risks through securitization, using SPEs, loan assignments with shared risk and medium- and long-term financing, structured based on receivables and/or other collaterals. Additionally, BBI has an outstanding position in acquisition finance.

In 2008, we worked in the development and implementation of complex leverage structures, which allowed for the acquisition operations such as: the Frango Assado restaurant chain by means of investment fund Advent International, Polipetro and Repsol by means of Alesat Combustíveis, as well as Esso Brasileira by means of Cosan.

We also highlight our participation in the syndicated loan which made possible the acquisition of McDonald's, Latin America, by investment funds Wood Station, Gávea and DLJ.

Mergers and Acquisitions

BBI advises important clients on mergers, acquisitions, joint ventures, corporate restructuring and privatization operations, whose added values exceed R\$37 billion.

Among the operations carried out in 2008, we highlight:

Advisory services to Bovespa Holding S.A. in the merger with Bolsa de Mercadorias & Futuros S.A.;

Advisory services to Rede Energia S.A. in the financial structuring and in the acquisition of the equity control of Enersul Energias do Brasil;

Advisory services to Bradesco in the acquisitions of Ágora Holdings, Mediservice Administradora de Planos de Saúde and in the sale of quotas of Fundo de Investimento Imobiliário Projeto Água Branca;

Advisory services to AMC Têxtil in the acquisition of four companies of TF Modas Group, holder of the brands Forum and Triton, among others;

Advisory services to American Banknote S.A. in the acquisition of Interprint Ltda.;

Advisory services to investment fund Advent International in the acquisition of Frango Assado chain;

Advisory services to Alesat Combustíveis S.A. in the acquisition of the total capital stock of Repsol YPF Distribuidora S.A. and Polipetro Distribuidora de Combustíveis Ltda.; and

Advisory services to Odebrecht Investimentos em InfraEstrutura Ltda., in the acquisition of Águas de Cachoeiro S.A. (Citágua) and Ecosama S.A.

Project Financing

BBI has a solid track record playing the role of financial advisor and structure maker for several projects in the project and corporate finance categories, always seeking the best financing solution for projects in several sectors of the

economy. BBI has an excellent relationship with several different promotion agencies, such as BNDES, BID and IFC.

This year, BBI operated as financial advisor and structure maker for important projects of different economic sectors, being successful in finding adequate financing solutions for some of them, such as: i) financial advisory services to Odebrecht Investimentos em Infraestrutura in the long-term financing structuring, in the total amount of R\$328.1 million, with BNDES and InfraBrasil Fundo de Investimentos em Participações, for the PPP project for the expansion and operation of the sanitary sewage system of the municipality of Rio das Ostras, State of Rio de Janeiro, first PPP project in the sanitation area approved by BNDES; and ii) advisory services to Via Parque S.A. in the long-term financing structuring of R\$52.9 million with Banco do Nordeste, for the implementation of Via Parque PPP, in the state of Pernambuco.

In 2008, BBI continued to provide financial advisory and/or structuring services for several projects, mainly to: (i) Santo Antônio Hydroelectric Power Plant, with installed capacity of 3,150 MW, belonging to Madeira River Complex; (ii) port complexes sponsored by LLX Logística; (iii) projects for the implementation of sugar and alcohol plants; among others.

Leasing Companies

On December 31, Bradesco Organization controlled the following leasing companies: Bradesco Leasing S.A. Arrendamento Mercantil, Zogbi Leasing S.A. Arrendamento Mercantil and Bankpar Arrendamento Mercantil S.A., besides leasing portfolios of Banco Bradesco S.A., Banco Finasa BMC S.A., and Banco Alvorada S.A., which are directly shown in its financial statements.

Aggregated Balance Sheet

	In millions of R\$			
	2007		2008	
	September	December	September	December
Current and Long-Term Assets	35,474	36,257	46,510	47,385
Interbank Investments	30,182	30,387	36,197	39,088
Securities and Derivative Financial Instruments	1,093	1,091	1,229	1,275
Leasing Operations (*)	3,451	4,040	8,199	6,212
Allowance for Loan Losses	(121)	(133)	(252)	(237)
Other Receivables and Other Assets	869	872	1,137	1,047
Permanent Assets	55	57	54	59
Total	35,529	36,314	46,564	47,444
Liabilities				
Current and Long-Term Liabilities	32,704	33,450	43,271	44,093
Federal Funds Purchased and Securities Sold under Agreements to Repurchase and Funds from Issuance of Securities	30,730	31,360	41,286	42,458
Borrowing and Onlending	424	484	676	647
Subordinated Debts	618	616	316	
Other Liabilities	932	990	993	988
Shareholders Equity	2,825	2,864	3,293	3,351
Total	35,529	36,314	46,564	47,444

(*) In December 2008, Bradesco Leasing and Banco Alvorada executed a private instrument of assignment of leasing contracts, in which Banco Alvorada received rights in the amount of R\$2.272 billion.

Aggregated Statement of Income

In millions of R\$

	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Income from Financial Intermediation	1,354	1,375	5,354	2,353	2,446	8,321
Financial Intermediation Expenses	(1,226)	(1,246)	(4,855)	(2,173)	(2,250)	(7,656)
Financial Margin	128	129	499	180	196	665
Allowance for Loan Losses Expenses	(10)	(13)	(32)	(56)	14	(108)
Gross Income from Financial Intermediation	118	116	467	124	210	557
Other Operating Income/Expenses	(15)	(6)	(44)	178		164
Operating Income	103	110	423	302	210	721
Non-Operating Income	(2)	(3)	9	18	(3)	13
Income before Taxes and Contributions	101	107	432	320	207	734
Taxes and Contributions on Income	(28)	(34)	(136)	(110)	(71)	(251)
Net Income	73	73	296	210	136	483

Empresas de Arrendamento Mercantil (*Leasing*)

Leasing Operations Performance Aggregated Bradesco

Leasing operations are carried out by Bradesco Leasing S.A. Arrendamento Mercantil and Banco Finasa BMC S.A.

On December 31, aggregated leasing operations brought to present value totaled R\$20.5 billion (*). Banco Bradesco S.A. and Banco Finasa BMC S.A. leasing portfolios are mainly comprised by vehicle operations for individuals.

According to ABEL, Bradesco Organization's leasing companies are positioned amongst sector leaders, with an 18.3% share of this market (reference date: November 2008). This good performance is a result of its branch network integrated operations and the maintenance of its diversified business strategies in various market segments, in particular, the implementation of operating agreements with major industries, mainly in the transportation vehicles and machinery/equipment industries.

The following graph presents the breakdown of Bradesco's aggregated leasing portfolio by type of asset:

Portfolio by Type of Asset

(*). It includes leasing operations of Banco Finasa BMC, Banco Bradesco and Banco Alvorada.

Management Company

Balance Sheet

	In millions of R\$			
	2007		2008	
	September	December	September	December
Assets				
Current and Long-Term Assets	360	384	522	540
Securities	353	374	511	522
Other Receivables	7	10	11	18
Permanent Assets	8	10	14	17
Total	368	394	536	557
Liabilities				
Current and Long-Term Liabilities	124	111	143	98
Amounts Refundable to Former Groups Now Closed	7	7	20	29
Other Liabilities	117	104	123	69
Shareholders Equity	244	283	393	459
Total	368	394	536	557

Statement of Income

	In millions of R\$					
	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Fee and Commission Income	66	71	256	83	84	318
Taxes Payable	(7)	(7)	(27)	(9)	(8)	(33)
Interest Income	9	10	35	15	16	52
Administrative Expenses (Including						
Personnel Expenses)	(8)	(9)	(31)	(8)	(12)	(34)
Selling Expenses	(7)	(8)	(25)	(12)	(12)	(42)
Other Operating Income/Expenses	2	1	6	2	2	6
Income Before Taxes and Contributions	55	58	214	71	70	267
Taxes and Contributions on Income	(19)	(19)	(73)	(24)	(22)	(89)
Net Income	36	39	141	47	48	178

Consortium Groups

Balance Sheet

	In millions of R\$			
	2007		2008	
	September	December	September	December
Assets				
Current and Long-Term Assets	2,908	3,126	3,751	3,935
Amount Offset	13,932	14,390	18,563	19,001
Total	16,840	17,516	22,314	22,936
Liabilities				
Current and Long-Term Liabilities	2,908	3,126	3,751	3,935
Amount Offset	13,932	14,390	18,563	19,001
Total	16,840	17,516	22,314	22,936

Operating Overview

In January 2009, Bradesco Consórcios celebrated six years of business, holding an outstanding position in the market for being a leader in all segments in which it operates.

For the sale of consortium plans, the company relies on the Banco Bradesco branch network and on the Bradesco Vida and Previdência team, responsible for the outstanding position. The variety of plans, added to coverage, safety and seriousness with which they are traded, associated with the Bradesco brand, are important advantages for the expansion of sales.

Since the beginning of its activities, Bradesco Consórcios has always sought relevant positions in the market, and was already successful in its second year of operation, holding a leadership position in the two main segments, real estate and automobiles.

However, the complete leadership, an outstanding result, was achieved in October 2008, when the company ranked first in the Brazilian Central Bank ranking, also in the Trucks, Tractors and Agricultural Implements segment, with the production of 20,249 active quotas. It is worth mentioning that these figures account for a 112.9% growth on the same period in 2007.

In addition to the achievements mentioned, more than R\$5 billion of assets were paid to more than 208 thousand clients in the three segments. Thus, it is worth pointing out that, in 2008, Bradesco Consórcios sold 165.1 thousand quotas, registering a record growth of 40% y-o-y.

Market

In 2008, the real estate consortium sector in Brazil turned over around R\$3.5 billion, only between January and October, and, for 2009, the projection is an increase of nearly 20% in the client base.

The results recorded by the Consortium System in the 2H08 showed records in several sectors, such as real estate, light and heavy vehicles. Despite the deceleration in the industry and trading, consortia have been presenting increasing figures.

The transportation sector has been serving as a thermometer of the economy, presenting significant growth. In consortia of heavy vehicles, which mainly comprise trucks, semitrailer trucks and buses, there was a 56.3% increase in the trade of new quotas. 1H08 figures totaled 24 thousand, and Bradesco Consórcios contributed with 25% of this market.

Bradesco has been increasing its market share in the three segments where it operates, as shown in the charts below:

Market Share Real Estate Consortium %

Source: Brazilian Central Bank.

Obs.: The market share of Itaú, ABN and Ademilar in November 2007 was not disclosed.

Market Share Automobile Consortium %

Source: Brazilian Central Bank.

Obs.: The market share of Rodobens in November 2007 was not disclosed.

Market Share Trucks, Tractors and Agricultural Implements Consortium %

Source: Brazilian Central Bank.

Leadership

According to a strategy defined by the Organization, Bradesco Consórcios tried to be the leader in all segments of operations, automobiles, real estate and trucks, tractors and agricultural implements and, after achieving the latter in October 2008, it currently has the full leadership, according to the ranking disclosed by the Brazilian Central Bank.

In the real estate segment, it posted a result, related to December 2008, of 139,841 active quotas, with a growth of 10.3%, as for the automobiles segment, the number produced was 183,840 active quotas, with a growth of 13.3% .

Concerning the trucks, tractors and agricultural implements segment, Bradesco Consórcios closed 2008 with 22,288 active quotas, represented by the significant growth of 135.5% .

It can be concluded that people are finding out the advantages of acquiring assets such as trucks and tractors through consortium, due to the lower cost when compared to other products.

The consolidation of our leadership in all segments is a result of the determined and very well planned effort, possible due to the enthusiasm and strength of the Bradesco branch network and the Bradesco Vida e Previdência team. We also point out several continuous initiatives carried out by Bradesco Consórcios to increasingly improve its services. For example, we have made significant investments in the qualification of employees throughout the year, following a strong program to keep the sales team well trained and updated.

Segmentation

Banco Bradesco's entry into this market is part of a strategy which has as purpose to offer the most complete range of product and service options to more than 37 million clients. In this context, the Organization has as proposal to make available consortium quotas accessible to all social classes, filling a market gap.

Due to the reasons presented above, aiming at fully meeting the pretensions of its clients, Bradesco Consórcios has always sought to adapt itself to the needs. Thus, it promoted several changes in its products, such as increase of the term of the real estate consortia plans, from 120 to 144 months, and from 60 to 72 months the term for the automobile plans, without changing the current rates. Thus, the product became even more attractive, since, by increasing the term, the value of the installments was reduced. In addition, there was a change in the real estate credit ranges offered, which started being from R\$30 thousand to R\$300 thousand, providing more options to the interested parties.

Operating Performance

The distinct method of trading products (real estate, automobiles and trucks), provided a y-o-y growth of 26.2% .

To provide clients with material information, Bradesco Consórcios makes available a website which, over the past years, is among the most visited ones in this market segment, with more than 10 million accesses, in addition to a specific call center and an exclusive channel (help desk), where the consortium holder may obtain all data related to his/ her group and his/her consortium quota.

Another aspect that should be noticed, the freedom of choice of the asset, is one of the main characteristics of the plans sold by Bradesco, once the consortium holder has total freedom to choose the asset he/she prefers at the moment of the drawing, according to the value of the letter of credit.

In 2008, 428 groups were inaugurated and 165,094 thousand consortium quotas were sold, accounting for a 38.3% growth y-o-y. Therefore, such results enabled Bradesco Consórcios, at the end of 2008, to record accumulated sales higher than R\$13.1 billion and 208.2 thousand draws, which, in turn, resulted in 164.3 thousand assets delivered, in a total of 1,970 groups in progress.

Number of Active Consortium Quotas

Total Active Consortium Quotas

Number of Consortium Quotas Sold

Total Consortium Quotas Sold

Number of active quotaholders comprising the 10 largest real estate consortium management companies

Source: Brazilian Central Bank.

Obs.: Itaú, ABN and Ademilar were not included in the ranking of the 10 largest management companies in November 2007

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Number of active quotaholders comprising the 10 largest auto segment consortium management companies

Source: Brazilian Central Bank.

Obs.: Rodobens was not included in the ranking of the ten largest management companies of November 2007.

Number of active quotaholders of the 10 largest consortium management companies in the truck, tractor and agricultural implement segment

Source: Brazilian Central Bank.

Bradesco S.A. Corretora de Títulos e Valores Mobiliários

Balance Sheet

	In millions of R\$			
	2007		2008	
	September	December	September	December
Assets				
Current and Long-Term Assets	548	418	689	560
Funds Available				1
Interbank Investments	80	55	56	180
Securities	111	142	239	182
Other Receivables and Assets	357	221	394	197
Permanent Assets	45	113	117	120
Total	593	531	806	680
Liabilities				
Current and Long-Term Liabilities	486	345	515	380
Other Liabilities	486	345	515	380
Shareholders Equity	107	186	291	300
Total	593	531	806	680

Statement of Income

	In millions of R\$					
	2007			2008		
	3rd Qtr.	4th Qtr.	Year	3rd Qtr.	4th Qtr.	Year
Income from Financial Intermediation	5	5	19	12	12	39
Gross Income from Financial Intermediation	5	5	19	12	12	39
Other Operating Income/Expenses	10	11	40	8	12	46
Operating Income	15	16	59	20	24	85
Non-Operating Income(*)						23
Income before Taxes and Contributions	15	16	59	20	24	108
Taxes and Contributions on Income	(5)	(5)	(19)	(7)	(8)	(37)
Adjusted Net Income	10	11	40	13	16	71

(*) Preferred shares redeemed by Bovespa Holding.

Bradesco Corretora ended 2008 ranking 12th in the BM&FBovespa accumulated market ranking of the 84 participating brokerage firms. In 2008, 96,333 investors were served, and 3,165,600 put and call orders were executed,

summing up a financial volume corresponding to R\$71,430 million.

We have noticed that new investors are increasingly interested in knowing the stock market, despite the financial crisis in some countries. And internet is the main and most practicable access channel to this market and with lower cost.

Home Broker Bradesco, which allows the Client to purchase and sell shares through the internet, had a volume of R\$24,434 million traded in the demand market of BM&FBovespa in 2008, with 2,664,242 orders received, out of which 1,246,568 were executed, maintaining the 2nd position in the annual ranking of home broker dealers at BM&FBovespa's markets. The client base on December 31, 2008 totaled 173,895 internet users, with a growth of 6.3% compared to September 30, 2008, representing an increase of 10,330 new registrations. In 2H08 the customer service team answered 179,130 calls, 4,585 requests through chat and also received in the same period 29,252 e-mails that were answered in a maximum of 24 hours.

In 2008, Bradesco Corretora traded 4,523 thousand contracts at the BM&F, with a financial volume of R\$359,177 million, reaching the 23rd position in the ranking among the 67 participating brokerage firms. With more than 40 years of tradition and efficiency in capital markets, Bradesco Corretora was the first brokerage firm in the market to make available to its clients the Direct Market Access. DMA is an innovative order routing service via computer, which allows the investor to carry out asset purchase and sale operations directly in BM&F's market, with all convenience and safety, without leaving his/her home or office.

By means of DMA, Bradesco Corretora also starts to provide:

More autonomy when investing, i.e., the client oneself controls the execution of its orders, with no intermediaries and full confidentiality;

Quickness and agility, by sending an automatic confirmation of executed orders; and

Online market follow-up, enabling the prompt identification and a better use of good business opportunities.

In 2008, the retail area of Bradesco Corretora continued the qualification process of the customer services to Individual Clients, interested in equities products, promoting the constant increase of the staff, personal training and investments in the systems which subsidize its activities.

Aiming at being even closer to the investor, Bradesco Corretora made all efforts for the expansion of the Share Rooms Project. In 2H08 new rooms were opened in the city of São José do Rio Preto, State of São Paulo, in the neighborhood of Jardim Anália Franco, East Zone of the City of São Paulo, in Brasília/Federal District and in the city of Uberlândia, state of Minas Gerais, totaling seventeen units set up in the main Brazilian cities.

Bradesco Corretora has also intensified initiatives which aim at providing better service conditions and a better technical preparation to all professionals of the Organization's branch/segment network. Therefore, we highlight the following initiatives in 2H08:

Launching of Home Broker Bradesco TV;

Permanent provision of information to the branches network, by means of Reports prepared by the skilled team of analysts of Bradesco Corretora;

61 training courses focused on professionals of the Prime and Retail Segments, as well as on operators of the Organization's customer service network. These courses are coordinated by the Training Department-Headquarters and Qualification Department (Telebanco);

64 Events focused on Clients (Prime Moment, Share Room Opening, among others, including with the constant participation of investment analysts), 111 Committees carried out with branch managers and 183 teleconferences also focused on branch managers and professionals; and

Support to managers of all segments, with the presence of our professionals in visits to clients, thus providing a great assertiveness in the raising of new funds and investors' loyalty.

It is worth mentioning that in 2008, Bradesco Corretora participated, in partnership with BM&FBovespa, in the event *Bovespa vai até você* (Bovespa goes to you), as well as in nine editions of Expo Money (including the new event Expo Money Day, in Salvador), permanently staying in touch with clients and prospects.

Bradesco Corretora was granted the Quality System ISO 9001:2000 re-certification by Fundação Carlos Alberto Vanzolini, after audit carried out in September of Sana, Home Broker and BM&F systems.

Bradesco S.A. Corretora de Títulos e Valores Mobiliários

In 2008, Bradesco Corretora continued its expansion in the work with investment clubs, increasing the number by seventeen new clubs registered at BM&FBovespa, totaling 36 investment clubs and average equity value of approximately R\$11 million.

Bradesco Corretora also makes available to its clients the Direct Treasury Program, which allows individual investors to acquire federal government securities through the internet, being required only ones registration through the www.bradesco.com.br website, Investments item.

During 2008, operation desks of New York and London increased their business volume with foreign institutional investors and through entering of new clients, despite the negative effects in the Brazilian stock market as a result of the global loan crisis. We still develop commercial activities by means of road-shows with publicly-held companies and with our investment analysts, going to several cities in the United States and Europe, to discuss investment opportunities in the Brazilian stock market and present our services. The half year was characterized by a high volatility in global stock markets, general drop in share prices, especially in emerging markets, and the decrease of total traded volumes. In spite of this unfavorable environment, Bradesco Corretora's revenues for North-American and European investors kept increasing, which proves the quality of our services and the great business potential in international area.

Bradesco Corretora offers its clients a complete investment analysis service with coverage of the main sectors and companies of the Brazilian market. We started covering seven companies, already incorporating twenty new companies in 2008 to our coverage universe, a process which will continue the next year. Our team of analysts is composed of nineteen sector specialists (senior analysts and assistants) who disclose their opinions to clients in an equitable way by means of follow-up reports and guides of shares with a wide basis of projections and multiples of comparison. Besides counting on analysis of the team of economists of Banco Bradesco, the brokerage firm counts on its own economic team dedicated to the specific demand of the its clients, focusing on the universe of the stock market.

Net income recorded in 2008 amounted to R\$71 million. On December 31, 2008, shareholders' equity reached R\$300 million, equivalent to 44.1% of total assets, which added up to R\$680 million.

Trading on BM&FBovespa

	2007			2008		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Markets - BM&F						
Ranking	25 th	24 th	27 th	25 th	19 th	23 rd
Number of Contracts Traded (in thousands)	1,015	924	3,825	1,061	1,404	4,523
Financial Volume (in millions of R\$)	71,537	68,112	269,385	82,280	127,043	359,177
Markets - Bovespa						
Ranking	10 th	13 th	13 th	15 th	12 th	12 th
Number of Investors	34,685	51,270	83,278	44,258	40,576	96,333
Number of Orders Executed	556,071	669,194	2,045,347	150,043	169,861	611,539
Financial Volume (in millions of R\$)	14,976	17,806	55,250	15,488	14,990	71,430

Bovespa Markets - Home Broker

	3 rd	2 nd	2 nd	2 nd	3 rd	2 nd
Ranking						
Number of Registered Clients	91,576	121,751	121,751	163,565	173,895	173,895
Number of Orders Executed	447,293	559,776	1,676,151	534,427	712,141	2,554,061
Financial Volume (in millions of R\$)	3,779	5,178	14,174	5,342	5,607	24,434

5-Operating Structure

Corporate Organization Chart

Main Shareholders

(1) Bradesco's Management (Board of Executive Officers and Board of Directors) comprises the Presiding Board of Fundação Bradesco, maximum Deliberative Body of this Entity. Reference Date: December 31, 2008

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Main Subsidiaries and Affiliated Companies

Reference Date: December 31, 2008

Administrative Body

Reference Date: December 31, 2008

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Main Ratings Bank

		Fitch Ratings								
		International Scale				Domestic Scale		International		
Individual	Support	Foreign Currency (1)		Local Currency (1)		Domestic (1)		Foreign Currency Deposit		Foreign Currency Debt
		IDR Delinquency Probability of Issuer Long-term	IDR Delinquency Probability of Issuer Short-term	IDR Delinquency Probability of Issuer Long-term	IDR Delinquency Probability of Issuer Short-term	Long-term	Short-term	Long-term (2)	Short-term	Long-term (2)
A	1	AAA	F1	AAA	F1	AAA (bra)	F1+ (bra)	Aaa	P-1	Aaa
A/B	2	AA	F2	AA	F2	AA (bra)	F2 (bra)	Aa	P-2	Aa
B	3	A	F3	A	F3	A (bra)	F3 (bra)	A	P-3	A
B/C	4	BBB	B	BBB+	B	BBB (bra)	B (bra)	Baa	NP	Baa3
C	5	BB	C	BB	C	BB (bra)	C (bra)	Ba2		Ba
C/D		B	D	B	D	B (bra)	D (bra)	B		B
D		CCC		CCC		CCC (bra)		Caa		Caa
D/E		CC		CC		CC (bra)		Ca		Ca
E		C		C		C (bra)		C		C
		RD		RD		DDD (bra)				
		D		D		DD (bra)				
						D (bra)				
Brazilian Sovereign Rating		BBB-	F3	BBB-						Ba1

The ratings granted to Bradesco are the highest evaluation indexes attributed to Brazilian banks.

(1) Plus (+) and minus (-) signs are used to identify a better or worse position within the same rating scale.

(2) Numeric modifiers 1, 2 and 3 are added to each generic rating from Aa to Caa, meaning lower or higher risk in the

same category.

(3) This is the first governance rating granted in Latin America. The assessment acknowledges that Bradesco adopts excellent corporate governance practices and a relationship policy characterized by a high level of quality, transparency and ethics.

Ratings considered speculative or lower than the satisfactory risk level (in the corresponding columns).

Main Ratings Insurance Company and Certificated Savings Plans

Insurance		Certificated Savings Plans	
Fitch Ratings		Standard & Poor's	Standard & Poor's
Domestic Scale	International Scale	Domestic Scale	Domestic Scale
Domestic Rating of Financial Strength of Insurance Company (1)	International Rating of Financial Strength of Insurance Company (1)	Latin America Financial Capacity Rating	Latin America Issuer Rating (1)
AAA (bra)	AAA	brAAA	brAAA
AA (bra)	AA	brAA	brAA
A (bra)	A	brA	brA
BBB (bra)	BBB+	brBBB	brBBB
BB (bra)	BB	brBB	brBB
B (bra)	B	brB	brB
CCC (bra)	CCC	brCCC	brCCC
CC (bra)	CC	brCC	brCC
C (bra)	C	brSD	brSD
DDD (bra)	DDD	brD	brD
DD (bra)	DD		
D (bra)	D		

(1) Plus (+) and minus (-) signs are used to identify a better or worse position within a same rating scale. Ratings considered speculative or lower than the satisfactory risk level (in the corresponding columns).

On April 30, 2008, the risk rating agency S&P increased Brazil's foreign currency long-term sovereign loan rating from BB+ to BBB-, investment grade, as well as the local currency long-term sovereign loan rating from BBB to BBB+, also investment grade. According to S&P, these increases reflect the development of Brazilian institutions and public policies as shown by the improvement in the fiscal situation and decrease in the country's foreign debt, in addition to the improvement in Brazil's growth trend.

On May 29, 2008, Fitch Ratings (Fitch) increased Brazil's sovereign ratings to investment grade. The foreign currency long-term rating was increased from BB+ to BBB-; local currency long-term rating was increased from BB+ to BBB and the foreign currency short-term rating was increased to F3. According to Fitch, the increases in these ratings reflect the significant improvement of Brazil's external account, supported by prudent macroeconomic policies and the growth of the local economy despite high government debt.

However, Bradesco already had investment grade foreign currency long-term ratings from Fitch, S&P and Moody's Investors Service prior to the moving Brazil up to investment grade. This represents a competitive advantage since the investment grade comprises low risk institutions that are able to meet their external commitments, regardless of government actions.

On April 30, 2008, Standard & Poor's Ratings Services increased our foreign currency long-term rating from BBB- to BBB as well as the local currency long-term rating from BBB- to BBB.

According to S&P, the new ratings are due to Brazil's strengthened operational environment and Bradesco's strong financial and commercial profile.

On June 3, 2008, Fitch Ratings increased our foreign currency long-term rating from BBB- to BBB, the foreign currency short-term rating from F3 to F2, the local currency long-term rating from BBB to BBB+ and local currency short-term from F3 to F2. These increases, according to Fitch, reflect our inherent financial strength, which will benefit from the improvement in the operational environment and continuity of good performance.

On October 28, 2008, Japan's main risk rating agency, R&I Ratings, attributed to Bradesco the issuer rating BBB- the same sovereign rating of Brazil by this agency. Bradesco was the first Brazilian commercial bank to obtain this rating.

Generally, a country's sovereign rating is an evaluation of its capability and will to meet its existing and future obligations up to maturity.

Main Rankings

Source	Criterion	Position	Disclosure Date
Forbes the World's Leading Companies Survey	Banks/Forbes 2000*	1 st (Brazil)	March 2008
Forbes the World's Leading Companies Survey	Banks/Forbes 2000*	23 rd (Worldwide)	March 2008
Forbes the World's Leading Companies Survey	Overall/Forbes 2000*	3 rd (Brazil)	March 2008
Forbes the World's Leading Companies Survey	Overall/Forbes 2000*	85 th (Worldwide)	March 2008

(*) Forbes 2000: companies on The World's Leading Companies list are rated based on a combination of criteria that comprises income, profit, assets and market value.

Market Segmentation

Focusing its actions on relationships, Bradesco's segmentation process is in line with the market trend that groups clients with similar profiles, allowing personalized customer service and increasing productivity and agility gains. Such process provides the bank with greater flexibility and competitiveness in the execution of its business strategy, giving depth to operations not only in terms of specialization but also in terms of the specific demands of several customer profiles, for individual and corporate clients.

Bradesco Corporate**Mission and Values**

Bradesco Corporate's mission is seeking for excellence in client management, anticipating solutions and establishing lasting bonds, perpetuating wealth generation to its shareholders, employees and the community.

Bradesco Corporate has values that guide its daily activities. They are:

- teamwork;
- ongoing pursuit of innovation and excellence in customer service;
- transparency in all its actions;
- commitment to self-development;
- adherence to strategic guidelines;
- creativity, flexibility and initiative; and
- quick delivery to clients.

Background and Achievements

The Corporate Banking segment was introduced in 1999 to serve companies from its target market. Based on a customer rather than a product standpoint, it maintains centralized relations management, offering, in addition to traditional products, Tailor-Made and capital markets structured solutions through managers who have a clear vision of risk, market, economic industries and relationships.

Bradesco Corporate's absolute commitment to quality, the essence of a long-term effort, started taking shape in 2000 when the company was granted the ISO 9001:2000 certification, which is a reference for excellence in efficiency in service as evaluated by clients. With the adoption of the best market practices, its Management System has been improving, resulting in the award of the *Prêmio Gestão Banas de Qualidade* (Banas Quality Management Award) in 2006; the *Prêmio Paulista de Qualidade da Gestão Medalha de Ouro* (Paulista Quality Management Award Golden Medal) in 2007, which acknowledges companies with the best management practices, for its efficiency and quality; and the *Troféu Governador do Estado de Excelência da Gestão* (State Governor Trophy for Excellence in Management) in 2008, the highest recognition in the State of São Paulo, which is granted to the best company using world excellence criteria.

Our concern with seeking solutions with significant added value for the Institution is reflected in our partnerships with major retail networks for consumer sales financing, enabled by the relationship and familiarity with this industry's production chain and the synergy that exists among the Bank's segments.

Managed funds include assets (loans, bonds and guarantees) and liabilities (deposits, funds and portfolios) that total R\$186.4 billion.

Target Market

The 1,204 economic groups comprising Bradesco Corporate's target market, primarily composed of large corporations that post sales higher than R\$350 million/year, are located in the States of São Paulo, both in the capital city and in land towns, Rio de Janeiro, Minas Gerais, Paraná, Rio Grande do Sul, Santa Catarina, Goiás, Pernambuco and Bahia.

Bradesco Empresas (Middle Market)

The Bradesco Empresas (Middle Market) segment was implemented to offer services to companies with sales between R\$30 million and R\$350 million/year, through 68 exclusive branches in the foremost Brazilian capitals and strategically distributed throughout Brazil as follows: Southeast (41), South (16), Mid-West (4), Northeast (5) and North (2).

It aims at offering the best business management, such as: loans, financing, investments, foreign trade, derivatives, cash management and structured operations, seeking customers' satisfaction and results to the Organization.

Bradesco Empresas is formed by a team of 44 lead managers and 342 relationship managers who are part of the Anbid Certification Program, as well as 212 assistant managers who render tailor-made services to an average of 34 economic groups per relationship manager, encompassing 11,787 economic groups companies from all sectors of the economy.

Among loan operations, guarantees, deposits, funds and collections, Bradesco Empresas manages funds of approximately R\$55.8 billion.

In the ongoing pursuit of management excellence improvement, the Bradesco Empresas Department and the Empresas Santo Amaro branch have the NBR ISO 9001:2000 certification in the scope Bradesco Empresas Segment Client Relations Management and Empresas Santo Amaro SP Branch Client Relations Management granted by Fundação Carlos Alberto Vanzolini, respectively. For the effective maintenance of management models, in November 2008, such scopes were recertified in the rule by this very Foundation.

We also point out the recognition of Bradesco Empresas by IPEG through the *Prêmio Paulista de Qualidade em Gestão* (São Paulo Quality in Management Award) in 2008, attesting to the Bank's commitment to customer service quality and client satisfaction.

Bradesco Private

Bradesco Private Banking, with its highly qualified and specialized professionals, offers its clients high-income individuals with minimum funds available for investment of R\$2 million an exclusive line of products and services always aiming at increasing their equity by maximizing returns. Therefore, it seeks the most appropriate financial solution according to a tailor-made concept, considering each client's profile, and providing advisory services for asset allocation, as well as tax and successive guidance.

Bradesco Private Banking, always focused on its proximity to its client base, has ten offices in the cities of São Paulo and Rio de Janeiro, as well as in Porto Alegre, Blumenau, Curitiba, Belo Horizonte, Brasília, Salvador, Recife and Fortaleza.

Bradesco Private is certified both by ISO 9001:2000 with scope High Net Wealth Individuals Relations Management and GoodPriv@cy (Data Protection Label 2002 Edition) granted by IQNet in Management of Privacy of Data Used in High Net Wealth Clients Relation. In January 2008, it was acknowledged by Euromoney magazine as the best Brazilian private bank.

Bradesco Prime

Bradesco Prime operates in the high-income clients segment, targeting individuals with monthly income of R\$4 thousand or higher or with investments equal to or higher than R\$50 thousand. Its mission is to be the client's first-choice bank, focusing on the quality of relationships and offering appropriate solutions to their needs, with trained teams, adding value to shareholders and employees within ethical and professional standards. The segment value proposal is based on the following assumptions:

Personalized assistance, provided by relationship managers who manage a small client portfolio and are continually enhancing their professional qualification in order to provide high-level financial consulting services.

Personalized products and services, among them the Bradesco Prime Loyalty Program that aims at encouraging the relationship between the clients and the Bank by offering increasing benefits.

Exclusive branches specifically designed to provide comfort and privacy.

Relationship Channels: exclusive internet banking (www.bradescoprime.com.br) with the competitive advantage of online chat, where financial consultants interact with clients in real time; a call center with an exclusive service center; and a broad customer service network, composed of its branches, ATM equipment Bradesco Dia&Noite and Banco24Horas, throughout Brazil.

Throughout its history, Prime has invested in technology, in the improvement in the relationship with its clients and in the qualification of its professionals. Thus, it has also achieved an outstanding position in the Brazilian high-income market and has consolidated its position as having the largest customer service network, with 253 strategically located branches.

Since 2005, the Bradesco Prime department has been certified by Fundação Carlos Alberto Vanzolini, NBR ISO 9001:2000 rule under the Bradesco Prime Segment Management scope, which was recertified in September 2008, strengthening Bradesco's commitment to continuously improving methods and pursuing clients' satisfaction.

Bradesco Varejo (Retail)

Bradesco is a traditional retail bank that provides high quality service to all segments of the Brazilian population of all social classes. The effort that the Organization makes reflects in the search to democratize banking products and services, aiming to promote social inclusion and better income distribution. The bank has over 19 million account holders, including individual and corporate clients, who carry out millions of transactions daily in our customer service network.

The broad customer service network is present in all Brazilian regions, providing convenience through branches, service stations, Banco Postal service branches and Bradesco Expresso units, as well as thousands of ATM machines.

To simplify and distinguish our service, daily transactions are safely carried out in channels such as the Fone Fácil service, Internet Banking and Bradesco Celular, a differential since they work 7 days per week, night and day, and can be easily and safely accessed.

The retail segment has been focusing on the growth of its client base and loan portfolio. Through the development of financial tailor-made products and services, to meet customers' profiles, our ongoing search for excellence in service is evident, valorizing the relationships strengthening by identifying market needs and special groups.

Significant investments have been made in staff training, to qualify employees, so that they may provide customized and efficient customer services, consequently increasing clients' loyalty to the Bank.

Bradesco Varejo not only has over 3,000 branches and 2,700 service branches (PAB/PAE), but also has a digital branch, operating in a virtual environment and offering a courier service, in which a team of managers serves its clients from 8:00 am to 8:00 pm, seven days a week, regardless of location.

Banco Postal

Banco Postal is a brand through which Bradesco offers its products and services in a partnership with ECT. It is an example of the success of correspondent banks due to its large scope, products and services portfolio and the social role it plays in society.

Present in more than 5 thousand Brazilian cities, with 5,946 branches, Banco Postal is giving a new face to retail banking, reaching all Brazilian cities, enabling millions of Brazilian citizens to join the banking system.

Approximately 1.7 thousand branches were set up in cities that, until then, were devoid of banks, benefiting millions of people who had the opportunity for the first time in their lives to obtain a check book, make a deposit in a savings account, or obtain a loan from a regulated institution.

Thanks to Banco Postal, thousands of INSS beneficiaries can now receive their benefits with the convenience of a branch close to their homes. Thus, clients do not need to travel long distances in boats or poor roads and neither spend a good part of their earnings traveling. Banco Postal's expansion has also increased the use of credit and debit cards in the municipalities where it is present, as well as the affiliation of the commercial establishments with the Visa network, improving services at the postal branches. Such expansion also provided more options for the local populations to make their payments and become an important means of support to Bradesco's clients who make transactions in Brazil.

Banco Postal also promotes the social-economic development of cities where it is present, facilitating the circulation of money, attracting new merchants and greater supply of goods and merchandise.

Available Services:

Reception and submission of account opening proposals;

Reception and submission of loan, financing and credit card proposals;

Withdrawals from checking accounts, savings accounts and INSS;

Deposits in checking and savings account;

Balance consultation of checking accounts, savings accounts and INSS;

Receipt of bank collection documents;

Receipt of consumption bills;

Receipt of municipal, state and federal taxes (DARF), FGTS and GPS; and

Vehicle licensing of the states of Bahia and Rio Grande do Sul.

Number of Banco Postal Service Branches

Bradesco Expresso

Bradesco has been increasing its share in the correspondent bank segment, with the expansion of the Bradesco Expresso network, by means of partnerships with supermarkets, drugstores, department stores and other retail chains.

On December 31, 2008, Bradesco Expresso network totaled 16,061 implemented units.

Attractiveness to storeowners, clients and Bank

In addition to direct gains for the remuneration received, there are also indirect gains to the storeowners, mainly due to the increase of sales, provided by the increased flow of people, potential consumers of the products sold at the establishment, opening possibilities for client loyalty.

To its clients and the community in general, Bradesco Expresso provides the convenience of banking services closer to their homes or workplaces, in establishments that clients identify themselves with and where they already have a relationship.

For Bradesco, this is the best way to reach low-income clients, especially the population deprived of bank services, promoting banking inclusion that would not be possible by means of traditional bank branches.

Bradesco Expresso has operated in the receipt of consumption bills, tax and collection slips, prepaid cell phone recharging and withdrawals from checking accounts, savings accounts and INSS, also contributing to the improvement of customer service.

Number of Bradesco Expresso Units

150

Number of Transactions carried out at Correspondent Banks (Banco Postal+ Bradesco Expresso) in thousands

Customer Service Network

Customer Service Network	2007		2008	
	September	December	September	December
Bradesco Service Branches				
Branches	3,067	3,160	3,235	3,359
Bradesco	3,050	3,143	3,218	3,339
Banco Finasa ⁽¹⁾	1	1		
Banco BBI	1	1	1	1
Banco BMC ⁽¹⁾	15	15		
Banco Finasa BMC			16 ⁽¹⁾	15 ⁽¹⁾
Banco Bankpar				2
Banco Alvorada				1
Bradesco Cartões				1
PABs	1,103	1,151	1,185	1,183
PAEs	1,426	1,495	1,561	1,523
PAAAs	130	130	902	1,032
Finasa Promotora de Vendas (Finasa Branches)	388	375	216	156
Outplaced ATM Network Terminals	2,652	2,776	3,074	3,296
Total Bradesco Service Branches	8,766	9,087	10,173	10,549
Service Branches – Third Parties				
Banco24Horas Network Assisted Terminals (*)	3,387	3,523	4,378	4,732
Banco Postal	5,753	5,821	5,924	5,946
Promotora de Vendas – BMC (Correspondent Banks)			1,078	883
Credicerto Promotora de Vendas (BMC Branches)			13	
Bradesco Expresso (Correspondent Banks)	10,657	11,539	14,562	16,061
Total Service Branches – Third Parties	19,797	20,883	25,955	27,622
Total Service Branches in Brazil (Bradesco + Third Parties)	28,563	29,970	36,128	38,171
Branches Abroad	5	5	5	5
Subsidiaries Abroad	5	7	7	7
Total Service Branches (Brazil + Abroad)	28,573	29,982	36,140	38,183
Finasa – Associated Dealers (**)	40,299	36,970	21,726	22,366
BMC – Stores and Outlets			11,376	11,505
Total Branches Containing ATMs in Brazil Own Network + Banco24Horas (included in the total) (*)	11,741	12,312	14,160	14,945

ATMs

Bradesco	24,911	25,974	28,092	29,218
Banco24Horas	3,827	3,939	4,850	5,306
Total ATMs	28,738	29,913	32,942	34,524

PAB located at a company with a Bank's employee.

PAE located at a company with e-customer service.

PAA located at a city that does not have a bank branch.

(*) In December 2008, there were 1,313 overlapping branches between the Bradesco network and the Banco24Horas network.

(**) The reduction was due to the company's strategic repositioning of personal loans and installment sales in stores.

(1) The merger of Banco Finasa into Banco Finasa BMC was approved by Bacen on October 10, 2008.

Customer Service Network Number of Branches

Bradesco Branches Market Share

Region/State	December 2007			December 2008		
	Bradesco	Total Banks in the Market (1)	Market Share (%)	Bradesco	Total Banks in the Market (1)	Market Share (%)
North						
Acre	5	35	14.3	5	37	13.5
Amazonas	60	155	38.7	61	159	38.4
Amapá	4	28	14.3	5	33	15.2
Pará	49	301	16.3	51	315	16.2
Rondônia	18	91	19.8	20	95	21.1
Roraima	2	19	10.5	3	19	15.8
Tocantins	15	89	16.9	16	92	17.4
Total	153	718	21.3	161	750	21.5
Northeast						
Alagoas	12 ⁽⁴⁾	127	9.4	13 ⁽⁷⁾	131	9.9
Bahia	210 ⁽⁴⁾	769	27.3	216 ⁽⁷⁾	797	27.1
Ceará	93 ⁽⁴⁾	375	24.8	96 ⁽⁷⁾	385	24.9
Maranhão	68	233	29.2	69	239	28.9
Paraíba	20	177	11.3	22	186	11.8
Pernambuco	65 ⁽⁴⁾	488	13.3	70 ⁽⁷⁾	504	13.9
Piauí	8	116	6.9	8	128	6.3
Rio Grande do Norte	15	153	9.8	16	156	10.3
Sergipe	13	165	7.9	13	168	7.7
Total	504	2,603	19.4	523	2,694	19.4
Midwest						
Distrito Federal	32	319	10.0	36	336	10.7
Goiás	111 ⁽⁴⁾	572	19.4	117 ⁽⁷⁾	581	20.1
Mato Grosso	63	252	25.0	66	262	25.2
Mato Grosso do Sul	57	231	24.7	61	239	25.5
Total	263	1,374	19.1	280	1,418	19.7
Southeast						