

BANK BRADESCO  
Form 6-K  
November 10, 2009

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

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**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 November, 2009**

**Commission File Number 1-15250**

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**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

## 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.

Few numbers of this Report were submitted to rounding adjustments.

Therefore, amounts indicated as total in certain charts may not correspond to the arithmetic sum of figures preceding them.

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## Highlights

The main figures obtained by Bradesco in the 9-month period of 2009 are presented below:

1. Net Income for the 9-month period totaled R\$5.831 billion (a 0.2% y-o-y variation relative to the adjusted net income of R\$5.819 billion), corresponding to EPS of R\$2.49 (accumulated over 12 months) and a 21.8% annualized return on Average Shareholders' Equity<sup>1)</sup>.
2. Net income comprised R\$3.936 billion from financial activities, which represented 68% of the total, and R\$1.895 billion from insurances and private pension plans, which accounted for 32% of total Net Income.
3. Bradesco's market capitalization as of September 30, 2009 stood at R\$98.751 billion, highlighting that its preferred shares increased by 57.8% during the 9-month period of 2009.
4. Total Assets reached R\$485.686 billion in September 2009, an increase of 14.9% vis-à-vis 2008. Annualized return on average Assets reached 1.6%, vis-à-vis 2.0% in the same period of last year.
5. The Total Loan Portfolio<sup>2)</sup> stood at R\$215.536 billion in September 2009, 10.2% higher on a y-o-y analysis. Operations with individuals totaled R\$75.528 billion (up by 8.2%), while loans to corporations totaled R\$140.008 billion (up by 11.3%) .
6. Total Assets under Management reached R\$674.788 billion, an increase of 18.3% vis-à-vis September 2008.
7. Shareholders' Equity totaled R\$38.877 billion in September 2009, a 13.8% y-o-y growth. The Capital Adequacy Ratio (Basel II) stood at 17.7% in September 2009, 14.3% of which being Tier I Capital.
8. In the 9-month period of 2009, shareholders were paid, in the form of Interest on Shareholders' Capital and Dividends, R\$3.868 billion, R\$1.987 billion of which referring to the income generated in the period and R\$1.881 billion referring to the year of 2008.
9. The Efficiency Ratio<sup>3)</sup> in September 2009 was 41.7% (43.0% in September 2008).
10. Investments in infrastructure, IT and telecommunications amounted to R\$2.493 billion, up by 35.6% y-o-y.
11. Taxes and contributions, including social security, paid or provisioned, calculated based on the main activities developed by the Bradesco Organization in the 9-month period, amounted to R\$7.037 billion, equivalent to 120.7% of the Net Income. Financial intermediation taxes withheld and paid by Bradesco amounted to R\$4.152 billion.
12. Banco Bradesco has a comprehensive distribution network, of 5,951 Branches, mini-branches-PABs and PAAs (3,419 branches, 1,194 mini-branches-PABs and 1,338 PAAs). In addition, 1,539 PAEs, 30,414 ATMs in the Bradesco Dia&Noite (Day&Night) Network, 18,722 Bradesco Expresso outlets, 6,038 Banco Postal (Postal Bank) branches, 64 branches of Bradesco Financiamentos and 6,764 ATMs in the Banco24Horas (24HourBank) are available to Bradesco clients.
13. In 9M09, employees' compensation plus charges and benefits totaled R\$5.065 billion. Social benefits provided to the 85,027 employees of Bradesco Organization and their dependent relatives stood at R\$1.166 billion and investment expenditures in development and training programs reached R\$66.381 million.

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14. In August 2009, Bradesco won 8 out of 26 lots auctioned by the Social Security National Service INSS referring to the social security payment for new beneficiaries over the next 5 years, as of 2010, for a 20-year term.

15. In September 2009, Bradesco entered into a partnership with Banco Espírito Santo, S.A. (BES Portugal) to create 2bCapital, a new private equity fund manager in Brazil.

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16. In September 2009, Bradesco entered into an agreement with Banco Tokyo-Mitsubishi UFJ Brasil to expand collection services.

17. In September 2009, Bradesco raised U\$750 million abroad, by issuing subordinated notes with a 6.75% p.a. rate and a 10-year term.

18. Awards and Acknowledgements received in 3Q09:

Most profitable Bank in the Americas (Economatica consulting firm);

Best Company of the year, best Bank, best Insurance, Private Pension and Health Company among the top 500 largest Brazilian companies (*IstoÉ Dinheiro* magazine)

Bradesco Seguros e Previdência (Insurance Group) is Brazil's Largest Insurance Group (*Valor 1000* Yearbook magazine);

For the 7<sup>th</sup> year in a row, Bradesco Seguros e Previdência was elected the Best Insurance Company in South America (*World Finance* magazine);

Once again Bradesco was included in the Dow Jones Sustainability World Index (DJSI);

One of the 10 best companies and the Best Bank to work for in Brazil, in the Large Corporates category (*Guia Você S/A Exame* magazine);

Largest Brazilian company in terms of Intangible Assets of companies listed at BM&FBovespa (IAM - Intangible Asset Management Consulting / *The Brander* magazine / Brand Finance consulting company);

Winner of the 1<sup>st</sup> Abrasca Award - 2008 Best Annual Report, in the Publicly-Held Companies category, promoted by Abrasca - Brazilian Association of Publicly-Held Companies; and

First Brazilian company to receive the 2009 Golden Peacock Global Award for Excellence in Corporate Governance, created by the Institute of Directors, whose purpose is to recognize the search for transparency and excellence in Corporate Governance.

19. In October 2009, an Association Agreement is signed between OdontoPrev and Bradesco Dental, to integrate dental plans sales activities, which provides for the merger of Bradesco Dental shares into OdontoPrev, and, as a result, Bradesco Dental becomes OdontoPrev's wholly-owned subsidiary. According to the agreement, Bradesco Saúde will receive shares equivalent to 43.5% of OdontoPrev capital stock.

20. Regarding Sustainability, Bradesco's actions are focused on three pillars: (i) Sustainable Finances, aimed at bank inclusion, social and environmental variables for loan granting and offering of social and environmental products, (ii) Responsible Management, with emphasis in employee recognition, work environment improvement and eco-efficient practices, and (iii) Social and Environmental Investments, aimed at education, the environment, culture and sport. We highlight Fundação Bradesco, which has been developing a broad social and educational program for over 52 years, maintaining 40 schools throughout Brazil. In 2009, with a budget estimated at R\$231.3 million, Fundação Bradesco will be able to service over 642 thousand people, 111 thousand<sup>(4)</sup> of which are students who will receive free-of-charge quality education.

(1) Excluding the assets valuation adjustment recorded in Shareholders' Equity; (2) Considering Sureties and Guarantees, advance of credit cards receivables and loan assignment (Receivables Securitization Funds - FIDC and Certificates of Real Estate Receivables - CRI); (3) Accumulated over 12 months; and (4) Forecast.





## Main Information

|   | 3Q09     | 2Q09     | 1Q09     | 4Q08     | 3Q08    | 2Q08    | 1Q08    | 4Q07    | Variation %    |                |
|---|----------|----------|----------|----------|---------|---------|---------|---------|----------------|----------------|
|   |          |          |          |          |         |         |         |         | 3Q09 x<br>2Q09 | 3Q09 x<br>3Q08 |
| Statement of Income for the<br>Period - R\$ million                       |          |          |          |          |         |         |         |         |                |                |
| Accounting Net Income   | 1,811    | 2,297    | 1,723    | 1,605    | 1,910   | 2,002   | 2,102   | 2,193   | (21.2)         | (5.2)          |
| Adjusted Net Income   | 1,811    | 2,297    | 1,723    | 1,806    | 1,910   | 2,002   | 1,907   | 1,854   | (21.2)         | (5.2)          |
| Net Interest Income   | 7,587    | 7,560    | 7,115    | 5,924    | 5,674   | 5,959   | 5,586   | 5,492   | 0.4            | 33.7           |
| Provision for Loan Losses   |          |          |          |          |         |         |         |         |                |                |
| Expenses  | (2,908)  | (4,421)  | (2,939)  | (1,888)  | (1,671) | (1,752) | (1,611) | (1,428) | (34.2)         | 74.0           |
| Fees and Commissions  | 2,857    | 2,911    | 2,723    | 2,698    | 2,698   | 2,657   | 2,691   | 2,783   | (1.9)          | 5.9            |
| Administrative and Personnel  |          |          |          |          |         |         |         |         |                |                |
| Expenses  | (4,485)  | (4,141)  | (4,007)  | (4,230)  | (4,019) | (3,777) | (3,671) | (3,914) | 8.3            | 11.6           |
| Balance Sheet - R\$ million   |          |          |          |          |         |         |         |         |                |                |
| Total Assets  | 485,686  | 482,478  | 482,141  | 454,413  | 422,662 | 403,232 | 355,470 | 341,144 | 0.7            | 14.9           |
| Securities  | 147,724  | 146,110  | 130,816  | 131,598  | 132,373 | 118,956 | 105,167 | 114,452 | 1.1            | 11.6           |
| Loan Operations <sup>(1)</sup>  | 215,536  | 212,768  | 212,993  | 213,602  | 195,604 | 180,123 | 167,265 | 159,150 | 1.3            | 10.2           |
| - Individuals   | 75,528   | 74,288   | 73,694   | 73,646   | 69,792  | 65,622  | 61,983  | 59,103  | 1.7            | 8.2            |
| - Corporate   | 140,008  | 138,480  | 139,299  | 139,956  | 125,812 | 114,501 | 105,282 | 100,047 | 1.1            | 11.3           |
| Allowance for Loan Losses   |          |          |          |          |         |         |         |         |                |                |
| (PLL)   | (14,953) | (13,871) | (11,424) | (10,263) | (9,136) | (8,652) | (8,104) | (7,826) | 7.8            | 63.7           |
| Total Deposits  | 167,987  | 167,512  | 169,104  | 164,493  | 139,170 | 122,752 | 106,710 | 98,323  | 0.3            | 20.7           |
| Technical Provisions  | 71,401   | 68,829   | 66,673   | 64,587   | 62,888  | 62,068  | 59,722  | 58,526  | 3.7            | 13.5           |
| Shareholders' Equity  | 38,877   | 37,277   | 35,306   | 34,257   | 34,168  | 33,711  | 32,909  | 30,358  | 4.3            | 13.8           |
| Total Funds Raised and<br>Managed   | 674,788  | 647,574  | 640,876  | 597,615  | 570,320 | 550,582 | 505,365 | 482,971 | 4.2            | 18.3           |
| Performance Indicators %<br>(except when otherwise<br>stated)             |          |          |          |          |         |         |         |         |                |                |
| Adjusted Net Income per<br>Share - R\$ <sup>(2)</sup>                     | 2.49     | 2.52     | 2.42     | 2.48     | 2.50    | 2.48    | 2.41    | 2.38    | (1.2)          | (0.4)          |
| Book Value per Share<br>(Common and Preferred) -<br>R\$                   | 12.68    | 12.14    | 11.50    | 11.16    | 11.13   | 10.98   | 10.72   | 10.03   | 4.4            | 13.9           |
| Annualized Return on<br>Average Shareholders' Equity<br><sup>(3)(4)</sup> | 21.8     | 23.7     | 21.0     | 23.8     | 25.4    | 27.2    | 28.7    | 28.3    | (1.9)<br>p.p   | (3.6)<br>p.p   |
| Annualized Return on<br>Average Assets <sup>(4)</sup>                     | 1.6      | 1.7      | 1.5      | 1.9      | 2.0     | 2.1     | 2.2     | 2.4     | (0.1)<br>p.p   | (0.4)<br>p.p   |

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|   |        |        |        |        |        |        |        |         |           |           |
|---|--------|--------|--------|--------|--------|--------|--------|---------|-----------|-----------|
| Average Rate - (Adjusted Net Interest Income/Total Average Assets - Repos - Permanent Assets) |        |        |        |        |        |        |        |         |           |           |
| Annualized  | 8.3    | 8.2    | 7.8    | 7.0    | 7.4    | 8.4    | 8.4    | 8.9     | 0.1 p.p   | 0.9 p.p   |
| Fixed Assets Ratio - Total Consolidated   |        |        |        |        |        |        |        |         |           |           |
|   | 15.4   | 15.1   | 14.1   | 13.5   | 17.6   | 16.2   | 12.1   | 14.5    | 0.3 p.p   | (2.2) p.p |
| Combined Ratio - Insurance (5)  |        |        |        |        |        |        |        |         |           |           |
|   | 88.9   | 85.5   | 86.2   | 89.7   | 84.4   | 84.9   | 83.9   | 92.8    | 3.4 p.p   | 4.5 p.p   |
| Efficiency Ratio (ER) (2)   |        |        |        |        |        |        |        |         |           |           |
|   | 41.7   | 42.0   | 42.7   | 43.3   | 43.0   | 42.6   | 42.9   | 43.1    | (0.3) p.p | (1.3) p.p |
| Coverage Ratio (Fees and Commissions/Administrative and Personnel Expenses) (2)               |        |        |        |        |        |        |        |         |           |           |
|   | 66.4   | 67.3   | 67.2   | 68.4   | 70.4   | 72.7   | 73.7   | 75.0    | (0.9) p.p | (4.0) p.p |
| Market Capitalization - R\$ million (6)   |        |        |        |        |        |        |        |         |           |           |
|   | 98,751 | 81,301 | 65,154 | 65,354 | 88,777 | 95,608 | 93,631 | 109,463 | 21.5      | 11.2      |
| Loan Portfolio Quality %  |        |        |        |        |        |        |        |         |           |           |
| PLL / Loan Portfolio  |        |        |        |        |        |        |        |         |           |           |
|   | 8.3    | 7.7    | 6.3    | 5.7    | 5.5    | 5.6    | 5.6    | 5.7     | 0.6 p.p   | 2.8 p.p   |
| Non-Performing Loans (> 60 days (7) / Loan Portfolio)   |        |        |        |        |        |        |        |         |           |           |
|   | 5.9    | 5.6    | 5.2    | 4.4    | 4.0    | 4.1    | 4.1    | 4.1     | 0.3 p.p   | 1.9 p.p   |
| Delinquency Ratio (> 90 days (7) / Loan Portfolio)  |        |        |        |        |        |        |        |         |           |           |
|   | 5.0    | 4.6    | 4.2    | 3.4    | 3.4    | 3.4    | 3.4    | 3.4     | 0.4 p.p   | 1.6 p.p   |
| Coverage Ratio (> 90 days (7))  |        |        |        |        |        |        |        |         |           |           |
|   | 166.5  | 169.1  | 152.4  | 165.6  | 163.6  | 165.9  | 166.5  | 168.7   | (2.6) p.p | 2.9 p.p   |
| Coverage Ratio (> 60 days (7))  |        |        |        |        |        |        |        |         |           |           |
|   | 139.4  | 137.9  | 122.3  | 130.7  | 135.7  | 136.6  | 137.0  | 140.7   | 1.5 p.p   | 3.7 p.p   |
| Operating Limits %  |        |        |        |        |        |        |        |         |           |           |
| Capital Adequacy Ratio - Total Consolidated (8)   |        |        |        |        |        |        |        |         |           |           |
|   | 17.7   | 17.0   | 16.0   | 16.1   | 15.6   | 12.9   | 13.9   | 14.0    | 0.7 p.p   | 2.1 p.p   |
| - Tier I  | 14.3   | 14.3   | 13.2   | 12.9   | 12.5   | 10.1   | 10.5   | 10.2    | -         | 1.8 p.p   |
| - Tier II   | 3.5    | 2.8    | 2.9    | 3.3    | 3.3    | 2.9    | 3.6    | 3.9     | 0.7 p.p   | 0.2 p.p   |
| - Deductions  | (0.1)  | (0.1)  | (0.1)  | (0.1)  | (0.2)  | (0.1)  | (0.2)  | (0.1)   | -         | 0.1 p.p   |

|   | Sep09  | Jun09  | Mar09  | Dec08  | Sep08  | Jun08  | Mar08  | Dec07  | Variation %   |               |
|---|--------|--------|--------|--------|--------|--------|--------|--------|---------------|---------------|
|   |        |        |        |        |        |        |        |        | Sep09 x Jun09 | Sep09 x Sep08 |
| <b>Structural Information - Units</b>                   |        |        |        |        |        |        |        |        |               |               |
| Outlets   | 42,627 | 41,067 | 39,427 | 38,183 | 36,140 | 34,709 | 32,758 | 29,982 | 3.8           | 17.9          |
| - Branches  | 3,419  | 3,406  | 3,375  | 3,359  | 3,235  | 3,193  | 3,169  | 3,160  | 0.4           | 5.7           |
| - Advanced Service Branch (PAAs) <sup>(9)</sup>         | 1,338  | 1,260  | 1,183  | 1,032  | 902    | 584    | 135    | 130    | 6.2           | 48.3          |
| - Mini-Branches (PABs) <sup>(9)</sup>                   | 1,194  | 1,192  | 1,184  | 1,183  | 1,185  | 1,181  | 1,175  | 1,151  | 0.2           | 0.8           |
| - Electronic Service Branch (PAEs) <sup>(9)</sup>       | 1,539  | 1,528  | 1,512  | 1,523  | 1,561  | 1,545  | 1,515  | 1,495  | 0.7           | (1.4)         |
| - Outplacted ATM Network Terminals                      | 3,569  | 3,516  | 3,389  | 3,296  | 3,074  | 2,904  | 2,877  | 2,776  | 1.5           | 16.1          |
| - 24-Hour Bank Network Assisted Terminals               | 5,980  | 5,558  | 5,068  | 4,732  | 4,378  | 4,153  | 3,763  | 3,523  | 7.6           | 36.6          |
| - Banco Postal (Postal Bank)                            | 6,038  | 6,011  | 5,959  | 5,946  | 5,924  | 5,882  | 5,851  | 5,821  | 0.4           | 1.9           |
| - Bradesco Expresso (Correspondent Banks)               | 18,722 | 17,699 | 16,710 | 16,061 | 14,562 | 13,413 | 12,381 | 11,539 | 5.8           | 28.6          |
| - Bradesco Financiamentos (Branches)                    | 64     | 64     | 152    | 156    | 216    | 268    | 357    | 375    | -             | (70.4)        |
| - Bradesco Promotora de Vendas (Correspondent Banks)    | 753    | 822    | 884    | 883    | 1,078  | 1,561  | 1,510  | -      | (8.4)         | (30.1)        |
| - Credicerto Promotora de Vendas (Branches)             | -      | -      | -      | -      | 13     | 13     | 13     | -      | -             | -             |
| - Branches/Subsidiaries Abroad                          | 11     | 11     | 11     | 12     | 12     | 12     | 12     | 12     | -             | (8.3)         |
| ATMs  | 37,178 | 36,430 | 35,443 | 34,524 | 32,942 | 31,993 | 30,956 | 29,913 | 2.1           | 12.9          |
| - Proprietary   | 30,414 | 30,191 | 29,764 | 29,218 | 28,092 | 27,362 | 26,735 | 25,974 | 0.7           | 8.3           |
| - 24-Hour Bank  | 6,764  | 6,239  | 5,679  | 5,306  | 4,850  | 4,631  | 4,221  | 3,939  | 8.4           | 39.5          |
| Credit Card, Debit Card and Private Label - in millions | 88.4   | 86.3   | 85.2   | 83.2   | 81.6   | 79.3   | 74.3   | 71.7   | 2.4           | 8.3           |
| Internet Banking - users in millions                    | 10.7   | 10.4   | 10.1   | 9.8    | 9.5    | 9.2    | 8.8    | 8.6    | 2.9           | 12.6          |
| Employees   | 85,027 | 85,871 | 86,650 | 86,622 | 85,577 | 84,224 | 83,124 | 82,773 | (1.0)         | (0.6)         |
| Employees and Interns                                   | 9,606  | 9,439  | 9,292  | 9,077  | 8,971  | 8,704  | 8,574  | 8,430  | 1.8           | 7.1           |
| Foundations' Employees <sup>(11)</sup>                  | 3,696  | 3,645  | 3,674  | 3,575  | 3,622  | 3,607  | 3,577  | 3,547  | 1.4           | 2.0           |
| <b>Clients - million</b>                                |        |        |        |        |        |        |        |        |               |               |
| Checking Accounts                                       | 20.7   | 20.4   | 20.2   | 20.1   | 20.0   | 19.8   | 19.1   | 18.8   | 1.5           | 3.5           |
| Savings Accounts <sup>(12)</sup>                        | 35.1   | 33.9   | 34.2   | 35.8   | 33.8   | 32.5   | 32.2   | 34.6   | 3.5           | 3.8           |
| Insurance Group <sup>(13)</sup>                         | 30.3   | 29.1   | 28.6   | 27.5   | 26.8   | 25.8   | 25.0   | 24.0   | 4.1           | 13.1          |
| - Policyholders   | 25.8   | 24.6   | 24.1   | 23.0   | 22.4   | 21.5   | 20.8   | 19.8   | 4.9           | 15.2          |
| - Pension Plan Participants                             | 2.0    | 2.0    | 2.0    | 2.0    | 1.9    | 1.9    | 1.9    | 1.9    | -             | 5.3           |
| - Savings Bonds Clients                                 | 2.5    | 2.5    | 2.5    | 2.5    | 2.5    | 2.4    | 2.3    | 2.3    | -             | -             |
| Bradesco Financiamentos                                 | 4.1    | 4.0    | 4.2    | 4.9    | 4.9    | 5.0    | 5.3    | 5.5    | 2.5           | (16.3)        |

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- (1) Including sureties and guarantees, advances of credit card receivables and loan assignments (FIDC and CRI);
- (2) Accumulated over 12 months;
- (3) Excluding the assets valuation adjustments in Shareholders' Equity;
- (4) Accumulated Net Income per period;
- (5) Excluding additional provisions;
- (6) Number of shares (less treasury shares) x closing quote of common and preferred shares of the last trading day of the period;
- (7) Credits overdue;
- (8) As of 3Q08 already calculated in accordance with the New Basel Capital Rules (BIS II);
- (9) PAB: Branch located in a company with Bank's employees; PAE (in Companies): Branch located in a company that has electronic service; PAA: Branch located in a Municipality that does not have a branch;
- (10) Including Prepaid and Private Label;
- (11) Comprises Fundação Bradesco, the Institute of the Digestive System and Nutrition Disorders Foundation (Fimaden) and Associação Desportiva Finasa (ADC Bradesco);
- (12) Number of accounts; and
- (13) Number of policies

**Ratings**

**Main Ratings**

| Fitch Ratings       |         |                   |               |                  |               |                     |                       |
|---------------------|---------|-------------------|---------------|------------------|---------------|---------------------|-----------------------|
| International Scale |         |                   |               | Domestic Scale   |               |                     |                       |
| Individual          | Support | Domestic Currency |               | Foreign Currency |               | Domestic            |                       |
| B/C                 | 3       | Long-Term BBB+    | Short-Term F2 | Long-Term BBB    | Short-Term F2 | Long-Term AAA (bra) | Short-Term F1 + (bra) |

| Moody's Investors Service |                       |                           |                          |                   |                |                  |                   |
|---------------------------|-----------------------|---------------------------|--------------------------|-------------------|----------------|------------------|-------------------|
| Financial Strength        | International Scale   |                           |                          |                   | Domestic Scale |                  |                   |
| B -                       | Debt Foreign Currency | Deposit Domestic Currency | Deposit Foreign Currency | Domestic Currency |                |                  |                   |
|                           | Long-Term Baa2        | Long-Term A1              | Short-Term P-1           | Long-Term Baa3    | Short-Term P-3 | Long-Term Aaa.br | Short-Term BR - 1 |

| Standard & Poor's                         |                   |               |                  | R&I Inc.                       |                     | Austin Rating        |                |            |
|---|-------------------|---------------|------------------|--------------------------------|---------------------|----------------------|----------------|------------|
| International Scale - Counterparty Rating |                   |               |                  | Domestic Scale                 | International Scale | Corporate Governance | Domestic Scale |            |
| Foreign Currency                          | Domestic Currency |               |                  | Counterparty Rating            | Issuer Rating       |                      | Long-Term      | Short-Term |
| Long-Term BBB                             | Short-Term A - 3  | Long-Term BBB | Short-Term A - 3 | Long-Term Short-Term brAAA - 1 | BBB -               | AA                   | AAA            | A - 1      |

**Summarized Analysis of Adjusted Income**

In order to provide better understanding, comparability and analysis of Bradesco's results, we are using the Statement of Managerial Income in the analyses and comments of this Report on Economic and Financial Analysis, which is obtained from adjustments made to the Reported Statement of Income, as shown at the end of this Press Release:

| R\$ million   |               |               |                  |               |              |              |                  |               |
|---|---------------|---------------|------------------|---------------|--------------|--------------|------------------|---------------|
| <b>Adjusted Statement of Income</b>                                   |               |               |                  |               |              |              |                  |               |
|   |               |               | <b>Variation</b> |               |              |              | <b>Variation</b> |               |
|   | <b>9M09</b>   | <b>9M08</b>   | <b>YTD</b>       |               | <b>3Q09</b>  | <b>2Q09</b>  | <b>Quarter</b>   |               |
|   |               |               | <b>Amount</b>    | <b>%</b>      |              |              | <b>Amount</b>    | <b>%</b>      |
| <b>Financial Margin</b>   | <b>22,262</b> | <b>17,219</b> | <b>5,043</b>     | <b>29.3</b>   | <b>7,587</b> | <b>7,560</b> | <b>27</b>        | <b>0.4</b>    |
| - Interest  | 20,084        | 16,994        | 3,090            | 18.2          | 6,891        | 6,771        | 120              | 1.8           |
| - Non-Interest  | 2,178         | 225           | 1,953            | 868.0         | 696          | 789          | (93)             | (11.8)        |
| PLL   | (10,268)      | (5,034)       | (5,234)          | 104.0         | (2,908)      | (4,421)      | 1,513            | (34.2)        |
| <b>Gross Income from Financial Intermediation</b>                     | <b>11,994</b> | <b>12,185</b> | <b>(191)</b>     | <b>(1.6)</b>  | <b>4,679</b> | <b>3,139</b> | <b>1,540</b>     | <b>49.1</b>   |
| Income from Insurance, Private Pension Plan, Savings Bonds Operations | 1,499         | 1,711         | (212)            | (12.4)        | 433          | 529          | (96)             | (18.1)        |
| Fees and Commissions  | 8,491         | 8,046         | 445              | 5.5           | 2,857        | 2,911        | (54)             | (1.9)         |
| Personnel Expenses  | (5,886)       | (5,458)       | (428)            | 7.8           | (2,126)      | (1,908)      | (218)            | 11.4          |
| Other Administrative Expenses   | (6,747)       | (6,009)       | (738)            | 12.3          | (2,359)      | (2,233)      | (126)            | 5.6           |
| Tax Expenses  | (1,841)       | (1,732)       | (109)            | 6.3           | (639)        | (615)        | (24)             | 3.9           |
| Equity in the Earning (Losses) of Unconsolidated Companies            | 58            | 89            | (31)             | (34.8)        | 39           | 13           | 26               | -             |
| Other Operating Income/Expenses                                       | (2,211)       | (1,045)       | (1,166)          | 111.6         | (926)        | (697)        | (229)            | 32.9          |
| <b>Operating Income</b>   | <b>5,357</b>  | <b>7,787</b>  | <b>(2,430)</b>   | <b>(31.2)</b> | <b>1,958</b> | <b>1,139</b> | <b>819</b>       | <b>71.9</b>   |
| Non-Operating Income  | 2,579         | 167           | 2,412            | -             | 473          | 2,034        | (1,561)          | (76.7)        |
| IR/CS   | (2,089)       | (2,118)       | 29               | (1.4)         | (614)        | (872)        | 258              | (29.6)        |
| Minority interest   | (16)          | (17)          | 1                | (5.9)         | (6)          | (4)          | (2)              | 50.0          |
| <b>Net Income</b>   | <b>5,831</b>  | <b>5,819</b>  | <b>12</b>        | <b>0.2</b>    | <b>1,811</b> | <b>2,297</b> | <b>(486)</b>     | <b>(21.2)</b> |

## Net Income and Profitability

In 3Q09, the Net Income stood at R\$1,811 million compared to R\$2,297 million in 2Q09. In 3Q09, there was the divestment of Visanet Brasil's supplementary lot of shares (green shoe), whose gross gain was R\$410 million, and the negative impacts related to civil provisions, mainly from economic plans, in the amount of R\$387 million, in addition to larger expenses with personnel, referring to the collective bargaining agreement, in the total amount of R\$145 million. It is worth mentioning that the net gain of taxes, in the amount of R\$460 million, referring to the partial divestment in Visanet Brasil and to the additional PLL, was recorded in 2Q09's income.

Average Shareholders' Equity\*\* stood at R\$36,564 million on September 30, 2009, a 16.3% growth year-on-year. Capital Adequacy Ratio ended 3Q09 at 17.7%, 14.3% of which under Tier I of Reference Shareholders' Equity.

Bradesco's Net Income totaled R\$5,831 million in 9M09, stable vis-à-vis 2008, despite the slowdown in the financial activity more thoroughly observed in 1H09, caused by the world's economic crisis that increased delinquency level.

The main items that contributed to such result are outlined below.

## Efficiency Ratio

Quarter-on-quarter, the Efficiency Ratio\* improved 0.3 p.p., which was basically due to the increase in revenues, chiefly Net Interest Income and Fees and Commissions, which were offset by the increase in personnel and administrative expenses and other operating expenses, as a result of greater provisions for contingency related to economic plans.

Year-on-year, it is worth mentioning that the higher income from Bradesco Seguros and its subsidiaries also contributed to the cost-to-income ratio improvement.

\* Efficiency Ratio (ER) YTD =  $\frac{\text{Personnel} + \text{Employee Profit Sharing (PLR)} + \text{Administrative Expenses}}{\text{Net Interest Income} + \text{Income from Insurance} + \text{Fee Income} + \text{Equity in the Earnings (Losses) of Unconsolidated Companies} + \text{Other Operating Expenses} + \text{Other Operating Income}}$ . If we considered the ratio between total administrative costs (Personnel Expenses + Administrative Expenses + Other Operating Expenses + Tax Expenses not related to revenue generation) and the generation of revenue net of related taxes (not considering Claims Expenses from the Insurance Group), our 3Q09 ER index would be 41.0%.



## Net Interest Income

In the q-o-q comparison, the R\$27 million variation was due to:

the increase in income from interest-earning operations in the amount of R\$120 million, mainly due to higher average volumes; and

Offset by:

the reduction in non-interest income in the amount of R\$93 million, caused by lower securities/treasury gains.

Observing the behavior of net interest income in the y-o-y comparison, we have an improvement of R\$5,043 million, corresponding to a 29.3% growth, derived by the following factors:

the increase of R\$3,090 million from interest-earning operations, basically due to higher average business volumes; and

the increase in non-interest income in the amount of R\$1,953 million basically derived from higher securities/treasury gains.

## **Total Loan Portfolio**

In September 2009, the Bradesco Organization total loan operations (considering sureties, guarantees, advances of credit card receivables, assignment of Receivables Securitization Funds (FIDC) and Certificates of Real Estate Receivables (CRI)) totaled R\$215.5 billion. The 1.3% increase in the quarter was a result from the growth of 1.7% in the Individuals portfolio, of 1.5% in SMEs and of 0.8% in Large Corporates. The lower growth of Large Corporates is mainly related to the depreciation of the dollar in the quarter, vis-à-vis the Real, negatively impacting the dollar-indexed and/or denominated loan and financing balances when calculated in the local currency, which represented 14.9% of this portfolio.

In the y-o-y comparison, the portfolio grew by 10.2%, of which: Large Corporates 12.8%, SMEs 9.3% and Individuals 8.2% .

In the Corporate segment, the products which contributed the most to such increase were: mortgages corporate plans, credit card, BNDES Onlendings and working capital. In the Individuals segment, we highlight: leasing, mortgages and payroll deductible loans.

## **Provision for Loan Losses (PLL)\***

In 3Q09, we notice that the balance of the provision for loan losses expenses slightly dropped, as a result of the gradual upturn of the economic activity, beneficial for our clients payment capacity.

In the y-o-y comparison, besides the effects of the world s financial crisis, Bradesco decided to increase the excess of provision for loans by R\$1.3 billion in 2Q09.

\* Considering additional PLL: R\$1.3 billion in 2Q09, R\$177 million (cards) in 1Q09 and R\$597 million in 4Q08.

### **Delinquency Ratio > 90 days**

The delinquency ratio for 90 days increased in the 3Q09, impacted by the economic slowdown. In the Individuals segment, we notice a reduction in delinquencies in the last month of the quarter, due to the increase in the expectations of employment and to the increase in income, whereas for Corporate clients, there was a strong reduction in the growth pace of delinquencies, as a result of the gradual improvement in the overall level of activities. Bradesco ended 3Q09 with a delinquency ratio for loans of nearly 5.0%, tending to improve.

### **Coverage Ratio**

The R\$14,953 million balance of PLL on September 30, 2009, is comprised of R\$11,962 million of provisions required by the Brazilian Central Bank and R\$2,991 million of excess provisions.

In the graph below, we present the coverage ratio of the Provision for Loan Losses related to loans overdue for more than 90 days. In September 2009, the ratio stood at 166.5%, ensuring comfortable provisioning level.

## Insurance, Private Pension Plans and Savings Bonds

The Net Income in the 3Q09 totaled R\$607 million (2Q09 - R\$638 million), reaching an annualized return of 27.3% on Shareholders' Equity.

The Net Income for 9M09 was R\$1.895 billion (9M08 - R\$2.098 billion), with a 26.7% annual return on Shareholders' Equity.

(1) Excluding additional provisions.

In 3Q09, revenues posted a 9.7% growth, above the 9% average presented by the market (as of August). Net Income was negatively impacted by the increase in claims of 3.9 points, especially in the health segment (3.2 points), influenced by higher and more severe events in the period, related to the higher use of post-employment benefits and the influenza A virus subtype H1N1.

Concerned with risk growth and economic principles, in 3Q09 Bradesco Vida e Previdência implemented the strengthening technical provisions and adopted the real interest rate (PDA) of 4% p.a., against the previous 4.3% rate used up to 2Q09, in the calculation of provision for insufficient contribution (PIC) and provision for administrative expenses (PDA).

When comparing 9M09 and 9M08, Bradesco's Insurance Group posted an 8% growth in revenues and presented improved performance in financial income. However, despite the positive aspects presented, the result decreased by R\$203 million y-o-y, influenced, in addition to the abovementioned issues, by the increase in the social contribution rate from 9% to 15%.

Bradesco's Insurance Group Net Income in August 2009 accounted for 40.9% of the net income of the entire Brazilian insurance market. (Source: Susep - Insurance Superintendence).

The Insurance Group's technical provisions represented 32.3% of the insurance market in August 2009, according to Susep and ANS - National Supplementary Health Agency data.

In terms of solvency, Bradesco's Insurance Group complies with Susep's rules, which took effect as of January 1, 2008 and is also adjusted to the international standards (Solvency II). The financial leverage ratio stood at 2.3 times its Shareholders' Equity.

## **Fees and Commissions**

Fees and Commissions amounted to R\$2,857 million in 3Q09, moving down by R\$54 million in the q-o-q comparison. The good performance of income from loan operations, mainly by guarantees provided, as well as by asset management fees, contributed to offset the negative impact of: (i) the extinction of the registry renewal fee as of 3Q09; (ii) the drop of cards income, arising from the reduction from 39.3% to 26.6% of Bradesco's stake in Visanet Brasil and; (iii) lower underwriting fees.

When comparing 9M09 and 9M08, the 5.5% growth was a result of the good performance of the credit card segment and underwriting operations, in addition to the increase of business and client base, which went up by nearly 3.5% over the last 12 months, partially offsetting the losses originated from fees adjustment and by the performance of loans, mainly in 1H09, due to the economic slowdown.

## Personnel Expenses

In 3Q09, the R\$218 million increase in the q-o-q comparison is composed by higher expenses in:

Structural Expenses - in the amount of R\$32 million, mainly due to the adjustment to increase salary levels according to the collective bargaining agreement (6.0%) and the restatement of labor liabilities, offset by higher accumulated vacations of employees in the 3Q09; and

Non-Structural Expenses - in the amount of R\$186 million related to higher profit sharing (PLR), expenses with employment contract terminations and provisions for labor claims.

When comparing 9M09 and 9M08, the R\$428 million increase is basically explained by:

The R\$403 million rise in Structural Expenses, due to wage increase (2008 bargaining agreement 8.15% to 10% and 2009 6.0%) and benefits; and

the increase of R\$25 million in the Non-Structural Expenses, basically due to higher expenses with provisions for labor claims and training.

Note: Structural Expenses = Compensation + Social Taxes + Benefits + Private Pension.

Non-Structural Expenses = Employee Profit Sharing (PLR) + Training + Labor Provision + Employment Contract Termination Expenses.

## **Administrative Expenses**

Administrative Expenses moved up by 5.6% in the q-o-q comparison, mainly due to the increases of items: (i) third-party services expenses; (ii) advertising and marketing expenses; and (iii) transportation expenses.

When compared to 9M08, the increase is mainly due to the expansion of the Distribution Network and higher business volumes.

## **Tax Expenses**

Tax Expenses posted a R\$24 million variation in view of the increase of the taxable income in 3Q09, especially relative to net interest income.

The R\$109 million variation, referring to 9M09 vis-à-vis 9M08, arises from the increase in expenses with PIS/Cofins due to the taxable income from net interest income increase and also the contribution of fees and commissions in the period.

### **Other Operating Income and Expenses**

Other Operating Expenses, net of Other Operating Income, posted a variation of R\$229 million q-o-q, mainly due to higher provisions for contingency, mainly those related to economic plans, for which provisions in the amount of R\$387 million were recorded in 3Q09.

In the y-o-y comparison, the R\$1,166 million increase basically results from higher operating provisions, mostly referring to provisions for contingencies related to economic plans.

### **Non-Operating Income**

In 3Q09, Non-Operating Income totaled R\$473 million, a 76.7% drop q-o-q, due to the gain in 2Q09 with the partial sale of Visanet Brasil, in the amount of R\$2 billion, offset by the gain related to the sale of the supplementary lot of Visanet Brasil shares (green shoe) in the amount of R\$410 million. In the 9M09 - 9M08 comparison (disregarding Visanet Brasil effects), the balance remained stable around R\$170 million.



## **Income Tax and Social Contribution**

The R\$258 million increase in 3Q09 in relation to the previous quarter reflects tax charges over earnings before taxes, adjusted by respective additions and exclusions.

One can observe that the average rate (calculated considering the earnings before income tax and social contribution less equity in the earnings (losses) of unconsolidated companies and interest on shareholders' capital) is close to the effective tax rate of 34%.

When comparing 9M09 and 9M08, taxes and contributions went down by 1.4% .

Tax credits originated in previous periods, deriving from the increase in the CSLL tax rate to 15%, are recorded in the consolidated financial statements up to the limit of corresponding consolidated tax liabilities. The balance of not activated fiscal credits stands at R\$772 million. Further details may be obtained in the Footnote n° 34 of the Financial Statements.

## **Unrealized Gains**

Unrealized gains reached R\$10,162 million in 3Q09, an R\$1,508 million jump in relation to the previous quarter. The positive variation is mainly due to: (i) the appreciation in the mark-to-market of securities, offset by: (ii) the divestment of the supplementary lot (Green Shoe) of Visanet Brasil in 3Q09.

## Economic Scenario

Over the second and third quarters, the signs of global upturn continued to accumulate, reinforcing the perception that the worst moment of the crisis had been overcome. However, there are still material differences among the countries regarding the speed of their economic upturn, which is higher in developing nations. These differences have generated significant impacts over exchange markets, while at the same time they have kept volatility potential in the prices of most financial assets. Within this international scenario, it is still necessary to be cautious when performing analysis, since risk perception is still present, in lower intensity quarter-on-quarter though.

On the other hand, Brazilian economy strengthens its position as one of the first economies to overcome recession, benefitted from credit growth, tax incentives, interest rate drop, employment recovery and maintenance of annual wages growth in high levels. After the 4.3% accumulated drawback between 4Q08 and 1Q09, the GDP grew 1.9 p.p. between April and June, vis-a-vis the immediately previous quarter. 3Q09 information disclosed suggests an additional decrease in industry idleness, signaling another strong growth period, but without significant pressures that may jeopardize inflation in 2009.

Simultaneously, families' consumption of goods and services is growing favorably, as opposite to what happened in past crisis. Therefore, our economic growth projection is more optimistic. We expect Brazil to grow 0.1% this year and 5.4% in 2010. If confirmed, these results will be among the highest results worldwide, strengthening the international communities' positive perceptions towards Brazil. For the long-term, in line with the country's real potentialities, perspectives are increasingly positive, especially for the investment cycle that shall supply the needs arising from the World Cup, the Olympic Games and the pre-salt project. Challenges are enormous but it is possible to lead them in a satisfactory manner.

Bradesco reiterates its positive and constructive view towards Brazil and is aware of the opportunities created by a society with high social mobility and whose private sector is increasingly stronger and prepared to face the after-crisis challenges. Therefore, Bradesco still defends the need for institutional and educational advances that would increase social and economic gains obtained in past years, which can be translated into higher economic growth.

**Main Economic Indicators**

| Main Indicators (%)                               | 3Q09   | 2Q09    | 1Q09   | 4Q08    | 3Q08    | 2Q08   | 1Q08   | 4Q07   |
|---|--------|---------|--------|---------|---------|--------|--------|--------|
| Interbank Deposit Certificate (CDI)               | 2.22   | 2.38    | 2.95   | 3.32    | 3.16    | 2.74   | 2.58   | 2.62   |
| Ibovespa Index                                    | 19.53  | 25.75   | 8.99   | (24.20) | (23.80) | 6.64   | (4.57) | 5.66   |
| USD Commercial Rate                               | (8.89) | (15.70) | (0.93) | 22.08   | 20.25   | (8.99) | (1.25) | (3.68) |
| General Price Index - Market (IGP-M)              | (0.37) | (0.32)  | (0.92) | 1.23    | 1.54    | 4.34   | 2.38   | 3.54   |
| CPI (IPCA IBGE)                                   | 0.63   | 1.32    | 1.23   | 1.09    | 1.07    | 2.09   | 1.52   | 1.43   |
| Federal Government Long-Term Interest Rate (TJLP) | 1.47   | 1.53    | 1.53   | 1.53    | 1.53    | 1.54   | 1.54   | 1.54   |
| Reference Interest Rate (TR)                      | 0.12   | 0.22    | 0.37   | 0.63    | 0.55    | 0.28   | 0.17   | 0.24   |
| Savings Accounts                                  | 1.63   | 1.67    | 1.89   | 2.15    | 2.06    | 1.80   | 1.68   | 1.75   |
| Number of Business Days                           | 65     | 61      | 61     | 65      | 66      | 62     | 61     | 62     |

| Indicators (Closing Rates)          | Sep09  | Jun09  | Mar09  | Dec08  | Sep08  | Jun08  | Mar08  | Dec07  |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| USD Commercial Selling Rate R\$     | 1.7781 | 1.9516 | 2.3152 | 2.3370 | 1.9143 | 1.5919 | 1.7491 | 1.7713 |
| Euro R\$                            | 2.6011 | 2.7399 | 3.0783 | 3.2382 | 2.6931 | 2.5063 | 2.7606 | 2.6086 |
| Country Risk (points)               | 234    | 284    | 425    | 428    | 331    | 228    | 284    | 221    |
| Selic Basic Interest Rate (% p. a.) | 8.75   | 9.25   | 11.25  | 13.75  | 13.75  | 12.25  | 11.25  | 11.25  |
| Pre -BM&F Rate (% p. a.)            | 9.65   | 9.23   | 9.79   | 12.17  | 14.43  | 14.45  | 12.69  | 12.05  |

**Projections until 2011**

| %                                      | 2009   | 2010  | 2011  |
|--|--------|-------|-------|
| USD - Commercial Rate (year-end) - R\$ | 1.60   | 1.65  | 1.75  |
| Extended Consumer Price Index (IPCA)   | 4.25   | 4.60  | 4.50  |
| General Price Index - Market (IGP-M)   | (0.53) | 4.50  | 4.50  |
| Selic (year-end)                       | 8.75   | 11.50 | 12.25 |
| Gross Domestic Product (GDP)           | 0.10   | 5.40  | 3.90  |

**Guidance****Bradesco's Outlook for 2009**

This guidance has forward-looking statements, which are subject to risks and uncertainties, so they were based on management expectations and uncertainties and information available in the market up to the present date.

|   |                   |
|---|-------------------|
| <b>Loan Portfolio</b>                     | <b>8 to 12%</b>   |
| Individuals                               | 9 to 12%          |
| Corporate                                 | 7 to 11%          |
| SMEs                                      | 9 to 13%          |
| Large Corporates                          | 6 to 10%          |
| <b>Products</b>                           |                   |
| Vehicles                                  | <b>2 to 5%</b>    |
| Cards                                     | <b>10 to 14%</b>  |
| Real Estate Financing (origination)       | <b>R\$ 4.5 bi</b> |
| Payroll Deductible Loans                  | <b>20 to 30%</b>  |
| <b>Net Interest Income <sup>(1)</sup></b> | <b>18 to 22%</b>  |
| <b>Fees and Commissions</b>               | <b>6 to 10%</b>   |
| <b>Operating Expenses <sup>(2)</sup></b>  | <b>6 to 11%</b>   |
| <b>Insurance Premiums</b>                 | <b>5 to 7%</b>    |

(1) Guidance for Adjusted NII in the current criterion ; and

(2) Administrative and Personnel Expenses.

## Statement of Income

## Analytical Breakdown of Statement of Adjusted Income

|   | R\$ million  |                   |           |           |              |              |          |          |                      |              |
|---|--------------|-------------------|-----------|-----------|--------------|--------------|----------|----------|----------------------|--------------|
|   | 3Q09         |                   |           |           |              |              |          |          |                      |              |
|   | Reported     | Reclassifications |           |           |              |              |          |          | Fiscal               | Adjusted     |
|   | Statement    | (1)               | (2)       | (3)       | (4)          | (5)          | (6)      | (7)      | Hedge <sup>(8)</sup> | Statement    |
| <b>Financial Margin</b>   | <b>8,464</b> | <b>(133)</b>      | <b>40</b> | <b>21</b> | <b>(283)</b> | <b>-</b>     | <b>-</b> | <b>-</b> | <b>(522)</b>         | <b>7,587</b> |
| PLL   | (2,883)      | -                 | -         | -         | 97           | (122)        | -        | -        | -                    | (2,908)      |
| <b>Gross Income from Financial Intermediation</b>                     | <b>5,581</b> | <b>(133)</b>      | <b>40</b> | <b>21</b> | <b>(186)</b> | <b>(122)</b> | <b>-</b> | <b>-</b> | <b>(522)</b>         | <b>4,679</b> |
| Income from Insurance, Private Pension Plan, Savings Bonds Operations | 433          | -                 | -         | -         | -            | -            | -        | -        | -                    | 433          |
| Fees and Commissions  | 2,820        | -                 | -         | -         | -            | -            | 37       | -        | -                    | 2,857        |
| Personnel Expenses  | (2,126)      | -                 | -         | -         | -            | -            | -        | -        | -                    | (2,126)      |
| Other Administrative Expenses   | (2,283)      | -                 | -         | -         | -            | -            | -        | (76)     | -                    | (2,359)      |
| Tax Expenses  | (704)        | -                 | -         | -         | -            | -            | -        | -        | 65                   | (639)        |
| Equity in the Earning (Losses) of Unconsolidated Companies            | 39           | -                 | -         | -         | -            | -            | -        | -        | -                    | 39           |
| Other Operating Income/Expenses                                       | (1,223)      | 133               | (40)      | (21)      | 186          | -            | (37)     | 76       | -                    | (926)        |
| <b>Operating Income</b>   | <b>2,537</b> | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>     | <b>(122)</b> | <b>-</b> | <b>-</b> | <b>(457)</b>         | <b>1,958</b> |
| Non-Operating Income  | 351          | -                 | -         | -         | -            | 122          | -        | -        | -                    | 473          |
| IR/CS and Minority Interest   | (1,077)      | -                 | -         | -         | -            | -            | -        | -        | 457                  | (620)        |
| <b>Net Income</b>   | <b>1,811</b> | <b>-</b>          | <b>-</b>  | <b>-</b>  | <b>-</b>     | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b>             | <b>1,811</b> |

- (1) Commission expenses related to loans and financing were reclassified from the item Other Operating Expenses to the item Net Interest Income ;
- (2) Interest Income/Expenses, deriving from the insurance segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;
- (3) Interest Income/Expenses, deriving from the financial segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;
- (4) Revenues from loan recovery, classified into the item Net Interest Income ; expenses related to discounts granted, classified into the item Other Operating Revenues/Expenses ; expenses related to the write-off of leasing operations, classified into the item Net Interest Income , and losses related to the sale of non-real estate assets BNDU, classified

into the item Non-Operating Income , were reclassified into the item Provision for Loan Losses Expenses - PLL ;

(5) Third-party services expenses, classified into the item Other Administrative Expenses were reclassified into the item Fees and Commissions ;

(6) Commissions fees and credit card fees, insurance premium commissions, insurance policy fees, classified into the item Other Operating Revenues/Expenses were reclassified into the item Fees and Commissions ;

(7) Credit card operations interchange expenses, classified into the item Other Operating Revenues/Expenses were reclassified into the item Other Administrative Expenses ; and

(8) The partial result of derivatives used as hedge of investments abroad, which in terms of net income, simply annuls the IR/CS and PIS/Cofins tax effect of this hedge strategy .

|   | R\$ million  |                   |           |              |              |          |          |          |                      |              |
|---|--------------|-------------------|-----------|--------------|--------------|----------|----------|----------|----------------------|--------------|
|   | 2Q09         |                   |           |              |              |          |          |          |                      |              |
|   | Reported     | Reclassifications |           |              |              |          |          | Fiscal   | Adjusted             |              |
|   | Statement    | (1)               | (2)       | (3)          | (4)          | (5)      | (6)      | (7)      | Hedge <sup>(8)</sup> | Statement    |
| <b>Financial Margin</b>   | <b>8,996</b> | <b>(105)</b>      | <b>10</b> | <b>(105)</b> | <b>(241)</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(995)</b>         | <b>7,560</b> |
| PLL   | (4,404)      | -                 | -         | -            | (17)         | -        | -        | -        | -                    | (4,421)      |
| <b>Gross Income from Financial Intermediation</b>                     | <b>4,592</b> | <b>(105)</b>      | <b>10</b> | <b>(105)</b> | <b>(258)</b> | <b>-</b> | <b>-</b> | <b>-</b> | <b>(995)</b>         | <b>3,139</b> |
| Income from Insurance, Private Pension Plan, Savings Bonds Operations | 529          | -                 | -         | -            | -            | -        | -        | -        | -                    | 529          |
| Fees and Commissions  | 2,948        | -                 | -         | -            | -            | (62)     | 25       | -        | -                    | 2,911        |
| Personnel Expenses  | (1,908)      | -                 | -         | -            | -            | -        | -        | -        | -                    | (1,908)      |
| Other Administrative Expenses   | (2,168)      | -                 | -         | -            | -            | 62       | -        | (127)    | -                    | (2,233)      |
| Tax Expenses  | (723)        | -                 | -         | -            | -            | -        | -        | -        | 108                  | (615)        |
| Equity in the Earning (Losses) of Unconsolidated Companies            | 13           | -                 | -         | -            | -            | -        | -        | -        | -                    | 13           |
| Other Operating Income/Expenses                                       | (1,165)      | 105               | (10)      | 105          | 166          | -        | (25)     | 127      | -                    | (697)        |
| <b>Operating Income</b>   | <b>2,118</b> | <b>-</b>          | <b>-</b>  | <b>-</b>     | <b>(92)</b>  | <b>-</b> | <b>-</b> | <b>-</b> | <b>(887)</b>         | <b>1,139</b> |
| Non-Operating Income  | 1,942        | -                 | -         | -            | 92           | -        | -        | -        | -                    | 2,034        |
| IR/CS and Minority Interest   | (1,763)      | -                 | -         | -            | -            | -        | -        | -        | 887                  | (876)        |
| <b>Net Income</b>   | <b>2,297</b> | <b>-</b>          | <b>-</b>  | <b>-</b>     | <b>-</b>     | <b>-</b> | <b>-</b> | <b>-</b> | <b>-</b>             | <b>2,297</b> |

- (1) Commission expenses related to loans and financing were reclassified from the item Other Operating Expenses to the item Net Interest Income ;
- (2) Interest Income/Expenses, deriving from the insurance segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;
- (3) Interest Income/Expenses, deriving from the financial segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;
- (4) Revenues from loan recovery, classified into the item Net Interest Income ; expenses related to discounts granted, classified into the item Other Operating Revenues/Expenses ; and expenses related to the write-off of leasing operations, classified into the item Net Interest Income , were reclassified into the item Provision for Loan Losses Expenses - PLL ;
- (5) Losses related to the sale of non-real estate assets BNDU, classified into the item Non-Operating Income were reclassified into the item Provision for Loan Losses Expenses - PLL ;
- (6) Commissions fees and credit card fees, insurance premium commissions, insurance policy fees, classified into the item Other Operating Revenues/Expenses were reclassified into the item Fees and Commissions ;
- (7) Credit card operations interchange expenses, classified into the item Other Operating Revenues/Expenses were reclassified into the item Other Administrative Expenses ; and
- (8) The partial result of derivatives used as hedge of investments abroad, which in terms of net income, simply annuls

the IR/CS and PIS/Cofins tax effect of this hedge strategy .

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|   | R\$ million   |                   |           |              |              |       |      |        |                      |               |
|---|---------------|-------------------|-----------|--------------|--------------|-------|------|--------|----------------------|---------------|
|   | 9M09          |                   |           |              |              |       |      |        |                      |               |
|   | Reported      | Reclassifications |           |              |              |       |      | Fiscal | Adjusted             |               |
|   | Statement     | (1)               | (2)       | (3)          | (4)          | (5)   | (6)  | (7)    | Hedge <sup>(8)</sup> | Statement     |
| <b>Financial Margin</b>   | <b>25,212</b> | <b>(362)</b>      | <b>75</b> | <b>(279)</b> | <b>(776)</b> | -     | -    | -      | <b>(1,608)</b>       | <b>22,262</b> |
| PLL   | (10,207)      | -                 | -         | -            | (61)         | -     | -    | -      | -                    | (10,268)      |
| <b>Gross Income from Financial Intermediation</b>                     | <b>15,005</b> | <b>(362)</b>      | <b>75</b> | <b>(279)</b> | <b>(837)</b> | -     | -    | -      | <b>(1,608)</b>       | <b>11,994</b> |
| Income from Insurance, Private Pension Plan, Savings Bonds Operations | 1,499         | -                 | -         | -            | -            | -     | -    | -      | -                    | 1,499         |
| Fees and Commissions  | 8,518         | -                 | -         | -            | -            | (123) | 96   | -      | -                    | 8,491         |
| Personnel Expenses  | (5,886)       | -                 | -         | -            | -            | -     | -    | -      | -                    | (5,886)       |
| Other Administrative Expenses   | (6,609)       | -                 | -         | -            | -            | 123   | -    | (261)  | -                    | (6,747)       |
| Tax Expenses  | (2,024)       | -                 | -         | -            | -            | -     | -    | -      | 183                  | (1,841)       |
| Equity in the Earning (Losses) of Unconsolidated Companies            | 58            | -                 | -         | -            | -            | -     | -    | -      | -                    | 58            |
| Other Operating Income/Expenses                                       | (3,454)       | 362               | (75)      | 279          | 512          | -     | (96) | 261    | -                    | (2,211)       |
| <b>Operating Income</b>   | <b>7,107</b>  | -                 | -         | -            | <b>(325)</b> | -     | -    | -      | <b>(1,425)</b>       | <b>5,357</b>  |
| Non-Operating Income  | 2,254         | -                 | -         | -            | 325          | -     | -    | -      | -                    | 2,579         |
| IR/CS and Minority Interest   | (3,530)       | -                 | -         | -            | -            | -     | -    | -      | 1,425                | (2,105)       |
| <b>Net Income</b>   | <b>5,831</b>  | -                 | -         | -            | -            | -     | -    | -      | -                    | <b>5,831</b>  |

- (1) Commission expenses related to loans and financing were reclassified from the item Other Operating Expenses to the item Net Interest Income ;
- (2) Interest Income/Expenses, deriving from the insurance segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;
- (3) Interest Income/Expenses, deriving from the financial segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;
- (4) Revenues from loan recovery, classified into the item Net Interest Income ; expenses related to discounts granted, classified into the item Other Operating Revenues/Expenses ; expenses related to the write-off of leasing operations, classified into the item Net Interest Income , and losses related to the sale of non-real estate assets BNDU, classified into the item Non-Operating Income , were reclassified into the item Provision for Loan Losses Expenses - PLL ;
- (5) Third-party services expenses, classified into the item Other Administrative Expenses were reclassified into the item Fees and Commissions ;
- (6) Commissions fees and credit card fees, insurance premium commissions, insurance policy fees, classified into the item Other Operating Revenues/Expenses were reclassified into the item Fees and Commissions ;
- (7) Credit card operations interchange expenses, classified into the item Other Operating Revenues/Expenses were reclassified into the item Other Administrative Expenses , and;
- (8) The partial result of derivatives used as hedge of investments abroad, which in terms of net income, simply annuls

the IR/CS and PIS/Cofins tax effect of this hedge strategy .

|   | R\$ million   |                   |            |              |              |       |      |               |                       |                      |               |
|---|---------------|-------------------|------------|--------------|--------------|-------|------|---------------|-----------------------|----------------------|---------------|
|   | 9M08          |                   |            |              |              |       |      |               |                       |                      |               |
|   | Reported      | Reclassifications |            |              |              |       |      | Extraordinary | Fiscal                | Adjusted             |               |
|   | Statement     | (1)               | (2)        | (3)          | (4)          | (5)   | (6)  | (7)           | Events <sup>(8)</sup> | Hedge <sup>(9)</sup> | Statement     |
| <b>Financial</b>  |               |                   |            |              |              |       |      |               |                       |                      |               |
| <b>Margin</b>   | <b>18,282</b> | <b>(709)</b>      | <b>149</b> | <b>(361)</b> | <b>(837)</b> | -     | -    | -             | -                     | <b>695</b>           | <b>17,219</b> |
| PLL   | (5,325)       | -                 | -          | -            | 291          | -     | -    | -             | -                     | -                    | (5,034)       |
| <b>Gross Income from Financial Intermediation</b>                     | <b>12,957</b> | <b>(709)</b>      | <b>149</b> | <b>(361)</b> | <b>(546)</b> | -     | -    | -             | -                     | <b>695</b>           | <b>12,185</b> |
| Income from Insurance, Private Pension Plan, Savings Bonds Operations | 1,711         | -                 | -          | -            | -            | -     | -    | -             | -                     | -                    | 1,711         |
| Fees and Commissions  | 8,139         | -                 | -          | -            | -            | (174) | 81   | -             | -                     | -                    | 8,046         |
| Personnel Expenses  | (5,458)       | -                 | -          | -            | -            | -     | -    | -             | -                     | -                    | (5,458)       |
| Other Administrative Expenses   | (5,975)       | -                 | -          | -            | -            | 174   | -    | (208)         | -                     | -                    | (6,009)       |
| Tax Expenses  | (1,665)       | -                 | -          | -            | -            | -     | -    | -             | -                     | (67)                 | (1,732)       |
| Equity in the Earning (Losses) of Unconsolidated Companies            | 89            | -                 | -          | -            | -            | -     | -    | -             | -                     | -                    | 89            |
| Other Operating Income/Expenses                                       | (2,584)       | 709               | (149)      | 361          | 382          | -     | (81) | 208           | 109                   | -                    | (1,045)       |
| <b>Operating Income</b>   | <b>7,214</b>  | -                 | -          | -            | <b>(164)</b> | -     | -    | -             | <b>109</b>            | <b>628</b>           | <b>7,787</b>  |
| Non-Operating Income  | 390           | -                 | -          | -            | 164          | -     | -    | -             | (387)                 | -                    | 167           |
| IR/CS and Minority Interest   | (1,589)       | -                 | -          | -            | -            | -     | -    | -             | 82                    | (628)                | (2,135)       |
| <b>Net Income</b>   | <b>6,015</b>  | -                 | -          | -            | -            | -     | -    | -             | <b>(196)</b>          | -                    | <b>5,819</b>  |

(1) Commission expenses related to loans and financing were reclassified from the item Other Operating Expenses to the item Net Interest Income ;

(2) Interest Income/Expenses, deriving from the insurance segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;

(3) Interest Income/Expenses, deriving from the financial segment, were reclassified from the item Other Operating Revenues/Expenses to the item Net Interest Income ;

- (4) Revenues from loan recovery, classified into the item Net Interest Income ; expenses related to discounts granted, classified into the item Other Operating Revenues/Expenses ; expenses related to the write-off of leasing operations, classified into the item Net Interest Income , and losses related to the sale of non-real estate assets BNDU, classified into the item Non-Operating Income , were reclassified into the item Provision for Loan Losses Expenses - PLL ;
- (5) Third party s services expenses, classified into the item Other Administrative Expenses were reclassified into the item Fees and Commissions ;
- (6) Commissions fees and credit card fees, insurance premium commissions, insurance policy fees, classified into the item Other Operating Revenues/Expenses were reclassified into the item Fees and Commissions ;
- (7) Credit card operations interchange expenses, classified into the item Other Operating Revenues/Expenses were reclassified into the item Other Administrative Expenses ;
- (8) Basically: partial sale of Visa Internacional (R\$352 million), total amortization of goodwill (R\$53 million) and Constitution of Civil Provisions economic plans, above the average of the quarter (R\$56 million); and
- (9) The partial result of derivatives used as hedge of investments abroad, which in terms of net income, simply annuls the IR/CS and PIS/Cofins tax effect of this hedge strategy.



**Consolidated Balance Sheet and Adjusted Statement of Income****Balance Sheet**

|  | R\$ million    |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|  | Sep09          | Jun09          | Mar09          | Dec08          | Sep08          | Jun08          | Mar08          | Dec07          |
| <b>Assets</b>  |                |                |                |                |                |                |                |                |
| <b>Current and Long-Term Assets</b>  |                |                |                |                |                |                |                |                |
| Funds Available  | 477,458        | 474,301        | 474,124        | 446,802        | 416,161        | 397,746        | 350,172        | 336,221        |
| Interbank Investments  | 8,571          | 9,001          | 7,533          | 9,295          | 7,259          | 5,134          | 5,702          | 5,487          |
| Securities and Derivative Financial Instruments                                | 97,487         | 89,636         | 93,342         | 74,191         | 57,351         | 73,692         | 48,675         | 37,622         |
| Interbank and Interdepartmental Accounts                                       | 147,724        | 146,110        | 130,816        | 131,598        | 132,373        | 118,956        | 105,167        | 114,452        |
| Loan and Leasing Operations  | 17,718         | 16,620         | 15,691         | 13,804         | 27,081         | 26,163         | 24,615         | 24,466         |
| Allow ance for Loan Losses (PDD)   | 163,699        | 160,174        | 160,975        | 160,500        | 153,335        | 140,324        | 131,106        | 123,974        |
| Other Receivables and Assets   | (14,953)       | (13,871)       | (11,424)       | (10,263)       | (9,136)        | (8,652)        | (8,104)        | (7,826)        |
| <b>Permanent Assets</b>  | <b>8,228</b>   | <b>8,177</b>   | <b>8,017</b>   | <b>7,611</b>   | <b>6,501</b>   | <b>5,486</b>   | <b>5,298</b>   | <b>4,923</b>   |
| Investments  | 1,104          | 1,054          | 1,095          | 1,048          | 823            | 784            | 743            | 604            |
| Premises and Equipment and Leased Assets                                       | 3,272          | 3,300          | 3,286          | 3,250          | 2,309          | 2,198          | 2,114          | 2,103          |
| Intangible Assets  | 3,852          | 3,823          | 3,636          | 3,313          | 3,369          | 2,504          | 2,441          | 2,216          |
| <b>Total</b>   | <b>485,686</b> | <b>482,478</b> | <b>482,141</b> | <b>454,413</b> | <b>422,662</b> | <b>403,232</b> | <b>355,470</b> | <b>341,144</b> |
| <b>Liabilities</b>   |                |                |                |                |                |                |                |                |
| <b>Current and Long-Term Liabilities</b>                                       |                |                |                |                |                |                |                |                |
| Deposits   | 446,152        | 444,574        | 446,225        | 419,561        | 387,640        | 369,151        | 322,213        | 310,442        |
| Federal Funds Purchased and Securities Sold under Agreements to Repurchase     | 167,987        | 167,512        | 169,104        | 164,493        | 139,170        | 122,752        | 106,710        | 98,323         |
| Funds from Issuance of Securities  | 102,604        | 99,710         | 91,659         | 79,977         | 87,464         | 98,278         | 69,540         | 73,634         |
| Interbank and Interdepartmental Accounts                                       | 7,111          | 7,694          | 9,280          | 9,011          | 6,535          | 5,455          | 7,222          | 6,488          |
| Borrow ing and Onlending   | 2,257          | 1,904          | 2,287          | 2,914          | 2,538          | 2,458          | 2,160          | 2,538          |
| Derivative Financial Instruments   | 27,025         | 29,081         | 30,420         | 31,947         | 31,979         | 24,736         | 24,013         | 23,410         |
| Provisions for Insurance, Private Pension Plans and Certificated Savings Plans | 1,669          | 2,599          | 2,294          | 2,042          | 2,326          | 1,598          | 1,624          | 952            |
| Other Liabilities  | 71,401         | 68,829         | 66,673         | 64,587         | 62,888         | 62,068         | 59,722         | 58,526         |
| <b>Deferred Income</b>   | <b>66,098</b>  | <b>67,245</b>  | <b>74,508</b>  | <b>64,590</b>  | <b>54,740</b>  | <b>51,806</b>  | <b>51,222</b>  | <b>46,571</b>  |
|  | <b>297</b>     | <b>272</b>     | <b>273</b>     | <b>274</b>     | <b>227</b>     | <b>208</b>     | <b>190</b>     | <b>189</b>     |
|  | <b>360</b>     | <b>355</b>     | <b>337</b>     | <b>321</b>     | <b>627</b>     | <b>162</b>     | <b>158</b>     | <b>155</b>     |

| <b>Minority Interest in Subsidiaries</b> |                |                |                |                |                |                |                |                |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Managed Funds and Portfolio</b>       | <b>38,877</b>  | <b>37,277</b>  | <b>35,306</b>  | <b>34,257</b>  | <b>34,168</b>  | <b>33,711</b>  | <b>32,909</b>  | <b>30,358</b>  |
| <b>Total</b>                             | <b>485,686</b> | <b>482,478</b> | <b>482,141</b> | <b>454,413</b> | <b>422,662</b> | <b>403,232</b> | <b>355,470</b> | <b>341,144</b> |

**Statement of Income**

|   | R\$ million  |              |              |              |              |              |              |              |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|   | 3Q09         | 2Q09         | 1Q09         | 4Q08         | 3Q08         | 2Q08         | 1Q08         | 4Q07         |
| <b>Net Interest Income</b>  | <b>7,587</b> | <b>7,560</b> | <b>7,115</b> | <b>5,924</b> | <b>5,674</b> | <b>5,959</b> | <b>5,586</b> | <b>5,492</b> |
| Interest  | 6,891        | 6,771        | 6,422        | 5,944        | 5,815        | 5,632        | 5,547        | 5,217        |
| Non-Interest  | 696          | 789          | 693          | (20)         | (141)        | 327          | 39           | 275          |
| PDD   | (2,908)      | (4,421)      | (2,939)      | (1,888)      | (1,671)      | (1,752)      | (1,611)      | (1,428)      |
| <b>Gross Income from Financial Intermediation</b>                           | <b>4,679</b> | <b>3,139</b> | <b>4,176</b> | <b>4,036</b> | <b>4,003</b> | <b>4,207</b> | <b>3,975</b> | <b>4,064</b> |
| Income from Insurance, Private Pension Plans and Certificated Savings Plans | 433          | 529          | 537          | 544          | 629          | 567          | 515          | 146          |
| Fee and Commission Income   | 2,857        | 2,911        | 2,723        | 2,698        | 2,698        | 2,657        | 2,691        | 2,783        |
| Personnel Expenses  | (2,126)      | (1,908)      | (1,852)      | (1,932)      | (1,889)      | (1,775)      | (1,794)      | (1,875)      |
| Other Administrative Expenses   | (2,359)      | (2,233)      | (2,155)      | (2,298)      | (2,130)      | (2,002)      | (1,877)      | (2,039)      |
| Tax Expenses  | (639)        | (615)        | (587)        | (498)        | (540)        | (573)        | (619)        | (631)        |
| Equity in the Earning (Losses) of Unconsolidated Companies                  | 39           | 13           | 6            | 47           | 23           | 33           | 32           | 10           |
| Other Operating Income and Expenses   | (926)        | (697)        | (588)        | (259)        | (223)        | (417)        | (404)        | (8)          |
| - Other Operating Income  | 209          | 311          | 198          | 212          | 318          | 124          | 138          | 273          |
| - Other Operating Expenses  | (1,135)      | (1,008)      | (786)        | (471)        | (541)        | (541)        | (542)        | (281)        |
| <b>Operating Income</b>   | <b>1,958</b> | <b>1,139</b> | <b>2,260</b> | <b>2,338</b> | <b>2,571</b> | <b>2,697</b> | <b>2,519</b> | <b>2,450</b> |
| Non-Operating Income  | 473          | 2,034        | 72           | 96           | 45           | 58           | 64           | 49           |
| Income Tax and Social Contribution  | (614)        | (872)        | (603)        | (611)        | (696)        | (750)        | (672)        | (642)        |
| Minority interest   | (6)          | (4)          | (6)          | (17)         | (10)         | (3)          | (4)          | (3)          |
| <b>Net Income</b>   | <b>1,811</b> | <b>2,297</b> | <b>1,723</b> | <b>1,806</b> | <b>1,910</b> | <b>2,002</b> | <b>1,907</b> | <b>1,854</b> |

**Financial Margin Interest and Non-Interest****Financial Margin Breakdown**



**Average Financial Margin Rate**

|                                   | R\$ million         |               |              |              |              |           |
|-----------------------------------|---------------------|---------------|--------------|--------------|--------------|-----------|
|                                   | Net Interest Income |               |              |              | Variation    |           |
|                                   | 9M09                | 9M08          | 3Q09         | 2Q09         | YTD          | Quarter   |
| Interest - due to volume          |                     |               |              |              | 3,641        | 83        |
| Interest - due to spread          |                     |               |              |              | (551)        | 37        |
| - Financial Margin - Interest     | 20,084              | 16,994        | 6,891        | 6,771        | 3,090        | 120       |
| - Financial Margin - Non-Interest | 2,178               | 225           | 696          | 789          | 1,953        | (93)      |
| <b>Net Interest Income</b>        | <b>22,262</b>       | <b>17,219</b> | <b>7,587</b> | <b>7,560</b> | <b>5,043</b> | <b>27</b> |
| <b>Average Margin Rate (*)</b>    | <b>8.0%</b>         | <b>7.9%</b>   | <b>8.3%</b>  | <b>8.2%</b>  |              |           |

(\*) Average Margin Rate = (Financial Margin / Average Assets - Purchase and Sale Commitments - Permanent Assets) Annualized

Financial margin reached R\$22,262 million in 9M09. When compared to 9M08, it was up by 29.3%, or R\$5,043 million. We can observe that a major portion of this increase comes from the interest margin, which was positively impacted due to the increased volume of transactions, contributing with R\$3,641 million, partially offset by lower average spread in the period, in the amount of R\$551 million.

Quarter-on-quarter, there was an increase of R\$27 million or 0.4% . The increase is related to the higher volume of operations and also to the mix change of these operations, offset by the non-interest margin decrease.

**Financial Margin - Interest****Interest Financial Margin - Breakdown**

|                  | R\$ million                         |        |       |       |           |         |
|------------------|-------------------------------------|--------|-------|-------|-----------|---------|
|                  | Interest Financial Margin Breakdown |        |       |       | Variation |         |
|                  | 9M09                                | 9M08   | 3Q09  | 2Q09  | YTD       | Quarter |
| Loans            | 14,705                              | 11,880 | 5,150 | 4,979 | 2,825     | 171     |
| Funding          | 1,993                               | 1,918  | 611   | 633   | 75        | (22)    |
| Insurance        | 1,756                               | 1,747  | 571   | 607   | 9         | (36)    |
| Securities/Other | 1,630                               | 1,449  | 559   | 552   | 181       | 7       |

|                            |               |               |              |              |              |            |
|----------------------------|---------------|---------------|--------------|--------------|--------------|------------|
| <b>Net Interest Income</b> | <b>20,084</b> | <b>16,994</b> | <b>6,891</b> | <b>6,771</b> | <b>3,090</b> | <b>120</b> |
|----------------------------|---------------|---------------|--------------|--------------|--------------|------------|

Bradesco closed September 2009 YTD in a very good position in the interest Financial Margin, which is the result of its transparent operating policy, focused on adjusting its products to meet the potential client demand.

Comparing 9M09 to 9M08, it is possible to observe a significant growth of 18.2% or R\$3,090 million in the interest financial margin, with Loans line contributing the most for this growth.

In 3Q09, the interest financial margin reached R\$6,891 million, against R\$6,771 million observed in 2Q09, representing a positive impact of R\$120 million or 1.8%, with the Loans line contributing the most for this growth. The total effect was partially offset by the decrease in the Funding and Insurance margins.

**Interest Financial Margin Rates**

The annualized interest financial margin rate reached 7.6% in 3Q09, an increase when compared to the 7.3% index recorded in the previous quarter. This performance better reflects funding conditions (in both volume and rates). Additionally in 3Q09, one can observe that loan operations with Individual clients presented a growth above those of Corporate clients. We should point out that spreads in Individual clients operations are higher than those of Corporate clients.

**Interest Financial Margin Annualized Average Rates**

|                            | R\$ million (except percentages) |                 |              |               |                    |              |
|----------------------------|----------------------------------|-----------------|--------------|---------------|--------------------|--------------|
|                            | 9M09                             |                 |              | 9M08          |                    |              |
|                            | Interest                         | Average Balance | Average Rate | Interest      | Average (1)Balance | Average Rate |
| Loans                      | 14,705                           | 178,589         | 11.13%       | 11,880        | 146,887            | 10.93%       |
| Funding                    | 1,993                            | 208,628         | 1.28%        | 1,918         | 155,052            | 1.65%        |
| Insurance                  | 1,756                            | 68,235          | 3.45%        | 1,747         | 61,137             | 3.83%        |
| Securities/Other           | 1,630                            | 98,888          | 2.20%        | 1,449         | 78,479             | 2.47%        |
| <b>Net Interest Income</b> | <b>20,084</b>                    | <b>-</b>        | <b>-</b>     | <b>16,994</b> | <b>-</b>           | <b>-</b>     |

|                            | 3Q09         |                 |              | 2Q09         |                    |              |
|----------------------------|--------------|-----------------|--------------|--------------|--------------------|--------------|
|                            | Interest     | Average Balance | Average Rate | Interest     | Average (1)Balance | Average Rate |
| Loans                      | 5,150        | 179,089         | 12.01%       | 4,979        | 178,573            | 11.63%       |
| Funding                    | 611          | 209,707         | 1.17%        | 633          | 206,091            | 1.23%        |
| Insurance                  | 571          | 70,535          | 3.28%        | 607          | 68,135             | 3.61%        |
| Securities/Other           | 559          | 101,965         | 2.21%        | 552          | 95,007             | 2.34%        |
| <b>Net Interest Income</b> | <b>6,891</b> | <b>-</b>        | <b>-</b>     | <b>6,771</b> | <b>-</b>           | <b>-</b>     |

(1) For better comparison purposes, we included card operations (cash purchase and credit purchase from storeowners) in previous periods.

**Loan Financial Margin Breakdown**

|                                |             |             |             |             |                  | R\$ million    |  |
|--------------------------------|-------------|-------------|-------------|-------------|------------------|----------------|--|
| <b>Financial Margin - Loan</b> |             |             |             |             |                  |                |  |
|                                | <b>9M09</b> | <b>9M08</b> | <b>3Q09</b> | <b>2Q09</b> | <b>Variation</b> |                |  |
|                                |             |             |             |             | <b>YTD</b>       | <b>Quarter</b> |  |
| Interest - due to volume       |             |             |             |             | 2,610            | 15             |  |
| Interest - due to spread       |             |             |             |             | 215              | 156            |  |
| Financial Margin - Interest    | 14,705      | 11,880      | 5,150       | 4,979       | 2,825            | 171            |  |
| Revenues                       | 26,611      | 23,314      | 8,543       | 9,335       | 3,297            | (792)          |  |
| Expenses                       | (11,906)    | (11,434)    | (3,393)     | (4,356)     | (472)            | 963            |  |

In 9M09, the interest financial margin rate in loan operations reached R\$14,705 million against R\$11,880 million in 9M08, a 23.8% growth, or R\$2,825 million. This variation was positively impacted by R\$2,610 million in business volume and R\$215 million in spreads.

Quarter-on-quarter, there was a 3.4% growth, or R\$171 million, in the financial margin. This variation is mainly due to the improvement in the operation mix and the decrease in carry-over costs related to the decrease of the Selic rate in the quarter, which positively contributed with R\$156 million to the financial margin, as well as the growth in business volume amounting to R\$15 million.

Individual consumer financing kept increasing, mainly in personal loans, specially payroll-deductible loans, and credit card usage. Likewise, credit to Corporate clients also posted significant growth year-on-year, chiefly financings aimed to support production and sales growth, such as working capital, BNDES onlendings and real estate financing.

**Loan Financial Margin    Net Margin**

Obs.: It does not consider additional PDD: 2Q09 - R\$1,303 million, 1Q09 - R\$177 million and 4Q08 - R\$597 million.

In the graph above we present a summary of loan activity. The Gross Margin line refers to interest income from loans, net of opportunity cost (basically the Interbank Deposit Certificate rate - CDI over accumulated in the period).

In the PDD curve, we observe the delinquency cost, represented by allowance for loan losses (PDD) expenses plus discounts granted in negotiations and net of loan recoveries, the result from the sale of foreclosed assets and other.

The Net Margin curve presents result of loan interest income, net of losses, which in 3Q09 recorded a 20.5% q-o-q growth, resulting from a drop in delinquency costs and an increase in volume of operations.

**Total Loan Portfolio**

Loan operations (including sureties, guarantees, advances of credit card receivables, FIDC and CRI assignments) ended 3Q09 amounting to R\$215.5 billion, a 10.2% increase y-o-y and 1.3% q-o-q.

**Loan Portfolio Breakdown by Product and Type of Client (Individual and Corporate)**

Below, the breakdown of loan products for individuals:

| Individuals                            | R\$ million   |               |               | Variation % |            |
|--|---------------|---------------|---------------|-------------|------------|
|  | Sep09         | Jun09         | Sep08         | Quarter     | 12M        |
| Vehicles - CDC                         | 18,445        | 18,595        | 20,794        | (0.8)       | (11.3)     |
| Leasing                                | 12,956        | 13,184        | 10,445        | (1.7)       | 24.0       |
| Credit Card                            | 9,735         | 9,314         | 8,601         | 4.5         | 13.2       |
| Personal Loan                          | 8,508         | 8,406         | 7,834         | 1.2         | 8.6        |
| Payroll Deductible Loan <sup>(1)</sup> | 8,160         | 7,689         | 6,623         | 6.1         | 23.2       |
| Rural Loan                             | 4,696         | 4,177         | 4,349         | 12.4        | 8.0        |
| BNDES Onlending                        | 2,764         | 2,764         | 3,147         | -           | (12.2)     |
| Real Estate Financing <sup>(2)</sup>   | 2,853         | 2,716         | 2,367         | 5.0         | 20.5       |
| Overdraft Facilities                   | 2,328         | 2,418         | 2,252         | (3.7)       | 3.4        |
| Sureties and Guarantees                | 545           | 312           | 384           | 74.7        | 41.9       |
| Other <sup>(3)</sup>                   | 4,538         | 4,713         | 2,996         | (3.7)       | 51.5       |
| <b>Total</b>                           | <b>75,528</b> | <b>74,288</b> | <b>69,792</b> | <b>1.7</b>  | <b>8.2</b> |

(1) In September 2009, includes R\$324 million of loan assignment (FIDC), in June 2009, R\$299 million and in September 2008, R\$453 million;

(2) In September 2009, includes R\$403 million of loan assignment (CRI), in June 2009, R\$429 million and in September 2008, R\$94 million; and

(3) In September 2009, includes R\$28 million of loan assignment (FIDC), referring to assets acquisition, in June 2009, R\$34 million and in September 2008, R\$55 million.

In the individuals segment, which posted an 8.2% growth y-o-y, we highlight leasing - vehicle, real estate financing and personal payroll-deductible loans operations that posted significant growth. In 3Q09, the segment recorded a 1.7% increase. Personal payroll-deductible loans and credit card operations, as well as rural loan, increased the most in this period.

Below, the breakdown of loan products for Corporate:



| Corporate  | R\$ million    |                |                | Variation % |             |
|--|----------------|----------------|----------------|-------------|-------------|
|  | Sep09          | Jun09          | Sep08          | Quarter     | 12M         |
| Working Capital  | 26,518         | 25,816         | 22,020         | 2.7         | 20.4        |
| Export Financing                                       | 10,687         | 13,066         | 10,427         | (18.2)      | 2.5         |
| BNDES/Finame Onlending                                 | 15,079         | 13,790         | 12,405         | 9.3         | 21.6        |
| Operations Abroad                                      | 10,656         | 10,735         | 10,738         | (0.7)       | (0.8)       |
| Overdraft Account                                      | 8,619          | 8,847          | 9,231          | (2.6)       | (6.6)       |
| Leasing  | 9,033          | 9,115          | 8,780          | (0.9)       | 2.9         |
| Credit Card  | 6,666          | 6,385          | 5,450          | 4.4         | 22.3        |
| Rural Loan   | 4,019          | 3,698          | 3,734          | 8.7         | 7.6         |
| Vehicles - CDC   | 2,950          | 2,991          | 3,332          | (1.4)       | (11.5)      |
| Real Estate Financing - Corporate Plans <sup>(1)</sup> | 4,404          | 3,914          | 2,579          | 12.5        | 70.8        |
| Securities and Guarantees <sup>(2)</sup>               | 31,860         | 30,947         | 27,275         | 3.0         | 16.8        |
| Other  | 9,517          | 9,176          | 9,841          | 3.7         | (3.3)       |
| <b>Total</b>   | <b>140,008</b> | <b>138,480</b> | <b>125,812</b> | <b>1.1</b>  | <b>11.3</b> |

(1) In September 2009, it includes R\$396 million of loan assignment (CRI), in June 2009, R\$407 million and in September 2008, R\$240 million; and

(2) 90.2% of surety and guarantees from Corporate clients are carried out with large corporations.

In the Corporate Clients segment, which grew by 11.3% in the past 12 months, highlights were recorded in real estate financing - corporate plans, credit cards, BNDES onlending and working capital. There was a 1.1% increase q-o-q, the products that presented higher growth were: real estate financing - corporate plans, BNDES onlending and rural loan. It is important to stress that the dollar depreciation negatively impacted the balances of dollar-related portfolios.

### Loan Portfolio Consumer Financing

In the graph below, the modalities related to Consumer Financing for individuals (CDC/vehicle leasing, personal loans and financing of goods, revolving credit card and cash purchase and installment purchase plan from storeowners) were considered.

Consumer financing amounted to R\$59.2 billion, presenting growth of 1.0% in the quarter and of 5.8% in the last 12 months. Deserve highlighting the segments of vehicle financing (CDC/Leasing) and personal payroll deductible loans, that jointly amounted to R\$39.6 billion, accounting for 66.8% of total consumer financing balance and which, due to its guarantees and features, provide an adequate credit risk level to the portfolio. Excluding the loan assignments (FIDC) in the periods assessed, the balances of consumer financing would reach increases of 1.0% in the quarter (R\$58.8 billion in September 2009) and of 6.2% in the last 12 months.



**Breakdown of Vehicle Portfolio**

|                          | R\$ million   |               |               | Variation %  |             |
|--------------------------|---------------|---------------|---------------|--------------|-------------|
|                          | Sep09         | Jun09         | Sep08         | Quarter      | 12M         |
| <b>CDC Portfolio</b>     | <b>21,395</b> | <b>21,586</b> | <b>24,126</b> | (0.9)        | (11.3)      |
| Individuals              | 18,445        | 18,595        | 20,794        | (0.8)        | (11.3)      |
| Corporate                | 2,950         | 2,991         | 3,332         | (1.4)        | (11.5)      |
| <b>Leasing Portfolio</b> | <b>19,282</b> | <b>19,492</b> | <b>16,457</b> | <b>(1.1)</b> | <b>17.2</b> |
| Individuals              | 12,956        | 13,184        | 10,445        | (1.7)        | 24.0        |
| Corporate                | 6,326         | 6,308         | 6,012         | 0.3          | 5.2         |
| <b>Finame Portfolio</b>  | <b>4,164</b>  | <b>4,125</b>  | <b>4,090</b>  | <b>0.9</b>   | <b>1.8</b>  |
| Individuals              | 104           | 87            | 61            | 19.5         | 70.5        |
| Corporate                | 4,060         | 4,038         | 4,029         | 0.5          | 0.8         |
| <b>Total</b>             | <b>44,841</b> | <b>45,203</b> | <b>44,673</b> | <b>(0.8)</b> | <b>0.4</b>  |
| Individuals              | 31,505        | 31,866        | 31,300        | (1.1)        | 0.7         |
| Corporate                | 13,336        | 13,337        | 13,373        | (0.0)        | (0.3)       |

In September 2009, vehicle financing operations amounted to R\$44.8 billion, practically steady y-o-y, and with a reduction of 0.8% in the quarter. Out of the total Vehicle Portfolio, nearly 47.7% refers to CDC, 43.0% to Leasing and 9.3% to Finame. Individuals represented 70.3% of the portfolio whereas Corporate Clients are the remaining 29.7%. Highlights to Leasing to Individuals, with a 24.0% increase year-on-year.

**Loan Portfolio - By Modality**

Below, we present the total loan portfolio (including sureties and guarantees, advances on credit card receivables, loan assignments, and other operations that might have some type of credit risk), that posted an increase of 2.1% in the quarter and a 14.1% growth in the past 12 months.

|   | R\$ million    |                |                |
|---|----------------|----------------|----------------|
|   | Sep09          | Jun09          | Sep08          |
| Loans and Discounted Securities                                     | 78,978         | 77,516         | 72,694         |
| Financings  | 50,891         | 49,480         | 50,052         |
| Rural and Agribusiness Financings                                   | 11,620         | 10,731         | 11,343         |
| Leasing Operations  | 22,210         | 22,447         | 19,247         |
| Advances on Exchange Contracts                                      | 7,635          | 9,613          | 6,788          |
| Other Loans   | 9,635          | 9,590          | 6,282          |
| <b>Total Loan Operations <sup>(1)</sup></b>                         | <b>180,969</b> | <b>179,377</b> | <b>166,406</b> |
| Sureties and Guarantees Provided (Clearing Accounts) <sup>(2)</sup> | 32,404         | 31,259         | 27,659         |
| Other <sup>(3)</sup>  | 1,011          | 963            | 697            |
| <b>Total Exposures - Loan Operations</b>                            | <b>214,384</b> | <b>211,599</b> | <b>194,762</b> |

|  |                |                |                |
|--|----------------|----------------|----------------|
| Loan Assignments (FIDC / CRI)                    | 1,152          | 1,169          | 842            |
| <b>Total <sup>(4)</sup></b>                      | <b>215,536</b> | <b>212,768</b> | <b>195,604</b> |
| Other Operations with Credit Risk <sup>(5)</sup> | 22,289         | 20,152         | 12,929         |
| <b>Total Operations with Credit Risk</b>         | <b>237,825</b> | <b>232,920</b> | <b>208,533</b> |

(1) Pursuant to Brazilian Central Bank (Bacen) standard;

(2) Operations where Banco Bradesco S/A Grand Cayman branch was the beneficiary were eliminated and, for comparison purposes, previous periods were adjusted;

(3) It refers to credit card receivables advances;

(4) Total concept; and

(5) It includes interbank deposit certificates, debentures, commercial paper, international treasury, swap, currency and FIDC investments, as well as CRI (Certificates of Real Estate Receivables) operations.

**Loan Financial Margin Interest****Portfolio Concentration Distribution by Business Segment\***

The loan portfolio breakdown by economic activity sector did not post material variation, as shown below:

| Activity Sector   | R\$ million    |              |                |              |                |              |
|---|----------------|--------------|----------------|--------------|----------------|--------------|
|   | Sep09          | %            | Jun09          | %            | Sep08          | %            |
| <b>Public Sector</b>  | <b>1,162</b>   | <b>0.6</b>   | <b>1,349</b>   | <b>0.8</b>   | <b>906</b>     | <b>0.5</b>   |
| <b>Private Sector</b>   | <b>179,807</b> | <b>99.4</b>  | <b>178,028</b> | <b>99.2</b>  | <b>165,500</b> | <b>99.5</b>  |
| <b>Corporate</b>  | <b>105,579</b> | <b>58.4</b>  | <b>104,835</b> | <b>58.4</b>  | <b>96,712</b>  | <b>58.1</b>  |
| Industry  | 40,521         | 22.4         | 41,637         | 23.2         | 39,700         | 23.9         |
| Commerce  | 24,884         | 13.8         | 23,834         | 13.3         | 21,626         | 13.0         |
| Financial Intermediaries Services                                     | 699            | 0.4          | 860            | 0.5          | 914            | 0.5          |
| Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration | 37,028         | 20.4         | 36,076         | 20.1         | 32,357         | 19.4         |
|   | 2,447          | 1.4          | 2,428          | 1.4          | 2,115          | 1.3          |
| <b>Individuals</b>  | <b>74,228</b>  | <b>41.0</b>  | <b>73,193</b>  | <b>40.8</b>  | <b>68,788</b>  | <b>41.3</b>  |
| <b>Total</b>  | <b>180,969</b> | <b>100.0</b> | <b>179,377</b> | <b>100.0</b> | <b>166,406</b> | <b>100.0</b> |

(\*) Pursuant to Bacen standard.

**Loan Portfolio Breakdown\***

Out of the R\$14.6 billion growth in the loan portfolio in the past 12 months, new borrowers were responsible for R\$18.7 billion, i.e., 128.2% of total, offsetting the volume of loans settled by existing clients and transfers to losses, evidencing Bradesco's great capacity to expand and diversify its clients base, thus avoiding concentrations.

(\*) Pursuant to Bacen Standard.

**Loan Portfolio Breakdown - By Rating**

In the chart below, both new borrowers and those remaining from September 2008 presented good loan quality (AA-C), which evidences the adequacy and consistency of loan policy and valuation instruments used by Bradesco.

| <b>Portfolio Breakdown by Rating between September 2008 and 2009</b> |                                      |              |  |              |   |              |
|--|--------------------------------------|--------------|--|--------------|---|--------------|
| <b>Rating</b>  | <b>Total Loans in September 2009</b> |              | <b>New Clients between October 2008 and September 2009</b> |              | <b>Remaining Clients as of September 2008</b> |              |
|  | <b>R\$ million</b>                   | <b>%</b>     | <b>R\$ million</b>   | <b>%</b>     | <b>R\$ million</b>                            | <b>%</b>     |
| AA - C   | 164,560                              | 90.9         | 17,620   | 94.4         | 146,941                                       | 90.6         |
| D  | 3,925                                | 2.2          | 302  | 1.6          | 3,623   | 2.2          |
| E - H  | 12,484                               | 6.9          | 748  | 4.0          | 11,735  | 7.2          |
| <b>Total</b>   | <b>180,969</b>                       | <b>100.0</b> | <b>18,670</b>  | <b>100.0</b> | <b>162,299</b>                                | <b>100.0</b> |

**Loan Portfolio by Client Portfolio**

One can see below, in the breakdown by type of client, an increase in SMEs and individuals share, whereas in the twelve-month period there was a higher increase in loans to Corporate clients, mainly Large Corporates.

| <b>Type of Client</b>                       | <b>R\$ million</b> |                |                | <b>Variation %</b> |            |
|---|--------------------|----------------|----------------|--------------------|------------|
|   | <b>Sep09</b>       | <b>Jun09</b>   | <b>Sep08</b>   | <b>Quarter</b>     | <b>12M</b> |
| Large Corporates                            | 50,559             | 50,943         | 45,693         | (0.8)              | 10.6       |
| SMEs  | 56,182             | 55,241         | 51,925         | 1.7                | 8.2        |
| Individuals                                 | 74,228             | 73,193         | 68,788         | 1.4                | 7.9        |
| <b>Total Loan Operations <sup>(1)</sup></b> | <b>180,969</b>     | <b>179,377</b> | <b>166,406</b> | <b>0.9</b>         | <b>8.8</b> |

(1) Pursuant to Bacen standard.

**Loan Portfolio By Client Portfolio and Rating (%)**

The drop in share from credits rated between AA - C shows the effects of the world financial crisis, that resulted in the economic slowdown, which in turn reduced clients' temporary ability of complying with their financial commitments, resulting in clients' rating deterioration, specially SMEs.

| Type of Client   | By Rating   |            |            |             |            |            |             |            |            |
|------------------|-------------|------------|------------|-------------|------------|------------|-------------|------------|------------|
|                  | Sep09       |            |            | Jun09       |            |            | Sep08       |            |            |
|                  | AA-C        | D          | E-H        | AA-C        | D          | E-H        | AA-C        | D          | E-H        |
| Large Corporates | 97.2        | 1.2        | 1.5        | 97.4        | 1.2        | 1.4        | 98.7        | 0.7        | 0.7        |
| SMEs             | 89.5        | 3.0        | 7.5        | 90.3        | 3.2        | 6.5        | 94.5        | 1.7        | 3.8        |
| Individuals      | 87.7        | 2.2        | 10.1       | 87.8        | 2.4        | 9.8        | 90.1        | 1.7        | 8.2        |
| <b>Total</b>     | <b>90.9</b> | <b>2.2</b> | <b>6.9</b> | <b>91.3</b> | <b>2.3</b> | <b>6.4</b> | <b>93.8</b> | <b>1.4</b> | <b>4.8</b> |

**Loan Portfolio By Business Segment**

Below is the evolution of loan operations by Business Segment at Bradesco's total portfolio, highlighting, in the quarter, the Bradesco Promotora de Vendas and Retail/Postal/Prime segments growth and, in the last 12 months, the Corporate segment.

| Business Segments                       | R\$ million    |              |                |              |                |              | Variation % |            |
|---|----------------|--------------|----------------|--------------|----------------|--------------|-------------|------------|
|   | Sep09          | %            | Jun09          | %            | Sep08          | %            | Quarter     | 12M        |
| Corporate                               | 56,184         | 31.1         | 56,774         | 31.7         | 49,975         | 30.0         | (1.0)       | 12.4       |
| Retail / Postal / Prime                 | 62,617         | 34.6         | 60,840         | 33.9         | 56,884         | 34.2         | 2.9         | 10.1       |
| Bradesco Financiamentos                 | 29,000         | 16.0         | 29,480         | 16.4         | 29,562         | 17.8         | (1.6)       | (1.9)      |
| Middle Market                           | 22,314         | 12.3         | 22,118         | 12.3         | 21,514         | 12.9         | 0.9         | 3.7        |
| Bradesco Promotora de Vendas and others | 10,854         | 6.0          | 10,165         | 5.7          | 8,471          | 5.1          | 6.8         | 28.1       |
| <b>Total</b>                            | <b>180,969</b> | <b>100.0</b> | <b>179,377</b> | <b>100.0</b> | <b>166,406</b> | <b>100.0</b> | <b>0.9</b>  | <b>8.8</b> |

**Loan Portfolio By Currency**

In the quarter, the share of foreign currency operations remained steady, due to the appreciation of the Real against the Dollar, which neutralized the increase in the volume of foreign currency operations.

The balance of foreign currency-indexed and/or denominated loans and onlending (excluding ACCs) reached the total amount of US\$7.0 billion in September 2009, up 7.8% in U.S. dollar (down 1.8% in Reais). Foreign currency operations totaled R\$12.4 billion (R\$12.7 billion in June 2009 and R\$14.0 billion in September 2008).

In September 2009, total loan operations in domestic currency amounted to R\$168.6 billion (R\$166.7 billion in June 2009 and R\$152.4 billion in September 2008) with a 10.6% growth y-o-y.

**Loan Portfolio - By Debtor**

In 2Q09, the levels of credit exposure of the 100 largest debtors were practically stable.

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**Loan Portfolio By Flow of Maturities**

The flow of maturities of performing loan operations and/or installments coming due presented an expansion on a y-o-y comparison, mainly due to CDC/vehicle leasing and real estate financing operations that are, by their nature, of longer terms, but in turn of lower risks, due to their

characteristics. The maturities of operations and/or installments with maturities longer than 180 days represented 56.8% of the total portfolio in September 2009, against 56.0% in September 2008.



**Loan Portfolio Delinquency - Over 90 days**

Total delinquency ratio of 90 days increased in 3Q09, as expected, impacted by the effects of economic downturn.

In the Individuals segment, we notice a delinquency slow down in the last month of the quarter, which is the result of better expectations and payroll stability, whereas to Corporate clients, we notice a strong reduction in the delinquency growth, which is the result of a gradual activity level recovery. Bradesco's delinquency level in the end of 3Q09 was 5.0% .

The graph below presents a 61 to 90-day delinquency slightly decrease for September, which, moreover, may reflect on the over 90-day delinquency.

Analyzing the delinquency graph by type of client, we point out a drop in the 61 to 90 days delay range in Individuals.

**PDD x Delinquency x Loss**

The total volume of allowance for loan losses (PDD) reached R\$15.0 billion, representing 8.3% of the total loan portfolio. The total amount of provision is composed of generic provision (client and/or operation classification), specific provision (non-performing) and excess provision (internal policies and criteria).

It is important to highlight the adequacy of the provisioning criteria adopted, that can be attested by analyzing the historical data of allowances for loan losses and effective losses in the subsequent twelve-month period. For instance, in September 2008, for an existing provision of 5.5% of the portfolio, the loss in the twelve subsequent months was 4.2% on that date, which means, the existing provision covered the loss by a margin of more than 30%.

When coverage margin is analyzed under the loss net of recovery viewpoint, we observe that it increases significantly. In September 2008, for an existing provision of 5.5% of portfolio, net loss in the subsequent 12 months was 3.3% on that date, i.e., the existing provision covered the loss by a margin of more than 65%.

**Allowance for Loan Losses**

Bradesco has excess provision of R\$3.0 billion in addition to that required by Bacen, which includes additional PDD in the amount of R\$1.3 billion realized in 2Q09.

The current provisioning levels show that Bradesco is cautious to support eventual cyclic scenarios, such as increased delinquency ratio and/or change in loan portfolio profile.

(\* ) Loan operations overdue for over 60 days and that do not generate revenue appropriation in the accrual method of accounting.

**Loan Portfolio Portfolio Indicators**

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

|  | R\$ million (except percentages) |         |         |
|--|----------------------------------|---------|---------|
|  | Sep09                            | Jun09   | Sep08   |
| Total Loan Operations                                    | 180,969                          | 179,377 | 166,406 |
| - Individuals  | 74,228                           | 73,193  | 68,788  |
| - Corporate  | 106,741                          | 106,184 | 97,618  |
| Existing Provision                                       | 14,953                           | 13,871  | 9,136   |
| - Specific   | 8,422                            | 7,480   | 5,274   |
| - Generic  | 3,540                            | 3,399   | 2,670   |
| - Excess   | 2,991                            | 2,992   | 1,192   |
| Specific Provision / Existing Provision (%)              | 56.3                             | 53.9    | 57.7    |
| Existing Provision / Loan Operations (%)                 | 8.3                              | 7.7     | 5.5     |
| AA - C Rated Loan Operations / Loan Operations (%)       | 90.9                             | 91.3    | 93.8    |
| D Operations under Risk Management / Loan Operations (%) | 2.2                              | 2.3     | 1.4     |
| E - H Rated Loan Operations / Loan Operations (%)        | 6.9                              | 6.4     | 4.8     |
| D Rated Loan Operations                                  | 3,925                            | 4,078   | 2,327   |
| Existing Provision for D Rated Operations                | 1,035                            | 1,091   | 624     |
| D Rated Provision / Loan Operations (%)                  | 26.4                             | 26.7    | 26.8    |
| D - H Rated Non-Performing Loans                         | 12,066                           | 11,355  | 7,515   |
| Existing Provision/D - H Rated Non-Performing Loans (%)  | 123.9                            | 122.2   | 121.6   |
| E - H Rated Loan Operations                              | 12,484                           | 11,504  | 7,927   |
| Existing Provision for E - H Rated Loan Operations       | 10,947                           | 9,868   | 6,916   |
| E - H Rated Provision / Loan Operations (%)              | 87.7                             | 85.8    | 87.3    |
| E - H Rated Non-Performing Loans                         | 10,033                           | 9,182   | 6,347   |
| Existing Provision/E - H Rated Non-Performing Loan (%)   | 149.0                            | 151.1   | 143.9   |
| Non-Performing Loans (*) / Loan Operation (%)            | 5.9                              | 5.6     | 4.0     |
| Existing Provision / Non-Performing Loans (*) (%)        | 139.4                            | 137.9   | 135.7   |

(\*) Loan operations overdue for more than 60 days and do not generate revenue in the accrual method of accounting.

**Funding Financial Margin - Interest****Funding Financial Margin - Breakdown**

|                            |       |       |      |      |  | R\$ million |         |
|----------------------------|-------|-------|------|------|--|-------------|---------|
| Financial Margin - Funding |       |       |      |      |  |             |         |
|                            |       |       |      |      |  | Variation   |         |
|                            | 9M09  | 9M08  | 3Q09 | 2Q09 |  | YTD         | Quarter |
| Interest - due to volume   |       |       |      |      |  | 512         | 11      |
| Interest - due to spread   |       |       |      |      |  | (437)       | (33)    |
| Interest Financial Margin  | 1,993 | 1,918 | 611  | 633  |  | 75          | (22)    |

In 9M09, the funding interest financial margin reached R\$1,993 million against R\$1,918 million from 9M08, an increase of 3.9% or R\$75 million. This variation was positively impacted in R\$512 million, due to efforts aimed at establishing funding policies and strategies, which caused the expansion of the volume of demand, time and savings deposits.

We point out that this expansion's result was key to soften spread drops in funding operations in R\$437 million, due to Bacen's reduction in the interest rate.

Quarter-on-quarter, there was a decrease of 3.5% or R\$22 million in the financial margin, mainly due to the decrease in spreads in R\$33 million and softening this effect, volume grew in R\$11 million.

**Loan x Funding**

To analyze Loan Operations x Funding ratio, it is necessary to discount the committed amount related to compulsory deposits collected with Bacen and the amount of available funds held for service the network operations, as well as adding those funds derived from domestic and international lines that provide the institution's funding to meet loans and financing needs.

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

An improvement in the percentage of fund use can be observed in the y-o-y comparison. This shows that Bradesco was able to meet the funding needs required in loan operations, basically by means of funding with clients.

| Funding x Investment   | R\$ million    |                |                | Variation %    |                  |
|--|----------------|----------------|----------------|----------------|------------------|
|  | Sep09          | Jun09          | Sep08          | Quarter        | 12M              |
| Demand Deposits + Investment Account                                       | 30,293         | 28,378         | 27,620         | 6.7            | 9.7              |
| Sundry Floating  | 2,690          | 2,743          | 2,968          | (1.9)          | (9.4)            |
| Savings Deposits   | 40,922         | 38,503         | 35,681         | 6.3            | 14.7             |
| Time Deposit + Debentures <sup>(1)</sup>                                   | 130,784        | 129,357        | 112,089        | 1.1            | 16.7             |
| Other  | 7,759          | 8,725          | 7,493          | (11.1)         | 3.5              |
| <b>Clients Funds</b>   | <b>212,448</b> | <b>207,706</b> | <b>185,851</b> | <b>2.3</b>     | <b>14.3</b>      |
| (-) Compulsory Deposits / Funds Available <sup>(2)</sup>                   | (36,067)       | (36,344)       | (44,630)       | (0.8)          | (19.2)           |
| <b>Clients Funds Net of Compulsory</b>                                     | <b>176,381</b> | <b>171,362</b> | <b>141,221</b> | <b>2.9</b>     | <b>24.9</b>      |
| Onlending  | 18,273         | 17,421         | 15,870         | 4.9            | 15.1             |
| Foreign Credit Lines   | 10,191         | 12,324         | 10,637         | (17.3)         | (4.2)            |
| Funding Abroad   | 12,892         | 14,987         | 12,011         | (14.0)         | 7.3              |
| <b>Total Funding (A)</b>   | <b>217,737</b> | <b>216,094</b> | <b>179,739</b> | <b>0.8</b>     | <b>21.1</b>      |
| Loan Portfolio/Leasing/Cards (Other Loans)/Acquired CDI (B) <sup>(3)</sup> | 186,046        | 183,511        | 166,756        | 1.4            | 11.6             |
| <b>B/A (%)</b>   | <b>85.4</b>    | <b>84.9</b>    | <b>92.8</b>    | <b>0.5 p.p</b> | <b>(7.3) p.p</b> |

(1) Debentures used basically to back purchase and sale commitment;

(2) Does not comprise amounts from public bonds pegged to savings accounts; and

(3) Comprises an amount related to cards operations (cash and installment purchase plan from store owners) and from CDI acquired in the open market.



## Main Funding Sources

Below we point out the growth of such funding:

|                                     | R\$ million    |                |                | Variation % |             |
|-------------------------------------|----------------|----------------|----------------|-------------|-------------|
|                                     | Sep09          | Jun09          | Sep08          | Quarter     | 12M         |
| Demand Deposit + Investment Account | 30,293         | 28,378         | 27,620         | 6.7         | 9.7         |
| Savings Deposits                    | 40,922         | 38,503         | 35,681         | 6.3         | 14.7        |
| Time Deposit                        | 96,033         | 100,142        | 75,529         | (4.1)       | 27.1        |
| Debentures                          | 34,751         | 29,215         | 36,560         | 18.9        | (4.9)       |
| Borrowing and Onlending             | 27,025         | 29,081         | 31,979         | (7.1)       | (15.5)      |
| Funds from Issuance of Securities   | 7,111          | 7,694          | 6,535          | (7.6)       | 8.8         |
| Subordinated Debt                   | 22,881         | 20,406         | 17,722         | 12.1        | 29.1        |
| <b>Total</b>                        | <b>259,016</b> | <b>253,419</b> | <b>231,626</b> | <b>2.2</b>  | <b>11.8</b> |

### Demand Deposits and Investment Account

The 6.7% or R\$1,915 million positive variation in the quarter was due to the increase of deposits (R\$1,314 million or 7.1%) from Corporate clients and the increase of deposits from Individuals (R\$601 million or 6.0%) .

The 9.7% or R\$2,673 million increase in the last 12 months, ended September 2009, was basically due to the 6.1% increase of deposits from Corporate clients in the amount of R\$1,128 million and 17.1% of funds deriving from Individuals in the amount of R\$1,545 million.

### Savings Deposits

The variation in the quarter is basically due to deposits remuneration (TR + 0.5% p.m.), which reached 1.6% in 3Q09; and by the positive balance of funding, with a 6.3% growth. We believe that savings will remain a good investment alternative, especially for clients who are small savers.

The increase in the 12-month period is mainly due to balance remuneration (TR + 0.5% p.m.) which reached 7.5%, and to deposits, exceeding redemptions, recording a 14.7% growth in the period.

## **Time Deposits**

In 3Q09, there was a decrease in time deposits due to the measures adopted by the government to bring back the market's trust in small and medium-sized financial institutions, by means of the creation of DPGE – Time Deposit with Special Guarantee, and consequent drawback in the rates applied.

The increment in the 12-month period is mainly due to: (i) higher volume raised, from institutional investors and branch network; and (ii) increase in deposits remuneration, aiming at supporting loan portfolio demand growth.

## **Debentures**

The positive 18.9% variation in 3Q09 basically refers to: (i) the placement of third-party securities that are used as basis in purchase and sales commitment; and (ii) the better interest rates of these operations compared to time deposits rates which had a decrease and caused the migration of funds to purchase and sales commitments.

## **Borrowings and Onlending**

The reduction in the quarter was basically caused by the 8.9% negative exchange variation in 3Q09, which impacted borrowings and onlendings denominated and/or indexed in foreign currency, whose balance was R\$11,081 million in June 2009 and R\$8,218 million in September 2009.

The reduction in the 12-month period ended September 2009 is due to: (i) the increase in the volume of borrowings and onlendings in the country in the amount of R\$2,256 million, mainly by Finame and BNDES operations; and (ii) the negative exchange variation of 7.1%, which impacted onlendings and borrowings denominated and/or indexed in foreign currency, whose balance was R\$15,429 million in September 2008 and R\$8,218 million in September 2009.

### **Funds from Issuance of Securities**

The 7.6% decrease or R\$583 million in 3Q09 mainly results from: (i) the impact of the negative exchange rate variation of 8.9% on the MT100 securities portfolio, in the amount of R\$388 million; (ii) the maturity of Agribusiness Credit Letters agreements, which were not renewed, in the amount of R\$335 million; and offset by: (iii) the issuance of mortgage bonds in the amount of R\$145 million.

In the 9-month period, there was a positive 8.8% variation, or R\$576 million, mainly due to (i) the issue of MT100 securities mitigated by the negative exchange variation of 7.1% in the amount of R\$758 million; (ii) new mortgage letters operations in agribusiness in the amount of R\$823 million; and mitigated by (iii) reductions in debentures funds in the amount of R\$774 million resulting from the repurchase of third-parties in 2Q09.

### **Subordinated Debts**

In September 2009, Bradesco's Subordinated Debts totaled R\$22,881 million (R\$3,891 million abroad and R\$18,990 million in Brazil).

In the 12-month period, R\$2,287 million of Subordinated CDB in the domestic market were issued, which operations mostly mature in 2015. Overseas, Bradesco concluded the funding of US\$750 million (equivalent to R\$1,334 million on September 30), through the issuance of subordinated notes with a ten-year term and a 6.75% p.a. rate. Funds raised are classified as Tier II capital within the Reference Shareholders' Equity, which increased the Capital Adequacy Ratio by 0.4%.

It is worth pointing out that only R\$12,004 million out of the total subordinated debts are used for Capital Adequacy Ratio (Basel II) considering the maturity of each subordinated debt.



**Securities/Other Financial Margin - Interest****Securities/Other Financial Margin - Breakdown**

|                                       |         |         |         |         |  | R\$ million |         |
|---------------------------------------|---------|---------|---------|---------|--|-------------|---------|
| Financial Margin - Securities / Other |         |         |         |         |  |             |         |
|                                       |         |         |         |         |  | Variation   |         |
|                                       | 9M09    | 9M08    | 3Q09    | 2Q09    |  | YTD         | Quarter |
| Interest - due to volume              |         |         |         |         |  | 336         | 38      |
| Interest - due to spread              |         |         |         |         |  | (155)       | (31)    |
| Financial Margin - Interest           | 1,630   | 1,449   | 559     | 552     |  | 181         | 7       |
| Revenues                              | 10,362  | 10,286  | 3,189   | 2,750   |  | 76          | 439     |
| Expenses                              | (8,732) | (8,837) | (2,630) | (2,198) |  | 105         | (432)   |

Year-on-year, there was a 12.5% or R\$181 million increase, and a positive effect due to a volume of R\$336 million, offset by the spread reduction in R\$155 million. In 3Q09, interest financial margin reached R\$559 million against R\$552 million in the previous quarter, a growth of 1.3% or R\$7 million.

**Insurance Financial Margin - Interest****Insurance Financial Margin - Breakdown**

|                               |         |         |         |         |  | R\$ million |         |
|-------------------------------|---------|---------|---------|---------|--|-------------|---------|
| Financial Margin - Insurances |         |         |         |         |  |             |         |
|                               |         |         |         |         |  | Variation   |         |
|                               | 9M09    | 9M08    | 3Q09    | 2Q09    |  | YTD         | Quarter |
| Interest - due to volume      |         |         |         |         |  | 183         | 19      |
| Interest - due to spread      |         |         |         |         |  | (174)       | (55)    |
| Financial Margin - Interest   | 1,756   | 1,747   | 571     | 607     |  | 9           | (36)    |
| Revenues                      | 5,673   | 4,829   | 1,777   | 1,944   |  | 844         | (167)   |
| Expenses                      | (3,917) | (3,082) | (1,206) | (1,337) |  | (835)       | 131     |

The result from the insurance business line, year-on-year, posted a 0.5% increase, or R\$9 million, due to the volume growth in R\$183 million, offset by the negative spread effect in R\$174 million. Quarter-on-quarter, there was a 5.9% drop or R\$36 million, mainly due to the decrease in interest rates.



**Financial Margin Non-Interest****Financial Margin Non-Interest - Breakdown**

| R\$ million                            |              |            |            |            |              |             |
|--|--------------|------------|------------|------------|--------------|-------------|
| <b>Financial Margin - Non-Interest</b> |              |            |            |            |              |             |
|  | 9M09         | 9M08       | 3Q09       | 2Q09       | Variation    |             |
|  |              |            |            |            | YTD          | Quarter     |
| Loans                                  | (72)         | (658)      | -          | (8)        | 586          | 8           |
| Funding                                | (181)        | (128)      | (61)       | (60)       | (53)         | (1)         |
| Insurance                              | 405          | 330        | 162        | 184        | 75           | (22)        |
| Securities/Other                       | 2,026        | 681        | 595        | 673        | 1,345        | (78)        |
| <b>Total</b>                           | <b>2,178</b> | <b>225</b> | <b>696</b> | <b>789</b> | <b>1,953</b> | <b>(93)</b> |

In 9M09, the result of non-interest financial margin grew R\$1,953 million year-on-year; quarter-on-quarter, there was a R\$93 million decrease. The variations arise from:

- Item **Loans**, represented by commission from borrowing and onlending, which expenses were reduced both in 3Q09 and 9M09, due to a change in the accounting policy as of 2Q08, where financing commissions are being incorporated to the balances of financing/leasing operations;
- Item **Funding**, represented by the expense with FGC Deposit Guarantee Association. The increase in the compared periods was mainly due to the increase in clients base in 9M09, year-on-year. In 3Q09, this contribution remained stable, when compared to 2Q09;
- Portion related to **Insurance**, represented by gains with equities. Variations in the period are associated to market conditions that allow higher/lower gain realization opportunities; and
- Item **Securities/Other**, the R\$1,345 million growth in 9M09, year-on-year, refers to higher treasury/securities gains, highlighting the positive mark-to-market variation: (i) of loan derivatives (CDS Credit Default Swap), on sovereign Brazilian government bonds issued abroad; and (ii) of bonds pegged to IPCA inflation index, resulting from lower volatility of the global financial markets in 2009. The R\$93 million decrease in 3Q09, quarter-on-quarter, is due to lower gains with treasury/securities.

**Insurance, Private Pension Plans and Certificated Savings Plans**

Analysis of equity and income accounts of Grupo Bradesco de Seguros, Previdência e Capitalização:

**Balance Sheet**

|  | Sep09         | Jun09         | R\$ million<br>Sep08 |
|--|---------------|---------------|----------------------|
| <b>Assets</b>  |               |               |                      |
| <b>Current and Long-Term Assets</b>  | <b>86,009</b> | <b>82,407</b> | <b>76,046</b>        |
| Securities   | 79,875        | 76,451        | 71,073               |
| Insurance Premiums Receivable  | 1,493         | 1,413         | 1,356                |
| Other Loans  | 4,641         | 4,543         | 3,617                |
| <b>Permanent Assets</b>  | <b>1,597</b>  | <b>1,541</b>  | <b>1,198</b>         |
| <b>Total</b>   | <b>87,606</b> | <b>83,948</b> | <b>77,244</b>        |
| <b>Liabilities</b>   |               |               |                      |
| <b>Current and Long-Term Liabilities</b>   | <b>76,766</b> | <b>73,737</b> | <b>68,451</b>        |
| Tax, Civil and Labor Contingencies   | 2,056         | 1,985         | 1,854                |
| Payables on Insurance, Private Pension Plans and Certificated Savings Plans Operations | 327           | 288           | 375                  |
| Other Liabilities  | 2,983         | 2,636         | 3,334                |
| Technical Provisions for Insurance (*)   | 6,617         | 6,510         | 5,690                |
| Technical Provisions for Life and Private Pension Plans                                | 61,918        | 59,533        | 54,530               |
| Technical Provisions for Certificated Savings Plans                                    | 2,865         | 2,785         | 2,668                |
| <b>Minority Interest</b>   | <b>155</b>    | <b>151</b>    | <b>105</b>           |
| <b>Managed Funds and Portfolio</b>   | <b>10,685</b> | <b>10,060</b> | <b>8,688</b>         |
| <b>Total</b>   | <b>87,606</b> | <b>83,948</b> | <b>77,244</b>        |

(\*)In compliance with Susep Circular Letter 379/08, as of January 2009, values referring to technical provisions are being presented by their gross amount and reinsurance balances (PPNG, PSL and IBNR) were classified in assets. The balance on June 30, 2009 was R\$630 million and on September 30, 2009, this amount reached R\$635 million.

**Consolidated Statement of Income**

|  | 9M09 | 9M08 | 3Q09 | R\$ million<br>2Q09 |
|--|------|------|------|---------------------|
|--|------|------|------|---------------------|

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|   |              |              |            |              |
|---|--------------|--------------|------------|--------------|
| Premiums from Insurance, Private Pension Plan Contribution and Income from Certificated Savings Plans | 18,293       | 16,945       | 6,685      | 6,094        |
| Premiums Earned from Insurance, Private Pension Plan Contribution and Certificated Savings Plans      | 9,785        | 8,889        | 3,419      | 3,184        |
| Interest Income of the Operation  | 2,123        | 1,979        | 735        | 766          |
| Sundry Operating Revenues   | 617          | 702          | 196        | 180          |
| Retained Claims   | (6,132)      | (5,244)      | (2,212)    | (1,938)      |
| Certificated Savings Plans Drawing and Redemptions  | (1,225)      | (1,055)      | (449)      | (412)        |
| Selling Expenses  | (930)        | (878)        | (326)      | (305)        |
| General and Administrative Expenses   | (1,003)      | (921)        | (365)      | (330)        |
| Other (Operating Income/Expenses)   | (142)        | (144)        | (32)       | (64)         |
| Tax Expenses  | (212)        | (210)        | (70)       | (70)         |
| <b>Operating Income</b>   | <b>2,881</b> | <b>3,118</b> | <b>896</b> | <b>1,011</b> |
| Equity Result   | 141          | 122          | 58         | 37           |
| Non-Operating Income  | 11           | 3            | 23         | (24)         |
| Taxes and Contributions and Minority Interest   | (1,138)      | (1,145)      | (370)      | (386)        |
| <b>Net Income</b>   | <b>1,895</b> | <b>2,098</b> | <b>607</b> | <b>638</b>   |

**Income Distribution of Grupo Bradesco de Seguros e Previdência**

|                                | R\$ million |            |            |            |            |            |            |            |
|--------------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|
|                                | 3Q09        | 2Q09       | 1Q09       | 4Q08       | 3Q08       | 2Q08       | 1Q08       | 4Q07       |
| Life and Private Pension Plans | 347         | 366        | 357        | 383        | 392        | 385        | 428        | 372        |
| Health                         | 89          | 107        | 137        | 113        | 115        | 115        | 117        | 11         |
| Certificated Savings Plans     | 65          | 58         | 50         | 55         | 64         | 76         | 59         | 64         |
| Basic Lines and Other          | 106         | 107        | 106        | (1)        | 58         | 147        | 142        | 135        |
| <b>Total</b>                   | <b>607</b>  | <b>638</b> | <b>650</b> | <b>550</b> | <b>629</b> | <b>723</b> | <b>746</b> | <b>582</b> |

**Performance Ratios**

|  | %    |      |      |      |      |      |      |      |
|--|------|------|------|------|------|------|------|------|
|  | 3Q09 | 2Q09 | 1Q09 | 4Q08 | 3Q08 | 2Q08 | 1Q08 | 4Q07 |
| Claims Ratio <sup>(1)</sup>                  | 77.2 | 73.3 | 73.7 | 78.0 | 72.4 | 73.1 | 73.4 | 75.0 |
| Selling Ratio <sup>(2)</sup>                 | 9.9  | 9.9  | 9.5  | 10.1 | 10.3 | 10.7 | 10.9 | 11.5 |
| Administrative Expenses Ratio <sup>(3)</sup> | 5.4  | 5.4  | 5.6  | 6.0  | 5.9  | 5.1  | 5.3  | 5.1  |
| Combined Ratio <sup>(*) (4)</sup>            | 88.9 | 85.5 | 86.2 | 89.7 | 84.4 | 84.9 | 83.9 | 92.8 |

(\*) Excludes additional provisions.

(1) Retained Claims/Earned Premiums;

(2) Selling Expenses/Earning Premiums;

(3) Administrative Expenses/Net Premiums Written; and

(4) (Retained Claims + Selling Expenses + Other Operating Income and Expenses) / Earned Premiums + (Administrative Expenses + Taxes) / Net Premiums Written.

Note: For 4Q08 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.

**Written Premiums, Pension Plan Contributions and Savings Bonds Income**

In 3Q09, written premiums, pension plan contributions and savings bonds income showed an increment of 14.8% year-on-year.

In the insurance, private pension plans and certificated savings plans segment, according to information released by Susep and ANS, Bradesco Seguros e Previdência until August 2009 collected R\$16.0 billion in premiums and maintained the leadership position in the ranking with 23.5% market share. In the same period, R\$68.4 billion were collected by the insurance sector.

**Retained Claims by Insurance Line**

**Insurance Selling Expenses by Insurance Line**

**Efficiency Ratio**

General and Administrative Expenses / Revenue

### **Insurance Technical Provisions**

Insurance Group technical provisions accounted for 32.3% of the insurance market in August 2009, according to Susep and ANS data.

Note: Pursuant to Susep Circular Letter 379/08, as of January 2009, reinsurance technical provisions were recorded under assets. The balance on June 30, 2009 was R\$630 million and on September 30, 2009, it reached R\$635 million.

**Bradesco Vida e Previdência**

|   | R\$ million (except when otherwise indicated) |        |        |        |        |        |        |        |
|---|---|--------|--------|--------|--------|--------|--------|--------|
|   | 3Q09  | 2Q09   | 1Q09   | 4Q08   | 3Q08   | 2Q08   | 1Q08   | 4Q07   |
| Net Income                                      | 347   | 366    | 357    | 383    | 392    | 385    | 428    | 372    |
| Income from Premiums and Contribution Revenue * | 3,697   | 3,304  | 2,822  | 3,517  | 3,117  | 3,224  | 3,114  | 3,894  |
| - Income from Private Pension Plans and VGBL    | 3,100   | 2,758  | 2,294  | 2,964  | 2,599  | 2,732  | 2,645  | 3,437  |
| - Income from Life/Accidents Insurance Premiums | 597   | 546    | 528    | 553    | 518    | 492    | 469    | 457    |
| Technical Provisions                            | 61,918  | 59,533 | 57,384 | 56,052 | 54,530 | 53,881 | 51,607 | 50,543 |
| Investment Portfolio                            | 64,646  | 61,736 | 59,063 | 57,357 | 56,564 | 56,145 | 53,988 | 54,320 |
| Claim Ratio                                     | 48.1  | 43.9   | 43.7   | 48.4   | 48.4   | 36.2   | 44.3   | 49.0   |
| Selling Ratio                                   | 16.5  | 17.1   | 14.9   | 17.5   | 16.9   | 16.2   | 15.2   | 20.0   |
| Combined Ratio                                  | 74.4  | 69.4   | 68.6   | 71.9   | 69.9   | 66.8   | 62.2   | 77.3   |
| Participants / Policy Holders (thousands)       | 21,206  | 20,231 | 19,838 | 18,918 | 18,553 | 17,984 | 17,559 | 16,771 |
| Premiums and Contributions Revenue              |   |        |        |        |        |        |        |        |
| Market Share (%)**                              | 31.1  | 30.4   | 34.2   | 34.5   | 35.3   | 35.7   | 32.5   | 31.4   |
| Life/AP Market Share - Insurance Premiums (%)** | 16.0  | 16.1   | 17.4   | 16.7   | 16.6   | 16.1   | 17.2   | 16.7   |

\* Life/VGBL/Traditional

For comparison purposes, the amount of R\$99.8 million related to INBR tail expansion from 5 to 7 years (life line) was excluded from 4Q08.

The historical increase in the occurrence date and the notice date ratio was adjusted from 60 to 84 months to comply more precisely with the statistical behavior of older Claims.

\*\* Data of August 2009, May 2009, January 2009, November 2008, July 2008, May 2008, February 2008 and November 2007.

Note: Pursuant to Susep Circular Letter 379/2008, as of January 2009, amounts referring to technical provisions are presented by the gross amount and reinsurance balance (PPNG, PSL and IBNR) was reclassified in assets. The balance on September 30, 2009 is R\$6 million.

Due to a solid structure, a policy of cutting-edge products and the confidence conquered on the market, Bradesco Vida e Previdência maintained its leadership, with a 31.1% share of income from pension plans and VGBL.

Bradesco Vida e Previdência is also leader in VGBL plans, with a 32.5% share, and in Private Pension plans, with 26.1% (source: Fenaprevi data as of August 2009).

The company reached a significant R\$3.7 billion income in 3Q09, an 11.9% growth q-o-q. Net income in 3Q09 presented a 5.2% drop, mainly due to: (i) the growth of life claims related to the increase in frequency and severity of events; (ii) the reduction to 4.0% p.a. in the actual interest rate, used in the calculation of provisions for insufficient contribution (PIC) and administrative expenses (PDA); (iii) the increase of provision for labor contingency (third parties); and (iv) the drop in the income from certain equity assets (mutual funds and shares).



On a y-o-y comparison, the company increased by 3.9% its income in 9M09 and improved its financial performance. However, net income was impacted by: (i) the increase in claims; (ii) the reduction in the actual interest rate used in the calculation of technical and provisions for labor contingency abovementioned; and (ii) the increase in the CSLL (social contribution on net income) tax rate from 9% to 15%.

The technical provisions of Bradesco Vida e Previdência, in September 2009, reached R\$61.9 billion, R\$59.1 billion from private pension plans and VGBL and R\$2.8 billion from life, personal accidents and other lines, up by 13.5% in relation to September 2008. The Investment Portfolio of Private Pension Plan and VGBL totaled R\$61.7 billion in August 2009, accounting for 36.8% of market funds.

### **Evolution of Participants and of Life and Personal Accidents Policyholders**

In September 2009, the number of Bradesco Vida e Previdência clients grew 14.3% compared to September 2008, reaching the record of 2.0 million private pension plan and VGBL participants and of 19.2 million personal accident life insurance policyholders.

This expressive growth was driven by the strength of Bradesco brand and by the correct selling and management policies.

**Bradesco Saúde Consolidated\***

|  | 3Q09  | 2Q09  | 1Q09  | 4Q08  | 3Q08  | 2Q08  | 1Q08  | 4Q07  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|
| Net Income (R\$ million)                 | 89    | 107   | 137   | 113   | 115   | 115   | 117   | 11    |
| Net Premiums Written (R\$ million)       | 1,573 | 1,484 | 1,419 | 1,410 | 1,389 | 1,327 | 1,133 | 1,111 |
| Technical Provisions (R\$ million)       | 3,479 | 3,447 | 3,429 | 3,416 | 3,385 | 3,332 | 3,296 | 3,202 |
| Claim Ratio                              | 89.2  | 86.0  | 83.6  | 89.4  | 82.9  | 85.4  | 86.9  | 89.5  |
| Selling Ratio                            | 3.9   | 4.0   | 3.8   | 3.7   | 3.5   | 3.5   | 3.7   | 3.6   |
| Combined Ratio                           | 99.4  | 98.2  | 94.5  | 99.5  | 95.7  | 99.0  | 98.7  | 99.9  |
| Insured (in thousands)                   | 4,193 | 4,063 | 3,929 | 3,826 | 3,696 | 3,484 | 3,252 | 2,858 |
| Market Share from Written Premiums (%)** | 47.9  | 47.0  | 46.8  | 46.0  | 42.5  | 43.5  | 42.0  | 42.3  |

\* It includes Bradesco Saúde, Bradesco Dental and Mediservice.

\*\*Data from August 2009, May 2009, January 2009, November 2008, July 2008, May 2008, February 2008 and November 2007.

Despite the 6.0% increase in revenues and a portfolio of 4.2 million clients, there was a 16.8% drop in the result as compared to the previous quarter, due to the claim increase by 3.2 points, generated by the fact that the post-employment benefit is being more used and the increase in medical appointments and hospital admissions, consequence of the Influenza A (H1N1).

The 16.3% increase in sales was not enough to maintain the 9M09 result at the same level of the 9M08 result, presenting a slight drop of 4.0%, where the main factors responsible for such reduction were: (i) the decrease in the CSLL rate that encumbered the result in 6% of the taxable revenue; and (ii) 1.3 point increase in claims.

In September 2009, 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.

Over 32 thousand companies in Brazil have Bradesco Saúde and Bradesco Dental insurance. Among the 100 largest companies in revenues in Brazil, 41 are clients from both insurance companies. When considering Mediservice, this figure is increased to 46 (Source: Exame Magazine *Melhores e Maiores* (Biggest and Best) from July 2009).

**Number of Policyholders of Bradesco Saúde Consolidated\***

Bradesco Saúde - consolidated has over 4 million clients. The large market share of corporate insurance in the total of this portfolio (94.4% in September 2009) confirms its high level of expertise and customization in the corporate plans, a distinct advantage in the supplementary health insurance market.

Mediservice became part of Grupo Bradesco de Seguros e Previdência as of February 22, 2008. With a portfolio of almost 250 thousand clients, Mediservice has healthcare and dental plans for corporate clients in post-payment basis.

\* It includes Bradesco Saúde, Bradesco Dental and Mediservice.

**Bradesco Dental**

|                                    | 3Q09  | 2Q09  | 1Q09  | 4Q08  | 3Q08  | 2Q08 | 1Q08 | 4Q07 |
|------------------------------------|-------|-------|-------|-------|-------|------|------|------|
| Net Income (R\$ million)           | 8     | 8     | 10    | 6     | 6     | 6    | -    | -    |
| Net Premiums Written (R\$ million) | 55    | 52    | 48    | 46    | 42    | 26   | -    | -    |
| Technical Provisions (R\$ million) | 30    | 27    | 24    | 21    | 20    | 20   | -    | -    |
| Claim Ratio                        | 62.9  | 58.5  | 54.0  | 57.1  | 53.0  | 40.6 | -    | -    |
| Selling Ratio                      | 6.1   | 5.8   | 5.5   | 4.8   | 3.8   | 4.0  | -    | -    |
| Combined Ratio                     | 80.0  | 73.6  | 71.5  | 78.5  | 76.1  | 63.5 | -    | -    |
| Insured (in thousands)             | 1,388 | 1,315 | 1,221 | 1,135 | 1,072 | 957  | -    | -    |

Net income in 3Q09 is in line to 2Q09 result, due to the increase of 5.8% in revenues, partially offset by a 4.4 point increase in claims, related to higher frequency in the use of services by our policyholders.

The company began operating activities in May 2008, which limits the comparability analysis between the periods.

**Bradesco Capitalização**

|   | 3Q09  | 2Q09  | 1Q09  | 4Q08  | 3Q08  | 2Q08  | 1Q08  | 4Q07  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Net Income (R\$ million)                                    | 65    | 58    | 50    | 55    | 64    | 76    | 59    | 64    |
| Revenues from Certificated Savings Plans (R\$ million)      | 520   | 483   | 413   | 477   | 443   | 408   | 372   | 417   |
| Technical Provisions (R\$ million)                          | 2,865 | 2,785 | 2,740 | 2,706 | 2,668 | 2,592 | 2,527 | 2,491 |
| Clients (in thousands)                                      | 2,507 | 2,525 | 2,543 | 2,546 | 2,492 | 2,397 | 2,309 | 2,289 |
| Market Share from Premiums and Contributions Revenues (%)** | 19.2  | 18.8  | 19.3  | 18.9  | 18.9  | 18.3  | 18.4  | 20.5  |

\* Data of August 2009, May 2009, January 2009, November 2008, July 2008, May 2008, February 2008 and November 2007.

The 7.7% growth in income with certificated savings plans, the maintenance of administrative expenses at the same levels of the previous quarter and the improvement of the financial result, significantly contributed to leverage 3Q09 results in 12.1% quarter-on-quarter.

The company had a significant growth in sales, reaching a R\$1.4 billion income in 9M09, which represented a 15.8% increase y-o-y, while the market grew 12.6% in the period. Even considering the drop of administrative expenses, which correspond to 2.3% of sales (3.0% of sales in 2008), result posted a drop year-on-year, due to: (i) reduced financial income result, chiefly due to the drop in interest rates; and (ii) increase in the CSLL rate from 9% to 15%, which encumbered the taxable income by 6%.



Bradesco Capitalização ended 3Q09 in an outstanding position in the certificated savings plans market, a result of a policy of transparent performance, characterized by fitting its products according to the consumers' potential demand.

In order to offer a plan that best suits clients' profile and budget, several products were developed that vary according to the payment conditions (lump-sum payment or monthly payment), term of contribution, frequency of drawings and premium amounts. This phase was mainly reminded by the closest approach to the public, by means of consolidating the *Pé Quente* Bradesco products family.

Among them, we can highlight the performance of social and environmental products, where part of the amount collected is transferred to social responsibility projects, in addition to enabling the client with a financial reserve. Currently, Bradesco Capitalização has a partnership with the following social and environmental institutions: Fundação SOS Mata Atlântica, which contributes to the development of reforestation projects; Instituto Ayrton Senna, whose main differential is the transfer of a percentage of the amount collected with securities to social projects; Brazilian Institute of Cancer Control, who contributes with the development of prevention, early diagnosis and treatment of cancer in Brazil, and Fundação Amazonas Sustentável, where part of the amount collected is destined to the development of environmental preservation and sustainable development programs and projects.

The portfolio is composed by 16.2 million active bonds. Out of this total, 31.8% are represented by Traditional Bonds sold in the Branch Network and *Bradesco Dia&Noite*, posting a 5.0% growth compared to September 2008. The remaining 68.2% of the portfolio are represented by Incentive bonds (loan assignment from raffles), for instance: partnerships with Bradesco Vida e Previdência and Bradesco Auto/RE. Since the objective of this type of savings plans is to add value to the partner company's product or to incentive the compliance of its clients, maturity and grace periods are reduced and have unitary sale value is low.

Bradesco Capitalização S.A. maintains its quality management system and has an updated version of the NBR ISO 9001:2008 certification in the Bradesco Savings Bond Management scope. This certification, granted by Fundação Vanzolini, attests the quality of its internal processes and confirms the principle that is in the origin of Bradesco Savings Bonds: good products, good services and permanent growth.

|   | 3Q09  | 2Q09  | 1Q09  | 4Q08  | 3Q08  | 2Q08  | 1Q08  | 4Q07  |
|---|-------|-------|-------|-------|-------|-------|-------|-------|
| Net Income (R\$ million)                                    | 33    | 40    | 32    | (11)  | 35    | 39    | 44    | 40    |
| Net Premiums Written (R\$ million)                          | 812   | 754   | 718   | 739   | 791   | 711   | 653   | 653   |
| Technical Provisions (R\$ million) <sup>(1)</sup>           | 2,998 | 2,940 | 3,000 | 2,315 | 2,203 | 2,158 | 2,187 | 2,201 |
| Claims Ratio <sup>(2)</sup>                                 | 72.3  | 65.3  | 72.7  | 75.7  | 68.7  | 71.0  | 68.6  | 69.8  |
| Selling Ratio   | 17.5  | 16.9  | 17.3  | 17.5  | 18.8  | 20.2  | 19.7  | 19.4  |
| Combined Ratio <sup>(2)</sup>                               | 106.4 | 99.9  | 106.2 | 111.6 | 104.6 | 105.9 | 103.7 | 102.2 |
| Insured (in thousands)                                      | 2,433 | 2,359 | 2,280 | 2,192 | 2,117 | 2,177 | 2,144 | 2,074 |
| Market Share from Premiums and Contributions Revenues (%)** | 10.2  | 10.1  | 9.8   | 10.6  | 10.8  | 10.7  | 10.5  | 12.3  |

\* Data of August 2009, May 2009, January 2009, November 2008, July 2008, May 2008, February 2008 and November 2007.

(1) In compliance with SUSEP Circular Letter 379/08 as of January 2009, amounts related to technical provisions are presented by Gross amount and reinsurance balances (PPNG, PSL and IBNR) were reclassified in assets. The balances on September 30, 2009 are R\$627 million.

(2) For 4Q08 ratio calculation, R\$40 million related to damages caused by the flood in the state of Santa Catarina were excluded.

Insurance premiums from Auto/RE line corresponded to 10.2% of the market (market date of August 2009).

The 7.7% growth in production and the improvement in financial result were not enough to avoid the reduction in net income for 3Q09 compared to 2Q09, which was mainly impacted by: (i) the increase in claims, due to the growth of claims reported for strong rainfalls and floods, not common for the season, that stroke the south and southeast regions of Brazil in 3Q09; and (ii) the provision recording for these events occurred but not yet reported.

Despite the 6.0% increase in production and the 2.6 point reduction in the selling ratio, 9M09 result was negatively impacted by: (i) the slightly 0.6 point increase in claims; and (ii) decrease in financial result, due to the drop in interest rates.

Grupo Bradesco de Seguros e Previdência maintained an outstanding position among main insurance companies of the basic lines in the Brazilian insurance market. The company's share in the global market sales, reached 6.0% of total in August 2009.

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 facts that the oil industry had outstanding performance and civil construction had picked up also contribute to the growth of Bradesco Auto/RE in this segment.

In Aeronautic and Maritime Hull insurances, the interchange with Bradesco Corporate and Bradesco Empresas Managers is highly employed, taking advantage of market increase in sales of new crafts, as well as of naval constructions (marine segment).

The transportation segment is still the primary focus, with essential investments to improve new businesses, highlighting the Reinsurance Agreement renewal guaranteeing the important automaticity to the insurance company to assess and subscribe its risks and consequent higher competitiveness in more profitable deals, such as international transportation insurance, aimed at shipping companies that have business abroad.





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 market share in the Auto/RCF portfolio in August 2009 was 13.4% .

#### **Number of Policyholders of Auto/RE**

In the mass insurance segment of Basic Lines, whose products are targeted at 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 also highlight the new product, Bradesco Seguro Condomínio, which was remodeled to become more competitive and dynamic, with a new issuing process and system and follow-up system via internet.

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Below, the breakdown and variations of fee and commission income for the respective periods:

| Fee and Commission Income      | R\$ million  |              |              |              |            |                      |
|--------------------------------|--------------|--------------|--------------|--------------|------------|----------------------|
|                                | 9M09         | 9M08         | 3Q09         | 2Q09         | YTD        | Variation<br>Quarter |
| Card Income                    | 2,470        | 2,188        | 785          | 851          | 282        | (66)                 |
| Checking Account               | 1,577        | 1,537        | 539          | 551          | 40         | (12)                 |
| Fund Management                | 1,172        | 1,184        | 421          | 382          | (12)       | 39                   |
| Loan Operations                | 1,118        | 1,206        | 390          | 362          | (88)       | 28                   |
| Collection                     | 737          | 719          | 254          | 247          | 18         | 7                    |
| Custody and Brokerage Services | 296          | 228          | 106          | 101          | 68         | 5                    |
| Consortium Management          | 256          | 234          | 91           | 85           | 22         | 6                    |
| Payment                        | 190          | 178          | 64           | 63           | 12         | 1                    |
| Other                          | 675          | 572          | 207          | 269          | 103        | (62)                 |
| <b>Total</b>                   | <b>8,491</b> | <b>8,046</b> | <b>2,857</b> | <b>2,911</b> | <b>445</b> | <b>(54)</b>          |

Below, the explanations of main items that influenced the variation of fee and commission income between the periods.

## Card Income

In 3Q09, the R\$66 million decrease quarter-on-quarter is basically related to the impact of reduction on our ownership interest in Visanet Brasil, offset by higher revenues from credit card transactions. For 9M08 and 1H09, Visanet share percentage of 39.3% was used and from July to September 2009 the percentage used was 26.6% .

In the y-o-y period comparison, the increase of R\$282 million reflects the 8.3% increase of card base, which increased from 81,618 thousand in September 2008 to 88,421 thousand in September 2009. In the same period, credit card receivables reached R\$37,677 million, a 10.6% growth, as well as an increase of 12.0% related to the number of credit card transactions, which went up from 446,268 thousand to 500,038 thousand.

It is worth pointing out that Banco Ibi (ibi) figures are not included in the card database yet, once Bradesco's Special Shareholders Meeting which resolved on the merge of the totality of shares representative of ibi's capital stock was held on October 29, 2009.

In 9M09, Cards Fee Income reached R\$2,470 million, a 12.9% growth y-o-y, due to the increase in purchase and fee income.

## Checking Accounts

In 3Q09, revenues from Checking Account services reached R\$539 million, a 2.2% drop q-o-q, mainly due to the registry renewal fee which is no longer collected, in the approximate amount of R\$50 million charged in 2Q09, partially offset by the increase in volume of new checking accounts.

It is important to highlight that in the past 12 months, nearly 673 thousand new checking accounts and 1.3 million savings accounts were added to the base (net of closed quotas).

## Loan Operations

In 3Q09, the R\$28 million increase mainly resulted from the upturn in volume of operations, especially real estate financing, BNDES onlending and rural loan products, as well as higher revenues from guarantees provided.

Considering 9M09 as compared to 9M08, the R\$88 million decrease is mainly due to (i) the fact that loan opening fee (TAC) was no longer charged from Individuals; and mitigated by (ii) greater income from guarantees rendered.

## Asset Management

The increase in asset management revenue in 3Q09, R\$39 million or 10.2% q-o-q, shows once again the significant improvement of financial markets. The significant increases in Bradesco's funds portfolios as of 1Q09, are due to both appreciation of assets and capturing of new funds.

Year-on-year, the R\$12 million reduction basically derived from the drop in management fees, mainly due to: (i) the maintenance of basic interest rate reduction; (ii) a better remuneration of CBDs compared to investment funds at the beginning of the year; and (iii) the shrinkage in the equities market in 1H09.

The balance of Bradesco's Managed Funds portfolio presented an 11.9% q-o-q, pointing out equities with a 29.7% increase. This portfolio grew by 26.0% y-o-y.

| Managed Funds and Portfolio | R\$ million    |                |                | Variation % |             |
|-----------------------------|----------------|----------------|----------------|-------------|-------------|
|                             | Sep09          | Jun09          | Sep08          | Quarter     | 12M         |
| Investment Funds            | 214,094        | 189,338        | 164,970        | 13.1        | 29.8        |
| Managed Portfolios          | 17,050         | 17,244         | 17,021         | (1.1)       | 0.2         |
| Third-Party Fund Quotas     | 5,767          | 5,112          | 6,004          | 12.8        | (3.9)       |
| <b>Total</b>                | <b>236,911</b> | <b>211,694</b> | <b>187,995</b> | <b>11.9</b> | <b>26.0</b> |

| Assets Distribution |                   | R\$ million    |                |                | Variation % |             |
|---------------------|-------------------|----------------|----------------|----------------|-------------|-------------|
|                     |                   | Sep09          | Jun09          | Sep08          | Quarter     | 12M         |
| Investment Funds    | Fixed Income      | 192,962        | 174,401        | 152,054        | 10.6        | 26.9        |
| Investment Funds    | Variable Income   | 21,132         | 14,937         | 12,916         | 41.5        | 63.6        |
| Investment Funds    | Third-Party Funds | 4,879          | 4,302          | 5,119          | 13.4        | (4.7)       |
| <b>Total</b>        |                   | <b>218,973</b> | <b>193,640</b> | <b>170,089</b> | <b>13.1</b> | <b>28.7</b> |
| Managed Portfolios  | Fixed Income      | 8,837          | 9,550          | 8,223          | (7.5)       | 7.5         |

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|                         |                   |                |                |                |              |             |
|-------------------------|-------------------|----------------|----------------|----------------|--------------|-------------|
| Managed Portfolios      | Variable Income   | 8,213          | 7,694          | 8,798          | 6.7          | (6.6)       |
| Managed Portfolios      | Third-Party Funds | 888            | 810            | 885            | 9.6          | 0.3         |
| <b>Total</b>            |                   | <b>17,938</b>  | <b>18,054</b>  | <b>17,906</b>  | <b>(0.6)</b> | <b>0.2</b>  |
| Total Fixed Income      |                   | 201,799        | 183,951        | 160,277        | 9.7          | 25.9        |
| Total Variable Income   |                   | 29,345         | 22,631         | 21,714         | 29.7         | 35.1        |
| Total Third-Party Funds |                   | 5,767          | 5,112          | 6,004          | 12.8         | (3.9)       |
| <b>Overall Total</b>    |                   | <b>236,911</b> | <b>211,694</b> | <b>187,995</b> | <b>11.9</b>  | <b>26.0</b> |

## **Collection**

The R\$7 million increase in 3Q09 is basically related to the increase in the number of documents processed in the quarter, from 312 thousand to 329 thousand.

In the y-o-y comparison, the R\$18 million increase is due to the volume of documents processed which went up from 879 thousand to 944 thousand in the period.

## **Payments**

Increases observed in the last 12 months are essentially due to the increase in the volume of tax collected.



### **Consortium Management**

The 5.2% increase in the sale of quotas in 3Q09, provided Bradesco Consórcios with a 7.1% income growth quarter-on-quarter, remaining leader in all segments it operates.

In the y-o-y comparison, the 9% variation in revenues derives mainly from the increase in active quotas, from 339,670 on September 30, 2008 to 380,883 on September 30, 2009.

### **Custody and Brokerage Services**

In the 3Q09, income with custody and brokerage services presented a 5.0% increase q-o-q. This is mainly due to the increase in volumes traded in the stock exchange.

Y-o-y, the 29.8% growth in income is mainly related to the acquisition of Ágora Corretora in 3Q08.

### **Other Fees and Commission Income**

In 3Q09, the R\$62 million decrease is basically due to gains with capital operations (underwriting) in 2Q09, highlighting Visanet Brasil's IPO, in the amount of R\$89 million.

In the y-o-y comparison, the 18.0% growth mainly results from gains with capital markets operations.

**Administrative and Personnel Expenses**

| Administrative and Personnel Expenses              | R\$ million   |               |              |              |              |            |
|--|---------------|---------------|--------------|--------------|--------------|------------|
|  | 9M09          | 9M08          | 3Q09         | 2Q09         | Variation    |            |
|  |               |               |              |              | YTD          | Quarter    |
| <b>Administrative Expenses</b>                     |               |               |              |              |              |            |
| Third-Party Services                               | 1,705         | 1,265         | 638          | 544          | 440          | 94         |
| Communication                                      | 893           | 809           | 298          | 302          | 84           | (4)        |
| Advertisement                                      | 306           | 432           | 112          | 84           | (126)        | 28         |
| Depreciation and Amortization                      | 513           | 463           | 186          | 170          | 50           | 16         |
| Financial System Services                          | 191           | 151           | 67           | 62           | 40           | 5          |
| Transportation                                     | 376           | 377           | 138          | 111          | (1)          | 27         |
| Data Processing                                    | 560           | 421           | 195          | 183          | 139          | 12         |
| Rent   | 411           | 347           | 136          | 142          | 64           | (6)        |
| Assets Maintenance                                 | 302           | 281           | 103          | 105          | 21           | (2)        |
| Leasing  | 302           | 250           | 87           | 107          | 52           | (20)       |
| Materials  | 161           | 150           | 60           | 48           | 11           | 12         |
| Security and Surveillance                          | 185           | 161           | 65           | 60           | 24           | 5          |
| Water, Energy and Gas                              | 146           | 135           | 44           | 52           | 11           | (8)        |
| Trips  | 55            | 65            | 21           | 19           | (10)         | 2          |
| Other  | 641           | 702           | 209          | 244          | (61)         | (35)       |
| <b>Total</b>                                       | <b>6,747</b>  | <b>6,009</b>  | <b>2,359</b> | <b>2,233</b> | <b>738</b>   | <b>126</b> |
| <b>Personnel Expenses</b>                          |               |               |              |              |              |            |
| <b>Structural</b>                                  | <b>4,892</b>  | <b>4,489</b>  | <b>1,668</b> | <b>1,636</b> | <b>403</b>   | <b>32</b>  |
| Social Charges                                     | 3,801         | 3,446         | 1,297        | 1,278        | 355          | 19         |
| Benefits   | 1,091         | 1,043         | 371          | 358          | 48           | 13         |
| <b>Non-Structural</b>                              | <b>994</b>    | <b>969</b>    | <b>458</b>   | <b>272</b>   | <b>25</b>    | <b>186</b> |
| Management and Employees Profit Sharing (PLR)      | 582           | 565           | 306          | 136          | 17           | 170        |
| Provision for Labor Claims                         | 284           | 265           | 105          | 97           | 19           | 8          |
| Training   | 71            | 63            | 24           | 30           | 8            | (6)        |
| Termination Cost                                   | 57            | 76            | 23           | 9            | (19)         | 14         |
| <b>Total</b>                                       | <b>5,886</b>  | <b>5,458</b>  | <b>2,126</b> | <b>1,908</b> | <b>428</b>   | <b>218</b> |
| <b>Total Administrative and Personnel Expenses</b> | <b>12,633</b> | <b>11,467</b> | <b>4,485</b> | <b>4,141</b> | <b>1,166</b> | <b>344</b> |

In 3Q09, total Administrative and Personnel Expenses totaled R\$4,485 million, an 8.3% variation quarter-on-quarter.

Both in the y-o-y and q-o-q comparisons, increases are mainly due to organic expansion.

## Personnel Expenses

In 3Q09, personnel expenses reached R\$2,126 million, an 11.4% increase (R\$218 million), compared to the previous quarter.

In the structural portion, the R\$32 million increase was basically due to: (i) the adjustment to increase salary levels according to the collective bargaining agreement (6.0%) and the restatement of labor liabilities, in the amount of R\$55 million, R\$20 million of which referring to the increase in monthly payroll as of September/09; partially offset by: (ii) higher vacation concentration in 3Q09.

In the non-structural portion, the R\$186 million increase was partially due to: (i) higher expenses referring to managers and employees profit sharing (PLR) in the amount of R\$170 million, of which R\$90 million refers to the PLR adjustment according to the collective bargaining agreement; and (ii) costs with contract terminations - R\$14 million.

## Personnel Expenses

When comparing 9M09 to 9M08, the R\$428 million growth was mainly due to: (i) increase in the structural portion in the amount of R\$403 million, mainly impacted by the increase in salary levels (8.15% to 10% according to the 2008 collective bargaining agreements and 6.0% according to the 2009 agreements), benefits and other; and (ii) the R\$ 25 million increase in the non-structural portion, basically due to: R\$17 million in higher expenses from managers and employees profit sharing (PLR); and (b) higher expenses with training, in the amount of R\$8 million.

## **Administrative and Personnel Expenses**

### **Administrative Expenses**

In 3Q09, administrative expenses reached R\$2,359 million, a 5.6% growth (R\$126 million), compared to 2Q09.

The main variations were: (i) R\$94 million increase in expenses with third-party services, basically consulting services; (ii) R\$28 million from advertising expenses, mainly from the new institutional campaign *Presence* ; and offset by: (iii) R\$35 million due to lower expenses with other administrative expenses, mainly related to the expense referring to the credit card mileage program in 2Q09.

Comparing 9M09 to 9M08, there was a R\$738 million growth, a 12.3% variation, mainly due to: (i) organic growth and resulting increment of service stations (from 36,140 on September 30, 2008 to 42,627 on September 30, 2009), that directly impacted main administrative expenses items; (ii) higher business volume; and (iii) contractual adjustments based on inflation indexes of the period.

### **Operating Coverage Ratio (\*)**

This quarter, the Coverage Ratio accumulated of the last 12-month period, had a drop of 0.9 p.p., mainly due to the increase in personnel and administrative expenses from business expansion and the impact of the collective bargaining agreement. We believe that in the next quarters the increase in business and the growth in the client base will improve this index.

### **Tax Expenses**

The R\$24 million growth in tax expenses of 2Q09 mainly derives from the increase in PIS/Cofins expenses amounting to R\$17 million, due to the increase in taxable income in 3Q09, especially financial margin.

Y-o-y, tax expenses posted an increase of R\$109 million, basically due to the increase in expenses with PIS/Cofins in the amount of R\$98 million related to the taxable income from financial margin income and also the contribution of fee and commissions.

### **Equity in the Earnings of Unconsolidated Companies**

In 3Q09, equity in the earnings of unconsolidated companies reached R\$39 million, a R\$26 million increase compared to 2Q09, mainly due to higher income from unconsolidated company IRB Brasil Resseguros.

When comparing 9M09 to 9M08, there was a R\$31 million decrease due to the lower results obtained from the unconsolidated company IRB -Brasil Resseguros in the amount of R\$64 million, offset by the increase in other affiliated companies in the amount of R\$33 million.

### **Other Operating Expenses (Net of Operating Revenues)**

In 3Q09, other operating expenses, net of other operating revenues, totaled R\$926 million, a R\$229 million increase compared to the previous quarter. This evolution was basically due to: (i) the increase in expenses with provision for civil contingencies in the amount of R\$185 million for the constitution of provision for civil contingencies related to economic plans that increased R\$146 million (from R\$241 million in 2Q09 to R\$387 million in 3Q09); (ii) the change in the accounting criteria of the amortization of expenses from the acquisition of rights to render banking services, held in 2Q09, in the amount of R\$147 million; and partially offset by: (iii) lower sundry expenses, net, in the amount of R\$75 million; and (iv) lower expenses with sundry losses, in the amount of R\$27 million.

In the y-o-y comparison, the R\$1,166 million increase is basically derived from: (i) higher expenses with civil contingencies, in the amount of R\$630 million, which refer to economic plans amounting to R\$564 million (from R\$239 million in 9M08 to R\$803 million in 9M09); (ii) the higher goodwill amortization expenses, in the amount of R\$67 million; (iii) higher expenses with sundry losses, in the amount of R\$82 million; (iv) higher expenses with prepaid amortization expenses with operating agreements, in the amount of R\$89 million; and (v) higher sundry expenses, net, in the amount of R\$298 million.

## Operating Result

In 3Q09, the Operating Result reached R\$1,958 million, a 71.9% increase or R\$819 million q-o-q, mainly impacted by: (i) higher Additional Allowance for Loan Losses in 2Q09, in the amount of R\$1.303 million, offset by (ii) higher personnel and administrative expenses in the amount of R\$344 million; and (iii) higher other operating expenses (net of other revenues), in the amount of R\$229 million.

In the y-o-y comparison, there was a R\$2,430 million decrease or 31.2%, mainly due to higher expenses with: (i) allowance for loan losses, in the amount of R\$5,234 million (including the higher Additional Allowance in the amount of R\$1,303 million in 2Q09); (ii) personnel and administrative expenses, in the amount of R\$1,166 million; (iii) other operating expenses (net of other revenues), in the amount of R\$1,166 million; and (iv) decrease in the Insurance Group in the amount of R\$212 million, mitigated by: (v) the growth in the financial margin, in the amount of R\$5,043 million; and (vi) increase in fee and commission income, in the amount of R\$445 million.

## Non-Operating Income

Q-o-q, Non-Operating Income posted a R\$1,561 decrease (76.7%), mainly due to gains in 2Q09 with the partial sale of interest in Visanet Brasil, in the amount of R\$1,999 million, offset by the supplementary divestment (green shoe) of Visanet Brasil in 3Q09 in the amount of R\$410 million.

If we compare 9M09 to 9M08, the increase was due to the partial divestment of Visanet Brasil in the amount of R\$2,409 million in 2009. If such effects were not taken into consideration, the Non-Operating Result balance would remain in nearly R\$170 million for the periods.





## Sustainability

Once again Banco Bradesco was chosen to take part in the Dow Jones Sustainability Index, a worldwide leadership reference in terms of corporate sustainability, for the 2009/2010 period. The presence of Bradesco in the DJSI, after meeting the requirements of a strict and wide analysis process, attests the Organization's commitment to the continuous improvement of its sustainability indicators.

On September 28, 2009, Bradesco was awarded with *Prêmio Época de Mudanças Climáticas 2009* (2009 Época Magazine Climate Changes Award) as one of the leading companies in monitoring and reducing the impacts of its activities in the environment. The award, an initiative of Época magazine, points out the companies most engaged in reducing greenhouse gas emissions.

## Investor Relations Area IR

In 3Q09, we conducted the September cycle of Apimec Meetings in Brazil, held at the Apimec headquarters in the capital cities of six Brazilian states: Fortaleza, Belo Horizonte, Brasília, Porto Alegre, Rio de Janeiro and São Paulo. 1,571 people attended the meetings, among analysts, shareholders, clients and investors, in addition to 18,695 internet users.

For the first time in Brazil, we hosted the first video chat for the disclosure of 2Q09 results.

Moreover, we held 49 meetings with analysts and investors, in addition to participating in the Expo Money in São Paulo and the conference in the city of Guarujá, State of São Paulo.

We also participated in a conference with analysts and investors held in New York.

## Corporate Governance

Bradesco is AAA+ rated by Management & Excellence, placed as the first Latin American bank to obtain the highest Corporate Governance rating, in addition to the AA (Great Corporate Governance Practices) rating granted by Austin Rating.

Regarding the Corporate Governance structure, Bradesco's Board of Directors is supported by 5 statutory committees (Ethical Conduct, Audit, Internal Controls and Compliance, Compensation and Integrated Risk Management and Capital Allocation), in addition to 37 Executive Committees that support the Board of Executive Officers.

Every shareholder is entitled, in addition to 100% Tag Along to common shares and 80% to preferred shares, to a minimum mandatory dividend of 30% of adjusted net income, higher than the minimum 25% set forth by the Brazilian Corporation Law. The preferred shares are entitled to dividends 10% higher than those attributed to common shares.

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On March 10, 2009, all matters of the Shareholders Meetings agenda were approved, including the reverse split of common and preferred shares with the simultaneous split of each share following the reverse split.

For further information, please visit: <http://www.bradesco.com.br/ir/> - Corporate Governance Section.

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**Share Performance****Number of Shares Common and Preferred (\*)**

|                             | In thousands     |                  |                  |                  |                  |                  |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
|                             | Sep09            | Dec08            | Dec07            | Dec06            | Dec05            | Dec04            |
| Common Shares               | 1,533,076        | 1,534,806        | 1,514,006        | 1,500,214        | 1,468,350        | 1,430,107        |
| Preferred Shares            | 1,533,666        | 1,534,900        | 1,514,006        | 1,502,435        | 1,469,817        | 1,416,491        |
| <b>Subtotal Outstanding</b> | <b>3,066,742</b> | <b>3,069,706</b> | <b>3,028,012</b> | <b>3,002,649</b> | <b>2,938,167</b> | <b>2,846,598</b> |
| Treasury Shares             | 3,128            | 164              | 3,368            | 1,137            | 696              | -                |
| <b>Total</b>                | <b>3,069,870</b> | <b>3,069,870</b> | <b>3,031,380</b> | <b>3,003,786</b> | <b>2,938,863</b> | <b>2,846,598</b> |

(\*) For comparison purposes, in 2008, shares had 50% bonus paid for the previous years. Likewise, there were 100% bonuses in 2005 and 2007.

On September 30, 2009, Banco Bradesco's capital stock totaled R\$23 billion, composed of 3,069,870 thousand shares, of which 1,534,935 thousand are common shares and 1,534,935 thousand are preferred shares, all non-par and book-entry shares. The largest shareholder is the holding company Cidade de Deus Participações, which directly holds 49.1% of the voting capital and 24.5% of total capital.

Cidade de Deus Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações. The latter is controlled by Fundação Bradesco and Elo Participações e Investimento, which has as shareholders the majority of Bradesco's Board of Directors and Statutory Executive Board's members.

**Number of Shareholders Resident in the Country and Abroad**

|   | Sep09          | %           | Capital Interest (%) | Sep08            | %           | Capital Interest (%) |
|---|----------------|-------------|----------------------|------------------|-------------|----------------------|
| Individuals                               | 346,844        | 89.8        | 25.5                 | 1,268,732        | 91.4        | 26.8                 |
| Corporate                                 | 37,719         | 9.7         | 43.8                 | 116,102          | 8.3         | 45.6                 |
| <b>Subtotal - Resident in the Country</b> | <b>384,563</b> | <b>99.5</b> | <b>69.3</b>          | <b>1,384,834</b> | <b>99.7</b> | <b>72.4</b>          |
| Resident Abroad                           | 1,748          | 0.5         | 30.7                 | 3,787            | 0.3         | 27.6                 |
| <b>Total</b>                              | <b>386,311</b> | <b>100</b>  | <b>100</b>           | <b>1,388,621</b> | <b>100</b>  | <b>100</b>           |

Regarding Bradesco's shareholders, resident in the country and abroad, on September 30, 2009, there were 384,563 shareholders domiciled in Brazil, accounting for 99.5% of total shareholders and holding 69.3% of shares. On the other hand, the number of shareholders resident abroad was 1,748, accounting for 0.5% of shareholders and holding

30.7% of shares.

There was a common and preferred shares reverse split in the ratio of fifty (50) to one (1) with simultaneous split of each share in the ratio of one (1) to fifty (50), according to the Special Shareholders Meeting held on March 10, 2009, reason for the large decrease in the number of Bradesco's shareholders.

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|   | In R\$ (except when indicated) |        |             |        |        |             |
|---|--------------------------------|--------|-------------|--------|--------|-------------|
|   | 3Q09                           | 2Q09   | Variation % | 9M09   | 9M08   | Variation % |
| Net Income per Share  | 0.59                           | 0.75   | (21.3)      | 1.90   | 1.90   | -           |
| Dividends/Interest on Shareholders' Equity<br>Common Share (after Income Tax - IR)    | 0.168                          | 0.197  | (14.7)      | 0.542  | 0.576  | (5.9)       |
| Dividends/Interest on Shareholders' Equity<br>Preferred Share (after Income Tax - IR) | 0.185                          | 0.217  | (14.7)      | 0.596  | 0.633  | (5.8)       |
| Book Value per Share (Common and Preferred)   | 12.68                          | 12.14  | 4.4         | 12.68  | 11.13  | 13.9        |
| Last Business Day Price Common  | 29.15                          | 23.99  | 21.5        | 29.15  | 26.90  | 8.4         |
| Last Business Day Price Preferred   | 35.25                          | 28.98  | 21.6        | 35.25  | 30.94  | 13.9        |
| Market Value (R\$ million) (*)  | 98,751                         | 81,301 | 21.5        | 98,751 | 88,777 | 11.2        |

(\*) Number of shares (minus treasury shares) x Common and Preferred shares closing price of the last day of the period.

In 3Q09, Bradesco preferred shares appreciated by 22.6% (adjusted per dividends), while Ibovespa had a 19.5% gain. In 9M09, the gain of Bradesco's preferred shares was 57.8%, while Ibovespa had a 63.8% increase in the period.

Also in 3Q09 we faced high upturn in the global markets and S&P500 had a 15% rise, showing the improvement of expectations, helping markets recover worldwide.

The stabilization in North-American banks after the help received by the sector, as well as tax and monetary incentives, contributed to the improvement in the international scenario. Domestically, the strong financial sector, the Government's tax incentives and the good economic grounds helped Brazilian market to present one of the best performances among important global markets, influenced by the recovery of commodities world prices, such as oil and ores.

## Main Ratios

**Market Value:** considers the closing price of common and preferred shares multiplied by the respective number of shares (disregarding treasury shares).

**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 trading day of the period. The amount is divided by the accounting shareholders' equity of the period.

**Dividend Yield:** is the ratio between share price and dividends and/or Interest on Shareholders' Equity paid to shareholders in the last 12 months, indicating the investment result by the profit sharing.

Formula used: amount received by shareholders as dividends and/or Interest on Shareholders' Equity in the last 12 months, divided by the preferred share closing price of the last trading day of the period.



Pay Out Index: it indicates the percentage of net income paid as dividends/Interest on Shareholders' Equity (YTD).

Formula used: amount received by shareholders as dividends and/or Interest on Shareholders' Equity (net of income tax) divided by the book net income adjusted by non-recurring goodwill amortization (disregarding legal reserve - 5% of net income).

**Dividends/Interest on Shareholders' Equity JCP**

In 9M09, the amount of R\$1,987 million was allocated to shareholders as Dividends and Interest on Shareholders' Equity, equivalent to 31.5% of adjusted net income for the nine-month

period and 32.4%, YTD. The amounts allocated over the years have surpassed the limits set forth by the Brazilian Corporation Law and the Company's Bylaws.





**Products and Services Market Share**

Below, Banco Bradesco S.A. market share in relation to Banking and Insurance Market and Customer Service Network.

|  | Sep09     | Jun09      | Sep08 | Jun08 |
|--|-----------|------------|-------|-------|
| <b>Banks Source: Brazilian Central Bank (Bacen)</b>  |           |            |       |       |
| Time Deposit   | N/A       | 13.9       | 11.9  | 11.7  |
| Savings Deposit  | N/A       | 13.9       | 13.8  | 13.8  |
| Demand Deposit   | N/A       | 18.4       | 18.7  | 18.4  |
| Loan Operations  | 12.6      | 13.2       | 13.4  | 13.6  |
| Loan Operations - Auto Individuals   | 15.7 (*)  | 15.2       | 19.0  | 18.8  |
| Online Collection (Balance)  | 29.8 (**) | 29.4       | 30.1  | 31.7  |
| Number of Branches   | 17.8      | 17.7       | 17.2  | 17.0  |
| <b>Banks Source: International Revenue Service/Brazilian Federal Data Processing Service (Serpro)</b>  |           |            |       |       |
| Federal Revenue Collection Document (DARF)   | 20.5 (**) | 20.5       | 19.7  | 19.8  |
| Brazilian Unified Tax Collection System Document (DAS)   | 16.8 (**) | 16.7       | 16.3  | 16.4  |
| <b>Banks Source: Social Security National Institute (INSS)/Dataprev</b>  |           |            |       |       |
| Social Pension Plan Voucher (GPS)  | N/A       | 14.2 (***) | 14.0  | 14.0  |
| Benefit Payment to Retirees and Pensioners   | 19.6      | 19.6       | 19.6  | 19.5  |
| <b>Banks Source: National Association of Investment Banks (Anbid)</b>  |           |            |       |       |
| Investment Funds + Portfolios  | 16.6      | 15.9       | 14.9  | 14.1  |
| <b>Insurance, Private Pension Plans and Certified Savings Plans Source: Insurance Superintendence (Susep) and National Agency for Supplementary Healthcare (ANS)</b> |           |            |       |       |
| Insurance, Private Pension Plans and Certificated Savings Plans Premiums   | 23.5 (*)  | 23.1       | 24.0  | 23.6  |
| Insurance Premiums (including Long-Term Life Insurance - VGBL)   | 23.7 (*)  | 23.4       | 23.7  | 23.6  |
| Life Insurance and Personal Accident Premiums  | 16.0 (*)  | 16.0       | 16.6  | 16.6  |
| Auto/Basic Lines (RE) Insurance Premiums   | 10.2 (*)  | 10.1       | 10.7  | 10.7  |
| Auto/Optional Third-Party Liability (RCF) Insurance Premiums   | 13.4 (*)  | 13.4       | 13.2  | 12.9  |
| Health Insurance Premiums  | 47.9 (*)  | 47.4       | 43.2  | 42.3  |
|  | 26.1 (*)  | 25.1       | 28.3  | 29.6  |

|  |          |            |      |      |
|--|----------|------------|------|------|
| Revenues from Private Pension Plans Contributions (excluding VGBL)                       |          |            |      |      |
| Revenues from Certificated Savings Plans   | 19.2 (*) | 19.0       | 19.2 | 18.3 |
| Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans | 32.3 (*) | 35.1       | 34.6 | 33.9 |
| <b>Insurance and Private Pension Plans</b>   |          |            |      |      |
| <b>Source:</b>   |          |            |      |      |
| <b>National Federation of Life and Pension Plans (Fenaprevi)</b>                         |          |            |      |      |
| Income on VGBL Premiums  | 32.5 (*) | 31.6       | 37.6 | 36.9 |
| Revenues from Unrestricted Benefits Generating Plans (PGBL) Contributions                | 20.9 (*) | 19.0       | 24.9 | 27.1 |
| Private Pension Plans Investment Portfolios (including VGBL)                             | 36.8 (*) | 36.8       | 38.8 | 39.2 |
| <b>Credit Card Source: Abecs</b>   |          |            |      |      |
| Credit Card Revenue  | 18.9 (*) | 18.8       | 19.8 | 20.0 |
| <b>Leasing Source: Brazilian Association of Leasing Companies (ABEL)</b>                 |          |            |      |      |
| Lending Operations   | 19.5 (*) | 19.9       | 17.9 | 17.1 |
| <b>Banco Finasa BMC Source: Bacen</b>  |          |            |      |      |
| Finabens (Portfolio)   | 11.1 (*) | 11.4       | 10.4 | 10.5 |
| Auto (Portfolio) Including Banco Bradesco  | 20.8 (*) | 21.8       | 22.7 | 25.4 |
| <b>Consortia Source: Bacen</b>   |          |            |      |      |
| Real Estate  | N/A      | 26.8 (***) | 27.7 | 27.8 |
| Auto   | N/A      | 22.7 (***) | 23.3 | 22.9 |
| Trucks, Tractors and Agricultural Implements   | N/A      | 14.2 (***) | 11.7 | 9.3  |
| <b>International Area Source: Bacen</b>  |          |            |      |      |
| Export Market  | 25.5     | 26.0       | 22.0 | 21.7 |
| Import Market  | 18.8     | 18.5       | 16.2 | 16.3 |

(\*) Reference date: August 2009.

(\*\*) Reference date: July 2009.

(\*\*\*) Reference date: May 2009.

N/A Not Available

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Bradesco's clients have broad option to access their operations, to carry out financial transactions and to acquire high technology products and services made available by ATM, *Fone Fácil*, Internet channels and Bradesco Celular.

People with special needs can rely on the Bradesco Dia&Noite Customer Service Channels, reiterating our commitment to social responsibility, as follows:

Internet banking for the visually impaired;

Personalized assistance for the hearing impaired, by means of the digital language in *Fone Fácil*; and

Access for the visually impaired and wheelchair users in the ATM Network.

### Branch Network

| Region       | Sep09        |               | Market       | Sep08        |               | Market       |
|--------------|--------------|---------------|--------------|--------------|---------------|--------------|
|              | Bradesco     | Market (*)    | Share        | Bradesco     | Market (*)    | Share        |
| North        | 166          | 782           | 21.2%        | 154          | 737           | 20.9%        |
| Northeast    | 529          | 2,720         | 19.4%        | 516          | 2,663         | 19.4%        |
| Midwest      | 285          | 1,445         | 19.7%        | 268          | 1,410         | 19.0%        |
| Southeast    | 1,922        | 10,505        | 18.3%        | 1,820        | 10,346        | 17.6%        |
| South        | 517          | 3,776         | 13.7%        | 477          | 3,697         | 12.9%        |
| <b>Total</b> | <b>3,419</b> | <b>19,228</b> | <b>17.8%</b> | <b>3,235</b> | <b>18,853</b> | <b>17.2%</b> |

(\*) Source: Unicad - Information on Entities of Brazilian Central Bank's interest (in 2009, this information refers to July).

### Compulsory Deposits/Liabilities

| %                       | Sep09 | Jun09 | Mar09 | Dec08 | Sep08 | Jun08 | Mar08 | Dec07 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>Demand Deposits</b>  |       |       |       |       |       |       |       |       |
| Rate 1,5                | 42    | 42    | 42    | 42    | 45    | 45    | 45    | 45    |
| Additional 2,6          | 5     | 5     | 5     | 5     | 8     | 8     | 8     | 8     |
| Liabilities*            | 30    | 30    | 30    | 30    | 25    | 25    | 25    | 25    |
| <b>Liabilities</b>      |       |       |       |       |       |       |       |       |
| (Microfinance)          | 2     | 2     | 2     | 2     | 2     | 2     | 2     | 2     |
| Free                    | 21    | 21    | 21    | 21    | 20    | 20    | 20    | 20    |
| <b>Savings Deposits</b> |       |       |       |       |       |       |       |       |
| Rate 3                  | 20    | 20    | 20    | 20    | 20    | 20    | 20    | 20    |
| Additional 2,6          | 10    | 10    | 10    | 10    | 10    | 10    | 10    | 10    |
| Liabilities             | 65    | 65    | 65    | 65    | 65    | 65    | 65    | 65    |
| Free                    | 5     | 5     | 5     | 5     | 5     | 5     | 5     | 5     |

| <b>Time Deposit</b> |      |    |    |    |    |    |    |    |
|---------------------|------|----|----|----|----|----|----|----|
| Rate 4,7            | 13.5 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Additional 2,6      | 4    | 4  | 4  | 5  | 8  | 8  | 8  | 8  |
| Free                | 82.5 | 81 | 81 | 80 | 77 | 77 | 77 | 77 |

\* At Banco Bradesco, liabilities are applied to Rural Loan.

1 Collected in cash not remunerated.

2 Collected in cash with the Special Clearance and Custody System (Selic) rate.

3 Collected in cash with the Reference Interest rate (TR) + interest of 6.17 p.a.

4 Pegged to securities. As of the calculation period, from November 3 to 7, 2008, compliance as of November 14, 2008, liabilities are complied 70% in cash not remunerated, and 30% in government securities pegged to the Selic rate; as of January 5 to 9, 2009, compliance as of January 16, 2009, liabilities are complied 60% in cash not remunerated and 40% in government securities pegged to Selic rate; and, as of September 21 to 25, 2009, compliance as of October 2, 2009, liabilities are complied 55% in cash not remunerated and 45% in government securities pegged to Selic rate.

5 The Deposit Guarantee Association (FGC) from August 2008, as of the calculation period from October 20 to 31, 2008, was prepaid 60 times, compliance as of October 29, 2008.

6 As of the calculation period from November 17 to 21, 2008, compliance as of December 1, 2008, additional liabilities were collected in government securities pegged to the Selic rate; and

7 Liabilities may be complied with acquired credits up to March 31, 2010, as set forth in the current regulation.

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## Investments in Infrastructure, Information Technology and Telecommunication

Bradesco believes that banks where IT is part of the strategy and that invest above the market average in it grow more than the financial industry and have a return above the market average.

Accordingly, we keep on increasing our investments in technology, especially infrastructure, IT and telecommunications, always with a view to providing our clients with higher quality service in a safe and of high availability environment.

The results from IT investments show that, once again, we were right in giving technology the strategic importance it deserves to face business challenges. We maintained such investments in 2009.

We are strongly targeted at technological innovation, being among the companies that most invest in research and development, a benchmark in the financial system.

IT and telecommunication investments allow us to keep the Customer Service Network updated, functional and safe, and to keep up with the increase in client base, operations and outlets volume, as shown in the chart below:

|                      | <b>R\$ million</b> |              |              |              |              |              |
|----------------------|--------------------|--------------|--------------|--------------|--------------|--------------|
|                      | <b>9M09</b>        | <b>12M08</b> | <b>12M07</b> | <b>12M06</b> | <b>12M05</b> | <b>12M04</b> |
| Infrastructure       | 505                | 667          | 478          | 354          | 245          | 230          |
| IT/Telecommunication | 1,988              | 2,003        | 1,621        | 1,472        | 1,215        | 1,302        |
| <b>Total</b>         | <b>2,493</b>       | <b>2,670</b> | <b>2,099</b> | <b>1,826</b> | <b>1,460</b> | <b>1,532</b> |

On a daily basis, approximately over 183 million transactions are processed, from clients and back office, to an account basis that exceeded 55 million, and over 87 million debit/credit cards. E-channels respond for over 88% of transactions carried out by clients.

Pointing out our ability in complying with IT, we were the first bank in Brazil to have the image payment system certified. Likewise, all our systems are ready to be introduced to the Authorized Direct Debit (DDA), as from October 2009, with the registration of clients in increasing expansion.

As part of this strategy, we are building a New System Architecture, whose purpose is, among other aspects, providing the bank with a tool that offers flexibility, scalability, agility, reutilization and safety to the systems, properly meeting business needs.

## Market Risk

### Market Risk Analysis

Bradesco considers risk management a key to all its activities and employees it to add value to its business, as it supports the commercial areas in the planning of its activities, maximizing own and third-party fund use for the benefit of shareholders and the community. For further information on Bradesco's Risk Management and Compliance, please visit: [www.bradesco.com.br/ir](http://www.bradesco.com.br/ir) Financial Information/Quarterly Reports.

**Market Risk**

3Q09 showed that the global economy is still in an upturn trend and has strengthened the feeling that the worst of the crisis is already gone. The monetary policy adopted by the main economies is still expansionary, where interest rates are kept at low levels, stimulating the loans and consumption. It is important pointing out that while some emerging countries, such as China and Brazil, show a more accelerated recovery, the other countries, mainly more developed ones, present a very slow upturn and, at some point, are still vulnerable to adverse moments, in view that some macro-economic indicators disclosed pointed to an expansion in the economy while others did not show that so clearly. However, even with some devious signs of the main global economies, the positive feeling prevailed and resulted in certain market stability, with the maintenance of the upturn trend in financial assets price and decrease in volatility.

In the domestic scenario, Copom once again reduced the basic interest rate (Selic), which dropped from 9.3% to 8.8 p.a., however, at the last meeting, held in September, the Selic rate was kept stable at 8.8% p.a., ratifying the lowest historical level of the rate since its creation and probably closing the monetary flexibility cycle. Measures to stimulate the domestic demand, with tax reduction in some sectors, such as in auto, home appliances and construction materials, were maintained and contributed to the recovery in these sectors, despite the disclosure by public authorities of a schedule to slowly take back such incentives. The GDP for 2Q09, with a 2% increase q-o-q, showed that the country is no longer in recession. As a consequence of the good reaction of the Brazilian economy to the crisis, in September/2009, Moody's risk rating agency granted Brazil the investment grade. Both Standard & Poor's and Fitch had already upgraded Brazil to this level in 2008, before the strike of the crisis. The future of the Brazilian economy is seen with optimism, therefore there is a speculation in the market about an eventual monetary tightness cycle, which may begin in 1H10 already.

The quarter-on-quarter drop in volatility, both in the foreign and domestic markets, led to a drop in VaR for the analyzed period.

**VaR Trading Portfolio**

| Risk Factors                         | R\$ thousand  |               |                |                |                |               |               |               |
|--------------------------------------|---------------|---------------|----------------|----------------|----------------|---------------|---------------|---------------|
|                                      | Sep09         | Jun09         | Mar09          | Dec08          | Sep08          | Jun08         | Mar08         | Dec07         |
| Fixed Rate                           | 3,541         | 5,680         | 16,282         | 76,236         | 24,742         | 7,142         | 14,364        | 59,762        |
| General Price Index - Market (IGP-M) | 221           | 154           | 54             | 18             | 1,231          | 117           | 96            | 67            |
| Extended Consumer Price Index (IPCA) | 13,061        | 69,167        | 66,173         | 267,651        | 157,598        | 44,136        | 29,523        | 83,503        |
| Domestic Exchange Coupon             | 372           | 876           | 7,338          | 13,991         | 3,733          | 390           | 466           | 3,239         |
| Foreign Currency                     | 1,444         | 6,709         | 10,159         | 23,070         | 13,150         | 1,382         | 2,089         | 835           |
| Variable Income                      | 5,495         | 2,952         | 12,021         | 4,499          | 2,863          | 6,629         | 2,823         | 5,527         |
| Sovereign /Eurobonds and Treasuries  | 15,417        | 34,619        | 88,015         | 170,532        | 71,811         | 24,350        | 50,946        | 39,444        |
| Other                                | 25            | 94            | 57             | 61             | 2,253          | 2,369         | 3,793         | 6,700         |
| Correlation/Diversification Effect   | (14,105)      | (35,176)      | (70,887)       | (112,617)      | (72,854)       | (24,274)      | (46,365)      | (129,293)     |
| <b>VaR at the End of the Quarter</b> | <b>25,471</b> | <b>85,075</b> | <b>129,212</b> | <b>443,441</b> | <b>204,527</b> | <b>62,241</b> | <b>57,735</b> | <b>69,784</b> |



|                            |        |         |         |         |         |         |        |         |
|----------------------------|--------|---------|---------|---------|---------|---------|--------|---------|
| Average VaR in the Quarter | 48,284 | 91,597  | 206,152 | 550,624 | 97,535  | 91,960  | 58,635 | 82,736  |
| Minimum VaR in the Quarter | 21,345 | 58,111  | 120,399 | 221,038 | 61,857  | 58,792  | 41,442 | 64,552  |
| Maximum VaR in the Quarter | 87,731 | 123,059 | 417,290 | 750,559 | 244,827 | 120,378 | 69,571 | 101,611 |

**Backtesting Trading Portfolio VaR**

The methodology applied and current statistical models are validated on a daily basis using backtesting techniques. The backtesting compares the daily VaR calculated, which considers the liquidity effect on positions, with the result obtained with these very positions used in the VaR calculation. Its main purpose is to monitor, validate and evaluate the adherence to the VaR model and the number of disruptions must comply with the reliability interval previously established in the modeling.

**Market Risk****Stress Analysis**

To estimate the possible loss not included in VaR, Bradesco daily evaluates the possible effects on the positions in stress scenarios. Stress analysis is a tool that seeks to quantify the negative impact of shocks and economic events financially unfavorable to Institution's positions. Thus, crisis scenarios are prepared based on background and future events for risk factors, in which the trading portfolio has a position. Thus, considering the diversification effect among risk factors, the possibility of average estimated loss in a stress situation would be R\$655 million in the 3Q09, and the maximum estimated loss would be approximately R\$903 million.

**Trading Portfolio Stress Analysis**

|                           | R\$ million                |       |       |       |       |                      |       |       |       |       |
|---------------------------|----------------------------|-------|-------|-------|-------|----------------------|-------|-------|-------|-------|
|                           | Without<br>Diversification |       |       |       |       | With Diversification |       |       |       |       |
|                           | Sep09                      | Jun09 | Mar09 | Dec08 | Sep08 | Sep09                | Jun09 | Mar09 | Dec08 | Sep08 |
| At the end of the quarter | 844                        | 1,552 | 1,827 | 1,860 | 758   | 482                  | 900   | 1,022 | 1,295 | 477   |
| Average in the quarter    | 1,182                      | 1,743 | 1,792 | 1,893 | 476   | 655                  | 1,030 | 1,118 | 1,425 | 295   |
| Minimum in the quarter    | 813                        | 1,385 | 1,502 | 610   | 265   | 415                  | 871   | 837   | 382   | 199   |
| Maximum in the quarter    | 1,607                      | 2,133 | 2,251 | 2,755 | 803   | 903                  | 1,299 | 1,576 | 2,052 | 477   |

Besides the follow-up and control of VaR and stress analysis, a sensitivity analysis of the trading portfolio is made on a daily basis, measuring the effect of market curves and prices changes on the portfolio.





**Independent Auditors Report on the Limited Review of Supplementary Accounting Information presented in the Report on Economic and Financial Analysis**

(A free translation of the original in Portugues)

To the Board of Directors  
Banco Bradesco S.A.

1. In connection with our limited reviews of the Quarterly Information of Banco Bradesco S.A. and its subsidiaries (consolidated) as of September 30, 2009, June 30, 2009 and September 30, 2008, on which we issued a report without exceptions dated October 30, 2009, we carried out a limited review of the supplementary accounting information presented in the Report on Economic and Financial Analysis. This supplementary information was prepared by the Bank's management to permit additional analysis and is not a required part of the Quarterly Information.

2. Our work was carried out in accordance with the specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), for the purpose of reviewing the supplementary accounting information described in paragraph one and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Bank and its subsidiaries with regard to the main criteria used for the preparation of this additional accounting information and (b) a review of the significant information and the subsequent events which have, or could have significant effects on the financial position and operations of the Bank and its subsidiaries.

3. Based on our limited reviews, we are not aware of any material modifications which should be made to the supplementary information, referred to above, in order that this information be fairly presented, in all material respects, in relation to the Quarterly Information, referred to in paragraph one, taken as a whole.

São Paulo, October 30, 2009

Auditores Independentes

CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti

Contador CRC 1SP172940/O-6









**Management Report**

Dear Shareholders,

We hereby present to you the Consolidated Financial Statements of Banco Bradesco S.A. for the period ended September 30, 2009, pursuant to the Brazilian Corporation Law.

The global recovery signs have been building up, pointing to a gradual, but effective and widespread upturn of the economic activity. This expansion has been and should continue being led by emerging economies. Within this context, Brazil stands out as one of the first countries to overcome the recession, which occurred rapidly considering Brazil's historical standards. Prospects for Brazil's economy over the next quarters are positive, especially referring to the household consumption and investments, within a scenario of economic severity, social mobility, healthy political-electoral transition and an increasingly international community's positive valuation.

At Bradesco Organization, amongst the material events of the period, we can highlight:

- **On August 6, Bradesco won 8 out of 26 lots auctioned at the Social Security National Service – INSS referring to the social security payment for new beneficiaries over the next 5 years** as of 2010. The INSS authorized the winner banks to pay retirees and pensioners for a 20-year period;
- **On September 3, once again Bradesco was chosen to take part in the Dow Jones Sustainability World Index (DJSI)**, New York Stock Exchange's index listing the best companies worldwide in terms of corporate governance practices and social-environmental responsibility;
- **On September 16, Bradesco entered into a partnership with Banco Espírito Santo, S.A. (BES – Portugal) to create 2bCapital**, a new **private equity** fund manager in Brazil, equally controlled by subsidiaries BRAM Bradesco Asset Management and Espírito Santo Capital;
- **Also on September 16, Bradesco entered into an agreement with Banco Tokyo-Mitsubishi UFJ Brasil to expand collection services**, thus, providing an increasingly efficient and customized service for clients of both institutions;
- **On October 18, an Association Agreement is signed between OdontoPrev and Bradesco Dental**, to integrate dental plans sales activities, which provides for the merger of shares issued by Bradesco Dental into OdontoPrev, becoming its wholly-owned subsidiary. Pursuant to this agreement, Bradesco Saúde S.A., parent company of Bradesco Dental, will receive OdontoPrev shares, equivalent to 43.50% of the capital stock. This operation is subject to the approval of the appropriate authorities; and
- **On October 29, a meeting was held for the merger of all Ibi Participações shares**, converting it into a wholly-owned subsidiary of Bradesco, by means of an issue of new shares assigned to its controlling shareholders. This operation, which includes Banco Ibi, and which was also related to the partnership agreement executed with C&A Modas, was approved by the Brazilian Central Bank on September 11. The meeting shall be ratified by the Brazilian Central Bank.

In the period from January 1 to September 30, 2009, Bradesco recorded a Net Income of R\$5.831 billion, corresponding to R\$1.90 per share and annualized profitability of 21.81% on average Shareholders' Equity<sup>(\*)</sup>. The annualized return on Average Total Assets stood at 1.64%, compared to 2.11% y-o-y.

The Net Income reached the amount of R\$2.410 billion, deriving from the sale of shares corresponding to 12.70% of Visanet Brasil's capital stock, net of distribution costs. The result was also affected by R\$1.303 billion related to higher Additional Allowance for Loan Losses.

Taxes and contributions, including social security contributions, paid or provisioned during the first nine months of the year amounted to R\$11.189 billion, of which R\$4.152 billion of taxes withheld and collected from third parties and R\$7.037 billion was calculated based on the activities developed by Bradesco Organization, equivalent to 120.68% of Net Income.

In the nine-month period of 2009, R\$3.868 billion, of which R\$1.987 billion as income for the period and R\$1.881 billion referring to 2008 as Interest on Shareholders' Equity and Dividends were paid and provisioned to shareholders.

## Edgar Filing: BANK BRADESCO - Form 6-K

The Operating Efficiency Ratio - IEO, accumulated for 12 months, improved from 42.98%, in September 2008 to 41.69% on September 30, 2009, reflecting the control of administrative expenses and the permanent effort to increase revenues.

The paid-up Capital Stock, at the end of the quarter, stood at R\$23 billion. Added to Equity Reserves of R\$15.877 billion, it comprised the Shareholders' Equity in the amount of R\$38.877 billion, a growth of 13.78% y-o-y, corresponding to a book value of R\$12.68 per share.

Calculated based on the quote of its shares, Bradesco's market value reached R\$98.751 billion on September 30, equivalent to 2.54 times the book value of Shareholders' Equity, a 11.23% increase y-o-y (R\$88.777 billion in 2008).

The Managed Shareholders' Equity corresponds to 8.08% of Consolidated Assets, amounting to R\$485.686 billion, a 14.91% growth over September 2008. Therefore, the capital adequacy ratio in the consolidated financial result reached 17.92% and 17.73% in the consolidated economic-financial result, therefore, higher than the minimum of 11% set forth by Resolution 2,099 of August 17, 1994 of the National Monetary Council, in conformity with the Basel Committee. At the end of the quarter, the fixed assets to shareholders' equity ratio compared to consolidated reference shareholders' equity stood at 44.34% in the consolidated financial result and 15.44% in the consolidated economic-financial result, in conformity with the maximum limit of 50%.

Pursuant to Article 8 of Circular Letter 3,068, dated November 8, 2001 of the Brazilian Central Bank, Bradesco declares to have financial capacity and plans to hold to maturity securities classified in the held-to-maturity securities category.

On September 30, global funds raised and managed by Bradesco Organization amounted to R\$674.788 billion, a growth of 18.32% y-o-y and distributed as follows:

R\$270.591 billion in demand deposits, time deposits, interbank deposits, other deposits, open market and savings account;

R\$236.911 billion in assets under management, comprising investment funds, managed portfolios and third-party fund quotas, 26.02% higher than September 2008;

R\$87.936 billion recorded at the exchange portfolio, borrowings and onlendings, own working capital, tax payment and collection and related taxes, funds from issuance of securities, subordinated debt in the country and other funding;

R\$71.401 billion recorded in technical provisions for insurance, supplementary private pension plan and certificated savings plan, with a 13.54% increase when compared to the previous year; and

R\$7.949 billion in foreign funding, by means of public and private issuances, subordinated debt and securitization of future financial flows, accounting for US\$4.470 billion.

The balance of consolidated loan operations at the end of the nine-month period amounted to R\$215.536 billion, a growth of 10.19% compared to September 2008, including:

R\$7.635 billion in advances on exchange contracts, for a total portfolio of US\$10.708 billion of export financing;

US\$2.667 billion import financing in foreign currency operations;

R\$22.210 billion in leasing;

R\$11.620 billion in the Rural Area;



R\$59.180 billion in consumer financing;

R\$32.404 billion in sureties and guarantees;

R\$7.877 billion in credit card receivables; and

R\$15.718 billion referring to foreign and domestic fund onlendings operations, mainly originated from the BNDES National Economic and Social Development Bank, as one of the main onlendings agents.

Referring to the real estate segment, from January to September 2009, Bradesco set aside investments of R\$3.172 billion for homebuilding and acquisition, comprising 24,271 properties. On September 24, an operational agreement was signed with companies associated with the Housing Union of São Paulo SECOVI SP, which provides the release of R\$1 billion in housing loan over the next five years.

Supporting companies capitalization, Bradesco, by means of Banco Bradesco BBI S.A., intermediated primary and secondary offering of shares, debentures, promissory notes and real estate receivables certificates, in addition to receivables securitization funds, which amounted in the period to R\$14.207 billion, accounting for 36.83% of the total volume of these issues registered at CVM Brazilian Securities and Exchange Commission. We also point out project and structured operations finance, providing for structuring, origination, distribution and asset management and management of clients cash flows and financial inventories activities.

Grupo Bradesco de Seguros e Previdência also stood out in the Insurance, Supplementary Private Pension Plan and Certificated Savings Plans segments, recording on September 30 a Net Income of R\$1.895 billion and Shareholders Equity of R\$10.685 billion. Insurance written premiums, social security contributions and revenues from certificated savings plans reached R\$18.293 billion, a growth of 7.96% y-o-y.

On September 30, Bradesco Organization's network, available to clients and users was composed of 35,894 outlets with 30,414 Bradesco Dia&Noite ATMs, 29,891 of them also working on weekends and holidays, in addition to 6,764 Banco24Horas ATMs, available to Bradesco's clients who can withdraw, print statements, view balances and request a loan. The network also had 753 Correspondent Banks from Bradesco Financiamentos and Bradesco Promotora (formerly Finasa and BMC), available for services in the payroll-deductible loans and vehicles segments:

5,951 Branches, PABs (Banking Service Branch) and PAAs (Advanced Service Branch) in the country (Branches: Bradesco's 3,394, former Banco Finasa BMC's 20, Banco Bankpar's 2, Banco Bradesco BBI's 1, Banco Bradesco Cartões 1 and Banco Alvorada's 1; PABs: 1,194; and PAAs: 1,338);

4 Branches Overseas, 1 in New York, 2 in Grand Cayman and 1 in Nassau, in the Bahamas;

7 Subsidiaries Overseas (Banco Bradesco Argentina S.A., in Buenos Aires, Banco Bradesco Luxembourg S.A., in Luxembourg, Bradesco Securities, Inc., in New York, Bradesco Securities UK Limited, in London, Bradesco Services Co., Ltd., in Tokyo, Cidade Capital Markets Ltd., in Grand Cayman; and Bradesco Trade Services Limited, in Hong Kong);

6,038 Banco Postal Branches;

18,722 Bradesco Expresso service stations;

1,539 PAEs Electronic Service Branches in Companies;

3,569 Outplaced Terminals of Bradesco Dia&Noite (Day&Night) ATM network and also 5,980 Banco24Horas ATMs; and

64 Branches of BF Promotora de Vendas (Bradesco Financiamentos), a company present in 23,692 car dealers.

Pursuant to CVM Rule 381, Bradesco Organization in the quarter neither contracted nor had services rendered by PricewaterhouseCoopers Auditores Independentes unrelated to external audit at levels exceeding 5% of its total costs. The policy adopted observes the principles preserving the auditor's independence, according to generally accepted international criteria, i.e.: the auditor shall neither audit his own work, nor perform managerial duties at his client or promote its interests.

## Edgar Filing: BANK BRADESCO - Form 6-K

In the Human Resources area, Bradesco maintains an intensive training program, concerned with the qualification and professional development of the staff, with increasingly positive results in terms of service quality and efficiency. Between January and September, 1,545 courses were given with 1,506,616 participants. The welfare benefits aiming at ensuring the well-being, improved life quality and safety of employees and dependants at the end of the quarter comprised 185,074 lives.

Fundação Bradesco, an innovative social investment action of the Organization, develops a broad social and educational program at its 40 Schools primarily installed in the country's most underprivileged regions in all Brazilian states and the Federal District. With a planned budget this year of R\$231.343 million, it will provide over 642 thousand assistances across its performance segments, with free and quality education, of which 112 thousand students are served in Fundação Bradesco's own Schools, in Basic Education from Kindergarten to High School and Technical Professional Education in high school level -, in Youth and Adult Education and in the Preliminary and Continuing Qualification, and more than 530 thousand assistances in other on-site and distance education courses, through its Virtual School, its e-learning portal and CIDs Digital Inclusion Centers. Meals, medical and dental assistance, uniform and school supplies are ensured for approximately 50 thousand Basic Education students, free of charge.

Over the past 21 years, Bradesco Organization has been supporting the Bradesco Sports and Education Program (formerly Finasa Sports Program) including 35 qualification and specialization centers to teach volleyball and basketball, liable for activities developed at schools and sports centers in municipal and private schools, one unit of SESI and two units of Fundação Bradesco, all of them located in the city of Osasco, state of São Paulo. The Program currently assists nearly 2,000 9 to 18 year-old girls, emphasizing the commitment to defending a country open to talent, effort and citizenship valuation.

In the 9-month period of 2009, we recorded important acknowledgments to Bradesco:

- Winner of the 11<sup>th</sup> ABRASCA Award 2008 Best Annual Report, in the Publicly-Held Companies category, promoted by ABRASCA Brazilian Association of Publicly-Held Companies;
- First Brazilian company to receive the 2009 Golden Peacock Global Award for Excellence in Corporate Governance from the United Kingdom's World Council for Corporate Governance and the Institute of Directors of India in an event held in London;
- Largest Brazilian company in terms of intangible assets of companies listed at BM&FBOVESPA, according to a study carried out by IAM Intangible Asset Management Consulting in partnership with The Brander magazine and the consulting firm Brand Finance;
- Most profitable bank among Latin American and U.S. banks, according to a survey conducted by the consulting firm Economática;
- Brazilian bank best ranked by Fortune, which lists the top 500 world's companies, holding the 148<sup>th</sup> position in the ranking this year;
- Single bank among 25 Most Innovative Brazilian Companies in the annual ranking of *Época Negócios* magazine, prepared in partnership with Fórum de Inovação of Fundação Getulio Vargas and Great Place to Work Institute;
- One of the 10 Best Companies and the Best Bank to Work For in Brazil, in the Large Companies category, according to *Guia Você S/A Exame As Melhores Empresas para Você Trabalhar 2009* (Você S/A Exame Guide - The Best Companies to Work For in 2009). Bradesco has been included in this ranking for the past 10 years;

- One of the 100 best companies to work for in Brazil for the 10<sup>th</sup> time, according to a survey of *Época* magazine, assessed by Great Place to Work Institute;
- Best Company of the Year, Best Bank, Best Insurance and Private Pension Plan Company and Health Company in the yearbook *As Melhores da Dinheiro* (The Best Companies of Dinheiro magazine), in a survey conducted by *IstoÉ Dinheiro* magazine which analyses the top 500 companies in the country and elects the best companies in each sector;



- Bradesco Seguros e Previdência is the Largest Insurance Group of Brazil, according to the ranking of the *Valor 1000* yearbook, published by Valor Econômico newspaper; and
- Bradesco Seguros e Previdência was recognized for the second consecutive time as the Best Insurance Company in South America, according to the British magazine World Finance.

The results achieved once more reveal Bradesco's efforts to exceed expectations and always provide the best services. These advances are materialized thanks to the support and trust of shareholders and clients, as well as the dedicated work of our personnel and other employees. We thank everyone.

Cidade de Deus, October 30, 2009

**Board of Directors**

**and Board of Executive Officers**

(\* ) It does not take into account the mark-to-market effect of available-for-sale securities in the shareholders' equity.

*Consolidated Balance Sheet R\$ thousand*

| Assets  | 2009               |                    | 2008               |
|---|--------------------|--------------------|--------------------|
|   | September          | June               | September          |
| <b>Current assets</b>   | <b>363,270,011</b> | <b>368,673,601</b> | <b>318,722,384</b> |
| <b>Funds available (Note 6)</b>   | <b>8,571,103</b>   | <b>9,001,287</b>   | <b>7,259,572</b>   |
| <b>Interbank investments (Notes 3d and 7)</b>   | <b>96,533,306</b>  | <b>88,862,144</b>  | <b>56,603,539</b>  |
| Investments in federal funds purchased and securities sold under agreements to repurchase | 88,274,993         | 81,475,647         | 52,699,764         |
| Interbank deposits  | 8,258,749          | 7,387,390          | 3,917,213          |
| Allowance for losses  | (436)              | (893)              | (13,438)           |
| <b>Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)</b>          | <b>122,353,788</b> | <b>127,876,226</b> | <b>114,072,593</b> |
| Own portfolio   | 101,467,105        | 99,903,567         | 89,235,798         |
| Subject to repurchase agreements  | 1,376,164          | 1,020,120          | 6,356,991          |
| Derivative financial instruments  | 1,783,179          | 2,647,609          | 1,156,971          |
| Restricted deposits - Brazilian Central Bank  | 12,482,167         | 17,919,453         | 12,698,772         |
| Subject to collateral provided  | 5,200,784          | 6,311,915          | 4,579,736          |
| Securities purpose of unrestricted purchase and sale commitments                          | 44,389             | 73,562             | 44,325             |
| <b>Interbank accounts</b>   | <b>17,181,979</b>  | <b>16,129,013</b>  | <b>26,528,741</b>  |
| Unsettled payments and receipts   | 847,924            | 826,442            | 955,662            |
| Restricted credits: (Note 9)  |                    |                    |                    |
| - Restricted deposits - Brazilian Central Bank  | 16,273,087         | 15,239,671         | 25,540,902         |
| - National treasury - rural loan  | 578                | 578                | 578                |
| - National Housing System (SFH)   | 4,751              | 5,474              | 5,205              |
| Correspondent banks   | 55,639             | 56,848             | 26,394             |
| <b>Interdepartmental accounts</b>   | <b>66,080</b>      | <b>23,460</b>      | <b>95,551</b>      |
| Internal transfer of funds  | 66,080             | 23,460             | 95,551             |
| <b>Loan operations (Notes 3g, 10 and 32b)</b>   | <b>75,458,780</b>  | <b>74,089,094</b>  | <b>74,329,918</b>  |
| Loan operations:  |                    |                    |                    |
| - Public sector   | 622,201            | 624,449            | 80,670             |
| - Private sector  | 83,761,390         | 82,002,980         | 80,266,791         |
| Allowance for loan losses (Notes 3g, 10f, 10g and 10h)                                    | (8,924,811)        | (8,538,335)        | (6,017,543)        |
| <b>Leasing operations (Notes 2, 3g, 10 and 32b)</b>                                       | <b>7,964,117</b>   | <b>7,824,455</b>   | <b>6,263,071</b>   |
| Leasing receivables:  |                    |                    |                    |
| - Public sector   | 60,615             | 73,416             | 62,418             |
| - Private sector  | 14,570,861         | 14,092,489         | 10,998,929         |
| Unearned income from leasing  | (5,946,748)        | (5,749,030)        | (4,554,971)        |
| Allowance for leasing losses (Notes 3g, 10f, 10g and 10h)                                 | (720,611)          | (592,420)          | (243,305)          |
| <b>Other receivables</b>  | <b>33,570,049</b>  | <b>43,307,022</b>  | <b>32,153,869</b>  |
| Receivables on sureties and guarantees honored (Note 10a-3)                               | 13,196             | 10,569             | 27,881             |
| Foreign exchange portfolio (Note 11a)   | 12,294,575         | 20,153,846         | 13,434,729         |
| Receivables   | 481,104            | 536,367            | 431,575            |
| Securities trading  | 897,530            | 1,239,522          | 1,579,371          |
| Specific loans  | 1,081              | 880                | -                  |

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|  |                    |                    |                   |
|--|--------------------|--------------------|-------------------|
| Insurance premiums receivable  | 2,155,144          | 2,060,038          | 1,389,206         |
| Sundry (Note 11b)  | 18,267,122         | 19,807,701         | 15,437,682        |
| Allowance for other loan losses (Notes 3g, 10f, 10g and 10h)                     | (539,703)          | (501,901)          | (146,575)         |
| <b>Other assets (Note 12)</b>  | <b>1,570,809</b>   | <b>1,560,900</b>   | <b>1,415,530</b>  |
| Other assets   | 749,314            | 677,923            | 525,646           |
| Provision for depreciation   | (259,977)          | (246,152)          | (197,284)         |
| Prepaid expenses (Notes 3i and 12b)  | 1,081,472          | 1,129,129          | 1,087,168         |
| <b>Long-term receivables</b>   | <b>114,187,789</b> | <b>105,627,474</b> | <b>97,439,180</b> |
| <b>Interbank investments (Notes 3d and 7)</b>                                    | <b>954,017</b>     | <b>774,267</b>     | <b>747,148</b>    |
| Interbank investments  | 954,017            | 774,267            | 747,148           |
| <b>Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)</b> | <b>25,370,531</b>  | <b>18,233,782</b>  | <b>18,299,868</b> |

| Assets  | 2009               |                    | 2008               |
|---|--------------------|--------------------|--------------------|
|   | September          | June               | September          |
| Own portfolio   | 19,139,258         | 14,190,644         | 12,775,251         |
| Subject to repurchase agreements                          | 115,094            | 194,734            | -                  |
| Derivative financial instruments                          | 717,089            | 540,506            | 769,048            |
| Restricted deposits - Brazilian Central Bank              | 5,028,791          | 788,271            | 3,713,875          |
| Privatization currencies                                  | 95,275             | 99,365             | 98,803             |
| Subject to collateral provided                            | 275,024            | 2,420,262          | 942,891            |
| <b>Interbank accounts</b>                                 | <b>469,821</b>     | <b>467,665</b>     | <b>457,016</b>     |
| Restricted credits: (Note 9)                              |                    |                    |                    |
| - SFH   | 469,821            | 467,665            | 457,016            |
| <b>Loan operations (Notes 3g, 10 and 32b)</b>             | <b>53,246,538</b>  | <b>51,628,627</b>  | <b>51,344,198</b>  |
| Loan operations:  |                    |                    |                    |
| - Public sector   | 472,529            | 643,684            | 712,454            |
| - Private sector  | 56,632,773         | 54,456,020         | 53,029,168         |
| Allowance for loan losses (Notes 3g, 10f, 10g and 10h)    | (3,858,764)        | (3,471,077)        | (2,397,424)        |
| <b>Leasing operations (Notes 2, 3g, 10 and 32b)</b>       | <b>12,636,646</b>  | <b>13,272,628</b>  | <b>12,412,131</b>  |
| Leasing receivables:                                      |                    |                    |                    |
| - Public sector   | 6,708              | 7,196              | 49,938             |
| - Private sector  | 23,212,684         | 23,943,288         | 21,450,240         |
| Unearned income from leasing                              | (9,693,707)        | (9,920,770)        | (8,759,768)        |
| Allowance for leasing losses (Notes 3g, 10f, 10g and 10h) | (889,039)          | (757,086)          | (328,279)          |
| <b>Other receivables</b>                                  | <b>21,164,990</b>  | <b>20,899,688</b>  | <b>13,726,867</b>  |
| Receivables   | 1,313              | 160                | 97                 |
| Trading securities  | 408,273            | 703,247            | 758,910            |
| Sundry (Note 11b)   | 20,775,081         | 20,206,070         | 12,970,529         |
| Allowance for loan losses (Notes 3g, 10f, 10g and 10h)    | (19,677)           | (9,789)            | (2,669)            |
| <b>Other assets (Note 12)</b>                             | <b>345,246</b>     | <b>350,817</b>     | <b>451,952</b>     |
| Other assets  | 635                | 637                | 1,227              |
| Provision for devaluations                                | -                  | -                  | (55)               |
| Prepaid expenses (Notes 3i and 12b)                       | 344,611            | 350,180            | 450,780            |
| <b>Permanent assets</b>                                   | <b>8,227,890</b>   | <b>8,176,532</b>   | <b>6,500,356</b>   |
| <b>Investments (Notes 3j, 13 and 32b)</b>                 | <b>1,104,141</b>   | <b>1,053,495</b>   | <b>822,907</b>     |
| Interest in unconsolidated companies:                     |                    |                    |                    |
| - Local   | 627,574            | 573,655            | 576,862            |
| Other investments   | 755,740            | 830,013            | 596,259            |
| Allowance for losses                                      | (279,173)          | (350,173)          | (350,214)          |
| <b>Premises and equipment (Notes 3k and 14)</b>           | <b>3,258,142</b>   | <b>3,283,406</b>   | <b>2,298,417</b>   |
| Premises and equipment                                    | 1,024,970          | 1,025,849          | 1,045,964          |
| Other premises and equipment                              | 6,730,661          | 6,599,791          | 4,204,543          |
| Accumulated depreciation                                  | (4,497,489)        | (4,342,234)        | (2,952,090)        |
| <b>Leased assets (Note 14)</b>                            | <b>13,950</b>      | <b>16,295</b>      | <b>10,021</b>      |
| Leased assets   | 29,202             | 29,455             | 18,128             |
| Accumulated depreciation                                  | (15,252)           | (13,160)           | (8,107)            |
| <b>Intangible assets</b>                                  | <b>3,851,657</b>   | <b>3,823,336</b>   | <b>3,369,011</b>   |
| Intangible assets (Note 15)                               | 6,800,079          | 6,777,599          | 5,681,705          |
| Accumulated amortization                                  | (2,948,422)        | (2,954,263)        | (2,312,694)        |
| <b>Total</b>  | <b>485,685,690</b> | <b>482,477,607</b> | <b>422,661,920</b> |

The Notes are an integral part of the Financial Statements.

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| Liabilities   | 2009               |                    | 2008               |
|---|--------------------|--------------------|--------------------|
|   | September          | June               | September          |
| <b>Current liabilities</b>  | <b>274,620,172</b> | <b>276,610,508</b> | <b>240,651,942</b> |
| <b>Deposits (Notes 3n and 16a)</b>  | <b>94,064,542</b>  | <b>91,358,767</b>  | <b>85,464,171</b>  |
| Demand deposits   | 29,298,424         | 27,416,181         | 26,694,457         |
| Savings deposits  | 40,922,202         | 38,502,687         | 35,680,823         |
| Interbank deposits  | 559,653            | 420,628            | 333,818            |
| Time deposits (Notes 16a and 32b)   | 22,289,552         | 24,057,449         | 21,829,143         |
| Other deposits  | 994,711            | 961,822            | 925,930            |
| <b>Federal funds purchased and securities sold under agreements to repurchase (notes 3n and 16b)</b>              | <b>76,460,692</b>  | <b>74,593,479</b>  | <b>55,530,776</b>  |
| Own portfolio   | 9,352,802          | 4,560,995          | 7,714,429          |
| Third-party portfolio   | 66,524,357         | 68,409,839         | 45,691,232         |
| Unrestricted portfolio  | 583,533            | 1,622,645          | 2,125,115          |
| <b>Funds from issuance of securities (Notes 16c and 32b)</b>  | <b>2,869,674</b>   | <b>3,056,109</b>   | <b>1,802,432</b>   |
| Exchange acceptances  | 21                 | 207                | 241                |
| Mortgage and real estate notes and letters of credit and others   | 2,093,074          | 2,305,081          | 1,540,591          |
| Debentures (Note 16c-1)   | 28,154             | 11,474             | 76,389             |
| Securities issued abroad  | 748,425            | 739,347            | 185,211            |
| <b>Interbank accounts</b>   | <b>219,059</b>     | <b>195,798</b>     | <b>231,153</b>     |
| Interbank onlending   | 3,156              | 3,361              | -                  |
| Correspondent banks   | 215,903            | 192,437            | 231,153            |
| <b>Interdepartmental accounts</b>   | <b>2,037,608</b>   | <b>1,707,909</b>   | <b>2,307,374</b>   |
| Third-party funds in transit  | 2,037,608          | 1,707,909          | 2,307,374          |
| <b>Borrowing (Notes 17a and 32b)</b>  | <b>7,862,257</b>   | <b>10,658,504</b>  | <b>13,308,024</b>  |
| Local borrowing - official institutions   | -                  | -                  | 68                 |
| Local borrowing - other institutions  | 8,692              | 529                | 427                |
| Borrowing abroad  | 7,853,565          | 10,657,975         | 13,307,529         |
| <b>Local onlending - official institutions (Notes 17b and 32b)</b>  | <b>6,909,581</b>   | <b>7,342,951</b>   | <b>6,446,913</b>   |
| National treasury   | 143,388            | 111,509            | 86,679             |
| National bank for economic and social development (BNDES)   | 2,900,624          | 3,026,602          | 2,681,757          |
| Caixa Econômica Federal Federal savings bank (CEF)  | 16,313             | 16,168             | 15,913             |
| Fund for financing the acquisition of industrial machinery and equipment (Finame)                                 | 3,849,256          | 4,188,664          | 3,662,551          |
| Other institutions  | -                  | 8                  | 13                 |
| <b>Foreign onlending (Notes 17b and 32b)</b>  | <b>1,942</b>       | <b>450</b>         | <b>1,426,605</b>   |
| Foreign onlending   | 1,942              | 450                | 1,426,605          |
| <b>Derivative financial instruments (Notes 3f, 8II and 32)</b>  | <b>1,497,319</b>   | <b>2,416,504</b>   | <b>2,100,000</b>   |
| Derivative financial instruments  | 1,497,319          | 2,416,504          | 2,100,000          |
| <b>Technical provisions for insurance, private pension plans and certificated savings plans (Notes 3o and 21)</b> | <b>53,549,023</b>  | <b>51,115,819</b>  | <b>45,323,425</b>  |
| <b>Other liabilities</b>  | <b>29,148,475</b>  | <b>34,164,218</b>  | <b>26,711,069</b>  |
| Collection of taxes and other contributions   | 2,039,382          | 2,064,836          | 2,295,134          |
| Foreign exchange portfolio (Note 11a)   | 5,819,488          | 11,127,939         | 5,978,007          |
| Social and statutory  | 1,301,097          | 1,321,337          | 1,601,248          |
| Fiscal and social security (Note 20a)   | 4,202,316          | 3,653,942          | 2,460,717          |
| Securities trading  | 1,436,987          | 1,680,711          | 1,217,368          |
| Financial and development funds   | 6,123              | 6,168              | 6,177              |

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|  |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| Subordinated debts (Notes 19 and 32b)  | 434,734            | 414,715            | 559,156            |
| Sundry (Note 20b)  | 13,908,348         | 13,894,570         | 12,593,262         |
| <b>Long-term liabilities</b>   | <b>171,530,988</b> | <b>167,963,529</b> | <b>146,988,060</b> |
| <b>Deposits (Notes 3n and 16a)</b>   | <b>73,922,979</b>  | <b>76,153,161</b>  | <b>53,705,548</b>  |
| Interbank deposits   | 179,206            | 68,653             | 6,190              |
| Time deposits (Notes 16a and 32b)  | 73,743,773         | 76,084,508         | 53,699,358         |
| <b>Federal funds purchased and securities sold under agreements to repurchase (Notes 3n and 16b)</b> | <b>26,142,988</b>  | <b>25,116,305</b>  | <b>31,933,006</b>  |
| Own portfolio  | 26,142,988         | 25,116,305         | 31,913,507         |
| Unrestricted portfolio   | -                  | -                  | 19,499             |

| Liabilities   | 2009               |                    | 2008               |
|---|--------------------|--------------------|--------------------|
|   | September          | June               | September          |
| <b>Funds from issuance of securities (Notes 16c and 32b)</b>  | <b>4,241,160</b>   | <b>4,638,078</b>   | <b>4,733,190</b>   |
| Mortgage and real estate notes and letters of credit and others   | 201,998            | 180,003            | 45,096             |
| Debentures (Note 16c-1)   | 730,165            | 730,000            | 1,455,357          |
| Securities issued abroad  | 3,308,997          | 3,728,075          | 3,232,737          |
| <b>Borrowing (Notes 17a and 32b)</b>  | <b>362,482</b>     | <b>422,916</b>     | <b>693,777</b>     |
| Local borrowing - official institutions   | -                  | -                  | 131                |
| Borrowing abroad  | 362,482            | 422,916            | 693,646            |
| <b>Local onlending - official institutions (Notes 17b and 32b)</b>  | <b>11,888,254</b>  | <b>10,656,234</b>  | <b>10,102,689</b>  |
| BNDES   | 5,395,744          | 4,123,899          | 3,917,904          |
| CEF   | 74,199             | 77,347             | 85,171             |
| Finame  | 6,417,627          | 6,454,299          | 6,098,847          |
| Other institutions  | 684                | 689                | 767                |
| <b>Derivative financial instruments (Notes 3f, 8II and 32)</b>  | <b>171,377</b>     | <b>182,695</b>     | <b>225,983</b>     |
| Derivative financial instruments  | 171,377            | 182,695            | 225,983            |
| <b>Technical provisions for insurance, private pension plans and certificated savings plans (Notes 3o and 21)</b> | <b>17,851,741</b>  | <b>17,712,772</b>  | <b>17,564,786</b>  |
| <b>Other liabilities</b>  | <b>36,950,007</b>  | <b>33,081,368</b>  | <b>28,029,081</b>  |
| Fiscal and social security (Note 20a)   | 11,349,947         | 10,297,742         | 8,383,246          |
| Subordinated debts (Notes 19 and 32b)   | 22,445,943         | 19,991,141         | 17,162,658         |
| Sundry (Note 20b)   | 3,154,117          | 2,792,485          | 2,483,177          |
| <b>Deferred income</b>  | <b>297,223</b>     | <b>272,278</b>     | <b>227,078</b>     |
| Deferred income   | 297,223            | 272,278            | 227,078            |
| <b>Minority interest in subsidiaries (Note 22)</b>  | <b>359,820</b>     | <b>354,527</b>     | <b>627,014</b>     |
| <b>Shareholders' equity (Note 23)</b>   | <b>38,877,487</b>  | <b>37,276,765</b>  | <b>34,167,826</b>  |
| Capital:  |                    |                    |                    |
| - Domiciled in Brazil   | 22,147,548         | 22,074,630         | 21,779,532         |
| - Domiciled abroad  | 852,452            | 925,370            | 1,220,468          |
| Capital reserves  | 62,614             | 62,614             | 62,614             |
| Profit reserves   | 15,704,304         | 14,508,614         | 10,974,986         |
| Assets valuation adjustments  | 205,519            | (289,283)          | 133,976            |
| Treasury shares (Notes 23d and 32b)   | (94,950)           | (5,180)            | (3,750)            |
| <b>Shareholders equity managed by the Parent Company</b>  | <b>39,237,307</b>  | <b>37,631,292</b>  | <b>34,794,840</b>  |
| <b>Total</b>  | <b>485,685,690</b> | <b>482,477,607</b> | <b>422,661,920</b> |

The Notes are an integral part of the Financial Statements.



*Consolidated Statement of Income R\$ thousand*

|   | 2009                    |                         |                    | 2008               |
|---|-------------------------|-------------------------|--------------------|--------------------|
|   | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September          | September          |
| <b>Revenues from financial intermediation</b>   | <b>15,145,433</b>       | <b>16,188,977</b>       | <b>47,834,063</b>  | <b>39,847,719</b>  |
| Loan operations (Note 10j)  | 7,707,876               | 7,608,007               | 23,163,980         | 20,997,688         |
| Leasing operations (Note 10j)   | 891,452                 | 915,220                 | 2,695,357          | 1,581,344          |
| Operations with securities (Note 8h)  | 3,522,362               | 3,405,791               | 11,711,545         | 8,761,478          |
| Financial income from insurance, private pension plans and certified savings plans (Note 8h)  | 1,939,020               | 2,118,288               | 6,043,375          | 5,009,643          |
| Derivative financial instruments (Note 8h)  | 646,961                 | 829,863                 | 2,014,222          | 689,994            |
| Foreign exchange operations (Note 11a)  | 277,026                 | 1,154,621               | 1,740,392          | 1,625,772          |
| Compulsory deposits (Note 9b)   | 136,734                 | 136,881                 | 420,884            | 1,181,800          |
| Sale or transfer of financial assets  | 24,002                  | 20,306                  | 44,308             | -                  |
| <b>Expenses from financial intermediation</b>   | <b>9,564,423</b>        | <b>11,597,459</b>       | <b>32,827,789</b>  | <b>26,890,929</b>  |
| Federal funds purchased and securities sold under agreements to repurchase (Note 16e)   | 5,368,851               | 5,706,037               | 17,960,853         | 15,095,457         |
| Price-level restatement and interest on technical provisions for insurance, private pension plans and certificated savings plans (Note 16e) | 1,245,780               | 1,337,445               | 3,956,827          | 3,081,537          |
| Borrowing and onlending (Note 17c)  | 64,108                  | 147,544                 | 696,764            | 3,385,265          |
| Leasing operations (Note 10j)   | 2,228                   | 2,198                   | 6,050              | 3,591              |
| Allowance for loan losses (Notes 3g, 10g and 10h)   | 2,883,456               | 4,404,235               | 10,207,295         | 5,325,079          |
| <b>Gross income from financial intermediation</b>   | <b>5,581,010</b>        | <b>4,591,518</b>        | <b>15,006,274</b>  | <b>12,956,790</b>  |
| <b>Other operating income/expenses</b>  | <b>(3,044,063)</b>      | <b>(2,473,848)</b>      | <b>(7,899,067)</b> | <b>(5,740,645)</b> |
| Fee and commission income (Note 24)   | 2,819,629               | 2,947,310               | 8,517,025          | 8,138,674          |
| Other fee and commission income   | 2,258,262               | 2,395,815               | 6,858,882          | 6,615,960          |
| Bank fees revenues  | 561,367                 | 551,495                 | 1,658,143          | 1,522,714          |
| Insurance, private pension plans and certificated savings plans retained premiums (Notes 3o and 21d)  | 6,623,870               | 6,037,869               | 18,106,833         | 16,688,582         |
| Net premiums written  | 6,684,299               | 6,094,418               | 18,292,670         | 16,944,706         |
| Reinsurance premiums  | (60,429)                | (56,549)                | (185,837)          | (256,124)          |
| Variation of technical provisions for insurance, private pension plans and certificated savings plans (Note 3o)                             | (3,204,587)             | (2,854,226)             | (8,321,480)        | (7,799,847)        |
| Retained claims (Note 3o)   | (2,212,308)             | (1,938,600)             | (6,132,453)        | (5,244,110)        |
| Certificated savings plans drawings and redemptions (Note 3o)   | (449,348)               | (412,480)               | (1,225,391)        | (1,055,482)        |

|  |                    |                    |                    |                    |
|--|--------------------|--------------------|--------------------|--------------------|
| Insurance, private pension plans and<br>certificated savings plans selling expenses<br>(Note 3o) | (325,336)          | (305,247)          | (929,266)          | (877,441)          |
| Personnel expenses (Note 25)   | (2,125,619)        | (1,907,691)        | (5,885,386)        | (5,457,127)        |
| Other administrative expenses (Note 26)  | (2,282,684)        | (2,167,713)        | (6,608,141)        | (5,973,200)        |
| Tax expenses (Note 27)   | (697,508)          | (722,751)          | (2,016,212)        | (1,660,724)        |
| Equity in the earnings of affiliated companies<br>(Note 13c)                                     | 39,034             | 13,489             | 58,090             | 88,426             |
| Other operating income (Note 28)   | 531,993            | 641,809            | 1,645,677          | 1,197,631          |
| Other operating expenses (Note 29)   | (1,761,199)        | (1,805,617)        | (5,108,363)        | (3,732,997)        |
| Full goodwill amortization (Note 15a)  | -                  | -                  | -                  | (53,030)           |
| <b>Operating income</b>  | <b>2,536,947</b>   | <b>2,117,670</b>   | <b>7,107,207</b>   | <b>7,216,145</b>   |
| <b>Non-operating income (Note 30)</b>  | <b>350,551</b>     | <b>1,942,718</b>   | <b>2,253,290</b>   | <b>389,486</b>     |
| <b>Income before tax on income and interest</b>  | <b>2,887,498</b>   | <b>4,060,388</b>   | <b>9,360,497</b>   | <b>7,605,631</b>   |
| <b>Income tax and social contribution (Notes<br/>34a and 34b)</b>                                | <b>(1,070,848)</b> | <b>(1,758,381)</b> | <b>(3,513,286)</b> | <b>(1,573,161)</b> |
| <b>Minority interest in subsidiaries</b>   | <b>(5,661)</b>     | <b>(4,667)</b>     | <b>(15,870)</b>    | <b>(17,319)</b>    |
| <b>Net income</b>  | <b>1,810,989</b>   | <b>2,297,340</b>   | <b>5,831,341</b>   | <b>6,015,151</b>   |

The Notes are an integral part of the Financial Statements.

*Statement of Changes in Shareholders Equity R\$ thousand*

| Events                                      | Restated paid-up capital | Capital reserves               |               | Revenue reserves |                  | Assets valuation adjustments |                  | Treasury shares  | Retained earnings |
|---|--------------------------|--------------------------------|---------------|------------------|------------------|------------------------------|------------------|------------------|-------------------|
|   | Capital stock            | Tax incentives from income tax | Other         | Legal            | Statutory        | Companies                    | Subsidiaries     |                  |                   |
| <b>Balances on December 31, 2007</b>        | <b>19,000,000</b>        | <b>2,103</b>                   | <b>53,521</b> | <b>1,477,637</b> | <b>8,485,956</b> | <b>(47,424)</b>              | <b>1,517,400</b> | <b>(131,849)</b> | <b>- 30</b>       |
| Capital increase with reserves              | 2,800,000                | -                              | -             | -                | (2,800,000)      | -                            | -                | -                | -                 |
| Capital increase                            | 1,200,000                | -                              | -             | -                | -                | -                            | -                | -                | - 1               |
| Restatement of equity bonds                 | -                        | -                              | 116           | -                | -                | -                            | -                | -                | -                 |
| Acquisition of treasury shares              | -                        | -                              | -             | -                | -                | -                            | -                | (3,750)          | -                 |
| Goodwill from share subscription            | -                        | -                              | 6,874         | -                | -                | -                            | -                | -                | -                 |
| Cancellation of treasury shares             | -                        | -                              | -             | -                | (131,849)        | -                            | -                | 131,849          | -                 |
| Assets valuation adjustments                | -                        | -                              | -             | -                | -                | (77,605)                     | (1,258,395)      | -                | - (1              |
| Net income                                  | -                        | -                              | -             | -                | -                | -                            | -                | -                | 6,015,151 6       |
| Allocations: - Reserves                     | -                        | -                              | -             | 300,758          | 3,642,484        | -                            | -                | -                | (3,943,242)       |
| -   | -                        | -                              | -             | -                | -                | -                            | -                | -                | -                 |
| Provisioned interest on shareholders equity | -                        | -                              | -             | -                | -                | -                            | -                | -                | (1,452,201) (1    |
| -   | -                        | -                              | -             | -                | -                | -                            | -                | -                | -                 |
| Paid and/or provisioned dividends           | -                        | -                              | -             | -                | -                | -                            | -                | -                | (619,708)         |

|   |                   |              |               |                  |                   |                  |                  |                 |             |           |
|---|-------------------|--------------|---------------|------------------|-------------------|------------------|------------------|-----------------|-------------|-----------|
| <b>Balances on September 30, 2008</b>       | <b>23,000,000</b> | <b>2,103</b> | <b>60,511</b> | <b>1,778,395</b> | <b>9,196,591</b>  | <b>(125,029)</b> | <b>259,005</b>   | <b>(3,750)</b>  | <b>-</b>    | <b>34</b> |
| <b>Balances on June 30, 2009</b>            | <b>23,000,000</b> | <b>2,103</b> | <b>60,511</b> | <b>2,054,706</b> | <b>12,453,908</b> | <b>(221,776)</b> | <b>(67,507)</b>  | <b>(5,180)</b>  | <b>-</b>    | <b>37</b> |
| Assets valuation adjustments                | -                 | -            | -             | -                | -                 | 113,137          | 381,665          | -               | -           | -         |
| Acquisition of treasury shares              | -                 | -            | -             | -                | -                 | -                | -                | (89,770)        | -           | -         |
| Net income                                  | -                 | -            | -             | -                | -                 | -                | -                | -               | 1,810,989   | 1         |
| Allocations: - Reserves                     | -                 | -            | -             | 90,549           | 1,105,141         | -                | -                | -               | (1,195,690) | -         |
| Provisioned interest on shareholders equity | -                 | -            | -             | -                | -                 | -                | -                | -               | (487,484)   | -         |
| Paid and/or provisioned dividends           | -                 | -            | -             | -                | -                 | -                | -                | -               | (127,815)   | -         |
| <b>Balances on September 30, 2009</b>       | <b>23,000,000</b> | <b>2,103</b> | <b>60,511</b> | <b>2,145,255</b> | <b>13,559,049</b> | <b>(108,639)</b> | <b>314,158</b>   | <b>(94,950)</b> | <b>-</b>    | <b>38</b> |
| <b>Balances on December 31, 2008</b>        | <b>23,000,000</b> | <b>2,103</b> | <b>60,511</b> | <b>1,853,688</b> | <b>10,006,599</b> | <b>(53,961)</b>  | <b>(607,543)</b> | <b>(4,853)</b>  | <b>-</b>    | <b>34</b> |
| Assets valuation adjustments                | -                 | -            | -             | -                | -                 | (54,678)         | 921,701          | -               | -           | -         |
| Acquisition of treasury shares              | -                 | -            | -             | -                | -                 | -                | -                | (90,097)        | -           | -         |
| Net income                                  | -                 | -            | -             | -                | -                 | -                | -                | -               | 5,831,341   | 5         |
| Allocations: - Reserves                     | -                 | -            | -             | 291,567          | 3,552,450         | -                | -                | -               | (3,844,017) | -         |
| Provisioned interest on shareholders equity | -                 | -            | -             | -                | -                 | -                | -                | -               | (1,607,770) | (1)       |
|   | -                 | -            | -             | -                | -                 | -                | -                | -               | (379,554)   | -         |

-  
Paid and/or  
provisioned  
dividends

**Balances on  
September**

|                 |                   |              |               |                  |                   |                  |                |                 |          |           |
|-----------------|-------------------|--------------|---------------|------------------|-------------------|------------------|----------------|-----------------|----------|-----------|
| <b>30, 2009</b> | <b>23,000,000</b> | <b>2,103</b> | <b>60,511</b> | <b>2,145,255</b> | <b>13,559,049</b> | <b>(108,639)</b> | <b>314,158</b> | <b>(94,950)</b> | <b>-</b> | <b>38</b> |
|-----------------|-------------------|--------------|---------------|------------------|-------------------|------------------|----------------|-----------------|----------|-----------|

The Notes are an integral part of the Financial Statements.

*Value Added Statement R\$ thousand*

| Description   | 2009                       |                |                            |                | 2008                |                |                     |                |
|---|----------------------------|----------------|----------------------------|----------------|---------------------|----------------|---------------------|----------------|
|   | 3 <sup>rd</sup><br>quarter | %              | 2 <sup>nd</sup><br>quarter | %              | September           | %              | September           | %              |
| <b>1 Income</b>                                       | <b>14,635,242</b>          | <b>250.2</b>   | <b>16,038,278</b>          | <b>234.7</b>   | <b>46,432,640</b>   | <b>262.6</b>   | <b>42,174,106</b>   | <b>275.2</b>   |
| <b>1.1) Financial intermediation</b>                  | <b>15,145,433</b>          | <b>258.9</b>   | <b>16,188,977</b>          | <b>236.9</b>   | <b>47,834,063</b>   | <b>270.5</b>   | <b>39,847,719</b>   | <b>260.1</b>   |
| <b>1.2) Fee and commission</b>                        | <b>2,819,629</b>           | <b>48.2</b>    | <b>2,947,310</b>           | <b>43.1</b>    | <b>8,517,025</b>    | <b>48.2</b>    | <b>8,138,674</b>    | <b>53.1</b>    |
| <b>1.3) Allowance for loan losses</b>                 | <b>(2,883,456)</b>         | <b>(49.3)</b>  | <b>(4,404,235)</b>         | <b>(64.4)</b>  | <b>(10,207,295)</b> | <b>(57.6)</b>  | <b>(5,325,079)</b>  | <b>(34.8)</b>  |
| <b>1.4) Other</b>                                     | <b>(446,364)</b>           | <b>(7.6)</b>   | <b>1,306,226</b>           | <b>19.1</b>    | <b>288,847</b>      | <b>1.5</b>     | <b>(487,208)</b>    | <b>(3.2)</b>   |
| <b>2 Financial intermediation expenses</b>            | <b>(6,680,967)</b>         | <b>(114.2)</b> | <b>(7,193,224)</b>         | <b>(105.2)</b> | <b>(22,620,494)</b> | <b>(127.9)</b> | <b>(21,565,850)</b> | <b>(140.8)</b> |
| <b>3 Inputs acquired from third-parties</b>           | <b>(1,874,434)</b>         | <b>(32.1)</b>  | <b>(1,766,954)</b>         | <b>(25.9)</b>  | <b>(5,409,581)</b>  | <b>(30.7)</b>  | <b>(4,914,051)</b>  | <b>(32.0)</b>  |
| Materials, energy and other                           | (103,823)                  | (1.8)          | (99,926)                   | (1.4)          | (307,692)           | (1.7)          | (285,149)           | (1.9)          |
| Third-party services                                  | (637,507)                  | (10.9)         | (605,325)                  | (8.9)          | (1,828,027)         | (10.3)         | (1,551,817)         | (10.1)         |
| <b>Other</b>  | <b>(1,133,104)</b>         | <b>(19.4)</b>  | <b>(1,061,703)</b>         | <b>(15.6)</b>  | <b>(3,273,862)</b>  | <b>(18.7)</b>  | <b>(3,077,085)</b>  | <b>(20.0)</b>  |
| Communication   | (297,811)                  | (5.1)          | (302,758)                  | (4.4)          | (899,261)           | (5.1)          | (809,486)           | (5.3)          |
| Financial system services                             | (66,565)                   | (1.1)          | (61,732)                   | (0.9)          | (190,106)           | (1.1)          | (151,280)           | (1.0)          |
| Advertising and Publicity                             | (111,882)                  | (1.9)          | (84,149)                   | (1.2)          | (305,296)           | (1.7)          | (432,849)           | (2.8)          |
| Transportation  | (138,015)                  | (2.4)          | (119,217)                  | (1.7)          | (404,955)           | (2.3)          | (377,878)           | (2.5)          |
| Data processing                                       | (195,219)                  | (3.3)          | (182,274)                  | (2.7)          | (560,067)           | (3.2)          | (420,154)           | (2.7)          |
| Maintenance and repairs                               | (102,819)                  | (1.8)          | (104,736)                  | (1.5)          | (306,902)           | (1.7)          | (279,863)           | (1.8)          |
| Security and surveillance                             | (65,110)                   | (1.1)          | (60,329)                   | (0.9)          | (185,699)           | (1.1)          | (160,083)           | (1.0)          |
| Travel  | (20,617)                   | (0.4)          | (19,764)                   | (0.3)          | (55,926)            | (0.3)          | (66,418)            | (0.4)          |
| Other   | (135,066)                  | (2.3)          | (126,744)                  | (2.0)          | (365,650)           | (2.2)          | (379,074)           | (2.5)          |
| <b>4 Gross value added (1-2-3)</b>                    | <b>6,079,841</b>           | <b>103.9</b>   | <b>7,078,100</b>           | <b>103.6</b>   | <b>18,402,565</b>   | <b>104.0</b>   | <b>15,694,205</b>   | <b>102.4</b>   |
| <b>5 Depreciation, amortization and depletion</b>     | <b>(267,886)</b>           | <b>(4.6)</b>   | <b>(256,694)</b>           | <b>(3.8)</b>   | <b>(778,944)</b>    | <b>(4.3)</b>   | <b>(463,266)</b>    | <b>(3.0)</b>   |
| <b>6 Net value added produced by the Entity (4-5)</b> | <b>5,811,955</b>           | <b>99.3</b>    | <b>6,821,406</b>           | <b>99.8</b>    | <b>17,623,621</b>   | <b>99.7</b>    | <b>15,230,939</b>   | <b>99.4</b>    |
| <b>7 Value added received in</b>                      | <b>39,034</b>              | <b>0.7</b>     | <b>13,489</b>              | <b>0.2</b>     | <b>58,090</b>       | <b>0.3</b>     | <b>88,426</b>       | <b>0.6</b>     |

**transfer**

|   |                  |              |                  |              |                   |              |                   |              |
|---|------------------|--------------|------------------|--------------|-------------------|--------------|-------------------|--------------|
| Equity in earnings (losses) of unconsolidated companies       | 39,034           | 0.7          | 13,489           | 0.2          | 58,090            | 0.3          | 88,426            | 0.6          |
| <b>8 Value added to distribute (6+7)</b>                      | <b>5,850,989</b> | <b>100.0</b> | <b>6,834,895</b> | <b>100.0</b> | <b>17,681,711</b> | <b>100.0</b> | <b>15,319,365</b> | <b>100.0</b> |
| <b>9 Value added distributed</b>                              | <b>5,850,989</b> | <b>100.0</b> | <b>6,834,895</b> | <b>100.0</b> | <b>17,681,711</b> | <b>100.0</b> | <b>15,319,365</b> | <b>100.0</b> |
| <b>9.1) Personnel</b>   | <b>1,861,378</b> | <b>31.8</b>  | <b>1,661,957</b> | <b>24.1</b>  | <b>5,137,679</b>  | <b>28.7</b>  | <b>4,776,195</b>  | <b>31.2</b>  |
| Cash dividends  | 976,950          | 16.7         | 960,368          | 14.1         | 2,885,597         | 16.3         | 2,710,194         | 17.7         |
| Benefits  | 446,874          | 7.6          | 356,082          | 5.2          | 1,166,359         | 6.6          | 1,042,233         | 6.8          |
| FGTS (Government Severance Indemnity Fund for Employees)      | 91,126           | 1.6          | 91,686           | 1.3          | 264,897           | 1.5          | 258,965           | 1.7          |
| Other charges   | 346,428          | 5.9          | 253,821          | 3.5          | 820,826           | 4.3          | 764,803           | 5.0          |
| <b>9.2) Taxes, fees and contributions</b>                     | <b>2,032,597</b> | <b>34.8</b>  | <b>2,726,866</b> | <b>39.9</b>  | <b>6,277,205</b>  | <b>35.5</b>  | <b>3,914,817</b>  | <b>25.6</b>  |
| Federal   | 1,938,242        | 33.1         | 2,630,149        | 38.5         | 5,992,311         | 33.9         | 3,630,590         | 23.7         |
| State   | 4,267            | 0.1          | 1,967            | 0.0          | 7,302             | -            | 7,995             | 0.1          |
| Municipal   | 90,088           | 1.5          | 94,750           | 1.4          | 277,592           | 1.6          | 276,232           | 1.8          |
| <b>9.3) Third-party capital compensation</b>                  | <b>140,364</b>   | <b>2.4</b>   | <b>144,065</b>   | <b>2.3</b>   | <b>419,616</b>    | <b>2.3</b>   | <b>595,883</b>    | <b>3.9</b>   |
| Rentals   | 135,826          | 2.3          | 141,581          | 2.1          | 410,854           | 2.3          | 346,206           | 2.3          |
| Asset leasing   | 86,602           | 1.5          | 107,083          | 1.6          | 301,741           | 1.7          | 249,677           | 1.6          |
| Asset leasing - Law 11,638/07                                 | (82,064)         | (1.4)        | (104,599)        | (1.4)        | (292,979)         | (1.7)        | -                 | -            |
| <b>9.4) Shareholders' equity compensation</b>                 | <b>1,816,650</b> | <b>31.0</b>  | <b>2,302,007</b> | <b>33.7</b>  | <b>5,847,211</b>  | <b>33.5</b>  | <b>6,032,470</b>  | <b>39.3</b>  |
| Interest on shareholders equity                               | 487,484          | 8.3          | 597,136          | 8.7          | 1,607,770         | 9.1          | 1,452,201         | 9.5          |
| Dividends   | 127,815          | 2.2          | 127,807          | 1.9          | 379,554           | 2.1          | 619,708           | 4.0          |
| Retained earnings   | 1,195,690        | 20.4         | 1,572,397        | 23.0         | 3,844,017         | 21.7         | 3,943,242         | 25.7         |
| Interest of non-controlling shareholders in retained earnings | 5,661            | 0.1          | 4,667            | 0.1          | 15,870            | 0.6          | 17,319            | 0.1          |

The Notes are an integral part of the Financial Statements.

**Consolidated Cash Flow** R\$ thousand

|  |                            | 2009                    |                   | 2008                |
|--|----------------------------|-------------------------|-------------------|---------------------|
|  | 3 <sup>rd</sup><br>quarter | 2 <sup>nd</sup> quarter | September         | September           |
| <b>Cash flow from operating activities:</b>  |                            |                         |                   |                     |
| <b>Net Income before income tax and social contribution</b>  | <b>2,887,498</b>           | <b>4,060,388</b>        | <b>9,360,497</b>  | <b>7,605,631</b>    |
| <b>Adjustments to net income before taxes</b>  | <b>5,305,322</b>           | <b>5,476,139</b>        | <b>16,260,730</b> | <b>10,273,232</b>   |
| Allowance for loan losses  | 2,883,456                  | 4,404,235               | 10,207,295        | 5,325,079           |
| Depreciation and amortization  | 398,006                    | 350,398                 | 1,136,212         | 817,681             |
| Goodwill amortization  | 24,578                     | 24,578                  | 73,732            | 61,223              |
| Losses from assets devaluation   | (26,121)                   | (944)                   | (29,771)          | 2,270               |
| Expenses with civil, labor and tax provisions  | 1,052,158                  | 1,170,201               | 2,936,011         | 1,647,438           |
| Expenses with restatement and interest from technical provisions for insurance, private pension plans and certificated savings plans | 1,245,780                  | 1,337,445               | 3,956,827         | 3,081,537           |
| Equity in the earnings (losses) of unconsolidated companies  | (39,034)                   | (13,489)                | (58,090)          | (88,426)            |
| (Gain)/loss in the sale of investments   | (456,516)                  | (1,988,677)             | (2,474,692)       | (478,509)           |
| (Gain)/loss in the sale of fixed assets  | 16,003                     | 595                     | 13,535            | (5,030)             |
| (Gain)/loss in the sale of foreclosed assets   | 103,045                    | 49,648                  | 199,262           | 88,420              |
| Other  | 103,967                    | 142,149                 | 300,409           | (178,451)           |
| <b>Adjusted net income</b>   | <b>8,192,820</b>           | <b>9,536,527</b>        | <b>25,621,227</b> | <b>17,878,863</b>   |
| (Increase)/decrease in interbank investments   | (5,495,735)                | 2,780,315               | (1,520,198)       | 8,631,123           |
| (Increase) in securities and derivative financial instruments  | (290,788)                  | (5,973,618)             | (4,298,855)       | (11,971,867)        |
| (Increase)/decrease in interbank and interdepartmental accounts  | 288,634                    | (804,982)               | (1,498,480)       | (612,455)           |
| (Increase) in loan and leasing operations  | (5,303,117)                | (1,025,935)             | (8,506,905)       | (33,351,394)        |
| (Increase)/decrease in insurance premiums receivable   | (95,106)                   | 113                     | (792,319)         | (112,594)           |
| Increase in technical provisions for insurance, private pension plans and certificated savings plans                                 | 1,326,393                  | 864,858                 | 2,856,805         | 1,280,409           |
| Increase/(decrease) in deferred income   | 24,945                     | (652)                   | 23,717            | 37,931              |
| (Increase)/decrease in other receivables and other assets  | 7,034,878                  | 13,054,743              | 10,379,869        | (7,839,663)         |
| Increase/(decrease) in other liabilities   | (1,860,507)                | (13,444,094)            | (3,853,905)       | 4,285,286           |
| Interests of minority shareholders   | (368)                      | 12,850                  | 22,451            | 454,283             |
| Income tax and social contribution paid  | (1,356,809)                | (643,228)               | (3,166,582)       | (2,458,635)         |
| <b>Net cash provided by/used in operating activities</b>   | <b>2,465,240</b>           | <b>4,356,897</b>        | <b>15,266,825</b> | <b>(23,778,713)</b> |
| <b>Cash flow from investing activities:</b>  |                            |                         |                   |                     |
| (Increase) in reserve requirements in the Brazilian Central Bank   | (1,033,416)                | (507,790)               | (3,072,410)       | (2,002,315)         |
| (Increase)/decrease in available-for-sale securities   | (975,119)                  | (7,679,079)             | (9,705,233)       | 4,920,945           |
| (Increase) in held-to-maturity securities  | (784,105)                  | (936,528)               | (1,653,528)       | (10,828,014)        |
| Proceeds from sale of foreclosed assets  | 64,231                     | 95,795                  | 223,218           | 242,368             |
| Divestments  | 519,757                    | 2,059,773               | 2,735,937         | 572,448             |



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|  |                    |                    |                     |                    |
|--|--------------------|--------------------|---------------------|--------------------|
| Proceeds from the sale of premises and equipment and leased assets                     | 64,520             | 5,092              | 134,591             | 108,561            |
| Decrease in intangible assets  | 25,282             | 7,295              | 40,641              | 5,165              |
| Acquisition of foreclosed assets   | (303,983)          | (236,897)          | (794,235)           | (588,025)          |
| Acquisition of investments   | (13,619)           | (31,167)           | (224,610)           | (326,153)          |
| Acquisition of premises and equipment and leased assets                                | (264,028)          | (249,750)          | (825,236)           | (661,931)          |
| Investment in intangible assets  | (327,101)          | (459,957)          | (1,250,403)         | (989,046)          |
| Dividends and interest on shareholders' equity received                                | 1,771              | 51,584             | 54,979              | 49,980             |
| <b>Net cash provided by/used in investing activities</b>                               | <b>(3,025,810)</b> | <b>(7,881,629)</b> | <b>(14,336,289)</b> | <b>(9,496,017)</b> |
| <b>Cash Flow from financing activities:</b>  |                    |                    |                     |                    |
| Increase/(decrease) in deposits  | 475,593            | (1,591,206)        | 3,494,168           | 40,846,273         |
| Increase in federal funds purchased and securities sold under agreements to repurchase | 2,893,896          | 8,050,583          | 22,626,527          | 13,830,133         |
| Increase/(decrease) in funds from issue of securities                                  | (583,353)          | (1,585,533)        | (1,900,837)         | 54,475             |
| Increase/(decrease) in borrowings and onlendings                                       | (2,056,539)        | (1,339,144)        | (4,922,607)         | 8,570,191          |
| Increase in subordinated debts   | 2,474,821          | 660,924            | 3,632,111           | 1,693,579          |
| Capital increase in cash and goodwill from share subscription                          | -                  | -                  | -                   | 1,206,874          |
| Dividends and interest on shareholders equity paid                                     | (629,543)          | (127,807)          | (2,721,045)         | (2,787,105)        |
| Acquisition of own shares  | (89,770)           | -                  | (90,097)            | (3,750)            |
| <b>Net cash provided by/used in financing activities</b>                               | <b>2,485,105</b>   | <b>4,067,817</b>   | <b>20,118,220</b>   | <b>63,410,670</b>  |
| <b>Increase in cash and cash equivalents</b>   | <b>1,924,535</b>   | <b>543,085</b>     | <b>21,048,756</b>   | <b>30,135,940</b>  |
| <b>Increase/net decrease in cash and cash equivalents:</b>                             |                    |                    |                     |                    |
| At the beginning of the period   | 83,255,593         | 82,712,508         | 64,131,372          | 31,067,339         |
| At the end of the period   | 85,180,128         | 83,255,593         | 85,180,128          | 61,203,279         |
| <b>Net increase in cash and cash equivalents</b>                                       | <b>1,924,535</b>   | <b>543,085</b>     | <b>21,048,756</b>   | <b>30,135,940</b>  |

The Notes are an integral part of the Financial Statements

*Notes to the Consolidated Financial Statements Index*

We present below the Notes to the Consolidated Financial Statements of Banco Bradesco S.A. subdivided as follows:

- 1) OPERATIONS
- 2) PRESENTATION OF THE FINANCIAL STATEMENTS
- 3) SIGNIFICANT ACCOUNTING PRACTICES
- 4) INFORMATION FOR COMPARISON PURPOSES
- 5) ADJUSTED BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT
- 6) CASH AND CASH EQUIVALENTS
- 7) INTERBANK INVESTMENTS
- 8) SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS
- 9) INTERBANK ACCOUNTS RESTRICTED DEPOSITS
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DEPOSITS, FEDERAL FUNDS PURCHASED AND SECURITIES SOLD UNDER AGREEMENTS  
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*Notes to the Consolidated Financial Statements*

**1) OPERATIONS**

Banco Bradesco S.A. (Bradesco) is a private-sector publicly-held company that, operating as a Multiple Service Bank, carries out all types of authorized banking activities through its commercial, foreign exchange, consumer financing and housing loan portfolios. The Bank also operates in a number of other activities through its direct and indirect subsidiaries, particularly in leasing, investment banking, brokerage companies, consortium management, credit cards, insurance, private pension plans and certificated savings plans. Operations are conducted within the context of the Bradesco Organization companies, working in an integrated manner in the market.

**2) PRESENTATION OF THE FINANCIAL STATEMENTS**

The consolidated financial statements of Bradesco include the financial statements of Banco Bradesco, its foreign branches and its direct and indirect subsidiaries and jointly-controlled investments, in Brazil and abroad, and SPEs. They were prepared based on accounting practices determined by the Brazilian Corporation Law 6,404/76, amendments introduced by Law 11,638/07 and Provisional Measure 449/08 (which became Law 11,941/09) related to the accounting of operations, as well as the rules and instructions of the Monetary National Council (CMN), Brazilian Central Bank (Bacen), Brazilian Securities and Exchange Commission (CVM), National Private Insurance Council (CNSP), Insurance Superintendence (Susep), National Agency for Supplementary Healthcare (ANS) and Committee for Accounting Pronouncement (CPC), when applicable, and consider the financial statements of leasing companies based on the finance lease method, whereby leased fixed assets are reclassified to the leasing operations account, less the residual value paid in advance.

Accordingly, for preparation purposes, intercompany investments, asset and liability account balances, revenue, expenses and unrealized profit were eliminated from these financial statements, as well as presenting separately the portions of the net income and the shareholders' equity referring to the interest of non-controlling shareholders. In the case of investments which are jointly controlled with other shareholders, asset, liability and income components were included in the consolidated financial statements in proportion to the capital stock percentage of each investee. Goodwill determined in financing acquisition in subsidiaries and jointly-controlled investments was fully amortized up to March 31, 2008 (Note 15a). The exchange variation arising from transactions of foreign branches and subsidiaries is presented in the income accounts with derivative financial instruments, in order to eliminate the effect of these investments' hedge instruments.

The financial statements include estimates and assumptions, such as the calculation of the allowance for loan losses, estimates of the fair value of certain financial instruments, provision for contingencies, losses from impairment of non-financial assets, other provisions, the calculation of technical provisions for insurance, supplementary pension plans and certificated savings plans and the determination of the useful life of specific assets. Actual results could differ from those estimates and assumptions.

Pursuant to Circular Letter/CVM/SNC/SEP 02/09, the financial statements for the period ended September 30, 2008 do not comprise adjustments of the new accounting practices implemented due to Law 11,638/07, Provisional Measure 449/08 (which became Law 11,941/09), and Pronouncements issued by CPC. The effects in Bradesco's Result and Shareholders' Equity, according to the new accounting practices, would be the following:

|   | On September 30, 2008 - R\$<br>thousand |                        |
|---|---|------------------------|
|   | Net Income                              | Shareholders<br>Equity |
| <b>Amounts from the period previously disclosed</b> | <b>6,015,151</b>                        | <b>34,167,826</b>      |
| Leasing operations Bradesco as lessee               | (71,395)                                | (221,727)              |
| Tax effect  | 24,274                                  | 75,387                 |
| <b>Amounts adjusted to the new accounting rules</b> | <b>5,968,030</b>                        | <b>34,021,486</b>      |

We present below the main direct and indirect ownerships included in the Consolidated Financial Statements:

| Activity  | Total ownership       |         |                      |         |
|---|-----------------------|---------|----------------------|---------|
|   | 2009<br>September 30  | June 30 | 2008<br>September 30 |         |
| <b>Financial Area - local</b>   |                       |         |                      |         |
| Alvorada Cartões, Crédito, Financiamento e Investimento S.A.                      | Banking               | 100.00% | 100.00%              | 100.00% |
| Banco Alvorada S.A. <sup>(1)</sup>  | Banking               | 99.94%  | 99.94%               | 99.88%  |
| Banco Finasa BMC S.A.   | Banking               | 100.00% | 100.00%              | 100.00% |
| Banco Bankpar S.A.  | Banking               | 100.00% | 100.00%              | 100.00% |
| Banco Bradesco BBI S.A. <sup>(4)</sup>  | Investment bank       | 98.33%  | 98.33%               | 92.22%  |
| Banco Boavista Interatlântico S.A.  | Banking               | 100.00% | 100.00%              | 100.00% |
| Bankpar Arrendamento Mercantil S.A.   | Leasing               | 100.00% | 100.00%              | 100.00% |
| Banco Bradesco Cartões S.A.   | Banking               | 100.00% | 100.00%              | 100.00% |
| Bradesco Administradora de Consórcios Ltda.                                       | Consortium management | 100.00% | 100.00%              | 100.00% |
| Bradesco Leasing S.A. Arrendamento Mercantil                                      | Leasing               | 100.00% | 100.00%              | 100.00% |
| Bradesco S.A. Corretora de Títulos e Valores Mobiliários                          | Brokerage             | 100.00% | 100.00%              | 100.00% |
| BRAM - Bradesco Asset Management S.A. DTVM  | Asset management      | 100.00% | 100.00%              | 100.00% |
| Ágora Corretora de Títulos e Valores Mobiliários S.A.                             | Brokerage             | 100.00% | 100.00%              | 100.00% |
| Companhia Brasileira de Meios de Pagamento Visanet <sup>(2) (5) (6) (7) (8)</sup> | Service provision     | 26.56%  | 28.76%               | 39.26%  |
| <b>Financial Area - abroad</b>  |                       |         |                      |         |
| Banco Bradesco Argentina S.A.   | Banking               | 99.99%  | 99.99%               | 99.99%  |
| Banco Bradesco Luxembourg S.A.  | Banking               | 100.00% | 100.00%              | 100.00% |
| Banco Bradesco S.A. Grand Cayman Branch <sup>(9)</sup>                            | Banking               | 100.00% | 100.00%              | 100.00% |
| Banco Bradesco New York Branch  | Banking               | 100.00% | 100.00%              | 100.00% |

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|   |           |         |         |         |
|---|-----------|---------|---------|---------|
| Banco BMC S.A. Grand Cayman Branch <sup>(3)</sup> | Banking   | -       | -       | 100.00% |
| Banco Bradesco S.A. Nassau Branch                 | Banking   | 100.00% | 100.00% | 100.00% |
| Bradesco Securities, Inc.                         | Brokerage | 100.00% | 100.00% | 100.00% |
| Bradesco Securities, Uk.                          | Brokerage | 100.00% | 100.00% | 100.00% |

**Insurance, Private Pension Plans and  
Certificated Savings Plans Area**

|                                       |                                    |         |         |         |
|---------------------------------------|------------------------------------|---------|---------|---------|
| Atlântica Capitalização S.A.          | Certificated<br>savings plans      | 100.00% | 100.00% | 100.00% |
| Bradesco Argentina de Seguros S.A.    | Insurance                          | 99.90%  | 99.90%  | 99.90%  |
| Bradesco Auto/RE Companhia de Seguros | Insurance                          | 100.00% | 100.00% | 100.00% |
| Bradesco Capitalização S.A.           | Certificated<br>savings plans      | 100.00% | 100.00% | 100.00% |
| Bradesco Saúde S.A.                   | Insurance/health                   | 100.00% | 100.00% | 100.00% |
| Bradesco Dental S.A.                  | Insurance/dental<br>health         | 100.00% | 100.00% | 100.00% |
| Bradesco Seguros S.A.                 | Insurance                          | 100.00% | 100.00% | 100.00% |
| Bradesco Vida e Previdência S.A.      | Private pension<br>plans/insurance | 100.00% | 100.00% | 100.00% |
| Atlântica Companhia de Seguros        | Insurance                          | 100.00% | 100.00% | 100.00% |

|  | Activity               | Total ownership |         |              |
|--|------------------------|-----------------|---------|--------------|
|  |                        | 2009            |         | 2008         |
|  |                        | September 30    | June 30 | September 30 |
| <b>Other activities</b>                          |                        |                 |         |              |
| Átria Participações Ltda.                        | Holding                | 100.00%         | 100.00% | 100.00%      |
| Andorra Holdings S.A.                            | Holding                | 54.01%          | 54.01%  | 54.01%       |
| Bradescor Corretora de Seguros Ltda.             | Insurance brokerage    | 100.00%         | 100.00% | 100.00%      |
| Bradesplan Participações Ltda.                   | Holding                | 100.00%         | 100.00% | 100.00%      |
| Cia. Securitizadora de Créditos Financeiros Rubi | Credit acquisition     | 100.00%         | 100.00% | 100.00%      |
| CPM Holdings Limited <sup>(6)</sup>              | Holding                | 49.00%          | 49.00%  | 49.00%       |
| Columbus Holdings S.A.                           | Holding                | 100.00%         | 100.00% | 100.00%      |
| Nova Paiol Participações Ltda.                   | Holding                | 100.00%         | 100.00% | 100.00%      |
| Scopus Tecnologia Ltda.                          | Information technology | 100.00%         | 100.00% | 100.00%      |
| Tempo Serviços Ltda.                             | Service provision      | 100.00%         | 100.00% | 100.00%      |
| União Participações Ltda.                        | Holding                | 100.00%         | 100.00% | 100.00%      |

- (1) Increase in interest by the total subscription of capital increase in April 2009;
- (2) Company whose audit (review) services in 2008 were carried out by other independent auditors;
- (3) Branch incorporated by Banco Bradesco S.A. Grand Cayman Branch in March 2009;
- (4) Increase in ownership interest for acquisition of shares in November and December 2008;
- (5) Companies whose audit (review) services in 2009 were carried out by other independent auditors;
- (6) Companies proportionally consolidated, pursuant to CMN Resolution 2,723/00 and CVM Rule 247/96;
- (7) Reduction in interest by partial sale pursuant to the Secondary Public Offering of Shares held on June 2009. In July 2009, supplementary lot of shares was sold;
- (8) The special purpose entity called Brazilian Merchant Voucher Receivables Limited is being consolidated. The company takes part in the securitization operation of the future flow of credit card bills receivables of clients domiciled abroad (Note 16d); and
- (9) The special purpose entity called International Diversified Payment Rights Company is being consolidated. The company takes part in the securitization operation of future flow of payment orders received from overseas (Note 16d).

### 3) SIGNIFICANT ACCOUNTING POLICIES

#### a) Functional and Presentation Currencies

The financial statements are presented in Reais, which is Bradesco's functional currency.

Operations in foreign branches and subsidiaries are basically a continuation of the activities in Brazil, therefore, assets, liabilities and results are adjusted to comply with the accounting practices adopted in Brazil and translated into Reais according to the relevant currency's exchange rate. Gains and losses arising from this translation are registered in the income for the period.

**b) Determination of income**

The income is determined on the accrual basis of accounting that establishes that income and expenses should be included in the determination of the results of the period in which they take place, always simultaneously when they are correlated, regardless of receipt or payment. Transactions with prefixed rates are recorded at their redemption value and deferred income and expenses are recorded as a discount to the corresponding assets and liabilities. Financial income and expenses are prorated daily and calculated based on the exponential method, except when relating to discounted notes or to cross-border transactions which are calculated based on the straight-line method.

Post-fixed or foreign-currency-indexed transactions are adjusted to the balance sheet date.

The insurance, coinsurance and commission premiums, net of premiums assigned in coinsurance, reinsurance and corresponding commissions are appropriated to the income by effectiveness of the corresponding insurance policies and invoices and are deferred for appropriation on a straight-line basis over the terms of the insurance policies, during the risk coverage period, by means of recording and reversal of unearned premiums reserve and deferred selling expenses. The accepted coinsurance and retrocession operations are recorded based on the information received from other companies and reinsurance companies, respectively.

The supplementary pension plans contributions and life insurance premiums covering survival are recognized in income when effectively received.

The revenue from certificated savings plans is recognized at the time it is effectively received, except for pre-printed securities of established amount and lump-sum payment, which are registered upon their issue. The expenses for placement of bonds, classified as Selling Expenses, are recorded as they are incurred. Brokerage expenses are recorded when the respective certificated savings plans contributions are effectively received. Redemptions and drawings are recorded simultaneously to the accounting of the corresponding revenues.

The expenses for technical provisions for private pension plans and certificated savings plans are recorded at the same time as the corresponding revenues thereof are recognized.

**c) Cash and cash equivalents**

Cash and Cash Equivalents are represented by: availability of domestic and foreign currency funds and investments in gold, open markets and interest-earning deposits in other banks, whose maturity on the effective application date was 90 days or less and present an insignificant risk of fair value change, which will be used by the Bank to manage its short-term commitments.

**d) Interbank investments**

Purchase and sale commitments subject to unrestricted movement agreements are adjusted to market value. Other investments are recorded at acquisition cost, including income earned up to the balance sheet date, net of loss accrual, when applicable.

**e) Securities**

Trading securities securities acquired for the purpose of being actively and frequently traded, adjusted to market value as a counter-entry to income for the period;

Available-for-sale securities securities which are not specifically intended for trading purposes or as held to maturity. They are adjusted to market value as a counter-entry to a specific account in shareholders' equity, at amounts net of tax effects; and

Held-to-maturity securities securities for which there is intention and financial capacity to hold in the portfolio up to maturity. They are recorded at acquisition cost, plus income earned, as a counter-entry to income for the period.

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

**f) Derivative financial instruments (assets and liabilities)**



These are classified based on Management's intended use thereof on the date of the contracting of the operation and whether it was carried out for hedging purposes or not.

Operations involving derivative financial instruments are destined to meet its own needs in order to manage the Bank's global exposure, as well as for meeting its clients' requests, for the management of their positions. Valuations or devaluations are recorded in income or expenses accounts of the respective financial instruments.

Derivative financial instruments used to mitigate risks deriving from exposure to variations in financial assets and liabilities market value are considered hedge and are classified according their nature in:

Market risk hedge: financial instruments classified in this category as well as their hedge-related financial assets and liabilities have their gains and losses, realized or not, recorded in income account; and

Cash flow hedge: for financial instruments classified in this category, the effective valuation or devaluation portion is recorded, net from tax effects, in a specific account in the shareholders' equity. Non-effective portion of the respective hedge is directly recognized in an income account.

**g) Loan and leasing operations, advances on foreign exchange contracts, other receivables with characteristics of loan assignment and allowance for loan losses.**

Loan and leasing operations, advances on foreign exchange contracts and other receivables with characteristics of loan assignment are classified at their corresponding risk levels in compliance with: (i) the parameters established by CMN Resolution 2,682/99, at nine levels from AA (minimum risk) to H (maximum risk); and (ii) Management's risk level assessment. This assessment, which is carried out on a periodic basis, considers current economic conditions and past loan loss experience, as well as specific and general risks relating to operations, borrowers and guarantors. Moreover, the length of the delay in payment defined in CMN Resolution 2,682/99 is also taken into account for client risk rating purposes as follows:

| Past-due period (1)  | Client rating |
|----------------------|---------------|
| from 15 to 30 days   | B             |
| from 31 to 60 days   | C             |
| from 61 to 90 days   | D             |
| from 91 to 120 days  | E             |
| from 121 to 150 days | F             |
| from 151 to 180 days | G             |
| more than 180 days   | H             |

(1) For operations falling due for over 36 months, the terms are doubled, as allowed by CMN Resolution 2,682/99.

The accrual of these operations past due up to 59 days is recorded in revenues and subsequent to the 60<sup>th</sup> day, in unearned income.

Past-due operations rated at H level remain at this level for six months, subsequent to which they are written-off against the existing allowance and controlled in memorandum accounts for at least five years, no longer being recorded in equity accounts.

Renegotiated operations are maintained, at least, with a classification equal to their prior rating. Renegotiations already written-off against the allowance and which are recorded in memorandum accounts are rated as H level and the possible revenues derived from their renegotiation are recognized as revenue only when they are effectively received.

When there is a significant amortization of the operation or when new material facts justify the risk level change, the operation may be reclassified to a lower risk category.

The allowance for loan losses is calculated in an amount sufficient to cover probable losses and takes into consideration CMN and Bacen rules and instructions, connected to assessments carried out by the Management, in the credit risk determination.

#### **h) Income tax and social contribution (assets and liabilities)**

Tax credits on income tax and social contribution on net income, calculated on tax losses, negative basis of social contribution and temporary additions are recorded in Other Receivables - Sundry and the provision for deferred tax liabilities on depreciation excess and market value adjustments of securities is recorded in Other Liabilities Tax and Social Security Activities, and for depreciation excess only income tax rate is applied.

Tax credits on temporary additions will be realized upon use and/or reversal of the corresponding provisions on which they were recorded. Tax credits on tax losses and negative basis of social contribution will be realized as taxable income is generated, considering the 30% limit of the taxable profit of the reference period. Such tax credits are recorded based on the current expectations for realization, taking into account the technical studies and analyses carried out by the Management.

The provision for income tax is recorded at the base rate of 15% of taxable income, plus a 10% surcharge. As of May 1, 2008, social contribution on income is calculated at a 15% rate for financial institutions and insurance companies and at 9% for other companies (up to April 30, 2008, this rate was 9% for all companies and for fiscal year 2008 it was calculated pursuant to the specific rules issued by the tax authorities).



Tax credits from previous periods, resulting from the increase of the social contribution rate to 15% are recorded up to the limit of the corresponding consolidated tax liabilities (Note 34).

Provisions were recorded for other income and social contribution taxes in accordance with specific applicable legislation.

Pursuant to Provisional Measure 449/08 (which became Law 11,941/09), the changes in the determination criteria for income, cost and expenses used in the assessment of net income for the year, enacted by Law 11,638/07 and by Articles 37 and 38 of Law 11,941/09, shall not have effect on the assessment of taxable income for corporate entities opting for the Transitional Tax Regime (RTT), but, for tax purposes, the accounting methods and criteria in force on December 31, 2007 shall be considered. For accounting purposes, the tax effects of adopting the Law 11,638/07 are recorded in corresponding deferred assets and liabilities.

#### **i) Prepaid expenses**

These record investments in prepayments, whose rights of benefits or service provision will take place in future periods; therefore, they are recorded in assets considering the accrual method of accounting.

Prepaid expenses correspond to service rights to be received or for the future use of financial assets or funds from third parties.

This group is basically represented by: insurance selling expenses, insurance expenses and advertising expenses, as described in note 12b.

Thus, based on the accrual method of accounting and the confrontation between income and expense, incurred costs related to underlying assets which will generate income in subsequent periods are recorded in prepaid expenses. These assets are appropriated to the income in accordance with terms and amounts of benefits which are expected and directly written-off in the income when underlying assets and rights are no longer part of the institution's assets or the expected future benefits cannot be realized (impairment).

#### **j) Investments**

The investments in subsidiaries, jointly-controlled companies and affiliated companies, with significant influence or interest of 20% or more in the voting capital, are evaluated by the equity accounting method.

Fiscal incentives and other investments are assessed at acquisition cost, net of the provision for impairment losses, when applicable.

#### **k) Fixed assets**

These correspond to the rights related to corporeal assets destined to the maintenance of activities or performed with this purpose, including those deriving from operations transferring risks, benefits and controls of the entities' assets.

Fixed assets are stated at acquisition cost, net of respective accumulated depreciations, calculated by the straight-line method according to the estimated useful-economic life of assets, of which: premises 4% p.a.; furniture and fixtures, machinery and equipment 10% p.a.; transport systems 20% p.a.; and data processing systems 20% to 50% p.a.

#### **l) Intangible assets**

Intangible assets are the rights acquired related to non corporeal assets destined for the entity's maintenance or exercised with that purpose. Intangible assets with established useful live are amortized within an estimated economic benefit period.

Intangible assets are comprised of:

Future profitability of client portfolio acquired and acquisition of the right to provide banking services;

These are recorded and amortized in the period in which the asset shall directly and indirectly contribute to the future cash flow; and

Software

Software is recorded at cost less amortization by the straight-line method during the estimated useful life (20% to 50% p.a.), as from the date it is available for use. Internal software development expenses are recognized as assets when it is possible to demonstrate the intention and ability to complete such development, as well as safely measuring costs directly attributable to the software, which will be amortized during its estimated useful life, considering future economic benefits generated.

#### **m) Impairment of non-financial assets**

The book value of non-financial assets, except other assets and tax credits, are tested, at least annually, for impairment, which is recognized in the income for the year if the accounting value of an asset or its cash-generating unit exceeds its recoverable value.

A cash generating unit is the smallest identifiable group of assets that generates cash flows materially independent from other assets and groups.

#### **n) Deposits and federal funds purchased and securities sold under agreements to repurchase**

These are recorded at the amount of the liabilities and include, when applicable, related charges up to the balance sheet date, on a daily *pro rata* basis.

#### **o) Technical provisions related to insurance, private pension plans and certificated savings plans activities**

Technical provisions are calculated according to actuarial technical notes approved by Susep and ANS, and criteria set forth by CNSP Resolutions 162/06, 181/07, 195/08 and 204/09.

Insurance of basic, life and health lines:

- Unearned Premiums Provision (PPNG) comprises retained premiums (except reinsurance assignment) which are deferred during the term of effectiveness of the insurance agreements, determining the *pro rata* day value of the unearned premium of the period of the risk to accrue (future risk of policies in effect). When this provision's insufficiency is ascertained by means of actuarial calculation, the Provision of Premium Insufficiency (IPI) will be recorded;



- The provision of Incurred but not reported (IBNR) claims is calculated on an actuarial basis to quantify the amount of claims occurred and not reported by policyholders/beneficiaries. Pursuant to CNSP Resolution 195/2008, as of 2009, insurance companies are not to deduct from calculation of provisions the amounts transferred to third parties through reinsurance operations;
- The provision of unsettled claims is recorded based on the indemnities payment estimates pursuant to notices of claims received from those policyholders until the balance sheet date. The provision is monetarily restated and includes all claims under litigation. In the case of health insurance, according to the technical note approved by ANS, the provision of unsettled claims complements the provisions of IBNR claims;
- Supplementary Premium Provision (PCP) is recorded on a monthly basis to complement PPNG, considering the effective risks issued or not. The value of the PCP is the difference, if positive, between the average of the sum of the PPNG values daily verified and the recorded PPNG;
- Other technical provisions refer to provision to face differences of future readjustments of premiums and those required for the technical balance of the individual health plan portfolio, adopting a formulation included in the actuarial technical note approved by ANS;
- The provision of benefits to be granted, of individual health plan portfolio, refers to a 5-year coverage for dependents in case the policyholder is deceased, adopting a formulation included in the actuarial technical note approved by ANS; and
- The provision of benefits granted, of individual health plan portfolio, is comprised by liabilities arising from payment release contractual clauses referring to the health plan coverage, and its accounting complies with Resolution - RN 75/2004 of ANS, and by premiums for the payment release of Bradesco Saúde policyholders - Plano GBS .

Supplementary private pension plans and life insurance covering survival:

- The mathematical provision of benefits to be granted refers to participants whose benefits have not started yet. The mathematical provision of benefits granted refers to participants already using the benefits. Mathematical provisions related to private pension plans known as traditional represent the difference between the current value of the future benefits and the current value of the future contributions, corresponding to the obligations assumed under the form of retirement, disability, pension and savings funds plans. They are calculated according to the methodology and premises set forth in the actuarial technical notes. The provisions linked to Long-term Life Insurance (VGBL) covering survival and to Unrestricted Benefits Generating private pension Plans (PGBL) represent the amount of the contributions made by the participants, net of loadings and other contractual charges, plus financial earnings generated by the investment of resources in Exclusive Investment Funds (FIE);

- The contribution insufficiency provision is recorded to complement the mathematical provisions of benefits granted and to be granted, should they not be sufficient to guarantee future commitments. The provision is calculated on an actuarial basis and takes into consideration the actuarial table AT-2000 (soften), increased by 1.5% (improvement), considering males apart from females, who have higher life expectancy, and the actual interest rate of 4.3% p.a. (except for Insufficient Contribution Provision (PIC) and Administrative Expenses Provision (PDA), whose actual interest rate is 4.0% p.a.);

- The financial fluctuation provision is recorded up to the limit of 15% of the mathematical provision of benefits to be granted related to the private pension plans in the category of variable contribution with guarantee of earnings to meet possible financial fluctuations; and

- The administrative expenses provision is recorded to cover administrative expenses of the defined benefit and variable contribution plans. It is calculated in conformity with the methodology set forth in the actuarial technical note.

Certificated savings plans:

- The mathematical provision for redemptions is recorded for each active or suspended certificated savings plan during the estimated term set forth in the general conditions of the plan. It is calculated according to the methodology set forth in the actuarial technical notes approved by Susep;

- The provisions for redemptions are established by the values of the expired certificated savings plans and also by the values of the certificated savings plans which have not expired but whose early redemption has been required by the clients. The provisions are monetarily restated based on the indexes estimated in each plan; and

- The provisions for unrealized and payable drawing are recorded to meet premiums arising from future drawing (unrealized) and also for premiums arising from drawing in which clients were already selected (payable).

**p) Contingent assets and liabilities and legal liabilities tax and social security**

The recognition, measuring and disclosure of assets and liabilities contingencies and legal liabilities are made according to the criteria defined in CMN Resolution 3,535/08 and CVM Resolution 489/05.

Contingent Assets: are not recognized on an accounting basis, except when Management has total control of the situation or when there are real guarantees or favorable judicial decisions, to which no further appeals are applicable, characterizing the gain as practically certain and by the confirmed recovery capacity by its receipt or compensation with other liability. The contingent assets whose chances of success is probable are disclosed in the notes to the financial statements (Note 18a);

Contingent Liabilities: are recorded taking into consideration the opinion of the legal advisors, the nature of the lawsuits, the similarity with previous processes, the complexity and positioning of courts, whenever the loss is evaluated as probable, which would cause a probable outflow of funds for the settlement of liabilities and when the amounts involved are measurable with sufficient assurance. The contingent liabilities classified as possible losses are not recognized on an accounting basis, and they must only be disclosed in the notes, when individually material, and those classified as remote do not require provision nor disclosure (notes 18b and 18c); and



Legal Liabilities Tax and Social Security: result from judicial proceedings related to tax liabilities, whose purpose of contestation is their legality or constitutionality, which, regardless of the evaluation about the probability of success, have their amounts fully recognized in the financial statements (note 18b).

#### q) Funding expenses

On funding transactions upon issue of securities, related expenses are recorded as write-down to liabilities and allocated to income according to the term of the transaction.

#### r) Other assets and liabilities

The assets are stated at their realizable amounts, including, when applicable, related income and monetary and exchange variations (on a daily *pro rata* basis), and provision for loss, when deemed appropriate. The liabilities include known or measurable amounts, plus related charges and monetary and exchange variations (on a daily *pro rata* basis).

### 4) INFORMATION FOR COMPARISON PURPOSES

#### Reclassifications

For a better comparison of the financial statements, reclassifications were carried out in the balances for the period ended September 30, 2008, to comply with the accounting procedures/classifications adopted in 2009.

#### Balance Sheet

|  | Previous disclosure | Reclassifications  | Reclassified balance | R\$ thousand |
|--|---------------------|--------------------|----------------------|--------------|
| <b>Assets</b>  |                     |                    |                      |              |
| <b>Current</b>   | <b>319,213,713</b>  | <b>491,329</b>     | <b>318,722,384</b>   |              |
| <b>Other receivables and assets</b>                              | <b>1,906,859</b>    | <b>491,329</b>     | <b>1,415,530</b>     |              |
| Prepaid expenses (1)   | 1,578,497           | 491,329            | 1,087,168            |              |
| <b>Long-term assets</b>  | <b>98,571,556</b>   | <b>1,132,376</b>   | <b>97,439,180</b>    |              |
| <b>Other receivables and assets</b>                              | <b>1,584,328</b>    | <b>1,132,376</b>   | <b>451,952</b>       |              |
| Prepaid expenses (1)   | 1,583,156           | 1,132,376          | 450,780              |              |
| <b>Permanent assets</b>  | <b>4,920,445</b>    | <b>(1,579,911)</b> | <b>6,500,356</b>     |              |
| <b>Premises and equipment</b>                                    | <b>2,506,700</b>    | <b>208,283</b>     | <b>2,298,417</b>     |              |
| Other premises and equipment (1)                                 | 4,768,236           | 563,693            | 4,204,543            |              |
| Accumulated depreciation (1)                                     | (3,307,500)         | (355,410)          | (2,952,090)          |              |
| <b>Deferred assets (1)</b>                                       | <b>1,580,817</b>    | <b>1,580,817</b>   | <b>-</b>             |              |
| Organization and expansion expenses                              | 2,098,660           | 2,098,660          | -                    |              |
| Accumulated amortization   | (1,204,312)         | (1,204,312)        | -                    |              |
| Goodwill in the acquisition of subsidiaries, net of amortization | 686,469             | 686,469            | -                    |              |
| <b>Intangible assets (1)</b>                                     | <b>-</b>            | <b>(3,369,011)</b> | <b>3,369,011</b>     |              |
| Intangible assets  | -                   | (5,681,705)        | 5,681,705            |              |
| Accumulated amortization   | -                   | 2,312,694          | (2,312,694)          |              |
| <b>Total</b>   | <b>422,705,714</b>  | <b>43,794</b>      | <b>422,661,920</b>   |              |



|  | R\$ thousand        |                   |                      |
|--|---------------------|-------------------|----------------------|
|  | Previous disclosure | Reclassifications | Reclassified balance |
| <b>Liabilities</b>                       |                     |                   |                      |
| <b>Current liabilities</b>               | <b>240,695,736</b>  | <b>43,794</b>     | <b>240,651,942</b>   |
| <b>Funds from issuance of securities</b> | <b>1,818,067</b>    | <b>15,635</b>     | <b>1,802,432</b>     |
| Securities issued abroad (1)             | 200,846             | 15,635            | 185,211              |
| <b>Loans</b>                             | <b>13,309,754</b>   | <b>1,730</b>      | <b>13,308,024</b>    |
| Loans abroad (1)                         | 13,309,259          | 1,730             | 13,307,529           |
| <b>Other liabilities</b>                 | <b>26,737,498</b>   | <b>26,429</b>     | <b>26,711,069</b>    |
| Subordinated debts (1) (2)               | 399,703             | (159,453)         | 559,156              |
| Sundry (2)                               | 12,779,144          | 185,882           | 12,593,262           |
| <b>Long-term liabilities</b>             | <b>146,988,060</b>  | <b>-</b>          | <b>146,988,060</b>   |
| <b>Other liabilities</b>                 | <b>28,029,081</b>   | <b>-</b>          | <b>28,029,081</b>    |
| Subordinated debts (2)                   | 17,144,340          | (18,318)          | 17,162,658           |
| Sundry (2)                               | 2,501,495           | 18,318            | 2,483,177            |
| <b>Total</b>                             | <b>422,705,714</b>  | <b>43,794</b>     | <b>422,661,920</b>   |

### Statement of Income

|  | R\$ thousand        |                   |                      |
|--|---------------------|-------------------|----------------------|
|  | Previous disclosure | Reclassifications | Reclassified balance |
| <b>Other operating revenues/expenses</b> | <b>(5,740,645)</b>  | <b>-</b>          | <b>(5,740,645)</b>   |
| Fee and Commission Income (3)            | 8,397,371           | 258,697           | 8,138,674            |
| Other Revenues from Fees and Commissions | 7,714,911           | 1,098,951         | 6,615,960            |
| Income from Bank Fees                    | 682,460             | (840,254)         | 1,522,714            |
| Personnel Expenses (4)                   | (5,276,483)         | 180,644           | (5,457,127)          |
| Other Administrative Expenses (3) (4)    | (5,894,189)         | 79,011            | (5,973,200)          |
| Tax Expenses (4)                         | (1,643,631)         | 17,093            | (1,660,724)          |
| Other Operating Expenses (3) (4)         | (4,268,442)         | (535,445)         | (3,732,997)          |
| <b>Net Income</b>                        | <b>6,015,151</b>    | <b>-</b>          | <b>6,015,151</b>     |

- (1) Account reclassifications to adapt to the new accounting rules set forth by Law 11,638/07, CPC, CVM and CMN;
- (2) Reclassification of Other Liabilities – Sundry to Subordinated Debts related to CDB issue;
- (3) Reclassification of Fee and Commission Income and Other Administrative Expenses to Other Operating Expenses, related to interbank fees, which now is named Reimbursement of Operating Costs; and
- (4) Reclassification of Other Operating Expenses to Personnel Expenses, Other Administrative Expenses and Tax Expenses, related to the breakdown of products sale cost from non-financial companies.



## 5) ADJUSTED BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT

## a) Balance sheet

|   | R\$ thousand       |                   |                            |               |                            |                          |                    |
|---|--------------------|-------------------|----------------------------|---------------|----------------------------|--------------------------|--------------------|
|   | Financial (1) (2)  |                   | Insurance group (2)<br>(3) |               | Other<br>activities<br>(2) | Amount eliminated<br>(4) | Total consolidated |
|   | Brazil             | Abroad            | Brazil                     | Abroad        |                            |                          |                    |
| <b>Assets</b>                                   |                    |                   |                            |               |                            |                          |                    |
| <b>Current and long-term assets</b>             | <b>371,606,375</b> | <b>27,665,191</b> | <b>85,992,189</b>          | <b>16,584</b> | <b>740,007</b>             | <b>(8,562,546)</b>       | <b>477,457,800</b> |
| Funds available                                 | 6,642,444          | 1,876,444         | 124,231                    | 9,644         | 8,487                      | (90,147)                 | 8,571,103          |
| Interbank investments                           | 95,953,525         | 1,533,798         | -                          | -             | -                          | -                        | 97,487,323         |
| Securities and derivative financial instruments | 61,645,517         | 6,713,706         | 79,736,219                 | 4,664         | 330,754                    | (706,541)                | 147,724,319        |
| Interbank and interdepartmental accounts        | 17,292,216         | 425,664           | -                          | -             | -                          | -                        | 17,717,880         |
| Loan and leasing operations                     | 138,943,129        | 16,612,289        | -                          | -             | -                          | (6,249,337)              | 149,306,081        |
| Other receivables and other assets              | 51,129,544         | 503,290           | 6,131,739                  | 2,276         | 400,766                    | (1,516,521)              | 56,651,094         |
| <b>Permanent assets</b>                         | <b>28,357,219</b>  | <b>497,773</b>    | <b>1,597,513</b>           | <b>20</b>     | <b>139,374</b>             | <b>(22,364,009)</b>      | <b>8,227,890</b>   |
| Investments                                     | 21,984,562         | 490,452           | 920,993                    | -             | 72,143                     | (22,364,009)             | 1,104,141          |
| Premises and equipment and leased assets        | 2,958,380          | 7,227             | 249,524                    | 20            | 56,941                     | -                        | 3,272,092          |
| Intangible assets                               | 3,414,277          | 94                | 426,996                    | -             | 10,290                     | -                        | 3,851,657          |
| <b>Total on September 30, 2009</b>              | <b>399,963,594</b> | <b>28,162,964</b> | <b>87,589,702</b>          | <b>16,604</b> | <b>879,381</b>             | <b>(30,926,555)</b>      | <b>485,685,690</b> |
| <b>Total on June 30, 2009</b>                   | <b>400,287,790</b> | <b>29,451,160</b> | <b>83,928,652</b>          | <b>20,718</b> | <b>816,670</b>             | <b>(32,027,383)</b>      | <b>482,477,607</b> |
| <b>Total on September 30, 2008</b>              | <b>345,496,248</b> | <b>27,772,149</b> | <b>77,612,669</b>          | <b>26,829</b> | <b>1,009,440</b>           | <b>(29,255,415)</b>      | <b>422,661,920</b> |
| <b>Liabilities</b>                              |                    |                   |                            |               |                            |                          |                    |
| <b>Current and long-term liabilities</b>        | <b>360,458,101</b> | <b>17,067,941</b> | <b>76,744,870</b>          | <b>8,414</b>  | <b>434,380</b>             | <b>(8,562,546)</b>       | <b>446,151,160</b> |
| Deposits  | 162,271,486        | 5,818,769         | -                          | -             | -                          | (102,734)                | 167,987,521        |
|   | 102,479,222        | 124,458           | -                          | -             | -                          | -                        | 102,603,680        |

|   |                    |                   |                   |               |                  |                     |                    |  |
|---|--------------------|-------------------|-------------------|---------------|------------------|---------------------|--------------------|--|
| Federal funds purchased and securities sold under agreements to repurchase                |                    |                   |                   |               |                  |                     |                    |  |
| Funds from issuance of securities   | 3,942,270          | 4,057,422         | -                 | -             | -                | (888,858)           | 7,110,834          |  |
| Interbank and interdepartmental accounts  | 2,252,603          | 4,064             | -                 | -             | -                | -                   | 2,256,667          |  |
| Borrowing and onlending   | 30,434,335         | 2,636,373         | 8,241             | -             | -                | (6,054,433)         | 27,024,516         |  |
| Derivative financial instruments  | 1,580,439          | 88,257            | -                 | -             | -                | -                   | 1,668,696          |  |
| Technical provisions from insurance, private pension plans and certificated savings plans | -                  | -                 | 71,398,650        | 2,114         | -                | -                   | 71,400,764         |  |
| Other liabilities:  |                    |                   |                   |               |                  |                     |                    |  |
| - Subordinated debts  | 18,989,377         | 3,891,300         | -                 | -             | -                | -                   | 22,880,677         |  |
| - Other   | 38,508,369         | 447,298           | 5,337,979         | 6,300         | 434,380          | (1,516,521)         | 43,217,805         |  |
| <b>Deferred income</b>  | <b>297,223</b>     | <b>-</b>          | <b>-</b>          | <b>-</b>      | <b>-</b>         | <b>-</b>            | <b>297,223</b>     |  |
| <b>Shareholders equity/minority interest in subsidiaries</b>                              | <b>330,783</b>     | <b>11,095,023</b> | <b>10,844,832</b> | <b>8,190</b>  | <b>445,001</b>   | <b>(22,364,009)</b> | <b>359,820</b>     |  |
| <b>Shareholders equity - parent company</b>   | <b>38,877,487</b>  | <b>-</b>          | <b>-</b>          | <b>-</b>      | <b>-</b>         | <b>-</b>            | <b>38,877,487</b>  |  |
| <b>Total on September 30, 2009</b>  | <b>399,963,594</b> | <b>28,162,964</b> | <b>87,589,702</b> | <b>16,604</b> | <b>879,381</b>   | <b>(30,926,555)</b> | <b>485,685,690</b> |  |
| <b>Total on June 30, 2009</b>   | <b>400,287,790</b> | <b>29,451,160</b> | <b>83,928,652</b> | <b>20,718</b> | <b>816,670</b>   | <b>(32,027,383)</b> | <b>482,477,607</b> |  |
| <b>Total on September 30, 2008</b>  | <b>345,496,248</b> | <b>27,772,149</b> | <b>77,612,669</b> | <b>26,829</b> | <b>1,009,440</b> | <b>(29,255,415)</b> | <b>422,661,920</b> |  |

## b) Statement of income

|   | R\$ thousand      |                 |                         |                |                      |                       |                    |
|---|-------------------|-----------------|-------------------------|----------------|----------------------|-----------------------|--------------------|
|   | Financial (1) (2) |                 | Insurance group (2) (3) |                | Other activities (2) | Amount eliminated (4) | Total consolidated |
|   | Brazil            | Abroad          | Brazil                  | Abroad         |                      |                       |                    |
| Revenues from financial intermediation              | 40,673,525        | 1,186,074       | 6,041,148               | 1,431          | 20,949               | (89,064)              | 47,834,063         |
| Expenses from financial intermediation              | 28,207,543        | 753,090         | 3,956,729               | -              | -                    | (89,573)              | 32,827,789         |
| <b>Gross income from financial intermediation</b>   | <b>12,465,982</b> | <b>432,984</b>  | <b>2,084,419</b>        | <b>1,431</b>   | <b>20,949</b>        | <b>509</b>            | <b>15,006,274</b>  |
| Other operating income/expenses                     | (8,739,153)       | (121,397)       | 857,880                 | 1,339          | 102,773              | (509)                 | (7,899,067)        |
| <b>Operating income</b>                             | <b>3,726,829</b>  | <b>311,587</b>  | <b>2,942,299</b>        | <b>2,770</b>   | <b>123,722</b>       | <b>-</b>              | <b>7,107,207</b>   |
| Non-operating income                                | 1,837,927         | 370,678         | 66,694                  | 3              | (22,012)             | -                     | 2,253,290          |
| <b>Income before tax on profit and interest</b>     | <b>5,564,756</b>  | <b>682,265</b>  | <b>3,008,993</b>        | <b>2,773</b>   | <b>101,710</b>       | <b>-</b>              | <b>9,360,497</b>   |
| Income tax and social contribution                  | (2,363,942)       | (2,499)         | (1,113,331)             | (1,347)        | (32,167)             | -                     | (3,513,286)        |
| Minority interest in subsidiaries                   | (13,413)          | -               | (1,878)                 | -              | (579)                | -                     | (15,870)           |
| <b>Accumulated net income on September 30, 2009</b> | <b>3,187,401</b>  | <b>679,766</b>  | <b>1,893,784</b>        | <b>1,426</b>   | <b>68,964</b>        | <b>-</b>              | <b>5,831,341</b>   |
| <b>Accumulated net income on September 30, 2008</b> | <b>3,712,885</b>  | <b>144,993</b>  | <b>2,096,399</b>        | <b>1,917</b>   | <b>58,957</b>        | <b>-</b>              | <b>6,015,151</b>   |
| <b>Net income for 3Q09</b>                          | <b>1,245,309</b>  | <b>(61,694)</b> | <b>608,904</b>          | <b>(1,975)</b> | <b>20,445</b>        | <b>-</b>              | <b>1,810,989</b>   |
| <b>Net income for 2Q09</b>                          | <b>1,302,736</b>  | <b>317,775</b>  | <b>638,103</b>          | <b>627</b>     | <b>38,099</b>        | <b>-</b>              | <b>2,297,340</b>   |

(1) The Financial segment comprises: financial institutions; holding companies (which are mainly responsible for managing financial resources); as well as credit card and asset management companies;

(2) The balances of equity accounts, income and expenses among companies from the same segment are being

eliminated;

(3) The Insurance Group segment comprises insurance, private pension plans and certificated savings plans companies; and

(4) Amounts eliminated among companies from different segments, as well as operations carried out in Brazil and abroad.

## 6) CASH AND CASH EQUIVALENTS

|  | R\$ thousand      |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 2009              |                   | 2008              |
|  | September 30      | June 30           | September 30      |
| Funds available in domestic currency   | 6,455,160         | 6,946,778         | 4,893,885         |
| Funds available in foreign currency    | 2,115,883         | 2,054,447         | 2,365,630         |
| Investments in gold                    | 60                | 62                | 57                |
| <b>Total funds available (cash)</b>    | <b>8,571,103</b>  | <b>9,001,287</b>  | <b>7,259,572</b>  |
| Short-term interbank investments (1)   | 76,609,025        | 74,254,306        | 53,943,707        |
| <b>Total cash and cash equivalents</b> | <b>85,180,128</b> | <b>83,255,593</b> | <b>61,203,279</b> |

(1) Refers to operations whose maturity on the effective application date is 90 days or less and present insignificant risk of change in fair value.



## 7) INTERBANK INVESTMENTS

## a) Breakdown and terms

|  | 2009              |                   |                  |                    |                   | 2008              |                   | R\$ thousand |
|--|-------------------|-------------------|------------------|--------------------|-------------------|-------------------|-------------------|--------------|
|  | 1 to 30 days      | 31 to 180 days    | 181 to 360 days  | More than 360 days | September 30      | June 30           | September 30      |              |
| <b>Investments in the open market:</b>           |                   |                   |                  |                    |                   |                   |                   |              |
| <b>Own portfolio position</b>                    | <b>8,571,798</b>  | <b>12,754,670</b> | <b>40,645</b>    | <b>-</b>           | <b>21,367,113</b> | <b>11,741,209</b> | <b>4,956,381</b>  |              |
| Financial treasury bills                         | 3,923,045         | -                 | -                | -                  | 3,923,045         | 3,133,770         | 180,331           |              |
| National treasury notes                          | 4,493,621         | 6,946,031         | 40,645           | -                  | 11,480,297        | 6,001,698         | 3,514,295         |              |
| National treasury bills                          | 91,179            | 5,788,669         | -                | -                  | 5,879,848         | 2,575,395         | 1,074,099         |              |
| Other  | 63,953            | 19,970            | -                | -                  | 83,923            | 30,346            | 187,656           |              |
| <b>Funded status</b>                             | <b>66,368,579</b> | <b>-</b>          | <b>-</b>         | <b>-</b>           | <b>66,368,579</b> | <b>68,228,962</b> | <b>45,689,258</b> |              |
| Financial treasury bills                         | 23,155,621        | -                 | -                | -                  | 23,155,621        | 31,364,540        | 7,762,361         |              |
| National treasury notes                          | 31,830,038        | -                 | -                | -                  | 31,830,038        | 22,103,002        | 8,102,667         |              |
| National treasury bills                          | 11,382,920        | -                 | -                | -                  | 11,382,920        | 14,761,420        | 29,824,230        |              |
| <b>Short position</b>                            | <b>-</b>          | <b>539,301</b>    | <b>-</b>         | <b>-</b>           | <b>539,301</b>    | <b>1,505,476</b>  | <b>2,054,125</b>  |              |
| National treasury bills                          | -                 | 539,301           | -                | -                  | 539,301           | 1,505,476         | 2,054,125         |              |
| <b>Subtotal</b>                                  | <b>74,940,377</b> | <b>13,293,971</b> | <b>40,645</b>    | <b>-</b>           | <b>88,274,993</b> | <b>81,475,647</b> | <b>52,699,764</b> |              |
| <b>Interest-earning deposits in other banks:</b> |                   |                   |                  |                    |                   |                   |                   |              |
| Interest-earning deposits in other banks         | 3,040,369         | 3,182,116         | 2,036,264        | 954,017            | 9,212,766         | 8,161,657         | 4,664,361         |              |
| Provisions for losses                            | -                 | -                 | (436)            | -                  | (436)             | (893)             | (13,438)          |              |
| <b>Subtotal</b>                                  | <b>3,040,369</b>  | <b>3,182,116</b>  | <b>2,035,828</b> | <b>954,017</b>     | <b>9,212,330</b>  | <b>8,160,764</b>  | <b>4,650,923</b>  |              |
| <b>Total on September 30, 2009</b>               | <b>77,980,746</b> | <b>16,476,087</b> | <b>2,076,473</b> | <b>954,017</b>     | <b>97,487,323</b> |                   |                   |              |
| <b>%</b>   | <b>80.0</b>       | <b>16.9</b>       | <b>2.1</b>       | <b>1.0</b>         | <b>100.0</b>      |                   |                   |              |
| <b>Total on June 30, 2009</b>                    | <b>78,641,889</b> | <b>10,215,869</b> | <b>4,386</b>     | <b>774,267</b>     |                   | <b>89,636,411</b> |                   |              |
| <b>%</b>   | <b>87.7</b>       | <b>11.4</b>       | <b>0.0</b>       | <b>0.9</b>         |                   | <b>100.0</b>      |                   |              |
| <b>Total on September 30, 2008</b>               | <b>48,553,240</b> | <b>6,963,463</b>  | <b>1,086,836</b> | <b>747,148</b>     |                   |                   | <b>57,350,687</b> |              |

% 84.7 12.1 1.9 1.3 100.0

**b) Income from interbank investments**

Classified in the statement of income as income on securities transactions

|  | R\$ thousand     |                            |                     |                     |
|--|------------------|----------------------------|---------------------|---------------------|
|  | 2009             |                            | 2008                |                     |
|  | 3<br>rd quarter  | 2 <sup>nd</sup><br>quarter | September<br>30 YTD | September<br>30 YTD |
| <b>Income from investments in purchase and sale commitments:</b> |                  |                            |                     |                     |
| Own portfolio position   | 398,249          | 465,651                    | 1,549,564           | 720,072             |
| Funded status  | 1,429,115        | 1,476,757                  | 4,377,685           | 3,388,182           |
| Short position   | 39,749           | 150,262                    | 339,820             | 391,009             |
| Unrestricted securities  | -                | -                          | -                   | 12,672              |
| <b>Subtotal</b>  | <b>1,867,113</b> | <b>2,092,670</b>           | <b>6,267,069</b>    | <b>4,511,935</b>    |
| <b>Income from interest-earning deposits in other banks</b>      | <b>159,348</b>   | <b>86,634</b>              | <b>524,065</b>      | <b>565,177</b>      |
| <b>Total (Note 8h)</b>   | <b>2,026,461</b> | <b>2,179,304</b>           | <b>6,791,134</b>    | <b>5,077,112</b>    |

**8) SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS**

Find below the information related to securities and derivative financial instruments:

**a) Summary of the consolidated classification of securities by business segment and issuer**

|  | 2009                    |                       |                          |                  |                    |              |                    |              |
|--|-------------------------|-----------------------|--------------------------|------------------|--------------------|--------------|--------------------|--------------|
|  | Insurance/<br>Financial | Certificated<br>plans | Private<br>pension plans | Other activities | September<br>30    | %            | June 30            | %            |
| <b>Trading securities</b>              | <b>45,144,465</b>       | <b>2,014,210</b>      | <b>29,916,630</b>        | <b>327,840</b>   | <b>77,403,145</b>  | <b>62.2</b>  | <b>79,312,495</b>  | <b>63.9</b>  |
| - Government securities                | 27,030,903              | 765,150               | 225,722                  | 276,012          | 28,297,787         | 22.7         | 31,809,254         | 25.6         |
| - Corporate bonds                      | 15,613,294              | 1,249,060             | 233,198                  | 51,828           | 17,147,380         | 13.8         | 17,490,982         | 14.1         |
| - Derivative financial instruments (1) | 2,500,268               | -                     | -                        | -                | 2,500,268          | 2.0          | 3,188,115          | 2.6          |
| - PGBL / VGBL restricted bonds         | -                       | -                     | 29,457,710               | -                | 29,457,710         | 23.7         | 26,824,144         | 21.6         |
| <b>Available-for-sale securities</b>   | <b>17,781,093</b>       | <b>1,971,412</b>      | <b>1,614,805</b>         | <b>1,215</b>     | <b>21,368,525</b>  | <b>17.1</b>  | <b>19,898,604</b>  | <b>16.0</b>  |
| - Government securities                | 12,056,560              | 395,369               | 311,463                  | -                | 12,763,392         | 10.2         | 10,458,927         | 8.4          |
| - Corporate bonds                      | 5,724,533               | 1,576,043             | 1,303,342                | 1,215            | 8,605,133          | 6.9          | 9,439,677          | 7.6          |
| <b>Held-to-maturity securities</b>     | <b>875,878</b>          | <b>7,385,646</b>      | <b>17,412,911</b>        | <b>-</b>         | <b>25,674,435</b>  | <b>20.7</b>  | <b>24,890,330</b>  | <b>20.1</b>  |
| - Government securities                | 875,878                 | 7,385,646             | 16,726,506               | -                | 24,988,030         | 20.1         | 24,266,467         | 19.6         |
| - Corporate bonds                      | -                       | -                     | 686,405                  | -                | 686,405            | 0.6          | 623,863            | 0.5          |
| <b>Subtotal</b>                        | <b>63,801,436</b>       | <b>11,371,268</b>     | <b>48,944,346</b>        | <b>329,055</b>   | <b>124,446,105</b> | <b>100.0</b> | <b>124,101,429</b> | <b>100.0</b> |
| Purchase and sale commitments (2)      | 3,864,376               | 3,787,383             | 15,626,455               | -                | 23,278,214         |              | 22,008,579         |              |
| <b>Overall total</b>                   | <b>67,665,812</b>       | <b>15,158,651</b>     | <b>64,570,801</b>        | <b>329,055</b>   | <b>147,724,319</b> |              | <b>146,110,008</b> |              |
| - Government securities                | 39,963,341              | 8,546,165             | 17,263,691               | 276,012          | 66,049,209         | 53.1         | 66,534,648         | 53.6         |
| - Corporate bonds                      | 23,838,095              | 2,825,103             | 2,222,945                | 53,043           | 28,939,186         | 23.3         | 30,742,637         | 24.8         |
| - PGBL / VGBL restricted bonds         | -                       | -                     | 29,457,710               | -                | 29,457,710         | 23.6         | 26,824,144         | 21.6         |
| <b>Subtotal</b>                        | <b>63,801,436</b>       | <b>11,371,268</b>     | <b>48,944,346</b>        | <b>329,055</b>   | <b>124,446,105</b> | <b>100.0</b> | <b>124,101,429</b> | <b>100.0</b> |
| Purchase and sale commitments (2)      | 3,864,376               | 3,787,383             | 15,626,455               | -                | 23,278,214         |              | 22,008,579         |              |
| <b>Overall total</b>                   | <b>67,665,812</b>       | <b>15,158,651</b>     | <b>64,570,801</b>        | <b>329,055</b>   | <b>147,724,319</b> |              | <b>146,110,008</b> |              |



## b) Breakdown of consolidated portfolio by issuer

| Securities (3)                       | 2009             |                  |                  |                    |                              |                     |                |                          |                   |
|--------------------------------------|------------------|------------------|------------------|--------------------|------------------------------|---------------------|----------------|--------------------------|-------------------|
|                                      | September 30     |                  |                  |                    |                              |                     |                |                          |                   |
|                                      | 1 to 30 days     | 31 to 180 days   | 181 to 360 days  | More than 360 days | Market/ book value (5)(6)(7) | Restated cost value | Mark-to-market | Market/ book value(5)(7) |                   |
| <b>Government securities</b>         | <b>5,742,458</b> | <b>4,076,132</b> | <b>1,595,264</b> | <b>54,635,355</b>  | <b>66,049,209</b>            | <b>65,371,673</b>   |                | <b>677,536</b>           | <b>66,534,137</b> |
| Financial treasury bills             | 79,924           | 1,432,710        | 428,866          | 10,768,966         | 12,710,466                   | 12,717,021          |                | (6,555)                  | 12,174,411        |
| National treasury bills              | 1,797,754        | 766,692          | 58,408           | 2,457,168          | 5,080,022                    | 5,085,078           |                | (5,056)                  | 4,032,016         |
| National treasury notes              | 2,633,315        | 1,557,235        | 1,103,199        | 38,383,780         | 43,677,529                   | 43,425,960          |                | 251,569                  | 45,959,518        |
| Brazilian foreign debt notes         | 2                | -                | -                | 2,782,403          | 2,782,405                    | 2,360,755           |                | 421,650                  | 2,981,055         |
| Privatization currencies             | -                | -                | -                | 95,275             | 95,275                       | 80,423              |                | 14,852                   | 99,127            |
| Foreign government securities        | 1,229,463        | 319,495          | 2,049            | 140,358            | 1,691,365                    | 1,690,440           |                | 925                      | 1,275,830         |
| Other                                | 2,000            | -                | 2,742            | 7,405              | 12,147                       | 11,996              |                | 151                      | 12,096            |
| <b>Corporate bonds</b>               | <b>7,534,265</b> | <b>3,459,056</b> | <b>6,129,087</b> | <b>11,816,778</b>  | <b>28,939,186</b>            | <b>28,661,847</b>   |                | <b>277,339</b>           | <b>30,742,186</b> |
| Bank deposit certificates            | 369,917          | 633,830          | 62,138           | 735,226            | 1,801,111                    | 1,801,111           |                | -                        | 2,064,275         |
| Shares                               | 3,818,518        | -                | -                | -                  | 3,818,518                    | 3,825,240           |                | (6,722)                  | 3,988,014         |
| Debentures                           | 3,969            | 59,417           | 4,617,665        | 3,676,078          | 8,357,129                    | 8,218,180           |                | 138,949                  | 8,547,122         |
| Promissory notes                     | 437,207          | 2,138,313        | 1,269,589        | 118                | 3,845,227                    | 3,845,992           |                | (765)                    | 4,340,061         |
| Foreign corporate bonds              | 118,493          | 7,733            | 9,965            | 1,723,564          | 1,859,755                    | 1,776,227           |                | 83,528                   | 1,796,283         |
| Derivative financial instruments (1) | 1,149,977        | 542,847          | 90,355           | 717,089            | 2,500,268                    | 2,399,307           |                | 100,961                  | 3,188,439         |
| Other                                | 1,636,184        | 76,916           | 79,375           | 4,964,703          | 6,757,178                    | 6,795,790           |                | (38,612)                 | 6,817,566         |
| <b>PGBL / VGBL restricted</b>        | <b>3,459,867</b> | <b>1,965,932</b> | <b>9,292,465</b> | <b>14,739,446</b>  | <b>29,457,710</b>            | <b>29,457,710</b>   |                | <b>-</b>                 | <b>26,824,441</b> |

**bonds**

|                                   |                   |                   |                   |                   |                    |                    |  |                |                 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--|----------------|-----------------|
| <b>Subtotal</b>                   | <b>16,736,590</b> | <b>9,501,120</b>  | <b>17,016,816</b> | <b>81,191,579</b> | <b>124,446,105</b> | <b>123,491,230</b> |  | <b>954,875</b> | <b>124,101,</b> |
| Purchase and sale commitments (2) | 18,351,020        | 4,506,915         | 365,032           | 55,247            | 23,278,214         | 23,278,214         |  | -              | 22,008,         |
| Hedge cash flow (Note 8g)         | -                 | -                 | -                 | -                 | -                  | -                  |  | (80,784)       |                 |
| <b>Overall total</b>              | <b>35,087,610</b> | <b>14,008,035</b> | <b>17,381,848</b> | <b>81,246,826</b> | <b>147,724,319</b> | <b>146,769,444</b> |  | <b>874,091</b> | <b>146,110,</b> |

## c) Consolidated classification by category, maturity and business segment

## I) Trading securities

| Securities<br>(3)                                     | 2009             |                   |                    |                          |                                      |                        |                 |                                      |
|---|------------------|-------------------|--------------------|--------------------------|--------------------------------------|------------------------|-----------------|--------------------------------------|
|   | September 30     |                   |                    |                          |                                      |                        |                 | June 30                              |
|   | 1 to<br>30 days  | 31 to<br>180 days | 181 to<br>360 days | More<br>than 360<br>days | Market/ book<br>value (5) (6)<br>(7) | Restated cost<br>value | Mark-to- market | Market/ book<br>value (5)<br>(6) (7) |
| <b>- Financial</b>                                    | <b>7,687,272</b> | <b>6,583,058</b>  | <b>6,768,237</b>   | <b>24,105,898</b>        | <b>45,144,465</b>                    | <b>44,614,287</b>      | <b>530,178</b>  | <b>49,576,877</b>                    |
| National<br>treasury<br>bills                         | 1,797,744        | 277,132           | 33,012             | 730,400                  | 2,838,288                            | 2,838,178              | 110             | 3,107,525                            |
| Financial<br>treasury<br>bills                        | 45,042           | 1,127,808         | 179,353            | 9,494,204                | 10,846,407                           | 10,853,372             | (6,965)         | 10,281,630                           |
| Bank<br>deposit<br>certificates                       | 207,747          | 614,157           | 10,018             | 696,695                  | 1,528,617                            | 1,528,617              | -               | 1,489,358                            |
| Derivative<br>financial<br>instruments<br>(1)         | 1,149,977        | 542,847           | 90,355             | 717,089                  | 2,500,268                            | 2,399,307              | 100,961         | 3,188,115                            |
| Debentures  | 2,503            | 46                | 4,610,294          | 1,956,377                | 6,569,220                            | 6,435,585              | 133,635         | 6,527,239                            |
| Promissory<br>notes                                   | 437,207          | 2,138,091         | 1,269,412          | 118                      | 3,844,828                            | 3,845,593              | (765)           | 3,624,278                            |
| Brazilian<br>foreign debt<br>notes                    | -                | -                 | -                  | 35,853                   | 35,853                               | 32,085                 | 3,768           | 38,284                               |
| National<br>treasury<br>notes (4)                     | 2,563,752        | 1,555,463         | 565,494            | 7,057,318                | 11,742,027                           | 11,446,147             | 295,880         | 16,068,566                           |
| Foreign<br>corporate<br>securities                    | -                | 7,729             | 5,482              | 54,134                   | 67,345                               | 63,709                 | 3,636           | 89,573                               |
| Foreign<br>government<br>securities                   | 1,229,233        | 319,495           | 2,049              | 7,539                    | 1,558,316                            | 1,555,191              | 3,125           | 1,130,562                            |
| Shares (4)  | 54,131           | -                 | -                  | -                        | 54,131                               | 54,131                 | -               | 45,357                               |
| Other   | 199,936          | 290               | 2,768              | 3,356,171                | 3,559,165                            | 3,562,372              | (3,207)         | 3,986,390                            |
| <b>- Insurance<br/>companies<br/>and certificated</b> | <b>1,143,184</b> | <b>184,634</b>    | <b>203,985</b>     | <b>482,407</b>           | <b>2,014,210</b>                     | <b>2,014,210</b>       | <b>-</b>        | <b>2,168,282</b>                     |

**savings  
plans**

|              |           |         |         |         |           |           |   |         |  |
|--------------|-----------|---------|---------|---------|-----------|-----------|---|---------|--|
| Financial    |           |         |         |         |           |           |   |         |  |
| treasury     |           |         |         |         |           |           |   |         |  |
| bills        | 11,026    | 181,324 | 132,627 | 356,434 | 681,411   | 681,411   | - | 680,351 |  |
| National     |           |         |         |         |           |           |   |         |  |
| treasury     |           |         |         |         |           |           |   |         |  |
| bills        | -         | -       | 20,760  | 54,745  | 75,505    | 75,505    | - | 33,784  |  |
| Bank         |           |         |         |         |           |           |   |         |  |
| deposit      |           |         |         |         |           |           |   |         |  |
| certificates | 33,986    | 1,538   | 50,598  | 6,969   | 93,091    | 93,091    | - | 287,138 |  |
| National     |           |         |         |         |           |           |   |         |  |
| treasury     |           |         |         |         |           |           |   |         |  |
| notes        | -         | 1,772   | -       | 6,462   | 8,234     | 8,234     | - | 7,907   |  |
| Shares       | 34,651    | -       | -       | -       | 34,651    | 34,651    | - | 30,003  |  |
| Debentures   | -         | -       | -       | 4,384   | 4,384     | 4,384     | - | 4,525   |  |
| Foreign      |           |         |         |         |           |           |   |         |  |
| private      |           |         |         |         |           |           |   |         |  |
| bonds        | 47,730    | -       | -       | -       | 47,730    | 47,730    | - | 49,740  |  |
| Promissory   |           |         |         |         |           |           |   |         |  |
| notes        | -         | -       | -       | -       | -         | -         | - | 105,369 |  |
| Other        | 1,015,791 | -       | -       | 53,413  | 1,069,204 | 1,069,204 | - | 969,465 |  |



| Securities (3)   | 2009               |                   |                   |                          |                                      |                        |                |
|--|--------------------|-------------------|-------------------|--------------------------|--------------------------------------|------------------------|----------------|
|  | September 30       |                   |                   |                          |                                      |                        |                |
|  | 1 to<br>30 days    | 31 to<br>180 days | 181 to<br>360days | More<br>than 360<br>days | Market/ book<br>value (5) (6)<br>(7) | Restated cost<br>value | Mark-to- marke |
| <b>- Private pension plans</b>                             | <b>3,689,785</b>   | <b>1,966,436</b>  | <b>9,305,862</b>  | <b>14,954,547</b>        | <b>29,916,630</b>                    | <b>29,916,423</b>      | <b>20</b>      |
| Financial treasury bills                                   | -                  | 504               | 13,397            | 186,141                  | 200,042                              | 200,042                |                |
| National treasury notes                                    | -                  | -                 | -                 | 16,565                   | 16,565                               | 16,358                 | 20             |
| Bank deposit certificates                                  | 3,085              | -                 | -                 | -                        | 3,085                                | 3,085                  |                |
| National treasury bills                                    | -                  | -                 | -                 | 9,115                    | 9,115                                | 9,115                  |                |
| Shares   | 2,507              | -                 | -                 | -                        | 2,507                                | 2,507                  |                |
| Debentures   | -                  | -                 | -                 | -                        | -                                    | -                      |                |
| PGBL / VGBL restricted<br>bonds                            | 3,459,867          | 1,965,932         | 9,292,465         | 14,739,446               | 29,457,710                           | 29,457,710             |                |
| Other  | 224,326            | -                 | -                 | 3,280                    | 227,606                              | 227,606                |                |
| <b>- Other activities</b>                                  | <b>114,828</b>     | <b>6,008</b>      | <b>25,724</b>     | <b>181,280</b>           | <b>327,840</b>                       | <b>327,840</b>         |                |
| Financial treasury bills                                   | 23,856             | 4,980             | 12,551            | 144,444                  | 185,831                              | 185,831                |                |
| Bank deposit certificates                                  | 19,190             | 276               | 1,030             | 12,804                   | 33,300                               | 33,300                 |                |
| National treasury bills                                    | -                  | -                 | 4,636             | 14,615                   | 19,251                               | 19,251                 |                |
| Debentures   | 1,466              | -                 | 7,330             | 7,790                    | 16,586                               | 16,586                 |                |
| National treasury notes                                    | 69,563             | -                 | -                 | 1,367                    | 70,930                               | 70,930                 |                |
| Promissory notes   | -                  | 222               | 177               | -                        | 399                                  | 399                    |                |
| Other  | 753                | 530               | -                 | 260                      | 1,543                                | 1,543                  |                |
| <b>Subtotal</b>  | <b>12,635,069</b>  | <b>8,740,136</b>  | <b>16,303,808</b> | <b>39,724,132</b>        | <b>77,403,145</b>                    | <b>76,872,760</b>      | <b>530,38</b>  |
| <b>Purchase and sale<br/>commitments (2)</b>               | <b>18,351,020</b>  | <b>4,506,915</b>  | <b>365,032</b>    | <b>55,247</b>            | <b>23,278,214</b>                    | <b>23,278,214</b>      |                |
| - Financial  | -                  | 3,809,129         | -                 | 55,247                   | 3,864,376                            | 3,864,376              |                |
| - Insurance companies<br>and certificated savings<br>plans | 3,422,351          | -                 | 365,032           | -                        | 3,787,383                            | 3,787,383              |                |
| <b>- Private pension plans</b>                             | <b>14,928,669</b>  | <b>697,786</b>    | <b>-</b>          | <b>-</b>                 | <b>15,626,455</b>                    | <b>15,626,455</b>      |                |
| - PGBL/VGBL  | 13,250,839         | 697,786           | -                 | -                        | 13,948,625                           | 13,948,625             |                |
| - Funds  | 1,677,830          | -                 | -                 | -                        | 1,677,830                            | 1,677,830              |                |
| <b>Overall total</b>                                       | <b>30,986,089</b>  | <b>13,247,051</b> | <b>16,668,840</b> | <b>39,779,379</b>        | <b>100,681,359</b>                   | <b>100,150,974</b>     | <b>530,38</b>  |
| <b>Derivative financial<br/>instruments (liabilities)</b>  | <b>(1,272,793)</b> | <b>(132,615)</b>  | <b>(91,911)</b>   | <b>(171,377)</b>         | <b>(1,668,696)</b>                   | <b>(1,719,256)</b>     | <b>50,56</b>   |

## II) Available -for-sale securities

| Securities (3)   | 2009             |                   |                    |                          |                                      |                        |                 |                                      |
|--|------------------|-------------------|--------------------|--------------------------|--------------------------------------|------------------------|-----------------|--------------------------------------|
|  | September 30     |                   |                    |                          |                                      |                        |                 |                                      |
|  | 1 to<br>30 days  | 31 to<br>180 days | 181 to<br>360 days | More<br>than 360<br>days | Market/ book<br>value (5)<br>(6) (7) | Restated cost<br>value | Mark-to- market | Market/ book<br>value (5)<br>(6) (7) |
| <b>- Financial</b>   | <b>1,457,159</b> | <b>673,212</b>    | <b>622,306</b>     | <b>15,028,416</b>        | <b>17,781,093</b>                    | <b>17,213,838</b>      | <b>567,255</b>  | <b>15,449,063</b>                    |
| National<br>treasury bills   | 10               | 489,560           | -                  | 1,380,435                | 1,870,005                            | 1,875,631              | (5,626)         | 606,636                              |
| Brazilian<br>foreign debt<br>securities                              | 2                | -                 | -                  | 1,884,128                | 1,884,130                            | 1,466,248              | 417,882         | 1,982,078                            |
| Foreign<br>corporate<br>securities                                   | 70,763           | 4                 | 4,483              | 1,669,430                | 1,744,680                            | 1,664,788              | 79,892          | 1,656,729                            |
| National<br>treasury notes<br>(4)                                    | -                | -                 | 537,705            | 7,189,916                | 7,727,621                            | 7,772,139              | (44,518)        | 6,586,789                            |
| Financial<br>treasury bills  | -                | 30,322            | 277                | 313,746                  | 344,345                              | 344,372                | (27)            | 343,844                              |
| Bank deposit<br>certificates   | 104,831          | 17,859            | 492                | 18,758                   | 141,940                              | 141,940                | -               | 193,719                              |
| Debentures   | -                | 59,371            | -                  | 857,507                  | 916,878                              | 918,204                | (1,326)         | 1,252,358                            |
| Shares (4)   | 1,134,294        | -                 | -                  | -                        | 1,134,294                            | 987,309                | 146,985         | 944,382                              |
| Privatization<br>currencies  | -                | -                 | -                  | 95,275                   | 95,275                               | 80,423                 | 14,852          | 99,365                               |
| Foreign<br>governments<br>bonds                                      | 230              | -                 | -                  | 132,819                  | 133,049                              | 135,249                | (2,200)         | 144,693                              |
| Other  | 147,029          | 76,096            | 79,349             | 1,486,402                | 1,788,876                            | 1,827,535              | (38,659)        | 1,638,470                            |
| <b>- Insurance<br/>companies<br/>and certified<br/>savings plans</b> | <b>1,412,387</b> | <b>27,806</b>     | <b>30,559</b>      | <b>500,660</b>           | <b>1,971,412</b>                     | <b>2,039,647</b>       | <b>(68,235)</b> | <b>2,113,333</b>                     |
| Financial<br>treasury bills  | -                | 27,806            | 30,527             | 69,178                   | 127,511                              | 127,432                | 79              | 124,167                              |
| Shares   | 1,362,038        | -                 | -                  | -                        | 1,362,038                            | 1,440,857              | (78,819)        | 1,380,060                            |
| Debentures   | -                | -                 | 32                 | 163,624                  | 163,656                              | 157,016                | 6,640           | 127,653                              |
| Promissory<br>notes  | -                | -                 | -                  | -                        | -                                    | -                      | -               | 168,351                              |
| National<br>treasury bills   | -                | -                 | -                  | 267,858                  | 267,858                              | 267,398                | 460             | 261,726                              |

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|                                |                  |               |               |                |                  |                  |                 |                  |
|--------------------------------|------------------|---------------|---------------|----------------|------------------|------------------|-----------------|------------------|
| Other                          | 50,349           | -             | -             | -              | 50,349           | 46,944           | 3,405           | 51,376           |
| <b>- Private pension plans</b> | <b>1,230,760</b> | <b>59,966</b> | <b>57,868</b> | <b>266,211</b> | <b>1,614,805</b> | <b>1,689,454</b> | <b>(74,649)</b> | <b>2,335,776</b> |
| Shares                         | 1,230,760        | -             | -             | -              | 1,230,760        | 1,305,767        | (75,007)        | 1,586,214        |
| Financial treasury bills       | -                | 59,966        | 57,868        | 193,629        | 311,463          | 311,105          | 358             | 307,490          |
| Promissory notes               | -                | -             | -             | -              | -                | -                | -               | 442,072          |
| Other                          | -                | -             | -             | 72,582         | 72,582           | 72,582           | -               | -                |
| <b>- Other activities</b>      | <b>1,215</b>     | <b>-</b>      | <b>-</b>      | <b>-</b>       | <b>1,215</b>     | <b>1,096</b>     | <b>119</b>      | <b>432</b>       |

| Securities<br>(3)               | 2009             |                   |                    |                          |                                      |                        |                 |                                      |         |
|---------------------------------|------------------|-------------------|--------------------|--------------------------|--------------------------------------|------------------------|-----------------|--------------------------------------|---------|
|                                 | September 30     |                   |                    |                          |                                      | Restated cost<br>value | Mark-to- market | Market/ book<br>value (5)<br>(6) (7) | June 30 |
|                                 | 1 to<br>30 days  | 31 to<br>180 days | 181 to<br>360 days | More<br>than 360<br>days | Market/ book<br>value (5)<br>(6) (7) |                        |                 |                                      |         |
| Bank<br>deposit<br>certificates | 1,078            | -                 | -                  | -                        | 1,078                                | 1,078                  | -               | 309                                  |         |
| Shares                          | 137              | -                 | -                  | -                        | 137                                  | 18                     | 119             | 123                                  |         |
| <b>Subtotal</b>                 | <b>4,101,521</b> | <b>760,984</b>    | <b>710,733</b>     | <b>15,795,287</b>        | <b>21,368,525</b>                    | <b>20,944,035</b>      | <b>424,490</b>  | <b>19,898,604</b>                    |         |
| Hedge cash<br>flow (Note<br>8g) | -                | -                 | -                  | -                        | -                                    | -                      | (80,784)        | -                                    |         |
| <b>Overall<br/>total</b>        | <b>4,101,521</b> | <b>760,984</b>    | <b>710,733</b>     | <b>15,795,287</b>        | <b>21,368,525</b>                    | <b>20,944,035</b>      | <b>343,706</b>  | <b>19,898,604</b>                    |         |

### III) Held-to-maturity securities

| Securities (3)  | 2009            |                   |                    |                          |                                   |            | 2008            |                                   |
|---|-----------------|-------------------|--------------------|--------------------------|-----------------------------------|------------|-----------------|-----------------------------------|
|   | September 30    |                   |                    |                          |                                   | June 30    | September<br>30 |                                   |
|   | 1 to<br>30 days | 31 to<br>180 days | 181 to<br>360 days | More<br>than 360<br>days | Restated<br>cost value<br>(5) (6) |            |                 | Restated<br>cost value<br>(5) (6) |
| <b>Financial</b>  | -               | -                 | 2,266              | 873,612                  | 875,878                           | 973,821    | 939,862         |                                   |
| Brazilian foreign debt<br>notes                               | -               | -                 | -                  | 862,422                  | 862,422                           | 960,665    | 927,815         |                                   |
| Financial treasury bills                                      | -               | -                 | 2,266              | 11,190                   | 13,456                            | 13,156     | 12,047          |                                   |
| <b>Insurance companies and<br/>certificated savings plans</b> | -               | -                 | -                  | 7,385,646                | 7,385,646                         | 7,135,787  | 6,196,126       |                                   |
| Debentures  | -               | -                 | -                  | -                        | -                                 | -          | 87,268          |                                   |
| National treasury notes                                       | -               | -                 | -                  | 7,385,646                | 7,385,646                         | 7,135,787  | 6,108,858       |                                   |
| <b>Private pension plans</b>                                  | -               | -                 | 9                  | 17,412,902               | 17,412,911                        | 16,780,722 | 16,832,361      |                                   |
| Debentures  | -               | -                 | 9                  | 686,396                  | 686,405                           | 623,863    | 631,884         |                                   |
| National treasury notes                                       | -               | -                 | -                  | 16,726,506               | 16,726,506                        | 16,156,859 | 16,200,354      |                                   |

|                          |   |   |              |                   |                   |                   |                   |
|--------------------------|---|---|--------------|-------------------|-------------------|-------------------|-------------------|
| Financial treasury bills | - | - | -            | -                 | -                 | -                 | 123               |
| <b>Overall total (4)</b> | - | - | <b>2,275</b> | <b>25,672,160</b> | <b>25,674,435</b> | <b>24,890,330</b> | <b>23,968,349</b> |

## d) Breakdown of the portfolios by publication items

| Securities (3)                                   | R\$ thousand      |                   |                    |                       |  |  |  |
|--|-------------------|-------------------|--------------------|-----------------------|--|--|--|
|  | 2009              |                   |                    |                       |  | 2008                                   |  |
|  | 1 to 30<br>days   | 31 to 180<br>days | 181 to 360<br>days | More than<br>360 days | Total on<br>September<br>30<br>(3) (5) (6) (7) | Total on<br>June 30<br>(3) (5) (6) (7) | Total on<br>September<br>30<br>(3) (5) (6) (7) |
| <b>Own portfolio</b>                             | <b>33,672,241</b> | <b>11,998,362</b> | <b>16,689,315</b>  | <b>58,246,445</b>     | <b>120,606,363</b>                             | <b>114,094,211</b>                     | <b>102,011,049</b>                             |
| <b>Fixed income securities</b>                   | <b>29,853,723</b> | <b>11,998,362</b> | <b>16,689,315</b>  | <b>58,246,445</b>     | <b>116,787,845</b>                             | <b>110,106,077</b>                     | <b>97,954,844</b>                              |
| Financial treasury bills                         | 79,924            | 1,369,428         | 308,384            | 3,632,795             | 5,390,531                                      | 4,178,426                              | 5,008,388                                      |
| Purchase and sale commitments (2)                | 18,351,020        | 4,506,915         | 365,032            | 55,247                | 23,278,214                                     | 22,008,579                             | 15,690,593                                     |
| National treasury notes                          | 2,633,315         | 604,822           | 657,224            | 24,260,703            | 28,156,064                                     | 30,252,655                             | 23,209,121                                     |
| Brazilian foreign debt securities                | 2                 | -                 | -                  | 2,717,779             | 2,717,781                                      | 1,097,049                              | 2,359,474                                      |
| Bank deposit certificates                        | 369,917           | 633,830           | 62,138             | 735,226               | 1,801,111                                      | 2,064,966                              | 2,064,177                                      |
| National treasury bills                          | 1,532,362         | 315,561           | 22,687             | 1,635,069             | 3,505,679                                      | 911,382                                | 1,664,698                                      |
| Foreign corporate securities                     | 118,493           | 7,733             | 9,965              | 1,681,518             | 1,817,709                                      | 1,775,404                              | 2,803,307                                      |
| Debentures                                       | 3,969             | 59,417            | 4,617,665          | 3,676,078             | 8,357,129                                      | 8,547,271                              | 6,792,141                                      |
| Promissory notes                                 | 437,207           | 2,138,313         | 1,269,589          | 118                   | 3,845,227                                      | 4,340,354                              | -  |
| Foreign government securities                    | 1,229,463         | 319,495           | 2,049              | 140,358               | 1,691,365                                      | 1,275,255                              | 4,971,958                                      |
| PGBL/VGBL restricted bonds                       | 3,459,867         | 1,965,932         | 9,292,465          | 14,739,446            | 29,457,710                                     | 26,824,144                             | 27,490,263                                     |
| Other  | 1,638,184         | 76,916            | 82,117             | 4,972,108             | 6,769,325                                      | 6,830,592                              | 5,900,724                                      |
| Equity securities                                | 3,818,518         | -                 | -                  | -                     | 3,818,518                                      | 3,988,134                              | 4,056,205                                      |
| Shares of listed companies (technical provision) | 911,749           | -                 | -                  | -                     | 911,749  | 1,324,940                              | 706,921  |
| Shares of listed companies (other) (4)           | 2,906,769         | -                 | -                  | -                     | 2,906,769                                      | 2,663,194                              | 3,349,284                                      |
| Restricted bonds                                 | 265,392           | 1,454,701         | 602,178            | 22,251,028            | 24,573,299                                     | 28,754,120                             | 28,391,068                                     |
| Repurchase agreements                            | 37                | 2,227             | 8,104              | 1,480,890             | 1,491,258                                      | 1,214,854                              | 6,356,991                                      |
| National treasury bills                          | 37                | 561               | 7,121              | 6                     | 7,725  | 15,366                                 | 2,365,011                                      |
|  | -                 | -                 | -                  | 64,624                | 64,624   | 180,374                                | 527,944  |

|                                   |         |           |         |            |                   |                   |                   |  |
|-----------------------------------|---------|-----------|---------|------------|-------------------|-------------------|-------------------|--|
| Brazilian foreign debt securities |         |           |         |            |                   |                   |                   |  |
| Financial treasury bills          | -       | 1,666     | 983     | 1,374,214  | <b>1,376,863</b>  | <b>998,476</b>    | <b>83,870</b>     |  |
| National treasury notes           | -       | -         | -       | -          | -                 | -                 | <b>1,160,970</b>  |  |
| Foreign corporate securities      | -       | -         | -       | 42,046     | <b>42,046</b>     | <b>20,638</b>     | <b>2,023,059</b>  |  |
| Debentures                        | -       | -         | -       | -          | -                 | -                 | <b>196,137</b>    |  |
| Brazilian Central Bank            | 264,519 | 1,072,854 | 393,635 | 15,779,950 | <b>17,510,958</b> | <b>18,707,724</b> | <b>16,412,647</b> |  |
| National treasury bills           | 264,519 | 192,781   | -       | 644,062    | <b>1,101,362</b>  | <b>2,111,478</b>  | <b>7,048,085</b>  |  |
| National treasury notes           | -       | 880,073   | 393,635 | 10,914,268 | <b>12,187,976</b> | <b>11,531,972</b> | <b>8,998,551</b>  |  |

| Securities (3)  | R\$ thousand      |                   |                    |                          |  |  |  |
|---|-------------------|-------------------|--------------------|--------------------------|--|--|--|
|   | 2009              |                   |                    |                          |  | 2008                                   |  |
|   | 1 to<br>30 days   | 31 to<br>180 days | 181 to<br>360 days | More<br>than 360<br>days | Total<br>on September<br>30 (3) (5) (6)<br>(7) | Total on<br>June 30 (3)<br>(5) (6) (7) | Total<br>on September<br>30 (3) (5) (6)<br>(7) |
| Financial treasury bills  | -                 | -                 | -                  | 4,221,620                | 4,221,620                                      | 5,064,274                              | 366,011  |
| <b>Privatization currencies</b>   | -                 | -                 | -                  | 95,275                   | 95,275   | 99,365                                 | 98,803   |
| <b>Collateral provided</b>  | 836               | 379,620           | 200,439            | 4,894,913                | 5,475,808                                      | 8,732,177                              | 5,522,627                                      |
| National treasury bills   | 836               | 257,789           | 28,600             | 178,031                  | 465,256  | 970,494                                | 2,096,299                                      |
| Financial treasury bills  | -                 | 49,491            | 119,499            | 1,508,073                | 1,677,063                                      | 1,883,389                              | 645,913  |
| National treasury notes   | -                 | 72,340            | 52,340             | 3,208,809                | 3,333,489                                      | 4,174,690                              | 2,780,415                                      |
| Brazilian foreign debt securities                                       | -                 | -                 | -                  | -                        | -  | 1,703,604                              | -  |
| <b>Derivative financial instruments (1)</b>                             | 1,149,977         | 542,847           | 90,355             | 717,089                  | 2,500,268                                      | 3,188,115                              | 1,926,019                                      |
| <b>Securities purpose of unrestricted purchase and sale commitments</b> | -                 | 12,125            | -                  | 32,264                   | 44,389   | 73,562                                 | 44,325   |
| National treasury bills   | -                 | -                 | -                  | -                        | -  | 23,784                                 | 25,199   |
| Financial treasury bills  | -                 | 12,125            | -                  | 32,264                   | 44,389   | 49,778                                 | 19,126   |
| <b>Overall total</b>  | <b>35,087,610</b> | <b>14,008,035</b> | <b>17,381,848</b>  | <b>81,246,826</b>        | <b>147,724,319</b>                             | <b>146,110,008</b>                     | <b>132,372,461</b>                             |
| <b>%</b>  | <b>23.8</b>       | <b>9.4</b>        | <b>11.8</b>        | <b>55.0</b>              | <b>100.0</b>                                   | <b>100.0</b>                           | <b>100.0</b>                                   |

(1) For comparison purposes with the criterion adopted by Bacen Circular Letter 3,068/02 and due to securities characteristics, we are considering the derivative financial instruments, except the ones considered cash flow hedge under the category Trading Securities ;

(2) These refer to investment funds and managed portfolios applied in purchase and sale commitments with Bradesco, whose owners are subsidiaries, except the ones considered cash flow hedge included in the consolidated financial statements;

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

(4) In compliance with the provisions of Article 8 of Bacen Circular Letter 3,068/02, Bradesco declares that it has both the financial capacity and the intention to hold to maturity the securities classified in the held-to-maturity securities category. This financial capacity is evidenced in Note 32a, which presents the maturities of asset and



liability operations on the reference date of September 30, 2009. On December 31, 2008, R\$454,090 thousand of shares issued by Visa Inc. and R\$9,836,218 thousand of NTN were transferred from Available -for-Sale Securities to Trading Securities ; and respective amounts of R\$454,090 thousand and R\$211,085 thousand were also transferred, due to the management's intention as to their trading;

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

(6) This column reflects book value subsequent to mark-to-market according to item (7), except for held-to-maturity securities, whose market value is higher than the restated cost value in the amount of R\$3,604,723 thousand (June 30, 2009 R\$2,550,600 thousand and September 30, 2008 R\$1,383,810 thousand); and

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

**e) Derivative financial instruments**

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

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

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

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

Operations involving forward contracts of indexes and currencies are carried out to manage and hedge institution's global exposures and in operations to meet our clients' needs.

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

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

|                              | R\$ thousand      |            |                   |            |                   |                |
|------------------------------|-------------------|------------|-------------------|------------|-------------------|----------------|
|                              | 2009              |            | 2008              |            |                   |                |
|                              | September 30      |            | June 30           |            | September 30      |                |
|                              | Overall amount    | Net amount | Overall amount    | Net amount | Net amount        | Overall amount |
| <b>Future contracts</b>      |                   |            |                   |            |                   |                |
| <b>Purchase commitments:</b> |                   |            |                   |            |                   |                |
|                              | <b>20,300,706</b> |            | <b>26,535,520</b> |            | <b>8,191,781</b>  |                |
| - Interbank market           | 14,966,795        | -          | 18,105,385        | -          | 4,492,348         | -              |
| - Foreign currency           | 5,121,842         | -          | 8,430,135         | -          | 3,699,433         | -              |
| - Other                      | 212,069           | 212,069    | -                 | -          | -                 | -              |
| <b>Sale commitments:</b>     |                   |            |                   |            |                   |                |
|                              | <b>83,643,484</b> |            | <b>93,159,820</b> |            | <b>48,170,036</b> |                |
| - Interbank market (1)       | 66,115,070        | 51,148,275 | 73,386,712        | 55,281,327 | 29,231,975        | 24,739,627     |
| - Foreign currency (2)       | 17,528,414        | 12,406,572 | 19,773,108        | 11,342,973 | 18,908,134        | 15,208,701     |
| - Other                      | -                 | -          | -                 | -          | 29,927            | 29,927         |
| <b>Option contracts</b>      |                   |            |                   |            |                   |                |
| <b>Purchase commitments:</b> |                   |            |                   |            |                   |                |
|                              | <b>6,190,748</b>  |            | <b>5,246,691</b>  |            | <b>11,210,982</b> |                |
| - Interbank market           | 3,486,101         | -          | 3,745,700         | -          | 2,949,500         | -              |
| - Foreign currency           | 1,877,220         | 1,291,432  | 668,453           | 50,269     | 2,669,516         | -              |
| - Other                      | 827,427           | -          | 832,538           | -          | 5,591,966         | -              |
| <b>Sale commitments:</b>     |                   |            |                   |            |                   |                |
|                              | <b>7,739,967</b>  |            | <b>8,431,045</b>  |            | <b>14,209,585</b> |                |
| - Interbank market           | 6,079,200         | 2,593,099  | 6,598,700         | 2,853,000  | 3,797,500         | 848,000        |
|                              | 585,788           | -          | 618,184           | -          | 3,307,405         | 637,889        |

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|                                |                   |           |                   |           |                   |           |
|--------------------------------|-------------------|-----------|-------------------|-----------|-------------------|-----------|
| - Foreign currency             |                   |           |                   |           |                   |           |
| - Other                        | 1,074,979         | 247,552   | 1,214,161         | 381,623   | 7,104,680         | 1,512,714 |
| <b>Forward contracts</b>       |                   |           |                   |           |                   |           |
| <b>Purchase commitments:</b>   | <b>4,558,877</b>  |           | <b>5,527,993</b>  |           | <b>3,925,720</b>  |           |
| - Foreign currency             | 4,347,947         | -         | 4,269,773         | -         | 3,788,025         | 1,781,696 |
| - Other                        | 210,930           | -         | 1,258,220         | 746,002   | 137,695           | 71,096    |
| <b>Sale commitments:</b>       | <b>5,560,076</b>  | -         | <b>5,395,478</b>  |           | <b>2,072,928</b>  |           |
| - Foreign currency             | 4,811,137         | 463,190   | 4,883,260         | 613,487   | 2,006,329         | -         |
| - Other                        | 748,939           | 538,009   | 512,218           | -         | 66,599            | -         |
| <b>Swap contracts</b>          |                   |           |                   |           |                   |           |
| <b>Long position:</b>          | <b>15,269,952</b> |           | <b>15,629,948</b> |           | <b>38,009,328</b> |           |
| - Interbank market             | 5,550,665         | 1,669,062 | 5,792,314         | 897,827   | 9,115,285         | 904,681   |
| - Prefixed                     | 1,916,135         | 1,573,162 | 672,466           | 376,687   | 858,741           | 245,995   |
| - Foreign currency (3)         | 6,241,120         | -         | 7,034,175         | -         | 25,734,359        | -         |
| - Reference Interest Rate - TR | 867,749           | 712,555   | 1,618,507         | 1,458,975 | 839,591           | 595,819   |

|  | R\$ thousand      |            |                   |            |                   |                |
|--|-------------------|------------|-------------------|------------|-------------------|----------------|
|  | 2009              |            |                   |            | 2008              |                |
|  | September 30      |            | June 30           |            | September 30      |                |
|  | Overall amount    | Net amount | Overall amount    | Net amount | Net amount        | Overall amount |
| - Special Clearance and Custody System (Selic) | 207,293           | 113,692    | 246,726           | 148,623    | 376,583           | 317,157        |
| - General Price Index Market (IGP-M)           | 84,443            | -          | 99,630            | -          | 301,444           | -              |
| - Other (3)                                    | 402,547           | -          | 166,130           | -          | 783,325           | -              |
| <b>Short position:</b>                         | <b>14,469,958</b> |            | <b>15,075,001</b> |            | <b>37,747,303</b> |                |
| - Interbank market                             | 3,881,603         | -          | 4,894,487         | -          | 8,210,604         | -              |
| - Prefixed                                     | 342,973           | -          | 295,779           | -          | 612,746           | -              |
| - Foreign currency (3)                         | 8,934,516         | 2,693,396  | 8,632,717         | 1,598,542  | 27,167,068        | 1,432,709      |
| - TR   | 155,194           | -          | 159,532           | -          | 243,772           | -              |
| - Selic  | 93,601            | -          | 98,103            | -          | 59,426            | -              |
| - IGP-M  | 488,901           | 404,458    | 450,264           | 350,634    | 646,577           | 345,133        |
| - Other (3)                                    | 573,170           | 170,623    | 544,119           | 377,989    | 807,110           | 23,785         |

(1) It includes cash flow hedge to protect CDI-related funding in the amount of R\$59,850,104 thousand (on June 30, 2009 R\$60,632,223 thousand) (Note 8g);

(2) It includes specific hedge to protect investments abroad that totaled R\$10,645,246 thousand (June 30, 2009 R\$11,418,447 thousand and September 30, 2009 R\$11,108,089 thousand) (Note 13a); and

(3) It includes loan derivative operations (Note 8f).

Derivatives include operations maturing in D+1.

**II) Breakdown of derivative financial instruments (assets and liabilities) stated at restated cost and market value**

|                                 | R\$ thousand       |                            |                    |                    |                            |                    |                    |                            |                    |
|---------------------------------|--------------------|----------------------------|--------------------|--------------------|----------------------------|--------------------|--------------------|----------------------------|--------------------|
|                                 | 2009               |                            |                    |                    |                            |                    | 2008               |                            |                    |
|                                 | September 30       |                            |                    | June 30            |                            |                    | September 30       |                            |                    |
|                                 | Restated cost      | Adjustment to market value | Market value       | Restated cost      | Adjustment to market value | Market value       | Restated cost      | Adjustment to market value | Market value       |
| Adjustment receivables swap     | 969,656            | 121,659                    | 1,091,315          | 913,293            | 101,558                    | 1,014,851          | 999,480            | 249,542                    | 1,249,022          |
| Receivable forward purchases    | 214,202            | (65)                       | 214,137            | 1,305,286          | (15)                       | 1,305,271          | 415,003            | 107                        | 415,110            |
| Receivable forward sales        | 1,094,887          | (244)                      | 1,094,643          | 803,901            | 17                         | 803,918            | 43,573             | 112                        | 43,685             |
| Premiums on exercisable options | 120,562            | (20,389)                   | 100,173            | 86,079             | (22,004)                   | 64,075             | 157,815            | 60,387                     | 218,202            |
| <b>Total assets</b>             | <b>2,399,307</b>   | <b>100,961</b>             | <b>2,500,268</b>   | <b>3,108,559</b>   | <b>79,556</b>              | <b>3,188,115</b>   | <b>1,615,871</b>   | <b>310,148</b>             | <b>1,926,019</b>   |
| Adjustment payables swap        | (298,782)          | 7,461                      | (291,321)          | (452,591)          | (7,313)                    | (459,904)          | (977,106)          | (9,891)                    | (986,997)          |
| Payable forward purchases       | (347,173)          | 65                         | (347,108)          | (1,325,859)        | 15                         | (1,325,844)        | (139,365)          | (107)                      | (139,472)          |
| Payable forward sales           | (776,234)          | 244                        | (775,990)          | (540,437)          | (17)                       | (540,454)          | (266,018)          | (112)                      | (266,130)          |
| Premiums on written options     | (297,067)          | 42,790                     | (254,277)          | (312,305)          | 39,308                     | (272,997)          | (777,518)          | (155,866)                  | (933,384)          |
| <b>Total liabilities</b>        | <b>(1,719,256)</b> | <b>50,560</b>              | <b>(1,668,696)</b> | <b>(2,631,192)</b> | <b>31,993</b>              | <b>(2,599,199)</b> | <b>(2,160,007)</b> | <b>(165,976)</b>           | <b>(2,325,983)</b> |

**III) Future, option, forward and swap contracts**

R\$ thousand

|                                    | 2009              |                   |                   |                    | 2008                  |                    |                       |
|------------------------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|--------------------|-----------------------|
|                                    | 1 to 90 days      | 91 to 180 days    | 181 to 360 days   | More than 360 days | Total on September 30 | Total on June 30   | Total on September 30 |
| Future contracts                   | 24,899,094        | 46,915,242        | 9,341,374         | 22,788,480         | <b>103,944,190</b>    | <b>119,695,340</b> | <b>56,361,817</b>     |
| Option contracts                   | 9,408,163         | 2,744,256         | 481,962           | 1,296,334          | <b>13,930,715</b>     | <b>13,677,736</b>  | <b>25,420,567</b>     |
| Forward contracts                  | 7,099,126         | 1,715,189         | 1,120,739         | 183,899            | <b>10,118,953</b>     | <b>10,923,471</b>  | <b>5,998,648</b>      |
| Swap contracts                     | 4,123,763         | 1,521,983         | 1,927,619         | 6,605,272          | <b>14,178,637</b>     | <b>14,615,097</b>  | <b>36,760,306</b>     |
| <b>Total on September 30, 2009</b> | <b>45,530,146</b> | <b>52,896,670</b> | <b>12,871,694</b> | <b>30,873,985</b>  | <b>142,172,495</b>    |                    |                       |
| <b>Total on June 30, 2009</b>      | <b>66,328,073</b> | <b>18,804,460</b> | <b>39,671,795</b> | <b>34,107,316</b>  |                       | <b>158,911,644</b> |                       |
| <b>Total on September 30, 2008</b> | <b>47,840,541</b> | <b>22,818,469</b> | <b>16,136,609</b> | <b>37,745,719</b>  |                       |                    | <b>124,541,338</b>    |

**IV) Types of margin granted as collateral for derivative financial instruments, mainly comprising futures contracts**

|                              | R\$ thousand     |                  |                  |
|------------------------------|------------------|------------------|------------------|
|                              | 2009             |                  | 2008             |
|                              | September 30     | June 30          | September 30     |
| <b>Government securities</b> |                  |                  |                  |
| National treasury notes      | 2,592,397        | 2,947,663        | 2,329,164        |
| Financial treasury bills     | 14,157           | 434,577          | 15,212           |
| National treasury bills      | 87,332           | 85,047           | 693,336          |
| <b>Total</b>                 | <b>2,693,886</b> | <b>3,467,287</b> | <b>3,037,712</b> |

**V) Net revenues and expenses amounts**

|  | R\$ thousand            |                         |                  |                  |
|--|-------------------------|-------------------------|------------------|------------------|
|  | 2009                    |                         |                  | 2008             |
|  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30 YTD | September 30 YTD |
| Swap contracts                                   | 173,658                 | 277,734                 | 615,726          | 160,315          |
| Forward contracts                                | 68,302                  | 51,768                  | 283,524          | 5,663            |
| Option contracts                                 | 10,995                  | 397,507                 | 593,837          | (83,055)         |
| Futures contracts                                | 1,280,883               | 1,432,571               | 2,859,185        | (146,554)        |
| Foreign exchange variation of investments abroad | (886,877)               | (1,329,717)             | (2,338,050)      | 753,625          |
| <b>Total</b>                                     | <b>646,961</b>          | <b>829,863</b>          | <b>2,014,222</b> | <b>689,994</b>   |

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

|   | R\$ thousand       |                    |                    |
|---|--------------------|--------------------|--------------------|
|   | 2009               |                    | 2008               |
|   | September 30       | June 30            | September 30       |
| Cetip - OTC Clearing House (over-the-counter) | 8,312,354          | 4,323,168          | 8,913,229          |
| BM&FBovespa (stock exchange)                  | 124,804,629        | 142,896,716        | 104,960,929        |
| Foreign (over-the-counter) (1)                | 5,250,044          | 9,614,651          | 8,263,557          |
| Foreign (stock exchange) (1)                  | 3,805,468          | 2,077,109          | 2,403,623          |
| <b>Total</b>                                  | <b>142,172,495</b> | <b>158,911,644</b> | <b>124,541,338</b> |



(1) Comprise operations carried out at the Stock Exchanges of Chicago and New York and at over-the-counter markets.

On September 30, 2009, counter-parties are distributed among corporate clients with 88%, financial institutions with 10% and individuals/others with 2%. Specifically regarding exchange financial instruments, we point out that Bradesco did not carry out exotic options, so called target forward swap, or any other leveraged derivatives, as well as amounts payable or receivable, outstanding on September 30, 2009, do not show concentration regarding individual counter-parties.

**f) Credit Default Swaps (CDS)**

They usually represent a bilateral agreement in which one of the parties purchases protection against credit risk of a certain financial instrument (the risk is transferred) . The selling counterparty receives a stream of payments that is usually paid in a linear manner during the operation effectiveness.

In case of default, the purchasing counterparty shall receive a payment to offset the value of the loss incurred in the financial instrument. In such case, the selling counterparty usually receives the asset object of the agreement in exchange for the payment.

|   |                            | R\$ thousand       |                  |                  |  |              |                 |
|---|----------------------------|--------------------|------------------|------------------|--|--------------|-----------------|
|   |                            | Credit risk amount |                  |                  | Effect on the calculation of the<br>required shareholders equity |              |                 |
|   |                            | 2009               |                  | 2008             | 2009   |              | 2008            |
|   |                            | September<br>30    | June 30          | September<br>30  | September<br>30  | June 30      | September<br>30 |
| Transferred                               |                            |                    |                  |                  |  |              |                 |
| Credit swaps whose underlying assets are: |                            |                    |                  |                  |  |              |                 |
| Securities                                | Brazilian public debt bond | (560,102)          | (614,754)        | (649,025)        | -  | -            | -               |
| Securities                                | Foreign public debt bond   | -                  | -                | (1,914,300)      | -  | -            | (105,287)       |
|   | Derivatives with companies | (3,556)            | (3,903)          | (3,829)          | (196)  | (215)        | (211)           |
| Received                                  |                            |                    |                  |                  |  |              |                 |
| Credit swaps whose underlying assets are: |                            |                    |                  |                  |  |              |                 |
| Securities                                | Brazilian public debt bond | 8,784,703          | 9,641,880        | 11,075,183       | -  | -            | -               |
|   | Derivatives with companies | 14,225             | 74,161           | 319,658          | 1,565  | 8,158        | 35,162          |
| <b>Total</b>                              |                            | <b>8,235,270</b>   | <b>9,097,384</b> | <b>8,827,687</b> | <b>1,369</b>   | <b>7,943</b> | <b>(70,336)</b> |
|   | Deposited margin           | 456,399            | 608,081          | 853,611          |  |              |                 |

Bradesco carries out operations involving credit derivatives with the purpose of maximizing its risk exposure and asset management. Contracts related to the credit derivatives operations described above have several maturities until 2017, 93.1% of which mature by 2010. The mark-to-market of protection rates that remunerate the counterparty selling protection amount to R\$(7,553) thousand (June 30, 2009 R\$(59,657) thousand and September 30, 2008 R\$(117,150) thousand) . During the period, there was no credit event related to triggering events as defined in the contracts.

**g) Cash flow hedge**

Bradesco uses cash flow hedges to protect its cash flows from the variability attributable to variable interest risk from Bank Deposit Certificate (CDB) indexed to the Interbank Deposit Rate (DI CETIP), converting variable payments into fixed payments.

Bradesco traded DI Future contracts at BM&FBovespa as of 2009, used as cash flow hedge for funding linked to DI CETIP. The following table presents the DI Future position, where:

|  | R\$ thousand        |                |
|--|---------------------|----------------|
|  | <b>2009</b>         |                |
|  | <b>September 30</b> | <b>June 30</b> |
| DI Future with maturity between the years of 2009 and 2017 | 59,850,104          | 60,632,223     |
| Funding referring to CDI                                   | 59,537,114          | 60,302,913     |
| Market adjustment recorded in shareholders' equity (1)     | (80,784)            | (282,877)      |
| Non-effective market value recorded in result              | 2,666               | 6,583          |

(1) The adjustment in the shareholders' equity is R\$(48,470) thousand net of tax effects (R\$(169,726) thousand on June 30, 2009).

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

**h) Income from securities, income on insurance, private pension plans and certificated savings plans and derivative financial instruments**

|   | R\$ thousand                  |                               |                         |                         |
|---|-------------------------------|-------------------------------|-------------------------|-------------------------|
|   | <b>2009</b>                   |                               |                         | <b>2008</b>             |
|   | <b>3<sup>rd</sup> quarter</b> | <b>2<sup>nd</sup> quarter</b> | <b>September 30 YTD</b> | <b>September 30 YTD</b> |
| Fixed income securities   | 1,483,983                     | 1,213,109                     | 4,943,297               | 3,565,393               |
| Interbank investments (Note 7b)   | 2,026,461                     | 2,179,304                     | 6,791,134               | 5,077,112               |
| Equity securities   | 11,918                        | 13,378                        | (22,886)                | 118,973                 |
| <b>Subtotal</b>   | <b>3,522,362</b>              | <b>3,405,791</b>              | <b>11,711,545</b>       | <b>8,761,478</b>        |
| Income on insurance, private pension plans and certificated savings plans | 1,939,020                     | 2,118,288                     | 6,043,375               | 5,009,643               |
| Income from derivative financial instruments (Note 8e V)                  | 646,961                       | 829,863                       | 2,014,222               | 689,994                 |
| <b>Total</b>  | <b>6,108,343</b>              | <b>6,353,942</b>              | <b>19,769,142</b>       | <b>14,461,115</b>       |



**9) INTERBANK ACCOUNTS RESTRICTED DEPOSITS a) Restricted credit**

|  |                         | R\$ thousand       |                   |                   |                   |
|--|-------------------------|--------------------|-------------------|-------------------|-------------------|
|  |                         | 2009               |                   | 2008              |                   |
|  |                         | September 30       | June 30           | September 30      |                   |
|  |                         | Remuneration       |                   |                   |                   |
|  |                         |                    |                   |                   |                   |
| Reserve requirements                       | demand deposits (1)     | not remunerated    | 7,919,537         | 7,414,842         | 7,737,154         |
| Reserve requirements                       | savings deposits        | savings index      | 8,353,550         | 7,824,829         | 7,096,022         |
| <b>Additional reserve requirements (2)</b> |                         | Selic rate         | -                 | -                 | <b>10,707,726</b> |
|  | Time deposit            | -                  | -                 | -                 | 5,247,306         |
|  | Savings deposits        | -                  | -                 | -                 | 3,434,011         |
|  | Demand deposit          | -                  | -                 | -                 | 2,026,409         |
| Restricted deposits (SFH)                  | National Housing System | TR + interest rate | 474,572           | 473,139           | 462,221           |
| Funds from rural loan                      |                         | not remunerated    | 578               | 578               | 578               |
| <b>Total</b>                               |                         |                    | <b>16,748,237</b> | <b>15,713,388</b> | <b>26,003,701</b> |

(1) As of October 2008 there was a decrease in the rate, from 45% to 42%; and

(2) On September 30, 2009, additional compulsory deposits were classified as follows: R\$7,379,230 thousand (on June 30, 2009 - R\$7,460,114 thousand) in securities, and R\$2,378,186 thousand (on June 30, 2009 - R\$1,888,833 thousand) on interbank investments, totaling R\$9,757,416 thousand (on June 30, 2009 - R\$9,348,947 thousand).

**b) Compulsory deposit**

|  |  |  |  |  | R\$ thousand            |                         |                  |                  |
|--|--|--|--|--|-------------------------|-------------------------|------------------|------------------|
|  |  |  |  |  | 2009                    | 2008                    |                  |                  |
|  |  |  |  |  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30 YTD | September 30 YTD |
| Restricted deposits - Bacen (reserves requirement) |  |  |  |  | 130,539                 | 129,662                 | 400,368          | 1,162,124        |
| Restricted deposits - SFH                          |  |  |  |  | 6,195                   | 7,219                   | 20,516           | 19,676           |
| <b>Total</b>                                       |  |  |  |  | <b>136,734</b>          | <b>136,881</b>          | <b>420,884</b>   | <b>1,181,800</b> |

**10) LOAN OPERATIONS**

The information relating to loan operations, including advances on foreign exchange contracts, leasing operations and other receivables with characteristics of loan assignment, is presented as follows:

**a) By type and maturity**

|   | Performing loans  |                   |                   |                   |                    |                       | Total on<br>September<br>30 (A) | 2009        |                         |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|---------------------------------|-------------|-------------------------|
|   | 1 to 30<br>days   | 31 to 60<br>days  | 61 to 90<br>days  | 91 to 180<br>days | 181 to 360<br>days | More than<br>360 days |                                 | % (5)       | Total on<br>June 30 (A) |
| Discounted<br>trade<br>receivables<br>and loans (2)             | 12,375,785        | 8,054,618         | 7,245,196         | 9,031,066         | 9,671,289          | 23,903,296            | <b>70,281,250</b>               | <b>35.4</b> | <b>68,985,88</b>        |
| Financing   | 2,937,043         | 2,194,788         | 1,987,983         | 5,916,447         | 7,953,137          | 25,193,628            | <b>46,183,026</b>               | <b>23.3</b> | <b>44,568,43</b>        |
| Agricultural<br>and<br>agribusiness<br>financing                | 754,015           | 797,085           | 523,394           | 1,219,709         | 3,378,426          | 4,365,559             | <b>11,038,188</b>               | <b>5.6</b>  | <b>10,130,08</b>        |
| <b>Subtotal</b>   | <b>16,066,843</b> | <b>11,046,491</b> | <b>9,756,573</b>  | <b>16,167,222</b> | <b>21,002,852</b>  | <b>53,462,483</b>     | <b>127,502,464</b>              | <b>64.3</b> | <b>123,684,39</b>       |
| Leasing<br>operations   | 832,753           | 636,124           | 656,552           | 1,912,565         | 3,423,355          | 11,835,397            | <b>19,296,746</b>               | <b>9.7</b>  | <b>19,738,05</b>        |
| Advances on<br>foreign<br>exchange<br>contracts (1)             | 1,165,126         | 1,664,756         | 889,862           | 2,696,801         | 1,124,874          | -                     | <b>7,541,419</b>                | <b>3.8</b>  | <b>9,541,83</b>         |
| <b>Subtotal</b>   | <b>18,064,722</b> | <b>13,347,371</b> | <b>11,302,987</b> | <b>20,776,588</b> | <b>25,551,081</b>  | <b>65,297,880</b>     | <b>154,340,629</b>              | <b>77.8</b> | <b>152,964,28</b>       |
| Other<br>receivables<br>(3)                                     | 4,056,984         | 858,566           | 761,405           | 1,448,071         | 1,206,154          | 1,190,592             | <b>9,521,772</b>                | <b>4.8</b>  | <b>9,489,07</b>         |
| <b>Total loan<br/>operations</b>                                | <b>22,121,706</b> | <b>14,205,937</b> | <b>12,064,392</b> | <b>22,224,659</b> | <b>26,757,235</b>  | <b>66,488,472</b>     | <b>163,862,401</b>              | <b>82.6</b> | <b>162,453,35</b>       |
| Sureties and<br>guarantees                                      | 1,255,676         | 689,626           | 577,817           | 3,871,698         | 2,732,822          | 23,276,482            | <b>32,404,121</b>               | <b>16.3</b> | <b>31,258,91</b>        |
| Loan<br>assignment<br>(4)                                       | 24,089            | 23,402            | 22,599            | 63,107            | 106,671            | 112,556               | <b>352,424</b>                  | <b>0.2</b>  | <b>332,96</b>           |
| Loan<br>assignment<br>Real estate<br>receivables<br>certificate | 32,470            | 32,469            | 32,467            | 93,441            | 139,451            | 468,845               | <b>799,143</b>                  | <b>0.4</b>  | <b>835,93</b>           |
|   | 269,326           | 120,114           | 85,561            | 222,627           | 252,084            | 60,951                | <b>1,010,663</b>                | <b>0.5</b>  | <b>963,01</b>           |

Advances of  
credit card  
receivables

**Overall**

**total on**

**September**

**30, 2009**    23,703,267    15,071,548    12,782,836    26,475,532    29,988,263    90,407,306    198,428,752    100.0

**Overall**

**total on**

**June 30,**

**2009**    24,557,755    14,957,842    11,898,069    23,395,672    32,684,909    88,349,934    195,844,18

**Overall**

**total on**

**September**

**30, 2008**    26,182,664    14,510,562    11,564,863    21,449,911    27,303,568    82,744,200

R\$ thousand

## Non-performing loans

## Performing loans

|  |                  |                |                |                  |                  | 2009                      |              | 2008                 |              |                           |              |
|--|------------------|----------------|----------------|------------------|------------------|---------------------------|--------------|----------------------|--------------|---------------------------|--------------|
|  | 1 to 30 days     | 31 to 60 days  | 61 to 90 days  | 91 to 180 days   | 181 to 360 days  | Total on September 30 (A) | % (5)        | Total on June 30 (A) | % (5)        | Total on September 30 (A) | % (5)        |
| Discounted trade receivables and loans (2) | 682,048          | 537,383        | 581,419        | 1,240,962        | 1,697,284        | <b>4,739,096</b>          | <b>73.7</b>  | <b>4,772,610</b>     | <b>75.1</b>  | <b>3,579,163</b>          | <b>70.0</b>  |
| Financing                                  | 233,421          | 167,403        | 105,104        | 198,651          | 193,028          | <b>897,607</b>            | <b>14.0</b>  | <b>898,900</b>       | <b>14.2</b>  | <b>787,134</b>            | <b>16.0</b>  |
| Agricultural and agribusiness financing    | 31,636           | 33,942         | 17,519         | 60,888           | 41,660           | <b>185,645</b>            | <b>2.9</b>   | <b>181,373</b>       | <b>2.9</b>   | <b>63,902</b>             | <b>1.3</b>   |
| <b>Subtotal</b>                            | <b>947,105</b>   | <b>738,728</b> | <b>704,042</b> | <b>1,500,501</b> | <b>1,931,972</b> | <b>5,822,348</b>          | <b>90.6</b>  | <b>5,852,883</b>     | <b>92.2</b>  | <b>4,430,199</b>          | <b>94.6</b>  |
| Leasing operations                         | 99,115           | 81,553         | 48,123         | 98,139           | 96,559           | <b>423,489</b>            | <b>6.6</b>   | <b>356,054</b>       | <b>5.6</b>   | <b>118,963</b>            | <b>2.4</b>   |
| Advances on foreign exchange contracts (1) | 13,092           | 25,985         | 12,252         | 21,737           | 20,812           | <b>93,878</b>             | <b>1.5</b>   | <b>70,995</b>        | <b>1.1</b>   | <b>64,530</b>             | <b>1.3</b>   |
| <b>Subtotal</b>                            | <b>1,059,312</b> | <b>846,266</b> | <b>764,417</b> | <b>1,620,377</b> | <b>2,049,343</b> | <b>6,339,715</b>          | <b>98.7</b>  | <b>6,279,932</b>     | <b>98.9</b>  | <b>4,613,692</b>          | <b>98.3</b>  |
| Other receivables (3)                      | 4,325            | 3,804          | 2,939          | 14,397           | 55,919           | <b>81,384</b>             | <b>1.3</b>   | <b>69,008</b>        | <b>1.1</b>   | <b>65,804</b>             | <b>1.1</b>   |
| <b>Overall total on September 30, 2009</b> | <b>1,063,637</b> | <b>850,070</b> | <b>767,356</b> | <b>1,634,774</b> | <b>2,105,262</b> | <b>6,421,099</b>          | <b>100.0</b> |                      |              |                           |              |
| <b>Overall total on June 30, 2009</b>      | <b>1,096,610</b> | <b>898,304</b> | <b>900,632</b> | <b>1,632,768</b> | <b>1,820,626</b> |                           |              | <b>6,348,940</b>     | <b>100.0</b> |                           |              |
| <b>Overall total on September 30, 2008</b> | <b>896,051</b>   | <b>636,828</b> | <b>586,843</b> | <b>1,099,845</b> | <b>1,459,929</b> |                           |              |                      |              | <b>4,679,496</b>          | <b>100.0</b> |



|  | Non-performing loans                       |                |                |                  |                  |                    | Performing loans          |              | 2009                 |              |                           |           |
|--|--|----------------|----------------|------------------|------------------|--------------------|---------------------------|--------------|----------------------|--------------|---------------------------|-----------|
|  | 1 to 30 days                               | 31 to 60 days  | 61 to 90 days  | 91 to 180 days   | 181 to 360 days  | More than 360 days | Total on September 30 (A) | % (5)        | Total on June 30 (A) | % (5)        | Total on September 30 (A) |           |
|  | Discounted trade receivables and loans (2) | 365,309        | 292,784        | 305,440          | 626,008          | 831,360            | 1,536,359                 | 3,957,260    | 37.0                 | 3,758,023    | 35.6                      | 2,540,000 |
| Financing (2)                              | 218,061                                    | 197,774        | 201,153        | 543,855          | 844,178          | 1,805,579          | 3,810,600                 | 35.7         | 4,012,618            | 37.9         | 3,490,000                 |           |
| Agricultural and agribusiness financing    | 20,194                                     | 8,348          | 3,529          | 12,858           | 50,411           | 300,881            | 396,221                   | 3.7          | 419,211              | 4.0          | 230,000                   |           |
| <b>Subtotal</b>                            | <b>603,564</b>                             | <b>498,906</b> | <b>510,122</b> | <b>1,182,721</b> | <b>1,725,949</b> | <b>3,642,819</b>   | <b>8,164,081</b>          | <b>76.4</b>  | <b>8,189,852</b>     | <b>77.5</b>  | <b>6,270,000</b>          |           |
| Leasing operations                         | 79,938                                     | 63,943         | 67,697         | 203,248          | 385,064          | 1,690,288          | 2,490,178                 | 23.3         | 2,352,479            | 22.2         | 850,000                   |           |
| <b>Subtotal</b>                            | <b>683,502</b>                             | <b>562,849</b> | <b>577,819</b> | <b>1,385,969</b> | <b>2,111,013</b> | <b>5,333,107</b>   | <b>10,654,259</b>         | <b>99.7</b>  | <b>10,542,331</b>    | <b>99.7</b>  | <b>7,120,000</b>          |           |
| Other receivables (3)                      | 609  | 609            | 530            | 2,001            | 12,014           | 15,683             | 31,446                    | 0.3          | 32,351               | 0.3          | 30,000                    |           |
| <b>Overall total on September 30, 2009</b> | <b>684,111</b>                             | <b>563,458</b> | <b>578,349</b> | <b>1,387,970</b> | <b>2,123,027</b> | <b>5,348,790</b>   | <b>10,685,705</b>         | <b>100.0</b> |                      |              |                           |           |
| <b>Overall total on June 30, 2009</b>      | <b>683,166</b>                             | <b>576,367</b> | <b>557,322</b> | <b>1,353,781</b> | <b>2,141,981</b> | <b>5,262,065</b>   |                           |              | <b>10,574,682</b>    | <b>100.0</b> |                           |           |
| <b>Overall total on September 30, 2008</b> | <b>532,141</b>                             | <b>444,323</b> | <b>426,059</b> | <b>1,007,372</b> | <b>1,503,303</b> | <b>3,254,331</b>   |                           |              |                      |              | <b>7,110,000</b>          |           |

|  | R\$ thousand                        |              |                                |              |                                     |              |
|--|-------------------------------------|--------------|--------------------------------|--------------|-------------------------------------|--------------|
|  | Overall total                       |              |                                |              |                                     |              |
|  | 2009                                |              |                                | 2008         |                                     |              |
|  | Total on<br>September<br>30 (A+B+C) | % (5)        | Total on<br>June<br>30 (A+B+C) | % (5)        | Total on<br>September<br>30 (A+B+C) | % (5)        |
| Discounted trade receivables and loans               |                                     |              |                                |              |                                     |              |
| (2)  | 78,977,606                          | 36.5         | 77,516,514                     | 36.4         | 72,693,615                          | 37.2         |
| Financing  | 50,891,233                          | 23.7         | 49,479,950                     | 23.3         | 50,052,182                          | 25.6         |
| Agricultural and agribusiness financing              | 11,620,054                          | 5.4          | 10,730,669                     | 5.0          | 11,343,286                          | 5.8          |
| <b>Subtotal</b>                                      | <b>141,488,893</b>                  | <b>65.6</b>  | <b>137,727,133</b>             | <b>64.7</b>  | <b>134,089,083</b>                  | <b>68.6</b>  |
| Leasing operations                                   | 22,210,413                          | 10.3         | 22,446,589                     | 10.5         | 19,246,786                          | 9.8          |
| Advances on foreign exchange contracts               |                                     |              |                                |              |                                     |              |
| (1)  | 7,635,297                           | 3.5          | 9,612,825                      | 4.5          | 6,788,059                           | 3.5          |
| <b>Subtotal</b>                                      | <b>171,334,603</b>                  | <b>79.4</b>  | <b>169,786,547</b>             | <b>79.7</b>  | <b>160,123,928</b>                  | <b>81.9</b>  |
| Other receivables (3)                                | 9,634,602                           | 4.5          | 9,590,432                      | 4.5          | 6,282,414                           | 3.2          |
| <b>Total loan operations</b>                         | <b>180,969,205</b>                  | <b>83.9</b>  | <b>179,376,979</b>             | <b>84.2</b>  | <b>166,406,342</b>                  | <b>85.1</b>  |
| Sureties and guarantees                              | 32,404,121                          | 15.0         | 31,258,914                     | 14.7         | 27,658,549                          | 14.1         |
| Loan assignment (4)                                  | 352,424                             | 0.2          | 332,961                        | 0.2          | 508,284                             | 0.3          |
| Loan assignment – real estate receivable certificate | 799,143                             | 0.4          | 835,935                        | 0.4          | 333,459                             | 0.2          |
| Advance of credit card receivables                   | 1,010,663                           | 0.5          | 963,014                        | 0.5          | 696,159                             | 0.3          |
| <b>Overall total on September 30, 2009</b>           | <b>215,535,556</b>                  | <b>100.0</b> |                                |              |                                     |              |
| <b>Overall total on June 30, 2009</b>                |                                     |              | <b>212,767,803</b>             | <b>100.0</b> |                                     |              |
| <b>Overall total on September 30, 2008</b>           |                                     |              |                                |              | <b>195,602,793</b>                  | <b>100.0</b> |

- (1) Advances on foreign exchange contracts are written-down classified to item Other Liabilities ;
- (2) It includes loans of credit card operations and operations for prepaid credit card receivables in the amount of R\$8,523,846 thousand (June 30, 2009 R\$8,336,592 thousand and September 30, 2008 R\$7,583,903 thousand);
- (3) Item Other Receivables comprises receivables on sureties and guarantees honored, receivables on purchase of assets, securities and credit instruments receivable, income receivable on foreign exchange contracts and export contracts receivables and credit card receivables (cash and credit purchases from storeowners) in the amount of R\$6,866,291 thousand (June 30, 2009 R\$6,399,688 thousand and September 30, 2008 R\$5,772,293 thousand);
- (4) Restated amount of the loan assignment up to September 30, 2009, net of installments received; and
- (5) Ratio between type and total loan portfolio including sureties and guarantee.

## b) By type and risk level

| Loan operations                            | Risk levels       |                   |                   |                   |                  |                  |                  |                  |                  |
|--|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
|  | AA                | A                 | B                 | C                 | D                | E                | F                | G                | H                |
| Discounted trade receivables and loan      | 16,635,033        | 32,372,354        | 7,813,609         | 12,463,700        | 1,888,385        | 1,067,241        | 876,166          | 885,716          | 4,975,402        |
| Financings                                 | 8,918,926         | 23,084,337        | 6,092,092         | 9,738,173         | 838,835          | 357,367          | 265,823          | 227,587          | 1,368,093        |
| Agricultural and agribusiness financings   | 1,352,482         | 2,998,588         | 1,653,286         | 4,514,831         | 517,944          | 91,388           | 226,504          | 84,367           | 180,664          |
| <b>Subtotal</b>                            | <b>26,906,441</b> | <b>58,455,279</b> | <b>15,558,987</b> | <b>26,716,704</b> | <b>3,245,164</b> | <b>1,515,996</b> | <b>1,368,493</b> | <b>1,197,670</b> | <b>6,524,159</b> |
| Leasing operations                         | 172,792           | 11,029,496        | 3,088,400         | 5,837,423         | 567,841          | 297,130          | 242,075          | 177,528          | 797,728          |
| Advances on foreign exchange contracts     | 4,326,905         | 1,516,042         | 1,116,535         | 503,436           | 51,402           | 1,613            | 2,815            | 58,040           | 58,509           |
| <b>Subtotal</b>                            | <b>31,406,138</b> | <b>71,000,817</b> | <b>19,763,922</b> | <b>33,057,563</b> | <b>3,864,407</b> | <b>1,814,739</b> | <b>1,613,383</b> | <b>1,433,238</b> | <b>7,380,396</b> |
| Other receivables                          | 269,421           | 7,391,067         | 472,165           | 1,199,442         | 60,477           | 25,415           | 15,219           | 13,816           | 187,580          |
| <b>Overall total on September 30, 2009</b> | <b>31,675,559</b> | <b>78,391,884</b> | <b>20,236,087</b> | <b>34,257,005</b> | <b>3,924,884</b> | <b>1,840,154</b> | <b>1,628,602</b> | <b>1,447,054</b> | <b>7,567,976</b> |
| <b>%</b>                                   | <b>17.5</b>       | <b>43.3</b>       | <b>11.2</b>       | <b>18.9</b>       | <b>2.2</b>       | <b>1.0</b>       | <b>0.9</b>       | <b>0.8</b>       | <b>4.2</b>       |
| <b>Overall total on June 30, 2009</b>      | <b>32,222,874</b> | <b>76,945,040</b> | <b>21,178,017</b> | <b>33,448,248</b> | <b>4,078,333</b> | <b>1,785,872</b> | <b>1,946,725</b> | <b>1,366,581</b> | <b>6,405,289</b> |
| <b>%</b>                                   | <b>18.0</b>       | <b>42.9</b>       | <b>11.8</b>       | <b>18.6</b>       | <b>2.3</b>       | <b>1.0</b>       | <b>1.1</b>       | <b>0.7</b>       | <b>3.6</b>       |
| <b>Overall total on September 30, 2008</b> | <b>34,263,981</b> | <b>74,013,195</b> | <b>19,448,081</b> | <b>28,427,155</b> | <b>2,327,200</b> | <b>1,221,809</b> | <b>1,050,106</b> | <b>842,244</b>   | <b>4,812,571</b> |
| <b>%</b>                                   | <b>20.6</b>       | <b>44.5</b>       | <b>11.7</b>       | <b>17.1</b>       | <b>1.4</b>       | <b>0.7</b>       | <b>0.6</b>       | <b>0.5</b>       | <b>2.9</b>       |



## c) Maturity ranges and risk level

|                       | Risk levels                    |   |                  |                  |                  |                  |                  |                  |                  |                          |
|-----------------------|--------------------------------|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|--------------------------|
|                       | Non-performing loan operations |   |                  |                  |                  |                  |                  |                  |                  |                          |
|                       | AA                             | A | B                | C                | D                | E                | F                | G                | H                | Total<br>on September 30 |
| <b>Installments</b>   |                                |   |                  |                  |                  |                  |                  |                  |                  |                          |
| <b>falling due</b>    | -                              | - | <b>1,824,606</b> | <b>2,314,516</b> | <b>1,493,381</b> | <b>854,694</b>   | <b>785,558</b>   | <b>674,137</b>   | <b>2,738,813</b> | <b>10,685,703</b>        |
| 1 to 30               | -                              | - | 136,041          | 174,190          | 78,454           | 49,686           | 40,212           | 34,822           | 170,706          | 684,111                  |
| 31 to 60              | -                              | - | 114,508          | 140,864          | 65,415           | 40,472           | 33,246           | 28,534           | 140,419          | 563,458                  |
| 61 to 90              | -                              | - | 110,504          | 139,349          | 67,210           | 43,580           | 35,515           | 30,276           | 151,915          | 578,349                  |
| 91 to 180             | -                              | - | 235,381          | 313,583          | 172,080          | 112,030          | 90,268           | 84,799           | 379,829          | 1,387,970                |
| 181 to 360            | -                              | - | 356,933          | 477,495          | 275,454          | 168,836          | 141,380          | 129,253          | 573,676          | 2,123,027                |
| More than<br>360      | -                              | - | 871,239          | 1,069,035        | 834,768          | 440,090          | 444,937          | 366,453          | 1,322,268        | 5,348,790                |
| <b>Past due</b>       |                                |   |                  |                  |                  |                  |                  |                  |                  |                          |
| <b>installments</b>   | -                              | - | <b>307,222</b>   | <b>594,598</b>   | <b>539,482</b>   | <b>479,336</b>   | <b>477,107</b>   | <b>517,239</b>   | <b>3,506,115</b> | <b>6,421,099</b>         |
| 1 to 14               | -                              | - | 70,705           | 126,367          | 41,327           | 21,838           | 17,951           | 14,779           | 76,036           | 369,003                  |
| 15 to 30              | -                              | - | 214,065          | 184,745          | 93,896           | 42,251           | 27,741           | 21,479           | 110,457          | 694,634                  |
| 31 to 60              | -                              | - | 22,452           | 265,420          | 159,850          | 93,667           | 54,790           | 66,784           | 187,107          | 850,070                  |
| 61 to 90              | -                              | - |                  | 12,977           | 217,133          | 116,171          | 80,304           | 66,358           | 274,413          | 767,352                  |
| 91 to 180             | -                              | - |                  | 5,089            | 27,276           | 196,274          | 280,669          | 326,338          | 799,128          | 1,634,774                |
| 181 to 360            | -                              | - |                  | -                | -                | 9,135            | 15,652           | 19,951           | 1,985,237        | 2,029,975                |
| More than<br>360      | -                              | - |                  | -                | -                | -                | -                | 1,550            | 73,737           | 75,287                   |
| <b>Subtotal</b>       | -                              | - | <b>2,131,828</b> | <b>2,909,114</b> | <b>2,032,863</b> | <b>1,334,030</b> | <b>1,262,665</b> | <b>1,191,376</b> | <b>6,244,928</b> | <b>17,106,804</b>        |
| Specific<br>provision | -                              | - | 21,318           | 87,274           | 203,287          | 400,209          | 631,333          | 833,963          | 6,244,928        | 8,422,312                |

|  | Risk levels                |                   |                   |                   |                  |                  |                  |                  |                  |  |
|--|----------------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|--|
|  | Performing loan operations |                   |                   |                   |                  |                  |                  |                  |                  |  |
|  | AA                         | A                 | B                 | C                 | D                | E                | F                | G                | H                |  |
| <b>Installments</b>                        |                            |                   |                   |                   |                  |                  |                  |                  |                  |  |
| <b>falling due</b>                         | <b>31,675,559</b>          | <b>78,391,884</b> | <b>18,104,259</b> | <b>31,347,891</b> | <b>1,892,021</b> | <b>506,124</b>   | <b>365,937</b>   | <b>255,678</b>   | <b>1,323,048</b> |  |
| 1 to 30                                    | 3,179,548                  | 12,424,705        | 1,770,668         | 4,083,325         | 289,333          | 61,726           | 39,271           | 29,429           | 243,701          |  |
| 31 to 60                                   | 2,901,335                  | 6,743,474         | 1,605,240         | 2,682,632         | 124,671          | 24,184           | 16,810           | 11,441           | 96,150           |  |
| 61 to 90                                   | 1,755,877                  | 6,266,480         | 1,309,673         | 2,481,581         | 86,209           | 26,463           | 17,892           | 13,993           | 106,224          |  |
| 91 to 180                                  | 4,521,835                  | 11,133,974        | 2,278,997         | 3,850,005         | 165,369          | 55,336           | 32,824           | 25,718           | 160,601          |  |
| 181 to 360                                 | 4,682,464                  | 13,005,382        | 2,817,637         | 5,508,848         | 255,960          | 86,831           | 48,016           | 36,686           | 315,411          |  |
| More than 360                              | 14,634,500                 | 28,817,869        | 8,322,044         | 12,741,500        | 970,479          | 251,584          | 211,124          | 138,411          | 400,961          |  |
| Generic provision                          | -                          | 391,957           | 181,042           | 940,437           | 189,201          | 151,837          | 182,969          | 178,975          | 1,323,048        |  |
| <b>Overall total on September 30, 2009</b> | <b>31,675,559</b>          | <b>78,391,884</b> | <b>20,236,087</b> | <b>34,257,005</b> | <b>3,924,884</b> | <b>1,840,154</b> | <b>1,628,602</b> | <b>1,447,054</b> | <b>7,567,976</b> |  |
| Existing provision                         | -                          | 392,857           | 205,483           | 2,373,211         | 1,034,547        | 886,987          | 1,094,992        | 1,396,552        | 7,567,976        |  |
| Minimum required provision                 | -                          | 391,957           | 202,360           | 1,027,711         | 392,488          | 552,046          | 814,302          | 1,012,938        | 7,567,976        |  |
| Additional provision                       | -                          | 900               | 3,123             | 1,345,500         | 642,059          | 334,941          | 280,690          | 383,614          | -                |  |
| <b>Overall total on June 30, 2009</b>      | <b>32,222,874</b>          | <b>76,945,040</b> | <b>21,178,017</b> | <b>33,448,248</b> | <b>4,078,333</b> | <b>1,785,872</b> | <b>1,946,725</b> | <b>1,366,581</b> | <b>6,405,289</b> |  |
| Existing provision                         | -                          | 385,513           | 214,716           | 2,312,199         | 1,090,558        | 859,890          | 1,273,653        | 1,328,790        | 6,405,289        |  |
| Minimum required provision                 | -                          | 384,705           | 211,779           | 1,003,447         | 407,833          | 535,761          | 973,362          | 956,607          | 6,405,289        |  |
| Additional provision                       | -                          | 808               | 2,937             | 1,308,752         | 682,725          | 324,129          | 300,291          | 372,183          | -                |  |
| <b>Overall total on September 30, 2008</b> | <b>34,263,981</b>          | <b>74,013,195</b> | <b>19,448,081</b> | <b>28,427,155</b> | <b>2,327,200</b> | <b>1,221,809</b> | <b>1,050,106</b> | <b>842,244</b>   | <b>4,812,571</b> |  |

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|                            |   |         |         |           |         |         |         |         |           |
|----------------------------|---|---------|---------|-----------|---------|---------|---------|---------|-----------|
| Existing provision         | - | 370,704 | 196,519 | 1,027,994 | 624,361 | 586,740 | 705,950 | 810,956 | 4,812,571 |
| Minimum required provision | - | 370,065 | 194,480 | 852,814   | 232,721 | 366,542 | 525,053 | 589,570 | 4,812,571 |
| Additional provision       | - | 639     | 2,039   | 175,180   | 391,640 | 220,198 | 180,897 | 221,386 | -         |

**d) Concentration of loan operations**

|                       | R\$ thousand |      |            |      |              |      |
|-----------------------|--------------|------|------------|------|--------------|------|
|                       | 2009         |      |            | 2008 |              |      |
|                       | September 30 | %    | June 30    | %    | September 30 | %    |
| Largest borrower      | 1,846,509    | 1.0  | 2,233,456  | 1.2  | 1,465,425    | 0.9  |
| 10 largest borrowers  | 11,792,334   | 6.5  | 12,308,921 | 6.9  | 10,340,695   | 6.2  |
| 20 largest borrowers  | 18,164,443   | 10.0 | 18,555,375 | 10.3 | 15,934,678   | 9.6  |
| 50 largest borrowers  | 29,281,027   | 16.2 | 29,430,686 | 16.4 | 25,425,837   | 15.3 |
| 100 largest borrowers | 37,585,869   | 20.8 | 37,798,760 | 21.1 | 33,268,029   | 20.0 |

**e) By economic activity sector**

|  | R\$ thousand       |             |                    |             |                    |             |
|--|--------------------|-------------|--------------------|-------------|--------------------|-------------|
|  | 2009               |             |                    | 2008        |                    |             |
|  | September 30       | %           | June 30            | %           | September 30       | %           |
| <b>Public sector</b>                         | <b>1,162,052</b>   | <b>0.6</b>  | <b>1,348,745</b>   | <b>0.7</b>  | <b>905,480</b>     | <b>0.6</b>  |
| <b>Federal Government</b>                    | <b>689,719</b>     | <b>0.3</b>  | <b>882,782</b>     | <b>0.4</b>  | <b>423,029</b>     | <b>0.3</b>  |
| Petrochemical                                | 622,396            | 0.3         | 802,170            | 0.4         | 310,673            | 0.2         |
| Financial intermediary                       | 67,323             | -           | 80,612             | -           | 112,356            | 0.1         |
| <b>State Government</b>                      | <b>472,333</b>     | <b>0.3</b>  | <b>465,963</b>     | <b>0.3</b>  | <b>482,451</b>     | <b>0.3</b>  |
| Production and distribution of electricity   | 472,333            | 0.3         | 465,963            | 0.3         | 482,451            | 0.3         |
| <b>Private sector</b>                        | <b>179,807,153</b> | <b>99.4</b> | <b>178,028,234</b> | <b>99.3</b> | <b>165,500,862</b> | <b>99.4</b> |
| <b>Manufacturing</b>                         | <b>40,520,666</b>  | <b>22.4</b> | <b>41,636,648</b>  | <b>23.2</b> | <b>39,700,424</b>  | <b>23.9</b> |
| Food products and beverage                   | 11,028,645         | 6.1         | 11,853,084         | 6.6         | 11,519,116         | 6.9         |
| Steel, metallurgy and mechanics              | 6,002,139          | 3.3         | 6,299,632          | 3.5         | 5,593,866          | 3.4         |
| Chemical                                     | 4,978,364          | 2.8         | 5,310,917          | 3.0         | 5,419,216          | 3.3         |
| Light and heavy vehicles                     | 2,672,850          | 1.5         | 2,083,418          | 1.2         | 2,526,365          | 1.5         |
| Pulp and paper                               | 2,533,580          | 1.4         | 2,721,504          | 1.5         | 2,016,515          | 1.2         |
| Textiles and clothing                        | 2,110,189          | 1.2         | 2,162,857          | 1.2         | 1,895,905          | 1.1         |
| Extraction of metallic and non-metallic ores | 1,682,747          | 0.9         | 1,632,922          | 0.9         | 1,846,884          | 1.1         |
| Rubber and plastic articles                  | 1,648,208          | 0.9         | 1,732,114          | 1.0         | 1,692,449          | 1.0         |
| Leather articles                             | 1,348,714          | 0.7         | 1,382,490          | 0.8         | 1,098,884          | 0.7         |
| Electric and electronic products             | 1,243,280          | 0.7         | 1,117,657          | 0.6         | 1,064,147          | 0.6         |
| Oil refining and production of alcohol       | 1,004,115          | 0.6         | 972,792            | 0.5         | 1,100,510          | 0.7         |
| Furniture and wooden products                | 980,065            | 0.5         | 998,534            | 0.6         | 946,431            | 0.6         |



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|                                       |         |     |         |     |         |     |
|---------------------------------------|---------|-----|---------|-----|---------|-----|
| Non-metallic materials                | 922,687 | 0.5 | 953,534 | 0.5 | 625,643 | 0.4 |
| Automotive parts and accessories      | 870,652 | 0.5 | 925,081 | 0.5 | 949,493 | 0.6 |
| Publishing, printing and reproduction | 583,163 | 0.3 | 580,174 | 0.3 | 561,147 | 0.3 |
| Other industries                      | 911,268 | 0.5 | 909,938 | 0.5 | 843,853 | 0.5 |

|  | R\$ thousand       |              |                    |              |                    |              |
|--|--------------------|--------------|--------------------|--------------|--------------------|--------------|
|  | 2009               |              |                    | 2008         |                    |              |
|  | September 30       | %            | June 30            | %            | September 30       | %            |
| <b>Commerce</b>  | <b>24,883,828</b>  | <b>13.7</b>  | <b>23,833,956</b>  | <b>13.3</b>  | <b>21,626,285</b>  | <b>13.0</b>  |
| Products in specialty stores   | 6,529,768          | 3.6          | 6,335,713          | 3.5          | 5,460,416          | 3.3          |
| Food products, beverage and tobacco  | 3,438,360          | 1.9          | 3,447,510          | 1.9          | 3,011,475          | 1.8          |
| Automobile vehicles  | 1,978,029          | 1.1          | 1,799,747          | 1.0          | 1,896,432          | 1.1          |
| Non-specialized retailer   | 1,837,194          | 1.0          | 1,565,899          | 0.9          | 1,425,770          | 0.9          |
| Grooming and household articles  | 1,809,350          | 1.0          | 1,712,623          | 1.0          | 1,606,009          | 1.0          |
| Clothing and footwear  | 1,641,491          | 0.9          | 1,604,930          | 0.9          | 1,406,663          | 0.8          |
| Repair, parts and accessories for automobile vehicles                        | 1,504,800          | 0.8          | 1,528,524          | 0.9          | 1,272,606          | 0.8          |
| Wholesale of goods in general  | 1,383,539          | 0.8          | 1,096,614          | 0.6          | 1,038,672          | 0.6          |
| Residues and scrap   | 1,195,672          | 0.7          | 1,173,304          | 0.7          | 1,196,220          | 0.7          |
| Trade intermediary   | 1,124,469          | 0.6          | 1,097,684          | 0.6          | 873,822            | 0.5          |
| Fuel   | 1,096,775          | 0.6          | 1,085,986          | 0.6          | 974,700            | 0.6          |
| Farming and ranching products  | 753,107            | 0.4          | 760,935            | 0.4          | 752,460            | 0.5          |
| Other commerce   | 591,274            | 0.3          | 624,487            | 0.3          | 711,040            | 0.4          |
| <b>Financial intermediaries</b>  | <b>699,045</b>     | <b>0.4</b>   | <b>859,764</b>     | <b>0.5</b>   | <b>914,252</b>     | <b>0.5</b>   |
| <b>Services</b>  | <b>37,028,446</b>  | <b>20.5</b>  | <b>36,076,477</b>  | <b>20.1</b>  | <b>32,356,815</b>  | <b>19.4</b>  |
| Transportation and storage   | 9,312,557          | 5.1          | 9,314,168          | 5.2          | 8,501,823          | 5.1          |
| Civil construction   | 8,627,846          | 4.8          | 8,082,883          | 4.5          | 6,257,435          | 3.8          |
| Real estate activities, rentals and corporate services                       | 6,258,636          | 3.5          | 6,151,142          | 3.4          | 5,313,365          | 3.2          |
| Production and distribution of electric power, gas and water                 | 2,538,552          | 1.4          | 2,590,768          | 1.4          | 1,919,233          | 1.1          |
| Social services, education, health, defense and social security              | 1,788,244          | 1.0          | 1,796,959          | 1.0          | 1,650,072          | 1.0          |
| Hotel and catering   | 1,361,675          | 0.8          | 1,294,665          | 0.7          | 1,031,740          | 0.6          |
| Holding companies, legal, accounting and business advisory services          | 1,016,170          | 0.6          | 822,357            | 0.5          | 889,872            | 0.5          |
| Club, leisure, cultural and sport activities                                 | 865,668            | 0.5          | 848,947            | 0.5          | 964,835            | 0.6          |
| Telecommunications   | 627,183            | 0.3          | 683,745            | 0.4          | 555,176            | 0.3          |
| Other services   | 4,631,915          | 2.5          | 4,490,843          | 2.5          | 5,273,264          | 3.2          |
| <b>Agriculture, cattle raising, fishing, forestry and forest exploration</b> | <b>2,446,808</b>   | <b>1.4</b>   | <b>2,428,101</b>   | <b>1.4</b>   | <b>2,115,184</b>   | <b>1.3</b>   |
| <b>Individuals</b>   | <b>74,228,360</b>  | <b>41.0</b>  | <b>73,193,288</b>  | <b>40.8</b>  | <b>68,787,902</b>  | <b>41.3</b>  |
| <b>Total</b>   | <b>180,969,205</b> | <b>100.0</b> | <b>179,376,979</b> | <b>100.0</b> | <b>166,406,342</b> | <b>100.0</b> |



## f) Breakdown of loan operations and allowance for loan losses

| Risk level                                 | Portfolio balance |                   |                            |                    |                    |              | R\$ thousand       |               |                    |
|--|-------------------|-------------------|----------------------------|--------------------|--------------------|--------------|--------------------|---------------|--------------------|
|  | Performing loans  |                   |                            | Performing loans   | Total              | %            | 2009               |               | 2008               |
|  | Past due          | Falling due       | Total non-performing loans |                    |                    |              | % September 30 YTD | % June 30 YTD | % September 30 YTD |
| AA   | -                 | -                 | -                          | 31,675,559         | 31,675,559         | 17.5         | 17.5               | 18.0          | 20.0               |
| A  | -                 | -                 | -                          | 78,391,884         | 78,391,884         | 43.3         | 60.8               | 60.9          | 65.0               |
| B  | 307,222           | 1,824,606         | 2,131,828                  | 18,104,259         | 20,236,087         | 11.2         | 72.0               | 72.7          | 76.0               |
| C  | 594,598           | 2,314,516         | 2,909,114                  | 31,347,891         | 34,257,005         | 18.9         | 90.9               | 91.3          | 93.0               |
| <b>Subtotal</b>                            | <b>901,820</b>    | <b>4,139,122</b>  | <b>5,040,942</b>           | <b>159,519,593</b> | <b>164,560,535</b> | <b>90.9</b>  |                    |               |                    |
| D  | 539,482           | 1,493,381         | 2,032,863                  | 1,892,021          | 3,924,884          | 2.2          | 93.1               | 93.6          | 95.0               |
| E  | 479,336           | 854,694           | 1,334,030                  | 506,124            | 1,840,154          | 1.0          | 94.1               | 94.6          | 96.0               |
| F  | 477,107           | 785,558           | 1,262,665                  | 365,937            | 1,628,602          | 0.9          | 95.0               | 95.7          | 96.0               |
| G  | 517,239           | 674,137           | 1,191,376                  | 255,678            | 1,447,054          | 0.8          | 95.8               | 96.4          | 97.0               |
| H  | 3,506,115         | 2,738,813         | 6,244,928                  | 1,323,048          | 7,567,976          | 4.2          | 100.0              | 100.0         | 100.0              |
| <b>Subtotal</b>                            | <b>5,519,279</b>  | <b>6,546,583</b>  | <b>12,065,862</b>          | <b>4,342,808</b>   | <b>16,408,670</b>  | <b>9.1</b>   |                    |               |                    |
| <b>Overall total on September 30, 2009</b> | <b>6,421,099</b>  | <b>10,685,705</b> | <b>17,106,804</b>          | <b>163,862,401</b> | <b>180,969,205</b> | <b>100.0</b> |                    |               |                    |
| <b>%</b>                                   | <b>3.6</b>        | <b>5.9</b>        | <b>9.5</b>                 | <b>90.5</b>        | <b>100.0</b>       |              |                    |               |                    |
| <b>Overall total on June 30, 2009</b>      | <b>6,348,940</b>  | <b>10,574,682</b> | <b>16,923,622</b>          | <b>162,453,357</b> | <b>179,376,979</b> |              |                    |               |                    |
| <b>%</b>                                   | <b>3.5</b>        | <b>5.9</b>        | <b>9.4</b>                 | <b>90.6</b>        | <b>100.0</b>       |              |                    |               |                    |
| <b>Overall total on September 30, 2008</b> | <b>4,679,496</b>  | <b>7,167,529</b>  | <b>11,847,025</b>          | <b>154,559,317</b> | <b>166,406,342</b> |              |                    |               |                    |
| <b>%</b>                                   | <b>2.8</b>        | <b>4.3</b>        | <b>7.1</b>                 | <b>92.9</b>        | <b>100.0</b>       |              |                    |               |                    |

## Notes to the Financial Statements

| Risk level   | Provision                       |                  |                  |                   |                  |                   |                  |                   | % Sep<br>30<br>(1) |
|--|---------------------------------|------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|--------------------|
|  | Minimum required                |                  |                  |                   | Generic          | Total             | Additional       | Existing          |                    |
|  | % Minimum<br>required provision | Past due         | Falling<br>due   | Total<br>specific |                  |                   |                  |                   |                    |
| AA   | -                               | -                | -                | -                 | -                | -                 | -                | -                 | -                  |
| A  | 0.5                             | -                | -                | -                 | 391,957          | 391,957           | 900              | 392,857           |                    |
| B  | 1.0                             | 3,072            | 18,246           | 21,318            | 181,042          | 202,360           | 3,123            | 205,483           |                    |
| C  | 3.0                             | 17,838           | 69,436           | 87,274            | 940,437          | 1,027,711         | 1,345,500        | 2,373,211         |                    |
| <b>Subtotal</b>  |                                 | <b>20,910</b>    | <b>87,682</b>    | <b>108,592</b>    | <b>1,513,436</b> | <b>1,622,028</b>  | <b>1,349,523</b> | <b>2,971,551</b>  |                    |
| D  | 10.0                            | 53,948           | 149,339          | 203,287           | 189,201          | 392,488           | 642,059          | 1,034,547         |                    |
| E  | 30.0                            | 143,801          | 256,408          | 400,209           | 151,837          | 552,046           | 334,941          | 886,987           |                    |
| F  | 50.0                            | 238,554          | 392,779          | 631,333           | 182,969          | 814,302           | 280,690          | 1,094,992         |                    |
| G  | 70.0                            | 362,067          | 471,896          | 833,963           | 178,975          | 1,012,938         | 383,614          | 1,396,552         |                    |
| H  | 100.0                           | 3,506,115        | 2,738,813        | 6,244,928         | 1,323,048        | 7,567,976         | -                | 7,567,976         |                    |
| <b>Subtotal</b>  |                                 | <b>4,304,485</b> | <b>4,009,235</b> | <b>8,313,720</b>  | <b>2,026,030</b> | <b>10,339,750</b> | <b>1,641,304</b> | <b>11,981,054</b> |                    |
| <b>Overall<br/>total on<br/>September<br/>30, 2009</b> |                                 | <b>4,325,395</b> | <b>4,096,917</b> | <b>8,422,312</b>  | <b>3,539,466</b> | <b>11,961,778</b> | <b>2,990,827</b> | <b>14,952,605</b> |                    |
| <b>%</b>   |                                 | <b>28.9</b>      | <b>27.4</b>      | <b>56.3</b>       | <b>23.7</b>      | <b>80.0</b>       | <b>20.0</b>      | <b>100.0</b>      |                    |
| <b>Overall<br/>total on<br/>June 30,<br/>2009</b>      |                                 | <b>3,921,758</b> | <b>3,557,926</b> | <b>7,479,684</b>  | <b>3,399,099</b> | <b>10,878,783</b> | <b>2,991,825</b> | <b>13,870,608</b> |                    |
| <b>%</b>   |                                 | <b>28.3</b>      | <b>25.6</b>      | <b>53.9</b>       | <b>24.5</b>      | <b>78.4</b>       | <b>21.6</b>      | <b>100.0</b>      |                    |
| <b>Overall<br/>total on<br/>September<br/>30, 2008</b> |                                 | <b>2,945,635</b> | <b>2,328,244</b> | <b>5,273,879</b>  | <b>2,669,937</b> | <b>7,943,816</b>  | <b>1,191,979</b> | <b>9,135,795</b>  |                    |
| <b>%</b>   |                                 | <b>32.3</b>      | <b>25.5</b>      | <b>57.8</b>       | <b>29.2</b>      | <b>87.0</b>       | <b>13.0</b>      | <b>100.0</b>      |                    |

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



**g) Breakdown of allowance for loan losses**

|                            | R\$ thousand            |                         |                     |                     |
|----------------------------|-------------------------|-------------------------|---------------------|---------------------|
|                            | 2009                    |                         |                     | 2008                |
|                            | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30<br>YTD | September<br>30 YTD |
| <b>Opening balance</b>     | <b>13,870,608</b>       | <b>11,424,476</b>       | <b>10,262,601</b>   | <b>7,825,816</b>    |
| - Specific provision (1)   | 7,479,684               | 6,794,386               | 5,928,371           | 4,412,783           |
| - Generic provision (2)    | 3,399,099               | 2,940,718               | 2,713,660           | 2,284,956           |
| - Additional provision (3) | 2,991,825               | 1,689,372               | 1,620,570           | 1,128,077           |
| <b>Amount recorded</b>     | <b>2,883,456</b>        | <b>4,404,235</b>        | <b>10,207,295</b>   | <b>5,325,079</b>    |
| <b>Amount written-off</b>  | <b>(1,801,459)</b>      | <b>(1,958,103)</b>      | <b>(5,517,291)</b>  | <b>(4,015,100)</b>  |
| <b>Closing balance</b>     | <b>14,952,605</b>       | <b>13,870,608</b>       | <b>14,952,605</b>   | <b>9,135,795</b>    |
| - Specific provision (1)   | 8,422,312               | 7,479,684               | 8,422,312           | 5,273,879           |
| - Generic provision (2)    | 3,539,466               | 3,399,099               | 3,539,466           | 2,669,937           |
| - Additional provision (3) | 2,990,827               | 2,991,825               | 2,990,827           | 1,191,979           |

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

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

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

**h) Recovery and renegotiation**

Expenses from allowance for loan losses, net of recoveries of written-off credits.

|   | R\$ thousand            |                         |                     |                     |
|---|-------------------------|-------------------------|---------------------|---------------------|
|   | 2009                    |                         |                     | 2008                |
|   | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30<br>YTD | September<br>30 YTD |
| Amount recorded                         | 2,883,456               | 4,404,235               | 10,207,295          | 5,325,079           |
| Amount recovered (1)                    | (428,285)               | (338,684)               | (1,078,676)         | (888,318)           |
| <b>Expense net of amounts recovered</b> | <b>2,455,171</b>        | <b>4,065,551</b>        | <b>9,128,619</b>    | <b>4,436,761</b>    |

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

## i) Breakdown of renegotiated portfolio

|                           | R\$ thousand            |                         |                  |                  |
|---------------------------|-------------------------|-------------------------|------------------|------------------|
|                           |                         | 2009                    |                  | 2008             |
|                           | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30     | September 30     |
|                           | quarter                 |                         | YTD              | YTD              |
| <b>Opening balance</b>    | <b>4,344,917</b>        | <b>3,500,567</b>        | <b>3,089,034</b> | <b>2,682,997</b> |
| Amount renegotiated       | 1,384,735               | 1,342,294               | 3,652,279        | 2,086,712        |
| Amount received           | (444,499)               | (260,575)               | (972,725)        | (1,438,664)      |
| <b>Amount written-off</b> | <b>(369,130)</b>        | <b>(237,369)</b>        | <b>(852,565)</b> | <b>(595,499)</b> |
| <b>Closing balance</b>    | <b>4,916,023</b>        | <b>4,344,917</b>        | <b>4,916,023</b> | <b>2,735,546</b> |
| Allowance for loan losses | 2,928,976               | 2,556,496               | 2,928,976        | 1,761,603        |
| Percentage on portfolio   | 59.6%                   | 58.8%                   | 59.6%            | 64.4%            |



**j) Income on loan and leasing operations**

|   | R\$ thousand            |                         |                     |                     |
|---|-------------------------|-------------------------|---------------------|---------------------|
|   | 2009                    |                         | 2008                |                     |
|   | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30<br>YTD | September<br>30 YTD |
| Discounted trade receivables and loans  | 5,184,672               | 5,166,408               | 15,665,366          | 13,015,700          |
| Financings                              | 1,882,256               | 1,892,087               | 5,800,060           | 6,332,893           |
| Rural and agribusiness loans            | 212,663                 | 210,828                 | 619,878             | 760,777             |
| <b>Subtotal</b>                         | <b>7,279,591</b>        | <b>7,269,323</b>        | <b>22,085,304</b>   | <b>20,109,370</b>   |
| Recovery of credits written-off as loss | 428,285                 | 338,684                 | 1,078,676           | 888,318             |
| <b>Subtotal</b>                         | <b>7,707,876</b>        | <b>7,608,007</b>        | <b>23,163,980</b>   | <b>20,997,688</b>   |
| Leasing net of expenses                 | 889,224                 | 913,022                 | 2,689,307           | 1,577,753           |
| <b>Total</b>                            | <b>8,597,100</b>        | <b>8,521,029</b>        | <b>25,853,287</b>   | <b>22,575,441</b>   |

**11) OTHER RECEIVABLES****a) Foreign exchange portfolio****Balance sheet accounts**

|   | R\$ thousand      |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | 2009              |                   | 2008              |
|   | September 30      | June 30           | September 30      |
| <b>Assets other receivables</b>                                       |                   |                   |                   |
| Exchange purchases pending settlement                                 | 9,449,972         | 13,293,195        | 10,183,756        |
| Foreign exchange acceptances and term documents in foreign currencies | 15                | 147               | 5,682             |
| Exchange sale receivables   | 2,926,463         | 6,907,002         | 3,375,270         |
| (-) Advances in local currency received                               | (322,170)         | (315,952)         | (271,026)         |
| Income receivable on advances granted                                 | 240,295           | 269,454           | 141,047           |
| <b>Total</b>  | <b>12,294,575</b> | <b>20,153,846</b> | <b>13,434,729</b> |
| <b>Liabilities other liabilities</b>                                  |                   |                   |                   |
| Exchange sales pending settlement                                     | 2,904,922         | 6,334,409         | 3,416,775         |
| Exchange purchase payables  | 10,543,684        | 14,396,954        | 9,326,502         |
| (-) Advances on foreign exchange contracts                            | (7,635,297)       | (9,612,825)       | (6,788,059)       |
| Other   | 6,179             | 9,401             | 22,789            |
| <b>Total</b>  | <b>5,819,488</b>  | <b>11,127,939</b> | <b>5,978,007</b>  |
| <b>Net foreign exchange portfolio</b>                                 | <b>6,475,087</b>  | <b>9,025,907</b>  | <b>7,456,722</b>  |
| <b>Memorandum accounts</b>  |                   |                   |                   |
| Imports loans   | 1,476,988         | 1,188,727         | 1,132,745         |

|                         |        |        |        |
|-------------------------|--------|--------|--------|
| Confirmed exports loans | 59,452 | 74,437 | 32,613 |
|-------------------------|--------|--------|--------|

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## Exchange results

## Breakdown of foreign exchange transactions result adjusted to facilitate presentation

|   | R\$ thousand            |                         |                     |                     |
|---|-------------------------|-------------------------|---------------------|---------------------|
|   | 2009                    |                         |                     | 2008                |
|   | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September<br>30 YTD | September<br>30 YTD |
| <b>Foreign exchange operations result</b>                             | <b>277,026</b>          | <b>1,154,621</b>        | <b>1,740,392</b>    | <b>1,625,772</b>    |
| <b>Adjustments:</b>   |                         |                         |                     |                     |
| - Income on foreign currency financing (1)                            | 2,871                   | (1,733)                 | 10,250              | 249,009             |
| - Income on export financing (1)                                      | 103,293                 | 105,019                 | 333,008             | 252,363             |
| - Income on foreign investments (2)                                   | 2,712                   | (82,160)                | 6,547               | 196,394             |
| - Expenses from liabilities with foreign<br>bankers (3)<br>(Note 17c) | 37,569                  | 176,422                 | 105,565             | (2,180,803)         |
| - Funding expenses (4)  | (71,529)                | (87,413)                | (272,810)           | (223,706)           |
| - Other   | (183,263)               | (1,093,527)             | (1,366,394)         | 432,733             |
| <b>Total adjustments</b>  | <b>(108,347)</b>        | <b>(983,392)</b>        | <b>(1,183,834)</b>  | <b>(1,274,010)</b>  |
| <b>Adjusted foreign exchange operations<br/>result</b>                | <b>168,679</b>          | <b>171,229</b>          | <b>556,558</b>      | <b>351,762</b>      |

(1) Classified in item Income from loan operations ;

(2) Demonstrated in item Income on securities transactions ;

(3) Related to funds from financing advances on foreign exchange contracts and import financing, classified in item Expenses from borrowing and onlending ; and

(4) They refer to funding expenses whose funds were invested in foreign exchange transactions.

## b) Sundry

|   | R\$ thousand |            |              |
|---|--------------|------------|--------------|
|   | 2009         |            | 2008         |
|   | September 30 | June 30    | September 30 |
| Tax credits (Note 34c)  | 16,547,709   | 15,357,605 | 11,036,037   |
| Credit card operations  | 7,876,954    | 7,362,702  | 6,468,452    |
| Borrowers by escrow deposits  | 6,972,173    | 6,713,171  | 5,806,318    |
| Prepaid taxes   | 1,542,558    | 1,943,236  | 1,324,586    |
| Sundry borrowers (1)  | 1,409,209    | 3,709,427  | 1,761,384    |
| Receivable securities and credits (2)   | 3,052,740    | 3,283,533  | 1,218,281    |
| Advances to <i>Fundo Garantidor de Crédito</i><br>(Deposit Guarantee Association FGC) | 761,087      | 806,753    | -            |

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|                                     |                   |                   |                   |
|-------------------------------------|-------------------|-------------------|-------------------|
| Payments to be reimbursed           | 516,979           | 473,166           | 526,153           |
| Borrowers due to purchase of assets | 74,515            | 89,192            | 91,401            |
| Other                               | 288,279           | 274,986           | 175,599           |
| <b>Total</b>                        | <b>39,042,203</b> | <b>40,013,771</b> | <b>28,408,211</b> |

(1) On June 30, 2009, includes R\$2,149,534 thousand of receivables from the partial sale of shareholding in Companhia Brasileira de Meios de Pagamento (VisaNet); and (2) It includes receivables from the acquisition of financial assets from loan operations with no substantial transfer of risk and benefits.

**12) OTHER ASSETS****a) Foreclosed assets/others**

|                                     | R\$ thousand   |                      |                |                |                |
|-------------------------------------|----------------|----------------------|----------------|----------------|----------------|
|                                     |                |                      | Residual value |                |                |
|                                     | Cost           | Provision for losses | 2009           | 2008           |                |
|                                     |                |                      | September 30   | June 30        | September 30   |
| Real estate                         | 171,853        | (37,683)             | 134,170        | 111,288        | 130,726        |
| Goods subject to special conditions | 63,685         | (63,685)             | -              | -              | -              |
| Vehicles and similar                | 480,223        | (146,182)            | 334,041        | 294,649        | 176,064        |
| Inventories/storehouse              | 16,746         | -                    | 16,746         | 16,342         | 17,685         |
| Machinery and equipment             | 9,456          | (5,486)              | 3,970          | 9,015          | 3,978          |
| Others                              | 7,986          | (6,941)              | 1,045          | 1,114          | 1,081          |
| <b>Total on September 30, 2009</b>  | <b>749,949</b> | <b>(259,977)</b>     | <b>489,972</b> |                |                |
| <b>Total on June 30, 2009</b>       | <b>678,560</b> | <b>(246,152)</b>     |                | <b>432,408</b> |                |
| <b>Total on September 30, 2008</b>  | <b>526,873</b> | <b>(197,339)</b>     |                |                | <b>329,534</b> |

**b) Prepaid expenses**

|  | R\$ thousand     |                  |                  |
|--|------------------|------------------|------------------|
|  | 2009             |                  | 2008             |
|  | September 30     | June 30          | September 30     |
| Commission on the placement of financing (1) | 882,862          | 927,437          | 1,123,189        |
| Insurance selling expenses (3)               | 324,389          | 313,776          | 279,503          |
| Advertising and publicity expenses (4)       | 71,017           | 86,436           | 82,980           |
| Other  | 147,815          | 151,660          | 52,276           |
| <b>Total</b>                                 | <b>1,426,083</b> | <b>1,479,309</b> | <b>1,537,948</b> |

(1) Commissions paid to storeowners and car dealers. As of 2Q08, commission in the placement of financing operations are allocated to the respective financing/leasing operations balance;

(2) Commissions paid to insurance brokers at inception of insurance, private pension plans and certificated savings plans products; and

(3) Prepaid advertising and publicity expenses, whose disclosure in the media will occur in the future.

**13) INVESTMENTS****a) Breakdown of main investments in branches and direct and indirect subsidiaries abroad, which were fully eliminated upon financial statements consolidation**

|   | R\$ thousand          |                               |                      |                      |                      |
|---|-----------------------|-------------------------------|----------------------|----------------------|----------------------|
| Investments in branches and subsidiaries abroad | Balance on 12.31.2008 | Transaction in the period (1) | Balance on 9.30.2009 | Balance on 6.30.2009 | Balance on 9.30.2008 |
| Banco Bradesco S.A. Grand Cayman Branch         | 7,032,014             | 1,387,377                     | 8,419,391            | 9,154,336            | 9,387,190            |
| Bradport SGPS, Sociedade Unipessoal, Lda.       | 423,898               | 411,150                       | 835,048              | 762,447              | 406,091              |
| Banco Bradesco S.A. New York Branch             | 421,485               | (75,210)                      | 346,275              | 368,601              | 334,974              |
| Banco Bradesco Luxembourg S.A.                  | 380,726               | (77,881)                      | 302,845              | 328,071              | 305,869              |
| Other   | 836,710               | (95,023)                      | 741,687              | 804,992              | 673,965              |
| <b>Total</b>                                    | <b>9,094,833</b>      | <b>1,550,413</b>              | <b>10,645,246</b>    | <b>11,418,447</b>    | <b>11,108,089</b>    |

(1) Represented by the negative foreign exchange variation in the amount of R\$2,338,048 thousand, positive equity in the earnings of unconsolidated companies in the amount of R\$680,920 thousand, positive adjustment to market value of available-for-sale securities in the amount of R\$309,879 thousand and capital increase in the amount of R\$2,897,662 thousand.

**b) Breakdown of investments in the consolidated financial statements**

| Affiliated companies                 | R\$ thousand     |                  |                |
|--------------------------------------|------------------|------------------|----------------|
|                                      | 2009             |                  | 2008           |
|                                      | September 30     | June 30          | September 30   |
| - IRB-Brasil Resseguros S.A.         | 415,125          | 390,955          | 433,531        |
| - Serasa S.A.                        | 87,744           | 82,945           | 82,047         |
| - BES Investimento do Brasil S.A.    | 62,097           | 61,145           | 50,603         |
| - Integritas Participações S.A. (1)  | 62,423           | 38,382           | -              |
| - NovaMarlim Participações S.A.(2)   | -                | -                | 6,872          |
| - Marlim Participações S.A. (2)      | -                | -                | 2,707          |
| - Other                              | 185              | 228              | 1,102          |
| <b>Total in affiliated companies</b> | <b>627,574</b>   | <b>573,655</b>   | <b>576,862</b> |
| - Tax incentives                     | 257,541          | 327,973          | 327,812        |
| - Other investments                  | 498,199          | 502,040          | 268,447        |
| Provision for:                       |                  |                  |                |
| - Tax incentives                     | (228,067)        | (294,507)        | (294,163)      |
| - Other investments                  | (51,106)         | (55,666)         | (56,051)       |
| <b>Overall total of investments</b>  | <b>1,104,141</b> | <b>1,053,495</b> | <b>822,907</b> |

- (1) Company acquired in January 2009; and
- (2) Companies are no longer evaluated by the equity in the earnings of unconsolidated companies method due to the amendments set forth by Bacen Resolution 3,619/08 and are reclassified to other investments.

c) The adjustments resulting from the equity accounting method of investments were recorded in income accounts, under item **Equity in the Earnings (losses) of Unconsolidated Companies** and correspond to **R\$58,090 thousand** in the period ended **September 30, 2009** (September 30, 2008 - R\$88,426 thousand), **R\$39,034 thousand** in 3Q09 (2Q09 - R\$13,489 thousand).

| Companies   | Capital stock | Adjusted equity | Number of shares/quotas held |           | Consolidated ownership on capital stock | Adjusted net income (loss) | Adjustment resulting from evaluation |               |                  |
|---|---------------|-----------------|------------------------------|-----------|---|----------------------------|--------------------------------------|---------------|------------------|
|   |               |                 | (thousands)                  |           |   |                            | 2009                                 | 2009          | September 30 YTD |
|   |               |                 | Common                       | Preferred |   |                            |                                      |               |                  |
| IRB-Brasil Resseguros S.A. (3)                            | 1,030,000     | 1,954,245       | -                            | 212       | 21.24%                                  | 57,495                     | 24,909                               | (11,669)      | 12,211           |
| NovaMarlim Participações S.A. (2)                         | -             | -               | -                            | -         | -                                       | -                          | -                                    | -             | -                |
| Marlim Participações S.A. (2)                             | -             | -               | -                            | -         | -                                       | -                          | -                                    | -             | -                |
| BES Investimento do Brasil S.A. Banco de Investimento (3) | 200,000       | 310,486         | 7,993                        | 7,993     | 20.00%                                  | 72,740                     | 2,453                                | 8,360         | 14,549           |
| Serasa S.A. (3)   | 145,000       | 1,062,763       | 909                          | -         | 8.26%                                   | 244,746                    | 4,798                                | 13,035        | 20,217           |
| Integritas Participações S.A. (4)                         | 35,760        | 303,909         | 12,284                       | -         | 20.54%                                  | 54,105                     | 6,874                                | 3,763         | 11,113           |
| <b>Equity in the earnings of unconsolidated companies</b> |               |                 |                              |           |   |                            | <b>39,034</b>                        | <b>13,489</b> | <b>58,090</b>    |

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

(2) Companies are no longer evaluated by the equity accounting method due to the amendments set forth by Bacen Resolution 3,619/08;

(3) Data related to August 31, 2009 unaudited; and

(4) Company acquired in January 2009.





**14) PREMISES AND EQUIPMENT AND LEASED ASSETS**

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

|  |             |                  |                    | R\$ thousand     |                  |                  |
|--|-------------|------------------|--------------------|------------------|------------------|------------------|
|  |             |                  |                    | Residual value   |                  |                  |
|  | Annual rate | Cost             | Depreciation       | 2009             | 2008             |                  |
|  |             |                  |                    | September 30     | June 30          | September 30     |
| Premises and equipment:                    |             |                  |                    |                  |                  |                  |
| - Buildings                                | 4%          | 677,155          | (365,936)          | 311,219          | 317,260          | 286,696          |
| - Land                                     | -           | 347,815          | -                  | 347,815          | 346,052          | 413,135          |
| Facilities, furniture and equipment in use |             |                  |                    |                  |                  |                  |
| Security and communication systems         | 10%         | 3,052,120        | (1,625,546)        | 1,426,574        | 1,394,026        | 1,135,432        |
| Data processing systems                    | 20 to 50%   | 1,374,898        | (899,700)          | 475,198          | 447,436          | 302,882          |
| Transportation systems                     | 20%         | 32,566           | (18,651)           | 13,915           | 14,432           | 13,336           |
| Construction in progress                   | -           | -                | -                  | -                | -                | 81,988           |
| Finance lease of data processing systems   | 20 to 50%   | 2,086,738        | (1,476,586)        | 610,152          | 693,176          | -                |
| <b>Subtotal</b>                            |             | <b>7,755,631</b> | <b>(4,497,489)</b> | <b>3,258,142</b> | <b>3,283,406</b> | <b>2,298,417</b> |
| Leased assets                              |             | 29,202           | (15,252)           | 13,950           | 16,295           | 10,021           |
| <b>Total on September 30, 2009</b>         |             | <b>7,784,833</b> | <b>(4,512,741)</b> | <b>3,272,092</b> |                  |                  |
| <b>Total on June 30, 2009</b>              |             | <b>7,655,095</b> | <b>(4,355,394)</b> |                  | <b>3,299,701</b> |                  |
| <b>Total on September 30, 2008</b>         |             | <b>5,268,635</b> | <b>(2,960,197)</b> |                  |                  | <b>2,308,438</b> |

Premises and equipment of the Bradesco Organization present an unrecorded market value appreciation of R\$1,861,043 thousand (June 30, 2009 R\$1,721,477 thousand and September 30, 2008 R\$1,555,008 thousand) based on appraisal reports prepared by independent experts in 2009, 2008 and 2007.

The Bank executed lease agreements, for data processing systems, which are presented under premises and equipment. According to this accounting policy, assets and liabilities are classified in the financial statements and asset depreciation is calculated according to the bank's assets depreciation policy. Interest rates on this liability are also recognized.

The fixed assets to reference shareholders' equity ratio in relation to economic-financial consolidated is 15.44% (June 30, 2009 - 15.13% and September 30, 2008 - 17.62%), and in relation to the financial consolidated basis is 44.34% (June 30, 2009 - 45.60% and September 30, 2008 - 47.38%), within the maximum 50% limit.

The difference between the fixed assets to shareholders' equity ratio of the economic-financial consolidated and of the financial consolidated derives from the existence of non-financial subsidiaries which have high liquidity and low fixed assets to shareholders' equity ratio, with the consequent increase in the fixed assets to shareholders' equity ratio of the financial consolidated. Whenever necessary, we may reallocate the funds for the financial companies through the payment of dividends/interest on shareholders' equity to financial companies or corporate reorganization between the financial and non-financial companies, thus allowing the improvement of that ratio.

## **15) INTANGIBLE ASSETS**

### **a) Goodwill**

Goodwill from investment acquisitions amounted to R\$1,018,778 thousand, of which R\$203,114 thousand represents the difference between book value and market value of shares recorded in Permanent Assets (BM&FBovespa shares), being amortized upon their realization and R\$815,664 thousand representing future profitability/client portfolio, which will be amortized within five years. In the period, goodwill was amortized in the amount of R\$73,732 thousand.

Goodwill assessed in the acquisition of investments up to March 31, 2008 in subsidiaries and joint-controlled subsidiaries was fully amortized in the amount of R\$53,030 thousand on March 31, 2008.

**b) Intangible assets**

Acquired intangible assets have defined useful life and comprise:

|   |                       |                  |                    | R\$ thousand     |                  |                  |
|---|-----------------------|------------------|--------------------|------------------|------------------|------------------|
|   | Amortization rate (1) | Cost             | Amortization       | Residual value   |                  |                  |
|   |                       |                  |                    | 2009             | 2008             |                  |
|   |                       |                  |                    | September 30     | June 30          | September 30     |
| Acquisition of right for banking services | Contract              | 2,751,581        | (1,097,962)        | 1,653,619        | 1,646,831        | 1,579,911        |
| Software (2)                              | 10% to 20%            | 3,040,744        | (1,681,277)        | 1,359,467        | 1,296,377        | 1,011,094        |
| Future profitability/client portfolio (3) | 20%                   | 815,664          | (106,502)          | 709,162          | 750,906          | 686,469          |
| Other                                     | 20%                   | 192,090          | (62,681)           | 129,409          | 129,222          | 91,537           |
| <b>Total on September 30, 2009</b>        |                       | <b>6,800,079</b> | <b>(2,948,422)</b> | <b>3,851,657</b> |                  |                  |
| <b>Total on June 30, 2009</b>             |                       | <b>6,777,599</b> | <b>(2,954,263)</b> |                  | <b>3,823,336</b> |                  |
| <b>Total on September 30, 2008</b>        |                       | <b>5,681,705</b> | <b>(2,312,694)</b> |                  |                  | <b>3,369,011</b> |

(1) The amortization of intangible assets is carried out throughout an estimated period of economic benefit and accounted as other administrative expenses and other operating expenses;

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

(3) Goodwill in the acquisition of shareholders' interest at Ágora Corretora - R\$385,046 thousand, Integritas Participações R\$287,998 thousand and in Europ Assistance Serviços de Assistência Personalizados - R\$36,118 thousand, net of accrued amortization.

Impairment losses in intangible assets were not recorded in the period.

Expenses with research and development of systems corresponded to R\$53,046 thousand on September 30, 2009 (September 30, 2008 - R\$45,426 thousand); 3Q09 - R\$19,510 thousand (2Q09 - R\$16,145 thousand).

## c) Breakdown of intangible assets by class:

|                                      |                                  |                  |   |                | R\$<br>thousand  |
|--------------------------------------|----------------------------------|------------------|---|----------------|------------------|
|                                      | Acquisition<br>of bank<br>rights | Software         | Future<br>profitability/<br>client<br>portfolio | Other          | Total            |
| <b>Balance on December 31, 2008</b>  | <b>1,594,666</b>                 | <b>1,189,343</b> | <b>458,778</b>                                  | <b>70,046</b>  | <b>3,312,833</b> |
| Additions                            | 269,420                          | 357,548          | 324,116   | 77,772         | 1,028,856        |
| Reversion of Amortization (1)        | 146,801                          | -                | -   | -              | 146,801          |
| Amortization for the period          | (357,268)                        | (187,424)        | (73,732)  | (18,409)       | (636,833)        |
| <b>Balance on September 30, 2009</b> | <b>1,653,619</b>                 | <b>1,359,467</b> | <b>709,162</b>                                  | <b>129,409</b> | <b>3,851,657</b> |

(1) As from April 2009, Bradesco changed the amortization calculation methodology of right acquisition for banking services provision from the straight-line-method amortization to a calculation based on the profitability of each Pay-back agreement. The calculation review considered all assets base of agreements creating a reversal of amortized balances.

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

## a) Deposits

|  |                   |                   |                    |                       |                    |                    | R\$ thousand       |
|--|-------------------|-------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|
|  | 2009              |                   |                    |                       |                    | 2008               |                    |
|  | 1 to 30<br>days   | 31 to 180<br>days | 181 to 360<br>days | More than<br>360 days | September<br>30    | June 30            | September<br>30    |
| Demand deposits (1)                            | 29,298,424        | -                 | -                  | -                     | 29,298,424         | 27,416,181         | 26,694,457         |
| Savings deposits (1)                           | 40,922,202        | -                 | -                  | -                     | 40,922,202         | 38,502,687         | 35,680,823         |
| Interbank deposits                             | 236,836           | 213,004           | 109,813            | 179,206               | 738,859            | 489,281            | 340,008            |
| Time deposits (2)                              | 3,911,137         | 8,050,402         | 10,328,013         | 73,743,773            | 96,033,325         | 100,141,957        | 75,528,501         |
| Other investment deposits                      | 994,711           | -                 | -                  | -                     | 994,711            | 961,822            | 925,930            |
| <b>Overall total on<br/>September 30, 2009</b> | <b>75,363,310</b> | <b>8,263,406</b>  | <b>10,437,826</b>  | <b>73,922,979</b>     | <b>167,987,521</b> |                    |                    |
| %  | 44.9              | 4.9               | 6.2                | 44.0                  | 100.0              |                    |                    |
| <b>Overall total on June 30,<br/>2009</b>      | <b>71,474,763</b> | <b>11,562,464</b> | <b>8,321,540</b>   | <b>76,153,161</b>     |                    | <b>167,511,928</b> |                    |
| %  | 42.7              | 6.9               | 5.0                | 45.4                  |                    | 100.0              |                    |
| <b>Overall total on<br/>September 30, 2008</b> | <b>67,224,684</b> | <b>6,167,223</b>  | <b>12,072,264</b>  | <b>53,705,548</b>     |                    |                    | <b>139,169,719</b> |
| %  | 48.3              | 4.4               | 8.7                | 38.6                  |                    |                    | 100.0              |

- (1) Classified as up to 30 days , not considering average historical turnover; and
- (2) Considers the maturities established in investments.

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

|  | 2009              |                   |                    |                       |                    | 2008              |                   | R\$<br>thousand |
|--|-------------------|-------------------|--------------------|-----------------------|--------------------|-------------------|-------------------|-----------------|
|  | 1 to 30<br>days   | 31 to 180<br>days | 181 to 360<br>days | More than<br>360 days | September<br>30    | June 30           | September<br>30   |                 |
| <b>Own portfolio</b>                               | <b>686,887</b>    | <b>2,014,269</b>  | <b>6,651,646</b>   | <b>26,142,988</b>     | <b>35,495,790</b>  | <b>29,677,300</b> | <b>39,627,936</b> |                 |
| Government securities                              | 8,122             | 247,487           | 1,087,098          | 36,024                | 1,378,731          | 1,008,550         | 3,570,319         |                 |
| Debentures of own issuance (3)                     | 571,265           | 1,766,782         | 5,564,548          | 26,090,006            | 33,992,601         | 28,472,814        | 35,027,576        |                 |
| Foreign  | 107,500           | -                 | -                  | 16,958                | 124,458            | 195,936           | 1,030,041         |                 |
| <b>Third-party portfolio (1)</b>                   | <b>66,524,357</b> | <b>-</b>          | <b>-</b>           | <b>-</b>              | <b>66,524,357</b>  | <b>68,409,839</b> | <b>45,691,232</b> |                 |
| <b>Unrestricted portfolio (1)</b>                  | <b>-</b>          | <b>559,502</b>    | <b>24,031</b>      | <b>-</b>              | <b>583,533</b>     | <b>1,622,645</b>  | <b>2,144,614</b>  |                 |
| <b>Overall total on September 30,<br/>2009 (2)</b> | <b>67,211,244</b> | <b>2,573,771</b>  | <b>6,675,677</b>   | <b>26,142,988</b>     | <b>102,603,680</b> |                   |                   |                 |
| <b>%</b>   | <b>65.5</b>       | <b>2.5</b>        | <b>6.5</b>         | <b>25.5</b>           | <b>100.0</b>       |                   |                   |                 |
| <b>Overall total on June 30, 2009<br/>(2)</b>      | <b>67,943,139</b> | <b>3,577,325</b>  | <b>3,073,015</b>   | <b>25,116,305</b>     |                    | <b>99,709,784</b> |                   |                 |
| <b>%</b>   | <b>68.1</b>       | <b>3.6</b>        | <b>3.1</b>         | <b>25.2</b>           |                    | <b>100.0</b>      |                   |                 |
| <b>Overall total on September 30,<br/>2008 (2)</b> | <b>49,801,337</b> | <b>3,674,122</b>  | <b>2,055,317</b>   | <b>31,933,006</b>     |                    |                   | <b>87,463,782</b> |                 |
| <b>%</b>   | <b>56.9</b>       | <b>4.2</b>        | <b>2.4</b>         | <b>36.5</b>           |                    |                   | <b>100.0</b>      |                 |

(1) Represented by government securities; and

(2) Includes R\$23,278,214 thousand (June 30, 2009 R\$22,008,579 thousand and September 30, 2008 R\$15,690,593 thousand) of funds invested in purchase and sale commitments with Bradesco, whose quotaholders are subsidiaries included in the consolidated financial statements (Notes 8a, b, c and d); and

(3) Securities were partially repurchased in 2Q09

## c) Funds from issuance of securities

|  | 2009            |                   |                    |                          |                  | 2008             |                  | R\$<br>thousand |
|--|-----------------|-------------------|--------------------|--------------------------|------------------|------------------|------------------|-----------------|
|  | 1 to 30<br>days | 31 to 180<br>days | 181 to 360<br>days | More<br>than 360<br>days | September<br>30  | June 30          | September<br>30  |                 |
| <b>Securities - domestic:</b>  |                 |                   |                    |                          |                  |                  |                  |                 |
| - Exchange acceptances   | 21              | -                 | -                  | -                        | 21               | 207              | 241              |                 |
| - Mortgage bond  | 152,099         | 337,496           | 403,257            | 187                      | 893,039          | 748,327          | 878,237          |                 |
| - Letters of credit for agribusiness   | 378,451         | 359,904           | 461,867            | 201,811                  | 1,402,033        | 1,736,757        | 578,965          |                 |
| - Debentures (1)   | -               | 28,154            | -                  | 730,165                  | 758,319          | 741,474          | 1,531,746        |                 |
| - Other  | -               | -                 | -                  | -                        | -                | -                | 128,485          |                 |
| <b>Subtotal</b>  | <b>530,571</b>  | <b>725,554</b>    | <b>865,124</b>     | <b>932,163</b>           | <b>3,053,412</b> | <b>3,226,765</b> | <b>3,117,674</b> |                 |
| <b>Securities - foreign:</b>   |                 |                   |                    |                          |                  |                  |                  |                 |
| - MTN Program Issues (2)   | 25,084          | 226,781           | -                  | -                        | 251,865          | 243,434          | 255,618          |                 |
| - Securitization of future flow of money orders received from abroad (d)                             | 6,206           | 89,584            | 315,424            | 3,283,880                | 3,695,094        | 4,083,249        | 2,936,847        |                 |
| - Securitization of future flow of credit card bill receivables from cardholders resident abroad (d) | 368             | 44,444            | 45,717             | 48,033                   | 138,562          | 176,007          | 241,118          |                 |
| - Cost of issuances on funding (3)   | (218)           | (2,481)           | (2,484)            | (22,916)                 | (28,099)         | (35,268)         | (15,635)         |                 |
| <b>Subtotal</b>  | <b>31,440</b>   | <b>358,328</b>    | <b>358,657</b>     | <b>3,308,997</b>         | <b>4,057,422</b> | <b>4,467,422</b> | <b>3,417,948</b> |                 |
| <b>Overall total on September 30, 2009</b>   | <b>562,011</b>  | <b>1,083,882</b>  | <b>1,223,781</b>   | <b>4,241,160</b>         | <b>7,110,834</b> |                  |                  |                 |
| <b>%</b>   | <b>7.9</b>      | <b>15.2</b>       | <b>17.2</b>        | <b>59.7</b>              | <b>100.0</b>     |                  |                  |                 |
| <b>Overall total on June 30, 2009</b>  | <b>265,207</b>  | <b>1,940,739</b>  | <b>850,163</b>     | <b>4,638,078</b>         |                  | <b>7,694,187</b> |                  |                 |
| <b>%</b>   | <b>3.5</b>      | <b>25.2</b>       | <b>11.0</b>        | <b>60.3</b>              |                  | <b>100.0</b>     |                  |                 |
| <b>Overall total on September 30, 2008</b>   | <b>359,816</b>  | <b>481,652</b>    | <b>960,964</b>     | <b>4,733,190</b>         |                  |                  | <b>6,535,622</b> |                 |
| <b>%</b>   | <b>5.5</b>      | <b>7.4</b>        | <b>14.7</b>        | <b>72.4</b>              |                  |                  | <b>100.0</b>     |                 |

(1) This refers to Bradesco Leasing S.A. Arrendamento Mercantil's issuances of simple debentures not convertible into shares, maturing on May 1, 2011 with a 104% of CDI remuneration, whose installments referring to interest are classified in the short term;

(2) Issuance of securities in the international market for foreign exchange operations for customers, through purchase and sale of foreign currencies, related to discounts of export bills, pre-financing of exports and financing of imports, substantially in the short term; and

(3) Pursuant to CVM Resolution 556/08 and CPC 08/08, expenses related to fund raising are recorded as write-down to respective funding and appropriated to income for the term of the operation.



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

(i) Current and future flows of money orders remitted by individuals and corporate entities located abroad to beneficiaries in Brazil for which the Bank acts as paying agent; and

(ii) Current and future flows of credit card receivables arising from expenses made in the Brazilian territory by holders of credit cards issued outside Brazil.

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

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

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

|  |                      |                           |                 |                     |                  |                     | R\$ thousand |             |
|--|----------------------|---------------------------|-----------------|---------------------|------------------|---------------------|--------------|-------------|
|  |                      |                           |                 |                     |                  |                     | <b>Total</b> |             |
|  |                      |                           |                 |                     |                  |                     | <b>2009</b>  | <b>2008</b> |
|  | <b>Date of Issue</b> | <b>Transaction amount</b> | <b>Maturity</b> |                     |                  |                     |              |             |
|  |                      |                           |                 | <b>September 30</b> | <b>June 30</b>   | <b>September 30</b> |              |             |
|  | 08.20.2003           | 595,262                   | 08.20.2010      | 40,849              | 59,708           | 115,748             |              |             |
|  | 07.28.2004           | 305,400                   | 08.20.2012      | 92,955              | 109,873          | 130,867             |              |             |
|  | 06.11.2007           | 481,550                   | 05.20.2014      | 444,854             | 488,441          | 480,352             |              |             |
|  | 06.11.2007           | 481,550                   | 05.20.2014      | 445,019             | 488,441          | 480,352             |              |             |
| Securitization of future flow of money orders received abroad                                  | 12.20.2007           | 354,260                   | 11.20.2014      | 356,055             | 392,696          | 384,325             |              |             |
|  | 12.20.2007           | 354,260                   | 11.20.2014      | 356,055             | 392,793          | 384,325             |              |             |
|  | 03.06.2008           | 836,000                   | 05.20.2015      | 890,184             | 977,411          | 960,878             |              |             |
|  | 12.19.2008           | 1,168,500                 | 02.20.2015      | 890,730             | 978,020          | -                   |              |             |
|  | 03.20.2009           | 225,590                   | 02.20.2015      | 178,393             | 195,866          | -                   |              |             |
| <b>Total</b>   |                      | <b>4,802,372</b>          |                 | <b>3,695,094</b>    | <b>4,083,249</b> | <b>2,936,847</b>    |              |             |
| Securitization of future flow of credit card bill receivables from cardholders resident abroad | 07.10.2003           | 800,818                   | 06.15.2011      | 138,562             | 176,007          | 241,118             |              |             |
| <b>Total</b>   |                      | <b>800,818</b>            |                 | <b>138,562</b>      | <b>176,007</b>   | <b>241,118</b>      |              |             |

e) Expenses with funding and price-level restatement and interest on technical provisions for insurance, private pension plans and certificated savings plans

R\$ thousand

|   | 2009                       |                            | 2008                |                     |
|---|----------------------------|----------------------------|---------------------|---------------------|
|   | 3 <sup>rd</sup><br>quarter | 2 <sup>nd</sup><br>quarter | September<br>30 YTD | September<br>30 YTD |
| Savings deposits  | 598,371                    | 588,871                    | 1,839,310           | 1,731,874           |
| Time deposits   | 2,461,423                  | 2,716,631                  | 8,402,309           | 5,580,830           |
| Federal funds purchased and securities sold<br>under    |                            |                            |                     |                     |
| agreements to repurchase                                | 2,168,294                  | 2,312,406                  | 7,168,371           | 6,881,998           |
| Funds from issuance of securities                       | 54,513                     | (13,834)                   | 265,652             | 703,712             |
| Other funding expenses                                  | 86,250                     | 101,963                    | 285,211             | 197,043             |
| <b>Subtotal</b>   | <b>5,368,851</b>           | <b>5,706,037</b>           | <b>17,960,853</b>   | <b>15,095,457</b>   |
| Expenses for price-level restatement and<br>interest on |                            |                            |                     |                     |
| technical provisions from insurance, private<br>pension |                            |                            |                     |                     |
| plans and certificated savings plans                    | 1,245,780                  | 1,337,445                  | 3,956,827           | 3,081,537           |
| <b>Total</b>  | <b>6,614,631</b>           | <b>7,043,482</b>           | <b>21,917,680</b>   | <b>18,176,994</b>   |

**17) BORROWING AND ONLENDING****a) Borrowing**

|  | 2009             |                   |                    |                       |                  | 2008              |                   | R\$<br>thousand |
|--|------------------|-------------------|--------------------|-----------------------|------------------|-------------------|-------------------|-----------------|
|  | 1 to 30<br>days  | 31 to 180<br>days | 181 to 360<br>days | More than<br>360 days | September<br>30  | June 30           | September<br>30   |                 |
| <b>Local</b>                               | <b>8,692</b>     | <b>-</b>          | <b>-</b>           | <b>-</b>              | <b>8,692</b>     | <b>529</b>        | <b>626</b>        |                 |
| - Official institutions                    | -                | -                 | -                  | -                     | -                | -                 | 199               |                 |
| - Other institutions                       | 8,692            | -                 | -                  | -                     | 8,692            | 529               | 427               |                 |
| <b>Foreign (1)</b>                         | <b>864,657</b>   | <b>5,025,250</b>  | <b>1,963,658</b>   | <b>362,482</b>        | <b>8,216,047</b> | <b>11,080,891</b> | <b>14,001,175</b> |                 |
| <b>Overall total on September 30, 2009</b> | <b>873,349</b>   | <b>5,025,250</b>  | <b>1,963,658</b>   | <b>362,482</b>        | <b>8,224,739</b> |                   |                   |                 |
| <b>%</b>                                   | <b>10.6</b>      | <b>61.1</b>       | <b>23.9</b>        | <b>4.4</b>            | <b>100.0</b>     |                   |                   |                 |
| <b>Overall total on June 30, 2009</b>      | <b>1,431,480</b> | <b>5,076,025</b>  | <b>4,150,999</b>   | <b>422,916</b>        |                  | <b>11,081,420</b> |                   |                 |
| <b>%</b>                                   | <b>12.9</b>      | <b>45.8</b>       | <b>37.5</b>        | <b>3.8</b>            |                  | <b>100.0</b>      |                   |                 |
| <b>Overall total on September 30, 2008</b> | <b>3,702,319</b> | <b>6,328,616</b>  | <b>3,277,089</b>   | <b>693,777</b>        |                  |                   | <b>14,001,801</b> |                 |
| <b>%</b>                                   | <b>26.4</b>      | <b>45.2</b>       | <b>23.4</b>        | <b>5.0</b>            |                  |                   | <b>100.0</b>      |                 |

(1) Pursuant to CVM Resolution 556/08 and CPC 08/08, expenses related to funding are recorded as write-down to respective funding and appropriated to the result through the term of the transaction.

**b) Onlending**

|  | 2009             |                   |                    |                       |                   | 2008              |                   | R\$<br>thousand |
|--|------------------|-------------------|--------------------|-----------------------|-------------------|-------------------|-------------------|-----------------|
|  | 1 to 30<br>days  | 31 to 180<br>days | 181 to 360<br>days | More than<br>360 days | September<br>30   | June 30           | September<br>30   |                 |
| <b>Local</b>                               | <b>1,050,682</b> | <b>2,789,984</b>  | <b>3,068,915</b>   | <b>11,888,254</b>     | <b>18,797,835</b> | <b>17,999,185</b> | <b>16,549,602</b> |                 |
| - National Treasury                        | -                | -                 | 143,388            | -                     | 143,388           | 111,509           | 86,679            |                 |
| - BNDES                                    | 392,106          | 1,358,670         | 1,149,848          | 5,395,744             | 8,296,368         | 7,150,501         | 6,599,661         |                 |
| - CEF                                      | 1,543            | 6,713             | 8,057              | 74,199                | 90,512            | 93,515            | 101,084           |                 |
| - FINAME                                   | 657,033          | 1,424,601         | 1,767,622          | 6,417,627             | 10,266,883        | 10,642,963        | 9,761,398         |                 |
| - Other institutions                       | -                | -                 | -                  | 684                   | 684               | 697               | 780               |                 |
| <b>Foreign</b>                             | <b>1,942</b>     | <b>-</b>          | <b>-</b>           | <b>-</b>              | <b>1,942</b>      | <b>450</b>        | <b>1,426,605</b>  |                 |
| <b>Overall total on September 30, 2009</b> | <b>1,052,624</b> | <b>2,789,984</b>  | <b>3,068,915</b>   | <b>11,888,254</b>     | <b>18,799,777</b> |                   |                   |                 |

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|  |                  |                  |                  |                   |                   |
|--|------------------|------------------|------------------|-------------------|-------------------|
| <i>%</i>                                   | <b>5.6</b>       | <b>14.8</b>      | <b>16.3</b>      | <b>63.3</b>       | <b>100.0</b>      |
| <b>Overall total on June 30, 2009</b>      | <b>1,317,947</b> | <b>2,625,075</b> | <b>3,400,379</b> | <b>10,656,234</b> | <b>17,999,635</b> |
| <i>%</i>                                   | <b>7.3</b>       | <b>14.6</b>      | <b>18.9</b>      | <b>59.2</b>       | <b>100.0</b>      |
| <b>Overall total on September 30, 2008</b> | <b>2,599,466</b> | <b>2,302,061</b> | <b>2,971,991</b> | <b>10,102,689</b> | <b>17,976,207</b> |
| <i>%</i>                                   | <b>14.5</b>      | <b>12.8</b>      | <b>16.5</b>      | <b>56.2</b>       | <b>100.0</b>      |

**c) Borrowing and onlending expenses**

|  | R\$ thousand            |                         |                     |                     |
|--|-------------------------|-------------------------|---------------------|---------------------|
|  | 2009                    |                         | 2008                |                     |
|  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30<br>YTD | September 30<br>YTD |
| <b>Borrowing:</b>                        |                         |                         |                     |                     |
| - Local                                  | 665                     | 863                     | 1,638               | 515                 |
| - Foreign                                | 17,008                  | 21,311                  | 70,477              | 109,649             |
| <b>Subtotal borrowing</b>                | <b>17,673</b>           | <b>22,174</b>           | <b>72,115</b>       | <b>110,164</b>      |
| <b>Local onlending:</b>                  |                         |                         |                     |                     |
| - National Treasury                      | 1,817                   | 1,103                   | 4,408               | 1,393               |
| - BNDES                                  | 145,205                 | 142,589                 | 429,987             | 358,870             |
| - CEF                                    | 1,800                   | 1,872                   | 5,753               | 6,682               |
| - FINAME                                 | 180,044                 | 169,040                 | 548,287             | 544,486             |
| - Other institutions                     | 14                      | 15                      | 57                  | 84                  |
| <b>Foreign onlending:</b>                |                         |                         |                     |                     |
| - Payables to foreign bankers (Note 11a) | (37,569)                | (176,422)               | (105,565)           | 2,180,803           |
| - Other expenses with foreign onlending  | (244,876)               | (12,827)                | (258,278)           | 182,783             |
| <b>Subtotal onlending</b>                | <b>46,435</b>           | <b>125,370</b>          | <b>624,649</b>      | <b>3,275,101</b>    |
| <b>Total</b>                             | <b>64,108</b>           | <b>147,544</b>          | <b>696,764</b>      | <b>3,385,265</b>    |

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

Contingent assets are not recorded on an accounting basis, however, there are ongoing proceedings whose prospects of success are good. The main one is:

- PIS - R\$54,579 thousand: it pleads the compensation of PIS on the Gross Operating Revenue, collected pursuant to Decree Laws 2,445/88 and 2,449/88, over what exceeded the amount due under the terms of the Supplementary Law 07/70 (PIS Repique).

**b) Contingent liabilities classified as probable losses and legal liabilities tax and social security**

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

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

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

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

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## **I - Labor claims**

These are claims brought by former employees seeking indemnity, especially the payment of unpaid overtime. In the proceedings requiring judicial deposit, the amount of labor claims is recorded considering the effective perspective of loss of these deposits. For other proceedings, the provision is recorded based on the average value determined by the total payments made of the claims ended in the last 12 months, considering the year of the determination of judicial deposits.

Following the effective control over working hours implemented in 1992, via electronic time cards, overtime is paid regularly during the employment contract and, accordingly, claims on an individual basis subsequent to 1997 substantially reduced its amounts.

## **II - Civil claims**

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

The issues discussed in the lawsuits relating to protests, check return and information of debtors of the credit restriction registry usually are not events that cause a representative impact on the financial income. Most of these lawsuits are brought at the Special Civil Court (JEC), in which the requests are limited to 40 minimum wages.

It is worth pointing out the increase in legal claims pleading the incidence of inflation rates which were excluded as a result of the savings accounts balance restatement due to Economic Plans (especially Bresser and Verão Economic Plans) that were part of the Government economic policy against inflation rates in the past. Although the Bank had complied with the legal requirements in force at the time, these lawsuits have been provisioned taking into consideration claims effectively notified and their assessed loss perspectives, the APDF /165 lawsuit (contestation of fundamental injunction) is pending judgment by the Federal Supreme Court (STF) proposed by CONSIF, aiming at suspending all the lawsuits from ongoing plans.

Presently, there are no significant administrative lawsuits in course, filed as a result of the lack of compliance with National Financial System regulations or payment of fines, which could cause representative impacts on the Bank's interest income.

## **III - Legal liabilities tax and social security**

The Bradesco Organization is judicially disputing the legality and constitutionality of certain taxes and contributions, for which provisions have been recorded in full, despite the likelihood of a successful medium- and long-term outcome based on the opinion of our legal advisors.

The main matters are:

- Cofins R\$3,166,305 thousand: it pleads to calculate and collect Cofins, as from October 2005, on the effective income, whose concept is in Article 2 of Supplementary Law 70/91, removing the unconstitutional increase of the calculation basis intended by paragraph 1 of Article 3 of Law 9,718/98;

- CSLL R\$1,446,679 thousand: questions CSLL required from financial institutions in the reference years from 1995 to 1998 at rates higher than the ones applied to general legal entities, not complying with the constitutional principle of isonomy;

- IRPJ/Loan Losses R\$600,030 thousand: it pleads to deduct, for purposes of determination of the calculation basis of due IRPJ and CSLL, the amount of effective and definite losses, total or partial, suffered in the reference years from 1997 to 2006, when receiving credits, regardless of the compliance with the conditions and terms provided for in Articles 9 to 14 of Law 9,430/96 that only apply to temporary losses;

- INSS Autonomous Brokers R\$689,281 thousand: it discusses the incidence of the social security contribution on the remunerations paid to autonomous service providers, established by Supplementary Law 84/96 and subsequent regulations/amendments, at the rate of 20% and additional of 2.5%, under the argument that the services are not provided to the insurance companies, but to policyholders, thus being out of the incidence field of the contribution provided for in item I, Article 22, of Law 8,212/91, with new wording in Law 9,876/99;

- CSLL R\$534,817 thousand: it pleads the non-collection of CSLL of the reference years from 1996 to 1998, years in which some companies of the Bradesco Organization did not have employees, once item I, Article 195, of the Federal Constitution provides that this contribution is only due by employers; and

- PIS R\$271,288 thousand: it pleads the offsetting of amounts unduly overpaid in the reference years of 1994 and 1995 as contribution to PIS, corresponding to the exceeding amount to what would be due on the calculation basis constitutionally provided for, i.e., gross operating revenue, as defined in the income tax legislation concept in Article 44 of Law 4,506/64, not including interest income.

Law 11,941/09 introduced a tax amnesty program whereby all amounts owed to the Brazilian Federal Revenue Service (RFB) and to the Public Prosecutions Office of the National Treasury (PGFN) may be settled via on-off payment or in installments. The fines and interest related to the amounts included in this program will be reduced, and amounts under dispute in the courts may also be included in the program provided that the corresponding lawsuits are withdrawn. Considering that the deadline for adherence is November 30, 2009, Bradesco's Management is studying the possibility of including specific amounts related to lawsuits in this program.

#### IV - Provisions divided by nature

|                             | R\$ thousand      |                   |                   |
|-----------------------------|-------------------|-------------------|-------------------|
|                             | 2009              |                   | 2008              |
|                             | September 30      | June 30           | September 30      |
| Labor claims                | 1,555,469         | 1,562,136         | 1,567,463         |
| Civil claims                | 2,186,368         | 1,849,594         | 1,476,264         |
| <b>Subtotal (1)</b>         | <b>3,741,837</b>  | <b>3,411,730</b>  | <b>3,043,727</b>  |
| Tax and social security (2) | 8,604,398         | 8,131,675         | 7,128,623         |
| <b>Total</b>                | <b>12,346,235</b> | <b>11,543,405</b> | <b>10,172,350</b> |

(1) Note 20b; and

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





**V - Breakdown of provisions**

|                                       | R\$ thousand     |                  |  |
|---------------------------------------|------------------|------------------|--|
|                                       | <b>2009</b>      |                  |  |
|                                       | <b>Labor</b>     | <b>Civil</b>     | <b>Tax and<br/>social security<br/>(1)</b> |
| <b>At the beginning of the period</b> | <b>1,553,143</b> | <b>1,524,423</b> | <b>7,052,932</b>                           |
| Monetary restatement                  | 140,010          | 171,239          | 404,215                                    |
| Recordings/reversals                  | 216,118          | 852,465          | 1,151,964                                  |
| Payments                              | (353,802)        | (361,759)        | (4,713)                                    |
| <b>At the end of the period</b>       | <b>1,555,469</b> | <b>2,186,368</b> | <b>8,604,398</b>                           |

(1) It comprises, substantially, legal liabilities.

**c) Contingent liabilities classified as possible losses**

Bradesco Organization maintains a follow-up system for all administrative and judicial proceedings in which the institution is the plaintiff or defendant and based on the opinion of the legal advisors classifies the lawsuits according to the expectation of non-success. The administrative and judicial proceedings trends are periodically analyzed and, if necessary, these proceedings risks are reclassified. In this context the contingent proceedings evaluated as having the risk of possible loss are not recognized on an accounting basis, and the main proceedings of this nature are related to leasing companies Tax on Service of any Nature (ISSQN), the total processes of which corresponds to R\$180,042 thousand. In this proceeding, the demand of the referred tax by municipalities other than those where the companies were incorporated and to which the tax is collected in compliance with the law is discussed, as well as the nature of the Leasing Agreement not defining service rendering, with cases of formal annulment when recording tax credit.

## 19) SUBORDINATED DEBT

|                                |                        |                         |          |  | 2009              |                   | 2008              | R\$<br>thousand |
|--------------------------------|------------------------|-------------------------|----------|--|-------------------|-------------------|-------------------|-----------------|
| Maturity                       | Original term in years | Amount of the operation | Currency | Remuneration   | September 30      | June 30           | September 30      |                 |
| <b>In the country:</b>         |                        |                         |          |  |                   |                   |                   |                 |
| Subordinated CDB               |                        |                         |          |  |                   |                   |                   |                 |
| 2011                           | 5                      | 4,504,022               | R\$      | 102.5% to 104.0% of CDI rate   | 6,831,393         | 6,680,106         | 6,118,520         |                 |
| 2012                           | 5                      | 3,236,273               | R\$      | 103.0% of CDI rate or 100.0% of CDI rate + 0.344% p.a. or IPCA + (7.102% p.a. 7.632% p.a.)             | 4,061,203         | 3,969,413         | 3,634,743         |                 |
| 2013                           | 5                      | 575,000                 | R\$      | 100.0% of CDI rate + (0.344% p.a. 0.87% p.a.) or IPCA + (7.44% p.a. 8.20% p.a.)                        | 684,305           | 667,955           | 609,840           |                 |
| 2014                           | 6                      | 1,000,000               | R\$      | 112.0% of CDI rate   | 1,105,601         | 1,079,169         | -                 |                 |
| 2015                           | 6                      | 1,287,142               | R\$      | 108.0% and 112.0% of CDI rate or IPCA + (6.92% p.a. 8.70% p.a.)  | 1,316,970         | 363,429           | -                 |                 |
| 2012                           | 10                     | 1,569,751               | R\$      | 100.0% of DI rate CETIP or 100.0% of CDI rate + (0.75 p.a. 0.87% p.a.) or 101.0% to 102.5% of CDI rate | 4,589,493         | 4,487,475         | 4,111,837         |                 |
| Subordinated debentures        |                        |                         |          |  |                   |                   |                   |                 |
| 2008                           | 7                      | 300,000                 | R\$      | 100.0% of CDI rate + 0.75% p.a.  | -                 | -                 | 316,120           |                 |
| Pegged to loan operations      |                        |                         |          |  |                   |                   |                   |                 |
| 2009 to 2013                   | 2 to 5                 | 2,158                   | R\$      | 100.0% to 106.0% of CDI rate or  | 2,717             | 2,600             | -                 |                 |
| 2009 to 2011                   | up to 2                | 379,207                 | R\$      | 8.29% to 14.88% p.a. rate  | 397,694           | 418,533           | 204,200           |                 |
| <b>Subtotal in the country</b> |                        | <b>12,853,553</b>       |          |  | <b>18,989,376</b> | <b>17,668,680</b> | <b>14,995,260</b> |                 |
| <b>Abroad:</b>                 |                        |                         |          |  |                   |                   |                   |                 |

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|                      |    |                   |      |                  |                   |                   |                   |
|----------------------|----|-------------------|------|------------------|-------------------|-------------------|-------------------|
| 2011                 | 10 | 353,700           | US\$ | 10.25% p.a. rate | 273,747           | 292,829           | 294,219           |
| 2012 (1)             | 10 | 315,186           | Yen  | 4.05% p.a. rate  | 247,826           | 265,412           | 267,025           |
| 2013                 | 10 | 1,434,750         | US\$ | 8.75% p.a. rate  | 920,025           | 988,251           | 989,716           |
| 2014                 | 10 | 801,927           | Euro | 8.00% p.a. rate  | 603,246           | 622,892           | 623,769           |
| Undetermined         |    |                   |      |                  |                   |                   |                   |
| (2)                  |    | 720,870           | US\$ | 8.875% p.a. rate | 537,112           | 589,521           | 578,254           |
| 2019 (3)             |    | 1,333,575         | US\$ | 6.75% p.a. rate  | 1,334,075         | -                 | -                 |
| Issue costs on       |    |                   |      |                  |                   |                   |                   |
| fundings (4)         |    |                   |      |                  | (24,730)          | (21,729)          | (26,429)          |
| <b>Subtotal</b>      |    |                   |      |                  |                   |                   |                   |
| <b>abroad</b>        |    | <b>4,960,008</b>  |      |                  | <b>3,891,301</b>  | <b>2,737,176</b>  | <b>2,726,554</b>  |
| <b>Overall total</b> |    | <b>17,813,561</b> |      |                  | <b>22,880,677</b> | <b>20,405,856</b> | <b>17,721,814</b> |

(1) Including the swap to U.S. dollar cost, the rate increases to 10.15% p.a.;

(2) In June 2005, a perpetual subordinated debt was issued in the amount of US\$300,000 thousand, with exclusive redemption option on the part of the issuer, in its totality and upon previous authorization of Bacen, considering that: (i) a 5-year term from the issuance date has elapsed and subsequently on each date of interest maturity; and (ii) at any moment in the event of change in the tax laws in Brazil or abroad, which may cause an increase in costs for the issuer and in case the issuer is notified in writing by Bacen that securities may no longer be included in the consolidated capital, for capital adequacy ratio calculation purposes;

(3) Process pending Bacen's approval for using as Reference Shareholders' Equity Tier II; and

(4) According to CVM Resolution 556/08 and CPC 08/08, funding-related expenses are recorded as write-down to the respective funding and appropriated to income according to the term of the operation.

**20) OTHER LIABILITIES****a) Tax and social security**

|  | R\$ thousand      |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 2009              |                   | 2008              |
|  | September 30      | June 30           | September 30      |
| Provision for tax risks (Note 18b IV)        | 8,604,398         | 8,131,675         | 7,128,623         |
| Provision for deferred income tax (Note 34f) | 4,327,943         | 3,803,160         | 2,022,492         |
| Taxes and contributions on profits payable   | 2,053,841         | 1,462,850         | 1,175,044         |
| Taxes and contributions collectible          | 566,081           | 553,999           | 517,804           |
| <b>Total</b>                                 | <b>15,552,263</b> | <b>13,951,684</b> | <b>10,843,963</b> |

**b) Sundry**

|  | R\$ thousand      |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | 2009              |                   | 2008              |
|  | September 30      | June 30           | September 30      |
| Credit card operations   | 5,599,005         | 5,705,929         | 5,382,390         |
| Provision for payments due   | 3,564,487         | 3,388,907         | 3,742,089         |
| Provision for contingent liabilities (civil and labor) (Note 18b IV) | 3,741,837         | 3,411,730         | 3,043,727         |
| Sundry creditors   | 1,575,794         | 1,571,327         | 1,751,906         |
| Liabilities for acquisition of assets financial leasing (1)          | 858,627           | 962,874           | -                 |
| Liabilities for acquisition of assets and rights                     | 666,280           | 709,810           | 250,529           |
| Liabilities for official agreements                                  | 294,184           | 303,351           | 329,522           |
| Other  | 762,251           | 633,127           | 576,276           |
| <b>Total</b>   | <b>17,062,465</b> | <b>16,687,055</b> | <b>15,076,439</b> |

(1) Refers to liabilities for acquisition of data processing systems by means of financial leasing operations (lesser).

**21) INSURANCE, PRIVATE PENSION PLANS AND CERTIFICATED SAVINGS PLANS OPERATIONS****a) Provisions by account**

|   | <b>Insurance<br/>(1)</b> |                | <b>Life and Private Pension Plans (2)</b> |                     |                |                     | <b>Certificated Sa</b> |             |
|---|--------------------------|----------------|---|---------------------|----------------|---------------------|------------------------|-------------|
|   | <b>2009</b>              |                | <b>2008</b>                               |                     | <b>2009</b>    |                     | <b>2008</b>            |             |
|   | <b>September 30</b>      | <b>June 30</b> | <b>September 30</b>                       | <b>September 30</b> | <b>June 30</b> | <b>September 30</b> | <b>September 30</b>    | <b>June</b> |
| <b>Current and long-term liabilities</b>          |                          |                |   |                     |                |                     |                        |             |
| Mathematical provision for benefits to be granted | -                        | -              | -   | 50,836,650          | 48,966,159     | 44,501,251          | -                      | -           |
| Mathematical provision for benefits granted       | -                        | -              | -   | 4,402,912           | 4,392,497      | 4,197,102           | -                      | -           |
| Mathematical provision for redemptions            | -                        | -              | -   | -                   | -              | -                   | 2,327,610              | 2,239,610   |
| Incurred but not reported (INBR) provision        | 1,291,915                | 1,304,245      | 1,230,544                                 | 574,404             | 598,232        | 417,577             | -                      | -           |
| Unearned premiums provision                       | 1,828,997                | 1,757,804      | 1,535,530                                 | 76,794              | 71,287         | 53,403              | -                      | -           |
| Provision for contribution insufficiency (4)      | -                        | -              | -   | 2,980,905           | 2,606,676      | 2,679,349           | -                      | -           |
| Provision for unsettled claims                    | 1,264,731                | 1,217,057      | 696,353                                   | 717,784             | 648,147        | 620,803             | -                      | -           |
| Financial fluctuation provision                   | -                        | -              | -   | 621,324             | 628,635        | 641,185             | -                      | -           |
| Premium insufficiency provision                   | -                        | -              | -   | 556,830             | 549,823        | 478,787             | -                      | -           |
| Financial surplus provision                       | -                        | -              | -   | 362,503             | 354,539        | 340,431             | -                      | -           |

|  |                  |                  |                  |                   |                   |                   |                  |               |
|--|------------------|------------------|------------------|-------------------|-------------------|-------------------|------------------|---------------|
| Provision for drawings and redemptions | -                | -                | -                | -                 | -                 | -                 | 440,377          | 451,          |
| Provision for administrative expenses  | -                | -                | -                | 154,808           | 149,018           | 146,295           | 89,885           | 84,           |
| Provision for contingencies            | -                | -                | -                | -                 | -                 | -                 | 7,422            | 8,            |
| Other provisions                       | 2,231,659        | 2,231,397        | 2,227,282        | 633,254           | 568,443           | 453,916           | -                |               |
| <b>Total provisions</b>                | <b>6,617,302</b> | <b>6,510,503</b> | <b>5,689,709</b> | <b>61,918,168</b> | <b>59,533,456</b> | <b>54,530,099</b> | <b>2,865,294</b> | <b>2,784,</b> |

(1) Other provisions basically refers to the technical provision in the individual health portfolio created in order to cover the differences of future premium adjustments and those necessary to the portfolio technical balance, by adopting a constant formulation of actuarial technical note approved by ANS;

(2) It comprises individual insurance plan and private pension plan operations;

(3) Pursuant to Susep Circular Letter 379/08, as of January 2009, technical provision amounts are being presented at their gross amount and the reinsurance (PPNG, PSL and INBR) technical provision was recorded to assets on September 30, 2009 in the amount of R\$634,681 thousand (June 30, 2009 R\$630,133 thousand); and

(4) The contribution insufficiency provision is calculated according to the mitigated biometric table AT-2000, improved by 1.5%, considering males separated from females, who have higher life expectancy, and actual interest rate of 4.3% p.a. (except for Insufficient Contribution Provision (PIC) and Administrative Expenses Provision (PDA), whose real interest rate is 4.0% p.a.)

## b) Technical provisions by product

|                                   | Insurance        |                  | Life and Private Pension Plans |                   |                   |                   | Certificated Savings |                  |
|-----------------------------------|------------------|------------------|--------------------------------|-------------------|-------------------|-------------------|----------------------|------------------|
|                                   | 2009             |                  | 2008                           |                   | 2009              |                   | 2009                 |                  |
|                                   | September 30     | June 30          | September 30                   | September 30      | June 30           | September 30      | September 30         | June 30          |
| Health (1)                        | 3,479,016        | 3,446,815        | 3,384,746                      | -                 | -                 | -                 | -                    | -                |
| Auto/RCF                          | 1,727,624        | 1,736,075        | 1,641,047                      | -                 | -                 | -                 | -                    | -                |
| Dpvt                              | 120,011          | 101,340          | 77,967                         | 203,921           | 195,734           | 150,615           | -                    | -                |
| Life                              | 17,469           | 18,565           | 18,725                         | 2,611,490         | 2,521,557         | 2,228,663         | -                    | -                |
| Basic lines                       | 1,273,182        | 1,207,708        | 567,224                        | -                 | -                 | -                 | -                    | -                |
| Unrestricted Benefits             |                  |                  |                                |                   |                   |                   |                      |                  |
| Generating Plan - PGBL            | -                | -                | -                              | 11,227,218        | 10,820,472        | 9,907,641         | -                    | -                |
| Long-Term Life Insurance - VGBL   | -                | -                | -                              | 32,179,116        | 30,402,963        | 26,778,414        | -                    | -                |
| Traditional plans                 | -                | -                | -                              | 15,696,423        | 15,592,730        | 15,464,766        | -                    | -                |
| Certificated Savings Plans        | -                | -                | -                              | -                 | -                 | -                 | 2,865,294            | 2,784,632        |
| <b>Total technical provisions</b> | <b>6,617,302</b> | <b>6,510,503</b> | <b>5,689,709</b>               | <b>61,918,168</b> | <b>59,533,456</b> | <b>54,530,099</b> | <b>2,865,294</b>     | <b>2,784,632</b> |

(1) See Note 21a item1; and

(2) Pursuant to Susep Circular Letter 379/08, as of January 2009, the amounts referring to technical provisions are presented at gross amount and reinsurance technical provision (PPNG, PSL and INBR) were recorded to assets on September 30, 2009, in the amount of R\$634,681 thousand (June 30, 2009 - R\$630,133 thousand) .



## c) Guarantees of technical provisions

|  | Insurance        |                  | Life and Private Pension Plans |                   |                   |                   | Certificated Savings |                  |
|--|------------------|------------------|--------------------------------|-------------------|-------------------|-------------------|----------------------|------------------|
|  | 2009             |                  | 2008                           |                   | 2009              |                   | 2009                 |                  |
|  | September 30     | June 30          | September 30                   | September 30      | June 30           | September 30      | September 30         | June 30          |
| Investment fund quotas (VGBL and PGBL)           | -                | -                | -                              | 43,406,334        | 41,223,435        | 36,686,055        | -                    | -                |
| Investment fund quotas (excluding VGBL and PGBL) | 5,292,667        | 5,056,855        | 5,232,709                      | 14,032,708        | 13,505,673        | 13,531,312        | 2,537,237            | 2,486,790        |
| Government securities                            | 366,202          | 350,838          | 72,136                         | 3,133,068         | 3,133,560         | 3,018,775         | -                    | -                |
| Private securities                               | 21,689           | 168,351          | 41,655                         | 758,978           | 623,854           | 937,573           | 163,624              | 127,624          |
| Shares   | 1,708            | 2,826            | 3,150                          | 655,578           | 1,061,970         | 460,547           | 254,463              | 260,140          |
| Receivables                                      | 553,338          | 530,570          | 507,833                        | -                 | -                 | -                 | -                    | -                |
| Real estate                                      | -                | 7,136            | 7,393                          | -                 | -                 | -                 | -                    | 10,100           |
| Deposits retained at IRB and court deposits      | 6,611            | 6,689            | 6,774                          | 65,102            | 65,825            | 65,025            | -                    | -                |
| Reinsurance credits                              | 628,363          | 623,926          | -                              | 6,318             | 6,207             | -                 | -                    | -                |
| <b>Total guarantees of technical provisions</b>  | <b>6,870,578</b> | <b>6,747,191</b> | <b>5,871,650</b>               | <b>62,058,086</b> | <b>59,620,524</b> | <b>54,699,287</b> | <b>2,955,324</b>     | <b>2,884,660</b> |

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

|   | R\$ thousand            |                         |                   |                   |
|---|-------------------------|-------------------------|-------------------|-------------------|
|   | 2009                    |                         |                   | 2008              |
|   | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30 YTD  | September 30 YTD  |
| Premiums written  | 3,134,108               | 3,047,358               | 9,082,554         | 7,928,517         |
| Supplementary private pension plan contributions (including VGBL)                             | 3,100,407               | 2,757,537               | 8,151,959         | 7,975,665         |
| Revenues from certificated savings plans  | 519,362                 | 482,759                 | 1,415,501         | 1,222,935         |
| Coinsurance premiums granted  | (34,681)                | (168,824)               | (271,520)         | (120,879)         |
| Refunded premiums   | (34,897)                | (24,412)                | (85,824)          | (61,532)          |
| <b>Net premiums written</b>   | <b>6,684,299</b>        | <b>6,094,418</b>        | <b>18,292,670</b> | <b>16,944,706</b> |
| Reinsurance premiums  | (60,429)                | (56,549)                | (185,837)         | (256,124)         |
| <b>Retained premiums from insurance, private pension plans and certificated savings plans</b> | <b>6,623,870</b>        | <b>6,037,869</b>        | <b>18,106,833</b> | <b>16,688,582</b> |

**22) MINORITY INTEREST**

|                                 | R\$ thousand   |                |                |
|---------------------------------|----------------|----------------|----------------|
|                                 | 2009           |                | 2008           |
|                                 | September 30   | June 30        | September 30   |
| Andorra Holdings S.A.           | 169,268        | 165,738        | 154,646        |
| Banco Bradesco BBI S.A.         | 86,537         | 85,134         | 403,268        |
| Celta Holding S.A.              | 65,118         | 65,686         | 57,401         |
| Banco Alvorada S.A.             | 9,582          | 9,466          | 7,681          |
| Baneb Corretora de Seguros S.A. | 3,867          | 3,787          | 3,829          |
| Other minority shareholders     | 25,448         | 24,716         | 189            |
| <b>Total</b>                    | <b>359,820</b> | <b>354,527</b> | <b>627,014</b> |

**23) SHAREHOLDERS EQUITY (PARENT COMPANY)****a) Breakdown of capital stock in number of shares**

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

R\$ thousand

|                                 | 2009                 |                      | 2008                 |
|---------------------------------|----------------------|----------------------|----------------------|
|                                 | September 30         | June 30              | September 30         |
| Common shares                   | 1,534,934,979        | 1,534,934,979        | 1,534,934,979        |
| Preferred shares                | 1,534,934,821        | 1,534,934,821        | 1,534,934,821        |
| <b>Subtotal</b>                 | <b>3,069,869,800</b> | <b>3,069,869,800</b> | <b>3,069,869,800</b> |
| Treasury (common shares)        | (1,859,700)          | (146,721)            | (80,200)             |
| Treasury (preferred shares)     | (1,268,600)          | (34,600)             | (34,600)             |
| <b>Total outstanding shares</b> | <b>3,066,741,500</b> | <b>3,069,688,479</b> | <b>3,069,755,000</b> |

**b) Breakdown of capital stock in number of shares**

|   | Common               | Preferred            | Total                |
|---|----------------------|----------------------|----------------------|
| <b>Number of outstanding shares on December 31, 2008</b>          | <b>1,534,805,958</b> | <b>1,534,900,221</b> | <b>3,069,706,179</b> |
| Shares acquired and not cancelled                                 | (17,700)             | -                    | (17,700)             |
| <b>Number of outstanding shares on March 31 and June 30, 2009</b> | <b>1,534,788,258</b> | <b>1,534,900,221</b> | <b>3,069,688,479</b> |
| Shares acquired and not cancelled                                 | (1,712,979)          | (1,234,000)          | (2,946,979)          |
| <b>Number of outstanding shares on September 30, 2009</b>         | <b>1,533,075,279</b> | <b>1,533,666,221</b> | <b>3,066,741,500</b> |

The Special Shareholders Meeting held on March 10, 2009 resolved on the reverse split of common and preferred shares in the proportion of fifty (50) to one (1), with the simultaneous split of each share, after the reverse split, at the ratio of one (1) to fifty (50), respective types respected, with maturity term of sixty-one (61) days, as from April 8, 2009 to mature on June 8, 2009, so that shareholders, at their own and free discretion, may adjust their position of shares, by type, in multiples lots of fifty (50) shares, by means of trading at BM&FBovespa, through the brokerage firm of their choice.

Simultaneously to the transaction on the Brazilian Market, complying with the same maturities, the same procedure was adopted on the International Market, for securities traded in New York USA and Madrid - Spain.

**c) Interest on shareholders equity/dividends**

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

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

Interest on shareholders equity is calculated based on the shareholders' equity accounts and limited to the variation in the Federal Government Long-Term Interest Rate (TJLP), subject to the existence of profits, computed prior to the deduction thereof, or of retained earnings and revenue reserves in amounts equivalent to, or exceed twice, the amount of such interest.

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

At the Board of Directors Meeting held on December 5, 2008, the board members approved the proposal of the Board of Executive Officers related to the payment of supplementary interest on shareholders equity to shareholders related to 2008, in the amount of R\$0.571482431 (R\$0.485760066 net of taxes) per common share and R\$0.628630674 (R\$0.534336073 net of taxes) per preferred shares, the payment of which was made on March 9, 2009.

At a Board of Directors Meeting held on January 20, 2009, the board members approved the proposal of the Board of Executive Officers to increase by 10% the amount of monthly dividends, paid in advance to shareholders, according to

the Monthly Remuneration System, from R\$0.012017500 to R\$0.013219250, related to common shares, and from R\$0.013219250 to R\$0.014541175, related to preferred shares, effective since the dividends related to February 2009 paid on March 2, 2009, benefiting shareholders registered in the Company's records on February 2, 2009.

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At a Board of Directors Meeting held on July 3, 2009, the Board of Executive Officers proposal for payment of interim interest on shareholders equity to shareholders related to 1H09 was approved, in the amount of R\$0.155520588 (R\$0.1321925 net of tax) per common share and R\$0.171072647 (R\$0.14541175 net of tax) per preferred share, whose payment was made on July 20, 2009.

The calculation of interest on shareholders equity and dividends related to 9M09 is shown as follows:

|  | R\$ thousand     | % (1)        |
|--|------------------|--------------|
| Net income for the period  | 5,831,341        |              |
| (-) Legal reserve  | (291,567)        |              |
| <b>Adjusted calculation basis</b>  | <b>5,539,774</b> |              |
| Supplementary interest on shareholders equity (gross) provisioned (payable)                  | 1,607,770        |              |
| Withholding income tax on interest on shareholders equity                                    | (241,165)        |              |
| <b>Interest on shareholders equity (net)</b>   | <b>1,366,605</b> |              |
| Monthly dividends paid   | 379,554          |              |
| <b>Interest on shareholders equity (net) and accumulated dividends in September 30, 2009</b> | <b>1,746,159</b> | <b>31.52</b> |
| <b>Interest on shareholders equity (net) and accumulated dividends in September 30, 2008</b> | <b>1,854,079</b> | <b>32.45</b> |

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

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

| Description   | Per share (gross) |                     | Gross paid/<br>provisioned<br>amount | Withholding<br>Income Tax<br>(IRRF)<br>(15%) | Net paid/<br>provisioned<br>amount |
|---|-------------------|---------------------|--------------------------------------|--|------------------------------------|
|   | Common<br>shares  | Preferred<br>shares |                                      |  |                                    |
| Monthly interest on shareholders equity                   | 0.036053          | 0.039658            | 114,598                              | 17,190                                       | 97,408                             |
| Supplementary interest on shareholders equity provisioned | 0.414983          | 0.456481            | 1,337,603                            | 200,640                                      | 1,136,963                          |
| Monthly dividends   | 0.072106          | 0.079316            | 232,708                              | -  | 232,708                            |
| Interim dividends   | 0.120175          | 0.132193            | 387,000                              | -  | 387,000                            |
| <b>Total in September 30, 2008 YTD</b>                    | <b>0.643317</b>   | <b>0.707648</b>     | <b>2,071,909</b>                     | <b>217,830</b>                               | <b>1,854,079</b>                   |
| Supplementary interest on shareholders equity provisioned | 0.029743          | 0.032717            | 95,867                               | 14,380                                       | 81,487                             |
| Interim interest on shareholders equity provisioned (1)   | 0.155521          | 0.171073            | 501,269                              | 75,190                                       | 426,079                            |
| Monthly dividends   | 0.039658          | 0.043624            | 127,808                              | -  | 127,808                            |
| <b>Total in 2Q09</b>                                      | <b>0.224922</b>   | <b>0.247414</b>     | <b>724,944</b>                       | <b>89,570</b>                                | <b>635,374</b>                     |
| Supplementary interest on shareholders equity provisioned | 0.151257          | 0.166383            | 487,484                              | 73,123                                       | 414,361                            |
| Monthly dividends   | 0.039658          | 0.043623            | 127,815                              | -  | 127,815                            |

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|  |                 |                 |                  |                |                  |
|--|-----------------|-----------------|------------------|----------------|------------------|
| <b>Total in 3Q09</b>   | <b>0.190915</b> | <b>0.210006</b> | <b>615,299</b>   | <b>73,123</b>  | <b>542,176</b>   |
| Supplementary interest on<br>shareholders equity provisioned | 0.343309        | 0.377640        | 1,106,501        | 165,975        | 940,526          |
| Interim interest on shareholders<br>equity provisioned (1)   | 0.155521        | 0.171073        | 501,269          | 75,190         | 426,079          |
| Monthly dividends  | 0.117772        | 0.129549        | 379,554          | -              | 379,554          |
| <b>Total in September 30, 2009 YTD</b>                       | <b>0.616602</b> | <b>0.678262</b> | <b>1,987,324</b> | <b>241,165</b> | <b>1,746,159</b> |

(1) Paid on July 20, 2009.

#### d) Treasury shares

Up to September 30, 2009, 1,859,700 common shares and 1,268,600 preferred shares were acquired and held in treasury, in the amount of R\$94,950 thousand. The minimum, weighted average and maximum cost per share is, respectively, R\$16.49278, R\$30.35196 and R\$38.33945. These shares market value on September 30, 2009 was R\$29.15 per common share and R\$35.25 per preferred share.

#### 24) FEE AND COMMISSION INCOME

|                                | R\$ thousand            |                         |                  |                  |
|--------------------------------|-------------------------|-------------------------|------------------|------------------|
|                                | 2009                    |                         | 2008             |                  |
|                                | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30 YTD | September 30 YTD |
| Card income                    | 770,528                 | 839,566                 | 2,433,025        | 2,169,704        |
| Checking account               | 538,901                 | 551,099                 | 1,637,721        | 1,710,901        |
| Loan operations                | 407,253                 | 378,674                 | 1,166,785        | 1,261,406        |
| Asset management               | 420,466                 | 382,035                 | 1,171,441        | 1,184,724        |
| Collections                    | 254,306                 | 247,282                 | 737,852          | 719,566          |
| Custody and brokerage services | 106,241                 | 101,169                 | 296,841          | 226,921          |
| Consortium management          | 91,143                  | 85,055                  | 256,392          | 233,820          |
| Tax payments                   | 63,723                  | 62,784                  | 189,755          | 177,584          |
| Other (1)                      | 167,068                 | 299,646                 | 627,213          | 454,048          |
| <b>Total</b>                   | <b>2,819,629</b>        | <b>2,947,310</b>        | <b>8,517,025</b> | <b>8,138,674</b> |

(1) In 2Q09 it includes revenues from Underwriting in the amount of R\$88,827 thousand, related to the secondary public offering of Visanet.

#### 25) PERSONNEL EXPENSES

|                            | R\$ thousand            |                         |                  |                  |
|----------------------------|-------------------------|-------------------------|------------------|------------------|
|                            | 2009                    |                         | 2008             |                  |
|                            | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30 YTD | September 30 YTD |
| Compensation               | 976,950                 | 960,368                 | 2,885,597        | 2,710,194        |
| Benefits                   | 446,874                 | 356,082                 | 1,166,359        | 1,042,233        |
| Social charges             | 355,367                 | 337,420                 | 1,012,604        | 939,897          |
| Employee profit sharing    | 217,618                 | 130,504                 | 471,345          | 436,968          |
| Provision for labor claims | 105,372                 | 96,537                  | 283,100          | 264,477          |
| Training                   | 23,438                  | 26,780                  | 66,381           | 63,358           |



|              |                  |                  |                  |                  |
|--------------|------------------|------------------|------------------|------------------|
| <b>Total</b> | <b>2,125,619</b> | <b>1,907,691</b> | <b>5,885,386</b> | <b>5,457,127</b> |
|--------------|------------------|------------------|------------------|------------------|

**26) OTHER ADMINISTRATIVE EXPENSES**

|  | R\$ thousand                  |                               |                             |                             |
|--|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
|  | <b>2009</b>                   |                               | <b>2008</b>                 |                             |
|  | <b>3<sup>rd</sup> quarter</b> | <b>2<sup>nd</sup> quarter</b> | <b>September<br/>30 YTD</b> | <b>September<br/>30 YTD</b> |
| Third-party services                                   | 637,507                       | 605,325                       | 1,828,027                   | 1,551,817                   |
| Communication  | 297,811                       | 302,758                       | 899,261                     | 809,486                     |
| Advertising and publicity                              | 111,882                       | 84,149                        | 305,296                     | 432,849                     |
| Depreciation and amortization                          | 185,822                       | 170,983                       | 514,614                     | 463,266                     |
| Depreciation of financial leasing Law<br>11,638/07 (1) | 82,064                        | 85,711                        | 264,330                     | -                           |
| Transportation   | 138,015                       | 119,217                       | 404,955                     | 377,878                     |
| Financial system services                              | 66,565                        | 61,732                        | 190,106                     | 151,280                     |
| Rentals  | 135,826                       | 141,581                       | 410,854                     | 346,206                     |
| Data processing  | 195,219                       | 182,274                       | 560,067                     | 420,154                     |
| Asset maintenance and conservation                     | 102,819                       | 104,736                       | 306,902                     | 279,863                     |
| Asset leasing  | 86,602                        | 107,083                       | 301,741                     | 249,677                     |
| Asset leasing Law 11,638/07 (1)                        | (82,064)                      | (104,599)                     | (292,979)                   | -                           |
| Supplies   | 59,662                        | 47,945                        | 161,155                     | 150,249                     |
| Security and surveillance                              | 65,110                        | 60,329                        | 185,699                     | 160,083                     |
| Water, electricity and gas                             | 44,161                        | 51,981                        | 146,537                     | 134,900                     |
| Travels  | 20,617                        | 19,764                        | 55,926                      | 66,418                      |
| Other  | 135,066                       | 126,744                       | 365,650                     | 379,074                     |
| <b>Total</b>   | <b>2,282,684</b>              | <b>2,167,713</b>              | <b>6,608,141</b>            | <b>5,973,200</b>            |

(1) Adjustment due to adoption of Law 11,638/07 and CPC 06/08.

**27) TAX EXPENSES**

|  | R\$ thousand                  |                               |                             |                             |
|--|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
|  | <b>2009</b>                   |                               | <b>2008</b>                 |                             |
|  | <b>3<sup>rd</sup> quarter</b> | <b>2<sup>nd</sup> quarter</b> | <b>September<br/>30 YTD</b> | <b>September<br/>30 YTD</b> |
| Contribution for Social Security Financing<br>(Cofins) | 478,103                       | 490,241                       | 1,360,389                   | 1,066,117                   |
| Tax on Services (ISS)                                  | 83,726                        | 87,769                        | 251,031                     | 249,726                     |
| Social Integration Program (PIS) contribution          | 88,949                        | 94,864                        | 258,164                     | 198,246                     |
| Municipal Real State Tax (IPTU) expenses               | 6,362                         | 6,981                         | 26,561                      | 26,506                      |
| Other  | 40,368                        | 42,896                        | 120,067                     | 120,129                     |
| <b>Total</b>   | <b>697,508</b>                | <b>722,751</b>                | <b>2,016,212</b>            | <b>1,660,724</b>            |



**28) OTHER OPERATING INCOME**

|  | R\$ thousand            |                         |                     |                     |
|--|-------------------------|-------------------------|---------------------|---------------------|
|  | 2009                    |                         | 2008                |                     |
|  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September<br>30 YTD | September<br>30 YTD |
| Other interest income                          | 223,174                 | 190,199                 | 620,970             | 379,142             |
| Reversal of other operating provisions         | 26,385                  | 49,992                  | 127,116             | 448,928             |
| Income on sale of goods                        | 26,805                  | 6,364                   | 39,703              | 59,980              |
| Revenues from recovery of charges and expenses | 14,403                  | 15,782                  | 46,729              | 48,089              |
| Others (1)                                     | 241,226                 | 379,472                 | 811,159             | 261,492             |
| <b>Total</b>                                   | <b>531,993</b>          | <b>641,809</b>          | <b>1,645,677</b>    | <b>1,197,631</b>    |

(1) In 2Q09, there was an increase of R\$146,801 thousand from the change in the amortization calculation methodology of costs of right acquisition for bank services provision from straight-line amortization to a calculation based on the profitability of each Pay-back agreement. The calculation review considered all asset base of agreements creating a reversal of amortized balances.

**29) OTHER OPERATING EXPENSES**

|   | R\$ thousand            |                         |                     |                     |
|---|-------------------------|-------------------------|---------------------|---------------------|
|   | 2009                    |                         | 2008                |                     |
|   | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September<br>30 YTD | September<br>30 YTD |
| Other interest expenses                                   | 537,617                 | 663,140                 | 1,760,237           | 1,518,278           |
| Sundry losses expenses                                    | 281,593                 | 278,861                 | 815,103             | 830,513             |
| Interest expenses with leasing obligations                |                         |                         |                     |                     |
| Law 11,638/07 (1)   | 3,026                   | 29,218                  | 63,269              | -                   |
| Intangible assets amortization banking rights acquisition | 130,120                 | 93,704                  | 357,268             | 354,415             |
| Expenses with other operating provisions (2)              | 517,495                 | 358,781                 | 1,122,711           | 368,375             |
| Goodwill amortization                                     | 24,578                  | 24,578                  | 73,732              | 8,193               |
| Other (3)   | 266,770                 | 357,335                 | 916,043             | 653,223             |
| <b>Total</b>  | <b>1,761,199</b>        | <b>1,805,617</b>        | <b>5,108,363</b>    | <b>3,732,997</b>    |

(1) Adjustment due to adoption of Law 11,638/07 and CPC 06/08;

(2) Includes supplementary provision for civil lawsuit 9M09 economic plans R\$803,811 thousand (September 30, 2008 R\$239,370 thousand), 3Q09 R\$387,556 thousand (2Q09 R\$241,229 thousand); and

(3) In 2Q09, there was an increase in the amount of R\$61,341 thousand from the credit card bonus program.

### 30) NON-OPERATING RESULT

|  | R\$ thousand            |                         |                     |                     |
|--|-------------------------|-------------------------|---------------------|---------------------|
|  | 2009                    |                         | 2008                |                     |
|  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September<br>30 YTD | September<br>30 YTD |
| Result on sale and write-off of assets and investments (1) | 337,468                 | 1,938,434               | 2,261,895           | 395,119             |
| Recording of non-operating provisions                      | (26,658)                | (12,406)                | (73,540)            | (32,537)            |
| Others   | 39,741                  | 16,690                  | 64,935              | 26,904              |
| <b>Total</b>   | <b>350,551</b>          | <b>1,942,718</b>        | <b>2,253,290</b>    | <b>389,486</b>      |

(1) In 3Q09 it includes the result of partial sale of Visanet shares, net from distribution charges, in the amount of R\$410,391 thousand and R\$1,999,228 thousand in 2Q09.

**31) TRANSACTIONS WITH PARENT COMPANIES (DIRECT AND INDIRECT)**

a) Transactions with parent companies (direct and indirect) are carried out in conditions and at rates compatible with the averages practiced with third parties, and effective on the dates of the operations, and are represented as follows:

|   | R\$ thousand            |                         |                         |                            |                            |                        |                        |
|---|-------------------------|-------------------------|-------------------------|----------------------------|----------------------------|------------------------|------------------------|
|   | 2009                    |                         | 2008                    |                            | 2009                       |                        | 2008                   |
|   | September<br>30         | June 30                 | September<br>30         | 3 <sup>rd</sup><br>quarter | 2 <sup>nd</sup><br>quarter | September<br>30 YTD    | September<br>30 YTD    |
|   | Assets<br>(liabilities) | Assets<br>(liabilities) | Assets<br>(liabilities) | Revenues<br>(expenses)     | Revenues<br>(expenses)     | Revenues<br>(expenses) | Revenues<br>(expenses) |
| <b>Interest on shareholders equity and dividends:</b>     | <b>(56,857)</b>         | <b>(154,702)</b>        | <b>(22,413)</b>         | -                          | -                          | -                      | -                      |
| Cidade de Deus<br>Companhia Comercial de<br>Participações | (9,789)                 | (107,677)               | (8,899)                 | -                          | -                          | -                      | -                      |
| Fundação Bradesco   | (47,068)                | (47,025)                | (13,514)                | -                          | -                          | -                      | -                      |
| <b>Demand deposits:</b>                                   | <b>(481)</b>            | <b>(864)</b>            | <b>(720)</b>            | -                          | -                          | -                      | -                      |
| Fundação Bradesco   | (462)                   | (810)                   | (706)                   | -                          | -                          | -                      | -                      |
| Elo Participações e<br>Investimentos S.A.                 | (16)                    | (6)                     | (4)                     | -                          | -                          | -                      | -                      |
| Nova Cidade de Deus<br>Participações S.A.                 | (1)                     | (2)                     | (2)                     | -                          | -                          | -                      | -                      |
| Cidade de Deus<br>Companhia Comercial de<br>Participações | (2)                     | (46)                    | (8)                     | -                          | -                          | -                      | -                      |
| <b>Time deposits:</b>                                     | <b>(1,576)</b>          | <b>(40,191)</b>         | <b>(10,359)</b>         | <b>(42)</b>                | <b>(8)</b>                 | <b>(58)</b>            | <b>(2,672)</b>         |
| Cidade de Deus<br>Companhia Comercial de<br>Participações | (1,576)                 | (40,191)                | (10,359)                | (42)                       | (8)                        | (58)                   | (2,672)                |
| <b>Rental of branches:</b>                                | -                       | -                       | -                       | <b>(118)</b>               | <b>(115)</b>               | <b>(347)</b>           | <b>(321)</b>           |
| Fundação Bradesco   | -                       | -                       | -                       | (118)                      | (115)                      | (347)                  | (321)                  |
| <b>Subordinated debts:</b>                                | <b>(263,345)</b>        | <b>(200,100)</b>        | <b>(102,345)</b>        | <b>(10,502)</b>            | <b>(3,653)</b>             | <b>(17,466)</b>        | <b>(35,337)</b>        |
| Cidade de Deus<br>Companhia Comercial de<br>Participações | (107,047)               | (65,401)                | (70,892)                | (1,928)                    | (844)                      | (3,469)                | (11,382)               |
| Fundação Bradesco   | (156,298)               | (134,699)               | (31,453)                | (8,574)                    | (2,809)                    | (13,997)               | (23,955)               |

**b) Compensation of key Management personnel**

Yearly, the Annual Shareholders Meeting sets out:

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

For 2009, the maximum amount of R\$292,850 thousand was determined for the management compensation (charges and bonuses) and R\$129,400 thousand to finance defined contribution supplementary private pension plans.

**Short-term benefits to the Management**

|                    | R\$ thousand            |                         |                  |                  |
|--------------------|-------------------------|-------------------------|------------------|------------------|
|                    | 2009                    |                         |                  | 2008             |
|                    | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30 YTD | September 30 YTD |
| Income             | 38,423                  | 35,270                  | 108,416          | 68,020           |
| Bonuses            | 9,111                   | -                       | 21,065           | 90,278           |
| INSS Contributions | 10,671                  | 7,912                   | 29,056           | 48,159           |
| <b>Total</b>       | <b>58,205</b>           | <b>43,182</b>           | <b>158,537</b>   | <b>206,457</b>   |

**Post-employment benefits**

|  | R\$ thousand            |                         |                  |                  |
|--|-------------------------|-------------------------|------------------|------------------|
|  | 2009                    |                         |                  | 2008             |
|  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30 YTD | September 30 YTD |
| Defined contribution supplementary private pension plans |                         | 81,872                  | 13,603           | 108,905          |
| <b>Total</b>   |                         | <b>81,872</b>           | <b>13,603</b>    | <b>86,187</b>    |

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

**Other information**

**D) According to the prevailing laws, financial institutions are not allowed to grant loans or advances to:**

- a) Officers and members of the advisory, administrative, fiscal or similar councils, as well as to respective spouses and family members up to the second degree;
- b) Individuals or corporations that hold interest in their capital, with over 10%; and
- c) Corporations holding over 10% of interest, the financial institution itself, any officers or administrators of the institution, as well as their spouses and respective family members up to

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the second degree;

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

## II) Shareholding

Members of the Board of Directors and Board of Executive Officers, jointly, had the following shareholding at Bradesco on September 30, 2009:

|                  |       |
|------------------|-------|
| Common shares    | 0.75% |
| Preferred shares | 1.09% |
| Total shares     | 0.92% |

## 32) FINANCIAL INSTRUMENTS

### a) Risk management process

Bradesco approaches on an integrated basis the management of all risks inherent to its activities, supported by its Internal Controls and Compliance structure. This multidisciplinary vision enables the improvement of risk management standards and avoids the existence of gaps which may jeopardize the correct identification and measurement of risks.

#### Credit risk management

Credit risk is the possibility that a counterparty of a loan or financial operation may not wish or may suffer some change in its ability to comply with its contractual liabilities, which may generate losses for the Organization.

Aiming at mitigation of credit risk, Bradesco continuously works in the follow-up of credit activities processes, in improvements, examination and preparation of inventories of loan assignment and recovery standards, in the monitoring of concentrations and identification of new components offering credit risks.

#### Market risk management

Market risk is related to the possibility of loss from fluctuating rates caused by unhedged terms, currencies and indexes of the Institution's asset and liability portfolios.

At Bradesco, market risks are managed by means of methodologies and standards adherent and compatible to national and international market reality, enabling us to make the Organization's strategic decisions with high agility and level of reliance.

We present below the balance sheet by currency

|  | 2009               |                    |                    |                   | 2008              | R\$ thousand |
|--|--------------------|--------------------|--------------------|-------------------|-------------------|--------------|
|  | September 30       |                    |                    | June 30           | September 30      |              |
|  | Balance            | Domestic           | Foreign (1)<br>(2) | Foreign (1) (2)   |                   |              |
| <b>Assets</b>  |                    |                    |                    |                   |                   |              |
| <b>Current and long-term assets</b>  | <b>477,457,800</b> | <b>441,708,966</b> | <b>35,748,834</b>  | <b>40,350,600</b> | <b>42,170,466</b> |              |
| Funds available  | 8,571,103          | 6,455,220          | 2,115,883          | 2,054,447         | 2,365,630         |              |
| Interbank investments  | 97,487,323         | 95,700,877         | 1,786,446          | 1,981,479         | 916,582           |              |
| Securities and derivative financial instruments  | 147,724,319        | 138,611,496        | 9,112,823          | 9,154,621         | 13,292,628        |              |
| Interbank and interdepartmental accounts   | 17,717,880         | 17,292,216         | 425,664            | 492,959           | 39                |              |
| Loan and leasing operations  | 149,306,081        | 137,206,347        | 12,099,734         | 12,417,025        | 13,938,741        |              |
| Other receivables and assets   | 56,651,094         | 46,442,810         | 10,208,284         | 14,250,069        | 11,656,846        |              |
| <b>Permanent assets</b>  | <b>8,227,890</b>   | <b>8,220,549</b>   | <b>7,341</b>       | <b>8,096</b>      | <b>8,208</b>      |              |
| Investments  | 1,104,141          | 1,104,141          | -                  | -                 | -                 |              |
| Premises and equipment and leased assets   | 3,272,092          | 3,264,845          | 7,247              | 7,989             | 8,092             |              |
| Intangible assets  | 3,851,657          | 3,851,563          | 94                 | 107               | 116               |              |
| <b>Total</b>   | <b>485,685,690</b> | <b>449,929,515</b> | <b>35,756,175</b>  | <b>40,358,696</b> | <b>42,178,674</b> |              |
| <b>Liabilities</b>   |                    |                    |                    |                   |                   |              |
| <b>Current and long-term liabilities</b>   | <b>446,151,160</b> | <b>418,226,549</b> | <b>27,924,611</b>  | <b>33,421,489</b> | <b>35,762,116</b> |              |
| Deposits   | 167,987,521        | 161,686,451        | 6,301,070          | 6,468,183         | 3,794,999         |              |
| Federal funds purchased and securities sold under agreements to repurchase               | 102,603,680        | 102,479,222        | 124,458            | 195,937           | 1,030,041         |              |
| Funds from issuance of securities  | 7,110,834          | 2,986,719          | 4,124,115          | 4,559,262         | 3,605,650         |              |
| Interbank and interdepartmental accounts   | 2,256,667          | 856,564            | 1,400,103          | 1,057,044         | 1,688,979         |              |
| Borrowing and onlending  | 27,024,516         | 18,532,724         | 8,491,792          | 11,384,347        | 17,845,869        |              |
| Derivative financial instruments   | 1,668,696          | 1,548,597          | 120,099            | 253,523           | 549,209           |              |
| Technical provision from insurance, private pension plans and certificated savings plans | 71,400,764         | 71,398,650         | 2,114              | 2,432             | 4,925             |              |
| Other liabilities:   |                    |                    |                    |                   |                   |              |
| - Subordinated debt  | 22,880,677         | 18,989,376         | 3,891,301          | 2,737,176         | 2,726,554         |              |
| - Other  | 43,217,805         | 39,748,246         | 3,469,559          | 6,763,585         | 4,515,890         |              |
| <b>Deferred income</b>   | <b>297,223</b>     | <b>297,223</b>     | <b>-</b>           | <b>-</b>          | <b>-</b>          |              |
| <b>Minority interest in subsidiaries</b>   | <b>359,820</b>     | <b>359,820</b>     | <b>-</b>           | <b>-</b>          | <b>-</b>          |              |
| <b>Shareholders equity</b>   | <b>38,877,487</b>  | <b>38,877,487</b>  | <b>-</b>           | <b>-</b>          | <b>-</b>          |              |
| <b>Total</b>   | <b>485,685,690</b> | <b>457,761,079</b> | <b>27,924,611</b>  | <b>33,421,489</b> | <b>35,762,116</b> |              |
| <b>Net position of assets and liabilities</b>  |                    |                    | <b>7,831,564</b>   | <b>6,937,207</b>  | <b>6,416,558</b>  |              |

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|  |                    |                    |                    |
|--|--------------------|--------------------|--------------------|
| Net position of derivatives (2)          | (15,742,503)       | (15,021,804)       | (15,347,382)       |
| Other net memorandum accounts (3)        | 1,188,896          | (76,064)           | (335,689)          |
| <b>Net exchange position (liability)</b> | <b>(6,722,043)</b> | <b>(8,160,661)</b> | <b>(9,266,513)</b> |

(1) Amounts expressed and/or indexed mainly in USD;

(2) Excluding operations maturing in D+1, to be settled in the currency of the last day of the month; and

(3) Other commitments recorded in memorandum accounts.

In its market risk management process, Bradesco Organization uses methods that comply with the best international practices, and risk limits are defined in specific Committees and validated by Senior Management. Compliance is monitored on a daily basis by the market risk area. The methodology used to determine trading portfolio risk is parametric VaR, which has a reliability level of 99%, and one-day perspective. Correlations and fluctuations are calculated based on statistical methods in which recent returns have more importance. The methodology applied and current statistical models are daily assessed using backtesting techniques.

We present the VaR in the chart below

| Risk factors                       | R\$ thousand  |               |                |
|------------------------------------|---------------|---------------|----------------|
|                                    | 2009          |               | 2008           |
|                                    | September 30  | June 30       | September 30   |
| Prefixed                           | 3,541         | 5,680         | 24,742         |
| Internal exchange coupon           | 372           | 876           | 3,733          |
| Foreign currency                   | 1,444         | 6,709         | 13,150         |
| IGP-M                              | 221           | 154           | 1,231          |
| IPCA                               | 13,061        | 69,167        | 157,598        |
| Variable income                    | 5,495         | 2,952         | 2,863          |
| Sovereign/Eurobonds and Treasuries | 15,417        | 34,619        | 71,811         |
| Other                              | 25            | 94            | 2,253          |
| Correlation/diversification effect | (14,105)      | (35,176)      | (72,854)       |
| <b>VaR (Value at Risk)</b>         | <b>25,471</b> | <b>85,075</b> | <b>204,527</b> |

### Sensitivity analysis

As a good risk management governance practice, Bradesco maintains a continued risk management process, which encompasses control of all positions exposed to market risk by means of measures compatible with the best international practices and the New Basel Capital Accord – Basel II. It is also worth mentioning that the financial institutions have risk limits and controls and leverage regulated by Bacen.

Market risk limits are proposed by specific committees, assessed by the Market and Liquidity Risk Management Executive Committee and validated by the Integrated Risk Management and Capital Allocation Committee, observing the limits laid down by the Board of Directors, according to the characteristics of operations, which are divided into the following portfolios:

- **Trading Portfolio:** consists of all financial instruments, commodities, derivatives operations held for trading or as hedge of other trading portfolios, which are not subject to trading restrictions. Operations intended for trading are those destined to resale, to take advantage from expected or effective price movements, or for arbitrage purposes; and
- **Banking Portfolio:** operations not classified in the Trading Portfolio. These consist of structural operations deriving from several lines of business of the Organization and eventual hedges.

The following table presents the financial exposure sensitivity analysis (Trading and Banking Portfolios) pursuant to CVM Rule 475/08 and does not reflect how these market risk exposures are managed in the Organization's daily operations, according to information provided in this note.

The financial exposure impacts of the Banking Portfolio (mainly interest rates and price indexes) stated in the following table do not necessarily represent an accounting loss for the Organization, due to the following reasons:

- part of loan operations held in the Banking Portfolio is funded by demand deposits and/or savings deposits, which furnishes a natural hedge for eventual interest rate fluctuations;



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- for the Banking Portfolio, interest rates fluctuations do not necessarily have a material impact over the Organization's results, since the intention is to hold the loan operations until their maturity; and
- derivative operations of the Banking Portfolio are used to hedge clients' operations or to hedge investments abroad, considering the tax effect on foreign exchange rate fluctuation.

|                                    |   | On September 30, 2009 - R\$ thousand |                    |                    |
|------------------------------------|---|--------------------------------------|--------------------|--------------------|
| Risk factors                       | Trading and Banking portfolios  | Scenarios (1)                        |                    |                    |
|                                    | Definition  | 1                                    | 2                  | 3                  |
| Interest rates in Reais            | Exposures subject to fixed interest rates variation and interest rate coupon                      | (1,690)                              | (571,399)          | (1,079,332)        |
| Price indexes                      | Exposures subject to the variation of price index coupon rate                                     | (5,751)                              | (838,512)          | (1,578,912)        |
| Domestic exchange coupon           | Exposures subject to the variation of foreign currency coupon rate                                | (45)                                 | (2,568)            | (5,159)            |
| Foreign currency                   | Exposures subject to exchange variation   | (498)                                | (12,462)           | (24,924)           |
| Equities                           | Exposures subject to stocks price variation   | (13,552)                             | (338,797)          | (677,594)          |
| Sovereign/Eurobonds and Treasuries | Exposures subject to the interest rate variation of securities traded on the international market | (1,650)                              | (42,603)           | (85,989)           |
| Other                              | Exposures not classified into previous definitions  | -                                    | (13)               | (26)               |
| <b>Total not correlated</b>        |   | <b>(23,186)</b>                      | <b>(1,806,354)</b> | <b>(3,451,936)</b> |
| <b>Total correlated</b>            |   | <b>(17,325)</b>                      | <b>(1,706,281)</b> | <b>(3,158,990)</b> |

(1) Amounts net of tax effects

We present below the sensitivity analysis of the Trading Portfolio, which represents exposures that might cause material impacts on the Organization's results. It is worth mentioning that results show the impacts for each scenario in a static portfolio position on September 30, 2009. The market dynamism makes this position to change continuously and does not necessarily reflect current position. In addition, as mentioned above, we maintain a continued management process of market risks, which continuously seeks, through market dynamics, ways of mitigating/minimizing related risks, according to the strategy determined by Senior Management, i.e., in case of signs of deterioration signs in a certain position, proactive measures are taken to minimize potential negative impacts, aiming at maximizing the risk/return ratio for the Organization.

|              |                    | On September 30, 2009 - R\$ thousand |  |  |
|--------------|--------------------|--------------------------------------|--|--|
| Risk factors | Trading portfolios | Scenarios (1)                        |  |  |

|                                    | <b>Definition</b>   | <b>1</b>       | <b>2</b>         | <b>3</b>         |
|------------------------------------|---|----------------|------------------|------------------|
| Interest rates in Reais            | Exposures subject to fixed interest rates variation and interest rate coupon                      | (312)          | (67,407)         | (133.151)        |
| Price indexes                      | Exposures subject to the variation of price index coupon rate                                     | (699)          | (102,433)        | (200.500)        |
| Domestic exchange coupon           | Exposures subject to the variation of foreign currency coupon rate                                | (8)            | (386)            | (771)            |
| Foreign currency                   | Exposures subject to exchange variation   | (498)          | (12,462)         | (24.924)         |
| Equities                           | Exposures subject to stocks price variation   | (1,092)        | (27,300)         | (54.600)         |
| Sovereign/Eurobonds and Treasuries | Exposures subject to the interest rate variation of securities traded on the international market | (1,398)        | (22,374)         | (47.696)         |
| Other                              | Exposures not classified in previous definitions  | -              | (13)             | (26)             |
| <b>Total not correlated</b>        |   | <b>(4,007)</b> | <b>(232,375)</b> | <b>(461,668)</b> |
| <b>Total correlated</b>            |   | <b>(2,009)</b> | <b>(162,444)</b> | <b>(321,241)</b> |

(1) Amounts net of tax effects.

The sensitivity analysis was carried out based on the scenarios below, always considering that these impacts would materially affect our positions.

Scenario 1: based on market information of September 30, 2009 (BM&FBovespa, Andima, etc), one basis point shock was applied for interest rates and 1% variation for prices. For instance, the exchange rate of Reais/Dollar of R\$1.79 and 1-year fixed interest rates of 9.68% p.a.

Scenario 2: 25% shocks were determined based on the market on September 30, 2009. For instance, the exchange rate of Reais/Dollar stood at R\$2.21 and 1-year fixed interest rates of 12.09% p.a., with fluctuations of other risk factors representing a 25% shock on the respective curves or prices.

Scenario 3: 50% shocks were determined based on the market on September 30, 2009. For instance: the exchange rate of Reais/Dollar stood at R\$2.66 and 1-year fixed interest rates of 14.51% p.a., with fluctuations of other risk factors representing 50% shock on the respective curves or prices.

### **Liquidity risk**

Liquidity risk management is designed to control the different unhedged settlement terms of the Institution's rights and obligations, as well as the liquidity of the financial instruments used to manage the financial positions.

The knowledge and monitoring of this risk are crucial, especially to enable the Organization to settle transactions in a timely and secure manner.

At Bradesco, liquidity risk management involves a series of controls, mainly the establishment of technical limits, with an ongoing assessment of the positions assumed and financial instruments used.



We present the Balance Sheet by maturity in the chart below

|  | R\$ thousand       |                   |                   |                    |                     |                    |
|--|--------------------|-------------------|-------------------|--------------------|---------------------|--------------------|
|  | 1 to 30 days       | 31 to 180 days    | 181 to 360 days   | More than 360 days | Not stated maturity | Total              |
| <b>Assets</b>  |                    |                   |                   |                    |                     |                    |
| <b>Current and long-term assets</b>  | <b>261,915,795</b> | <b>68,129,141</b> | <b>33,225,075</b> | <b>114,187,789</b> | -                   | <b>477,457,800</b> |
| Funds available  | 8,571,103          | -                 | -                 | -                  | -                   | 8,571,103          |
| Interbank investments  | 77,980,746         | 16,476,087        | 2,076,473         | 954,017            | -                   | 97,487,323         |
| Securities and derivative financial instruments (1)  | 113,598,869        | 5,858,571         | 2,896,348         | 25,370,531         | -                   | 147,724,319        |
| Interbank and interdepartmental accounts   | 17,246,259         | 812               | 988               | 469,821            | -                   | 17,717,880         |
| Loan and leasing operations  | 18,861,565         | 40,086,994        | 24,474,338        | 65,883,184         | -                   | 149,306,081        |
| Other receivables and assets   | 25,657,253         | 5,706,677         | 3,776,928         | 21,510,236         | -                   | 56,651,094         |
| <b>Permanent assets</b>  | <b>161,011</b>     | <b>774,932</b>    | <b>725,121</b>    | <b>5,114,870</b>   | <b>1,451,956</b>    | <b>8,227,890</b>   |
| Investments  | -                  | -                 | -                 | -                  | 1,104,141           | 1,104,141          |
| Premises and equipment and leased assets   | 45,486             | 227,410           | 272,893           | 2,378,488          | 347,815             | 3,272,092          |
| Intangible assets  | 115,525            | 547,522           | 452,228           | 2,736,382          | -                   | 3,851,657          |
| <b>Total on September 30, 2009</b>   | <b>262,076,806</b> | <b>68,904,073</b> | <b>33,950,196</b> | <b>119,302,659</b> | <b>1,451,956</b>    | <b>485,685,690</b> |
| <b>Total on June 30, 2009</b>  | <b>279,140,521</b> | <b>59,419,489</b> | <b>31,544,090</b> | <b>110,973,960</b> | <b>1,399,547</b>    | <b>482,477,607</b> |
| <b>Total on September 30, 2008</b>   | <b>226,920,340</b> | <b>60,492,750</b> | <b>32,399,060</b> | <b>101,613,728</b> | <b>1,236,042</b>    | <b>422,661,920</b> |
| <b>Liabilities</b>   |                    |                   |                   |                    |                     |                    |
| <b>Current and long-term liabilities</b>   |                    |                   |                   |                    |                     |                    |
| <b>liabilities</b>   | <b>221,928,904</b> | <b>24,113,570</b> | <b>28,577,698</b> | <b>170,997,558</b> | <b>533,430</b>      | <b>446,151,160</b> |
| Deposits (2)   | 75,363,310         | 8,263,406         | 10,437,826        | 73,922,979         | -                   | 167,987,521        |
| Federal funds purchased and securities sold under agreements to repurchase                   | 67,211,244         | 2,573,771         | 6,675,677         | 26,142,988         | -                   | 102,603,680        |
| Funds from issuance of securities  | 562,011            | 1,083,882         | 1,223,781         | 4,241,160          | -                   | 7,110,834          |
| Interbank and interdepartmental accounts   | 2,254,889          | -                 | 1,778             | -                  | -                   | 2,256,667          |
| Borrowing and onlending  | 1,925,973          | 7,815,234         | 5,032,573         | 12,250,736         | -                   | 27,024,516         |
| Derivative financial instruments   | 1,272,793          | 132,615           | 91,911            | 171,377            | -                   | 1,668,696          |
| Technical provisions for insurance, private pension plans and certificated savings plans (2) | 51,053,206         | 1,599,514         | 896,303           | 17,851,741         | -                   | 71,400,764         |
| Other liabilities:   |                    |                   |                   |                    |                     |                    |
| - Subordinated debts   | 117,862            | 214,413           | 102,459           | 21,912,513         | 533,430             | 22,880,677         |
| - Other  | 22,167,616         | 2,430,735         | 4,115,390         | 14,504,064         | -                   | 43,217,805         |
| <b>Deferred income</b>   | <b>297,223</b>     | -                 | -                 | -                  | -                   | <b>297,223</b>     |
| <b>Minority interest in subsidiaries</b>   | -                  | -                 | -                 | -                  | <b>359,820</b>      | <b>359,820</b>     |
| <b>Shareholders equity</b>   | -                  | -                 | -                 | -                  | <b>38,877,487</b>   | <b>38,877,487</b>  |
| <b>Total on September 30, 2009</b>   | <b>222,226,127</b> | <b>24,113,570</b> | <b>28,577,698</b> | <b>170,997,558</b> | <b>39,770,737</b>   | <b>485,685,690</b> |
| <b>Total on June 30, 2009</b>  | <b>223,529,673</b> | <b>28,016,494</b> | <b>25,336,619</b> | <b>167,378,049</b> | <b>38,216,772</b>   | <b>482,477,607</b> |

|   |                    |                   |                   |                    |                   |                    |
|---|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|
| <b>Total on September 30, 2008</b>                  | <b>195,165,970</b> | <b>21,297,622</b> | <b>24,415,428</b> | <b>146,409,806</b> | <b>35,373,094</b> | <b>422,661,920</b> |
| <b>Accumulated net assets on September 30, 2009</b> | <b>39,850,679</b>  | <b>84,641,182</b> | <b>90,013,680</b> | <b>38,318,781</b>  | -                 | -                  |
| <b>Accumulated net assets on June 30, 2009</b>      | <b>55,610,848</b>  | <b>87,013,843</b> | <b>93,221,314</b> | <b>36,817,225</b>  | -                 | -                  |
| <b>Accumulated net assets on September 30, 2008</b> | <b>31,754,370</b>  | <b>70,949,498</b> | <b>78,933,130</b> | <b>34,137,052</b>  | -                 | -                  |

(1) Investments in investment funds are classified as up to 30 days; and

(2) Demand and savings deposits and technical provisions for insurance, private pension plans and certificated savings plans comprising VGBL and PGBL products are classified as up to 30 days, without considering average historical turnover.

**Capital Adequacy Ratio (Basel)**

The Organization's risk management seeks to optimize the risk-return ratio, aiming at minimizing losses, through the implementation of well-defined business strategies and maximizing efficiency in the combination of factors which impact the Capital Adequacy Ratio (Basel).

We present the Capital Adequacy Ratio II in the chart below

| Calculation basis<br>Capital Adequacy Ratio (Basel II)<br>(1)   | R\$ thousand      |                        |                   |                        |                   |                        |
|---|-------------------|------------------------|-------------------|------------------------|-------------------|------------------------|
|   | 2009              |                        |                   |                        | 2008              |                        |
|   | September 30      |                        | June 30           |                        | September 30      |                        |
|   | Financial         | Economic-financial (2) | Financial         | Economic-financial (2) | Financial         | Economic-financial (2) |
| <b>Calculation basis Capital Adequacy Ratio (Basel)</b>   | <b>38,877,487</b> | <b>38,877,487</b>      | <b>37,276,765</b> | <b>37,276,765</b>      | <b>34,167,826</b> | <b>34,167,826</b>      |
| Decrease in tax credits Bacen Resolution 3,059/02   | (143,179)         | (143,179)              | (143,179)         | (143,179)              | (101,538)         | (101,538)              |
| Decrease in deferred assets Bacen Resolution 3,444/07   | (226,279)         | (260,114)              | (229,391)         | (270,090)              | (388,436)         | (521,571)              |
| Decrease in gains/losses of adjustments to market value in DPV and derivatives Bacen Resolution 3,444/07              | 1,480,317         | 1,480,317              | 1,975,119         | 1,975,119              | 1,551,860         | 1,551,860              |
| Additional provision to the minimum required by Bacen Resolution 2,682/99 (3)   | 2,989,666         | 2,990,827              | 2,991,019         | 2,991,834              | -                 | -                      |
| Minority interest/other   | 400,228           | 359,820                | 429,570           | 354,527                | 591,757           | 627,015                |
| <b>Reference shareholders equity - Tier I</b>   | <b>43,378,240</b> | <b>43,305,158</b>      | <b>42,299,903</b> | <b>42,184,976</b>      | <b>35,821,469</b> | <b>35,723,592</b>      |
| Gains/losses sum of adjustments to market value in Available for Sale (DPV) and derivatives Bacen Resolution 3,444/07 | (1,480,317)       | (1,480,317)            | (1,975,119)       | (1,975,119)            | (1,551,860)       | (1,551,860)            |
| Subordinated debt   | 12,003,947        | 12,003,947             | 10,248,535        | 10,248,535             | 11,040,886        | 11,040,886             |
| <b>Reference shareholders equity Tier II</b>  | <b>10,523,630</b> | <b>10,523,630</b>      | <b>8,273,416</b>  | <b>8,273,416</b>       | <b>9,489,026</b>  | <b>9,489,026</b>       |
| <b>Total reference shareholders equity (Tier I + Tier II)</b>   | <b>53,901,870</b> | <b>53,828,788</b>      | <b>50,573,319</b> | <b>50,458,392</b>      | <b>45,310,495</b> | <b>45,212,618</b>      |
| Deduction of instruments for funding - Bacen Resolution 3,444/07  | (62,097)          | (328,694)              | (61,142)          | (321,495)              | (50,603)          | (496,691)              |
| <b>Reference shareholders equity (a)</b>  | <b>53,839,773</b> | <b>53,500,094</b>      | <b>50,512,177</b> | <b>50,136,897</b>      | <b>45,259,892</b> | <b>44,715,927</b>      |
| <b>Capital allocation (by risk)</b>   |                   |                        |                   |                        |                   |                        |

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|                                     |                    |                    |                    |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| - Credit risk                       | 31,483,525         | 31,633,767         | 30,243,790         | 30,827,912         | 29,919,814         | 30,181,783         |
| - Market risk                       | 423,470            | 428,460            | 495,702            | 1,036,618          | 507,028            | 1,034,758          |
| - Operational risk                  | 1,132,832          | 1,132,832          | 570,527            | 570,527            | 283,377            | 283,377            |
| <b>Required reference</b>           |                    |                    |                    |                    |                    |                    |
| <b>shareholders equity (b)</b>      | <b>33,039,827</b>  | <b>33,195,059</b>  | <b>31,310,019</b>  | <b>32,435,057</b>  | <b>30,710,219</b>  | <b>31,499,918</b>  |
| <b>Margin (a b)</b>                 | <b>20,799,946</b>  | <b>20,305,035</b>  | <b>19,202,158</b>  | <b>17,701,840</b>  | <b>14,549,673</b>  | <b>13,216,009</b>  |
| <b>Risk-weighted assets (2) (c)</b> | <b>300,362,064</b> | <b>301,773,265</b> | <b>284,636,536</b> | <b>294,864,151</b> | <b>279,183,809</b> | <b>286,362,891</b> |
| <b>Capital adequacy ratio (a/c)</b> | <b>17.92%</b>      | <b>17.73%</b>      | <b>17.75%</b>      | <b>17.00%</b>      | <b>16.21%</b>      | <b>15.62%</b>      |

(1) Article 4 of Bacen Circular Letter 3,389/08 includes the option based on the exclusion prerogative of the short position in foreign currency for purposes of ascertaining the Capital Adequacy Ratio, also computing tax effects, carried out with the purpose of providing hedge for interest in investments abroad. Bradesco chose this prerogative on September 29, 2008;

(2) As of July 1, 2008, with the New Basel Capital Accord (Basel II), risk-weighted assets are determined based on required reference shareholders equity divided by 11%, which is the minimum capital required by Bacen; and

(3) As of December 2008, Bacen, through Resolution 3,674/08, allowed financial institutions and other institutions authorized to operate by Bacen, which record an additional provision to the minimum percentages required by Resolution 2,682/99, to fully add the respective amount to Tier I of Reference Shareholders Equity (PR), for the purposes of determining the Reference Shareholders Equity (PR) referred to in Resolution 3,444/07.

Pursuant to the New Basel Capital Accord, the Bacen published CMN Resolutions 3,380/06, 3,464/07 and 3,721/09, concerning the structures for managing operating, market and credit risks, respectively. It also published Circular Letters 3,360/07, 3,361/07 to 3,366/07, 3,368/07, 3,383/08, 3,388/08 and 3,389/08, which define the necessary methodologies of portions of capital for credit, market and operating risks, as well as CMN Resolutions 3,444/07 and 3,490/07, amending rules for the determination of reference shareholders' equity and regarding the determination of required reference shareholders' equity. Therefore, as of July 2008, the National Financial System started operating according to the rules of the New Basel Capital Accord, standardized approach.

**b) Market value**

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

| Portfolios   | Book value  | Market value | Unrealized income (loss) without tax effects |              |                         |              |              | At shareholders' equity | R\$ thousand |
|--|-------------|--------------|--|--------------|-------------------------|--------------|--------------|-------------------------|--------------|
|  |             |              | At income                                    |              | At shareholders' equity |              |              |                         |              |
|  |             |              | 2009   | 2008         | 2009                    | 2008         | 2009         |                         |              |
|  |             |              | September 30                                 | September 30 | June 30                 | September 30 | September 30 |                         |              |
| Securities and derivative financial instruments (Notes 3e, 3f and 8) | 147,724,319 | 151,329,042  | 3,948,429                                    | 2,074,514    | 1,463,248               | 3,604,723    | 2,550,600    | 1,3                     |              |
| - Adjustment of available-for-sale securities (Note 8 c II)          |             |              | 343,706                                      | (476,086)    | 79,438                  | -            | -            |                         |              |
| - Adjustment of held-to-maturity securities (Note 8d item 7)         |             |              | 3,604,723                                    | 2,550,600    | 1,383,810               | 3,604,723    | 2,550,600    | 1,3                     |              |
| Loan and leasing operations (1) (Notes 3g and 10)                    | 180,969,205 | 181,271,468  | 302,263                                      | 36,817       | 78,387                  | 302,263      | 36,817       |                         |              |
| Investments (Notes 3j and 13)  | 1,104,141   | 7,696,548    | 6,592,407                                    | 6,727,113    | 440,673                 | 6,592,407    | 6,727,113    | 4                       |              |
| - BM&FBovespa  | 323,081     | 710,639      | 387,558                                      | 317,909      | 438,568                 | 387,558      | 317,909      | 4                       |              |
| - Visanet  | 157,729     | 6,361,265    | 6,203,536                                    | 6,407,260    | -                       | 6,203,536    | 6,407,260    |                         |              |
| - Other  | 623,331     | 624,644      | 1,313  | 1,944        | 2,105                   | 1,313        | 1,944        |                         |              |
| Treasury shares (Note 23d)   | 94,950      | 98,928       | -  | -            | -                       | 3,978        | (657)        |                         |              |
| Time deposits (Notes 3n and  | 96,033,325  | 95,938,917   | 94,408                                       | 53,827       | 1,963                   | 94,408       | 53,827       |                         |              |

|  |            |            |                   |                  |                  |                  |                  |            |
|--|------------|------------|-------------------|------------------|------------------|------------------|------------------|------------|
| 16a)   |            |            |                   |                  |                  |                  |                  |            |
| Funds from issuance of securities (Note 16c) | 7,110,834  | 7,108,310  | 2,524             | 4,889            | 13,724           | 2,524            | 4,889            |            |
| Borrowing and onlending (Notes 17a and 17b)  | 27,024,516 | 26,947,630 | 76,886            | 50,208           | 146,721          | 76,886           | 50,208           | 1          |
| Subordinated debts (Note 19)                 | 22,880,677 | 23,735,760 | (855,083)         | (293,306)        | (133,170)        | (855,083)        | (293,306)        | (1         |
| <b>Unrealized income without tax effects</b> |            |            | <b>10,161,834</b> | <b>8,654,062</b> | <b>2,011,546</b> | <b>9,822,106</b> | <b>9,129,491</b> | <b>1,9</b> |

(1) It includes advances on foreign exchange contracts, leasing operations and other receivables with loan assignment features.

**Determination of market value of financial instruments:**

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

**33) EMPLOYEE BENEFITS**

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

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

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

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

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

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

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

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





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

Bradesco in its facilities abroad provide their employees and directors with a private pension plan with variable contribution, which enables us to accumulate funds during the participant's professional career, by means of contributions paid by himself/herself and in equal proportion by Bradesco. The contributions of employees, directors and of Bradesco in its facilities abroad are jointly equivalent to at most 5% of the annual salary of the benefit.

Expenses with contributions made in the period amounted to R\$211,412 thousand (September 30, 2008 R\$180,048 thousand) 3Q09 R\$116,252 thousand, (2Q09 R\$43,946 thousand).

In addition to this benefit, Bradesco and its subsidiaries offer their employees and directors several other benefits including: health insurance, dental care, life and personal accident insurance, as well as professional training, the expenses for which, including the aforementioned contributions, amounted to R\$1,232,740 thousand in the period (September 30, 2008 R\$1,105,591 thousand) 3Q09 R\$470,312 thousand, (2Q09 R\$382,862 thousand).

### 34) INCOME TAX AND SOCIAL CONTRIBUTION

#### a) Statement of calculation of income tax and social contribution charges

|  | R\$ thousand            |                         |                     |                     |
|--|-------------------------|-------------------------|---------------------|---------------------|
|  | 2009                    |                         | 2008                |                     |
|  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30<br>YTD | September<br>30 YTD |
| <b>Income before income tax and social contribution</b>                                      | <b>2,887,498</b>        | <b>4,060,388</b>        | <b>9,360,497</b>    | <b>7,605,631</b>    |
| Total charge of income tax and social contribution at rates of 25% and 15%, respectively (1) | (1,154,999)             | (1,624,156)             | (3,744,199)         | (2,868,206)         |
| <b>Effect of additions and exclusions on tax calculation:</b>                                |                         |                         |                     |                     |
| Equity in the earnings of unconsolidated companies   | 15,614                  | 5,395                   | 23,236              | 33,439              |
| Exchange loss/gain   | (354,752)               | (531,885)               | (935,219)           | 306,101             |
| Non-deductible expenses, net of non-taxable income   | (36,031)                | (19,734)                | (85,372)            | (9,542)             |
| Interest on shareholders' equity (paid and payable)  | 221,375                 | 212,455                 | 643,090             | 552,892             |
| Effect of the difference of the social contribution rate (2)                                 | 133,722                 | 137,835                 | 392,436             | 356,949             |
| Other amounts  | 104,223                 | 61,709                  | 192,742             | 55,206              |
| <b>Income tax and social contribution for the period</b>                                     | <b>(1,070,848)</b>      | <b>(1,758,381)</b>      | <b>(3,513,286)</b>  | <b>(1,573,161)</b>  |

(1) As of May 1, 2008, the social contribution rate for companies of the financial and insurance sectors was increased to 15%, according to Provisional Measure 413/08 (converted into Law 11,727/08), remaining at 9% for other companies (Note 3h); and

(2) It refers to the equation of the effective rate of social contribution in relation to the rate (40%) shown.

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**b) Breakdown of income tax and social contribution result**

|  | R\$ thousand            |                         |                     |                     |
|--|-------------------------|-------------------------|---------------------|---------------------|
|  | 2009                    |                         | 2008                |                     |
|  | 3 <sup>rd</sup> quarter | 2 <sup>nd</sup> quarter | September 30<br>YTD | September<br>30 YTD |
| <b>Current taxes:</b>  |                         |                         |                     |                     |
| <b>Income tax and social contribution payable</b>              | <b>(2,519,880)</b>      | <b>(2,578,102)</b>      | <b>(6,706,686)</b>  | <b>(3,926,290)</b>  |
| <b>Deferred taxes:</b>   |                         |                         |                     |                     |
| Amount recorded/realized for the period on temporary additions | 1,454,248               | 1,029,522               | 3,141,577           | 2,196,734           |
| <b>Use of opening balances of:</b>                             |                         |                         |                     |                     |
| Negative basis of social contribution                          | (4,893)                 | (97,806)                | (138,595)           | (40,505)            |
| Tax loss   | (111,594)               | (208,774)               | (420,864)           | (126,708)           |
| <b>Recording/utilization in the period on:</b>                 |                         |                         |                     |                     |
| Negative basis of social contribution                          | 14,572                  | 11,326                  | 38,662              | 19,164              |
| Tax loss   | 96,699                  | 85,453                  | 572,620             | 304,444             |
| <b>Total deferred taxes</b>                                    | <b>1,449,032</b>        | <b>819,721</b>          | <b>3,193,400</b>    | <b>2,353,129</b>    |
| <b>Income tax and social contribution for the period</b>       | <b>(1,070,848)</b>      | <b>(1,758,381)</b>      | <b>(3,513,286)</b>  | <b>(1,573,161)</b>  |

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

|   | R\$ thousand             |                           |                    |                         |                         |                            |
|---|--------------------------|---------------------------|--------------------|-------------------------|-------------------------|----------------------------|
|   | Balance on<br>12.31.2008 | Amount<br>recorded<br>(3) | Amount<br>realized | Balance on<br>9.30.2009 | Balance on<br>6.30.2009 | Balance<br>on<br>9.30.2008 |
| Allowance for loan losses                               | 5,912,533                | 3,896,364                 | 2,185,659          | 7,623,238               | 6,564,833               | 4,595,417                  |
| Provision for civil contingencies                       | 566,103                  | 380,453                   | 124,785            | 821,771                 | 689,974                 | 534,936                    |
| Provision for tax contingencies                         | 1,682,533                | 685,384                   | 198,185            | 2,169,732               | 1,980,001               | 1,672,585                  |
| Labor provisions  | 566,410                  | 133,730                   | 110,857            | 589,283                 | 578,588                 | 554,599                    |
| Provision for devaluation on securities and investments | 164,280                  | 5,717                     | 60,694             | 109,303                 | 136,021                 | 147,168                    |
| Provision for depreciation of foreclosed assets         | 85,364                   | 33,638                    | 12,348             | 106,654                 | 101,747                 | 79,761                     |
| Adjustment to market value of trading securities        | 6,743                    | 11,228                    | 2,368              | 15,603                  | 11,804                  | 21,837                     |
| Amortized goodwill                                      | 1,152,368                | 82,808                    | 167,870            | 1,067,306               | 1,111,993               | 834,233                    |
| Provision for interest on shareholders equity (1)       | -                        | 387,869                   | -                  | 387,869                 | 363,060                 | 477,587                    |
| Adjustment to Law 11,638/07                             | 81,149                   | 9,317                     | -                  | 90,466                  | 92,040                  | -                          |
| Other   | 1,268,597                | 561,848                   | 184,013            | 1,646,432               | 1,543,348               | 493,739                    |

|  |                   |                  |                  |                   |                   |                   |
|--|-------------------|------------------|------------------|-------------------|-------------------|-------------------|
| <b>Total tax credits over temporary differences</b>                                  | <b>11,486,080</b> | <b>6,188,356</b> | <b>3,046,779</b> | <b>14,627,657</b> | <b>13,173,409</b> | <b>9,411,862</b>  |
| Tax losses and negative basis of social contribution of the country and abroad       | 1,368,580         | 611,282          | 559,459          | 1,420,403         | 1,425,619         | 1,204,190         |
| <b>Subtotal</b>  | <b>12,854,660</b> | <b>6,799,638</b> | <b>3,606,238</b> | <b>16,048,060</b> | <b>14,599,028</b> | <b>10,616,052</b> |
| Adjustment to market value of available-for-sale securities                          | 434,395           | 149,504          | 413,414          | 170,485           | 377,210           | -                 |
| Social contribution Provisional Measure 2,158- 35 of August 24, 2001 (2)             | 414,238           | -                | 85,074           | 329,164           | 381,367           | 419,985           |
| <b>Total tax credits (Note 11b)</b>  | <b>13,703,293</b> | <b>6,949,142</b> | <b>4,104,726</b> | <b>16,547,709</b> | <b>15,357,605</b> | <b>11,036,037</b> |
| <b>Deferred tax liabilities (Note 34f)</b>   | <b>2,467,850</b>  | <b>2,350,551</b> | <b>490,458</b>   | <b>4,327,943</b>  | <b>3,803,160</b>  | <b>2,022,492</b>  |
| <b>Tax credits net of deferred tax liabilities</b>                                   | <b>11,235,443</b> | <b>4,598,591</b> | <b>3,614,268</b> | <b>12,219,766</b> | <b>11,554,445</b> | <b>9,013,545</b>  |
| <b>- Percentage of net tax credits over reference shareholders equity (Note 32a)</b> | <b>23.8%</b>      |                  |                  | <b>22.8%</b>      | <b>23.0%</b>      | <b>20.2%</b>      |
| <b>- Percentage of net tax credits over total assets</b>                             | <b>2.5%</b>       |                  |                  | <b>2.5%</b>       | <b>2.4%</b>       | <b>2.1%</b>       |

(1) Tax credit on interest on shareholders equity is recorded up to the taxlimit allowed;

(2) Until the end of the year it is estimated the realization of the amount of R\$18,499 thousand, which will be accounted for upon its effective use (item d); and

(3) It includes tax credit related to the increase in the social contribution rate for companies in the financial and insurance sectors, established by Provisional Measure 413/08 (converted into Law 11,727/08), equivalent to the amount of R\$197,538 thousand (Note 3h).

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

|                             | R\$ thousand          |                     |                             |                     |                   |
|-----------------------------|-----------------------|---------------------|-----------------------------|---------------------|-------------------|
|                             | Temporary differences |                     | Tax loss and negative basis |                     | Total             |
|                             | Income tax            | Social contribution | Income tax                  | Social contribution |                   |
| 2009                        | 966,861               | 450,854             | 550,522                     | 14,252              | 1,982,489         |
| 2010                        | 2,419,767             | 1,243,231           | 142,806                     | 92,825              | 3,898,629         |
| 2011                        | 2,404,316             | 1,195,104           | 232,539                     | 122,360             | 3,954,319         |
| 2012                        | 1,642,690             | 788,972             | 156,456                     | 48,244              | 2,636,362         |
| 2013                        | 2,004,275             | 937,620             | 29,957                      | 30,437              | 3,002,289         |
| 2014 (3 <sup>rd</sup> Qtr.) | 388,486               | 185,481             | 4                           | 1                   | 573,972           |
| <b>Total</b>                | <b>9,826,395</b>      | <b>4,801,262</b>    | <b>1,112,284</b>            | <b>308,119</b>      | <b>16,048,060</b> |

|              | R\$ thousand  |        |        |        |        |               |                |
|--------------|---|--------|--------|--------|--------|---------------|----------------|
|              | Social contribution tax credit - Provisional Measure 2,158-35 |        |        |        |        |               |                |
|              | 2009  | 2010   | 2011   | 2012   | 2013   | 2014 and 2015 | Total          |
| <b>Total</b> | 18,499  | 77,034 | 38,514 | 35,366 | 16,572 | 143,179       | <b>329,164</b> |

Projected realization of tax credits is estimated and it is not directly related to the expected accounting income.

The present value of tax credits, calculated based on the average funding rate, net of tax effects, amounts to R\$14,914,422 thousand (June 30, 2009 R\$13,820,715 thousand and September 30, 2008 R\$10,184,243 thousand), of which R\$13,285,399 thousand (June 30, 2009 R\$12,127,379 thousand and September 30, 2008 R\$8,725,813 thousand) includes temporary differences, R\$1,344,404 thousand (June 30, 2009 R\$1,351,848 thousand and September 30, 2008 R\$1,102,434 thousand) includes tax losses and negative basis of social contribution and R\$284,619 thousand (June 30, 2009 R\$341,488 thousand and September 30, 2008 R\$355,996 thousand) comprises tax credit over social contribution Provisional Measure 2,158-35.

**e) Unrecorded tax credits**

The amount of R\$71,690 thousand (June 30, 2009 R\$68,851 thousand and September 30, 2008 R\$68,499 thousand) was not recorded as tax credit, and will be recorded when it presents effective prospects of realization according to studies and analyses prepared by the Management and in accordance with Bacen rules.

Due to the *Ação Direta de Inconstitucionalidade* (lawsuit filed at the Supreme Court claiming the unconstitutionality of law approved by congressmen) filed by the National Confederation of the Financial System (CONSIF) against

Provisional Measure 413/08 (converted into Law 11,727/08, Articles 17 and 41), tax credits from previous periods arising from the Social Contribution rate increase from 9% to 15% were recorded up to the limit of the corresponding consolidated tax liabilities. Tax credit balance related to Social Contribution rate increase not recorded amounts to R\$771,713 thousand (note 3h).

**f) Deferred tax liabilities**

|  | R\$ thousand     |                  |                  |
|--|------------------|------------------|------------------|
|  | 2009             |                  | 2008             |
|  | September 30     | June 30          | September 30     |
| Adjustment to market value of derivative financial instruments | 617,637          | 611,124          | 23,504           |
| Excess depreciation  | 2,962,159        | 2,452,140        | 1,328,234        |
| Operations in future liquidity market                          | 64,186           | 31,645           | 133,656          |
| Others   | 683,961          | 708,251          | 537,098          |
| <b>Total</b>   | <b>4,327,943</b> | <b>3,803,160</b> | <b>2,022,492</b> |

The deferred tax liabilities of financial and insurance sectors companies were established considering the increase of the social contribution rate, determined by Provisional Measure 413/08 (converted into Law 11,727/08) (Note 3h).

**35) OTHER INFORMATION**

a) The Bradesco Organization manages investment funds and portfolios whose net equity on September 30, 2009 totaled R\$236,911,941 thousand (June 30, 2009 - R\$211,692,920 thousand and September 30, 2008 R\$187,995,220 thousand).

b) On June 4, 2009 Bradesco entered into a Private Instrument of Share Merger Commitment and Other Covenants with the controlling shareholders of Banco Ibi S.A. Banco Múltiplo (Banco Ibi), aiming at the acquisition of the totality of its capital stock. Part of the business was to enter into a Partnership Agreement with C&A Modas Ltda. (C&A), to, together, sell with exclusivity, financial products and services by means of C&A stores for a twenty-year term. The transaction involved the transfer of 100% of the shares of Banco Ibi, Ibi Corretora de Seguros Ltda., Ibi Promotora de Vendas Ltda. and Ibi Participações Ltda. (Ibi companies) to Bradesco. The operation was approved by Bacen on September 11, 2009 and the Extraordinary Shareholders Meeting held on October 29, 2009 resolved on the merger of the all shares representing the capital stock of Ibi Participações by Bradesco.

c) On October 18, 2009, Bradesco, as the indirect controlling shareholder of Bradesco Dental S.A. (Bradesco Dental) approved the Association Agreement and Other Covenants (Association Agreement) between Bradesco Dental and Odontoprev S.A. (Odontoprev), establishing rules to integrate the activities developed by Bradesco Dental and Odontoprev in dental care lines. Bradesco Dental shares will be merged into OdontoPrev. Bradesco Dental will become its wholly-owned subsidiary, and Bradesco Saúde S.A. (Bradesco Saúde), direct parent company of Bradesco Dental, will receive Odontoprev shares and will hold 43.50% of its capital stock. The operation depends on the approval of the competent authorities, as well as the conclusion and execution of corporate documents, preparation of appraisal reports and final approval by pertinent corporate bodies.

**Management Bodies**

Cidade de Deus, Osasco, SP, October 30, 2009

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**Chairman**

Lázaro de Mello Brandão

**Vice-Chairman**

Antônio Bornia

**Members**

Mário da Silveira Teixeira Júnior  
 Márcio Artur Laurelli Cypriano  
 João Aguiar Alvarez  
 Denise Aguiar Alvarez  
 Luiz Carlos Trabuco Cappi  
 Carlos Alberto Rodrigues Guilherme  
 Ricardo Espírito Santo Silva Salgado

**Department Directors**

Adineu Santesso  
 Airton Celso Exel Andreoli  
 Alexandre da Silva Glüher  
 Alfredo Antônio Lima de Menezes  
 Altair Antônio de Souza

Antônio Carlos Del Cielo

Antonio Celso Marzagão Barbuto  
 Antonio de Jesus Mendes  
 Cassiano Ricardo Scarpelli  
 Clayton Camacho  
 Douglas Tevis Francisco  
 Fábio Mentone  
 Fernando Barbaresco

Fernando Roncolato Pinho

**Board of Executive Officers**

**Executive Officers**

**Chief Executive Officer**

Luiz Carlos Trabuco Cappi

**Executive Vice-Presidents**

Laércio Albino Cezar

Arnaldo Alves Vieira

Sérgio Socha  
 Julio de Siqueira Carvalho de Araujo  
 José Luiz Acar Pedro  
 Norberto Pinto Barbedo  
 Domingos Figueiredo de Abreu

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 José Guilherme Lembi de Faria  
 Milton Matsumoto

Jair Delgado Scalco  
 Jean Philippe Leroy  
 José Luiz Rodrigues Bueno  
 José Maria Soares Nunes  
 Josué Augusto Pancini  
 Julio Alves Marques  
 Laércio Carlos de Araújo Filho  
 Luiz Alves dos Santos  
 Luiz Carlos Angelotti  
 Luiz Carlos Brandão Cavalcanti  
 Júnior

Luiz Fernando Peres  
 Marcelo de Araújo Noronha  
 Marcos Bader  
 Marcos Villanova  
 Mario Helio de Souza Ramos  
 Marlene Moran Millan  
 Mauro Roberto Vasconcellos Gouvêa  
 Moacir Nachbar Junior  
 Nilton Pelegriano Nogueira  
 Nobuo Yamazaki

**Audit Committee**

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 Coordinator  
 Hélio Machado dos Reis  
 José Lucas Ferreira de Melo  
 Romulo Nagib Lasmar

**Compliance and Internal Controls Committee**

Mário da Silveira Teixeira Júnior  
 Coordinator  
 Carlos Alberto Rodrigues Guilherme  
 Domingos Figueiredo de Abreu  
 Clayton Camacho  
 Nilton Pelegriano Nogueira  
 Roberto Sobral Hollander

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

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 Coordinator  
 Julio de Siqueira Carvalho de Araujo  
 Norberto Pinto Barbedo  
 Milton Matsumoto  
 Denise Pauli Pavarina de Moura  
 Jean Philippe Leroy  
 Luiz Carlos Angelotti  
 Antonio José da Barbara

**Ethical Conduct Committee**

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 Carlos Alberto Rodrigues Guilherme  
 Arnaldo Alves Vieira  
 José Luiz Acar Pedro  
 Milton Matsumoto  
 Clayton Camacho  
 Nilton Pelegriano Nogueira  
 Roberto Sobral Hollander



Odair Afonso Rebelato  
Aurélio Conrado Boni  
Ademir Cossiello  
Sérgio Alexandre Figueiredo Clemente  
Candido Leonelli  
Maurício Machado de Minas

Octavio Manoel Rodrigues de Barros  
Paulo Aparecido dos Santos  
Ricardo Dias  
Robert John van Dijk  
Roberto Sobral Hollander  
Walkiria Schirrmester Marquetti

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Aurélio Guido Pagani  
Cláudio Fernando Manzato  
Fernando Antônio Tenório

Marcia Lopes Gonçalves Gil  
Marcos Daré

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Osmar Roncolato Pinho  
Paulo de Tarso Monzani

**Compensation Committee**

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Coordinator  
Antônio Bornia  
Mário da Silveira Teixeira Júnior

Márcio Artur Laurelli Cypriano  
Luiz Carlos Trabuco Cappi

**General Accounting Committee**

Moacir Nachbar Junior  
Accountant-CRC 1SP198208/O-5

**Integrated Risk Management and  
Capital Allocation Committee**

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Coordinator  
Laércio Albino Cezar  
Araldo Alves Vieira  
Sérgio Socha  
Julio de Siqueira Carvalho de Araujo  
José Luiz Acar Pedro  
Norberto Pinto Barbedo  
Domingos Figueiredo de Abreu  
Roberto Sobral Hollander

**Fiscal Council**

**Sitting Members**

Domingos Aparecido Maia -  
Coordinator  
Nelson Lopes de Oliveira  
Ricardo Abecassis Espírito Santo  
Silva

**Deputy Members**

João Batistela Biazon  
Jorge Tadeu Pinto de Figueiredo

Renaud Roberto Teixeira

**Ombudsman Department**

Cleuza de Lourdes Lopes Curpievsky -  
Ombudswoman

*Independent Auditor's Report on Limited Review*

**Independent Auditors Report on Limited Review**

To the Board of Directors  
Banco Bradesco S.A.

1. We carried out limited reviews of the accounting information presented in the consolidated Quarterly Information of Banco Bradesco S.A. and its subsidiaries, comprising the consolidated balance sheets as of September 30, 2009, June 30, 2009 and September 30, 2008 and the related consolidated statements of income, of changes in stockholders' equity, of cash flows and of value added for the quarters and periods then ended. This information is the responsibility of the Bank's management.

2. Our reviews were carried out in accordance with specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC) and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Bank and its subsidiaries with regard to the main criteria used for the preparation of the Quarterly Information and (b) a review of the significant information and the subsequent events which have, or could have significant effects on the financial position and operations of the Bank and its subsidiaries.

3. Based on our limited reviews, we are not aware of any material modifications which should be made to the Quarterly Information referred to above, in order that this information be stated in accordance with accounting practices adopted in Brazil.

São Paulo, October 30, 2009

PricewaterhouseCoopers  
Auditores Independentes  
CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti  
Contador CRC 1SP172940/O-6

*Fiscal Council's Report*

The undersigned members of the Fiscal Council of Banco Bradesco S.A., in the exercise of their legal and statutory attributions, having examined the Management Report and the Financial Statements related to 3Q09, and in view of the unqualified report of PricewaterhouseCoopers Auditores Independentes, have the opinion that the aforementioned documents, examined based on the current corporate law, fairly reflect the Company's equity and financial position.

Cidade de Deus, Osasco, São Paulo, October 30, 2009

Domingos Aparecido Maia  
Nelson Lopes de Oliveira  
Ricardo Abecassis E. Santo Silva

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For further information:

Board of Executive Officers

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Executive Vice-President and Executive IRO  
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**SIGNATURES**

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

Date: November 10, 2009

BANCO BRADESCO S.A.

By:                                   
      /s/ Julio de Siqueira Carvalho  
               de Araujo

**Julio de Siqueira Carvalho  
de Araujo  
Executive Vice-President**

**FORWARD-LOOKING STATEMENTS**

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

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