BANK BRADESCO
Form 6-K
August 03, 2010

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

FORM 6-K

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

For the month of August, 2010

Commission File Number 1-15250

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

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

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

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

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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, evaluates, predicts, foresees, projects, guidelines, should an 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.

Highlights

The main figures obtained by Bradesco in the first half of 2010 are presented below:

1. Adjusted Net Income(1) in the period of R$4.602 billion (up 16.4% from R$3.952 billion in the first half of 2009), corresponding to R$2.19 per share in the last 12 months and Return on Average Equity(2) of 22.8%.

2. Adjusted Net Income was composed of R$3.198 billion from financial activities, which represented 69% of the total, and R$1.404 billion from insurance, private pension and savings bond activities, which accounted for 31% of the total.

3. On June 30, 2010, Bradesco's market capitalization stood at R$87.9 billion(3), while the price of preferred shares rose by 10.3%(4) in the last 12 months.

4. Total Assets stood at R$558.100 billion in June 2010, an increase of 15.7% from the balance in the same period of 2009, while Return on Average Assets was 1.7%.

5. The Total Loan Portfolio(5) stood at R$244.788 billion in June 2010, up 15.0% from the same period in 2009. Operations with individuals totaled R$89.648 billion (up 20.7%), while operations with corporate clients totaled R$155.141 billion (up 12.0%).

6. Total Funding and Assets under Management stood at R$767.962 billion, an increase of 18.6% from June 2009.

7. Shareholders' Equity was R$44.295 billion in June 2010, up 18.8% from a year earlier. Meanwhile, the Capital Adequacy Ratio (Basel II) stood at 15.9%, of which 13.9% under Tier I Capital.

8. In the first half of 2010, R$3.290 billion in Interest on Shareholders' Equity and Dividends was paid to shareholders and provisioned, of which R$1.538 billion was related to the net income in the period (R$792 million as monthly and interim dividends and R$746 million provisioned) and R$1.752 billion was related to fiscal year 2009 (R$43 million paid on January 4, 2010 and an additional payment of R$1.709 billion made on March 9, 2010).

9. The Efficiency Ratio(6) stood at 42.0% in June 2010 (41.5% in June 2009).

10. Insurance Premiums Written, Social Security Contributions and Savings Bond Revenue reached a combined total of R$14.359 billion in the first six months of 2010. Technical provisions stood at R$79.308 billion, representing 31.4% of Brazil's insurance industry (period: May 2010). Bradesco's Insurance Group serves nearly 34 million clients, participants and insured individuals.

11. Investments in infrastructure, information technology and telecommunications amounted to R$1.707 billion in the first half of 2010, up 5.6% from the same period of 2009.

12. In the first six months of 2010, taxes and contributions, including social security, paid or provisioned, amounted to R$7.087 billion, of which R$3.203 billion corresponded to taxes withheld and collected from third parties, and R$3.884 billion to taxes levied on the activities of Bradesco Organization in the first half of 2010, equivalent to 84.4% of Adjusted Net Income.

13. Banco Bradesco has an extensive customer service network throughout Brazil, with 6,283 Branches, PAB mini-branches and PAAs (3,476 Branches, 1,215 PABs and 1,592 PAAs). Customers can also use 1,565 PAEs, 31,387 ATMs in the Bradesco Dia&Noite (Day&Night) network, 23,190 Bradesco Expresso service points, 6,177 Banco Postal branches and 8,379 ATMs in the Banco24Horas network.

(1) According to the non-recurring events described on page 8 of the Report on Economic and Financial Analysis; (2) Excludes the effects from asset valuation adjustments registered under Shareholders' Equity; (3) R$96.1 billion based on the total number of shares (less treasury shares) x closing quote for the preferred shares on last day in the period (most liquid share); (4) Considering the reinvestment of dividends/interest on equity; and (5) Includes Sureties and Guarantees, prepayment of credit card receivables and loan assignment (FIDC and CRI); and (6) Last 12 months.

14. In the first half of 2010, salaries plus payroll charges and benefits totaled R$3.682 billion. Benefits provided to the 89,204 employees of Bradesco Organization and their dependents amounted to R$841.433 million, while investments in training and development programs totaled R$37.825 million.

15. In April 2010, Bradesco and Banco do Brasil signed a Memorandum of Understanding to enter into a partnership to manage a Brazilian brand of credit, debt and prepaid cards for both account holders and customers without accounts at the Bank, called "Elo", which will, among other activities, also create new business opportunities for private-label cards.

16. In June 2010, Bradesco completed the acquisition of controlling interest in Ibi Services S. de R.L. México (Ibi México) and RFS Human Management S. de R.L., Ibi México's subsidiary, for approximately R$297 million. The transaction comprises a 20-year partnership with C&A México S. de R.L. (C&A México).

17. In July 2010, Bradesco concluded the acquisition of 2.09% of capital in Cielo S.A. for R$431.7 million, and 10.67% of the capital in Companhia Brasileira de Soluções e Serviços CBSS for R$141.4 million.

18. Main Awards and Recognitions in the second quarter of 2010:

· Bradesco was the first financial institution to win the "Modern Consumer Award of Excellence in Customer Service", in three categories: Retail Bank, Premium Bank and Credit Cards (*Consumidor Moderno* magazine / GKF);

· Grupo Bradesco de Seguros e Previdência was the highlight in the 7th edition of the "Prêmio Segurador Brasil" (Brazilian Insurer Award), receiving recognition in seven categories (*Editora Brasil Notícias*);

· Bradesco is the largest private Brazilian group among the 100 largest companies on the planet (Ranking-Forbes 2000);

· Bradesco is the private company and financial institution with the most valuable brand in Brazil, which was appraised at R$14.9 billion, based on a study conducted by the specialized consulting firm BrandAnalytics/Millward Brown (*IstoÉ Dinheiro* magazine).

· Bradesco is the best stock fund manager according to a survey conducted by Standard & Poor's (*ValorInveste* magazine); and

· The 2008 Bradesco Sustainability Report was the winner of the GRI Reader's Choice Awards 2010 in the Most Effective Report Category (Global Reporting Initiative).

19. On the sustainability front, Bradesco divides its actions into three pillars: (i) Sustainable Finances, with a focus on banking inclusion, social and environmental variables for loan approvals and offering social and environmental products; (ii) Responsible Management, focused on valuing professionals, improving the workplace and adopting eco-efficient practices; and (iii) Social and Environmental Investments, focusing on education, the environment, culture and sports. The highlight in this area is Fundação Bradesco, which for 53 years has been developing a broad social and educational program that operates 40 schools across Brazil. In 2010, a R$268.010 million budget will provide over 660 thousand service events, of which 112 thousand were provided to students in its own schools. In addition, the more than 50 thousand basic education students also receive, at no charge, uniforms, school supplies, meals and health and dental assistance. Over 550 thousand students will be served through the Virtual School, its e-learning portal, through the Digital Inclusion Centers (CIDs) and through programs conducted under strategic partnerships, like *Educa+Ação*.

Key Statistics

	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08	Variation % 2Q10 x 1Q10	2Q10 x 2Q09
Statement of Income for the Period - R$ million										
Net Income	2,405	2,103	2,181	1,811	2,297	1,723	1,605	1,910	14.4	4.7
Adjusted Net Income	2,455	2,147	1,839	1,795	1,996	1,956	1,806	1,910	14.3	23.0
Total Financial Margin	8,047	7,689	7,492	7,587	7,560	7,115	5,924	5,674	4.7	6.4
Gross Loan Financial Margin	5,757	5,630	5,373	5,150	4,979	4,576	4,256	4,081	2.3	15.6
Net Loan Financial Margin	3,596	3,442	2,678	2,242	1,861	1,814	2,368	2,410	4.5	93.2
Expenses with Allow ance for Loan Losses	(2,161)	(2,188)	(2,695)	(2,908)	(3,118)	(2,762)	(1,888)	(1,671)	(1.2)	(30.7)
Fee and Commission Income	3,253	3,124	3,125	2,857	2,911	2,723	2,698	2,698	4.1	11.7
Administrative and Personnel Expenses	(4,976)	(4,767)	(4,827)	(4,485)	(4,141)	(4,007)	(4,230)	(4,019)	4.4	20.2
Premiums from Insurance, Private Pension Plans Contribution and Income from Savings Bonds	7,163	7,196	8,040	6,685	6,094	5,514	6,204	5,822	(0.5)	17.5
Balance Sheet - R$ million										
Total Assets	558,100	532,626	506,223	485,686	482,478	482,141	454,413	422,662	4.8	15.7
Securities	156,755	157,309	146,619	147,724	146,110	130,816	131,598	132,373	(0.4)	7.3
Loan Operations (1)	244,788	235,238	228,078	215,536	212,768	212,993	213,602	195,604	4.1	15.0
- Individuals	89,648	86,012	82,085	75,528	74,288	73,694	73,646	69,792	4.2	20.7
- Corporate	155,141	149,226	145,993	140,008	138,480	139,299	139,956	125,812	4.0	12.0
Allowance for Loan Losses (PLL)	(15,782)	(15,836)	(16,313)	(14,953)	(13,871)	(11,424)	(10,263)	(9,136)	(0.3)	13.8
Total Deposits	178,453	170,722	171,073	167,987	167,512	169,104	164,493	139,170	4.5	6.5
Technical Provisions	79,308	77,685	75,572	71,401	68,829	66,673	64,587	62,888	2.1	15.2
Shareholders' Equity	44,295	43,087	41,754	38,877	37,277	35,306	34,257	34,168	2.8	18.8
Funds Raised and Managed	767,962	739,894	702,065	674,788	647,574	640,876	597,615	570,320	3.8	18.6
Performance Indicators (%) on Adjusted Net Income (except when otherw ise stated)										
Adjusted Net Income per Share - R$ (2)	2.19	2.07	2.02	2.04	2.06	2.07	2.04	2.07	5.8	6.3
Book Value per Share (Common and Preferred) - R$	11.77	11.45	11.10	10.49	10.04	9.51	9.22	9.20	2.8	17.2
Annualized Return on Average Shareholders' Equity (3)(4)	22.8	22.2	20.3	21.5	23.3	24.1	23.8	25.4	0.6 p.p	(0.5) p.p
Annualized Return on Average Assets (4)	1.7	1.7	1.6	1.6	1.7	1.7	1.9	2.0	-	-
Average Rate - (Adjusted Financial Margin / Total Average Assets - Repos - Permanent Assets) Annualized	8.2	8.1	8.1	8.3	8.2	7.8	7.0	7.4	0.1 p.p	-
Fixed Assets Ratio - Total Consolidated	20.9	19.8	18.6	15.4	15.1	14.1	13.5	17.6	1.1 p.p	5.8 p.p
Combined Ratio - Insurance (5)	84.7	85.2	85.3	88.9	85.5	86.2	89.7	84.4	(0.5) p.p	(0.8) p.p
Efficiency Ratio (ER) (2)	42.0	41.2	40.5	40.9	41.5	42.5	43.3	43.0	0.8 p.p	0.5 p.p
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses)(2)	64.9	66.0	66.5	66.4	67.3	67.2	68.4	70.4	(1.1) p.p	(2.4) p.p
Market Capitalization - R$ million (6)	87,887	100,885	103,192	98,751	81,301	65,154	65,354	88,777	(12.9)	8.1
Loan Portfolio Quality % (7)										

PLL / Loan Portfolio	7.6	8.0	8.5	8.3	7.7	6.3	5.7	5.5	(0.4) p.p	(0.1) p.p
Non-Performing Loans (>60 days (8) / Credit Portfolio)	4.9	5.3	5.7	5.9	5.6	5.2	4.4	4.0	(0.4) p.p	(0.7) p.p
Delinquency Ratio (> 90 days (8)/ Loan Portfolio)	4.0	4.4	4.9	5.0	4.6	4.2	3.4	3.4	(0.4) p.p	(0.6) p.p
Coverage Ratio (> 90 days (8))	188.5	180.8	174.6	166.5	169.1	152.4	165.6	163.6	7.7 p.p	19.4 p.p
Coverage Ratio (> 60 days (8))	155.8	151.3	148.6	139.4	137.9	122.3	130.7	135.7	4.5 p.p	17.9 p.p
Operating Limits %										
Capital Adequacy Ratio - Total Consolidated (9)	15.9	16.8	17.8	17.7	17.0	16.0	16.1	15.6	(0.9) p.p	(1.1) p.p
- Tier I	13.9	14.3	14.8	14.3	14.3	13.2	12.9	12.5	(0.4) p.p	(0.4) p.p
- Tier II	2.1	2.6	3.1	3.5	2.8	2.9	3.3	3.3	(0.5) p.p	(0.7) p.p
- Deductions	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	-	-

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	Jun10	Mar10	Dec09	Sep09	Jun09	Mar09	Dec08	Sep08	Variation % Jun10 x Mar10	Variation % Jun10 x Jun09
Structural Information - Units										
Service Points	49,154	46,570	44,577	42,563	41,003	39,275	38,027	35,924	5.5	19.9
- Branches	3,476	3,455	3,454	3,419	3,406	3,375	3,359	3,235	0.6	2.1
- Advanced Service Branch (PAAs) (10)	1,592	1,451	1,371	1,338	1,260	1,183	1,032	902	9.7	26.3
- Mini-Branches (PABs) (10)	1,215	1,200	1,190	1,194	1,192	1,184	1,183	1,185	1.3	1.9
- Electronic Service Branch (PAEs) (10)	1,565	1,564	1,551	1,539	1,528	1,512	1,523	1,561	0.1	2.4
- External ATM Network Terminals	3,827	3,664	3,577	3,569	3,516	3,389	3,296	3,074	4.4	8.8
- Banco24Horas ATM Network Terminals (11)	7,358	6,912	6,486	5,980	5,558	5,068	4,732	4,378	6.5	32.4
- Banco Postal (Postal Bank)	6,177	6,110	6,067	6,038	6,011	5,959	5,946	5,924	1.1	2.8
- Bradesco Expresso (Correspondent Banks)	23,190	21,501	20,200	18,722	17,699	16,710	16,061	14,562	7.9	31.0
- Bradesco Promotora de Vendas (Correspondent Banks)	743	702	670	753	822	884	883	1,078	5.8	(9.6)
- Credicerto Promotora de Vendas (Branches)	-	-	-	-	-	-	-	13	-	-
- Branches/Subsidiaries Abroad	11	11	11	11	11	11	12	12	-	-
ATM terminals	39,766	38,772	37,957	37,178	36,430	35,443	34,524	32,942	2.6	9.2
- Own	31,387	30,909	30,657	30,414	30,191	29,764	29,218	28,092	1.5	4.0
- Banco24Horas	8,379	7,863	7,300	6,764	6,239	5,679	5,306	4,850	6.6	34.3
Credit and Debit Card (12)- in millions	137.8	135.6	132.9	88.4	86.3	85.2	83.2	81.6	1.6	59.7
Employees (13)	89,204	88,080	87,674	85,027	85,871	86,650	86,622	85,577	1.3	3.9
Employees and Interns	8,913	9,605	9,589	9,606	9,439	9,292	9,077	8,971	(7.2)	(5.6)
Foundation Employees (14)	3,734	3,713	3,654	3,696	3,645	3,674	3,575	3,622	0.6	2.4
Clients - in millions										
Checking Accounts	21.9	21.2	20.9	20.7	20.4	20.2	20.1	20.0	3.3	7.4
Savings Accounts (15)	37.1	36.2	37.7	35.1	33.9	34.2	35.8	33.8	2.5	9.4
Insurance Group	33.9	33.8	30.8	30.3	29.1	28.6	27.5	26.8	0.3	16.5
- Policyholders	29.3	29.2	26.3	25.8	24.6	24.1	23.0	22.4	0.3	19.1
- Pension Plan Participants	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	-	-
- Savings Bond Clients	2.6	2.6	2.5	2.5	2.5	2.5	2.5	2.5	-	4.0
Bradesco Financiamentos	3.5	3.8	4.0	4.1	4.0	4.2	4.9	4.9	(7.9)	(12.5)

(1) Includes sureties and guarantees, advances of credit card receivables and loan assignments (receivables-backed investment funds FIDC and mortgage-backed receivables - CRI);

(2) In the last 12 months;

(3) Excludes asset valuation adjustments recorded under Shareholders' Equity;

(4) Adjusted net income in the period;

(5) Excluding additional provisions;

(6) Number of shares (less treasury shares) multiplied by the closing price of common and preferred shares on the period s last trading day;

(7) Excludes Sureties and Guarantees, advanced payment of credit card receivables and loan assignments (mortgage-backed receivables - FIDC and receivables-backed investment funds - CRI);

(8) Credits overdue;

(9) As of the third quarter of 2008, calculated in accordance with the new Basel Capital Accord (BIS II);

(10) PAB: Branch located on the premises of a company and with Bradesco employees; PAE: ATM located on the premises of a company; PAA: service point located in a municipality without a Bank branch;

(11) Considering overlapping service points within the Bank's own network: In June 2010 - 1,547, March 2010 - 1,490, December 2009 - 1,455, September 2009 - 1,452, June 2009 - 1,431, March 2009 - 1,379, December 2008 - 1,313, September 2008 - 1,218;

(12) Includes Prepaid, Private Label, *Pague Fácil* and Banco Ibi as of the fourth quarter of 2009;

(13) Considering Ibi Promotora Employees: in June 2010 2,142, March 2010 2,187 and December 2009 2,126;

(14) Fundação Bradesco, Digestive System and Nutritional Disorder Foundation (Fimaden) and Bradesco Sports and Recreation Center (ADC Bradesco); and

(15) Number of accounts.

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Ratings

Main Ratings

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

Moody´s Investors Service							
Financial Strength	International Scale					Domestic Scale	
B -	Foreign Currency Debt	Domestic Currency Deposit		Foreign Currency Deposit		Domestic Currency	
	Long-Term	Long-Term	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term
	Baa2	A1	P - 1	Baa3	P-3	Aaa.br	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	Short-Term	Long-Term	Short-Term	Long-Term	Short-Term				
BBB	A - 3	BBB	A - 3	brAAA	brA - 1	BBB -	AA	AAA	A -1

On June 30, 2010 the agency Fitch Ratings revised Bradesco's long-term Issuer Default Ratings from "Stable" to "Positive". The Insurer Financial Strength rating attributed to Bradesco Seguros of "BBB+" was also revised from "Stable" to "Positive". These events occurred after Brazil s credit outlook was upgraded from "Stable" to "Positive" on the 28th day of the same month.

Book Net Income vs. Adjusted Net Income

The main non-recurring events that influenced book net income in the periods below are presented in the following comparative chart:

				R$ million
	1H10	1H09	2Q10	1Q10
Net Income - Book	**4,508**	**4,020**	**2,405**	**2,103**
Non-Recurring Events	**94**	**(68)**	**50**	**44**
- Partial Sale - Cielo	-	(1,999)	-	-
- Additional PLL (1)	-	1,480	-	-
- Records of Tax Credits	(242)	-	-	(242)
- Provision for Tax Contingencies	397	-	-	397
- Provision for Civil Contingencies - Economic Plans	111	414	75	36
- Tax Effects	(172)	37	(25)	(147)
Adjusted Net Income	**4,602**	**3,952**	**2,455**	**2,147**

ROAE% (*)	**22.3**	**23.7**	**24.2**	**21.7**
ROAE(ADJUSTED) % (*)	**22.8**	**23.3**	**24.7**	**22.2**

(*) Annualized.

(1) Considering R$1.3 billion in the second quarter of 2009 and R$177 million in the first quarter of 2009, both from credit cards.

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Summarized Analysis of Adjusted Income

To improve the understanding, comparability and analysis of Bradesco s results, we use the Adjusted Statement of Income for the analyses and comments contained in this Report on Economic and Financial Analysis, which is obtained from adjustments made to the Book Statement of Income, and detailed at the end of this Press Release. Note that the Adjusted Statement of Income is the base adopted for the analyses and comments made in chapters 1 and 2 of this report.

R$ million

Adjusted Statement of Income	1H10	1H09	Variation 1H10 x 1H09		2Q10	1Q10	Variation 2Q10 x 1Q10	
			Amount	%			Amount	%
Financial Margin	**15,736**	**14,675**	**1,061**	**7.2**	**8,047**	**7,689**	**358**	**4.7**
- Interest	15,069	13,193	1,876	14.2	7,663	7,406	257	3.5
- Non-Interest	667	1,482	(815)	(55.0)	384	283	101	35.7
PLL	(4,349)	(5,880)	1,531	(26.0)	(2,161)	(2,188)	27	(1.2)
Gross Income from Financial Intermediation	**11,387**	**8,795**	**2,592**	**29.5**	**5,886**	**5,501**	**385**	**7.0**
Income fromInsurance, Private Pension Plan and Savings Bond Operations (*)	1,369	1,066	303	28.4	786	583	203	34.8
Fee and Commission Income	6,377	5,634	743	13.2	3,253	3,124	129	4.1
Personnel Expenses	(4,358)	(3,760)	(598)	15.9	(2,238)	(2,120)	(118)	5.6
Other Administrative Expenses	(5,385)	(4,388)	(997)	22.7	(2,738)	(2,647)	(91)	3.4
Tax Expenses	(1,483)	(1,202)	(281)	23.4	(734)	(749)	15	(2.0)
Equity in the Earnings (Losses) of Unconsolidated Companies	48	19	29	152.9	19	29	(10)	(34.5)
Other Operating Income/Expenses	(1,138)	(871)	(267)	30.7	(588)	(550)	(38)	6.9
Operating Income	**6,817**	**5,293**	**1,524**	**28.8**	**3,646**	**3,171**	**475**	**15.0**
Non-Operating Income	(8)	109	(117)	-	(12)	4	(16)	-
Income Tax / Social Contribution	(2,171)	(1,440)	(731)	50.8	(1,161)	(1,010)	(151)	15.0
Minority Interest	(36)	(10)	(26)	-	(18)	(18)	-	-
Adjusted Net Income	**4,602**	**3,952**	**650**	**16.4**	**2,455**	**2,147**	**308**	**14.3**

(*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

Adjusted Net Income and Profitability

In the second quarter of 2010, Bradesco's Adjusted Net Income was R$2,455 million, an increase of 14.3% or R$308 million from the previous quarter, which was primarily impacted by: (i) the growth in financial margin; (ii) higher fee and commission income; and (iii) higher income from the insurance, private pension and savings bond operations. In the six months ended June 30, 2010, adjusted net income reached R$4,602 million, up 16.4% or R$650 million from the same period in 2009.

The main causes of this result are described below in the analysis of main income statement items, with the consolidation of Banco Ibi's income accounts as of November 2009.

Shareholders Equity was R$44,295 million on June 30, 2010, increasing 18.8% from the same period a year ago. The Capital Adequacy Ratio reached 15.9%, of which 13.9% was under Tier I Capital, and was mainly impacted by the exclusion of the portion related to the build in the Allowance for Loan Losses (PLL).

Total assets stood at R$558,100 million in June 2010, up 15.7% in the last 12 months, driven by the expansion in operations and increased business volume, led by growth in the loan portfolio. Return on Average Assets (ROAA) remained stable at around 1.7%.

Efficiency Ratio (ER)

On a quarterly analysis, ER showed an improvement from 41.9% in the first quarter of 2010 to 41.5% in the second quarter of 2010, due basically to the improvement in financial margin and revenues from the insurance, private pension and savings bond areas.

Regarding the 12-month accumulated ER, the increases seen in the last two quarters are primarily due to outstanding treasury gains in the first and second quarters of 2009, which improved the indicator performance in those periods.

ER calculated on an "adjusted-to-risk" basis better show that this indicator better reflect the reality of presented results, since a clear deterioration of the indicator can be seen over 2009, as a result of the increase in provision for loans; whereas a recovery can be seen as of this year, due to an improvement in delinquency and subsequent reduction in related provision expenses.

(1) Efficiency Ratio (ER) = (Personnel Expenses Employee Profit Sharing (PLR) + Administrative Expenses / Financial Margin + Fee and Commission Income + Income from Insurance + Equity in the Earnings (Losses) of Unconsolidated Companies + Other Operating Income - Other Operating Expenses). Considering the ratio between: (i) total administrative costs (Personnel Expenses + Administrative Expenses + Other Operating Expenses + Tax Expenses not related to revenue generation) and (ii) revenue net of related taxes (not considering Claims Expenses from the Insurance Group), our Efficiency Ratio in the second quarter of 2010 was 42.6%.

(2) Includes PLL expenses, adjusted by discounts granted, by credit recuperation, by income from the sale of foreclosed assets, among other.

Financial Margin

The R$358 million increase between the second quarter of 2010 and the first quarter of 2010 was due to:

· the R$257 million increase in income from interest-earning operations, which was basically explained by: (i) greater average volume of loan operations; and (ii) increases in the average rates of securities/other operations and funding; and

· higher income from non-interest margin, of R$101 million.

In the comparison of the first half of 2010 with the same period of 2009, financial margin improved by R$1,061 million, or 7.2%, driven by:

· the growth in income from interest-earning operations of R$1,876 million, mainly due to increased income from loan operations, which was positively impacted by the higher business volumes and margins;

and offset by:

· reduced non-interest margin, of R$815 million, reflecting fewer gains from treasury/securities.

Total Loan Portfolio

In June 2010, Bradesco s loan operations (considering sureties, guarantees, advances of credit card receivables and assignment of receivables-backed investment funds and mortgage-backed securities) totaled R$244.8 billion. This expansion of 4.1% in the quarter is explained by increases of 4.2% in the Individuals portfolio, 6.7% in the SME portfolio and 1.7% in the Large Corporate portfolio.

In the comparison of the first six months of 2010 with the same period of 2009, the portfolio expanded by 15.0%, with growth of 21.4% in the SME portfolio, 20.7% in the Individuals portfolio and 5.0% in the Large Corporate portfolio.

In the Individuals segment, the products registering the strongest growth in the last 12 months were: payroll-deductible loans, credit cards (impacted by the acquisition of Banco Ibi in October 2009), BNDES/Finame onlending operations and vehicle CDC financing. In the Corporate segment, growth was led by BNDES/Finame onlending operations, real estate financing corporate plans, working capital and operations abroad.

Considering other operations with credit risk from the commercial area[1] mainly impacting operations with large corporate clients (debentures and promissory notes), which totaled nearly R$13.8 billion in June 2010 (R$10.5 billion in December 2009), total loan operations would be nearly R$258.6 billion in June 2010 (R$238.6 billion in December 2009), for growth of 8.4% in 2010 and 15.3% in the last 12 months.

(1) For more information, see page 36 of Chapter 2 of this Report.

Allowance for Loan Losses (PLL)

In the second quarter of 2010, expenses with the allowance for loan losses continued to decrease, even after taking into account loan portfolio growth of 4.1%. The reduction in relation to the previous quarter was mainly due to the increased efforts to recover credits, in addition to the decline in delinquency resulting from improved macroeconomic conditions in Brazil. PLL expenses dropped 26.0% in the first half of 2010 versus the same period in 2009, while loan operations grew 15.0% in the same period, thus showing the quality improvement in Bradesco's loan portfolio.

Delinquency Ratio > 90 days

The delinquency ratio for credits more than 90 days overdue decreased for the third consecutive quarter, from 5.1% in September 2009 to 4.0% in June 2010, benefitted by the improved domestic economic scenario, which fueled growth with quality in the loan portfolio and greater recovery of credits. This improvement was seen in all segments and, given the current economic scenario and the same levels of employment and consumption, there are expectations for an improved indicator, however, in lower levels.

Coverage Ratio

The graph below presents the evolution in the coverage ratio of the Allowance for Loan Losses for loans more than 90 days overdue. In June 2010, overdue loans decreased by 4.4%, or R$389 million, leading the coverage ratio to reach 188.5%, the highest level in the data series.

The balance of the Allowance for Loan Losses of R$15.8 billion in June 2010 was composed of: R$12.8 billion in provisions required by the Central Bank of Brazil and R$3.0 billion in additional provisions, which is considered an adequate level of provisioning. Note that item that increased the most was generic provision, which has preventive features due to the change in customer ratings, not pegged to possible delays.

Results of Insurance, Private Pension and Savings Bond Operations

Net Income in the second quarter of 2010 was R$701 million, for Return on Average Equity of 28.3%, and remained practically stable in comparison with the R$703 million recorded in the first quarter of 2010.

In the first six months of 2010, Net Income was R$1.404 billion, up 9.0% from the same period in 2009 (R$1.288 billion), for Return on Average Equity of 27.4%.

(1) Excludes additional provisions.

									R$ million (except w hen indicated otherw ise)	
									Variation %	
	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08	2Q10 x 1Q10	2Q10 x 2Q09
Net Income	701	703	602	607	638	650	550	629	(0.3)	9.9
Insurance Written Premiums, Private Pension Plan Contributions and Savings Bonds Income (*)	7,163	7,196	8,040	6,685	6,094	5,514	6,204	5,822	(0.5)	17.5
Technical Provisions	79,308	77,685	75,572	71,400	68,828	66,673	64,587	62,888	2.1	15.2
Financial Assets	88,515	86,928	83,733	79,875	76,451	73,059	71,309	73,059	1.8	15.8
Claims Ratio	71.8	73.3	74.3	77.2	73.3	73.7	78.0	72.4	(1.5) p.p	(1.5) p.p
Combined Ratio	84.7	85.2	85.3	88.9	85.5	86.2	89.7	84.4	(0.5) p.p	(0.8) p.p
Policyholders / Participants and Clients (in thousands)	33,908	33,768	30,822	30,339	29,178	28,590	27,482	26,858	0.4	16.2
Market Share fromPremiums fromInsurance, Private Pension Plan Contribution and Income from Savings Bonds (**)	24.6	25.2	24.4	23.5	23.1	23.0	23.8	23.9	(0.6) p.p	1.5 p.p

Note: For comparison purposes, we excluded from the calculation of ratios for the first quarter of 2010 the build in Technical Provisions for benefits to be granted Remission (Health), and also excluded from the calculation of combined ratios the effects of RN 206/09, which had an effect on health revenues;

(*) Excludes the effects of RN 206/09 (ANS) in the total amount of R$372 million (Health), which as of January 2010 extinguished the PPNG (SES), with income from premiums accounted *pro-rata temporis*. Note that this accounting change did not affect Earned Premiums; and

(**) 2Q10 considers data for May 2010.

In the second quarter of 2010, total revenue from the Insurance Group (insurance premiums written, private pension contributions and savings bond income) remained stable from the previous quarter, especially important improvements recorded in Health and Saving Bonds segments, which offset the seasonal effect of the Life and Pension Plan products.

In the first half of 2010, production grew by 23.7% from the same period in 2009, driven by the high performance of the products Auto; Vida VGBL and Private Pension, and Health, which increased by 28.2%, 24.1% and 22.3% respectively.

Net Income in the second quarter of 2010 remained stable in comparison with the previous quarter, reflecting: (i) the positive impacts generated by the decline in claims in the health, life and basic lines segments; and (ii) lower selling costs; which were offset by: (iii) the behavior of the financial result in the second quarter of 2010, mainly returns on stock funds and multi-asset funds, which were lower than in the previous quarter.

In the first six months of 2010, Net Income was 9.0% higher than in the same period of 2009, reflecting: (i) revenue growth of 23.7% (Brazil's insurance industry grew by 16.0% in the year to May); (ii) reduced claims; and (iii) expenses remaining at the same levels seen in 2009, despite the collective bargaining agreement in January 2010.

The combination of these factors led the efficiency ratio to remain stable and the combined ratio to decline, from 85.8 in June 2009 to 84.9 in June 2010.

Based on figures for the year through May 2010, Net Income from the Insurance Group represented 36.9% of Net Income in Brazil s entire insurance industry and 47.4% of the net income of insurers associated with private banks. (Source: Insurance Superintendence Susep). The technical provisions of the Insurance Group corresponded to 31.4% of the insurance industry in May 2010, according to the Insurance Superintendent (Susep) and the National Supplementary Health Agency (ANS).

In terms of solvency, Grupo Bradesco de Seguros e Previdência is in compliance with Susep rules that took effect on January 1, 2008, and also with international standards (Solvency II). The financial leverage ratio stood at 2.6 times Shareholders Equity.

Fee and Commission Income

In the second quarter of 2010, Fee and Commission Income totaled R$3,253 million, up 4.1% from the previous quarter. This income growth in the quarter was the result of: (i) greater loan operation volumes; (ii) a net increase in the number of checking accounts; and (iii) higher income from credit cards and asset management; which offset: (iv) reduced income from underwriting operations in the period. In the comparison of the first six months of 2010 with the same period a year ago, the increase in income of 13.2% was basically the result of: (i) the strong performance of credit card operations, Banco Ibi income, merged in November 2009; (ii) higher asset management income; and (iii) the increase in loan operation income, which was basically driven by increased business volume and a larger client base, which expanded by some 1.5 million accounts in the last 12 months.

Personnel Expenses

In the second quarter of 2010, the R$118 million increase from the previous quarter was composed of the variations in the following components:

· structural R$96 million, essentially related to: (i) lower concentration of vacations in the second quarter of 2010; and (ii) higher expenses with salaries and compulsory social charges, reflecting the organic growth in the period, with an increase in the number of service points and the associated new hires; and · non-structural R$22 million, basically related to higher expenses with provisions for labor claims and training.

In the comparison of the first six months of this year with the same period of last year, the R$598 million increase is explained by:

· the R$342 million increase in the structural" portion, related primarily to: (i) higher expenses with salaries, charges and benefits, which were impacted by wage increases (6% increase resulting from the 2009 collective bargaining agreement); and (ii) the Banco Ibi merger; and

· the R$256 million increase in the non-structural portion, resulting basically from: (i) the higher expenses with employee profit sharing; (ii) higher build in provisions for labor claims; and (iii) higher expenses with severance.

Note: Structural Expenses = Salaries + Compulsory Social Charges + Benefits + Private Pension.
Non-Structural Expenses = Employee Profit Sharing (PLR) + Training + Labor Provision + Severance Expenses.

Administrative Expenses

In the second quarter of 2010, the 3.4% increase in administrative expenses in relation to the first six months of 2010 was mainly due to higher expenses with: (i) transportation; (ii) depreciation and amortization; and (iii) data processing; which was partially offset by: (iv) lower expenses with asset leasing. It is important to bear in mind that the business model (use of non-bank correspondents) results in higher variable expenses that, in most cases, are offset by increased income.

In the comparison with the first half of last year, the 22.7% increase is essentially due to: (i) the expansion in the Customer Service Network; (ii) the higher business volume; (iii) contract adjustments; and (iv) the impact of the Banco Ibi merger.

Other Income and Operating Expenses

Other operating expenses, net of other operating income, increased by R$38 million in the first quarter of 2010 in comparison with the previous quarter, mainly due to: (i) higher general expenses; which were partially offset by: (ii) the lower build in operating provisions.

In the comparison of the first six months of 2010 with same period a year ago, the R$267 million increase in other operating expenses net of other operating income basically reflects higher expenses with: (i) the build in operating provisions, especially for civil contingencies; (ii) goodwill amortization; and (iii) the operating expenses resulting from the Banco IBI merger in November 2009.

Income Tax and Social Contribution

In the second quarter of 2010, expenses with income tax and social contribution increased by R$151 million from the prior quarter, basically reflecting greater taxable income.

In the comparison of the first six months of 2010 with same period a year earlier, the increase of 50.8%, or R$731 million, was due to the higher operating income in the period.

Tax credits from prior periods, which result from the increase in the Social Contribution tax rate to 15%, are recorded in the financial statements up to the limit of the corresponding consolidated tax obligations. The unused balance currently stands at R$613 million. More details are available in note 34 to the Financial Statements.

Unrealized Gains

Unrealized gains totaled R$9,226 million in the second quarter of 2010, down R$1.685 million from the previous quarter. The variation reflected the drop recorded in capital markets (Ibovespa: - 13.4%), which affected equity investments, in particular our interest in Cielo.

Economic Scenario

The world economy has shown significant instability throughout the first half of this year. On the one hand, various signs point to consistent, albeit slow recoveries in production, consumption and employment. On the other hand, the high debt levels held by governments intensified fears of a more serious fiscal crisis in Europe, with repercussions in the region's banking system. Meanwhile, China has been adopting a series of measures to slow its economy, especially the construction industry, which could lead to lower demand for commodities and in turn adversely affect Brazil. In our view, the balance of these factors remains favorable, since, despite concerns with sovereign debt, European governments in general are currently implementing fiscal adjustments to assure balance in the medium term, and have developed mechanisms to extend loans to member countries and to improve liquidity in the banking industry, while a slowdown in the Chinese economy would help promote more balanced growth in the world economy. This situation should keep the more-adverse scenario at bay for the time being, with gradual but solid growth in the global economy most likely prevailing.

In Brazil, the start of the year registered some of the most formidable growth rates in economic activity, consumption and employment growth in recent years, which were fueled by the fiscal and monetary stimuli implemented in 2009 and the positive medium-term prospects. Investment remains one of the most important sources for sustaining GDP growth in the future, assuring job and income growth that, combined with the availability of credit, translates into a very favorable consumption outlook. This strong economic growth led to some increases in inflation, in the external deficit and, as a result, in interest rates, which were hiked in an attempt to rebalance supply and demand and avoid acceleration in inflation and external deficit. For the coming quarters, we expect more moderate GDP growth in Brazil, though still robust and sufficient to maintain and expand the gains in employment and income levels, along with a healthy growth rate for the country's economy in the medium term.

Given the strong GDP growth in the first quarter, we have revised upward our forecast for the year to 7.5%, which is the third-highest GDP growth rate in our sample of countries. Annual inflation measured by the IPCA consumer price index should remain at around 5.5%, while annual IGP- M inflation should end the year at 8.4%, responding to the stronger demand growth. Brazil's central bank should continue hiking the Selic basic interest rate to end the year at 11.25% in order to better align the excess supply with demand. However, despite the rate hikes, the country's strong social mobility, expansion in credit and lower unemployment should assure more reasonable growth prospects for the leading sectors of Brazil's economy.

Main Economic Indicators

Main Indicators (%)	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Interbank Deposit Certificate (CDI)	2.22	2.02	2.12	2.18	2.37	2.89	3.32	3.21
Ibovespa	(13.41)	2.60	11.49	19.53	25.75	8.99	(24.20)	(23.80)
USD Commercial Rate	1.15	2.29	(2.08)	(8.89)	(15.70)	(0.93)	22.08	20.25
General Price Index - Market (IGP-M)	2.84	2.77	(0.11)	(0.37)	(0.32)	(0.92)	1.23	1.54
CPI (IPCA IBGE)	1.00	2.06	1.06	0.63	1.32	1.23	1.09	1.07
Federal Government Long-Term Interest Rate (TJLP)	1.47	1.47	1.48	1.48	1.54	1.54	1.54	1.54
Reference Interest Rate (TR)	0.11	0.08	0.05	0.12	0.16	0.37	0.63	0.55
Savings Accounts	1.62	1.59	1.56	1.63	1.67	1.89	2.15	2.06
Business Days (number)	62	61	63	65	61	61	65	66
Indicators (Closing Rate)	**Jun10**	**Mar10**	**Dec09**	**Sep09**	**Jun09**	**Mar09**	**Dec08**	**Sep08**
USD Commercial Selling Rate (R$)	1.8015	1.7810	1.7412	1.7781	1.9516	2.3152	2.3370	1.9143
Euro (R$)	2.2043	2.4076	2.5073	2.6011	2.7399	3.0783	3.2382	2.6931
Country Risk (points)	248	185	192	234	284	425	428	331
Basic Selic Rate Copom (% p.a.)	10.25	8.75	8.75	8.75	9.25	11.25	13.75	13.75
BM&F Fixed Rate (% p.a.)	11.86	10.85	10.46	9.65	9.23	9.79	12.17	14.43

Forecasts through 2012

%	2010	2011	2012
USD - Commercial Rate (year-end) - R$	1.80	1.90	1.95
Extended Consumer Price Index (IPCA)	5.5	4.7	4.5
General Price Index - Market (IGP-M)	8.4	4.9	4.5
Selic (year-end)	11.25	11.25	11.00
Gross Domestic Product (GDP)	7.5	4.5	4.4

Guidance

Bradesco's Outlook for 2010

This guidance contains forward-looking statements that are subject to risks and uncertainties, since they are based on Management's expectations and assumptions and on the information available to the market as of the present date.

Loan Portfolio	**21 to 25%**
Individuals	16 to 20%
Corporate	25 to 29%
SMEs	28 to 32%
Large Corporate	22 to 26%
Products	
Vehicles	10 to 14%
Cards	9 to 13%
Real Estate Financing (origination)	R$7.5 bi
Payroll Deductible Loans	32 to 36%
Financial Margin(1)	**14 to 18%**
Fee and Commission Income	**7 to 11%**
Operating Expenses (2)	**9 to 13%**
Insurance Premiums	**16 to 20%**

(1) Under current criterion, Guidance for Financial Margin; and

(2) Administrative and Personnel Expenses

Statement of Income Book vs. Managerial vs. Adjusted

Analytical Breakdown of Statement of Book vs. Managerial Income vs. Adjusted

Second quarter of 2010

R$ million

	2Q10											
	Accounting Statement of Income	Reclassifications							Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Effects (9)	Adjusted Statement of Income
		(1)	(2)	(3)	(4)	(5)	(6)	(7)				
Financial Margin	**8,527**	**(102)**	**41**	**(18)**	**(447)**	**-**	**-**	**-**	**46**	**8,047**	**-**	**8,047**
PLL	(2,319)	-	-	-	268	(110)	-	-	-	(2,161)	-	(2,161)
Gross Income from Financial Intermediation	**6,208**	**(102)**	**41**	**(18)**	**(179)**	**(110)**	**-**	**-**	**46**	**5,886**	**-**	**5,886**
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	786	-	-	-	-	-	-	-	-	786	-	786
Fee and Commission Income	3,193	-	-	-	-	-	60	-	-	3,253	-	3,253
Personnel Expenses	(2,238)	-	-	-	-	-	-	-	-	(2,238)	-	(2,238)
Other Administrative Expenses	(2,662)	-	-	-	-	-	-	(76)	-	(2,738)	-	(2,738)
Tax Expenses	(729)	-	-	-	-	-	-	-	(5)	(734)	-	(734)
Companies	19	-	-	-	-	-	-	-	-	19	-	19
Other Operating Income/Expenses	(937)	102	(41)	18	179	-	(60)	76	-	(663)	75	(588)
Operating Income	**3,640**	**-**	**-**	**-**	**-**	**(110)**	**-**	**-**	**41**	**3,571**	**75**	**3,646**
Non-Operating Income	(122)	-	-	-	-	110	-	-	-	(12)	-	(12)
Income Tax / Social Contribution and Minority Interest	(1,113)	-	-	-	-	-	-	-	(41)	(1,154)	(25)	(1,179)
Net Income	**2,405**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,405**	**50**	**2,455**

(1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin";

(2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";

(3) Interest Income/Expenses from the Financial Segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";

(4) Revenue from Loan Recovery classified under the item "Financial Margin" ; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "PDD Expenses - Allowance for Loan Losses";

(5) Losses from the Sale of Foreclosed Assets - BNDU classified under the item "Non-Operating Income", were reclassified to the item "PDD Expenses - Allowance for Loan Losses";

(6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";

(7) Credit Card Operations Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses";

(8) The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and

(9) For more information see page 8 of this chapter.

(*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

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First quarter of 2010

												R$ million
							1Q10					
	Accounting Statement of Income	Reclassifications							Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Effects (9)	Adjusted Statement of Income
		(1)	(2)	(3)	(4)	(5)	(6)	(7)				
Financial Margin	**8,002**	**(105)**	**35**	**(60)**	**(240)**	**-**	**-**	**-**	**57**	**7,689**	**-**	**7,689**
PLL	(2,159)	-	-	-	70	(99)	-	-	-	(2,188)	-	(2,188)
Gross Income from Financial Intermediation	**5,843**	**(105)**	**35**	**(60)**	**(170)**	**(99)**	**-**	**-**	**57**	**5,501**	**-**	**5,501**
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	583	-	-	-	-	-	-	-	-	583	-	583
Fee and Commission Income	3,080	-	-	-	-	-	44	-	-	3,124	-	3,124
Personnel Expenses	(2,120)	-	-	-	-	-	-	-	-	(2,120)	-	(2,120)
Other Administrative Expenses	(2,564)	-	-	-	-	-	-	(83)	-	(2,647)	-	(2,647)
Tax Expenses	(743)	-	-	-	-	-	-	-	(6)	(749)	-	(749)
Companies	29	-	-	-	-	-	-	-	-	29	-	29
Other Operating Income/Expenses	(1,322)	105	(35)	60	170	-	(44)	83	-	(983)	433	(550)
Operating Income	**2,786**	**-**	**-**	**-**	**-**	**(99)**	**-**	**-**	**51**	**2,738**	**433**	**3,171**
Non-Operating Income	(95)	-	-	-	-	99	-	-	-	4	-	4
Income Tax / Social Contribution and Minority Interest	(588)	-	-	-	-	-	-	-	(51)	(639)	(389)	(1,028)
Net Income	**2,103**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,103**	**44**	**2,147**

(1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin" ;

(2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin" ;

(3) Interest Income/Expenses from the Financial Segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin" ;

(4) Revenue from Loan Recovery classified under the item "Financial Margin" ; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "PDD Expenses - Allowance for Loan Losses";

(5) Losses from the Sale of Foreclosed Assets BNDU classified under the item "Non-Operating Income" were reclassified to the item "PDD Expenses - Allowance for Loan Losses";

(6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";

(7) Credit Card Operations Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses";

(8)

The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and

(9) For more information see page 8 of this chapter.

(*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

First half of 2010

R$ million

	1H10											
	Accounting Statement of Income	Reclassifications							Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Effects (9)	Adjusted Statement of Income
		(1)	(2)	(3)	(4)	(5)	(6)	(7)				
Financial Margin	**16,529**	**(207)**	**76**	**(78)**	**(687)**	**-**	**-**	**-**	**103**	**15,736**	**-**	**15,736**
PLL	(4,478)	-	-	-	338	(209)	-	-	-	(4,349)	-	(4,349)
Gross Income from Financial Intermediation	**12,051**	**(207)**	**76**	**(78)**	**(349)**	**(209)**	**-**	**-**	**103**	**11,387**	**-**	**11,387**
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	1,369	-	-	-	-	-	-	-	-	1,369	-	1,369
Fee and Commission Income	6,273	-	-	-	-	-	104	-	-	6,377	-	6,377
Personnel Expenses	(4,358)	-	-	-	-	-	-	-	-	(4,358)	-	(4,358)
Other Administrative Expenses	(5,226)	-	-	-	-	-	-	(159)	-	(5,385)	-	(5,385)
Tax Expenses	(1,472)	-	-	-	-	-	-	-	(11)	(1,483)	-	(1,483)
Companies	48	-	-	-	-	-	-	-	-	48	-	48
"Other Operating" Income/Expenses	(2,259)	207	(76)	78	349	-	(104)	159	-	(1,646)	508	(1,138)
Operating Income	**6,426**	**-**	**-**	**-**	**-**	**(209)**	**-**	**-**	**92**	**6,309**	**508**	**6,817**
Non-Operating Income	(217)	-	-	-	-	209	-	-	-	(8)	-	(8)
Income Tax / Social Contribution and Minority Interest	(1,701)	-	-	-	-	-	-	-	(92)	(1,793)	(414)	(2,207)
Net Income	**4,508**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,508**	**94**	**4,602**

(1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin" ;

(2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin" ;

(3) Interest Income/Expenses from the Financial Segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin" ;

(4) Revenue from Loan Recovery classified under the item "Financial Margin" ; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "PDD Expenses - Allowance for Loan Losses";

(5) Losses from the Sale of Foreclosed Assets - BNDU classified under the item "Non-Operating Income" were reclassified to the item "PDD Expenses - Allowance for Loan Losses";

(6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";

(7) Credit Card Operations Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses" ;

(8) The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and

(9) For more information see page 8 of this chapter.

(*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

First half of 2009

R$ million

	1H09											
	Accounting Statement of Income	Reclassifications							Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Effects (9)	Adjusted Statement of Income
		(1)	(2)	(3)	(4)	(5)	(6)	(7)				
Financial Margin	**16,748**	**(229)**	**35**	**(300)**	**(493)**	**-**	**-**	**-**	**(1,086)**	**14,675**	**-**	**14,675**
PLL	(7,324)	-	-	-	(36)	-	-	-	-	(7,360)	1,480	(5,880)
Gross Income from Financial Intermediation	**9,424**	**(229)**	**35**	**(300)**	**(529)**	**-**	**-**	**-**	**(1,086)**	**7,315**	**1,480**	**8,795**
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	1,066	-	-	-	-	-	-	-	-	1,066	-	1,066
Fee and Commission Income	5,698	-	-	-	-	(123)	59	-	-	5,634	-	5,634
Personnel Expenses	(3,760)	-	-	-	-	-	-	-	-	(3,760)	-	(3,760)
Other Administrative Expenses	(4,326)	-	-	-	-	123	-	(185)	-	(4,388)	-	(4,388)
Tax Expenses	(1,320)	-	-	-	-	-	-	-	118	(1,202)	-	(1,202)
Companies	19	-	-	-	-	-	-	-	-	19	-	19
Other Operating Income/Expenses	(2,231)	229	(35)	300	326	-	(59)	185	-	(1,285)	414	(871)
Operating Income	**4,570**	**-**	**-**	**-**	**(203)**	**-**	**-**	**-**	**(968)**	**3,399**	**1,894**	**5,293**
Non-Operating Income	1,905	-	-	-	203	-	-	-	-	2,108	(1,999)	109
Income Tax / Social Contribution and Minority Interest	(2,455)	-	-	-		-	-	-	968	(1,487)	37	(1,450)
Net Income	**4,020**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,020**	**(68)**	**3,952**

(1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin" ;

(2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin" ;

(3) Interest Income/Expenses from the Financial Segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin" ;

(4) Revenue from Loan Recovery classified under the item "Financial Margin" ; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "PDD Expenses - Allowance for Loan Losses";

(5) Outsourced services expenses classified under item "Other Administrative Expenses" were reclassified to item "Fee and Commission Income";

(6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";

(7) Credit Card Operations Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses";

(8) The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and

(9) For more information see page 8 of this chapter.

(*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

Consolidated Balance Sheet and Adjusted Statement of Income

Balance Sheet

								R$ million
	Jun10	**Mar10**	**Dec09**	**Sep09**	**Jun09**	**Mar09**	**Dec08**	**Sep08**
Assets								
Current and Long-Term Assets	**547,868**	**522,709**	**496,028**	**477,458**	**474,301**	**474,124**	**446,802**	**416,161**
Funds Available	6,877	8,705	6,947	8,571	9,001	7,533	9,295	7,259
Interbank Investments	96,478	97,165	110,797	97,487	89,636	93,342	74,191	57,351
Securities and Derivative Financial Instruments	156,755	157,309	146,619	147,724	146,110	130,816	131,598	132,373
Interbank and Interdepartmental Accounts	50,427	36,674	18,723	17,718	16,620	15,691	13,804	27,081
Loan and Leasing Operations	191,248	181,490	172,974	163,699	160,174	160,975	160,500	153,335
Allow ance for Loan Losses (PLL)	(15,782)	(15,836)	(16,313)	(14,953)	(13,871)	(11,424)	(10,263)	(9,136)
Other Receivables and Assets	61,864	57,202	56,281	57,212	66,631	77,191	67,677	47,898
Permanent Assets	**10,232**	**9,917**	**10,195**	**8,228**	**8,177**	**8,017**	**7,611**	**6,501**
Investments	1,553	1,537	1,549	1,392	1,359	1,400	1,048	823
Premises and Leased Assets	3,427	3,244	3,418	3,272	3,300	3,286	3,250	2,309
Intangible Assets	5,252	5,136	5,228	3,564	3,518	3,331	3,313	3,369
Total	**558,100**	**532,626**	**506,223**	**485,686**	**482,478**	**482,141**	**454,413**	**422,662**
Liabilities								
Current and Long-Term Liabilities	**512,790**	**488,431**	**463,350**	**446,152**	**444,574**	**446,225**	**419,561**	**387,640**
Deposits	178,453	170,722	171,073	167,987	167,512	169,104	164,493	139,170
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	131,134	128,172	113,273	102,604	99,710	91,659	79,977	87,464
Funds from Issuance of Securities	12,729	8,550	7,482	7,111	7,694	9,280	9,011	6,535
Interbank and Interdepartmental Accounts	2,777	2,063	2,950	2,257	1,904	2,287	2,914	2,538
Borrow ing and Onlending	35,033	30,208	27,328	27,025	29,081	30,420	31,947	31,979
Derivative Financial Instruments	1,097	2,469	531	1,669	2,599	2,294	2,042	2,326
Provisions for Insurance, Private Pension Plans and Savings Bonds	79,308	77,685	75,572	71,401	68,829	66,673	64,587	62,888
Other Liabilities	72,259	68,562	65,141	66,098	67,245	74,508	64,590	54,740
Deferred Income	**337**	**292**	**321**	**297**	**272**	**273**	**274**	**227**
Minority Interest in Subsidiaries	**678**	**816**	**798**	**360**	**355**	**337**	**321**	**627**
Shareholders' Equity	**44,295**	**43,087**	**41,754**	**38,877**	**37,277**	**35,306**	**34,257**	**34,168**
Total	**558,100**	**532,626**	**506,223**	**485,686**	**482,478**	**482,141**	**454,413**	**422,662**

Consolidated Balance Sheet and Adjusted Statement of Income

Adjusted Statement of Income

								R$ million
	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Financial Margin	**8,047**	**7,689**	**7,492**	**7,587**	**7,560**	**7,115**	**5,924**	**5,674**
Interest	7,663	7,406	7,144	6,891	6,771	6,422	5,944	5,815
Non-Interest	384	283	348	696	789	693	(20)	(141)
PLL	(2,161)	(2,188)	(2,695)	(2,908)	(3,118)	(2,762)	(1,888)	(1,671)
Gross Income from Financial Intermediation	**5,886**	**5,501**	**4,797**	**4,679**	**4,442**	**4,353**	**4,036**	**4,003**
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	786	583	484	433	529	537	544	629
Fee and Commission Income	3,253	3,124	3,125	2,857	2,911	2,723	2,698	2,698
Personnel Expenses	(2,238)	(2,120)	(2,081)	(2,126)	(1,908)	(1,852)	(1,932)	(1,889)
Other Administrative Expenses	(2,738)	(2,647)	(2,746)	(2,359)	(2,233)	(2,155)	(2,298)	(2,130)
Tax Expenses	(734)	(749)	(694)	(639)	(615)	(587)	(498)	(540)
Equity in the Earnings (Losses) of Unconsolidated Companies	19	29	82	39	13	6	47	23
Other Operating Revenues and Expenses	(588)	(550)	(539)	(539)	(459)	(412)	(259)	(223)
- Other Operating Revenues	294	265	279	209	311	198	212	318
- Other Operating Expenses	(882)	(815)	(818)	(748)	(770)	(610)	(471)	(541)
Operating Income	**3,646**	**3,171**	**2,428**	**2,345**	**2,680**	**2,613**	**2,338**	**2,571**
Non-Operating Income	(12)	4	(62)	63	37	72	96	45
Income Tax and Social Contribution	(1,161)	(1,010)	(519)	(607)	(717)	(723)	(611)	(696)
Minority Interest	(18)	(18)	(8)	(6)	(4)	(6)	(17)	(10)
Adjusted Net Income	**2,455**	**2,147**	**1,839**	**1,795**	**1,996**	**1,956**	**1,806**	**1,910**

(*) Results from Insurance, Private Pension and Savings Bond Operations = Retained insurance, Private Pension Plan and Savings Bond Premiums Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained ClaimsDrawing and Redemption of Savings Bonds Selling Expenses with Insurance, Private Pension Plans and Savings Bonds.

Financial Margin Interest and Non-Interest

Financial Margin Breakdown

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Financial Margin Interest and Non-Interest

Average Financial Margin Rate

						R$ million
	Financial Margin					
					Variation	
	1H10	1H09	2Q10	1Q10	Half-year	Quarter
Interest - due to volume					1,561	271
Interest - due to spread					315	(14)
- Financial Margin - Interest	15,069	13,193	7,663	7,406	1,876	257
- Financial Margin - Non-Interest	667	1,482	384	283	(815)	101
Financial Margin	**15,736**	**14,675**	**8,047**	**7,689**	**1,061**	**358**
Average Margin Rate (*)	**8.1%**	**8.0%**	**8.2%**	**8.1%**		

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

Financial margin in the second quarter of 2010 was R$8,047 million. Comparing the second quarter with the previous quarter, there was a R$358 million increase, or 4.7%. This variation is mainly from the interest financial margin, which was positively impacted by the increase in the average volume of operations, contributing with R$271 million, partially offset by the decrease in the average spread of R$14 million.

Compared with the first half of 2009, the interest financial margin grew by 7.2% or R$1,061 million in the period. This growth is mainly due to the R$1,876 million increase in interest margin, of which R$1,561 million correspond to an increase in the volume of operations, partially from the acquisition of Banco Ibi and R$315 million from the improvement on the operations mix, proof of the expressive growth in operations with individuals. The effect was mitigated by an R$815 million decrease in "non-interest financial margin resulting from reduced treasury/securities gains versus the substantial gains obtained in the first half of 2009.

Financial Margin - Interest

Interest Financial Margin - Breakdown

						R$ million
	Interest Financial Margin Breakdown					
	1H10	1H09	2Q10	1Q10	Variation	
					Half-year	Quarter
Loans	11,387	9,555	5,757	5,630	1,832	127
Funding	1,267	1,382	674	593	(115)	81
Insurance	1,341	1,185	597	744	156	(147)
Securities/Other	1,074	1,071	635	439	3	196
Financial Margin	**15,069**	**13,193**	**7,663**	**7,406**	**1,876**	**257**

The performance of the interest financial margin was fueled by increased loan operations, the strategy of which to support the business was focused on individuals and corporate customers, especially SMEs.

The interest financial margin reached R$7,663 million in the second quarter of 2010 versus the R$7,406 million posted in the first quarter of 2010, a positive impact of R$257 million or 3.5%. This growth was led by the Securities/Other and Loans lines, complete details of which can be found in item "Securities/Other Financial Margin Interest and Loan Financial Margin Interest .

In the first half of 2010, interest financial margin grew by 14.2% or R$1,876 million, compared with the first half of 2009, led by the Loans line, highlighting the merger of Banco Ibi, which contributed R$755 million. The effect of this merger was offset by a decrease in funding margins, whose spreads were lower due to reduced interest rates in the period.

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Financial Margin - Interest

Interest Financial Margin Rates

The annualized interest financial margin rate in relation to total average assets was 7.8% in the second quarter of 2010 and remained stable when compared to the previous quarter. When compared to the same period in 2009, the positive 0.5 p.p. growth reflects: (i) higher average volume of operations with individuals and SMEs with higher margins; (ii) better funding conditions; and (iii) the merger of Banco Ibi.

Interest Financial Margin Annualized Average Rates

						R$ million (except %)
	1H10			1H09		
	Interest	Average Balance	Average Rate	Interest	Average Balance (1)	Average Rate
Loans	11,387	198,728	11.79%	9,555	178,340	11.00%
Funding	1,267	225,619	1.13%	1,382	208,088	1.33%
Insurance	1,341	77,678	3.48%	1,185	67,085	3.56%
Securities/Other	1,074	187,947	1.15%	1,071	168,444	1.28%
Financial Margin	**15,069**	-	-	**13,193**	-	-
	2Q10			1Q10		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	5,757	202,751	11.85%	5,630	194,704	12.08%
Funding	674	229,387	1.18%	593	221,851	1.07%
Insurance	597	78,766	3.07%	744	76,591	3.94%
Securities/Other	635	188,512	1.35%	439	187,381	0.94%
Financial Margin	**7,663**	-	-	**7,406**	-	-

(1) To improve comparability, we have included card operations (cash and credit purchase from storeowners) from previous periods.

Loan Financial Margin - Interest

Loan Financial Margin - Breakdown

R$ million

	Financial Margin - Loan					
					Variation	
	1H10	1H09	2Q10	1Q10	Half-year	Quarter
Interest - due to volume					1,168	228
Interest - due to spread					664	(101)
Interest Financial Margin	11,387	9,555	5,757	5,630	1,832	127
Revenues	18,840	18,068	9,630	9,210	772	420
Expenses	(7,453)	(8,513)	(3,873)	(3,580)	1,060	(293)

In the second quarter of 2010, the interest financial margin with loan operations reached R$5,757 million, up by 2.3% or R$127 million compared to the previous quarter. The variation was the result of a R$228 million increase in average business volume, which was offset by the decrease in the average spread of R$101 million, due to the increase in funding costs given the higher interest rate (Selic).

In the year-on-year comparison, there was a 19.2% or R$1,832 million increase in financial margin in the first half of 2010. This variation was positively influenced in R$1,168 million from the growth in average business volume, highlighting the merger of Banco Ibi, which had a R$755 million impact, and the increase in the average spread, which contributed R$664 million, due to the decrease in funding costs, which is a result of the lower interest rate (Selic rate) in the period and the increase in operations with individuals and SMEs, which have a higher spread.

Bradesco s strategic positioning allows the Bank to take advantage of the best opportunities from the upturn in the Brazilian economy, highlighting operations aimed at family consumption and production financing. The following products stood out in the quarter, taking into consideration the average growth of businesses: personal loans, payroll-deductible loans, credit card, real estate financing, BNDES/Finame onlending and overdraft facilities.

Regarding loan portfolio performance, the following products stood out in the individuals segment in the first half of 2010, in a year-on-year comparison: payroll-deductible personal loans, credit card (which benefited from the merger of Banco Ibi), BNDES/Finame onlending and real estate and vehicle financing. The following products stand out in the corporate segment: BNDES/Finame onlending, real estate financings corporate plans, credit card and working capital.

Loan Financial Margin – Net Margin

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

The PLL curve shows delinquency costs, which are represented by the Allowance for Loan Losses (PLL) expenses, plus discounts granted in negotiations and net of loan recoveries, the result of the sale of foreclosed assets, among other items.

The net margin curve presents the result of loan interest income, net of losses, which in the second quarter of 2010 recorded growth on the previous quarter of 4.5%, increased volume of operations and major loan recovery efforts.

Total Loan Portfolio

Loan operations (including sureties, guarantees, advances of credit card receivables and assignments of receivables-backed investment funds and mortgage-backed receivables) ended the second quarter of 2010 at R$244.8 billion, an increase of 15.0% in the last twelve months and 4.1% in the quarter.

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

A breakdown of loan products for Individuals is presented below:

Individuals	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
Vehicles - CDC	21,366	20,609	18,595	3.7	14.9
Leasing	10,221	11,329	13,184	(9.8)	(22.5)
Credit Card (1)	15,131	14,195	9,314	6.6	62.5
Personal Loan	10,298	9,342	8,406	10.2	22.5
Payroll Deductible Loan (2)	12,902	11,491	7,689	12.3	67.8
Rural Loan	4,701	4,785	4,177	(1.8)	12.5
BNDES/Finame Onlending	3,883	3,439	2,764	12.9	40.5
Real Estate Financing (3)	3,470	3,189	2,716	8.8	27.8
Overdraft Facilities	2,765	2,635	2,418	4.9	14.4
Sureties and Guarantees	611	551	312	10.8	95.8
Other (4)	4,300	4,448	4,713	(3.3)	(8.8)
Total	**89,648**	**86,012**	**74,288**	**4.2**	**20.7**

Includes:

(1) Loan portfolio corresponding to the merger of Banco Ibi; R$3.5 billion in June 2010 and R$3.2 billion in March 2010;

(2) In June 2010, includes loan assignments (receivables-backed investment funds) of R$371 million, R$360 million in March 2010 and R$299 million as of June 2009;

(3) In June 2010, includes loan assignments (mortgage-backed receivables) of R$331 million, R$354 million in March 2010 and R$429 million as of June 2009; and

(4) In June 2010, includes loan assignments (receivables-backed investment funds) related to acquisitions of goods of R$13 million, R$18 million in March 2010 and R$34 million as of June 2009.

The individuals segment, which recorded growth of 20.7% in the last twelve months, was led by the payroll-deductible loan, credit card, BNDES/Finame onlending portfolios and vehicle financing (CDC). In the second quarter of 2010, this segment grew by 4.2% when compared to the previous quarter, and the products that most contributed to this growth were BNDES/Finame onlending and payroll-deductible loans.

A breakdown of loan products for the Corporate segment is presented below:

Corporate	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
Working Capital	29,883	29,526	25,816	1.2	15.8
Export Financing	8,581	8,016	13,066	7.0	(34.3)
BNDES/Finame Onlending	20,462	16,762	13,790	22.1	48.4
Operations Abroad	15,150	14,017	10,735	8.1	41.1
Overdraft Account	9,010	8,226	8,847	9.5	1.8
Leasing	8,433	8,642	9,115	(2.4)	(7.5)
Credit Card	8,510	7,738	6,385	10.0	33.3
Rural Loan	4,215	4,144	3,698	1.7	14.0
Vehicles - CDC	3,259	3,062	2,991	6.4	9.0
Real Estate Financing - Corporate Plans[1]	5,644	5,119	3,914	10.3	44.2
Sureties and Guarantees [2]	32,894	34,162	30,947	(3.7)	6.3
Other	9,100	9,812	9,176	(7.3)	(0.8)
Total	**155,141**	**149,226**	**138,480**	**4.0**	**12.0**

(1) Includes loan assignments (mortgage-backed receivables) of R$379 million in June 2010, R$388 million in March 2010 and R$407 million in June 2009; and

(2) 89.4% of surety and guarantees from corporate clients were conducted with large corporations.

The corporate segment grew by 12.0% in the last twelve months and 4.0% in the quarter. The main highlights in the last twelve months were BNDES/Finame onlending, real estate financing - corporate plans, overseas operations and working capital. The highlight in the quarter, BNDES/Finame onlending corporate plans and credit cards showed significant growth.

Loan Portfolio Consumer Financing

The graph below shows the types of credit related to Consumer Financing to individuals (CDC/vehicle leasing, personal loans, financing of goods, revolving credit cards and cash and installment purchases from storeowners).

Consumer financing totaled R$71.1 billion, a 4.3% increase in the quarter and a 21.4% increase in the last twelve months. Growth was led by vehicle financing (CDC/Leasing) and payroll-deductible loans, which together totaled R$44.5 billion, accounting for 62.5% of the total consumer financing balance and, given their guarantees and characteristics, provided the portfolio with an adequate level of credit risk.

Breakdown of Vehicle Portfolio

	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
CDC Portfolio	**24,625**	**23,671**	**21,586**	**4.0**	**14.1**
Individuals	21,366	20,609	18,595	3.7	14.9
Corporate	3,259	3,062	2,991	6.4	9.0
Leasing Portfolio	**15,937**	**17,291**	**19,492**	**(7.8)**	**(18.2)**
Individuals	10,221	11,329	13,184	(9.8)	(22.5)
Corporate	5,716	5,962	6,308	(4.1)	(9.4)
Finame Portfolio	**6,654**	**3,590**	**4,125**	**85.3**	**61.3**
Individuals	517	108	87	378.7	494.3
Corporate	6,137	3,482	4,038	76.2	52.0
Total	**47,216**	**44,552**	**45,203**	**6.0**	**4.5**
Individuals	32,104	32,046	31,866	0.2	0.7
Corporate	15,112	12,506	13,337	20.8	13.3

Vehicle financing operations (individuals and corporate) totaled R$47.2 billion in June 2010, for an increase of 6.0% on the quarter and 4.5% on the same period last year. 52.1% of total vehicle portfolio corresponds to CDC, 33.8% to Leasing and 14.1% to Finame. Individuals represented 68.0% of the portfolio while Corporate Clients accounted for the remaining 32.0%.

Loan Portfolio By Type

The table below presents all operations with credit risk (including sureties and guarantees, advances on credit card receivables, loan assignments and other operations with some type of credit risk), which increased by 4.1% in the quarter and 15.3% in the last twelve months.

			R$ million
	Jun10	Mar10	Jun09
Loans and Discounted Securities	97,565	92,366	77,516
Financing	62,192	56,537	49,480
Rural and Agribusiness Financing	12,542	12,338	10,731
Leasing Operations	18,950	20,249	22,447
Advances on Exchange Contracts	5,629	5,126	9,613
Other Loans	11,710	11,491	9,590
Total Loan Operations (1)	**208,588**	**198,107**	**179,377**
Sureties and Guarantees Provided (Clearing Accounts) (2)	33,504	34,714	31,259
Other (3)	1,602	1,298	963
Total Exposures - Loan Operations	**243,694**	**234,119**	**211,599**
Loan Assignments (FIDC / CRI)	1,094	1,119	1,169
Total Operations including Credit Assignment	**244,788**	**235,238**	**212,768**
Operations w ith Credit Risk - Commercial Portfolio (4)	13,826	13,044	11,585

Total Operations with Credit Risk - Expanded Portfolio	**258,614**	**248,282**	**224,353**
Other Operations w ith Credit Risk [5]	9,945	9,784	8,567
Total Operations with Credit Risk	**268,559**	**258,066**	**232,920**

(1) Concept determined by the Brazilian Central Bank;

(2) Operations in which Banco Bradesco S/A - Grand Cayman branch was the beneficiary were not considered;

(3) Refers to advances of credit card receivables;

(4) Includes operations with debentures and promissory notes; and

(5) Includes operations involving interbank deposit certificates, commercial paper, international treasury, swaps, forward currency contracts and investments in receivables-backed investment funds and mortgage-backed receivables.

Credit Portfolio Concentration* by Sector

The loan portfolio by sector of economic activity presented slight changes in the segments it comprises.

Activity Sector						R$ million
	Jun10	**%**	**Mar10**	**%**	**Jun09**	**%**
Public Sector	**1,249**	**0.6**	**1,546**	**0.8**	**1,349**	**0.8**
Private Sector	**207,339**	**99.4**	**196,561**	**99.2**	**178,028**	**99.2**
Corporate	**119,017**	**57.1**	**111,832**	**56.4**	**104,835**	**58.4**
Industry	42,505	20.4	39,351	19.9	40,153	22.4
Commerce	29,107	14.0	27,004	13.6	24,034	13.4
Financial Intermediaries	589	0.3	788	0.4	782	0.4
Services	44,101	21.1	42,104	21.2	37,180	20.7
Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration	2,715	1.3	2,585	1.3	2,686	1.5
Individuals	**88,322**	**42.3**	**84,729**	**42.8**	**73,193**	**40.8**
Total	**208,588**	**100.0**	**198,107**	**100.0**	**179,377**	**100.0**

(*) Concept defined by the Brazilian Central Bank.

Changes in the Loan Portfolio*

Of the R$29.2 billion in growth in the credit portfolio over the last twelve months, new borrowers were responsible for R$25.1 billion, or 86.1% of the total. The new borrowers represent 12.1% of the current portfolio.

* Concept defined by the Brazilian Central Bank.

Loan Financial Margin - Interest

Changes in the Loan Portfolio By Rating

In the chart below, we show that both new borrowers, as well as remaining debtors from June 2009, presented a good level of credit quality (AA-C), demonstrating the adequacy and consistency of the credit policy, processes and credit ranking instruments used by Bradesco.

Changes in Loan Portfolio by Rating between June 2009 and 2010						
Rating	Total Loans in June 2010		New Borrowers between June 2009 and June 2010		Remaining Borrowers in June 2009	
	R$ million	%	R$ million	%	R$ million	%
AA - C	191,354	91.8	23,636	94.0	167,718	91.5
D	4,267	2.0	373	1.5	3,894	2.1
E - H	12,967	6.2	1,135	4.5	11,832	6.4
Total	**208,588**	**100.0**	**25,144**	**100.0**	**183,444**	**100.0**

(*) Concept defined by the Brazilian Central Bank.

Loan Portfolio* By Client Portfolio

The table below presents a breakdown of the loan portfolio by client profile, with growth in the balance of the SMEs and Individuals portfolios in the last twelve months.

Type of Client	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
Large Corporate	53,169	50,343	50,943	5.6	4.4
SMEs	67,097	63,034	55,240	6.4	21.5
Individuals	88,322	84,729	73,193	4.2	20.7
Total Loan Operations	**208,588**	**198,107**	**179,377**	**5.3**	**16.3**

(*) Concept defined by the Brazilian Central Bank.

It is worth noticing that the growth in the Large Corporate client portfolio has been impacted by the opportunity to raise funds on the capital market. In Bradesco alone, the balance of this type of operation went up by R$2.2 billion in the last twelve months, negatively impacting the growth of traditional loan operations for this Segment.

Loan Portfolio* By Client Portfolio and Rating (%)

The increase in the share of loans rated between AA C, both in the quarter and in the year, reflects the favorable economic outlook during the period and the quality growth of Bradesco s loan portfolio.

Type of Client	By Rating								
	Jun10			Mar10			Jun09		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Large Corporate	97.2	1.5	1.3	97.1	1.2	1.6	97.4	1.2	1.4
SMEs	91.5	2.5	6.0	90.8	2.5	6.7	90.3	3.2	6.5
Individuals	88.6	2.1	9.3	88.3	2.1	9.6	87.9	2.4	9.8
Total	**91.8**	**2.0**	**6.2**	**91.4**	**2.0**	**6.6**	**91.3**	**2.3**	**6.4**

(*) Concept defined by the Brazilian Central Bank.

Loan Financial Margin - Interest

Loan Portfolio By Business Segment*

The table below shows the growth in Bradesco s loan portfolio by business segment. The growth in the assets of Prime and Middle Market segments stood out in the quarter, while the Prime and Retail/Postal segments stood out over the last twelve months.

The 66.7% growth in the group made up of "Bradesco Promotora de Vendas and Other" in the last twelve months includes Banco Ibi's operations, incorporate as of the last quarter of 2009. Excluding Banco Ibi, the variation would be equal to 27.5%.

Business Segments	R$ million						Variation %	
	Jun10	%	Mar10	%	Jun09	%	Quarter	12M
Retail / Postal	67,781	32.5	63,594	32.1	55,378	30.9	6.6	22.4
Corporate	63,422	30.4	59,566	30.1	56,774	31.7	6.5	11.7
Bradesco Financiamentos	27,103	13.0	27,885	14.1	29,480	16.4	(2.8)	(8.1)
Middle Market	26,434	12.7	24,664	12.4	22,119	12.3	7.2	19.5
Bradesco Promotora de Vendas and Other	16,947	8.1	15,982	8.1	10,164	5.7	6.0	66.7
Prime	6,900	3.3	6,416	3.2	5,461	3.0	7.5	26.4
Total	**208,588**	**100.0**	**198,107**	**100.0**	**179,377**	**100.0**	**5.3**	**16.3**

(*) Concept defined by the Brazilian Central Bank.

Loan Portfolio - By Currency

The balance of foreign currency-indexed and/or denominated loans and onlending operations (excluding ACCs) totaled US$9.5 billion in June 2010, which represented strong growth in terms of U.S. dollars of 45.7% in the last twelve months and 6.9% in the quarter (and in the terms of Brazilian Reais, 34.5% in the last twelve months and 8.2% in the quarter). In terms of Brazilian Reais, foreign currency operations totaled R$17.0 billion (R$15.7 billion in March 2010 and R$12.7 billion in June 2009).

In June 2010, total loan operations with domestic currency stood at R$191.6 billion (R$182.4 billion in March 2010 and R$166.7 billion in June 2009), a 14.9% increase in the last twelve months.

Loan Portfolio - By Debtor

In the end of the second quarter of 2010, the credit exposure levels of the largest debtors were less concentrated, contributing to improvement in the portfolio's quality, compared to the previous quarter.

Loan Financial Margin - Interest

Loan Portfolio By Flow of Maturities

In June 2010, performing loan operations presented longer debt maturity profiles as a result of the focus on BNDES/Finame onlending and real-estate lending. It is worth noting that onlending and real estate loan operations present reduced risk, given their guarantees and characteristics.

Loan Financial Margin - Interest

Loan Portfolio Delinquency over 90 days

The delinquency ratio for operations over 90 days declined in the second quarter of 2010, benefited by improved economic indicators in the period and the recovery in economic activity, which allowed for improvement in loan operations and in the portfolio's quality.

The graph below presents a slight decrease in delinquency for operations overdue from 61 to 90 days in comparison with both the previous year and quarter.

Loan Financial Margin - Interest

Analysis of delinquency by client type in the quarter shows that operations overdue from 61 to 90 days increased slightly for individuals and remained steady for Corporate clients.

Loan Financial Margin - Interest

PLL vs. Delinquency vs. Losses

The total volume of Allowance for Loan Losses (PLL) was R$15.8 billion and represents 7.6% of the total portfolio. The total allowance is composed of generic provisions (classification by client and/or operations), specific provisions (non-performing operations) and excess provisions (internal policies and criteria).

Improvement in the quality of the loan portfolio as a whole resulted in lower requirements for PLL in the same period.

It is important to highlight the adequacy of provisioning criteria adopted, which can be proven by analyzing the historical data on recorded allowances for loan losses and the effective losses in the subsequent twelvemonth period. For instance, in June 2009, for an existing provision of 7.7% of the portfolio, the effective loss in the subsequent twelve months was 5.1%, which means the existing provision covered the loss by a 50% margin, as shown by the graph below.

Loan Financial Margin - Interest

Analysis in terms of net recovery of losses shows a significant increase in the coverage margin. For instance, in June 2009, for an existing provision of 7.7% of the portfolio, the effective net loss in the subsequent twelve months was 3.9%, meaning the existing provision covered the loss by an excess margin of nearly 100%.

Loan Financial Margin - Interest

Allowance for Loan Losses

Bradesco holds allowances nearly R$3.0 billion of requirements. The current provisioning levels reflect Bradesco s cautious approach to supporting potential changes in scenarios, such as higher delinquency levels and/or changes in the loan portfolio profile.

Delinquency of over 60 days (non-performing loans) presented the same tendency to decrease as delinquency of more than 90 days. Moreover, additional comfort stemmed from higher Operating Coverage Ratios in June 2010, both for Non-Performing Loans (155.8%) and delinquency over 90 days (188.5%).

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

Loan Financial Margin - Interest

Loan Portfolio Portfolio Indicators

To facilitate the monitoring of the quantitative and qualitative performance of Bradesco s loan portfolio, a comparative summary of the main figures and indicators is presented below:

			R$ million (except %)
	Jun10	**Mar10**	**Jun09**
Total Loan Operations	208,588	198,107	179,377
- Individuals	88,322	84,729	73,193
- Corporate	120,266	113,378	106,184
Existing Provision	15,782	15,836	13,871
- Specific	7,885	8,230	7,480
- Generic	4,889	4,601	3,399
- Excess	3,008	3,005	2,992
Specific Provision / Existing Provision (%)	50.0	52.0	53.9
Existing Provision / Loan Operations (%)	7.6	8.0	7.7
AA - C Rated Loan Operations / Loan Operations (%)	91.8	91.4	91.3
D Rated Operations under Risk Management / Loan Operations (%)	2.0	2.0	2.3
E - H Rated Loan Operations / Loan Operations (%)	6.2	6.6	6.4
D Rated Loan Operations	4,267	3,961	4,078
Existing Provision for D Rated Operations	1,101	1,046	1,091
D Rated Provision / Loan Operations (%)	25.8	26.4	26.7
D - H Rated Non-Performing Loans	11,350	11,651	11,355
Existing Provision/D - H Rated Non-Performing Loans (%)	139.0	135.9	122.2
E - H Rated Loan Operations	12,967	13,161	11,504
Existing Provision for E - H Rated Loan Operations	11,412	11,622	9,868
E - H Rated Provison / Loan Operations (%)	88.0	88.3	85.8
E - H Rated Non-Performing Loans	9,397	9,742	9,182
Existing Provision/E - H Rated Non-Performing Loan (%)	167.9	162.6	151.1
Non-Performing Loans (*)	10,132	10,465	10,055
Non-Performing Loans (*) / Loan Operations (%)	4.9	5.3	5.6
Existing Provision / Non-Performing Loans (*) (%)	155.8	151.3	137.9
Loan Operations Overdue for Over 90 days	8,371	8,760	8,205
Existing Provision / Operations Overdue for Over 90 days (%)	188.5	180.8	169.1

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

The table above shows a general improvement of the loan portfolio performance indicators, especially among loans rated between "AA C, which accounted for 91.8% of the loan portfolio as of June 2010, and delinquency indicators, mainly those of Non Performing Loans, which decreased by 0.7 p.p. in the six-month comparison, now corresponding to 4.9% of the loan portfolio. Non-performing loan operations and these classified between D H decreased by 2.6% in the quarter, despite the 5.3% increase of the loan portfolio in the period. The performance of these indicators is a result of improvements in delinquency considering Brazil's improved economic conditions.

Funding Financial Margin - Interest

Funding Financial Margin - Breakdown

						R$ million
	Financial Margin - Funding					
					Variation	
	1H10	1H09	2Q10	1Q10	Half-year	Quarter
Interest - due to volume					98	22
Interest - due to spread					(213)	59
Interest Financial Margin	**1,267**	**1,382**	**674**	**593**	**(115)**	**81**

Comparing the second quarter of 2010 with the previous one, there was an increase of 13.7% or R$81 million in the interest funding financial margin. This growth was due to increased operation volume, which contributed to a R$22 million increase and also from spread gains equal to R$59 million, resulting from increases in the basic Selic interest rate by the Brazilian Central Bank

In the first half of 2010, the interest funding financial margin was R$1,267 million, compared to R$1,382 million in the same period in 2009, an 8.3% or R$115 million decrease. The decrease was due to a reduction in the average spread of R$213 million, resulting from lower market interest rates (Selic), partially offset by the increase in the average business volume that contributed with R$98 million from the recovery of the economic activity.

Funding Financial Margin - Interest

Loans vs. Funding

To analyze Loan Operations in relation to Funding, it is first necessary to deduct, from total client funding, the amount committed to compulsory deposits at the Central bank and the amount of available funds held at units in the customer service network, then to add the funds from domestic and offshore ones that provide the institution's funding to meet loan and financing needs.

Bradesco presents low reliance on interbank deposits and foreign credit lines, given its effective capacity to obtain funding from customers. This is the result of the outstanding position of its service network, extensive diversity in products offered and market confidence in the Bradesco brand. The use of funds presents a comfortable margin, proving that Bradesco is capable of supplying, mainly through raising funds with clients, the need for resources required by loan operations.

Funding x Investments	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
Demand Deposits + Investment Account	33,842	32,585	28,378	3.9	19.3
Sundry Floating	3,139	3,715	2,743	(15.5)	14.4
Savings Deposits	47,332	45,195	38,503	4.7	22.9
Time Deposits + Debentures (1)	138,480	134,122	129,357	3.2	7.1
Other	12,116	10,851	8,725	11.7	38.9
Clients Funds	**234,909**	**226,468**	**207,706**	**3.7**	**13.1**
(-) Compulsory Deposits / Funds Available (2)	(50,140)	(43,462)	(36,344)	15.4	38.0
Clients Funds Net of Compulsory Deposits	**184,769**	**183,006**	**171,362**	**1.0**	**7.8**
Onlending	24,703	20,646	17,421	19.7	41.8
Foreign Credit Lines	14,783	14,272	12,324	3.6	20.0
Funding Abroad	14,802	15,383	14,987	(3.8)	(1.2)
Total Funding (A)	**239,057**	**233,307**	**216,094**	**2.5**	**10.6**
Loan Portfolio/Leasing/Cards (Other Loans)/Acquired CDI (B) (3)	209,045	199,449	183,511	4.8	13.9
B/A (%)	**87.4**	**85.5**	**84.9**	**2.0 p.p.**	**2.5 p.p.**

(1) Debentures mainly used to back purchase and sale commitments;

(2) Excludes government bonds tied to savings accounts; and

(3) Comprises amounts relative to card operations (payment in full and financing for merchants) and amounts related to interbank deposit certificates (CDI) to debate from the compulsory amount.

Funding Financial Margin - Interest

Main Funding Sources

The following table presents changes in main funding sources:

	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
Demand Deposits + Investment Account	33,842	32,585	28,378	3.9	19.3
Savings Deposits	47,332	45,195	38,503	4.7	22.9
Time Deposits	96,824	92,577	100,142	4.6	(3.3)
Debentures (*)	40,915	40,790	28,473	0.3	43.7
Borrow ing and Onlending	35,033	30,208	29,081	16.0	20.5
Funds from Issuance of Securities	12,729	8,550	7,694	48.9	65.4
Subordinated Debts	23,385	23,541	20,406	(0.7)	14.6
Total	**290,059**	**273,445**	**252,676**	**6.1**	**14.8**

(*) Considers only debentures used to back purchase and sale commitments.

Demand Deposits and Investment Account

The 3.9% or R$1,257 million growth in the second quarter of 2010 compared to the previous quarter, and the 19.3% increase (or R$5,464 million) year-on-year, are mainly due to the growth in funds from the recovery of economic activity, which in turn led to improved funding conditions.

Savings Deposits

The variation in the quarter is basically due to the higher inflows and the remuneration of deposits (TR + 0.5% p.m.), which reached 1.6% in the second quarter of 2010, representing growth of 4.7%. We believe that savings accounts will remain a good investment alternative, for being safer for investors and a large funding source for housing financing, thus, enabling the continued increase in deposits.

Comparing the first half of 2010 with the same half in the previous year, the 22.9% growth in deposits is mainly due to (i) higher available income, resulting from social mobility; (ii) the result of increased funding that exceeded withdrawals; (iii) the remuneration of balances (TR + 0.5% p.m.), reaching 6.6% in the period; and (iv) the attractive features of the product.

At the end of the first half of 2010, the balance of Bradesco s Savings Accounts represented 17.8% of the Brazilian Savings and Loan System (SBPE).

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Funding Financial Margin - Interest

Time Deposits

In the second quarter of 2010, time deposits grew by 4.6% (or R$4,247 million) over the previous quarter.

The decrease in comparison with the first half of 2009 is due to the migration to other funding sources (i.e. Debentures and Financial Bills) that have lower funding costs.

Debentures

On June 30, 2010, the balance of Bradesco s debentures was R$40,915 million.

Despite the stable behavior compared to the previous quarter, note that the continuous growth in funding as of the first half of 2009 was mainly impacted by the placement of the securities, which are used to back purchase and sale commitments, which in turn are impacted by steady levels of economic activity.

Borrowings and Onlending

The 16.0%, or R$4,825 million, increase in the quarter is mainly due to the following: (i) the R$4,021 million increase in the volume of funds from borrowings and onlending in the country, especially through Finame operations; and (ii) the positive variation of the foreign exchange rate by 1.2%, which impacted borrowings and onlendings denominated and/or indexed in foreign currency, the balance of which was R$9,077 million in March 2010 and R$9,881 million in June 2010.

The increase of 20.5%, or R$5,952 million, in the first half of 2010, when compared to the same period last year, was due to: (i) the R$7,152 million increase in the volume of funding by borrowings and onlending in the country, mainly through Finame and BNDES operations, the balance of which was R$18,000 million in June 2009 and R$25,152 million in June 2010; (ii) the negative variation of the foreign exchange rate by 7.7% which directly impacted borrowings and onlendings denominated and/or indexed in foreign currency, the balance of which was R$11,081 million in June 2009 and R$9,881 million in June 2010.

Funding Financial Margin - Interest

Funds from Security Issuances

The 48.9%, or R$4,179 million increase in the quarter is mainly due to the following: (i) new issues of Financial Bills to the market as of April 2010, enabling nearly R$3.4 billion in funding; and (ii) a positive exchange rate variation of 1.2%.

In the first half of 2010 there was a 65.4%, or R$5,035 million growth in comparison with the same period last year, mainly resulting from: (i) new issues of Financial Bills to the market in the second quarter of 2010; (ii) the increased number of securities issued abroad, amounting to R$1.6 billion; which was partially offset by: (iii) the 7.7% negative foreign exchange rate variation, which impacted the portfolio s securities.

Subordinated Debt

In June 2010, Bradesco s Subordinated Debt totaled R$23,385 million (R$3,284 million abroad and R$20,101 million in Brazil). In the twelvemonth period, Bradesco issued R$2,429 million in Subordinated Debt (R$1,078 million in Brazil and R$1,351 million abroad), R$2,284 million of which is eligible for Level II of the Capital Adequacy Ratio (Basel II) with maturity in 2015 and 2019, respectively. The perpetual subordinated debt in the amount of US$300 million issued in June 2005 was called in advance in June 2010 and is no longer part of Reference Shareholders Equity Tier II.

Note that only R$8,608 million of total subordinated debt is used for calculating the Capital Adequacy Ratio (Basel II), given the maturity of each subordinated debt operation.

Securities/Other Financial Margin - Interest

Securities/Other Financial Margin - Breakdown

						R$ million
	Financial Margin - Securities / Other					
	1H10	1H09	2Q10	1Q10	Variation	
					Half-year	Quarter
Interest - due to volume					111	4
Interest - due to spread					(108)	192
Interest Financial Margin	1,074	1,071	635	439	3	196
Revenues	8,292	7,173	4,542	3,750	1,119	792
Expenses	(7,218)	(6,102)	(3,907)	(3,311)	(1,116)	(596)

In relation to the previous quarter, the interest financial margin from Securities/Other increased by R$196 million or 44.6% in the second quarter of 2010, mainly due to the average spread variation of R$192 million, mainly due to an increase in the interest rate (Selic).

Financial margin with Securities/Other in the first half of 2010 was R$1,074 million, a 0.3% or R$3 million increase, result of a R$111 million increase in average volume, partially offset by a reduced average spread that impacted the result in R$108 million, from the reduction in the interest rate in the period.

Insurance Financial Margin - Interest

Interest Financial Margin - Breakdown

						R$ million
	Financial Margin - Insurances					
	1H10	1H09	2Q10	1Q10	Variation	
					Half-year	Quarter
Interest - due to volume					183	16
Interest - due to spread					(27)	(163)
Interest Financial Margin	1,341	1,185	597	744	156	(147)
Revenues	3,891	3,896	1,615	2,276	(5)	(661)
Expenses	(2,550)	(2,711)	(1,018)	(1,532)	161	514

The interest financial margin of insurance operations decreased by R$147 million, or 19.8%, in relation to the first quarter of 2010, impacted by a R$163 million decrease in average spread, reflex of the volatility in the stock market during the second quarter of 2010, when the Ibovespa index dropped by 13.4%, negatively impacting the profitability of equity and multimarket funds. This effect was partially offset by the R$16 million increase in the volume of operations.

When compared to the same period in 2009, interest financial margin from insurance operations grew 13.2%, or R$156 million, in the first half of 2010. This performance was due to the increase in the average volume of business of R$183 million, offset by a decrease in the average spread of R$27 million.

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Financial Margin   Non-Interest

Financial Margin Non-Interest - Breakdown

						R$ million
	Non-Interest Financial Margin					
	1H10	1H09	2Q10	1Q10	Variation	
					Half-year	Quarter
Loans	-	(72)	-	-	72	-
Funding	(127)	(120)	(64)	(63)	(7)	(1)
Insurance	144	243	75	69	(99)	6
Securities/Other	650	1,431	373	277	(781)	96
Total	**667**	**1,482**	**384**	**283**	**(815)**	**101**

In the second quarter of 2010, "non-interest financial margin result came to R$384 million versus the R$283 million posted in the first quarter of 2010. In the first half of 2010, the margin reached R$667 million. Variations in non-interest financial margin were due chiefly to:

- Loans, represented by commissions from the placement of financing and loans. Expenses were reduced due to accounting policy changes from the second quarter of 2008. Financing commissions were incorporated into the balances of financing/leasing operations;
- Funding, represented by expenses with the Credit Guarantee Fund (*Fundo Garantidor de Crédito* FGC). The increase between the periods compared was mainly due to an expanded client base;
- Insurance," represented by gains from equity investments. Variations between the periods are associated with market conditions, which provided better/worse opportunities for realizing gains; and
- Securities/Other, the R$96 million increase in the second quarter of 2010 when compared to the previous quarter, resulted from higher treasury/securities gains. When compared to the first half of 2009, the R$781 million decrease in the first half of 2010 corresponds to the resumption of normality in domestic/foreign markets that provided exceptional gains in the first half of 2009.

Insurance, Private Pensions and Savings Bonds

Analysis of the balance sheets and income statements of Grupo Bradesco de Seguros, Previdência e Capitalização:

Consolidated Balance Sheet

			R$ million
	Jun10	Mar10	Jun09
Assets			
Current and Long-Term Assets	**94,487**	**92,552**	**82,407**
Securities	88,515	86,928	76,451
Insurance Premiums Receivable	1,423	1,337	1,413
Other Loans	4,549	4,287	4,543
Permanent Assets	**2,145**	**2,116**	**1,541**
Total	**96,632**	**94,668**	**83,948**
Liabilities			
Current and Long-Term Liabilities	**85,393**	**83,494**	**73,737**
Tax, Civil and Labor Contingencies	1,631	1,590	1,985
Payables on Insurance, Private Pension Plan and Savings Bond Operations	321	296	288
Other Liabilities	4,133	3,923	2,636
Insurance Technical Provisions	7,016	6,972	6,510
Technical Provisions for Life and Private Pension Plans	68,975	67,572	59,533
Technical Provisions for Savings Bonds	3,317	3,141	2,785
Minority Interest	**489**	**613**	**151**
Shareholders' Equity	**10,750**	**10,561**	**10,060**
Total	**96,632**	**94,668**	**83,948**

Consolidated Statement of Income

				R$ million
	1H10	1H09	2Q10	1Q10
Insurance Written Premiums, Private Pension Plan Contributions and Savings Bonds	14,359	11,608	7,163	7,196
Premiums Earned from Insurance, Private Pension Plan Contribution and Savings Bonds	7,685	6,366	4,013	3,672
Interest Income of the Operation	1,445	1,388	654	791
Sundry Operating Revenues	487	421	226	261
Retained Claims	(4,591)	(3,920)	(2,324)	(2,267)
Savings Bonds Draw ing and Redemptions	(970)	(776)	(519)	(451)

Selling Expenses	(755)	(604)	(383)	(372)
General and Administrative Expenses	(841)	(638)	(439)	(402)
Other (Operating Income/Expenses)	(35)	(110)	(18)	(17)
Tax Expenses	(176)	(142)	(91)	(85)
Operating Income	**2,249**	**1,985**	**1,119**	**1,130**
Equity Result	105	83	50	55
Non-Operating Income	(16)	(12)	(9)	(7)
Taxes and Contributions and Minority Interest	(934)	(768)	(459)	(475)
Net Income	**1,404**	**1,288**	**701**	**703**

(*) Not considering the effect of RN 206/09 (ANS) in the total of R$372 million (health), which, as of January 2010, excluded PPNG (SES) and the accounting of premiums Pro-rata temporis. This accounting change did not affect Earned Premiums.

Insurance, Private Pensions and Savings Bonds

Income Distribution of Grupo Bradesco de Seguros e Previdência

								R$ million
	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Life and Private Pension Plans	443	409	394	347	366	357	383	392
Health	122	148	129	89	107	137	113	115
Savings Bonds	57	65	44	65	58	50	55	64
Basic Lines and Other	79	81	35	106	107	106	(1)	58
Total	**701**	**703**	**602**	**607**	**638**	**650**	**550**	**629**

Performance Ratios

								%
	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Claims Ratio (1)	71.8	73.3	74.3	77.2	73.3	73.7	78.0	72.4
Selling Ratio (2)	10.2	10.6	9.6	9.9	9.9	9.5	10.1	10.3
Administrative Expenses Ratio (3)	6.1	5.6	4.6	5.4	5.4	5.6	6.0	5.9
Combined Ratio (*) (4)	84.7	85.2	85.3	88.9	85.5	86.2	89.7	84.4

(*) Excludes additional provisions.

(1) Retained Claims/Earned Premiums;

(2) Selling Expenses/Earned Premiums;

(3) Administrative Expenses/Net Premiums Written; and

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

Premiums Written, Pension Plan Contributions and Savings Bond Income (*)

(*) Not considering the effect of RN 206/09 (ANS) in the total of R$372 million (health), which, as of January 2010, excluded PPNG (SES) and the accounting of premiums Pro-rata temporis. This accounting change did not affect Earned Premiums.

In the second quarter of 2010, premiums written, pension plan contributions and savings bond income increased by 17.5% on the same quarter of the previous year.

According to Susep and ANS, in the insurance, private pension plan and savings bond segment, Bradesco Seguros e Previdência earned R$11.9 billion up to May 2010, maintaining its position as leader of the ranking with a market share of 24.6%. In the same period, the insurance industry as a whole earned R$48.2 billion.

Insurance, Private Pensions and Savings Bonds

Retained Claims by Insurance Line

Note: for comparison purposes, we have excluded Technical Provision complements on benefits to be granted - Remission, from the selling ratio calculation (Premiums earned), amounting to R$149 million (health insurance).

Insurance Selling Expenses by Insurance Line

Note: for comparison purposes, we have excluded Technical Provision complements on benefits to be granted   Remission, from the selling ratio calculation (Premiums earned), amounting to R$149 million (health insurance).

Efficiency Ratio

General and Administrative Expenses / Revenue

Insurance, Private Pensions and Savings Bonds

Insurance Technical Provisions

Insurance Group s technical provisions represented 31.4% of the insurance industry in May 2010, according to Susep and the National Supplementary Health Agency (ANS).

Note: 1: According to RN 206/09, as of January 2010, provisions for unearned premiums (PPNG) were excluded.

Note: 2: According to Susep Circular Letter 379/08, as of January 2009, technical provisions fo r reinsurance were recorded under assets.

Bradesco Vida e Previdência

	R$ million (except when indicated otherwise)							
	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Net Income	443	409	394	347	366	357	383	392
Income from Premiums and Contribution Revenue*	3,690	3,910	4,933	3,697	3,304	2,822	3,517	3,117
- Income from Private Pension Plans and VGBL	3,052	3,291	4,295	3,100	2,758	2,294	2,964	2,599
- Income from Life/Accidents Insurance Premiums	638	619	638	597	546	528	553	518
Technical Provisions	68,975	67,572	65,692	61,918	59,533	57,384	56,052	54,530
Investment Portfolio	72,507	70,920	68,780	64,646	61,736	59,063	57,357	56,564
Claims Ratio	44.7	45.1	50.9	48.1	43.9	43.7	48.4	48.4
Selling Ratio	17.5	18.8	14.4	16.5	17.1	14.9	17.5	16.9
Combined Ratio	71.5	73.9	70.6	74.4	69.4	68.6	71.9	69.9
Participants / Policyholders (in thousands)	21,109	21,326	21,389	21,206	20,231	19,838	18,918	18,553
Premiums and Contributions Revenue Market Share (%)**	31.9	32.7	31.1	31.1	30.4	34.2	34.5	35.3
Life/AP Market Share - Insurance Premiums (%)**	16.7	16.8	16.8	16.3	16.0	16.6	16.8	16.6

* Life/VGBL/Traditional.

** Considers data as of May 2010 in the second quarter of 2010.

Due to its solid structure, its policy of offering innovative products and consumer reliance, Bradesco Vida e Previdência maintained its leadership, holding a market share of 31.9% in terms of income from pension plans and VGBL.

Bradesco Vida e Previdência is also a leader in VGBL plans, with 33.4% market share, and in Private Pension Plans, with 26.5% (source: Fenaprevi data as of May 2010).

Net income in the second quarter of 2010 surpassed that of the previous quarter by 8.3%, mainly due to decreased claims, selling and administrative efficiency ratios in the life segment, which resulted in a reduced combined ratio, from 73.9 in the first quarter of 2010 to 71.5 in the second quarter of 2010, and also to the excellent performance of pension plan products that contributed immensely to growth in results.

The 17.8% growth between the result in the first half of 2010 and the same period last year is mainly due to: (i) the 24.1% increase in sales, mainly those of pension plans and VGBL, which accounted for 25.6% of overall growth; (ii) a slight decrease in claims ratio; and (iii) continuation of administrative efficiency ratio at 2009 levels, despite the collective bargaining agreement of January 2010.

Bradesco Vida e Previdência

The technical provisions of Bradesco Vida e Previdência in June 2010 totaled R$69.0 billion, of which R$66.3 billion came from private pension and VGBL and R$2.7 billion from life, personal accident and other lines, an increase of 15.9% in relation to June 2009.

The Pension Plan and VGBL Investment portfolio totaled R$69.3 billion in May 2010, corresponding to a 35.5% market share (Source: Fenaprevi).

Evolution of Participants and Life and Personal Accident Policyholders

In June 2010, the number of Bradesco Vida e Previdência clients grew by 4.3%, compared to June 2009, to nearly two million private pension and VGBL plan participants and 19 million personal accident and life insurance policyholders. This strong growth was fueled by the strength of the Bradesco Brand and adequate product selling and management policies.

Bradesco Saúde Consolidated

	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Net Income (R$ million)	122	148	129	89	107	137	113	115
Net Premiums Written (R$ million)*	1,845	1,705	1,622	1,573	1,484	1,419	1,410	1,389
Technical Provisions (R$ million)	3,453	3,405	3,555	3,479	3,447	3,429	3,416	3,385
Claims Ratio	80.6	83.0	85.7	89.2	86.0	83.6	89.4	82.9
Selling Ratio	4.6	4.5	4.1	3.9	4.0	3.8	3.7	3.5
Combined Ratio	96.2	96.8	96.8	99.4	98.2	94.5	99.5	95.7
Policyholders (in thousands)	7,236	7,075	4,310	4,193	4,063	3,929	3,826	3,696
Written Premiums Market Share (%)**	49.0	49.4	48.7	48.1	47.4	46.9	44.6	44.0

* Not considering the effect of RN 206/09 (ANS) in the total of R$372 million (health), which, as of January 2010, excluded PPNG (SES) and the accounting of premiums Pro-rata temporis. This accounting change did not affect Earned Premiums.

Note: for comparison purposes, we have excluded build in Technical provisions for benefits to be granted - Remission, from the first quarter of 2010 ratios, amounting to R$149 million.

** Considers data as of May 2010 in the second quarter of 2010.

Despite the 8.2% growth in sales in the second quarter of 2010 and the continuation of the combined ratio at prior quarter levels, net income decreased by 17.6% in relation to the first quarter of 2010, resulting from (i) lower financial results and (ii) greater civil contingency provisions recorded in the second quarter of the year.

Net income in the first half of 2010 increased by 10.7% vis-a-vis the same period last year, chiefly due to: (i) 22.3% increase in sales; (ii) 3.2 percentage point drop in retained claims; (iii) an improved financial result; partially offset by: (iv) the constitution of a provision for benefits to be granted remission individual segment in the first quarter of 2010; and (v) increased personnel expenses due to the collective bargaining agreement of January 2010.

In June 2010, Bradesco Saúde maintained its strong market position in the corporate segment (source: ANS). Brazilian companies are increasingly convinced that health insurance is the best alternative to meeting their medical and hospital needs.

Approximately 42 thousand companies in Brazil have Bradesco Saúde Insurance. Of the 100 largest companies in Brazil, in terms of revenue, 41 are Bradesco Saúde and Bradesco Dental clients. Taking Mediservice into account, this figure increases to 46 (source: Exame Magazine "Melhores e Maiores" ranking, July 2009).

Number of Bradesco Saúde Policyholders - Consolidated

Bradesco Saúde Consolidated has over 7.2 million clients. The high share of corporate policies in the overall portfolio (95.0% as of June 2010) shows the Company s high level of specialization and customization in the corporate segment, the greatest competitive advantage in today s supplementary health insurance market.

Mediservice S.A. became a part of Grupo Bradesco de Seguros e Previdência with a portfolio of over 260 thousand clients, with healthcare and dental plans for corporate clients conducted on a post-payment basis.

Bradesco Capitalização

	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Net Income (R$ million)	57	65	44	65	58	50	55	64
Revenues from Savings Bonds (R$ million)	594	526	575	520	483	413	477	443
Technical Provisions (R$ million)	3,317	3,141	3,024	2,865	2,785	2,740	2,706	2,668
Clients (in thousands)	2,583	2,553	2,531	2,507	2,525	2,543	2,546	2,492
Market Share from Premiums and Contributions Revenues (%)*	19.5	20.9	19.7	19.4	19.0	18.3	18.9	19.0

* Considers data as of May 2010 in the second quarter of 2010.

In the second quarter of 2010, Bradesco Capitalização recorded 12.9% growth in its sales, while administrative expenses remained stable in relation to the first quarter of 2010. Net income for the last quarter was below the previous quarter s, mainly due to the following: (i) a greater amount of securities drawn; (ii) increased technical provisions to meet increases in revenue from savings bonds, mainly for single payment products; and (iii) financial income, which remained at the same level as the previous quarter.

Net income in the first half of 2010 increased by 13.0% in comparison with the same period last year, due chiefly to: (i) 25.0% growth in revenue; (ii) an improved financial income in 2010, combined with expenses with technical provisions to meet increased sales, mainly from single payment products; and (iii) the results of the January 2010 collective bargaining agreement.

Bradesco Capitalização

Bradesco Capitalização ended the second quarter of 2010 in an excellent position in the savings bond industry, due to its policy of transparency, marked by the offer of adequate products based on potential consumer demand.

In order to offer the savings bond that best fits the profile and budget of its clients, the Bank has developed several products that vary in accordance with payment method (lump-sum or monthly), contribution term, frequency of drawings and premium amounts. This phase was mainly marked by a closer relationship with the public by consolidating the "Pé Quente Bradesco" line of products.

Among them we can highlight the performance of social and environmental products, from which part of the amount collected is transferred to social responsibility products, while also enabling the client to build a financial reserve. Bradesco Capitalização currently has partnerships with the following social and environmental institutions: Fundação SOS Mata Atlântica, which contributes to the development of reforestation projects; Instituto Ayrton Senna, which is set apart by transferring a percentage of the amount collected to social projects; the Brazilian Cancer Control Institute, which contributes to the development of projects for the prevention, early diagnosis and treatment of cancer in Brazil; and, finally, Fundação Amazonas Sustentável, through which part of the amount collected is used to develop environmental preservation and sustainable development programs and projects

The portfolio is made up of 16.3 million active bonds. Of this total, 33.1% are represented by Traditional Bonds sold in the Branch Network and *Bradesco Dia&Noite* channels, posting 5.7% growth in June 2009. The remaining 66.9% of the portfolio is represented by Incentive bonds (loan assignments from drawings), such as: partnerships with Bradesco Vida e Previdência and Bradesco Auto/RE. Given that the objective of this type of savings plan is to add value to the partner company's product, or even to foster the compliance of its clients, maturity and grace periods are reduced and have low unitary sale value.

Bradesco Capitalização S.A. maintains a quality management system and holds the latest version of the NBR ISO 9001:2008 certification for the Management of Bradesco Savings Bonds. This certification, granted by Fundação Vanzolini, attests to the quality of its internal processes and confirms the principle that underpins Bradesco Savings Bonds: good products, services and continuous growth.

Bradesco Auto/RE

	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	4Q08	3Q08
Net Income (R$ million)	27	22	43	33	40	32	(11)	35
Net Premiums Written (R$ million)	952	935	855	812	754	718	739	791
Technical Provisions (R$ million)	3,456	3,402	3,162	2,998	2,940	3,000	2,315	2,203
Claims Ratio	69.9	70.7	70.2	72.3	65.3	72.7	75.7	68.7
Selling Ratio	17.6	17.7	16.6	17.5	16.9	17.3	17.5	18.8
Combined Ratio	105.3	104.3	107.8	106.4	99.9	106.2	111.6	104.6
Policyholders (in thousands)	2,980	2,814	2,592	2,433	2,359	2,280	2,192	2,117
Market Share from Premiums and Contributions Revenues (%)*	11.8	12.1	10.4	10.2	10.1	10.1	10.5	10.7

* Considers data as of May 2010 in the second quarter of 2010.

Insurance premiums in the Auto/RE line held a market share of 11.8% (market data as of May 2010).

Net income in the second quarter of 2010 increased by 22.7% in relation to the previous quarter, mainly due to: (i) increased revenue; (ii) a reduction in retained claims; and (iii) the continuation of administrative and selling efficiency ratios at the same level as the previous quarter.

Despite impressive growth of 28.2% in the first half of 2010 in comparison with the same period in 2009, which surpassed the 11% market growth recorded up to May 2010, net income decreased by R$23 million, due to the following: (i) the December 2009 capital reduction, amounting to R$1 billion, which impacted financial result; and (ii) increased administrative expenses resulting from the January 2010 collective bargaining agreement.

Grupo Bradesco Seguros e Previdência maintained its leadership position among major insurers of Brazil s Basic Lines Insurance market, with market share of 6.6%, in terms of revenue, as of May 2010.

In segments related to Property Insurance, Bradesco Auto/RE has been renewing the insurance programs of its major clients through partnerships with brokers specialized in the segment and fostering a closer relationship with Bradesco Corporate and Bradesco Empresas.

The excellent performance of the oil industry and the upturn in the construction industry have also contributed to the growth of Bradesco Auto/RE in this segment.

In Aviation and Maritime Hull insurance, the increased exchange with Managers at Bradesco Corporate and Bradesco Empresas has been drawn on extensively, taking full advantage of the stronger sales of new aircraft and naval construction.

The transportation segment is still the primary focus, with essential investments made to leverage new business, notably the renewal of Reinsurance Agreements, which gives the insurance business the important power to assess and cover risk, and consequently increase competitiveness in more profitable businesses, such as international transportation insurance for shipping companies involved in international trade.

Despite strong competition in the Auto/RFC line, the insurance company has increased its client base. This is mainly due to the improvement of current products and the creation of new products targeting specific publics. These include Bradesco Seguro Exclusivo Cliente Bradesco, which is exclusively for Banco Bradesco accountholders and *Auto Mulher*, car insurance targeted at women.

Grupo Bradesco de Seguros e Previdência held a market share in the Auto/RCF market of 15.5% as of May 2010 (Source: Susep).

Bradesco Auto/RE

Number of Auto/RE Line Policyholders

In the mass insurance segment of Basic Lines, where products target individuals, self-employed professionals and SMEs, the launch of new products and the continuous improvement of methods and systems have contributed to client base expansion. This increase can be observed mainly in residential insurance, such as Bradesco Seguro Residencial and Bradesco Seguro Auto + Residencial. The new product Bradesco Seguro Residencial Preferencial, which targets preferred clients of Banco Bradesco, also stood out.

Fee and Commission Income

A breakdown and variation in fee and commission income for the respective periods is presented below:

Fee and Commission Income	1H10	1H09	2Q10	1Q10	Variation	
					R$ million	
					Half-year	Quarter
Card Income	1,965	1,685	993	972	280	21
Checking Account	1,119	1,038	577	542	81	35
Fund Management	870	751	441	429	119	12
Loan Operations	829	728	439	390	101	49
Collection	522	483	265	257	39	8
Custody and Brokerage Services	229	190	115	114	39	1
Consortium Management	202	165	105	97	37	7
Payment	139	126	70	69	13	1
Underw riting	115	189	40	75	(74)	(35)
Other	387	279	208	179	108	29
Total	**6,377**	**5,634**	**3,253**	**3,124**	**743**	**129**

Explanations of the main items that influenced the variation in fee and commission income between periods follow.

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Fee and Commission Income

Card Income

In the second quarter of 2010, the R$21 million increase in card income on the previous quarter was mainly due to the increased number of transactions, from 215,747 thousand to 230,417 thousand.

In the first half of 2010, Card Fee Income was R$1,965 million, up 16.6% or R$280 million in comparison with the previous year. This performance results mainly from the increase in purchases and services income, and from a 59.7% increase in the cards base, from 86,335 thousand in June 2009 to 137,835 thousand in June 2010, driven by organic growth and the Banco IBI merger. Service income for 2010 includes the partial divestment in the acquirer Cielo, in July 2009, from 39.3% to 26.6%.

In the first half of 2010, credit card revenue grew by 42.8% in relation to the same period last year, reaching R$34,766 million, and the number of transactions grew by 37.7% on the same period, from 324,128 thousand to 446,164 thousand.

Fee and Commission Income

Checking Account

In the second quarter of 2010, checking account service revenue increased by 6.5%, mainly due to a net increase of 643 thousand new checking accounts (615 thousand individual accounts and 28 thousand corporate accounts), in addition to an increased number of services provided to the Bank's clients.

Revenue in the first half of 2010 totaled R$1,119 million, representing a 7.8% increase versus the same quarter on the previous year, resulting mainly from the expansion of the checking account client base, which saw a net increase of 1,463 new checking accounts (1,366 thousand individual accounts and 97 thousand corporate accounts).

Loan Operations

In the second quarter of 2010, the 12.6%, or R$49 million increase is the result of a recovery in the number of contracted operations, highlighting the SME segment, which posted growth of 6.5% in relation to the first quarter of 2010.

The R$101 million growth in the first half of 2010 when compared with the same period last year, is mainly due to: (i) increased income from guarantees, which grew by 24.4%, mainly resulting from the 7.2% increase in Sureties and Collateral operations; and (ii) the increased number of contracted operations in the period.

Fee and Commission Income

Asset management

Asset management revenue increased by R$12 million in the second quarter of 2010, in comparison with the previous quarter, mainly due to the 1.8% increase in the volume of funds raised in the quarter.

The R$119 million or 15.8% increase between the first half of 2009 and the first half of 2010 was mainly due to the 24.4% growth in funds raised under Bradesco s management. The highlight was income from equity investment funds, which grew by 52.9% in the period, followed by growth in third party funds of 47.2%.

Shareholders' Equity	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
Investment Funds	238,400	232,854	189,338	2.4	25.9
Managed Portfolios	17,260	17,960	17,244	(3.9)	0.1
Third-Party Fund Quotas	7,637	7,749	5,112	(1.4)	49.4
Total	**263,297**	**258,563**	**211,694**	**1.8**	**24.4**

Asset Distribution	R$ million			Variation %	
	Jun10	Mar10	Jun09	Quarter	12M
Investment Funds Fixed Income	215,561	207,081	174,401	4.1	23.6
Investment Funds Variable Income	22,839	25,773	14,937	(11.4)	52.9
Investment Funds Third-Party Funds	6,332	6,433	4,302	(1.6)	47.2
Total	**244,732**	**239,287**	**193,640**	**2.3**	**26.4**
Managed Portfolios Fixed Income	9,434	9,102	9,550	3.6	(1.2)
Managed Portfolios Variable Income	7,826	8,858	7,694	(11.7)	1.7
Managed Portfolios Third-Party Funds	1,305	1,316	810	(0.8)	61.1
Total	**18,565**	**19,276**	**18,054**	**(3.7)**	**2.8**
Total Fixed Income	224,995	216,183	183,951	4.1	22.3
Total Variable Income	30,665	34,631	22,631	(11.5)	35.5
Total Third-Party Funds	7,637	7,749	5,112	(1.4)	49.4
Overall Total	**263,297**	**258,563**	**211,694**	**1.8**	**24.4**

Fee and Commission Income

Cash Management Solutions (Payments and Collections)

The R$9 million or 2.8% increase in revenue in the second quarter of 2010 in relation to the previous quarter is mainly related to the increase in business and the number of documents processed, which grew from 345 million to 364 million during the period in question.

In relation to the first half of 2009, Payment and Collection income increased 8.5%, or R$52 million in the first half of 2010, also due to an increase in the number of processed documents, which grew from 616 million in the first half of 2009 to 709 million in the first half of 2010.

Consortium Management

The 5.1% increase in the sale of net quotas in the second quarter of 2010 led Bradeso Consórcios to sell 21.0 thousand more quotas than the previous quarter, resulting in an 8.2% growth in revenue on the same period, ensuring Bradesco's leading position in all segments (real estate, auto, trucks/tractors) in which it operates.

In the comparison between the first half of 2010 and the same period in the previous year, there was a 22.4% increase in revenue, resulting from bids and the increased sale of new quotas, from 362,993 net quotas sold as of June 30, 2009 to 433,741 as of June 30, 2010.

Fee and Commission Income

Custody and Brokerage Services

In the second quarter of 2010, total revenue from custody and brokerage services remained practically steady, primarily due to increased revenue from custody services, which offset a reduction in brokerage revenue resulting from the behavior of the capital markets in the quarter.

In comparison with the first half of 2009, the 20.5% revenue growth in the first half of the year is mainly related to the recovery of volumes traded on the BM&FBovespa.

Underwriting

The R$35 million variation in the second quarter of 2010 versus the previous quarter refers to a lower business volume in the capital markets in the quarter

Revenue decreased R$74 million in the first half of 2010 versus the first half of 2009, mainly due to capital operations gains in the second quarter of 2009, notably with the Cielo (former-VisaNet Brasil) IPO.

Administrative and Personnel Expenses

Administrative and Personnel Expenses	1H10	1H09	2Q10	1Q10	R$ million Variation Half-year	 Quarter
Administrative Expenses						
Third-Party Services	1,454	1,067	730	724	387	6
Communication	677	595	343	334	82	9
Data Processing	397	365	206	191	32	15
Depreciation and Amortization	460	327	239	221	133	18
Advertising and Marketing	310	194	157	152	116	5
Rent	281	275	137	144	6	(7)
Transportation	303	238	161	142	65	19
Asset Maintenance	218	199	110	108	19	2
Leasing	185	215	87	98	(30)	(11)
Financial System Services	178	124	92	86	54	6
Security and Surveillance	133	120	66	66	13	-
Materials	129	101	66	63	28	4