

BANK BRADESCO  
Form 6-K  
November 10, 2005

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

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**FORM 6-K**

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

**For the month of November, 2005**

**Commission File Number 1-15250**

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

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

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

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

Form 20-F  Form 40-F

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

Yes  No







**Banco Bradesco S.A.**

Corporate Taxpayer s  
ID CNPJ 60.746.948/0001-12

BOVESPA

BBDC3  
(common)  
and  
BBDC4  
(preferred)

NYSE BBD

LATIBEX  
XBBDC

**Main Indicators (%)**

Indicators	2004			2005			12 months accumulated
	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD	
CDI	3.67	3.86	11.72	4.56	4.74	14.08	18.62
IBOVESPA USD	(4.49)	9.92	4.54	(5.86)	26.08	20.57	35.87
Commercial Rate	6.84	(8.01)	(1.06)	(11.84)	(5.45)	(16.28)	(22.26)
IGP-M	3.95	3.25	10.26	0.20	(1.51)	0.21	2.17
IPCA IBGE	1.60	1.94	5.49	1.34	0.77	3.95	6.04
TJLP	2.35	2.35	7.29	2.35	2.35	7.22	9.75
TR	0.42	0.57	1.35	0.75	0.87	2.19	2.66
Savings Deposits	1.93	2.09	6.00	2.27	2.39	6.88	9.00
Number of Business Days	62	65	189	63	65	189	251

**Closing Amount**

Indicators	2004		2005	
	June	September	June	September
Commercial U.S. dollar for sale (R\$)	3.1075	2.8586	2.3504	2.2222
Euro (R\$)	3.7952	3.5573	2.8459	2.6718
Argentine Peso (R\$)	1.0537	0.9572	0.8147	0.7643
Country Risk (Points)	646	466	411	344
SELIC COPOM Base rate (% p.a.)	16.00	16.25	19.75	19.50
Pre BM&F rate 1 year (% p.a.)	17.29	17.40	18.22	17.92

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

Deposits	2004	2005	Items	2004	2005
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	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.		2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
Demand Deposits <sup>(1)</sup>	45	45	45	45	Income Tax	25	25	25	25
Additional <sup>(2)</sup>	8	8	8	8	Social Contribution	9	9	9	9
Time Deposits <sup>(3)</sup>	15	15	15	15	PIS <sup>(1)</sup>	0.65	0.65	0.65	0.65
					COFINS <sup>(2)</sup>	4	4	4	4
Additional <sup>(2)</sup>	8	8	8	8	Legal Reserve on Net Income	5	5	5	5
Savings Account <sup>(4)</sup>	20	20	20	20	Maximum Fixed Assets <sup>(3)</sup>	50	50	50	50
Additional <sup>(2)</sup>	10	10	10	10	Capital Adequacy Ratio Basel <sup>(4)</sup>	11	11	11	11

(1) Cash deposit No remuneration. (1) The rate applicable to non-financial and similar companies is 1.65%

(2) Cash deposit SELIC rate (non-cumulative PIS).

(3) Restricted Securities. From the amount calculated at 15%, R\$ 300 million may be deducted as per Brazilian Central Bank instructions, effective from November 8, 2004. (2) The rate applicable to non-financial and similar companies is 7.60% (non-cumulative COFINS).

(3) Maximum Fixed Assets is applied over Reference Equity

(4) Reference Equity may not be lower than 11% of weighted assets.

(4) Cash deposit Reference Rate (TR) + interest of 6.17% p.a.

### Forward-Looking Statements

This Report on Economic and Financial Analysis contains forward-looking statements relating to our business, which 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, evaluate, predicts, foresees, projects, guidelines, should and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks and uncertainties, which are difficult to predict and which could be beyond our control. Furthermore, certain forward-looking statements are based on assumptions, which 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 forward-looking statements.

Factors which could cause actual results to differ materially include, among others, changes in regional, national and international commercial and economic conditions; inflation rates, increases in customer delinquency and any other delays in loan operations; increases in the allowance for loan losses; loss of funding capacity; loss of clientele or revenues; our capacity to sustain and improve performance; changes in interest rates which could, among others, adversely affect our margins; competition in the banking sector, in financial services, credit card services, insurance, asset management and other related sectors; government regulations and fiscal matters; disputes or adverse legal proceedings or ruling; as well as credit risks and other loan and investment activity risks.

Accordingly, the reader should not place excessive reliance on these forward-looking statements. In all cases, these forward-looking statements are valid only as at the date they are made. 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 any other motive.

## **Risk Factors and Critical Accounting Practices**

Reaffirming Bradesco's adherence to best international practices for transparency and corporate governance, we transcribe below the text extracted from the Risk Factors section of 20-F Form, the annual report filed with the Securities and Exchange Commission (SEC), describing the risk factors which we consider most significant and which could affect our daily business, the results of our operations or our financial position. We stress that Bradesco addresses the management of all risks inherent to its activities in a complete and integrated manner. This integrated approach facilitates the improvement of risk management models and avoids the existence of any gap that could jeopardize the correct identification and assessment of these risks.

### **Risks Relating to Brazil**

#### **1) Brazilian political and economic conditions may have direct impact on our business and on the market price of our stocks and ADSs**

All of our operations and clients are mainly located in Brazil. Accordingly, our financial condition and results of operations are substantially dependent on Brazil's economy, which in the past has been characterized by frequent and occasionally drastic intervention by the Brazilian government and volatile economic cycles. In addition, our operations, financial condition and the market price of our stocks and ADSs may also be adversely affected by changes in policy involving exchange controls, tax and other matters, as well as factors such as: fluctuations in exchange rates; interest rate fluctuations, inflation rates; and other political, diplomatic, social and economic developments within and outside of Brazil that affect the Country.

In the past, the Brazilian Government has often changed monetary, fiscal, taxation and other policies to influence the course of Brazil's economy. We have no control over, and cannot predict, what measures or policies the Brazilian government may take in response to the current or future situation of the Brazilian economy or how the Brazilian government intervention and government policies will affect the Brazilian economy and, both directly and indirectly, our operations and revenues.

#### **2) If Brazil undergoes a period of high inflation in the future, our revenues and the market price of our stocks and ADSs may be reduced**

Brazil has undergone extremely high inflation rates in the past, with annual rates (IGP-DI from Getulio Vargas Foundation) during the last fifteen years reaching as high as 1.158% in 1992, 2.708% in 1993 and 1.093% in 1994. More recently, Brazil's inflation rates were 26.4% in 2002, 7.7% in 2003, 12.1% in 2004 and up to September 2005, 0.20%. Inflation itself and governmental measures to combat it have had in past years significant negative effects on the Brazilian economy. Inflation, actions taken to combat inflation and public speculation about possible future actions have also contributed to economic uncertainty in Brazil and to heightened volatility in the Brazilian marketable securities markets. If Brazil suffers a period of high inflation in the future, our costs may increase, our operating and net margins may decrease and, if investor's confidence lags, the price of our stocks and ADSs may drop. Inflationary pressures may also curtail our ability to access foreign financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Brazilian economy.

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

Since the end of 1997, and in particular during the last four years, as a result of economic problems in various emerging market countries, including the economic crisis in Argentina, investors have had a heightened risk perception for investments in emerging markets. As a result, in some periods, Brazil has experienced a significant outflow of U.S. dollars and Brazilian companies have borne higher costs to raise funds, both domestically and abroad,

and have been impeded from accessing international capital markets. We cannot assure you that international capital markets will remain open to Brazilian companies or that prevailing interest rates in these markets will be advantageous for us.

#### **4) Developments in other emerging markets may adversely affect the market price of our stocks and ADSs**

The market price of our stocks and ADSs may be adversely affected by declines in the international financial markets and world economic conditions. Brazilian securities markets are, to varying degrees, influenced by economic and market conditions in other emerging market countries, especially those in Latin America, including Argentina, which is one of Brazil's principal trading partners. Although economic conditions are different in each Country, investors' reaction to developments in one Country may affect the securities markets and the securities of issuers in other countries, including Brazil. Since the fourth quarter of 1997, the international financial markets have experienced significant volatility, and a large number of market indices, including those in Brazil, have declined significantly.

Developments in other countries have also at times adversely affected the market price of our and other Brazilian companies' stocks, as investors' perceptions of increased risk due to crises in other emerging markets can lead to reduced levels of investment in Brazil and, in addition, may hurt our ability to finance our operations through the international capital markets. If the current economic situation in Argentina and Latin America deteriorates, or if similar developments occur in the international financial markets in the future, the market price of our stocks and ADSs may be adversely affected.

#### **Risks Relating to Bradesco and the Brazilian Banking and Insurance Industries**

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

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

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving. Existing laws and regulations could be amended, the manner in which laws and regulations are enforced or interpreted could change, and new laws or regulations could be adopted. Such changes could materially adversely affect our operations and our results. Regulatory changes affecting other businesses in which we are engaged, including our broker dealer, consortium and leasing operations, could also have an adverse effect on our operations and our results.

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**2) The increasingly competitive environment in the Brazilian bank and insurance industries may negatively affect our business prospects**

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

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

Furthermore, additional publicly-owned banks and insurance companies may be privatized in the future. The acquisition of a bank or insurance company in a privatization process or otherwise by one of our competitors would generally add to the acquirers' market share, and as a result we may face increased competition from the acquirer.

**3) A majority of our common stocks are held by two stockholders, whose interests may conflict with other investors' interests**

On September 30, 2005 Cidade de Deus Companhia Comercial de Participações, which we name as Cidade de Deus Participações, held 48.32% of our common stocks and Fundação Bradesco directly and indirectly held 45.54% of our common stocks. As a result, these stockholders have the power to prevent a change in control of our company, even if a transaction of that nature would be beneficial to our other stockholders, as well as to approve related-party transactions or corporate reorganizations.

**Critical Accounting Practices**

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

Our relevant accounting policies are outlined in the note 3 to the consolidated financial statements included in chapter 8 of this Report.

The following discussion outlines the accounting policies deemed as critical, in terms of materiality, areas requiring a greater judgment and estimate or involving a higher level of complexity, affecting our financial condition and the results of our operations. The accounting estimates made under such context, impel us to make assumptions on highly uncertain issues. In each case, if we had made other estimates, or if changes in estimates had occurred period by period, these could have significantly impacted our financial condition or the results of our operations:

**1) Allowance for Loan Losses**

We periodically adjust our allowance for loan losses based on the analysis of our loan operations portfolio, including estimate of probable losses in our loan operations portfolio and leasing at the end of each period.

The determination of allowance for loan losses amount by its nature requires us to make judgments and assumptions related to our loan operations portfolio, not only on an individual basis, but also on a portfolio basis. When we revise our portfolio as a whole, various factors may affect our estimate of probable extension of losses, including the

methodology we use to measure historical rates of delinquency and the historical period we take into account in such measurements. When we revise loan operations on an individual basis, we make judgments related to the factors, which most probably should affect the risk levels and which specific credit rating we should attribute. Additional factors, which may affect our determination of allowance for loan losses include:

- General economic conditions in Brazil and conditions of relevant sector;
- previous experience with borrower or relevant sector of economy, including losses recent experience;
- credit quality trends;
- guarantees amounts of a loan operation;
- volume, composition and growth of our loan operations portfolio;
- Brazilian government's monetary policy; and
- any delays when receiving information necessary to assess loan operations or confirm the deterioration of existing credit.

Our determination of allowance for loan losses is influenced by the risk rating of each loan operation. By assuming a positive fluctuation of 1.0% in delinquency rate expected for our loan operations portfolio in full performance on September 30, 2005, the allowance for loan losses would increase approximately R\$ 19 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our determination of allowance for loan losses. The analysis should not be considered as an observation of our expectations for future determinations of risk rating or future alterations in loss severity. In view of the procedures we observe, in order to determine our risk rating of loan portfolio and our assessment of loss severity, we believe that the current risk rating and the estimate of loss severity for our loan portfolio are appropriate.

For further information about our practices referring to the allowance for loan losses see content of loan operations included in Chapter 3 of this Report and notes 3e and 12 included in the Chapter 8 hereof.

## **2) Assessment of Securities and Derivatives**

The financial instruments recorded at fair value in our financial statements mainly include securities classified as for trading, available for sale and other trading assets, including derivatives. The fair value is defined as the value in which a position could be closed or sold in a transaction with a party aware of the issue and willing to trade, without any benefit. We estimate the fair value by using market-quoted prices when available. We observe that the price market-quoted price may be affected by the volume of shares traded and also may not reflect the control premiums resulting from shareholders' agreements, those holding significant investments. However, the Management believes that market-quoted prices are the fair value best indicators.

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

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

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

For further information about our practices referring to the assessment of marketable securities and derivative financial instruments, see notes 3c, 3d and 10 included in the Chapter 8 of this Report.

### **3) Classification of Securities**

The classification of securities occurs in three categories: for trading, available for sale and held to maturity. This classification is based on the Management's intent, on the date of acquisition of securities, of maintaining or trading such securities. The accounting treatment of securities held depends on whether we classify them in the acquisition as for trading, available for sale or held to maturity. Circumstantial changes may modify our strategy related to a specific security, which will require a transfer among the three categories.

The classification of securities can be found in the note 10 included in the Chapter 8 of this Report.

### **4) Income Tax and Social Contribution**

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

Constantly we monitor and assess the impact of new tax laws on our liabilities, as well as new developments, which could affect the evaluations and assumptions of our analysis about the possibility of realizing deferred tax assets.

For further information about our income tax and social contribution, see notes 3f and 35 to our financial statements included in the Chapter 8 of this Report.

### **5) Use of Estimates**

When presenting the financial statements, our Management estimates and makes assumptions, which also include the amount of provisions for deferred taxes, the assumptions for the calculation of allowance for loan losses, the assumptions for calculations of technical provisions for insurance, private pension plans and savings bonds, the choice of useful lives of certain assets and the determination if an asset or group of specific assets was deteriorated. The estimates by their nature are based on the judgment and available information. Therefore, actual results may differ from such estimates.

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

## List of Main Abbreviations

<b>ABC</b>	Activity-Based Costing	<b>FIPE</b>	Economic Research Institute Foundation
<b>ABEL</b>	Brazilian Association of Leasing Companies	<b>FIPECAFI</b>	Accounting, Actuarial and Financial Research Institute
<b>ABEMD</b>	Brazilian Association of Direct Marketing		Foundation
<b>ABM</b>	Activity-Based Management	<b>FIRN</b>	Floating Rate Note
<b>ACC</b>	Advances on Foreign Exchange Contracts	<b>FxRN</b>	Fixed Rate Note
<b>ACM</b>	Automated Consulting and Contract Machine	<b>GDAD</b>	Management of Performance and Support to Decisions
<b>ADR</b>	American Depositary Receipt	<b>IBA</b>	Brazilian Actuarial Institute
<b>ADS</b>	American Depositary Share	<b>IBMEC</b>	Brazilian Capital Market Institute
<b>ADVB</b>	Association of Sales and Marketing Managers of Brazil	<b>IBNR</b>	Claims Incurred But Not Reported
<b>ANAPP</b>	National Association of Private Pension Plan Companies	<b>IBOVESPA</b>	São Paulo Stock Exchange Index
<b>ANBID</b>	National Association of Investment Banks	<b>IBRACON</b>	Brazilian Institute of Accountants
<b>ANS</b>	National Agency for Supplementary Healthcare	<b>IFC</b>	International Finance Corporation
<b>ANSP</b>	Brazilian Academy of Insurance and Pension	<b>IGP-DI</b>	General Price Index Internal Availability
<b>AP</b>	Personal Accident	<b>IGP-M</b>	General Price Index Market
<b>ATM</b>	Automated Teller Machine	<b>INSS</b>	National Institute of Social Security
<b>BACEN</b>	Brazilian Central Bank	<b>IPCA</b>	Extended Consumer Price Index
<b>BDR</b>	Brazilian Depositary Receipt	<b>IR</b>	Income Tax
<b>BM&amp;F</b>	Mercantile and Futures Exchange	<b>IRRF</b>	Withholding Income Tax
<b>BNDDES</b>	National Bank for Economic and Social Development	<b>ISO</b>	International Standard Organization
<b>BOVESPA</b>	São Paulo Stock Exchange	<b>ISS</b>	Tax on Services
<b>CDB</b>	Bank Deposit Certificate	<b>JCP</b>	Interest on Own Capital
<b>CDC</b>	Consumer Sales Financing	<b>LATIBEX</b>	Latin American Stock Exchange Market in Euros (Spain)
<b>CDI</b>	Interbank Deposit Certificate	<b>MBA</b>	Master of Business Administration
<b>CEF</b>	Federal Savings Bank	<b>MP</b>	Provisional Measure
<b>CEID</b>	State Department for the Integration of Disabled People	<b>NBR</b>	Registered Brazilian Rule
<b>CETIP</b>	Clearing House for the Custody and Financial Settlement of Securities	<b>NYSE</b>	New York Stock Exchange
<b>CFC</b>	Federal Accounting Council	<b>OIT</b>	International Labor Organization
<b>CID</b>	Digital Inclusion Center	<b>ON</b>	Common Stocks
<b>CIPA</b>	Accident Prevention Internal Committee	<b>PDD</b>	Allowance for Doubtful Accounts
<b>CMN</b>	National Monetary Council	<b>PGBL</b>	Unrestricted Benefits Generating Plan
<b>COFINS</b>		<b>PIS</b>	Social Integration Program
		<b>PL</b>	Stockholders Equity
		<b>PLR</b>	Employee Profit Sharing

	Contribution for Social Security		
	Financing		
<b>COPOM</b>	Monetary Policy Committee	<b>PN</b>	Preferred Stocks
	Chart of Accounts for National Financial		
<b>COSIF</b>	System	<b>PTRB</b>	Online Tax Payment
	Institutions	<b>RCF</b>	Optional Third-Party Liability
<b>COSO</b>	Committee of Sponsoring Organizations	<b>RE</b>	Basic lines (of Insurance Products)
	Provisory Contribution on Financial		
<b>CPMF</b>	Transactions	<b>ROA</b>	Return on Assets
<b>CRI</b>	Certificate of Real Estate Receivables	<b>ROE</b>	Return on Stockholders` Equity
<b>CS</b>	Social Contribution	<b>SAP</b>	Systems Applications and Products
<b>CVM</b>	Brazilian Securities Commission	<b>SBPE</b>	Brazilian Savings and Loan System
			Brazilian Micro and Small Business
<b>DPVAT</b>	Compulsory Vehicle Insurance	<b>SEBRAE</b>	Support Service
			U.S. Securities and Exchange
<b>DR</b>	Depository Receipt	<b>SEC</b>	Commission
<b>DRE</b>	Statement of Income of the Year	<b>SELIC</b>	Special Clearance and Custody System
<b>DTVM</b>	Securities Dealer	<b>SESI</b>	National Industry Social Service
<b>DVA</b>	Value-Added Statement	<b>SFH</b>	National Housing System
			Internal Week of Labor Accident
<b>EPE</b>	Specific Purpose Entities	<b>SIPAT</b>	Prevention
<b>ERP</b>	Enterprise Resource Planning	<b>SPB</b>	Brazilian Payment System
	Export and Import BNDES Financing		
<b>EXIM</b>	Line	<b>SPE</b>	Specific Purpose Entity
<b>FGV</b>	Getulio Vargas Foundation	<b>SUSEP</b>	Superintendence of Private Insurance
<b>FIA</b>	Management Institute Foundation	<b>TED</b>	Instant Online Transfer
<b>FIDC</b>	Credit Right Funds	<b>TJLP</b>	Long-term Interest Rate
<b>FIE</b>	Exclusive Investment Fund	<b>TR</b>	Reference Rate
<b>FINABENS</b>	Financing of Other Goods and Services	<b>TVM</b>	Marketable Securities
	Fund for Financing the Acquisition of		
<b>FINAME</b>	Industrial	<b>VaR</b>	Value at Risk
	Machinery and Equipment	<b>VGBL</b>	Long-term Life Insurance



**1 - Bradesco Line by Line**

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**Summarized Statement of Income Analysis**

September YTD/04 x September YTD/05 R\$ million

	Statement of Income		Adjustments (1)	Adjusted Statement of Income		Variation	
	9M04	9M05	9M05	9M04	9M05	Amount	%
Net Interest Income (2)	9,715	12,852	(907)	9,715	11,945	2,230	23.0
Allowance for Doubtful Accounts-PDD (3)	(1,553)	(1,737)		(1,553)	(1,737)	(184)	11.8
<b>Intermediation Gross Income</b>	<b>8,162</b>	<b>11,115</b>	<b>(907)</b>	<b>8,162</b>	<b>10,208</b>	<b>2,046</b>	<b>25.1</b>
Insurance Operating Income (4)	(224)	31	327	(224)	358	582	
Fee Income (5)	4,149	5,339		4,149	5,339	1,190	28.7
Personnel Expenses (6)	(3,685)	(3,950)		(3,685)	(3,950)	(265)	7.2
Other Administrative Expenses (6)	(3,649)	(3,703)		(3,649)	(3,703)	(54)	1.5
Tax Expenses (6)	(1,053)	(1,377)	73	(1,053)	(1,304)	(251)	23.8
Other Operating Income/Expenses	(1,117)	(1,475)		(1,117)	(1,475)	(358)	32.1
<b>Operating Income</b>	<b>2,583</b>	<b>5,980</b>	<b>(507)</b>	<b>2,583</b>	<b>5,473</b>	<b>2,890</b>	<b>111.9</b>
Non-Operating Income	(343)	(37)		(343)	(37)	306	
Income Tax, Social Contribution And Minority Interest	(238)	(1,892)	507	(238)	(1,385)	(1,147)	481.9
Net Income	2,002	4,051		2,002	4,051	2,049	102.3

In the nine-month period ended on September 30, 2005, Bradesco's net income reached R\$ 4,051 million, which corresponds to a 102.3% growth in relation to the same period of previous year. Bradesco's stockholders' equity amounted to R\$ 18,262 million on September 30, 2005, equivalent to a 24.4% increase compared to the balance of September 2004. Consequently, the annualized return on stockholders' equity (ROE) reached 30.6%. Total consolidated assets reached R\$ 201,913 million at the end of September 2005, a 12.4% growth in relation to the balance of same date of previous year. The annualized return on total assets (ROA), in the first nine months of 2005, was 2.7%. Earnings per share was R\$ 8.26.

**(1) Adjustments**

The effects outlined below were annulled between items in the nine-month period of 2005:

- (i) partial income from derivatives used for hedge effects of investments abroad, which in terms of net income simply annuls the fiscal and tax effect (IR/CS and PIS/COFINS) of such hedge strategy of R\$ 580 million; and
- (ii) extraordinary provision in the amount of R\$ 324 million was recorded in the Individual Health portfolio, to bring to the same level the premiums for insurance holders over 60 years of age whose health insurance plans are prior to

the Law 9,656/98 and for benefits related to fully settled plans whose holders are still entitled to their benefits ( *planos remidos* ), which was offset by a positive result verified in the partial sale of our stake in Belgo-Mineira, in the amount of R\$ 327 million.

Excluding these adjustments, the main items which influenced the net income in the first nine months of 2005 are outlined below:

**(2) Net Interest Income R\$ 2,230 million**

Such growth is basically due to interest component, caused by an increment in the business volume, pointing out a 63.7% increase in the volume of loan operations for individuals, mainly concerned with consumer sales and personal loan financing, which shows a higher profitability than the corporate portfolio.

**(3) Allowance for Doubtful Accounts R\$ 184 million**

The variation is mostly due to a 25.5% increase in the volume of loan operations over the past 12 months, pointing out the individual client operations, climbing 63.7%, which in view of its specific characteristic, requires a higher volume of provision.

**(4) Income from Insurance, Private Pension Plan and Savings Bonds Operations R\$ 582 million**

The hike is basically due to: (i) an increase in the business volume, reflected in the customer base growth; and (ii) extraordinary provision recorded in 2004, in view of the improvement in the calculation of IBNR provision.

**(5) Fee Income R\$ 1,190 million**

The increase is mainly due to a higher average volume of operations, combined with an increased customer base, and fee realignment and improvement in the partnership index (cross-selling), as a result of the clients segmentation process.

**(6) Personnel, Administrative and Tax Expenses R\$ 570 million**

Out of such amount, R\$ 251 million of tax expenses basically derive: (i) from increased PIS/COFINS expenses, in view of higher taxable income; (ii) increased ISS expenses, due to changes in laws; and (iii) R\$ 265 million of personnel expenses mainly referring to the effect of collective bargaining agreement of 2004 and 2005, as well as of the bonus lump-sum payment in September/05.

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Summarized Statement of Income Analysis 2Q05 x 3Q05 R\$ million

	Statement of Income		Adjustments (1)		Adjusted Statement of Income		Variation	
	2Q05	3Q05	2Q05	3Q05	2Q05	3Q05	Amount	%
Net Interest Income (2)	4,355	4,498	(409)	(161)	3,946	4,337	391	9.9
Allowance for Doubtful Accounts PDD ( 3)	(562)	(540)			(562)	(540)	22	(3.9)
<b>Intermediation Gross Income</b>	<b>3,793</b>	<b>3,958</b>	<b>(409)</b>	<b>(161)</b>	<b>3,384</b>	<b>3,797</b>	<b>413</b>	<b>12.2</b>
Insurance Operating Income (4)	98	147			98	147	49	50.0
Fee Income (5)	1,760	1,918			1,760	1,918	158	9.0
Personnel Expenses (6)	(1,246)	(1,483)			(1,246)	(1,483)	(237)	19.0
Other Administrative Expenses (6)	(1,240)	(1,271)			(1,240)	(1,271)	(31)	2.5
Tax Expenses (6)	(497)	(475)	52	20	(445)	(455)	(10)	2.2
Other Operating Income/Expenses	(522)	(544)			(522)	(544)	(22)	4.2
<b>Operating Income</b>	<b>2,146</b>	<b>2,250</b>	<b>(357)</b>	<b>(141)</b>	<b>1,789</b>	<b>2,109</b>	<b>320</b>	<b>17.9</b>
Non-Operating Income	(21)	(10)			(21)	(10)	11	(52.4)
Income Tax, Social Contribution and Minority Interest	(709)	(810)	357	141	(352)	(669)	(317)	90.1
<b>Net Income</b>	<b>1,416</b>	<b>1,430</b>			<b>1,416</b>	<b>1,430</b>	<b>14</b>	<b>1.0</b>

In 3Q05, Bradesco's net income reached R\$ 1,430 million, which corresponds to a 1.0% growth when compared to 2Q05. Bradesco's stockholders' equity amounted to R\$ 18,262 million on September 30, 2005, corresponding to a 4.7% increase in relation to June 2005. Consequently, the annualized return on stockholders' equity (ROE) reached 35.2%. Total consolidated assets reached R\$ 201,913 million at the end of September 2005, a 3.8% growth in the quarter. The annualized return on total assets (ROA), was 2.9% in 3Q05. Earnings per share reached R\$ 2.92.

### (1) Adjustments

The partial income from derivatives used for hedge effects of investments abroad, which in terms of net income, simply annuls the fiscal and tax effect (IR/CS and PIS/COFINS) of such hedge strategy was R\$ 161 million and R\$ 409 million in 3Q05 and 2Q05, respectively.

Excluding these adjustments, main items which influenced the net income in 3Q05 are outlined below:

### (2) Net Interest Income R\$ 391 million

Such growth is basically due to interest component, which is directly related to the business volume expansion, pointing out loan operations for individuals, which shows a higher profitability than the corporate portfolio, the amount of which reached the mark of R\$ 30.6 billion, accounting for a 14.0% expansion in the quarter.

**(3) Allowance for Doubtful Accounts R\$ 22 million (income)**

Such variation is basically due to: (i) a reversal of PDD preventive recording on loan operations granted to an utilities concessionaire in 1Q05, in the amount of R\$ 166 million, as it adjusted its liabilities to its real ability to pay; and offset by: (ii) higher recording of PDD stemming from an increase in the loan operations volume, particularly for individuals.

**(4) Income from Insurance, Private Pension Plan and Savings Bonds Operations R\$ 49 million**

The increase is basically due to: (i) the growth in the sale of "VGBL" and "PGBL" products; and (ii) lower volume of redemptions for the "VGBL" product in the quarter.

**(5) Fee Income R\$ 158 million**

Such variation is mostly due to an increased business volume, revenues from checking accounts, assets under management and income on cards standing out.

**(6) Personnel, Administrative and Tax Expenses R\$ 278 million**

Such variation is mostly due to: (i) the effect of collective bargaining agreement of the category (6.0%) and bonus lump-sum payment in September/05; and (ii) higher labor provision expenses in the quarter.

**Highlights**

## Earnings

	R\$ million					
	September YTD			2005		
	2004	2005	Variation %	2nd Qtr.	3rd Qtr.	Variation %
Net Interest Income	9,715	12,852	32.3	4,355	4,498	3.3
Allowance for Doubtful Accounts	1,553	1,737	11.8	562	540	(3.9)
Fee Income	4,149	5,339	28.7	1,760	1,918	9.0
Insurance, Private Pension Plans and Savings Bonds						
Retained Premiums	9,447	9,343	(1.1)	3,001	3,546	18.2
Personnel Expenses	3,685	3,950	7.2	1,246	1,483	19.0
Other Administrative Expenses	3,649	3,703	1.5	1,240	1,271	2.5
Operating Income	2,583	5,980	131.5	2,146	2,250	4.8
Net Income	2,002	4,051	102.3	1,416	1,430	1.0

## Balance Sheet

	R\$ million					
	September			2005		
	2004	2005	Variation %	June	September	Variation %
Total Assets	179,703	201,913	12.4	194,542	201,913	3.8
Marketable Securities	58,155	64,248	10.5	64,441	64,248	(0.3)
Loan Operations	59,976	75,244	25.5	69,787	75,244	7.8
Permanent Assets	4,966	4,530	(8.8)	4,561	4,530	(0.7)
Total Deposits	64,787	71,095	9.7	71,654	71,095	(0.8)
Borrowings and Onlendings	16,715	15,241	(8.8)	14,999	15,241	1.6
Technical Provisions	31,585	38,235	21.1	36,533	38,235	4.7
Stockholders Equity	14,678	18,262	24.4	17,448	18,262	4.7

## Change in Number of Outstanding Stocks

	Common stock	Preferred stock	Total
<b>Number of Outstanding Stocks on December 31, 2004</b>	<b>238,351,329</b>	<b>236,081,796</b>	<b>474,433,125</b>
Capital Increase Through Subscription	8,791,857	8,708,143	17,500,000

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Capital Increase Through Stock Merger	182,504	180,767	363,271
Stocks Acquired and not Cancelled	(2,066,938)	(1,287)	(2,068,225)
<b>Number of Outstanding Stocks on September 30, 2005</b>	<b>245,258,752</b>	<b>244,969,419</b>	<b>490,228,171</b>

Stock Performance (\*)

	R\$					
	September YTD			2005		
	2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
Net Income per Stock	4.22	8.26	95.7	2.88	2.92	1.4
Dividends/JCP per Stock ON (Net of Income Tax)	1.677	2.542	51.6	0.923	1.011	9.5
Dividends/JCP per Stock PN (Net of Income Tax)	1.845	2.796	51.5	1.015	1.112	9.6
Book Value per Stock (ON and PN)	30.94	37.25	20.4	35.53	37.25	4.8
Last Business Day Average Price ON	39.48	101.88	158.1	77.80	101.88	31.0
Last Business Day Average Price PN	50.00	108.72	117.4	83.37	108.72	30.4
Market Value of Stockholders Equity (R\$ million) (*)	21.213	51.620	143.3	39.570	51.620	30.5

(\*) number of stocks x average quotation of the last day of the period.

Remark: for the purposes of comparison, in September 2004, the amounts were adjusted by 200% due to stock splitting.

## Cash Generation

	R\$ million					
	2004			2005		
	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD
Net Income	641	752	2,002	1,416	1,430	4,051
Equity in the Earnings of Affiliated Companies	(122)	4	(118)	(10)	(64)	(69)
Allowance for Doubtful Accounts	514	478	1,553	562	540	1,737
Technical Provisions	1,392	2,019	4,941	1,181	1,612	4,151
Allowance/Reversal for Mark-to-Market		5	1	(38)	3	(28)
Depreciation and Amortization	119	118	360	111	109	336
Goodwill Amortization	226	188	501	88	86	270
Other	(19)	31	39	42	34	106
<b>Total</b>	<b>2,751</b>	<b>3,595</b>	<b>9,279</b>	<b>3,352</b>	<b>3,750</b>	<b>10,554</b>

## Added Value

	R\$ million					
	2004			2005		
	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD
<b>ADDED Value (A+B+C)</b>	<b>2,313</b>	<b>2,702</b>	<b>7,398</b>	<b>3,859</b>	<b>4,124</b>	<b>11,136</b>
A Gross Income from Financial Intermediation	2,567	2,825	8,162	3,793	3,958	11,115
B Fee Income	1,375	1,455	4,149	1,760	1,918	5,339
C Other Operating Income/Expenses	(1,629)	(1,578)	(4,913)	(1,694)	(1,752)	(5,318)
<b>Distribution of Added Value (D+E+F+G)</b>	<b>2,313</b>	<b>2,702</b>	<b>7,398</b>	<b>3,859</b>	<b>4,124</b>	<b>11,136</b>
D Employees	995	1,030	2,968	990	1,230	3,201
E Government	677	920	2,428	1,453	1,462	3,884
F JCP/Dividends to Stockholders (paid and accrued)	325	333	985	559	612	1,537
G Reinvestment of Profits	316	419	1,017	857	818	2,514
<b>Distribution of Added Value percentage</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Labor Remuneration	43.0	38.1	40.1	25.7	29.8	28.7
Government Remuneration	29.3	34.1	32.8	37.6	35.5	34.9
Interest on Own Capital/Dividends to Stockholders (paid and accrued)	14.0	12.3	13.3	14.5	14.8	13.8
Profit Reinvestments	13.7	15.5	13.8	22.2	19.9	22.6



## Fixed Assets to Stockholders` Equity Ratio Calculation Statement

	2004		2005	
	June	September	June	September
<b>Stockholders` Equity + Minority</b>				
<b>Stockholders</b>	<b>13,716</b>	<b>14,752</b>	<b>17,502</b>	<b>18,316</b>
Subordinated Debts	5,987	5,771	6,185	6,077
Tax Credits	(132)	(132)	(82)	(82)
Exchange Membership Certificates	(61)	(68)	(64)	(66)
<b>Reference Equity (A) (*)</b>	<b>19,510</b>	<b>20,323</b>	<b>23,541</b>	<b>24,245</b>
Fixed	7,246	7,100	7,259	7,576
Fixed Assets and Leasing	(1,948)	(2,019)	(2,614)	(2,960)
Unrealized Leasing Losses	(57)	(76)	(96)	(96)
Exclusions Authorized by Bacen	(90)			
Exchange Membership Certificates	(61)	(68)	(64)	(66)
<b>Total Fixed Assets (B) (*)</b>	<b>5,090</b>	<b>4,937</b>	<b>4,485</b>	<b>4,454</b>
<b>Fixed Assets to Stockholders` Equity Ratio</b>				
<b>(B/A) %</b>	<b>26.1</b>	<b>24.3</b>	<b>19.1</b>	<b>18.4</b>
<b>Excess in Reais</b>	<b>4,665</b>	<b>5,224</b>	<b>7,286</b>	<b>7,669</b>

(\*) For the calculation of fixed assets to stockholders` equity ratio, the exchange membership certificates are excluded from the reference equity and fixed assets, as per BACEN`S resolution 2283.

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Performance Ratios (annualized) in percentage

	2004			2005		
	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD
Return on Stockholders Equity (Total)	20.1	22.1	18.6	36.6	35.2	30.6
Return on Stockholders Equity (Average)	20.5	23.3	20.0	38.1	36.5	33.6
Return on Total Assets (Total)	1.5	1.7	1.5	2.9	2.9	2.7
Stockholders Equity to Total Assets	7.7	8.2	8.2	9.0	9.0	9.0
Capital Adequacy Ratio (Basel) Financial Consolidated	18.1	19.9	19.9	18.2	17.7	17.7
Capital Adequacy Ratio (Basel) Total Consolidated	15.7	17.0	17.0	15.8	15.5	15.5
Fixed Assets to Stockholders' Equity Ratio Financial Consolidated	41.4	42.9	42.9	41.4	42.8	42.8
Fixed Assets to Stockholders' Equity Ratio Total Consolidated	26.1	24.3	24.3	19.1	18.4	18.4
Efficiency Ratio (12 months accumulated)	60.1	58.3	58.3	48.1	45.7	45.7

Market Share Consolidated percentage

	2004		2005	
	June	September	June	September
<b>Banks Source: BACEN</b>				
Assets under management	14.8	14.7	15.2	15.2
Time Deposit	11.6	10.7	10.8	NA
Savings Deposit	15.0	15.2	15.4	NA
Demand Deposit	16.8	17.4	17.4	NA
Fee Income	12.3	12.8	12.9	NA
CPMF	19.8	19.9	20.1	20.0
Loan Operations	13.1	13.0	13.3	13.7
Number of Branches	17.7	17.7	16.7	16.7(*)
<b>Insurance, Private Pension Plan and Savings Bonds Source: SUSEP</b>				
Insurance, Private Pension Plan and Savings Bonds Premiums	24.2	25.1	24.2	24.7(*)
Insurance Premiums (1)	24.5	25.4	24.6	25.0(*)
Revenues from Pension Plan Contributions (2)	24.6	26.4	26.2	26.4(*)
Revenues from Savings Bonds	22.0	21.4	19.3	20.2(*)
Technical provisions for Insurance, Private Pension Plan and Savings Bonds	38.9	39.1	38.2	38.0(*)
<b>Leasing Source: ABEL</b>				
Active Operations	12.8	12.1	11.3	11.4(*)

**Banco Finasa Source: BACEN**

Finabens	18.8	19.2	19.6	20.8(*)
Auto	6.4	7.5	25.4	36.8(*)

**Consortium Purchase Plans Source: BACEN**

Real properties	16.2	16.9	18.1	20.6(*)
Auto	6.7	8.1	13.8	14.8(*)

**International Area Source: BACEN**

Export Market	20.6	20.9	21.2	21.0
Import Market	11.8	12.9	14.8	14.7

(\*) Data related to August/2005

(1) Includes VGBL

(2) Excludes VGBL

NA not available by BACEN

## Other Information

	2005			September		
	June	September	Variation %	2004	2005	Variation %
Assets under Management R\$ million	283,269	295,492	4.3	255,017	295,492	15.9
Number of Employees	72,862	73,556	1.0	74,227	73,556	(0.9)
Number of Branches	2,913	2,916	0.1	3,049	2,916	(4.4)
Checking Account Holders Million	16.4	16.5	0.6	15.3	16.5	7.8
Debit and Credit Card Base Million	48.5	50.9	4.9	45.2	50.9	12.6

**Bradesco's Stocks**

Number of Stocks (in thousands) Common and Preferred Stocks(\*)

	December					2005	
	2000	2001	2002	2003	2004	June	September
Common	211,868	219,180	215,803	239,509	238,351	246,100	245,259
Preferred	205,743	212,984	212,561	236,082	236,082	244,971	244,969
<b>Subtotal Outstanding Stocks</b>	<b>417,611</b>	<b>432,164</b>	<b>428,364</b>	<b>475,591</b>	<b>474,433</b>	<b>491,071</b>	<b>490,228</b>
Treasury Stocks	2,334	1,467	2,939	172		1,225	2,068
<b>Total</b>	<b>419,945</b>	<b>433,631</b>	<b>431,303</b>	<b>475,763</b>	<b>474,433</b>	<b>492,296</b>	<b>492,296</b>

(\*) For comparison purposes, the stocks quantities were adjusted at 200% due to the stock splitting. Referring to years prior to 2003, the stocks were divided by 10,000 in view of their reverse split.

On September 30, 2005, Bradesco's capital stock was R\$ 10.0 billion, composed of 492,296,396 stocks, of which 247,325,690 are common and 244,970,706 are preferred, nonpar and book-entry stocks. The largest stockholder is the holding company, Cidade de Deus Participações, which directly holds 48.32% of our voting capital and 24.28% of our total capital. Cidade de Deus Participações, in its turn is, controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações. Nova Cidade de Deus is basically owned by Fundação Bradesco and Elo Participações. Elo Participações has as stockholders the majority of members of Bradesco's Board of Directors and Statutory Executive Board (see page 114).

Quantity of Stockholders Resident in the Country and Abroad

	December					2005	
	2000	2001	2002	2003	2004	June	September
Individual	2,186,535	2,170,158	2,153,800	2,158,808	1,254,044	1,247,455	1,243,780
Corporate	182,205	181,007	179,609	180,559	116,894	116,549	116,307
<b>Subtotal Residents in the Country</b>	<b>2,368,740</b>	<b>2,351,165</b>	<b>2,333,409</b>	<b>2,339,367</b>	<b>1,370,938</b>	<b>1,364,004</b>	<b>1,360,087</b>
Residents Abroad	598	565	373	465	3,780	3,696	3,704
<b>Total</b>	<b>2,369,338</b>	<b>2,351,730</b>	<b>2,333,782</b>	<b>2,339,832</b>	<b>1,374,718</b>	<b>1,367,700</b>	<b>1,363,791</b>

Referring to Bradesco's local and foreign stockholders' base on September 30, 2005, we observe that 1,360,087 were domiciled in Brazil, accounting for 99.7% of total stockholders' base and holding 71.22% of the Bradesco's outstanding stocks, while 3,704 lived abroad, representing 0.3% of total stockholders' base and holding 28.78% of Bradesco's outstanding stocks.

Market Value R\$ million



Market Value/Stockholders' Equity

Market Value/Stockholders' Equity: indicates the number of times Bradesco's market value is higher than its book value of stockholders' equity.

Formula used: quantity of common and preferred stocks multiplied by its respective average price of the last business day of the period. The amount is divided by book value of stockholders' equity of the period.

Dividend Yield in percentage (12 months accumulated)

Dividend Yield: is the ratio of the stock price and the net dividend distributed to stockholders over the past 12 months, indicating the investors' return related to profit sharing.

Formula used: amount received by stockholder as dividend and/or interest on own capital (net of withholding tax) over the past 12 months, which is divided by preferred stock closing price of the last business day of the period.

Payout Index in percentage

Payout Index: indicates the percentage of net income paid as dividends/interest on own capital (net of withholding tax).

Formula used: amount received by stockholders as dividends and/or interest on own capital (net of withholding tax), which is divided by net income adjusted by legal reserve. (5% of net income).

Financial Volume Bradesco PN x Ibovespa

Net Income per Stock R\$ (12 months accumulated) (\*)

(\*) For comparison purposes, the stocks quantities were adjusted at 200% due to stock splitting. For years prior to 2003, stocks were divided by 10,000 due to their reverse split.

Bradesco PN (BBDC4) x Ibovespa Appreciation Index in percentage

#### Stock Performance

Bradesco's preferred stocks had a 69.4% appreciation in the first nine months of 2005, if we consider the closing price of the last business day of the period, while Ibovespa appreciated 20.6% .

We believe that Bradesco's good performance until the end of the 3<sup>rd</sup> quarter of 2005 was mainly influenced by the market perception that a new level of profitability attained by the Bank as from the 4<sup>th</sup> quarter of 2004 became sustainable in view of a robust positioning in various market segments and results and our focus on cost control.

A solid performance of loan market for individuals and delinquency under control created a specially favorable environment to our operations, which combined with strategic agreements and partnerships entered into over the past quarters in the consumer loan segment favored our performance, leading our return on equity to the levels currently verified.



## Comparative Statement of Income

	R\$ million					
	September YTD			2005		
	2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
<b>Revenues from Financial Intermediation</b>	<b>20,001</b>	<b>23,761</b>	<b>18.8</b>	<b>7,119</b>	<b>8,533</b>	<b>19.9</b>
Loan Operations	9,630	11,484	19.3	3,479	4,296	23.5
Leasing Operations	215	316	47.0	95	134	41.1
Marketable Securities Transactions	4,162	3,315	(20.4)	303	1,357	347.9
Financial Income on Insurance, Private Pension Plans and Savings Bonds	3,763	4,749	26.2	1,465	1,516	3.5
Derivative Financial Instruments	709	2,445	244.9	1,331	748	(43.8)
Foreign Exchange Transactions	663	321	(51.6)	59	90	52.5
Compulsory Deposits	859	1,131	31.7	387	392	1.3
<b>Expenses From Financial Intermediation (not including PDD)</b>	<b>10,286</b>	<b>10,909</b>	<b>6.1</b>	<b>2,764</b>	<b>4,035</b>	<b>46.0</b>
Funds Obtained in the Open Market	6,776	7,572	11.7	1,864	2,898	55.5
Price-Level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	2,294	2,714	18.3	902	873	(3.2)
Borrowings and Onlendings	1,203	616	(48.8)	(5)	263	
Leasing Operations	13	7	(46.2)	3	1	(66.7)
<b>Net Interest Income</b>	<b>9,715</b>	<b>12,852</b>	<b>32.3</b>	<b>4,355</b>	<b>4,498</b>	<b>3.3</b>
Allowance for Doubtful Accounts	(1,553)	(1,737)	11.8	(562)	(540)	(3.9)
<b>Gross Income from Financial Intermediation</b>	<b>8,162</b>	<b>11,115</b>	<b>36.2</b>	<b>3,793</b>	<b>3,958</b>	<b>4.4</b>
<b>Other Operating Income (Expense)</b>	<b>(5,579)</b>	<b>(5,135)</b>	<b>(8.0)</b>	<b>(1,647)</b>	<b>(1,708)</b>	<b>3.7</b>
Fee Income	4,149	5,339	28.7	1,760	1,918	9.0
<b>Operating Income from Insurance, Private Pension Plans and Savings Bonds</b>	<b>(224)</b>	<b>31</b>		<b>98</b>	<b>147</b>	<b>50.0</b>
<b>(+) Net Premiums Written</b>	<b>10,918</b>	<b>11,741</b>	<b>7.5</b>	<b>3,811</b>	<b>4,314</b>	<b>13.2</b>
(-) Reinsurance Premiums and Redeemed Premiums	(1,470)	(2,398)	63.1	(810)	(768)	(5.2)
<b>(=) Retained Premiums from Insurance, Private Pension Plans and Savings Bonds</b>	<b>9,447</b>	<b>9,343</b>	<b>(1.1)</b>	<b>3,001</b>	<b>3,546</b>	<b>18.2</b>
Retained Premiums from Insurance	4,663	5,493	17.8	1,824	1,883	3.2
Private Pension Plans Contributions	3,744	2,816	(24.8)	820	1,270	54.9
Income on Savings Bonds	1,040	1,034	(0.6)	357	393	10.1
<b>Variation in Technical Provisions for Insurance,</b>						

<b>Private Pension Plans and Savings</b>						
<b>Bonds</b>	<b>(2,647)</b>	<b>(1,437)</b>	<b>(45.7)</b>	<b>(280)</b>	<b>(739)</b>	<b>163.9</b>
Variation in Technical Provisions for Insurance	(162)	(580)	258.0	(124)	(64)	(48.4)
Variation in Technical Provisions for Pension Plans	(2,439)	(848)	(65.2)	(178)	(659)	270.2
Variation in Technical Provisions for Savings Bonds	(46)	(9)	(80.4)	22	(16)	
Retained Claims	(3,842)	(4,292)	11.7	(1,457)	(1,463)	0.4
Savings Bonds Draws and Redemptions	(931)	(897)	(3.7)	(314)	(337)	7.3
<b>Insurance and Private Pension Plans</b>						
<b>Selling</b>						
<b>Expenses</b>	<b>(633)</b>	<b>(697)</b>	<b>10.1</b>	<b>(224)</b>	<b>(244)</b>	<b>8.9</b>
Insurance Products Selling Expenses	(519)	(570)	9.8	(187)	(200)	7.0
Private Pension Plans Selling Expenses	(114)	(115)	0.9	(34)	(39)	14.7
Savings Bonds Selling Expenses		(12)		(3)	(5)	66.7
Expenses with Private Pension Plans						
<b>Benefits and</b>						
Redemptions	(1,619)	(1,989)	22.9	(628)	(616)	(1.9)
Personnel Expenses	(3,685)	(3,950)	7.2	(1,246)	(1,483)	19.0
Other Administrative Expenses	(3,649)	(3,703)	1.5	(1,240)	(1,271)	2.5
Tax Expenses	(1,053)	(1,377)	30.8	(497)	(475)	(4.4)
Equity in the Earnings of Affiliated Companies	118	69	(41.5)	10	64	540.0
Other Operating Income	888	797	(10.2)	259	238	(8.1)
Other Operating Expenses	(2,122)	(2,341)	10.3	(791)	(846)	7.0
<b>Operating Income</b>	<b>2,583</b>	<b>5,980</b>	<b>131.5</b>	<b>2,146</b>	<b>2,250</b>	<b>4.8</b>
<b>Non-Operating Income</b>	<b>(343)</b>	<b>(37)</b>	<b>(89.2)</b>	<b>(21)</b>	<b>(10)</b>	<b>(52.4)</b>
<b>Income Before Taxes and Profit</b>						
<b>Sharing</b>	<b>2,240</b>	<b>5,943</b>	<b>165.3</b>	<b>2,125</b>	<b>2,240</b>	<b>5.4</b>
Income Tax and Social Contribution	(233)	(1,888)	710.3	(708)	(807)	14.0
Minority Interest in Subsidiaries	(5)	(4)	(20.0)	(1)	(3)	200.0
<b>Net Income</b>	<b>2,002</b>	<b>4,051</b>	<b>102.3</b>	<b>1,416</b>	<b>1,430</b>	<b>1.0</b>
<b>Return on Stockholders' Equity</b>						
<b>Annualized (%)</b>	<b>18.6</b>	<b>30.6</b>		<b>36.6</b>	<b>35.2</b>	

**Analysis of the Statement of Income R\$ million**

## Income from Loan and Leasing Operations

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
9,832	11,793	19.9	3,571	4,429	24.0

Income was up basically as a result of: (i) the increase in the volume of the loan portfolio, which totaled R\$ 75,244 in September/05 against R\$ 59,976 in September/04, i.e., a 25.5% increase, particularly the individual client portfolio, up by 63.7%, which shows higher profitability than corporate portfolio, pointing out Personal Loan and Auto CDC products, while the corporate portfolio climbed 8.2%, pointing out Working Capital and Overdraft-Secured Account products; which was partially **offset** by: (ii) exchange loss variation of 16.3% in the period/05, against an exchange loss variation of 1.1% in the period/04, affecting foreign currency indexed and/or denominated operations, which comprise 8.3% of total Loan and Leasing Operations, basically derived from corporate portfolio (excluding Advances on Foreign Exchange Contracts).

Increased revenues were mainly due to: (i) increased loan portfolio volume, reaching the amount of R\$ 75,244 in September/05, against R\$ 69,787 in June/05, pointing out the individual client portfolio, with a 14.0% growth, which shows higher profitability than corporate portfolio, pointing out Personal Loan and Auto CDC products, while the corporate portfolio climbed 4.0%, pointing out Compror, Auto and Overdraft-Secured Account products; and (ii) lower exchange loss variation of 5.5% in 3Q05, against 11.8% in 2Q05, affecting our foreign currency indexed and/or denominated operations, comprising 8.3% of total Loan and Leasing Operations, basically derived from corporate portfolio (excluding Advances on Foreign Exchange Contracts).

## Income from Marketable Securities (TVM) and Derivative Financial Instruments

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
4,871	5,760	18.3	1,634	2,106	28.9

The increase in income is basically due to: (i) higher non-interest income gains of R\$ 1,056, which includes R\$ 580 represented by a portion of income from derivatives used for hedge effects of investments abroad, which in terms of net income simply annuls the tax effect of such hedge strategy in the period; (ii) higher average interest rates, observing the 14.1% CDI variation in the period/05, compared to 11.7% in the period/04; and (iii) increased average volume of TVM portfolio; which was **offset** by: (iv) exchange loss variation of 16.3% in the period/05,

The variation in income is mainly due to: (i) lower exchange loss variation of 5.5% in 3Q05, against 11.8% in 2Q05, impacting on foreign currency indexed and/or denominated operations, comprising 10.6% of the portfolio; (ii) higher average interest rates, observing the 4.7% CDI variation in 3Q05, compared to 4.6% in 2Q05; offset by: (iii) lower non-interest income gains of R\$ 117, composed of basically partial reduction in income from derivatives used for hedge effects of investments abroad, which, in terms of net income simply annuls the tax effect

against an exchange loss variation of 1.1% in the period/04, impacting on the foreign currency indexed and/or denominated operations, comprising 10.6% of the portfolio. of such hedge strategy in the quarter R\$ 248.

## Financial Income on Insurance, Private Pension Plans and Savings Bonds

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
3,763	4,749	26.2	1,465	1,516	3.5

The variation in the period was basically due to: (i) an increase in the volume of the securities portfolio, mainly comprising federal government bonds, which are linked to technical provisions, especially PGBL and VGBL products; (ii) higher average interest rates in line with the CDI variation of 14.1% in the period/05, as compared to 11.7% in the period/04; (iii) higher non-interest income of R\$ 525 in the period/05 against R\$ 146 in the period/04, as a result of increased TVM gains, in which we point out a positive result of R\$ 327 recorded with the partial sale of our stake in Belgo-Mineira's capital stock in the period/05, partially **mitigated:** (iv) by lower variation in the IGP-M index of 0.2% in the period/05 against 10.3% in the period/04.

The variation for the quarter was substantially due to: (i) an increase in the volume of marketable securities portfolio, mainly comprising federal government bonds, which are linked to technical provisions, especially PGBL and VGBL products; (ii) higher average interest rates in line with the CDI variation of 4.7% in 3Q05, against 4.6% in 2Q05; **offset:** (iii) by positive variation of IGP-M, 0.2% in 2Q/05, against a negative variation of 1.5% in 3Q/05; and (iv) by lower non-interest income of R\$ 17 compared to 2Q05, as a result of lower TVM gains.

## Foreign Exchange Transactions

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
663	321	(51.6)	59	90	52.5

This item should be analyzed deducted from expenses with foreign funding, used for import/export operations financing, in accordance with Note 13a. After the deductions, the result would be of R\$ 143 in the period/04 and of R\$ 170 in the period/05, mainly influenced by the increased average volume of the foreign exchange portfolio in the period.

This item should be analyzed deducted from expenses with foreign funding, used for import/export operations financing, in accordance with Note 13a. After such deductions, the result would be of R\$ 55 in 2Q05 and of R\$ 59 in 3Q05, i.e., steady in the quarter.

## Compulsory Deposits

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
859	1,131	31.7	387	392	1.3

The variation mainly reflects the increases in: (i) average volume of deposits in the period; (ii) in the SELIC rate, used to remunerate the additional compulsory deposit, from 11.7% in the period/04 to 14.1% in the period/05; and (iii) Reference Rate TR, which composes the remuneration of compulsory deposits over savings deposits, from 1.4% in the period/04 to 2.2% in the period/05.

Income from compulsory deposits remained practically stable in the analyzed quarters.

## Funding Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
6,776	7,572	11.7	1,864	2,898	55.5

The variation is mostly due to: (i) higher average interest rates, observing the CDI variation of 14.1% in the period/05, against 11.7% in the period/04, mainly affecting the time deposits expenses and purchase and sale commitments of R\$ 1,460 and R\$ 562, respectively; (ii) increased Reference Rate TR, from 1.4% in the period/04 to 2.2% in the period/05, affecting the savings deposits expenses, R\$ 305; (iii) increase in average balance of funding in the period; which was **offset** by: (iv) exchange loss variation of 16.3% in the period/05, against 1.1% in the period/04, impacting on foreign currency indexed and/or denominated fundings, R\$ 1,680.

Increased expenses in the quarter mainly derive from: (i) lower exchange loss variation of 5.5% in 3Q05, against 11.8% in 2Q05, impacting on foreign currency indexed and/or denominated fundings, R\$ 727; and (ii) higher purchase and sale commitments expense of R\$ 217, as a result of higher average volume.

## Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Saving Bonds

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
2,294	2,714	18.3	902	873	(3.2)

The increase is mostly due to: (i) higher average balance of Technical Provisions, especially PGBL and VGBL products; (ii) higher average interest rates, observing the CDI variation of 14.1% in the period/05, against 11.7% in the period/04; and partially **mitigated**: (iii) by lower IGP-M variation of 0.2% in the period/05, against 10.3% in the period/04, one of the indexes which also remunerates the Technical Provisions.

The variation in the quarter mostly derives from: (i) IGP-M negative variation of 1.5% in 3Q05, against an IGP-M positive variation of 0.2% in 2Q05, one of the indexes which also remunerates the Technical Provisions; partially **offset**: (ii) by higher average interest rates, observing the CDI variation of 4.7% in 3Q05, against 4.6% in 2Q05; and (iii) increase in the average balance of Technical Provisions, particularly PGBL and VGBL products.

## Borrowings and Onlendings Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
1,203	616	(48.8)	(5)	263	

The decreased expense is mostly due to: (i) effect of exchange loss variation of 16.3% in the period/05, against 1.1% in the period/04, impacting on foreign currency indexed and/or denominated loans and onlendings operations, which account for 44.5% of the Loan and Onlendings Portfolio.

The increase in expense is basically due to: (i) lower exchange loss variation of 5.5% in 3Q05, against 11.8% in 2Q05, impacting on foreign currency indexed and/or denominated loans and onlendings operations, which account for 44.5% of the Loan and Onlendings Portfolio.

## Net Interest Income

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
9,715	12,852	32.3	4,355	4,498	3.3

The variation in the period includes the income earned in the sale of our stake in Belgo-Mineira's capital stock in 1H05 of R\$ 327, as well as a portion of income from derivatives used for hedge effects of investments abroad, which in terms of net income simply annuls the tax effect of such hedge strategy in the period, R\$ 580. Excluding these amounts, the adjusted net interest income would be R\$ 9,715 in the period/04 and R\$ 11,945 in the period/05, i.e., R\$ 1,767 composed of (i) increase in interest income operations of R\$ 2,130, mainly due to a growth in the business volume and (ii) higher non-interest income of R\$ 463, basically due to higher TVM and treasury gains.

The net interest income includes R\$ 409 and R\$ 161 in 2Q05 and 3Q05, respectively, referring to a portion of income from derivatives used for hedge effects of investments abroad, which in terms of net income simply annuls the tax effect of such hedge strategy. Excluding these amounts, the adjusted net interest income would be of R\$ 3,946 in 2Q05 and R\$ 4,337 in 3Q/05, i.e., a R\$ 391 variation composed of: (i) increase in interest income operations of R\$ 292, mainly due to the growth in the business volume; and (ii) by an increase in non-interest income of R\$ 99.

## Allowance for Doubtful Accounts Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
1,553	1,737	11.8	562	540	(3.9)

The increased expense of R\$ 184 is compatible with the performance of our loan portfolio, which evolved approximately 25.5% over the past 12 months, pointing out individual client portfolio with 63.7%. This shows a solid commitment of Bradesco in the concession, recovery and follow-up of loan portfolio, evidenced by means of quality of our AA-C ratings portfolio, comprising 91.6% and 93.1% in September/04 and September/05, respectively.

A significant growth of loan operations in 3Q05, pointing out individuals caused the correspondent increment of PDD expenses, the amount of which was lower than the previous quarter, in view of reversal of provision recorded on a preventive basis in 1Q05 in the amount of R\$ 166, referring to operations granted to a large utilities concessionaire, as it concluded the process of adjusting its liabilities, its actual ability to pay.



## Fee Income

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
4,149	5,339	28.7	1,760	1,918	9.0

The increase in mainly due to a hike in the average volume of operations, combined with an increase in the customer base, fee realignment and improvement in the partnership index (cross-selling), as a result of the segmentation process, pointing out: (i) loan operations R\$ 355; (ii) checking account R\$ 288; (iii) income on cards R\$ 202; (iv) assets under management R\$ 124; (v) collection R\$ 68; and (vi) consortium management R\$ 45.

The variation in the quarter is mostly due to expansion of businesses, substantially reflecting on: (i) checking accounts R\$ 43; (ii) income on cards R\$ 31; (iii) assets under management R\$ 24; and (iv) loan operations R\$ 12.

## Retained Premiums from Insurance, Private Pension Plans and Savings Bonds

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
9,447	9,343	(1.1)	3,001	3,546	18.2

The variation is detailed in the charts below:

The variation is detailed in the charts below:

## a) Retained Premiums from Insurance

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
4,663	5,493	17.8	1,824	1,883	3.2

The variation in the period is basically resulted from: (i) increase in health insurance sales, substantially the corporate plan R\$ 382; (ii) the Auto/RCF sales R\$ 322, due to the launching of profile recording and review of fee system; and (iii) the Life insurance sales R\$ 99, mainly related to the launching of products for the lower income classes, pointing out the *Vida Segura Bradesco* (Bradesco Safe Life), with minimum price of R\$ 9.62/month.

Retained premiums from insurance remained practically stable in 3Q05 when compared to 2Q05, with a slight increase in the corporate health segment R\$ 56.

## b) Private Pension Plans Contributions

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
3,744	2,816	(24.8)	820	1,270	54.9

The variation in the period is substantially due to an increase in the amount of VGBL redemptions R\$ 916 and (ii) a drop in the selling of PGBL product R\$ 136; **mitigated:** (iii) by increased sale of VGBL product R\$ 55 and traditional products R\$ 69. The effects were influenced by changes in tax laws, which also led to the transfer of VGBL redemptions that would occur in 4Q04 to be carried out in 1Q05.

**Note:** according to SUSEP, the recording of VGBL redemptions reduces the retained contributions.

The variation in the quarter was mainly influenced: (i) by a growth in the selling of VGBL products R\$ 400 and PGBL R\$ 70; and lower volume of VGBL redemptions in 3Q05 R\$ 37.

**Note:** according to SUSEP, the recording of VGBL redemptions reduces the retained contributions.

c) Income on Savings Bonds

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
1,040	1,034	(0.6)	357	393	10.1

The income of savings bonds in the period/05 remained practically steady when compared to the period/04.

The variation in the quarter is mostly due to: (i) an increment in sales R\$ 56, basically related to the campaign of product Pé Quente Bradesco GP Ayrton Senna, in partnership with Ayrton Senna Institute; and (ii) increase in the trading of lump-sum payment bonds.

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

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(2,647)	(1,437)	(45.7)	(280)	(739)	163.9

The variation is detailed in the charts below:

The variation is detailed in the charts below:

## a) Variation in Technical Provisions for Insurance

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(162)	(580)	258.0	(124)	(64)	(48.4)

Variations in Technical Provisions for insurance are directly related to the sale of insurance in their respective effectiveness periods, the amounts of which in the period/05 were: (i) in the health portfolio R\$ 117; (ii) in the auto/RCF portfolio R\$ 108; and (ii) extraordinary provision in the amount of R\$ 324 was recorded in the Individual Health portfolio, to bring to the same level the premiums for insurance holders over 60 years of age whose health insurance plans are prior to the Law 9,656/98 and for benefits related to fully settled plans whose holders are still entitled to their benefits ( *planos remidos* ).

Variations in Technical Provisions for insurance are directly related to the sale of insurance in their respective effectiveness periods, the amounts of which in 3Q05 were: (i) health portfolio R\$ 48; and (ii) auto/RCF portfolio R\$ 20.

## b) Variation in Technical Provisions for Private Pension Plans

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(2,439)	(848)	(65.2)	(178)	(659)	270.2

The variation in technical provisions is directly related to new sales, combined with benefits and redemptions. The variation is due to a marked increase in VGBL/PGBL products redemptions and also lower sale of such products in the period/05, due to changes in the tax laws, and variations of the item of R\$ 900 for VGBL, R\$394 for PGBL and R\$ 297 for traditional plans.

Variations in technical provisions are directly related to new sales, combined with benefits and redemptions. In 3Q05, a great volume of sales with lower redemptions occurred in 3Q05, basically influencing the variations of item in VBGL R\$ 425 and PGBL R\$ 95 products.

## c) Variation in Technical Provisions for Savings Bonds

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(46)	(9)	(80.4)	22	(16)	

The amounts in both periods basically refer to technical provisions for contingencies, the needs of which were reduced in the period/05.

The amounts in both periods basically refer to technical provisions for contingencies. In 2Q05, a reversal of such technical provision occurred.

## Retained Claims

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(3,842)	(4,292)	11.7	(1,457)	(1,463)	0.4

The variation is mainly due to an increase in claims in the Health insurance line R\$ 334 (net of IBNR extraordinary provision, R\$ 276, occurred in the period/04, life insurance R\$ 54 and auto/RCF R\$ 40, although the loss ratio has improved from 84.6% in the period/04 to 81.4% in the period/05.

The retained claims, in nominal terms, remained practically steady, however the loss ratio has improved from 84.5% in 2Q/05 to 79.9% in 3Q/05.

## Savings Bonds Draws and Redemptions

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(931)	(897)	(3.7)	(314)	(337)	7.3

The redemptions are directly related to new sales. Revenues from savings bonds in the period/05 remained practically steady when compared to the period/04.

The redemptions are directly related to new sales. Sales increased in 3Q05 in view of campaign of the product Pé Quente Bradesco GP Ayrton Senna, in partnership with Ayrton Senna Institute and also due to higher sale of bonds lump-sum payment.

## Insurance, Private Pension Plans and Savings Bonds Selling Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(633)	(697)	10.1	(224)	(244)	8.9

The variation is detailed in the charts below:

The variation is detailed in the charts below:

## a) Insurance Products Selling Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(519)	(570)	9.8	(187)	(200)	7.0

The variation results, basically, from the growth in Auto/RCF insurance sales R\$46, however the ratio of selling expenses to premiums earned has improved in the period/05 when compared to the period/04.

The variation in the quarter mainly derives from growth in life segment R\$6 and auto/RCF segment R\$4.

## b) Private Pension Plans Selling Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(114)	(115)	0.9	(34)	(39)	14.7

The selling expenses remained practically steady in the period/05, when compared to the period/04.

The variation in the selling expenses in the quarter was mainly influenced by higher sales in 3Q05 of VGBL product R\$ 3 and traditional plans R\$ 4.

## c) Savings Bonds Selling Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
	(12)		(3)	(5)	66.7

The variation derives from the onlending related to the use of brands of SOS Mata Atlântica Foundation and Ayrton Senna Institute, started in the period/05.

The variation derives from a higher onlending related to the use of brands of SOS Mata Atlântica Foundation and Ayrton Senna Institute in 3Q05.

## Private Pension Plans Benefits and Redemptions Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(1,619)	(1,989)	22.9	(628)	(616)	(1.9)

The variation of this item was due to an increase in the payment of private pension plans redemptions and also due to the characteristics of PGBL plans, allowing the participant to redeem at any time, observing the grace period, besides the change in withholding income tax for redemptions, which also led to the transfer of redemptions that would occur in 4Q04 to be carried out in 1Q05. In the period/05, a greater variation occurred in PGBL R\$ 463.

Benefits and redemptions expenses remained practically steady in the analyzed quarters.

## Personnel Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(3,685)	(3,950)	7.2	(1,246)	(1,483)	19.0

The variation for the period was mainly due to: (i) payroll increase, as a result of the collective bargaining agreement of 8.5% in 2004, benefits and others R\$ 306; (ii) effect of collective bargaining agreement of 6.0% in 2005 of R\$ 38, of which R\$ 24 refers to labor liabilities restatement and R\$ 14 due to increase in payroll; (iii) higher bonus lump-sum payment in September/05 of R\$ 103, against R\$ 14 in September/04; (iv) higher employee profit sharing expenses R\$ 95; **mitigated** by: (v) lower labor claims provisions expenses R\$ 79; and (vi) decrease in personnel expenses as a result of the synergy in administrative activities estimated in R\$ 184.

The variation of this item is basically due to: (i) effect of collective bargaining agreement of the category of 6.0% of R\$ 38, of which R\$ 24 refers to labor liabilities restatement and R\$ 14 due to increase in payroll; (ii) bonus lump-sum payment of R\$ 103; and (iii) higher labor provision and employment contract termination expenses of R\$ 99.



## Other Administrative Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(3,649)	(3,703)	1.5	(1,240)	(1,271)	2.5

A slight fluctuation of this item in the period is due to the success in the efforts to control such expenses. The nominal change in this item shows a R\$ 54 increase, lower than the average inflation in the period.

The increase in the quarter basically results from higher expenses related to: (i) third-party services R\$ 16, mainly due to increase in business volume, as well as investments in the improvement and optimization of IT platform; and (ii) data processing R\$ 6; and (iii) materials R\$ 7.

## Tax Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(1,053)	(1,377)	30.8	(497)	(475)	(4.4)

This variation basically derives from: (i) PIS/COFINS increased expenses R\$ 258, as a result of higher taxable income that includes income from derivatives used for hedge effect of investment abroad; (ii) ISS increased expenses R\$ 35, as a result of a change in legislation; and (iii) CPMF increased expenses R\$ 36, substantially due to the application of funds obtained via issuance of debentures by Bradesco Leasing in 2Q05.

The variation in the quarter mainly results from: (i) decreased expenses for CPMF \$27, mainly due to the application of funds obtained via issuance of debentures by Bradesco Leasing in 2Q05; partially **offset**: (ii) by ISS increased expenses R\$ 5.

## Equity in the Earnings of Affiliated Companies

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
118	69	(41.5)	10	64	540.0

The variation is mostly due to lower results obtained in the affiliated companies in the period/05, when compared to the period/04, pointing out the following investments: IRB-Brasil Resseguros R\$ 25; and American BankNote R\$ 9.

The variation basically, derives from better results obtained in the affiliated companies in 3Q05, when compared to 2Q05, pointing out the following investments: IRB-Brasil Resseguros R\$ 49; and American BankNote R\$ 5.

## Other Operating Income

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
888	797	(10.2)	259	238	(8.1)

The variation is basically due to: (i) lower recovery of charges and expenses R\$ 23; (ii) lower income on sale of goods R\$ 25 and (iii) lower reversal of operating provisions R\$ 17.

The variation mainly derives from: (i) lower reversal of other operating provisions R\$ 69; **offset** by: (ii) higher financial income R\$ 38; and (iii) higher income on the sale of goods and recovery of charges and expenses R\$ 7.

## Other Operating Expenses

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(2,122)	(2,341)	10.3	(791)	(846)	7.0

The variation in the period mainly derives from: (i) increased financial expenses R\$ 122; and (ii) increase in discounts granted in loan operations R\$ 123; (iii) social charges provision over bonus-lump-sum payment R\$ 36; **offset** by: and (iv) operating provisions R\$ 97.

The variation in the quarter is basically due to: (i) increases in discounts granted in loan operations R\$ 44; **offset** by: (ii) lower costs of services rendered R\$ 14; (iii) social charges provision over bonus-lump-sum payment R\$ 36; and (iv) other financial expenses R\$ 6.

## Operating Income

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
2,583	5,980	131.5	2,146	2,250	4.8

The variation derives from: (i) higher net interest income R\$ 3,137; (ii) increased fee income R\$ 1,190; (iii) increase in contribution margin of insurance, private pension plan and savings bonds operations R\$ 256; partially **offset** by: (iv) higher allowance for doubtful accounts expenses R\$ 184; (v) higher tax expenses R\$ 324; (vi) increased personnel and administrative expenses R\$ 319; (vii) reduced equity in the earnings of affiliated companies R\$ 49; and (viii) increased operating expenses (net of income) R\$ 310. For a more detailed analysis of the variation of each item, we recommend you to read each specific item.

The variation derives from: (i) higher net interest income R\$ 143; (ii) lower allowance for doubtful accounts expenses R\$ 22; (iii) higher fee income R\$ 158; (iv) increased contribution margin of insurance, private pension plans and savings bonds operations R\$ 49; (v) higher equity in the earnings of affiliated companies R\$ 54; and (vi) lower tax expenses R\$ 22; partially **offset** by: (vii) increased personnel and administrative expenses R\$ 268; and (viii) increased operating expenses (net of income) R\$ 76. For a more detailed analysis of the variation of each item, we recommend you to read each specific item.

## Non-Operating Income

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(343)	(37)	(89.2)	(21)	(10)	(52.4)

The variation is mainly due the extraordinary goodwill amortization occurred in the period/04 R\$ 237 and lower losses in the sale of assets and investments R\$ 31.

The variation in the quarter is basically due to lower losses in the sale of assets and investments.

## Income Tax and Social Contribution

September YTD			2005		
2004	2005	Variation %	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation %
(233)	(1,888)	710.3	(708)	(807)	14.0

The income tax and social contribution expenses include in the period/05 R\$ 507 referring to the taxation of partial income on hedge of investments abroad, as well as tax charge over earnings before taxes, adjusted by additions and exclusions, as per Note 35.

The income tax and social contribution expenses include R\$ 357 and R\$ 141 in 2Q and 3Q05, respectively, referring to the partial income on derivatives used for hedge effect of investments abroad, as well as tax charge over earnings before taxes, adjusted by additions and exclusions, as per Note 35.

## Comparative Balance Sheet

Assets	R\$ million					
	September			2005		
	2004	2005	Variation %	June	September	Variation %
<b>Current and Long-Term Assets</b>	<b>174,737</b>	<b>197,383</b>	<b>13.0</b>	<b>189,981</b>	<b>197,383</b>	<b>3.9</b>
<b>Funds Available</b>	<b>2,386</b>	<b>2,600</b>	<b>9.0</b>	<b>3,082</b>	<b>2,600</b>	<b>(15.6)</b>
<b>Interbank Investments</b>	<b>25,126</b>	<b>24,150</b>	<b>(3.9)</b>	<b>23,374</b>	<b>24,150</b>	<b>3.3</b>
<b>Marketable Securities and Derivative Financial Instruments</b>	<b>58,155</b>	<b>64,248</b>	<b>10.5</b>	<b>64,441</b>	<b>64,248</b>	<b>(0.3)</b>
<b>Interbank and Interdepartmental Accounts</b>	<b>15,336</b>	<b>16,458</b>	<b>7.3</b>	<b>16,259</b>	<b>16,458</b>	<b>1.2</b>
Restricted Deposits:						
Brazilian Central Bank	14,244	15,430	8.3	15,298	15,430	0.9
Other	1,092	1,028	(5.9)	961	1,028	7.0
<b>Loan And Leasing Operations</b>	<b>49,859</b>	<b>65,492</b>	<b>31.4</b>	<b>59,928</b>	<b>65,492</b>	<b>9.3</b>
Loan and Leasing Operations	53,832	69,984	30.0	64,237	69,984	8.9
Allowance for Doubtful Accounts	(3,973)	(4,492)	13.1	(4,309)	(4,492)	4.2
<b>Other Receivables and Assets</b>	<b>23,875</b>	<b>24,435</b>	<b>2.3</b>	<b>22,897</b>	<b>24,435</b>	<b>6.7</b>
Foreign Exchange Portfolio	8,960	8,140	(9.2)	7,672	8,140	6.1
Other Receivables and Assets	15,123	16,450	8.8	15,367	16,450	7.0
Allowance for other doubtful accounts	(208)	(155)	(25.5)	(142)	(155)	9.2
<b>Permanent Assets</b>	<b>4,966</b>	<b>4,530</b>	<b>(8.8)</b>	<b>4,561</b>	<b>4,530</b>	<b>(0.7)</b>
<b>Investments</b>	<b>971</b>	<b>1,038</b>	<b>6.9</b>	<b>1,020</b>	<b>1,038</b>	<b>1.8</b>
<b>Property, Plant and Equipment in Use and Leased Assets</b>	<b>2,288</b>	<b>2,054</b>	<b>(10.2)</b>	<b>2,088</b>	<b>2,054</b>	<b>(1.6)</b>
<b>Deferred Charges</b>	<b>1,707</b>	<b>1,438</b>	<b>(15.8)</b>	<b>1,453</b>	<b>1,438</b>	<b>(1.0)</b>
Deferred Charges	477	534	11.9	489	534	9.2
Goodwill on Acquisition of Subsidiaries, Net of Amortization	1,230	904	(26.5)	964	904	(6.2)
<b>Total</b>	<b>179,703</b>	<b>201,913</b>	<b>12.4</b>	<b>194,542</b>	<b>201,913</b>	<b>3.8</b>
<b>Liabilities</b>						
<b>Current and Long-Term Liabilities</b>	<b>164,907</b>	<b>183,542</b>	<b>11.3</b>	<b>176,982</b>	<b>183,542</b>	<b>3.7</b>
<b>Deposits</b>	<b>64,787</b>	<b>71,095</b>	<b>9.7</b>	<b>71,654</b>	<b>71,095</b>	<b>(0.8)</b>
Demand Deposits	14,782	14,774	(0.1)	14,892	14,774	(0.8)
Savings Deposits	23,186	24,791	6.9	24,517	24,791	1.1
Interbank Deposits	14	89	535.7	46	89	93.5
Time Deposits	26,805	31,262	16.6	32,043	31,262	(2.4)
Other Deposits		179		156	179	14.7
<b>Funds Obtained in the Open Market</b>	<b>21,551</b>	<b>24,538</b>	<b>13.9</b>	<b>20,957</b>	<b>24,538</b>	<b>17.1</b>
<b>Funds from Issuance of Securities</b>	<b>6,116</b>	<b>6,161</b>	<b>0.7</b>	<b>6,677</b>	<b>6,161</b>	<b>(7.7)</b>
Securities Issued Abroad	5,227	2,573	(50.8)	3,231	2,573	(20.4)
Other Funds	889	3,588	303.6	3,446	3,588	4.1
<b>Interbank and Interdepartmental Accounts</b>	<b>1,739</b>	<b>1,883</b>	<b>8.3</b>	<b>1,466</b>	<b>1,883</b>	<b>28.4</b>

<b>Borrowings and Onlendings</b>	<b>16,715</b>	<b>15,241</b>	<b>(8.8)</b>	<b>14,999</b>	<b>15,241</b>	<b>1.6</b>
Borrowings	8,695	6,470	(25.6)	6,477	6,470	(0.1)
Onlendings	8,020	8,771	9.4	8,522	8,771	2.9
<b>Derivative Financial Instruments</b>	<b>308</b>	<b>1,043</b>	<b>238.6</b>	<b>1,619</b>	<b>1,043</b>	<b>(35.6)</b>
<b>Technical Provisions for Insurance, Private Pension Plans and Savings</b>						
<b>Bonds</b>	<b>31,585</b>	<b>38,235</b>	<b>21.1</b>	<b>36,533</b>	<b>38,235</b>	<b>4.7</b>
<b>Other Liabilities</b>	<b>22,106</b>	<b>25,346</b>	<b>14.7</b>	<b>23,077</b>	<b>25,346</b>	<b>9.8</b>
Foreign Exchange Portfolio	3,974	4,042	1.7	3,181	4,042	27.1
Taxes and Social Security Contributions, Social and Statutory Payables	5,208	6,647	27.6	5,870	6,647	13.2
Subordinated Debt	6,089	6,499	6.7	6,496	6,499	
Sundry	6,835	8,158	19.4	7,530	8,158	8.3
<b>Deferred Income</b>	<b>44</b>	<b>55</b>	<b>25.0</b>	<b>58</b>	<b>55</b>	<b>(5.2)</b>
<b>Minority Interest in Subsidiaries</b>	<b>74</b>	<b>54</b>	<b>(27.0)</b>	<b>54</b>	<b>54</b>	
<b>Stockholders Equity</b>	<b>14,678</b>	<b>18,262</b>	<b>24.4</b>	<b>17,448</b>	<b>18,262</b>	<b>4.7</b>
<b>Total</b>	<b>179,703</b>	<b>201,913</b>	<b>12.4</b>	<b>194,542</b>	<b>201,913</b>	<b>3.8</b>

**Equity Analysis R\$ million**

## Available Funds

September			2005		
2004	2005	Variation %	June	September	Variation %
2,386	2,600	9.0	3,082	2,600	(15.6)

The increase in the period derived from: (i) increase in the volume of available funds in domestic currency R\$ 461, **offset** by: (ii) decreased volume of foreign currency R\$ 247.

The variation in the quarter is due to: (i) reduction in the volume of available funds in domestic currency R\$ 237; and (ii) reduction in the volume of available funds in foreign currency R\$ 245.

## Interbank Investments

September			2005		
2004	2005	Variation %	June	September	Variation %
25,126	24,150	(3.9)	23,374	24,150	3.3

The variation in the period derives: (i) from reduction in open market investments, own portfolio position R\$ 1,503, which was partially **offset** by: (ii) increased investment in interbank deposits R\$ 437; and (iii) increase in open market investments, third-party portfolio position of R\$ 90.

The increase in the quarter is due to: (i) increased investments in the open market, third-party portfolio position R\$ 1,496; (ii) increased investments in the interbank deposits R\$ 2,282. and **offset** by: (iii) reduction in open market investments, own portfolio position R\$ 3,002.



Marketable Securities (TVM) and Derivative Financial Instruments

September			2005		
2004	2005	Variation %	June	September	Variation %
58,155	64,248	10.5	64,441	64,248	(0.3)

The increase in the period is mainly due to: (i) additional funds derived from the increase in funding, particularly technical provisions for insurance, private pension plans and savings bonds, as well as the issuance of perpetual subordinated debt of R\$ 710, partially **mitigated** by: (ii) exchange loss variation of 22.3% for the period, impacting on foreign currency indexed and/or denominated securities, which comprise 10.6% of the portfolio; and (iii) the redemption/maturity of securities. The analysis (excluded from purchase and sale commitments) of portfolio profile, based on Management's intent, does not reveal significant changes in its distribution, from 70.5% to 75.7% of Trading Securities; from 20.5% to 16.7% of Securities Available for Sale; and from 9.1% to 7.6% of Securities Held to Maturity. In September/05, 55.3% of the total portfolio (excluded from purchase and sale commitments) was represented by Government Bonds, 24.3 % by Private Securities and 20.4% by PGBL and VGBL fund quotas.

The variation in the quarter partially reflects: the exchange loss variation of 5.5% in the quarter, which impacted on the foreign currency indexed and/or denominated securities, which compose 10.6% of the portfolio. The analysis (excluded from purchase and sale commitments) of portfolio profile, based on the Management's intent, reveals the following distributions in the quarters: Trading Securities from 72.6% to 75.7%; Securities Available for Sale, from 19.8% to 16.7%; and Securities Held to Maturity were maintained at 7.6%.

Interbank and Interdepartmental Accounts

<b>September</b>			<b>2005</b>		
<b>2004</b>	<b>2005</b>	<b>Variation %</b>	<b>June</b>	<b>September</b>	<b>Variation %</b>
<b>15,336</b>	<b>16,458</b>	<b>7.3</b>	<b>16,259</b>	<b>16,458</b>	<b>1.2</b>

The variation for the period basically reflects (i) the increase in compulsory deposits volume of R\$ 1,187, due to an expansion in average balance of demand deposits, basis for payment in respective periods, from R\$ 13,451 in 2004 to R\$ 14,749 in 2005; and (ii) the increase in balance of savings deposits at 6.9% in the period.

The variation in the quarter mainly results from: (i) increase in the volume of compulsory deposits due to higher balance of savings deposits at 1.1% in the quarter.

## Loan and Leasing Operations

September			2005		
2004	2005	Variation %	June	September	Variation %
59,976	75,244	25.5	69,787	75,244	7.8

Growth for the period was mainly due to: (i) the individual client portfolio, a 63.7% growth, in particular in the Auto products, up by 64.6%, Personal Loan, up by 115.2% and CDC Store, up by 313.4%, reflecting the operating agreements recently executed with retailers, combined with an economy scenario of falling unemployment rates and upturn of real income. In the corporate portfolio, the growth rate was of 8.2%, as a result of the 23.6% increase in the small and medium-sized companies (SME) portfolio, coupled with a 3.1% decrease in the portfolio of large companies (Large Corporate), in view of the exchange loss variation of the period, as well as new funding opportunities in the capital markets. In the corporate portfolio we point out the products Working Capital, up by 28.5%, Auto, up by 62.1% and Overdraft- Secured Account, up by 18.7%, following the maintenance of the economic activity level; partially **offset** by: (ii) exchange loss variation of 22.3% for the period, affecting foreign currency indexed and/or denominated contracts, comprising 8.3% of the total portfolio. In September/05, the portfolio was distributed at 59.3% for corporate and 40.7% for individuals. In terms of concentration, the 100 largest borrowers accounted for 30.1% of the portfolio in September/04 and for 22.9% in September/05. Out of the Total Loan Portfolio under Normal Course in September/05, in the amount of R\$ 70,243, 38.3% is falling due within up to 90 days.

**Note:** this item includes advances on foreign exchange contracts and other receivables and does not include the

The growth of the quarter is mainly due to: (i) individuals portfolio, with a 14.0% growth, especially in the Auto products, with a 8.0% increase, Personal Loan, with a 19.3% increase and CDC Store with a 68.4% increase, reflecting the operating agreements recently executed with retailers, combined with an economy scenario of falling unemployment rates and upturn of income. The 4.0% growth recorded in the corporate portfolio results from a 6.9% hike in the portfolio of small and medium-sized companies (SME) and a 1.4% increase in the portfolio of large companies (Large Corporate). In the corporate portfolio, we point out Compror with a 44.8% increase, Auto, with a 19.2% growth and Overdraft Secured Account, with a 4.5% increase, resulting from the maintenance of economic activity level; partially **offset** by: (ii) exchange loss variation of 5.5% in the quarter, affecting foreign currency indexed and/or denominated contracts, which account for 8.3% of total portfolio. In terms of concentration, the 100 largest borrowers accounted for 24.3% of the portfolio in June/05 and 22.9% in September/05.

**Note:** this item includes advances on foreign exchange contracts and other receivables and does not include the allowance for doubtful accounts, as described in Note 12.

allowance for doubtful accounts, as described in Note 12.

## Allowance for Doubtful Accounts (PDD)

September			2005		
2004	2005	Variation %	June	September	Variation %
(4,181)	(4,647)	11.1	(4,450)	(4,647)	4.4

The variation in the PDD balance for the period was mostly due to: (i) a 25.5% increase in the volume of loan operations, pointing out individual clients operations, with a 63.7% increase, which due to its specific feature, requires a higher volume of provisioning; **mitigated:** (ii) by result of continuous improvement of loan portfolio quality. On a comparative basis, PDD ratio in relation to the loan portfolio decreased from 7.0% in September/04 to 6.2% in September/05, and provision coverage ratio in relation to the loan operation under abnormal course, respectively, rated between E and H, decreased from 192.2% in September/04 to 191.5% in September/05, and between D and H, reduced from 165.1% in September/04 to 159.6% in September/05. Such ratios reflect the conservativeness adopted in the recording of provisions, in view of the loan portfolio quality, as a result of our safe, selective and consistent loan concession strategy, coupled with the current level of Brazilian economic activity. During the period, R\$ 2,226 was recorded as PDD and R\$ 1,760 was written-off. Additional PDD over minimum requirements increased from R\$ 913 in September/04 to R\$ 952 in September/05.

The variation in the PDD balance in the quarter basically reflects: (i) a 7.8% growth of the loan portfolio in the quarter, particularly, the individual client portfolio with a 14.0% growth, which, due to its specific features, demands a higher provisioning volume; **offset** by: (ii) a reversal of PDD recorded on a preventive basis in 1Q05 of R\$ 166 referring to loan operations granted to an utilities concessionaire, as it adjusted its liabilities to its real ability to pay. Comparatively, the PDD ratio in relation to the loan portfolio decreased from 6.4% in June/05 to 6.2% in September/05, and the provision coverage ratios in relation to the loan portfolio under abnormal course, respectively, rated from E to H, decreased from 197.2% in June/05 to 191.5% in September/05, and those rated from D to H increased from 158.1% in June/05 to 159.6% in September/05. Such ratios reflect the conservativeness adopted in the recording of provisions, in view of the quality of loan portfolio, arising from safe, selective and consistent strategy of loan concession, complied with the current level of the economic activity in the country. In the quarter, PDD was recorded in the amount of R\$ 540 and R\$ 343 was written-off. Additional PDD over minimum requirements increased from R\$ 946 in June/05 to R\$ 952 in September/05.

## Other Receivables and Assets

September			2005		
2004	2005	Variation %	June	September	Variation %
23,557	24,060	2.1	22,578	24,060	6.6

The variation in the period is basically due to: (i) a R\$ 730 increase in credit cards operations not included in the loan operations; (ii) increase in the item Trading and Intermediation of Amounts R\$ 590; and partially offset (iii) by a decrease in the foreign exchange portfolio R\$ 820.

**Note:** balances are deducted (net of corresponding PDD) of R\$ 318 in September/04 and of R\$ 375 in September/05, allocated to the Loan Operations and Leasing Operations and Allowance for Doubtful Accounts items.

The variation in the quarter is basically due to: (i) a R\$ 468 increase in the exchange portfolio volume; (ii) and a R\$ 420 increase in credit cards operations not included in the loan operations; and (iii) a R\$ 373 increase in the balance of item Negotiation and Intermediation of Amounts, mostly related to the settlement of intermediation operations of publicly-held companies stocks.

**Note:** balances are deducted (net of corresponding PDD) of R\$ 319 in June/05 and of R\$ 375 in September/05, allocated to the Loan and Leasing Operations and Allowance for Doubtful Accounts items.

## Permanent Assets

September			2005		
2004	2005	Variation %	June	September	Variation %
4,966	4,530	(8.8)	4,561	4,530	(0.7)

The variation in the quarter is mostly due to: (i) goodwill amortization in subsidiaries R\$ 482, of which R\$ 132 were extraordinarily amortized in the period; (ii) depreciation and amortization in the period; (iii) sale of stake in the company CP Cimento R\$ 62; partially **offset** by: (iv) the goodwill on the acquisition of Morada Serviços R\$ 78; and (v) equity in the earnings of subsidiaries verified in the period.

The variation in the quarter was substantially due to: (i) goodwill amortization in subsidiaries, R\$ 86; (ii) depreciation and amortization in the quarter; and **offset:** (iii) by equity in the earnings of subsidiaries verified in the quarter.

## Deposits

September			2005		
2004	2005	Variation %	June	September	Variation %
64,787	71,095	9.7	71,654	71,095	(0.8)

The variation is detailed in the charts  
below:

The variation is detailed in the charts  
below:

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## a) Demand Deposits

September			2005		
2004	2005	Variation %	June	September	Variation %
14,782	14,774	(0.1)	14,892	14,774	(0.8)

Demand deposits remained practically steady in the period.

Demand deposits remained practically stable.

## b) Savings Deposits

September			2005		
2004	2005	Variation %	June	September	Variation %
23,186	24,791	6.9	24,517	24,791	1.1

The increase in the period is basically due to: (i) the remuneration of deposits (TR + 0.5% p.m.) reaching 9.0%, in the period; and (ii) increase in the customer base; and **mitigated** (iii) by withdrawals occurred in the period.

The increase in the quarter is basically due to: (i) the remuneration of deposits (TR + 0.5% p.m.) reaching 2.4% in the quarter; and **mitigated**: (ii) by withdrawals occurred in 3Q05.



## c) Time Deposits

September			2005		
2004	2005	Variation %	June	September	Variation %
26,805	31,262	16.6	32,043	31,262	(2.4)

The increase in the period is basically due to: (i) the remuneration of the period, **mitigated** by migration of funds, mainly from institutional investors to other funding forms, mainly by means of issuance of debentures.

The decrease in the quarter is basically due to the migration of funds, mainly from institutional investors to other funding forms, mainly by means of issuance of debentures.

## d) Interbank Deposits and Other Deposits

September			2005		
2004	2005	Variation %	June	September	Variation %
14	268	1,814.3	202	268	32.7

The variation is mostly due to the investment account, which became effective on October 1, 2004.

The variation results from: (i) a hike in the volume of interbank deposits account R\$ 43 and: (ii) a volume increase in the investment account R\$ 23.



## Funds Obtained in the Open Market

September			2005		
2004	2005	Variation %	June	September	Variation %
21,551	24,538	13.9	20,957	24,538	17.1

The variation of balance in the period mainly derives from an increase in funding volume, using the funds backed by debentures issued of R\$ 2,892.

**Note:** These include assets under management invested in purchase and sale commitments with Bradesco, whose owners are subsidiaries included in the consolidated financial statements, in the amount of R\$ 8,518 in September/04 and R\$ 8,238 in September/05.

The variation of balance in the quarter derives: (i) from an increase in funding volume, using the funds backed by debentures issued of R\$ 2,078; and (ii) increase in the third-party portfolio R\$ 1,496.

**Note:** These include assets under management invested in purchase and sale commitments with Bradesco, whose owners are subsidiaries included in the consolidated financial statements, in the amount of R\$ 7,382 in June/05 and R\$ 8,238 in September/05.

## Funds from Issuance of Securities

September			2005		
2004	2005	Variation %	June	September	Variation %

6,116

6,161

0.7

6,677

6,161

(7.7)

The variation basically derives from: (i) increased volume of marketable securities issued in Brazil at R\$ 2,698, mainly in view of the issuance of debentures; **offset:** (ii) by a decreased volume of marketable securities issued abroad at R\$ 2,653, mainly in view of redemptions of Eurobonds and Commercial Papers, overdue and not renewed, as well as from the partial settlement of our securitization operation of future flow of payment orders received abroad; and (iii) by exchange loss variation of 22.3% in the period, which impacted on the funds from issuance of securities abroad, the balances of which were R\$ 5,227 in September/04 and R\$ 2,574 in September/05 as per Note 18c.

The variation in the quarter basically derives from: (i) decreased volume of marketable securities issued abroad, mainly in view of the partial settlement of our securitization operation of future flow of payment orders received abroad in the amount of US\$200; and (ii) exchange loss variation of 5.5% in the quarter, which impacted on funds from issuance of securities abroad, the balances of which were R\$ 3,231 in June/05 and R\$ 2,574 in September/05, as per Note 18c.

## Interbank and Interdepartmental Accounts

September			2005		
2004	2005	Variation %	June	September	Variation %
1,739	1,883	8.3	1,466	1,883	28.4

The variation is basically due to higher volume of foreign currency payment orders, summing up R\$ 216.

The variation in the quarter is basically due to higher volume of foreign currency payment orders, summing up R\$ 373.

## Borrowings and Onlendings

September			2005		
2004	2005	Variation %	June	September	Variation %
16,715	15,241	(8.8)	14,999	15,241	1.6

The decrease mainly arises from: (i) exchange loss variation of 22.3% in the period, which impacted on the foreign currency indexed and/or denominated loans and onlendings, the balances of which were R\$ 9,241 in

The variation in the quarter mainly results from: (i) an increase in the volume of funds from loans and onlendings in the country of R\$ 250, mainly by means of FINAME onlendings, which was partially **offset** by

September/04 and R\$ 6,776 in September/05 (26.7% reduction), partially **offset:** (ii) by an increase in the volume of loans and onlendings in the country R\$ 799, mainly by means of FINAME onlendings. exchange loss variation of 5.5% in the quarter, impacting on the foreign currency indexed and/or denominated loans and onlendings, the balances of which were R\$ 6,782 in June/05 and R\$ 6,776 in September/05.



Technical Provisions for Insurance. Private Pension Plans and Savings Bonds

September			2005		
2004	2005	Variation %	June	September	Variation %
31,585	38,235	21.1	36,533	38,235	4.7

The increase in the period is mainly due to: (i) growth in sales of supplementary private pension plans and insurance policies, and (ii) restatement and interest of technical provisions. Largest variations recorded were: in the private pension segment, VGBL plans at R\$ 3,693 and PGBL plans at R\$ 957, and in the insurance segment, provisions for Auto/RCF at R\$ 320, as well as for Health segment R\$ 679, which includes R\$ 324 extraordinarily recorded in 1Q05, to set out the leveling of premiums for insured above 60 years of age of plans prior to the Law 9,656/98 and benefits related to fully settled plans whose holders are still entitled to their benefits ( *planos remidos* ).

The increase in the quarter is basically due to: (i) restatement and interest of technical provisions, and (ii) increment in the sales of supplementary private pension plans and insurance policies. The largest variations recorded were: (a) in the private pension segment, in VGBL plans at R\$ 1,137 and PGBL plans at R\$ 386, (b) in the insurance segment, in health segment provisions at R\$ 84 and Auto/RCF at R\$ 49, and (c) capitalization segment at R\$ 83.

Other Liabilities. Derivative Financial Instruments and Deferred Income

September			2005		
2004	2005	Variation %	June	September	Variation %
28,076	31,174	11.0	29,843	31,174	4.5

The variation in the period basically derives from: (i) increase in the balance of items Tax and Social Security and Derivative Financial Instruments of R\$ 1,057 and R\$ 735, respectively, (ii) the issuance of perpetual debt of R\$ 710, (iii) Trading and Intermediation of Amounts at R\$ 502, and partially **mitigated:** (iv) by exchange loss variation of 22.3% in the period impacting on the balance of foreign exchange portfolio and foreign currency subordinated debt.

**Note:** excludes advances on foreign exchange contracts of R\$ 5,618 and R\$ 4,729, allocated to the specific account in loan operations in September/04 and September/05, respectively.

The increase in the quarter is mainly due to: (i) increase in the balance of items Fiscal and Pension Plans Activities and Foreign Exchange Portfolio at R\$ 531 and R\$ 502, respectively, partially **offset:** (ii) by exchange loss variation of 5.5% in the quarter, impacting on the balance of foreign exchange portfolio and foreign currency subordinated debt.

**Note:** excludes advances on foreign exchange contracts of R\$ 5,089 and R\$ 4,729, allocated to the specific account in loan operations in June/05 and September/05, respectively.

## Minority Interest in Subsidiaries

September			2005		
2004	2005	Variation %	June	September	Variation %
74	54	(27.0)	54	54	

The reduction in the period is basically resulted from the full incorporation of Bradesco Seguros minority stockholders into Banco Bradesco. This item remained practically stable in the quarter.

## Stockholders' Equity

September			2005		
2004	2005	Variation %	June	September	Variation %
14,678	18,262	24.4	17,448	18,262	4.7

This variation in the period is due to: (i) appropriation of net income for the period R\$ 5,110, (ii) capital increase which became effective R\$ 712, (iii) record of goodwill on stocks subscription R\$ 24, partially **offset:** (iv) by a

This variation in the quarter is due to: (i) appropriation of net income for the period R\$ 1,430, (ii) increase in reserve for TVM and derivatives mark-to-market adjustment R\$ 71, which partially was **offset:** (iii) by the

reduction in the reserve for marketable securities and derivatives mark-to-market adjustment R\$ 222, (v) by the acquisition of own treasury stocks R\$ 163, and (vi) interest on own capital paid and accrued R\$ 1,877.

acquisition of own treasury stocks R\$ 75, and (iv) interest on own capital paid and accrued R\$ 612.

## 2 - Main Statement of Income Information

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**Consolidated Statement of Income** R\$ thousand

	<b>September</b>			<b>Year</b>		
	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>Revenues from Financial Intermediation</b>	<b>23,760,872</b>	<b>26,203,227</b>	<b>28,033,866</b>	<b>31,913,379</b>	<b>21,411,673</b>	<b>15,519,008</b>
Loan Operations	11,483,992	12,731,435	12,294,528	15,726,929	11,611,236	7,787,745
Leasing Operations	315,742	300,850	307,775	408,563	420,365	512,962
Security Transactions	3,315,154	4,921,179	7,832,965	9,527,663	7,367,600	6,122,486
Financial Result on Insurance Premiums, Private Pension Plans and Savings Bonds	4,749,475	5,142,434	5,359,939	3,271,913		
Derivative Financial Instruments	2,444,561	1,238,890	55,192	(2,073,247)	(270,572)	
Foreign Exchange Transactions	320,810	691,302	797,702	4,456,594	2,045,092	872,234
Compulsory Deposits	1,131,138	1,177,137	1,385,765	594,964	237,952	223,581
<b>Expenses from Financial Intermediation</b>	<b>10,908,668</b>	<b>12,972,347</b>	<b>14,752,199</b>	<b>20,441,257</b>	<b>11,302,709</b>	<b>7,680,225</b>
Funding Operations	7,571,790	8,486,003	10,535,497	10,993,327	6,986,027	5,521,407
Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	2,713,586	3,215,677	3,120,342	2,241,283		
Borrowings and Onlendings	616,036	1,253,175	1,083,379	7,194,161	4,316,682	2,158,725
Leasing Operations	7,256	17,492	12,981	12,486		93
<b>Net Interest Income</b>	<b>12,852,204</b>	<b>13,230,880</b>	<b>13,281,667</b>	<b>11,472,122</b>	<b>10,108,964</b>	<b>7,838,783</b>
Allowance for Doubtful Accounts	1,736,646	2,041,649	2,449,689	2,818,526	2,010,017	1,451,912
<b>Revenues from Financial Intermediation</b>	<b>11,115,558</b>	<b>11,189,231</b>	<b>10,831,978</b>	<b>8,653,596</b>	<b>8,098,947</b>	<b>6,386,871</b>
<b>Other Operating Income (Expenses)</b>	<b>(5,135,596)</b>	<b>(7,071,120)</b>	<b>(7,278,870)</b>	<b>(6,343,850)</b>	<b>(5,324,166)</b>	<b>(4,647,041)</b>
Fee Income	5,339,316	5,824,368	4,556,861	3,711,736	3,472,560	3,042,699
Operating Income on Insurance, Private Pension and Savings Bonds	30,677	(60,645)	(148,829)	658,165	(587,842)	(505,369)
Insurance Retained Premiums, Private Pension Plans and Savings Bonds	9,343,304	13,283,677	11,726,088	10,134,873	8,959,259	6,919,942
Net Premiums Written	11,740,973	15,389,170	13,111,896	10,687,384	9,413,039	7,258,148
Reinsurance Premiums and Redeemed Premiums	(2,397,669)	(2,105,493)	(1,385,808)	(552,511)	(453,780)	(338,206)
Variation in Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	(1,437,169)	(3,964,106)	(3,670,163)	(2,784,647)	(3,492,217)	(3,001,118)
Retained Claims	(4,291,790)	(5,159,188)	(3,980,419)	(3,614,963)	(3,251,706)	(2,511,146)
Savings Bonds draws and redemptions	(897,370)	(1,223,287)	(1,099,554)	(720,932)	(744,402)	(355,243)

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Insurance, Pension Plan, Savings						
Bonds Selling Expenses	(697,693)	(867,094)	(762,010)	(667,527)	(689,352)	(645,020)
Expenses with Pension Plans						
Benefits and Redemptions	(1,988,605)	(2,130,647)	(2,362,771)	(1,688,639)	(1,369,424)	(912,784)
Personnel Expenses	(3,950,205)	(4,969,007)	(4,779,491)	(4,075,613)	(3,548,805)	(3,220,607)
Other Administrative Expenses	(3,702,674)	(4,937,143)	(4,814,204)	(4,028,377)	(3,435,759)	(2,977,665)
Tax Expenses	(1,377,008)	(1,464,446)	(1,054,397)	(847,739)	(790,179)	(670,138)
Equity in the Earnings of Affiliated Companies	68,869	163,357	5,227	64,619	70,764	156,300
Other Operating Income	797,020	1,198,532	1,697,242	1,320,986	1,326,459	902,807
Other Operating Expenses	(2,341,591)	(2,826,136)	(2,741,279)	(3,147,627)	(1,831,364)	(1,375,068)
<b>Operating Income</b>	<b>5,979,962</b>	<b>4,118,111</b>	<b>3,553,108</b>	<b>2,309,746</b>	<b>2,774,781</b>	<b>1,739,830</b>
<b>Non-Operating Income</b>	<b>(36,756)</b>	<b>(491,146)</b>	<b>(841,076)</b>	<b>186,342</b>	<b>(83,720)</b>	<b>(123,720)</b>
<b>Income Before Taxes on Profit and Ownership</b>	<b>5,943,206</b>	<b>3,626,965</b>	<b>2,712,032</b>	<b>2,496,088</b>	<b>2,691,061</b>	<b>1,616,110</b>
<b>Allowance for Income Tax and Social Contribution</b>	<b>(1,887,683)</b>	<b>(554,345)</b>	<b>(396,648)</b>	<b>(460,263)</b>	<b>(502,257)</b>	<b>(258,776)</b>
<b>Non-recurrent result/Extraordinary</b>						<b>400,813</b>
<b>Minority Interest in Subsidiaries</b>	<b>(4,002)</b>	<b>(12,469)</b>	<b>(9,045)</b>	<b>(13,237)</b>	<b>(18,674)</b>	<b>(17,982)</b>
<b>Net Income</b>	<b>4,051,521</b>	<b>3,060,151</b>	<b>2,306,339</b>	<b>2,022,588</b>	<b>2,170,130</b>	<b>1,740,165</b>
<b>Profitability on Stockholders' Equity (Annualized)</b>	<b>30.63%</b>	<b>20.11%</b>	<b>17.02%</b>	<b>18.65%</b>	<b>22.22%</b>	<b>21.50%</b>
<b>Net Interest Income/Total Assets (Annualized)</b>	<b>8.58%</b>	<b>7.15%</b>	<b>7.54%</b>	<b>8.03%</b>	<b>9.18%</b>	<b>8.26%</b>

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	2005				2004			2003
	3 <sup>rd</sup> Qtr.	2 <sup>nd</sup> Qtr.	1 <sup>st</sup> Qtr.	4 <sup>th</sup> Qtr.	3 <sup>rd</sup> Qtr.	2 <sup>nd</sup> Qtr.	1 <sup>st</sup> Qtr.	4 <sup>th</sup> Qtr.
<b>Revenues from Financial Intermediation</b>	<b>8,532,515</b>	<b>7,119,093</b>	<b>8,109,264</b>	<b>6,201,944</b>	<b>5,525,100</b>	<b>7,719,563</b>	<b>6,756,620</b>	<b>7,443,322</b>
Loan Operations	4,296,030	3,478,848	3,709,114	3,102,037	2,870,585	3,659,023	3,099,790	3,169,261
Leasing Operations	133,604	95,551	86,587	85,556	73,467	56,715	85,112	78,660
Marketable Securities	1,357,055	302,896	1,655,203	758,491	361,241	2,120,909	1,680,538	2,230,775
Financial Income on Insurance, Private Pension Plans and Savings Bonds	1,515,755	1,464,488	1,769,232	1,379,157	1,337,097	1,181,151	1,245,029	1,411,927
Derivative Financial Instruments	747,956	1,331,444	365,161	529,925	582,105	(68,697)	195,557	8,877
Foreign Exchange Transactions	89,974	58,759	172,077	28,645	(746)	502,246	161,157	254,543
Compulsory Deposits	392,141	387,107	351,890	318,133	301,351	268,216	289,437	289,279
<b>Expenses from Financial Intermediation</b>	<b>4,034,524</b>	<b>2,763,910</b>	<b>4,110,234</b>	<b>2,686,069</b>	<b>2,220,925</b>	<b>4,639,047</b>	<b>3,426,306</b>	<b>3,800,058</b>
Funding Operations	2,897,471	1,864,385	2,809,934	1,709,830	1,291,812	3,029,988	2,454,373	2,605,171
Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	872,695	901,840	939,051	922,018	942,651	698,695	652,313	701,184
Borrowings and Onlendings	262,910	(4,863)	357,989	49,921	(18,123)	905,617	315,760	490,305
Leasing Operations	1,448	2,548	3,260	4,300	4,585	4,747	3,860	3,398
<b>Net Interest Income</b>	<b>4,497,991</b>	<b>4,355,183</b>	<b>3,999,030</b>	<b>3,515,875</b>	<b>3,304,175</b>	<b>3,080,516</b>	<b>3,330,314</b>	<b>3,643,264</b>
Allowance for Doubtful Accounts	539,900	562,149	634,597	488,732	478,369	513,554	560,994	451,516
<b>Gross Result from Financial</b>	<b>3,958,091</b>	<b>3,793,034</b>	<b>3,364,433</b>	<b>3,027,143</b>	<b>2,825,806</b>	<b>2,566,962</b>	<b>2,769,320</b>	<b>3,191,748</b>



**Intermediation  
Other  
Operating  
Income**

<b>(Expenses)</b>	<b>(1,708,397)</b>	<b>(1,646,577)</b>	<b>(1,780,622)</b>	<b>(1,491,990)</b>	<b>(1,663,296)</b>	<b>(1,945,378)</b>	<b>(1,970,456)</b>	<b>(2,305,000)</b>
Fee Income	1,918,367	1,759,600	1,661,349	1,675,594	1,454,636	1,375,202	1,318,936	1,274,590
Operating Income of Savings Bonds, Private Pension Plans and Insurance	146,207	99,316	(214,846)	165,276	36,050	(127,324)	(134,647)	(94,771)
Savings Bonds, Private Pension Plans, Insurance								
Retained Premiums	3,546,484	3,001,125	2,795,695	3,836,157	3,464,550	2,989,637	2,993,333	3,434,634
Net Premiums Written	4,314,294	3,810,957	3,615,722	4,471,433	3,999,901	3,487,258	3,430,578	3,807,546
Reinsurance Premiums and Redeemed Premiums	(767,810)	(809,832)	(820,027)	(635,276)	(535,351)	(497,621)	(437,245)	(372,912)
Technical Provisions for Securities, Pension Plans and Saving Bonds	(739,487)	(279,264)	(418,418)	(1,316,961)	(1,076,201)	(693,433)	(877,511)	(1,143,458)
Retained Claims	(1,462,742)	(1,456,990)	(1,372,058)	(1,317,196)	(1,328,082)	(1,281,728)	(1,232,182)	(920,068)
Savings Bonds Raffle and Redemptions	(337,735)	(313,144)	(246,491)	(291,770)	(312,043)	(346,151)	(273,323)	(301,838)
Insurance and Pension Plan Selling Expenses	(244,611)	(224,258)	(228,824)	(233,846)	(215,775)	(205,157)	(212,316)	(208,229)
Expenses with Pension Plans Benefits and Savings	(615,702)	(628,153)	(744,750)	(511,108)	(496,399)	(590,492)	(532,648)	(955,812)
Personnel Expenses	(1,483,256)	(1,246,226)	(1,220,723)	(1,284,423)	(1,273,981)	(1,233,345)	(1,177,258)	(1,272,063)
Other Administrative Expenses	(1,270,824)	(1,239,471)	(1,192,379)	(1,288,511)	(1,225,032)	(1,215,747)	(1,207,853)	(1,327,995)
Tax Expenses	(474,447)	(497,966)	(404,595)	(411,494)	(373,965)	(343,100)	(335,887)	(293,466)
Equity in the Earnings of	64,227	10,283	(5,641)	44,797	(3,708)	122,309	(41)	30,723

Affiliated Companies Other Operating Income	237,711	259,469	299,840	310,663	350,660	279,688	257,521	246,922
Other Operating Expenses	(846,382)	(791,582)	(703,627)	(703,892)	(627,956)	(803,061)	(691,227)	(868,940)
<b>Operating Income</b>	<b>2,249,694</b>	<b>2,146,457</b>	<b>1,583,811</b>	<b>1,535,153</b>	<b>1,162,510</b>	<b>621,584</b>	<b>798,864</b>	<b>886,748</b>
<b>Non-Operating Income</b>	<b>(10,149)</b>	<b>(20,757)</b>	<b>(5,850)</b>	<b>(148,183)</b>	<b>(129,249)</b>	<b>(202,568)</b>	<b>(11,146)</b>	<b>(73,495)</b>
<b>Income Before Tax on Profit and Ownership</b>	<b>2,239,545</b>	<b>2,125,700</b>	<b>1,577,961</b>	<b>1,386,970</b>	<b>1,033,261</b>	<b>419,016</b>	<b>787,718</b>	<b>813,253</b>
<b>Income Tax and Social Contribution</b>	<b>(807,022)</b>	<b>(707,848)</b>	<b>(372,813)</b>	<b>(322,116)</b>	<b>(278,499)</b>	<b>224,907</b>	<b>(178,637)</b>	<b>(95,620)</b>
<b>Minority Interest in Subsidiaries</b>	<b>(2,294)</b>	<b>(1,985)</b>	<b>277</b>	<b>(7,101)</b>	<b>(2,413)</b>	<b>(2,587)</b>	<b>(368)</b>	<b>(2,496)</b>
<b>Net Income</b>	<b>1,430,229</b>	<b>1,415,867</b>	<b>1,205,425</b>	<b>1,057,753</b>	<b>752,349</b>	<b>641,336</b>	<b>608,713</b>	<b>715,137</b>
<b>Return on Stockholders' Equity (Annualized)</b>	<b>35.20%</b>	<b>36.63%</b>	<b>32.50%</b>	<b>30.85%</b>	<b>22.13%</b>	<b>20.16%</b>	<b>19.10%</b>	<b>22.85%</b>
<b>Net Interest Income/Total Assets (Annualized)</b>	<b>9.21%</b>	<b>9.26%</b>	<b>8.63%</b>	<b>7.82%</b>	<b>7.56%</b>	<b>7.18%</b>	<b>8.54%</b>	<b>8.54%</b>

## Profitability

Bradesco's net income reached R\$ 4,051 million in the nine-month period ended on September 30, 2005, which corresponds to a 102.3% growth when compared to same period of previous year. The stockholders' equity of Bradesco amounted to R\$ 18,262 million on September 30, 2005, equivalent to a 24.4% increase when compared to balance of September 2004. As a result, the annualized return on Stockholders' Equity (ROE) reached 30.6%. Consolidated total assets reached R\$ 201,913 million at the end of September 2005, up 12.4% when compared to the balances for same date of previous year. The annualized return on total assets (ROA) in the first nine months of 2005 was 2.7%. Earnings per share reached R\$ 8.26.

In 3Q05, net income was R\$ 1,430 million, which represents a R\$ 65 million growth, or 1.0% increase in relation to 2Q05 figures. The annualized return on stockholders' equity (ROE) reached 35.2% in the quarter and return on total assets (ROA) was 2.9%.

The 3Q05 was marked by a continued good performance of income composing the fee income item, which increased 9.0% when compared to 2Q05, revenues from checking accounts, income on cards, loan operations and assets under management standing out. It is also worth mentioning the revenues composing the net interest income, mainly due to better results in the interest component, which reached the amount of R\$ 3,798 million, showing a R\$ 292 million growth in relation to the previous quarter, basically, in view of an increment in the business volume, pointing out a 14.0% increase in the volume of loan operations for individuals, mainly concerned with consumer sales and personal loan financing, which shows a higher profitability than the corporate portfolio, while the non-interest component reached the amount of R\$ 700 million, representing a R\$ 149 million drop, basically due to: (i) lower income on derivatives used for hedge effects of investments abroad, which in terms of net income, simply annuls the fiscal and tax effect (IR/CS and PIS/COFINS) of such hedge strategy of R\$ 248 million in 3Q05; and offset by: (ii) higher TVM and Treasury gains of R\$ 99 million in 3Q05.

The Operating Income from Insurance, Private Pension Plan and Savings Bonds contributed in 3Q05 with a R\$ 49 million increase, as a result of solid growth of sales for private pension products VGBL and PGBL and savings bond product named Pé Quente Bradesco GP Ayrton Senna, in partnership with Ayrton Senna Institute.

The current environment of improvement in loan portfolio, associated with our ongoing selectiveness in the loan granting policy, resulted in an improved portfolio of risk ratings, with AA-to-C rated credits totaling 93.1% of the total portfolio, against 92.6% in 2Q05. This performance, connected with a 7.8% increase observed in loan portfolio volume in the period resulted in the recording of Allowance for Doubtful Accounts, in the amount of R\$ 540 million in 3Q05, which results in a R\$ 22 million reduction when compared to the recording of R\$ 562 million in 2Q05, due to PDD reversal recorded on a preventive basis in 1Q05 of R\$ 166 over loan operations granted to an utilities concessionaire as it adjusted its liabilities to its real ability to pay, offset by portfolio growth, mainly individuals at 14.0%, reaching a level of Allowance for Doubtful Accounts of R\$ 4,647 million on September 30, 2005.

Operating Efficiency Ratio in the 12-month period comprised between October 1, 2004 until September 30, 2005 was of 45.7%, improving by 2.4 percentage points when compared to the 12-month period ended on June 30, 2005, principally as a result of the combination of strict expense control with the revenue growth in this period.

The Expanded Coverage Ratio [fee income/(personnel expenses + administrative expenses)] declined at 1.2 percentage point, mostly due to the effect of collective bargaining agreement of the category (6.0%) and bonus lump-sum payment in September/05, in the amount of R\$ 141 million, decreasing from 70.8% in 2Q05 to 69.6% in 3Q05.

If we exclude the non-recurrent effect of bonus lump-sum payment and labor liabilities restatement, both in the amount of R\$127 million, the index would be 73.0%, a 2.2 percentage point improvement.

## Results by Business Segment

Income Breakdown in percentage

N.B: the Balance Sheet and the Statement of Income by Business Segment can be found in the Note 5.

## Variation in the Main Statement of Income Items

9 months accumulated in 2005 compared to 9 months accumulated in 2004 R\$ million

(\*) Composition: Premiums and Net Contributions of variations in Technical Provisions for Insurance, Private Pension Plans and Savings Bonds deducted from Claims, Redemptions, Benefits and Commissions, not including Financial Income on Insurance activities and price-level restatement and interest on Technical Provisions, which are included in the Net interest income.

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3<sup>rd</sup> Quarter of 2005 compared to the 2<sup>nd</sup> Quarter of 2005 R\$ million

- (\*) Composition: Premiums and Net Contributions of variations in Technical Provisions for Insurance, Private Pension Plans and Savings Bonds deducted from Claims, Redemptions, Benefits and Commissions, not including Financial Income on Insurance activities and price-level restatement and interest on Technical Provisions, which are included in the Net interest income.

**Variation in Items Composing the Net Interest Income and Exchange Adjusted**

9 months accumulated in 2005 compared to 9 months accumulated in 2004 R\$ million

- (1) Includes Revenues from Loan Operations + Income on Leasing Operations + Income on Foreign Exchange Transactions (Note 13a):
- (2) Includes Interest and Charges on Deposits, excluding Expenses for Purchase and Sale Commitments + Expenses for Borrowings and Onlendings + Income on Compulsory Deposits + Adjustments to Income on Foreign Exchange Transactions (Note 13a).
- (3) Includes Income on Securities Transactions, less expenses with Purchase and Sale Commitments + Financial Income on Insurance, Private Pension Plans and Savings Bonds + Income on Derivative Financial Instruments + Adjustments to Income on Foreign Exchange Transactions (Note 13a).
- (4) This refers to restatement and interest of Technical Provisions for Insurance, Private Pension Plan, and Savings Bonds.

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3<sup>rd</sup> Quarter of 2005 compared to the 2<sup>nd</sup> Quarter of 2005 R\$ million

- (1) Includes Revenues from Loan Operations + Income on Leasing Operations + Income on Foreign Exchange Transactions (Note 13a):
- (2) Includes Interest and Charges on Deposits, excluding Expenses for Purchase and Sale Commitments + Expenses for Borrowings and Onlendings + Income on Compulsory Deposits + Adjustments to Income on Foreign Exchange Transactions (Note 13a).
- (3) Includes Income on Securities Transactions, less expenses with Purchase and Sale Commitments + Financial Income on Insurance, Private Pension Plans and Savings Bonds + Income on Derivative Financial Instruments + Adjustments to Income on Foreign Exchange Transactions (Note 13a).
- (4) This refers to restatement and interest of Technical Provisions for Insurance, Private Pension Plan, and Savings Bonds.

### Analysis of the Adjusted Net Interest Income and Average Rates

Loan Operations x Income

R\$ million	September YTD		2005	
	2004	2005	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
Loan Operations	48,814	61,022	60,266	65,020
Leasing Operations	1,400	1,904	1,873	2,091
Advances on Foreign Exchange Contracts	6,031	4,978	5,194	4,909
1 Total Average Balance (Quarterly)	56,245	67,904	67,333	72,020
2 Income (Loan Operations, Leasing and Exchange) (*)	9,891	11,924	3,626	4,471
3 Average Return Annualized Exponentially (2/1)	24.1%	24.1%	23.3%	27.2%

(\*) Includes Income from Loan Operations, Net Results from Leasing Operations and adjusted Results on Foreign Exchange Transactions (Note 13a).

## Marketable Securities x Income on Marketable Securities Transactions

R\$ million	September YTD		2005	
	2004	2005	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
Marketable Securities	55,331	63,988	64,641	64,344
Interbank Investments	24,153	22,871	22,493	23,762
Subject to Repurchase Agreements	(21,543)	(22,560)	(21,407)	(22,747)
Derivative Financial Instruments	(371)	(1,080)	(1,552)	(1,331)
4 Total Average Balance (Quarterly)	57,569	63,219	64,175	64,028
5 Income on Securities Transactions (Net of Sales and Purchase Commitments Expenses) (*)	6,266	7,560	2,217	2,491
6 Average Rate Annualized Exponentially (5/4)	14.8%	16.3%	14.5%	16.5%

(\*) Includes Financial Income on Insurance, Private Pension Plans and Savings Bonds, Derivative Financial Instruments and Foreign Exchange adjustments (Note 13a).

## Total Assets x Income from Financial Intermediation

R\$ million	September YTD		2005	
	2004	2005	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
7 Total Assets Average Balance (Quarterly)	173,257	193,170	192,920	198,228
8 Income from Financial Intermediation	20,001	23,761	7,119	8,533
9 Average Rate Annualized Exponentially (8/7)	15.7%	16.7%	15.6%	18.4%



## Funding x Expenses

R\$ million	September YTD		2005	
	2004	2005	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
Deposits	61,532	70,691	71,513	71,375
Funds from Acceptance and Issuance of Securities	6,651	5,733	5,856	6,419
Interbank and Interdepartmental Accounts	1,580	1,647	1,392	1,675
Subordinated Debt	5,602	6,271	6,307	6,497
10 Total Funding Average Balance (Quarterly)	75,366	84,342	85,068	85,966
11 Expenses (*)	3,584	3,550	599	1,413
12 Average Rate Annualized Exponentially (11/10)	6.4%	5.7%	2.8%	6.7%

(\*) Funding Expenses without Repurchase Agreements, less Income on Compulsory Deposits and Foreign Exchange Adjustments (Note 13a).

## Technical Provisions for Insurance, Private Pension Plans and Savings Bonds x Expenses

R\$ million	September YTD		2005	
	2004	2005	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
13 Technical Provisions for Insurance, Private Pension Plans and Savings Bonds Average Balance (Quarterly)	28,855	35,941	35,931	37,384
14 Expenses (*)	2,294	2,714	902	873
15 Average Rate Annualized Exponentially (14/13)	10.7%	10.2%	10.4%	9.7%

(\*) Restatement and Interest of Technical Provisions for Insurance, Private Pension Plans and Savings Bonds.

## Borrowings and Onlendings (Local and Foreign) x Expenses

million	R\$	September YTD		2005	
		2004	2005	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
Borrowings		8,152	6,982	6,948	6,474
Onlendings		7,883	8,476	8,368	8,646
16 Total Borrowings and Onlendings					
Average Balance (Quarterly)		16,036	15,458	15,316	15,120
17 Expenses for Borrowings and Onlendings					
(*)		564	368	(14)	178
18 Average Rate Annualized Exponentially					
(17/16)		4.7%	3.2%	(0.4%)	4.8%
(*) Includes Foreign Exchange adjustments (Note 13a).					

## Total Assets x Net Interest Income

million	R\$	September YTD		2005	
		2004	2005	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.
19 Total Assets Average Balance (Quarterly)		173,257	193,170	192,920	198,228
20 Net interest income (*)		9,715	12,852	4,355	4,498
21 Average Rate Annualized Exponentially					
(20/19)		7.5%	9.0%	9.3%	9.4%

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

## Financial Market Indicators

## Analysis of Net Interest Income

## a) Net interest income adjustment

The net interest income, under the terms of BACEN regulation, in periods compared, includes the income earned in the sale of our stake in Belgo-Mineira's capital stock in 1Q05, as well as the partial income on derivatives used for hedge effect of investments abroad, which, in terms of net income simply annuls the tax effect (Income Tax/Social Contribution and PIS/COFINS) of such hedge strategy.

This tax effect is triggered by the fact that exchange variation is not deductible when losses are verified and is not taxable when gains are recognized. On the other hand, the income from derivative instruments are taxable when gains occur and deductible when losses occur.

Therefore, gross income from hedge is reflected in net interest income, under the line *Income from Derivative Financial Instruments*, and its respective taxes are reflected under the lines *Tax Expenses* and *Income Tax and Social Contribution*, as follows:

## Hedge Tax Effect of Investments Abroad

	R\$ million							
	Effect in the 9-month Period			Effect in the Quarter				
	Net Interest Income	Tax Expenses	Income Tax/Social Contribution	Net Income	Net Interest Income	Tax Expenses	Income Tax/Social Contribution	Net Income
Partial Income on Hedge of Investments Abroad	1,564	(73)	(507)	984	435	(20)	(141)	274
Variation of Investments Abroad	(984)			(984)	(274)			(274)
<b>Effect on the Items</b>	<b>580</b>	<b>(73)</b>	<b>(507)</b>		<b>161</b>	<b>(20)</b>	<b>(141)</b>	

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Therefore, for a better evaluation of net interest income growth, hedge effects and exchange variation of investments abroad occurred in the net interest income were excluded, as shown in the chart below, as well as, the R\$ 327 million income earned with the sale of our stake in Belgo-Mineira, which took place in 1Q05, as follows:

Adjusted Net Interest Income

	R\$ million					
	September YTD			2005		
	2004	2005	Variation	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	Variation
<b>Reported Net Interest Income</b>	<b>9,715</b>	<b>12,852</b>	<b>3,137</b>	<b>4,355</b>	<b>4,498</b>	<b>143</b>
(-) Sale of Belgo-Mineira		(327)	(327)			
(-) Hedge/Exchange Variation		(580)	(580)	(409)	(161)	248
<b>Adjusted Net Interest Income</b>	<b>9,715</b>	<b>11,945</b>	<b>2,230</b>	<b>3,946</b>	<b>4,337</b>	<b>391</b>
<b>Percentage Adjusted on Average Assets</b>	<b>7.5%</b>	<b>8.3%</b>		<b>8.4%</b>	<b>9.0%</b>	

b) Comments on the Adjusted Net Interest Income Variation

In 3Q05, the adjusted net interest income reached R\$ 4,337 million, a 9.9% growth or R\$ 391 million, when compared to R\$ 3,946 million in 2Q05. Such variation is due to a R\$ 292 million increase in the results of interest income operations, caused by higher volume of operations and increase in non-interest income of R\$ 99 million.

When comparing the first nine months of 2005 with same period of previous year, the growth was 23.0%, reaching R\$ 11,945 million and R\$ 9,715 million, respectively. An improved adjusted net interest income of R\$ 2,230 million in the nine-month period of 2005, against same period of 2004, is basically due to a R\$ 1,767 million increase in the results of interest income operations, triggered by an increment in the volume of operations and by higher non-interest income of R\$ 463 million, basically derived from higher marketable securities and treasury gains.

The annualized net interest income adjusted rate, obtained by dividing the income from adjusted net interest income over the average balance of total assets, increased from 8.4% in 2Q05 to 9.0% in current quarter, accounting for 0.6 percentage point increase.

In the nine-month period of 2005 year-to-date, the adjusted net interest income rate reached 8.3%, accounting for a 0.8 percentage point increase when compared to the same period of 2004, which was 7.5% .

It is worth mentioning the net interest income operations as follows:

The growth of balance of loan operations, which in 3Q05 reached R\$ 75.2 billion, accounting for a 7.8% expansion in relation to June and 25.5% growth over the past twelve months.

Loan for individuals was again the outstanding segment of the portfolio growth, with a 14.0% increase in relation to June and 63.7% when compared to the past twelve months, due to a growth of economy activity, fomenting a hike in the financing of durable goods, added to the growth of consigned loan market and also due to recent partnerships made by Bradesco.

Insurance segment operations also contributed to a higher net interest income, as a result of a good performance of Insurance, Private Pension Plan and Savings Bonds activities, especially due to increase in sales of supplementary private pension plans and insurance policies with respective recording of provisions, since between the quarters an increase occurred in the volume of such funds at 4.7% and when comparing September 2005 with the same period of previous year, technical provisions climbed 21.1% .

A sustained growth of net interest income between periods compared may be attributed to the strategy of expanding the loan portfolio, increased customer base, and consolidation of segmentation process, as well as the expansion of operations through acquisitions and partnerships, besides the organic growth of Consolidated Bradesco.

**Allowance for Doubtful Accounts (PDD)**

## Movement of Allowance for Doubtful Accounts

	R\$ million					
	2004			2005		
	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD
<b>Opening Balance</b>	4,192	4,213	4,059	4,301	4,450	4,145
Amount Recorded for the Period	514	478	1,553	562	540	1,737
Amount Written-off for the Period	(493)	(510)	(1,508)	(413)	(343)	(1,235)
Balance Derived from Acquired Institutions			77			
<b>Closing Balance</b>	<b>4,213</b>	<b>4,181</b>	<b>4,181</b>	<b>4,450</b>	<b>4,647</b>	<b>4,647</b>
Specific Allowance	1,876	1,885	1,885	1,891	2,053	2,053
Generic Allowance	1,432	1,383	1,383	1,613	1,642	1,642
Other Allowance	905	913	913	946	952	952
<b>Credit Recoveries</b>	<b>124</b>	<b>228</b>	<b>458</b>	<b>188</b>	<b>174</b>	<b>489</b>

## Allowance for Doubtful Accounts (PDD) on Loan and Leasing Operations

	R\$ million			
	2004		2005	
	June	September	June	September
Allowance for Doubtful Accounts (A)	4,213	4,181	4,450	4,647
Loan Operations (B)	58,402	59,976	69,787	75,244
PDD over Loan Operations (A/B)	7.2%	7.0%	6.4%	6.2%

## Coverage Ratio PDD/Abnormal Course Loans (E to H)

	R\$ million			
	2004		2005	
	June	September	June	September
(1) Total Allowance	4,213	4,181	4,450	4,647
(2) Abnormal Course Loans (E to H)	2,223	2,175	2,257	2,426
PDD Coverage Ratio (1/2)	189.5%	192.2%	197.2%	191.5%

## Coverage Ratio Non Performing Loans (NPL) (\*)

	<b>R\$ million</b>			
	<b>2004</b>		<b>2005</b>	
	<b>June</b>	<b>September</b>	<b>June</b>	<b>September</b>
(1) Total Provisions	4,213	4,181	4,450	4,647
(2) Non Performing Loans	2,344	2,239	2,245	2,341
NPL Ratio (1/2)	179.7%	186.7%	198.2%	198.5%

(\*) Loan Operations overdue for more than 60 days and which do not generate income under the accrual method of accounting.

For further information on Allowance for Doubtful Accounts (PDD), see pages 74 to 77 of this Report.

### Fee Income

	<b>R\$ million</b>					
	<b>2004</b>			<b>2005</b>		
	<b>2<sup>nd</sup> Qtr.</b>	<b>3<sup>rd</sup> Qtr.</b>	<b>September YTD</b>	<b>2<sup>nd</sup> Qtr.</b>	<b>3<sup>rd</sup> Qtr.</b>	<b>September YTD</b>
Checking Accounts	317	325	959	404	447	1,247
Loan Operations	195	223	586	322	334	941
Cards	243	243	727	304	335	929
Assets under Management	213	233	649	252	276	773
Collection	151	160	461	178	185	529
Interbank Fees	63	67	192	66	69	200
Collection of Taxes	49	51	150	52	54	150
Consortium Purchase Plan Management	20	23	58	33	40	103
Custody and Brokerage Services	26	24	73	30	35	92
Other	98	106	294	119	143	375
<b>Total</b>	<b>1,375</b>	<b>1,455</b>	<b>4,149</b>	<b>1,760</b>	<b>1,918</b>	<b>5,339</b>

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Fee income increased 28.7% in the nine-month period ended on September 30, 2005, or R\$ 1,190 million when compared to the same period of 2004, amounting to R\$ 5,339 million.

Major components for growth of Fee Income were:

the increase in the volume of Loan Operations, especially individuals, which is directly related to the growth of economy activity was the major factor for the increase in item Revenues from Loan Operations , a R\$ 355 million improvement;

the strategy of clients segmentation (Private, Prime, Corporate, Companies and Retail), the tariff realignment and client base growth boosted the Checking Accounts , up by R\$ 288 million;

the 22.9% expansion in the volume of assets under management was the main factor for the growth in Assets under Management , which increased by R\$ 124 million, from R\$ 93.3 billion on September 30, 2004 to R\$ 114.7 billion on September 30, 2005;

the 27.8% increase represented by a R\$ 202 million hike in the Cards item when comparing the first nine months of 2004 and 2005, is directly related to the increase of 12.6% in the cards base, from 45.2 million to 50.9 million. When compared to 2Q05, fee income showed an expansion of 9.0% with a R\$ 158 million growth, as a result of the increased volumes of customer base and transactions in 3Q05, pointing out increases of 3.7%, 2.0%, 10.6% and 9.5% under the items Loan Operations , Cards , Checking Account , Asset Management and up by R\$ 12 million, R\$ 31 million, R\$ 43 million and R\$ 24 million, respectively.

#### Administrative and Personnel Expenses

	R\$ million					
	2004			2005		
	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD	2 <sup>nd</sup> Qtr.	3 <sup>rd</sup> Qtr.	September YTD
Third-Party Services	218	216	630	253	269	749
Communications	155	159	476	179	183	540
Depreciation and Amortization	118	118	359	111	108	335
Transport	88	100	282	100	104	309
Financial System Services	102	101	300	101	105	306
Publicity	86	88	285	87	79	236
Rentals	75	73	223	79	81	237
Maintenance and Repairs	68	69	197	77	77	227
Capital Lease	83	76	236	63	55	185
Data Processing	71	70	199	57	63	178
Materials	35	36	109	41	48	129
Water, Electricity and Gas	31	30	95	37	34	106
Travel	13	14	41	14	14	40
Other	73	75	217	41	51	126
<b>Administrative Expenses</b>	<b>1,216</b>	<b>1,225</b>	<b>3,649</b>	<b>1,240</b>	<b>1,271</b>	<b>3,703</b>
Remuneration	613	636	1,863	638	650	1,904



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Benefits	243	257	736	269	285	824
Social Charges	229	228	683	240	272	747
Employee Profit Sharing	39	43	127	78	80	223
Training	11	15	37	16	15	39
Lump-sum payment of bonus (*)		14	14		103	103
Others	99	81	225	5	114	146
<b>Personnel Expenses</b>	<b>1,234</b>	<b>1,274</b>	<b>3,685</b>	<b>1,246</b>	<b>1,519</b>	<b>3,986</b>
<b>Total Administrative and Personnel Expenses</b>	<b>2,450</b>	<b>2,499</b>	<b>7,334</b>	<b>2,486</b>	<b>2,790</b>	<b>7,689</b>

(\*) In 2004, the lump-sum payment bonus refers to the additional food basket

In the first nine months of 2005, the Administrative and Personnel Expenses showed a R\$ 319 million increase when compared to the same period last year, reaching the amount of R\$ 7,653 million against R\$ 7,334 million in the same period of 2004. The nominal variation of Administrative Expenses between the nine-month periods of 2004 and 2005 shows a R\$ 54 million increase, reaching the amount of R\$ 3,703 million, lower than average inflation in the period.

Personnel Expenses increased R\$ 265 million when compared to the nine-month period of 2004, reaching R\$ 3,950 million, pointing out:

a payroll increase resulted from the collective bargaining agreement 8.5% in 2004, benefits and others in the amount of R\$ 306 million;

the effect of collective bargaining agreement of 6.0% in 2005 in the amount of R\$ 38 million, of which R\$ 24 million refer to labor liabilities restatement and R\$ 14 million due to increase in payroll;

higher provisions of bonus lump-sum payment in September/05 of R\$ 103 million, against R\$ 14 million in September/04;

higher PLR expenses, in the amount of R\$ 95 million; which was mitigated: by lower labor claims provisions R\$ 79 million; and

by the reduction in personnel expenses, in view of synergy in the administrative processes in the amount estimated at R\$ 184 million.

When compared to 3Q05, Administrative and Personnel Expenses increased R\$ 268 million, up by 10.8%, from R\$ 2,486 million in 2Q05 to R\$ 2,754 million in 3Q05.

Administrative Expenses increased R\$ 31 million, higher variations occurred in the items Third-Party Services ; Data Processing and Materials , growing R\$ 16 million, R\$ 6 million and R\$ 7 million, respectively. Increase in Third Party Services expenses is basically due to the growth in business volumes, as well as investments in the improvement and optimization of IT (information technology) platform, while the increase in Data Processing expenses is basically due to annual contractual renewal with suppliers and higher Materials expenses, basically refers to expenditures related to the replacement of regular cards with chip cards.

Personnel expenses in 3Q05 climbed R\$ 237 million when compared to the previous quarter and were mainly impacted by: (i) the effect of the collective bargaining agreement (6.0%) of R\$ 38 million, of which R\$ 24 million refer to labor liabilities restatement and R\$ 14 million due to increase in payroll; (ii) bonus lump-sum payment in September/05 of R\$ 103 million; and (iii) higher labor provision and expenses with employment contract termination of R\$ 99 million.

**Operating Efficiency**

	R\$ million						
	Year					2005 (*)	
	2000	2001	2002	2003	2004	June	September
Personnel Expenses	3,221	3,549	4,076	4,779	4,969	5,025	5,234
Employee Profit Sharing	(112)	(160)	(140)	(170)	(182)	(241)	(278)
Other Administrative Expenses	2,978	3,436	4,028	4,814	4,937	4,946	4,992
<b>Total (1)</b>	<b>6,087</b>	<b>6,825</b>	<b>7,964</b>	<b>9,423</b>	<b>9,724</b>	<b>9,730</b>	<b>9,948</b>
Net interest income	7,839	10,109	11,472	13,282	13,231	15,173	16,368
Fee income	3,043	3,473	3,712	4,557	5,824	6,551	7,014
Income from Insurance Premiums, Private Pension Plans and Savings Bonds	6,920	8,959	10,135	11,726	13,284	13,098	13,179
Variation in Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	(3,001)	(3,492)	(2,785)	(3,670)	(3,964)	(3,091)	(2,754)
Retained Claims	(2,511)	(3,252)	(3,615)	(3,980)	(5,159)	(5,474)	(5,609)
Draws and Redemptions from Savings Bonds	(355)	(744)	(721)	(1,100)	(1,223)	(1,164)	(1,189)
Insurance, Private Pension Plans and Savings Bonds	(645)	(689)	(667)	(762)	(867)	(903)	(931)
Selling Expenses Expenses with Pension Plan Benefits and Redemptions	(913)	(1,370)	(1,689)	(2,363)	(2,131)	(2,380)	(2,500)
<b>Subtotal Private Pension Plans and Savings Bonds</b>	<b>(505)</b>	<b>(588)</b>	<b>658</b>	<b>(149)</b>	<b>(60)</b>	<b>86</b>	<b>196</b>
Equity in the Earnings of Affiliated Companies	156	71	65	5	163	45	113
Other Operating Expenses	(1,376)	(1,831)	(3,148)	(2,741)	(2,826)	(2,827)	(3,045)
Other Operating Income	903	1,326	1,321	1,697	1,198	1,221	1,108
<b>Total (2)</b>	<b>10,060</b>	<b>12,560</b>	<b>14,080</b>	<b>16,651</b>	<b>17,530</b>	<b>20,249</b>	<b>21,754</b>
<b>Efficiency Ratio (%) = (1/2)</b>	<b>60.5</b>	<b>54.3</b>	<b>56.6</b>	<b>56.6</b>	<b>55.5</b>	<b>48.1</b>	<b>45.7</b>

(\*) Accumulated amounts for the 12-month period.

Operating Efficiency Ratio in percentage



## Operating Efficiency Ratio in percentage

The Operating Efficiency Ratio (accumulated for the 12-month period) for 3Q05, was of 45.7%, improved by 2.4% compared to the 12-month period ended in June 2005, mainly as a result of the expenses control, pointing out that administrative and personnel expenses, which remained below the average inflation over the past 12 months allied with the efforts to increase revenues. We point out higher net interest income in the amount R\$ 1,195 million, basically stemming from interest component, generated by an increment in business volume, pointing out a 63.7% increase in the volume of loan operations for individuals, mainly concerned with consumer sales and personal loan financing, the profitability of which is higher if compared to the corporate financing and increased fee income, in the amount of R\$ 463 million, as a result of increase in the average volume of transactions, combined with an increase in the customer base, fee realignment and improved partnership ratio (cross-selling), as a result of the segmentation process.

It is worth pointing out that part of the increase net interest income of R\$ 1,195 million includes R\$ 580, which is part of derivatives used for hedge effect of investments abroad, which in terms of net income, simply annuls the tax effect of this hedge strategy in the period. This negative tax effect is directly reflected on the items Tax Expenses and Income Tax and Social Contribution, which is not considered in the calculation of the Operating Efficiency Ratio. If we disregard this part of derivatives in the calculation basis of Operating Efficiency Ratio, both in September and June of 2005 we would reach an index of 47.0% in September and 49.0% in June, a 2.0 percentage point improvement when compared to June 2005.

If we also exclude the Operating Efficiency Ratio from the calculation basis, the goodwill amortization expenses over the past 12 months, in the amount of R\$ 482 million, we would have an improvement of 1.1 percentage point, from 47.0% to 45.9%.

The Amplified Coverage Ratio [fee income/(personnel expenses + administrative expenses)] declined at 1.2 percentage point, mostly due to the effect of provisioning proposal of collective bargaining agreement of the category (6.0%) and bonus lump-sum payment in September/05, in the amount of R\$ 141 million, from 70.8% in 2Q05 to 69.6% in 3Q05. If we exclude the non-recurrent effect of R\$ 103 million related to bonus lump-sum payment and restatement of labor liabilities in the amount of R\$ 24 million the ratio would be 73.0%, as show in the following graph:

**Operating Efficiency R\$ million**

Administrative Expenses + Personnel and Revenues from Services Rendered

(\* ) This excludes R\$ 103 million related to bonus lump-sum payment and R\$ 24 million of labor liabilities restatement.

Among other results, through the use of Activity-Based Costing methodology (ABC), the Bradesco Organization is enhancing the criteria used to formulate and negotiate bank tariffs, the supply of costing information to GDAD (Performance and Decision Making Support Management) and for customer profitability determination purposes, as well as establishing a reliable basis for ongoing rationalization analyses.

Referring to cost control, Bradesco is under process of adopting a cost management model by means of Activity-Based Management ABM methodology, a pro-active approach which allows for rapid evolution, including the identification of opportunities on a timely basis. Accordingly, in line with the improvement of processes, operating performance is seamlessly integrated with strategic objectives.

A strict control of expenses, enhanced with the establishment of the Expenditure Assessment Committee in March 2004, is being positively reflected on the Operating Efficiency Ratio.

**Other Indicators**

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### 3 - Main Balance Sheet Information

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**Consolidated Balance Sheet** R\$ thousand

Assets	September			December		
	2005	2004	2003	2002	2001	2000
<b>Current and Long-Term Assets</b>	<b>197,382,908</b>	<b>180,038,498</b>	<b>171,141,348</b>	<b>137,301,711</b>	<b>105,767,892</b>	<b>90,693,025</b>
<b>Funds Available</b>	<b>2,599,967</b>	<b>2,639,260</b>	<b>2,448,426</b>	<b>2,785,707</b>	<b>3,085,787</b>	<b>1,341,653</b>
<b>Interbank Investments</b>	<b>24,149,477</b>	<b>22,346,721</b>	<b>31,724,003</b>	<b>21,472,756</b>	<b>3,867,319</b>	<b>2,308,273</b>
Open Market Investments	16,865,804	15,667,078	26,753,660	19,111,652	2,110,573	1,453,461
Interbank Deposits	7,284,919	6,682,608	4,970,343	2,370,345	1,760,850	854,815
Allowance for Losses	(1,246)	(2,965)		(9,241)	(4,104)	(3)
<b>Marketable Securities and Derivative Financial Instruments</b>	<b>64,247,500</b>	<b>62,421,658</b>	<b>53,804,780</b>	<b>37,003,454</b>	<b>40,512,688</b>	<b>33,119,843</b>
Own Portfolio	54,032,904	51,255,745	42,939,043	29,817,033	27,493,936	21,743,924
Subject to Repurchase Agreements	1,971,232	4,807,769	5,682,852	1,497,383	9,922,036	10,822,637
Derivative Financial Instruments	1,282,577	397,956	232,311	238,839	581,169	
Restricted to the Negotiation and Intermediation of Amounts					526,219	9,394
Restricted Deposits - Brazilian Central Bank	4,501,438	4,512,563	3,109,634	3,536,659	1,988,799	421,727
Privatization Currencies	94,367	82,487	88,058	77,371	25,104	9,526
Subject to Collateral Provided	2,357,894	1,365,138	1,752,882	1,836,169	715,858	783,501
Provisions for Mark-to-market Adjustments					(740,433)	(670,866)
Unrestricted Notes	7,088					
<b>Interbank Accounts</b>	<b>16,379,697</b>	<b>16,087,102</b>	<b>14,012,837</b>	<b>12,943,432</b>	<b>5,141,940</b>	<b>5,060,628</b>
Unsettled Receipts and Payments	644,561	22,075	20,237	16,902	10,118	6,920
Restricted Credits						
Restricted Deposits - Brazilian Central Bank	15,429,744	15,696,154	13,580,425	12,519,635	4,906,502	4,848,668
National Treasury - Rural Funding	578	578	578	578	712	660
SFH	264,228	335,320	391,871	374,177	217,518	197,191
Interbank Onlending						2,024
Correspondent Banks	40,586	32,975	19,726	32,140	7,090	5,165
<b>Interdepartmental Accounts</b>	<b>78,641</b>	<b>147,537</b>	<b>514,779</b>	<b>191,739</b>	<b>176,073</b>	<b>111,636</b>
Internal Transfer of Funds	78,641	147,537	514,779	191,739	176,073	111,636
Loan Operations	63,383,435	51,890,887	42,162,718	39,705,279	35,131,359	30,236,106
<b>Loan Operations:</b>						
Public Sector	785,453	536,975	186,264	254,622	199,182	275,479
Private Sector	66,990,785	55,242,348	45,768,970	42,842,693	37,689,671	32,244,482
	(4,392,803)	(3,888,436)	(3,792,516)	(3,392,036)	(2,757,494)	(2,283,855)

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Allowance for Doubtful Accounts						
Leasing Operations	2,109,058	1,556,321	1,306,433	1,431,166	1,567,927	1,914,081
Leasing Receivables:						
Public Sector	6,631			45	138	160
Private Sector	4,368,260	3,237,226	2,859,533	3,141,724	3,248,050	3,813,369
Unearned Income from Leasing	(2,166,436)	(1,576,690)	(1,438,534)	(1,560,278)	(1,557,642)	(1,760,305)
Allowance for Leasing Losses	(99,397)	(104,215)	(114,566)	(150,325)	(122,619)	(139,143)
<b>Other Receivables:</b>	<b>22,923,456</b>	<b>21,664,592</b>	<b>24,098,765</b>	<b>20,690,054</b>	<b>15,685,433</b>	<b>16,226,725</b>
Receivables on Guarantees Honored	10	811	624	1,577	1,131	2,020
Foreign Exchange Portfolio Receivables	8,140,427	7,336,806	11,102,537	10,026,298	5,545,527	6,417,431
Negotiation and Intermediation of Securities Specific Receivables	205,204	197,120	331,064	249,849	187,910	191,873
Insurance Premiums Receivable	675,125	357,324	602,543	175,185	761,754	497,655
Sundry					146,919	124,776
Allowance for Other Doubtful Accounts	1,040,347	988,029	889,358	718,909	995,662	818,773
<b>Other Assets</b>	<b>13,017,256</b>	<b>12,937,408</b>	<b>11,324,857</b>	<b>9,640,966</b>	<b>8,107,714</b>	<b>8,258,402</b>
Other Assets	(154,913)	(152,906)	(152,218)	(122,730)	(61,184)	(84,205)
Provisions for Mark-to-Market Adjustments	<b>1,511,677</b>	<b>1,284,420</b>	<b>1,068,607</b>	<b>1,078,124</b>	<b>599,366</b>	<b>374,080</b>
Prepaid Expenses	428,191	477,274	586,994	679,515	415,484	409,771
<b>Permanent Assets</b>	<b>4,530,314</b>	<b>4,887,970</b>	<b>4,956,342</b>	<b>5,483,319</b>	<b>4,348,014</b>	<b>4,185,458</b>
<b>Investments</b>	<b>1,038,040</b>	<b>1,101,174</b>	<b>862,323</b>	<b>512,720</b>	<b>884,773</b>	<b>830,930</b>
Interest in Affiliated Companies:						
In the Country	440,713	496,054	369,935	395,006	742,586	689,002
Other investments	937,918	971,311	857,985	439,342	452,871	525,316
Allowance for losses	(340,591)	(366,191)	(365,597)	(321,628)	(310,684)	(383,388)
<b>Property, Plant and Equipment in Use</b>	<b>2,043,277</b>	<b>2,270,497</b>	<b>2,291,994</b>	<b>2,523,949</b>	<b>2,152,680</b>	<b>2,017,093</b>
Buildings in Use	1,296,720	1,357,063	1,398,735	1,748,409	1,475,581	1,491,847
Other Fixed Assets	3,562,387	3,604,741	3,480,636	3,459,950	2,988,008	2,705,577
Accumulated Depreciation	(2,815,830)	(2,691,307)	(2,587,377)	(2,684,410)	(2,310,909)	(2,180,331)
<b>Leased Fixed Assets</b>	<b>10,760</b>	<b>18,951</b>	<b>34,362</b>	<b>34,323</b>	<b>46,047</b>	<b>10,688</b>
Leased Assets	23,159	58,463	63,812	51,198	51,214	19,421
Accumulated Depreciation	(12,399)	(39,512)	(29,450)	(16,875)	(5,167)	(8,733)
<b>Deferred Charges</b>	<b>1,438,237</b>	<b>1,497,348</b>	<b>1,767,663</b>	<b>2,412,327</b>	<b>1,264,514</b>	<b>1,326,747</b>
Organization and Expansion Costs	1,267,542	1,170,866	1,124,058	1,037,559	874,970	731,717
Accumulated Amortization	(732,828)	(699,710)	(572,620)	(568,525)	(481,127)	(391,417)
Goodwill on Acquisition of Subsidiaries,						
Net of Amortization	903,523	1,026,192	1,216,225	1,943,293	870,671	986,447
<b>Total</b>	<b>201,913,222</b>	<b>184,926,468</b>	<b>176,097,690</b>	<b>142,785,030</b>	<b>110,115,906</b>	<b>94,878,483</b>



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Liabilities	September			December		
	2005	2004	2003	2002	2001	2000
<b>Current and Long-Term Liabilities</b>	<b>183,542,368</b>	<b>169,596,632</b>	<b>162,406,307</b>	<b>131,652,394</b>	<b>100,199,709</b>	<b>86,654,746</b>
<b>Deposits</b>	<b>71,095,497</b>	<b>68,643,327</b>	<b>58,023,885</b>	<b>56,363,163</b>	<b>41,083,979</b>	<b>36,468,659</b>
Demand Deposits	14,773,886	15,297,825	12,909,168	13,369,917	8,057,627	7,500,518
Savings Deposits	24,791,357	24,782,646	22,140,171	20,730,683	18,310,948	17,835,745
Interbank Deposits	88,791	19,499	31,400	23,848	40,446	568,416
Time Deposits	31,262,357	28,459,122	22,943,146	22,238,715	14,674,958	10,563,980
Other Deposits	179,106	84,235				
<b>Funds Obtained in the Open Market</b>	<b>24,538,083</b>	<b>22,886,403</b>	<b>32,792,725</b>	<b>16,012,965</b>	<b>14,057,327</b>	<b>12,108,350</b>
Own Portfolio	8,712,255	8,248,122	6,661,473	915,946	12,178,855	10,696,199
Third-party Portfolio	15,818,740	14,430,876	17,558,740	12,188,054	1,878,472	1,412,151
Unrestricted Portfolio	7,088	207,405	8,572,512	2,908,965		
<b>Issuance of Securities</b>	<b>6,161,015</b>	<b>5,057,492</b>	<b>6,846,896</b>	<b>3,136,842</b>	<b>4,801,410</b>	<b>4,111,171</b>
Exchange Acceptances				1,214		
Mortgage Notes	829,377	681,122	1,030,856	384,727	780,425	741,248
Debentures	2,758,285		7,291	100,369	48,921	1,039
Securities Issued Abroad	2,573,353	4,376,370	5,808,749	2,650,532	3,972,064	3,368,884
<b>Interbank Accounts</b>	<b>201,705</b>	<b>174,066</b>	<b>529,332</b>	<b>606,696</b>	<b>192,027</b>	<b>107,129</b>
Interbank Onlendings			159,098	35,686	4,519	1,059
Correspondent Banks	201,705	174,066	370,234	571,010	187,508	106,070
<b>Interdepartmental Accounts</b>	<b>1,680,925</b>	<b>1,745,721</b>	<b>1,782,068</b>	<b>1,337,729</b>	<b>762,505</b>	<b>904,188</b>
Third-party Funds in Transit	1,680,925	1,745,721	1,782,068	1,337,729	762,505	904,188
<b>Borrowings</b>	<b>6,470,113</b>	<b>7,561,395</b>	<b>7,223,356</b>	<b>9,390,630</b>	<b>7,887,154</b>	<b>6,463,555</b>
Local Borrowings - Official Institutions	1,162	1,376	2,070	3,368	2,979	9,737
Local Borrowings - Other Institutions	13,040	11,756	4,010	216,812	230,468	170,775
Foreign Currency Borrowings	6,455,911	7,548,263	7,217,276	9,170,450	7,653,707	6,283,043
Local Onlendings - Official Institutions	8,766,848	8,355,398	7,554,266	7,000,046	5,830,633	5,096,604
National Treasury	50,824	72,165	51,398	62,187		
BNDES	3,823,744	3,672,007	3,403,462	3,437,319	3,067,220	2,589,284
CEF	50,472	395,820	459,553	453,803	433,381	405,264
FINAME	4,838,940	4,211,762	3,638,966	3,045,176	2,321,508	2,090,374
Other institutions	2,868	3,644	887	1,561	8,524	11,682
<b>Foreign Onlendings</b>	<b>4,380</b>	<b>42,579</b>	<b>17,161</b>	<b>47,677</b>	<b>316,283</b>	<b>108,178</b>
Foreign Onlendings	4,380	42,579	17,161	47,677	316,283	108,178
<b>Derivative Financial Instruments</b>	<b>1,043,097</b>	<b>173,647</b>	<b>52,369</b>	<b>576,697</b>	<b>111,600</b>	
<b>Technical Provisions for Insurance, Private Pension Plans and Savings Bonds</b>	<b>38,234,781</b>	<b>33,668,654</b>	<b>26,408,952</b>	<b>19,155,479</b>	<b>13,853,426</b>	<b>10,338,065</b>
Other Liabilities	25,345,924	21,287,950	21,175,297	18,024,470	11,303,365	10,948,847
Collection of Taxes and Other Contributions	1,238,627	204,403	130,893	108,388	181,453	128,785

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Foreign Exchange Portfolio	4,042,150	3,011,421	5,118,801	5,002,132	1,343,769	2,439,657
Social and Statutory Payables	1,118,908	900,266	851,885	666,409	572,265	560,533
Fiscal and Pension Plans						
Activities	5,528,117	4,495,387	4,781,458	4,376,031	3,371,127	3,094,628
Negotiation and						
Intermediation of Securities	575,753	312,267	595,958	109,474	1,307,385	592,395
Subordinated Debt	6,498,987	5,972,745	4,994,810	3,321,597	969,842	
Sundry	6,343,382	6,391,461	4,701,492	4,440,439	3,557,524	4,132,849
<b>Deferred Income</b>	<b>55,272</b>	<b>44,600</b>	<b>31,774</b>	<b>15,843</b>	<b>9,020</b>	<b>34,632</b>
Deferred Income	55,272	44,600	31,774	15,843	9,020	34,632
<b>Minority Interest in</b>						
<b>Subsidiary Companies</b>	<b>53,989</b>	<b>70,590</b>	<b>112,729</b>	<b>271,064</b>	<b>139,231</b>	<b>96,903</b>
<b>Stockholders Equity</b>	<b>18,261,593</b>	<b>15,214,646</b>	<b>13,546,880</b>	<b>10,845,729</b>	<b>9,767,946</b>	<b>8,092,202</b>
Capital:						
Local Residents	9,031,476	6,959,015	6,343,955	4,960,425	4,940,004	5,072,071
Foreign Residents	968,524	740,985	656,045	239,575	259,996	74,429
Receivables		(700,000)				(400,500)
Capital Reserves	35,884	10,853	8,665	7,435	7,435	19,002
Profit Reserves	7,972,090	7,745,713	6,066,640	5,715,317	4,614,110	3,403,020
Mark-to-Market Adjustments						
Marketable Securities						
and Derivatives	416,638	458,080	478,917	9,152		
Treasury Stock	(163,019)		(7,342)	(86,175)	(53,599)	(75,820)
<b>Stockholders Equity</b>						
<b>Managed by Parent</b>						
<b>Company</b>	<b>18,315,582</b>	<b>15,285,236</b>	<b>13,659,609</b>	<b>11,116,793</b>	<b>9,907,177</b>	<b>8,189,105</b>
<b>Total</b>	<b>201,913,222</b>	<b>184,926,468</b>	<b>176,097,690</b>	<b>142,785,030</b>	<b>110,115,906</b>	<b>94,878,483</b>

**Total Assets by Currency and Maturity**

Total Assets by Currency R\$ million

Remark: The Balance Sheet by Currency and Exchange Exposure can be found in the Note 6.

Total Assets by Maturity R\$ million

N.B.: the Balance Sheet by Maturity can be found in the Note 7.

**Marketable Securities**

Summary of the Classification of Securities

	R\$ million					
	Financial	Insurance/ Savings Bonds	Private Pension Plans	Other Activities	Total	%
Trading Securities	12,766	6,084	23,197	333	42,380	75.7
Securities Available for Sale	7,479	873	1,004	21	9,377	16.7
Securities Held to Maturity	1,098		3,155		4,253	7.6
<b>Subtotal</b>	<b>21,343</b>	<b>6,957</b>	<b>27,356</b>	<b>354</b>	<b>56,010</b>	<b>100.0</b>
Purchase and Sale Commitments	393	1,317	6,528		8,238	
<b>Total on September 30, 2005</b>	<b>21,736</b>	<b>8,274</b>	<b>33,884</b>	<b>354</b>	<b>64,248</b>	
<b>Total on September 30, 2004</b>	<b>23,057</b>	<b>6,181</b>	<b>28,815</b>	<b>102</b>	<b>58,155</b>	

## Composition of Marketable Securities by Issuance

Securities	R\$ million		
	2004	2005	
	September	June	September
Government	30,826	34,407	30,967
Private	7,643	9,798	13,623
PGBL/VGBL	11,168	12,854	11,420
<b>Subtotal</b>	<b>49,637</b>	<b>57,059</b>	<b>56,10</b>
Purchase & Sale Commitments:	8,518	7,382	8,238
Funds	6,780	4,203	2,102
PGBL/VGBL	1,738	3,179	6,136
<b>Total</b>	<b>58,155</b>	<b>64,441</b>	<b>64,248</b>

## Classification of Marketable Securities by Segment in percentage

N.B.: the Composition of Marketable Securities Portfolio consolidated by issuer, maturity, business segment and by category can be found in the Note 10.

**Loan Operations**

The consolidated balance of loan operations in 3Q05 reached a total of R\$ 75.2 billion, representing a 7.8% increase when compared to June 2005 and a 25.5% growth over the past twelve months.

The growth of Bradesco's loan portfolio continues outstanding in individuals operations, mainly concerned with consumer sales and personal loan financing (explained by a drop in unemployment and income upturn), whereas in businesses involving legal entities, we point out the growth of trade, boosted by an increase in consumption over the past months.

The loan portfolio scenario for the last quarter of the year is still of a growth sustained by loans to individuals and trade, in view of the expectation of expansion of consumption and orders by commerce, influenced by seasonal factors, which are typical at the end of the year.

Loan Operations Total Portfolio

Loan for individuals led the growth of the portfolio, recording an increase of 14.0% in relation to June 2005, accumulating 63.7% over the last twelve months, concentrated in higher consumer durable goods financing and a growth of the consigned loan market and also by recent partnerships established by Bradesco, which included not only the acquisition of consumer financing portfolios, as well as the direct financing to our partners clients.

Loan Operations per Type of Client

The behavior of loan granted to companies continued to show a more moderate performance (4.0% in relation to June 2005 and 8.2% over the past 12 months), especially between large corporations, influenced by higher utilization of other types of funding operations from the capital markets and the solid appreciation of real, with a high impact on foreign currency-indexed portfolios, despite they have shown a growth of businesses in the period.



## Loan Operations per Business Segment

In the wake of the higher increase in the individuals segment operations, its relative participation in the loan portfolio was meaningful in the period, already representing, in September 2005, 40.7% of the total portfolio compared to 31.2% observed in September 2004.

## Loan Operations per Activity Sector

	R\$ million					
	2004		2005			
	September	%	June	%	September	%
<b>Public Sector</b>	<b>625</b>	<b>1.0</b>	<b>627</b>	<b>0.9</b>	<b>795</b>	<b>1.1</b>
<b>Private Sector</b>	<b>59,351</b>	<b>99.0</b>	<b>69,160</b>	<b>99.1</b>	<b>74,449</b>	<b>98.9</b>
Industry	18,458	30.8	18,390	26.4	18,849	25.1
Commerce	9,544	15.9	10,559	15.1	11,324	15.0
Financial Intermediary Services	355	0.6	216	0.3	236	0.3
Agriculture, Fishing, Silviculture and Forest Exploitation	11,203	18.7	11,919	17.0	12,363	16.4
Individuals	1,103	1.8	1,235	1.8	1,088	1.4
<b>Total</b>	<b>59,976</b>	<b>100.0</b>	<b>69,787</b>	<b>100.0</b>	<b>75,244</b>	<b>100.0</b>

When distribution is concerned, by activity sector, the industry remained in absolute terms with the highest loan volume (25.1% of the total portfolio), again the segments related to exports, such as agri-industrialization, agribusiness, steel, metallurgy and automotive, followed by Services (16.4%) and Commerce (15.0%) .

## Loan Operations per type

	R\$ million			
	2004		2005	
	June	September	June	September
Borrowings and Discount of Trade				
Receivables	25,731	26,818	31,751	33,988
Financings	18,815	19,608	25,094	28,055
Rural and Agribusiness Loans	5,613	5,955	5,419	5,733
Leasing Operations	1,352	1,451	1,973	2,208
Advances on Foreign Exchange Contracts	6,259	5,618	5,089	4,730
<b>Subtotal of Loan Operations</b>	<b>57,770</b>	<b>59,450</b>	<b>69,326</b>	<b>74,714</b>
Other Loans	632	526	461	530
<b>Total Loan Operations</b>	<b>58,402</b>	<b>59,976</b>	<b>69,787</b>	<b>75,244</b>

**Sureties and Guarantees Recorded in  
Memorandum**

<b>Accounts</b>	<b>6,751</b>	<b>6,960</b>	<b>8,559</b>	<b>8,674</b>
<b>Total including Sureties and Guarantees</b>	<b>65,153</b>	<b>66,936</b>	<b>78,346</b>	<b>83,918</b>

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Bradesco's performance strategy, focused on retail, has been allowing the enlargement and diversification of businesses in different client profiles, both individuals (especially automobile financing lines, personal loan, and consigned loan) and micro, small and medium-sized companies (SMEs) through the expansion of loan portfolios and cashing of drafts, basically destined to supply the demand for working capital.

#### Loan Portfolio Quality

In 3Q05, an improvement trend in the portfolio profile was maintained, resulting in a higher contribution from credits under the AA - C ratings, amounting to 93.1% of total balance, compared to 92.6% in June 2005.

Such improvement was partially influenced by the reclassification of risk of operations granted to a large utilities concessionaire, which had been classified on a preventive basis as high risk, as it concluded in 3Q05 the process of adjusting its liabilities to its real ability to pay.

#### Loan Operations by Rating in percentage

The total volume of the allowance for doubtful accounts presented a slight decrease, reaching R\$ 4,647 million in relation to the total loan portfolio (6.4% in June 2005 to 6.2% in September 2005) as a result of improved quality of the loan portfolio mentioned above.

In this regard, we point out the sufficiency of existing provisions, which may be evidenced through the analysis of historical data of allowances for doubtful accounts and losses effectively occurred in the subsequent period of twelve months.

Allowance for Loan Losses (PPD) x Default x Losses    Percentage over Loan Operation Balance

We verify in the graph above that for a total provision of 7.0% of the loan portfolio in September 2004, the loss over the subsequent twelve months was 2.9% of the portfolio, i.e., the provision existing in September 2004 showed to be more than sufficient to cover losses occurred in the subsequent period.

Overdue operations with final rating between E and H, important portfolio quality index, have been showing a downward trend as percentage of loan portfolio, demonstrating the solidity of methodology for recording of provision.

It is worth pointing out that over the past years, we have been observed a great adherence between behavior of overdue loan with final rating between E and H and the volume of losses incurred in 12 subsequent months, as we can see in the graph above.

#### Loan Portfolio Profile

Breakdown of the Normal Course Loan Portfolio by Maturity    R\$ million

The maturity of the normal course loan portfolio also shows a concentration of short-term operations. Nevertheless, the percentage of maturities up to 90 days showed a slight decline from 40.7% in September/04 to 38.3% in September/05, as a result of the growth of higher medium term portfolios, such as automobile financing and personal loan in the total loan assets.

## Movement of Loan Portfolio between June 2004 and 2005 R\$ million

The demonstrative data below of the performance of the consolidated loan portfolio over the past twelve months up to September 2005 ratifies an ongoing bias of improvement in the quality of the assets, pointing out the adequacy and convenience of the credit rating instruments used in Bradesco's loan concession process.

## Loan Portfolio Movement between September 2004 and 2005

Rating	Borrowers Remaining from September 2004		New Borrowers Between September 2004 and 2005		Total Loans in September 2005	
	R\$ million	%	R\$ million	%	R\$ million	%
AA - C	55,162	92.2	14,905	96.5	70,067	93.1
D	1,356	2.3	140	0.9	1,496	2.0
E - H	3,287	5.5	394			