

BANK BRADESCO
Form 6-K
August 12, 2005

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

FORM 6-K

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

For the month of August, 2005

Commission File Number 1-15250

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

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

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

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

Form 20-F Form 40-F

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

Yes No

Banco Bradesco S.A.

Corporate Taxpayer's ID
(CNPJ) 60.746.948/0001-12

BOVESPA

BBDC3
(common)
and
BBDC4
(preferred)

NYSE BBD

LATIBEX
XBBDC

Main Indicators (%)

Indicators	2004			2005			12 months
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half	Accumulated
CDI	3.76	3.67	7.56	4.18	4.56	8.92	17.64
IBOVESPA	(0.42)	(4.49)	(4.89)	1.58	(5.86)	(4.38)	18.45
USD Commercial Rate	0.67	6.84	7.56	0.43	(11.84)	(11.45)	(24.37)
IGP-M	2.72	3.95	6.78	1.55	0.20	1.75	7.12
IPCA IBGE	1.85	1.60	3.48	1.79	1.34	3.16	7.27
TJLP	2.41	2.35	4.82	2.35	2.35	4.76	9.75
TR	0.35	0.42	0.77	0.55	0.75	1.31	2.36
Savings Deposits	1.86	1.93	3.83	2.06	2.27	4.38	8.67
Business Days	62	62	124	61	63	124	251

Closing Amount

Indicators	2004		2005	
	March	June	March	June
Commercial U.S. dollar for sale (R\$)	2.9086	3.1075	2.6662	2.3504
Euro (R\$)	3.5829	3.7952	3.4603	2.8459
Argentine Peso (R\$)	1.0173	1.0537	0.9141	0.8147
Country Risk (Points)	557	646	456	411
SELIC COPOM Base rate (% p.a.)	16.25	16.00	19.25	19.75
Pre- BM&F rate 1 year (% p.a.)	15.24	17.29	19.17	18.22

Compulsory Deposits Rates (%)

Deposits	2004				Items	2005			
	1st Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.		1st Qtr.	2nd Qtr.	1st Qtr.	2nd Qtr.
Demand Deposits (1)	45	45	45	45	Income Tax	25	25	25	25

Edgar Filing: BANK BRADESCO - Form 6-K

Additional ⁽²⁾	8	8	8	8	Social Contribution	9	9	9	9
Time Deposits ⁽³⁾	15	15	15	15	PIS ⁽¹⁾	0.65	0.65	0.65	0.65
Additional ⁽²⁾	8	8	8	8	COFINS ⁽²⁾	4	4	4	4
Savings Account ⁽⁴⁾	20	20	20	20	Legal Reserve on Net Income	5	5	5	5
Additional ⁽²⁾	10	10	10	10	Maximum Fixed Assets ⁽³⁾	50	50	50	50
					Capital Adequacy Ratio Basel ⁽⁴⁾	11	11	11	11

(1) Cash deposit No remuneration.

(2) Cash deposit SELIC rate.

(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.

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

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

(2) The rate applicable to financial and similar companies is 7.60% since February 2004 (non-cumulative COFINS).

(3) Over Reference Equity.

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

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 default 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

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 and 12.1% in 2004. 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.

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 June 30, 2005 Cidade de Deus Companhia Comercial de Participações, which we call Cidade de Deus Participações, directly held 48.19% of our common stocks and Fundação Bradesco directly and indirectly held 45.42% 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.

Contents

List of Abbreviations		4
1 Bradesco Line by Line		5
Highlights	6	Analysis of the Statement of Income 15
Profitability	8	Comparative Balance Sheet 31
Bradesco's stocks	10	Equity Analysis 32
Comparative Statement of Income	14	
2 Main Information on Statement of Income		43
Consolidated Statement of Income	44	Allowance for Doubtful Accounts 53
Results by Business Segment	46	Revenues from Services Rendered 54
Change in the Main Items of Statement of Income	46	Administrative and Personnel Expenses 55
Change in Financial Margin Items plus Exchange Adjustment	47	Operating Efficiency 56 Other Indicators 58
Analysis of the Financial Margin and Average Rates	48	
3 Main Information on Balance Sheet		59
Consolidated Balance Sheet	60	Funding 69
Total Assets by Currency and Maturities	62	Checking Accounts 70
Marketable Securities	62	Savings Accounts 71
Loan Operations	63	Asset Management 72
4 Operating Companies		75
Grupo Bradesco de Seguros e Previdência	76	Leasing Companies 93 Bradesco Consórcios (Consortium Purchase Plans) 95
Insurance Companies	76	
Vida e Previdência (Private Pension Plan)	82	Bradesco S.A. - Corretora de Títulos e Valores Mobiliários 99
Savings Bonds	86	
Banco Finasa	91	Bradesco Securities, Inc. 101
5 Operational Structure		103
Corporate Organization Chart	104	Risk Management and Compliance 122
Administrative Body	106	Credit Risks, Operating Risks, Market Risks, Internal Controls and Compliance 122
Risk Ratings	107	
Ranking	108	Liquidity Risk Management 127
Market Segmentation	109	Capital Risk Management 127
Retail Bradesco	109	Cards 130
Bradesco Corporate Banking	110	International Area 133

Edgar Filing: BANK BRADESCO - Form 6-K

Bradesco Empresas (Middle Market)	111	Capital Market	138
Bradesco Private Banking	111	Tax Payment and Collections	138
Bradesco Prime	112	Bookkeeping of Assets and Qualified	
Customer Service Network	112	Custody Services	141
Bradesco Day and Night Customer Service Channels	115	Business Processes	142
Banco Postal	121	Acknowledgments	144
Investments in Infrastructure, Information Technology and Telecommunications	121		
6 Social Responsibility			145
Human Resources	146	Fundação Bradesco	152
Social-cultural Events	151	Environmental Responsibility	158
Finasa Sports Program	152	Social Report	160
7 Independent Auditors Report			161
Independent Auditors Report on Special Review of Supplementary Accounting Information presented in the Report on Economic and Financial Analysis and Social Report			162
8 Financial Statements, Independent Auditors Report, and Fiscal Council s Report			163
Management Report	164	Notes to the Financial Statements	178
Balance Sheet	170	Board of Directors, Board of Executive Officers and Disclosure Committee	234
Statement of Income	174	Independent Auditors Report	235
Statement of Changes in Stockholder s Equity	175	Summary of Audit Committee s Report	236
Statement of Changes in Financial Position	176	Fiscal Council s Report	237
Index of Notes to the Financial Statements	177		
Glossary of Technical Terms			238
Cross Reference Index			241

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 Abbreviations

ABC	Activity-Based Costing	FIPE	Economic Research Institute Foundation
ABED	Brazilian Association of Education at a Distance	FIPECAFI	Accounting, Actuarial and Financial Research Institute Foundation
ABEL	Brazilian Association of Leasing Companies	FIRN	Floating Rate Note
ABEMD	Brazilian Association of Direct Marketing	FxRN	Fixed Rate Note
ABM	Activity-Based Management	GARP	Global Association of Risk Professionals
ABRASCO	Brazilian Association of Post-Graduate Studies in Collective Health	GDAD	Management of Performance and Support to Decisions
ABRH	Brazilian Association of Human Resources	IBA	Brazilian Actuarial Institute
ACM	Automated Consulting and Contract Machine	IBMEC	Brazilian Capital Market Institute
ADR	American Depositary Receipt	IBNR	Claims Incurred But Not Reported
ADS	American Depositary Share	IBOVESPA	São Paulo Stock Exchange Index
ADVB	Association of Sales and Marketing Managers of Brazil	IFC	International Finance Corporation
ANAPP	National Association of Private Pension Plan Companies	IGP-DI	General Price Index Internal Availability
ANBID	National Association of Investment Banks	IGP-M	General Price Index Market
ANS	National Agency for Supplementary Healthcare	IPCA	Extended Consumer Price Index
AP	Personal Accident	IPVA	Tax on the Property of Motor Vehicles
ATM	Automated Teller Machine	IR	Income Tax
BACEN	Brazilian Central Bank	ISO	International Standard Organization
BDR	Brazilian Depositary Receipt	ISS	Tax on Services
BM&F	Mercantile and Futures Exchange	JCP	Interest on Own Capital
BNDDES	National Bank for Economic and Social Development	LATIBEX	Latin American Stock Exchange Market in Euros
BOVESPA	São Paulo Stock Exchange	MBA	(Spain)
CDB	Bank Deposit Certificate	MP	Master of Business Administration
CDC	Consumer Sales Financing	NBR	Provisional Measure
CDI	Interbank Deposit Certificate	NYSE	Registered Brazilian Rule
CEF	Federal Savings Bank	OIT	New York Stock Exchange
CEID	State Department for the Integration of Disabled People	ON	International Labor Organization
CETIP	Clearing House for the Custody and Financial Settlement of Securities	PDD	Common Stock
CFC	Federal Accounting Council	PGBL	Allowance for Doubtful Accounts
CID	Digital Inclusion Center	PIB	Unrestricted Benefits Generating Plan
		PIS	Gross Domestic Product (GDP)
			Social Integration Program

Edgar Filing: BANK BRADESCO - Form 6-K

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

1 - Bradesco Line by Line

Highlights**Earnings R\$ million**

	1st Half		Variation	2005		Variation
	2004	2005	%	1st Qtr.	2nd Qtr.	%
Financial Margin	6,411	8,354	30.3	3,999	4,355	8.9
Allowance for Doubtful Accounts	1,075	1,197	11.3	635	562	(11.5)
Revenues from Services Rendered	2,694	3,421	27.0	1,661	1,760	6.0
Insurance, Private Pension Plans and Savings Bonds						
Retained Premiums	5,983	5,797	(3.1)	2,796	3,001	7.3
Personnel Expenses	2,411	2,467	2.3	1,221	1,246	2.0
Other Administrative Expenses	2,424	2,432	0.3	1,192	1,240	4.0
Operating Income	1,420	3,730	162.7	1,584	2,146	35.5
Net Income	1,250	2,621	109.7	1,205	1,416	17.5

Balance Sheet R\$ million

	June		Variation	2005		Variation
	2004	2005	%	March	June	%
Total Assets	176,254	194,542	10.4	191,299	194,542	1.7
Marketable Securities	56,212	64,441	14.6	64,842	64,441	(0.6)
Loan Operations	58,402	69,787	19.5	65,979	69,787	5.8
Permanent Assets	5,203	4,561	(12.3)	4,711	4,561	(3.2)
Total Deposits	64,133	71,654	11.7	71,372	71,654	0.4
Borrowings and Onlendings	16,817	14,999	(10.8)	15,634	14,999	(4.1)
Technical Provisions	29,478	36,533	23.9	35,328	36,533	3.4
Stockholders Equity	13,650	17,448	27.8	16,538	17,448	5.5

Change in Number of Outstanding Stocks

	Common stock	Preferred stock	Total
Number of Outstanding Stocks on December 31, 2004	238,351,329	236,081,796	474,433,125
Capital increase through subscription	8,791,857	8,708,143	17,500,000
Capital increase through merger (1)	182,504	180,767	363,271
Stocks acquired and not cancelled	(1,225,200)		(1,225,200)
Number of Outstanding Stocks on June 30, 2005	246,100,490	244,970,706	491,071,196

(1) Increase ratified by BACEN on 7.18.2005.

Stock Performance (*) R\$

	1st Half		Variation	2005		Variation
	2004	2005	%	1st Qtr.	2nd Qtr.	%
Net Income per Stock	2.63	5.34	103.0	2.45	2.88	17.6
Dividends/JCP per Stock ON (Net of Income Tax)	1.110	1.530	37.8	0.607	0.923	52.1
Dividends/JCP Per Stock PN (Net of Income Tax)	1.221	1.683	37.8	0.668	1.015	52.1
Net Book Value (ON and PN)	28.77	35.53	23.5	33.62	35.53	5.7
Last Business Day Average Price ON	38.45	77.80	102.3	67.15	77.80	15.9
Last Business Day Average Price PN	47.54	83.37	75.4	77.33	83.37	7.8
Market Value of Stockholders Equity (R\$ million) (**)	20.391	39,570	94.1	35,523	39,570	11.4

For comparison purposes, in the 1H04, the amounts were adjusted at 200% due to the (*) stock splitting.

(**) Number of stocks x average price of last business day for the period.

Cash Generation R\$ million

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Net Income	609	641	1,250	1,205	1,416	2,621
Equity in the Earnings of Affiliated Companies		(122)	(122)	5	(10)	(5)
Allowance for Doubtful Accounts	561	514	1,075	635	562	1,197
Technical Provisions	1,530	1,392	2,922	1,358	1,181	2,539
Allowance/Reversal for Mark-to-market	(4)		(4)	7	(38)	(31)
Depreciation and Amortization	123	119	242	116	111	227
Goodwill Amortization	87	226	313	96	88	184
Other	27	(19)	8	30	42	72
Total	2,933	2,751	5,684	3,452	3,352	6,804

Added Value R\$ million

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Added Value (A+B+C)	2,382	2,313	4,695	3,153	3,859	7,012
A Gross Income from Financial Intermediation	2,769	2,567	5,336	3,364	3,793	7,157
B Revenues from Services Rendered	1,319	1,375	2,694	1,661	1,760	3,421
C Other Operating Income/Expenses	(1,706)	(1,629)	(3,337)	(1,872)	(1,695)	(3,567)
Distribution of Added Value (D+E+F+G)	2,382	2,313	4,695	3,153	3,859	7,012
D Employees	940	995	1,935	979	990	1,969
E Government	833	677	1,510	969	1,453	2,422
F JCP/Dividends to Stockholders (paid and accrued)	326	325	651	366	559	925
G Reinvestment of Profits	283	316	599	839	857	1,696

Performance Ratios (annualized) in percentage

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Return on Stockholders Equity (Total)	19.1	20.1	19.2	32.5	36.6	32.3
Return on Stockholders Equity (Average)	19.3	20.5	19.4	34.7	38.1	34.9
Return on Total Assets (Total)	1.5	1.5	1.4	2.5	2.9	2.7
Stockholders Equity to Total Assets	8.5	7.7	7.7	8.6	9.0	9.0
Capital Adequacy Ratio (Basel) Financial Consolidated	18.9	18.1	18.1	17.1	18.2	18.2
Capital Adequacy Ratio (Basel) Total Consolidated	16.4	15.7	15.7	15.0	15.8	15.8

Edgar Filing: BANK BRADESCO - Form 6-K

Permanent Assets to Stockholders' Equity						
Financial Consolidated	43.8	41.4	41.4	43.8	41.4	41.4
Permanent Assets to Stockholders' Equity						
Total Consolidated	28.0	26.1	26.1	21.1	19.1	19.1
Efficiency Ratio (12 months accumulated)	59.0	60.1	60.1	52.7	48.1	48.1

Other Information

		2005		Variation	June		Variation
		March	June	%	2004	2005	%
Assets under Management	R\$ million	276,767	283,269	2.3	247,496	283,269	14.5
Number of Employees		72,619	72,862	0.3	74,784	72,862	(2.6)
Number of Branches		2,959	2,913	(1.6)	3,054	2,913	(4.6)
Checking Account Holders	Million	16.1	16.4	1.9	15.4	16.4	6.5
Debit and Credit Card Base	Million	46.9	48.5	3.4	43.5	48.5	11.5

Profitability

Bradesco's net income reached R\$ 2,621 million in 1H05, which corresponds to a 109.7% growth when compared to same period of previous year. The stockholders' equity of Bradesco amounted to R\$ 17,448 million on June 30, 2005, equivalent to a 27.8% increase when compared to balance of 2004. As a result, the annualized return on stockholders' equity (ROE) reached 32.3%. Consolidated total assets reached R\$ 194,542 million at the end of June 2005, up 10.4% when compared to the balances for same date of previous year. The annualized return on total assets (ROA) in the first six months of 2005 was 2.7%. Earnings per stock reached R\$ 5.34.

In 2Q05, net income was R\$ 1,416 million, which represents an increase of R\$ 211 million, or 17.5%, when compared to 1Q05 figures. The annualized return on stockholders' equity (ROE) reached 36.6% in the quarter and return on total assets (ROA) was 2.9%.

The 2Q05 was marked by a good performance of revenues composing the Financial Margin, mainly due to better results in the interest line, which reached the amount of R\$ 3,580 million, representing a growth of R\$ 300 million, compared to the previous quarter, basically as a result of the expansion in business volumes, which is directly connected with the sustained maintenance of the economic activity. The non-interest line, in turn, reached the amount of R\$ 775 million, an increase of R\$ 56 million, principally due to: (i) R\$ 400 million, part of income from derivatives used for hedge effects of investments abroad, that simply annulled the tax effect (Income Tax/Social Contribution and PIS/COFINS) in net income of this hedge strategy; offset by: (ii) lower TVM and treasury gains of R\$ 17 million in 2Q05; and (iii) the positive result verified in the partial sale of our stake in Belgo-Mineira, in the amount of R\$ 327 million in 1Q05. Also deserves highlight the evolution of Revenues from Services Rendered, up 6.0% when compared to 1Q05, in which revenues from loan operations and income on cards stood out.

Another important contribution in 2Q05 was a R\$ 312 million raise in the Operating Income on Insurance, Private Pension Plan and Savings Bonds, mainly due to the recording in 1Q05 of extraordinary allowance in the Individual Health portfolio, in the amount of R\$ 324 million to set out the leveling of premiums for those insured above 60 years of age and for fully settled plans whose holders are still entitled to their benefits (*planos remidos*).

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 92.6% of the total portfolio, against 92.5% in 1Q05. This performance, connected with the evolution observed in loan portfolio's volume, resulted in the record of Allowance for Doubtful Accounts in the amount of R\$ 562 million in 2Q05, with Allowance for Doubtful Accounts reaching the level of R\$ 4,450 million on June 30, 2005.

Operating Efficiency Ratio in the 12-month period comprised between July 1, 2004 until June 30, 2005 was of 48.1%, improving by 4.6 percentage points when compared to the 12-month period ended on March 31, 2005, principally as a result of the combination of strict expense control with the revenue growth in this period.

As a result of all these efforts, the Expanded Coverage Ratio [(revenues from services rendered)/(personnel expenses + administrative expenses)] increased from 68.8% in 1Q05 to 70.8% in 2Q05.

Bradesco's Stocks**Number of Stocks (in thousands) Common and Preferred Stocks (*)**

	December					2005	
	2000	2001	2002	2003	2004	March	June
Common	211,868	219,180	215,803	239,509	238,351	246,902	246,100
Preferred	205,743	212,984	212,561	236,082	236,082	244,971	244,971
Subtotal Outstanding Stocks	417,611	432,164	428,364	475,591	474,433	491,873	491,071
Treasury Stocks	2,334	1,467	2,939	172		423	1,225
Total	419,945	433,631	431,303	475,763	474,433	492,296	492,296

(*) 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 June 30, 2005, Bradesco's capital stock was of 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 48.19% of our voting capital and 24.26% 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 104).

Quantity of Stockholders Resident in the Country and Abroad

	December					2005	
	2000	2001	2002	2003	2004	March	June
Individual	2,186,535	2,170,158	2,153,800	2,158,808	1,254,044	1,250,776	1,247,455
Corporate	182,205	181,007	179,609	180,559	116,894	116,703	116,549
Subtotal Residents in the Country	2,368,740	2,351,165	2,333,409	2,339,367	1,370,938	1,367,479	1,364,004
Residents abroad	598	565	373	465	3,780	3,726	3,696
Total	2,369,338	2,351,730	2,333,782	2,339,832	1,374,718	1,371,205	1,367,700

Referring to Bradesco's local and foreign stockholders' base on June 30, 2005, we observe that 1,364,004 were domiciled in Brazil, accounting on 99.7% of total stockholders' base and holding 71.58% of the Bank's outstanding shares, while 3,696 lived abroad, representing 0.3% of total stockholders' base and holding 28.42% of the Bank's outstanding shares.

Market Capitalization R\$ million

Market Capitalization/Stockholders' Equity

Market value/Stockholders' Equity: indicates the number of times the Bank'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 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 31.2% appreciation in the 1H05 if we consider the closing price of the last business day of the period, while Ibovespa decreased 4.4%. This good performance is believed to be due to the combination of positive factors that influenced the sector during the period, such as the maintenance of Selic interest rate at high levels, the expansion of individuals' loan portfolio and the control of default levels.

Furthermore, the change in the profitability level and the market perception that such results are sustainable caused a positive impact on the stocks, as a result of the efforts to control costs and expand the revenue base.

Comparative Statement of Income R\$ million

	1st Half		Variation	2005		Variation
	2004	2005	%	1st Qtr.	2nd Qtr.	%
Revenues from Financial Intermediation	14,476	15,228	5.2	8,109	7,119	(12.2)
Loan Operations	6,759	7,188	6.3	3,709	3,479	(6.2)
Leasing Operations	142	182	28.2	87	95	9.2
Securities Transactions	3,801	1,958	(48.5)	1,655	303	(81.7)
Financial Income on Insurance, Private Pension Plans and Savings Bonds	2,426	3,234	33.3	1,769	1,465	(17.2)
Derivative Financial Instruments	127	1,696	1,235.4	365	1,331	264.7
Foreign Exchange Transactions	663	231	(65.2)	172	59	(65.7)
Compulsory Deposits	558	739	32.4	352	387	9.9
Expenses From Financial Intermediation (not including PDD)	8,065	6,874	(14.8)	4,110	2,764	(32.7)
Funds Obtained in the Open Market	5,484	4,674	(14.8)	2,810	1,864	(33.7)
Price-Level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	1,351	1,841	36.3	939	902	(3.9)
Borrowings and Onlendings	1,221	353	(71.1)	358	(5)	
Leasing Operations	9	6	(33.3)	3	3	
Financial Margin	6,411	8,354	30.3	3,999	4,355	8.9
Allowance for Doubtful Accounts	(1,075)	(1,197)	11.3	(635)	(562)	(11.5)
Gross Income from Financial Intermediation	5,336	7,157	34.1	3,364	3,793	12.8
Other Operating Income (Expense)	(3,916)	(3,427)	(12.5)	(1,780)	(1,647)	(7.5)
Revenues from Services Rendered	2,694	3,421	27.0	1,661	1,760	6.0
Operating Income from Insurance, Private Pension Plans and Savings Bonds	(261)	(116)	(55.6)	(214)	98	
(+) Net Premiums Written	6,918	7,427	7.4	3,616	3,811	5.4
(-) Reinsurance Premiums and Redeemed Premiums	(935)	(1,630)	74.3	(820)	(810)	(1.2)
(=) Retained Premiums from Insurance, Private Pension Plans and Savings Bonds	5,983	5,797	(3.1)	2,796	3,001	7.3
Retained Premiums from Insurance	2,989	3,610	20.8	1,786	1,824	2.1
Private Pension Plans Contributions	2,292	1,546	(32.5)	726	820	12.9
Income on Savings Bonds	702	641	(8.7)	284	357	25.7
Variation in Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	(1,571)	(698)	(55.6)	(418)	(280)	(33.0)
Variation in Technical Provisions for Insurance	(48)	(516)	975.0	(392)	(124)	(68.4)
	(1,467)	(189)	(87.1)	(11)	(178)	1,518.2

Variation in Technical Provisions for Pension Plans						
Variation in Technical Provisions for Savings Bonds	(56)	7		(15)	22	
Retained Claims	(2,514)	(2,829)	12.5	(1,372)	(1,457)	6.2
Savings Bonds Draws and Redemptions	(619)	(560)	(9.5)	(246)	(314)	27.6
Insurance and Private Pension Plans						
Selling						
Expenses	(417)	(453)	8.6	(229)	(224)	(2.2)
Insurance Products Selling Expenses	(343)	(370)	7.9	(183)	(187)	2.2
Pension Plans and Savings Bonds						
Selling Expenses	(74)	(83)	12.2	(46)	(37)	(19.6)
Expenses with Pension Plans Benefits and						
Redemptions	(1,123)	(1,373)	22.3	(745)	(628)	(15.7)
Personnel Expenses	(2,411)	(2,467)	2.3	(1,221)	(1,246)	2.0
Other Administrative Expenses	(2,424)	(2,432)	0.3	(1,192)	(1,240)	4.0
Tax Expenses	(679)	(902)	32.8	(405)	(497)	22.7
Equity in the Earnings of Affiliated Companies	122	5	(95.9)	(5)	10	
Other Operating Income	537	559	4.1	300	259	(13.7)
Other Operating Expenses	(1,494)	(1,495)	0.1	(704)	(791)	12.4
Operating Income	1,420	3,730	162.7	1,584	2,146	35.5
Non-Operating Income	(213)	(27)	(87.3)	(6)	(21)	250.0
Income Before Taxes on Profit and Ownership	1,207	3,703	206.8	1,578	2,125	34.7
Income Tax and Social Contribution	46	(1,081)		(373)	(708)	89.8
Minority Interest in Subsidiaries	(3)	(1)	(66.7)		(1)	
Net Income	1,250	2,621	109.7	1,205	1,416	17.5
Return on Stockholders Equity Annualized (%)	19.2	32.3		32.5	36.6	

Analysis of the Statement of Income R\$ million**Income from Loan and Leasing Operations**

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
6,892	7,364	6.8	3,793	3,571	(5.9)

Income was up mostly as a result of: (i) the increase in the volume of the loan portfolio, which totaled R\$ 69,787 in June/05 against R\$ 58,402 in June/04, particularly in the individual customer portfolio, up by 50.6%, highlighting Personal Loan and Auto products, spreads of which are higher. The corporate portfolio climbed 5.8%, highlighting Working Capital and Overdraft-Secured Account products; which was partially offset by: (ii) exchange loss variation of 11.5% in 1H05, against an exchange gain variation of 7.6% in 1H04, affecting foreign currency indexed and/or denominated operations, which account for 9.0% of total Loan and Leasing Operations (excluding Advances on Foreign Exchange Contracts).

Decreased revenues were mainly due to: (i) exchange loss variation of 11.8% in 2Q05, against exchange gain variation of 0.4% in 1Q05, affecting foreign currency indexed and/or denominated operations, comprising 9.0% of total Loan and Leasing Operations; which was partially offset by: (ii) increase in the volume of loan portfolio, reaching the amount of R\$ 69,787 in June/05, against R\$ 65,979 in March/05, pointing out the individuals portfolio, with a 13.1% growth, worth mentioning Personal Loan and Auto products, spreads of which are higher, while in the corporate portfolio, the increase was 1.6%, pointing out the Working Capital and Overdraft-Secured Account products.

Income from Marketable Securities (TVM) and Derivative Financial Instruments

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
3,928	3,654	(7.0)	2,020	1,634	(19.1)

The variation in income is mainly due to: (i) exchange loss variation of 11.5% in 1H05, against an exchange gain variation of 7.6% in 1H04, impacting on foreign currency indexed and/or denominated operations, which account for 12.3% of the portfolio, offset by: (ii) higher non-interest income gains R\$ 662, composed of: a) TVM and treasury operations R\$ 244; b) part of income from derivatives used for hedge effects of investments abroad, which in terms of net income simply annulled the tax effect of such hedge strategy in the period R\$ 418; (iii) higher average interest rates, observing the 8.9% CDI variation in 1H05, compared to 7.6% in 1H04; and (iv) increased average volume of TVM portfolio, with government bonds standing out.

The variation in income is mainly due to: (i) exchange loss variation of 11.8% in 2Q05, against exchange gain variation of 0.4% in 1Q05, impacting on foreign currency indexed and/or denominated operations, comprising 12.3% of the portfolio, partially offset by: (ii) higher average interest rates, observing the 4.6% CDI variation in 2Q05, compared to 4.2% in 1Q05; and (iii) higher non-interest income on of R\$ 342, composed of: a) part of income from derivates used for hedge effects of investments abroad, which, in terms of net income simply annulled the tax effect of such hedge strategy in the quarter R\$ 400; and offset by: b) lower results with TVM and treasury operations R\$ 58.

Financial Income on Insurance, Private Pension Plans and Savings Bonds

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
2,426	3,234	33.3	1,769	1,465	(17.2)

The variation was due to: (i) the increase in the average volume of the securities portfolio, mainly comprising federal government bonds, which are linked to Technical Provisions, especially to PGBL and VGBL products; (ii) higher average interest rates in line with the variation in CDI of 8.9% for 1H05, as compared to 7.6% for 1H04; (iii) the increase in non-interest income of R\$ 475 in 1H05 against R\$ 114 in 1H04, as a result of increased TVM gains, in which we point out the positive result of R\$ 327 recorded with the partial sale of our stake in Belgo-Mineira's capital stock, partially offset by: (iv) lower variation in the IGP-M index, of 1.8% in 1H05 against 6.8% in 1H04.

The variation for the quarter was substantially due to: (i) non-interest income of R\$ 67 in 2Q05, against R\$ 408 in 1Q05, as a result of lower TVM gains, where we point out the positive result observed in the partial sale of our stake in Belgo-Mineira of R\$ 327 in 1Q05; (ii) lower variation of IGP-M, 0.2% in 2Q05 against 1.5% in 1Q05; partially mitigated by: (iii) increased average interest rates, observing the CDI 4.6% variation in 2Q05 against 4.2% in 1Q05.

Foreign Exchange Transactions

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
663	231	(65.2)	172	59	(65.7)

This item should be analyzed deducted from expenses with foreign funding, used for import/export financing, in

This item should be analyzed deducted from expenses with foreign funding, used for import/export financing, in

accordance with Note 13a. After the deductions, the result would be of R\$ 97 in 1H04 and of R\$ 112 in 1H05, mainly influenced by the increased average volume of the foreign exchange portfolio in the period.

accordance with Note 13a. After the deductions, the result would be of R\$ 56 in 1Q05 and of R\$ 56 in 2Q05, i.e., steady in the quarter.

Compulsory Deposits

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
558	739	32.4	352	387	9.9

The variation mainly reflects the increases in: (i) average volume of deposits in the period; (ii) the SELIC rate, used to remunerate the additional compulsory deposit, from 7.6% for 1H04 to 8.9% for 1H05; and (iii) the Reference Rate TR, which composes the remuneration of compulsory deposits over savings deposits, from 0.8% in 1H04 to 1.3% in 1H05.

The variation in the quarter was mainly due to the increases in: (i) the SELIC rate, used to remunerate the additional compulsory deposit, from 4.2% in 1Q05 to 4.6% in 2Q05; and (ii) the Reference Rate TR, which composes the remuneration of compulsory deposits over savings deposits, from 0.6% in 1Q05 to 0.8% in 1Q05.

Funding Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
5,484	4,674	(14.8)	2,810	1,864	(33.7)

The variation is mostly due to: (i) exchange loss variation of 11.5% in 1H05, against an exchange gain variation of 7.6% in 1H04, impacting on the foreign currency indexed and/or denominated fundings; partially offset by the

The reduced expenses in the quarter substantially arise from: (i) an exchange loss variation of 11.8% in 2Q05, against an exchange gain variation of 0.4% in 1Q05, impacting on foreign currency indexed and/or

increases in: (ii) average interest rates, observing the 8.9% CDI variation in 1H05, against 7.6% in 1H04, mainly impacting on time deposits expenses; (iii) Reference Rate TR, which composes the remuneration of compulsory deposits over savings deposits, from 0.8% in 1H04 to 1.3% in 1H05; and (iv) average balance of fundings the period.

denominated fundings; partially offset by the increases in: (ii) average interest rates, observing the 4.6% CDI variation in 2Q05, against 4.2% in 1Q05, mainly impacting on time deposits expenses; and (iii) Reference Rate TR, which composes the remuneration of compulsory deposits over savings deposits, from 0.6% in 1Q05 to 0.8% in 2Q05.

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

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
1,351	1,841	36.3	939	902	(3.9)

The increase is mainly due to higher: (i) the average balance of Technical Provisions for Insurance, Private Pension Plans and savings bonds, particularly PGBL and VGBL products; (ii) average interest rates in line with the variation in CDI of 8.9% for 1H05 as compared to 7.6% for 1H04; and partially offset by: (iii) lower variation in the IGP-M, one of the indexes used to remunerate Technical Provisions for Insurance, Private Pension Plans and Savings Bonds, of 1.8% in 1H05 against 6.8% in 1H04.

The variation in the quarter mainly results from: (i) lower IGP-M variation of 0.2% in 2Q05, against 1.5% in 1Q05, one of indexes used to remunerate the Technical Provisions for Insurance, Private Pension and Savings Bonds; and partially offset by: (ii) an increase in average interest rates, observing the 4.6% CDI variation in 2Q05, against 4.2% in 1Q05.

Borrowings and Onlendings Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
1,221	353	(71.1)	358	(5)	

The decreased expense is mostly due to: (i) exchange loss variation of 11.5% in 1H05, against an exchange gain variation of 7.6% in 1H04, impacting on foreign currency indexed and/or denominated loans and onlendings

The reduction is basically due to: (i) exchange loss variation of 11.8% in 2Q05, against exchange gain variation of 0.4% in 1Q05, impacting on foreign currency indexed and/or denominated loans and

operations, which account for 45.2% of the Loan and Onlendings Portfolio; and partially offset by: (ii) increased average interest rates, observing the 8.9% CDI variation in 1H05, against 7.6% in 1H04.

onlendings operations, which account for 45.2% of the Loan and Onlendings Portfolio; and partially offset by: (ii) increased average interest rates, observing the 4.6% CDI variation in 2Q05, against 4.2% in 1Q05.

Financial Margin

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
6,411	8,354	30.3	3,999	4,355	8.9

The variation of 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 part of earnings from derivatives used for hedge effects of investments abroad, which in terms of net income simply annulled the tax effect of such hedge strategy in the period R\$ 418. Excluding these amounts, the margin variation was R\$ 1,198, composed of increases in: (i) interest income operations of R\$ 924, mainly due to growth in the business volume and (ii) non-interest income of R\$ 274, basically due to higher TVM and treasury gains.

The variation of the period includes the income earned in the sale of our stake in Belgo-Mineira's capital stock in 1Q05 of R\$ 327, as well as part of earnings from derivatives used for hedge effects of investments abroad, which in terms of net income simply annulled the tax effect of such hedge strategy in the quarter R\$ 400. Excluding these amounts, the margin variation was R\$ 283, composed of: (i) increase in interest income operations of R\$ 300, mainly due to growth in business volumes; and (ii) drop in non-interest income of R\$ 17.

Allowance for Doubtful Accounts Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(1,075)	(1,197)	11.3	(635)	(562)	(11.5)

The increased expense of R\$ 122 includes the preventive formation of PDD over the loans granted to a large utilities concessionaire, in the amount of R\$ 166 in 1H05. If this effect is excluded, a R\$ 44 reduction in expenses

Excluding the preventive formation of PDD over the loans granted to a large utilities concessionaire, in 1Q05, in the amount of R\$ 166, we verify an increase in expense of R\$ 93, which is consistent with the growth of average

would be observed, even with the 19.5% increase volume of loan portfolio. recorded in the loan portfolio. This performance is an effect of the continuous selectivity and improvement of tools/instruments used in the granting, recovery and management of loan portfolio, coupled with the recovery of the Brazilian economy, reflecting in the quality of our loan portfolio. In June/04 and June/05, our portfolio classified between AA and C ratings accounted for 91.3% and 92.6%, respectively, of total portfolio.

Revenues from Services Rendered

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
2,694	3,421	27.0	1,661	1,760	6.0

The increase is 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\$ 245; (ii) checking account R\$ 167; (iii) income on cards R\$ 110; (iv) fund management R\$ 82; (v) collection R\$ 43; and (vi) consortium management R\$ 28.

The variation in the quarter is basically due to an increase in revenues from: (i) loan operations R\$ 37; (ii) income on cards R\$ 14; (iii) collection R\$ 13; (iv) tax payment R\$ 8; and (v) checking account R\$ 8.

Retained Premiums from Insurance, Private Pension Plans and Savings Bonds

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
5,983	5,797	(3.1)	2,796	3,001	7.3

The variation is detailed in the next charts:

The variation is detailed in the next charts:

a) Retained Premiums from Insurance

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
2,989	3,610	20.8	1,786	1,824	2.1

The variation is basically resulted from: (i) increase in health insurance sales, substantially the collective plan R\$ 250; (ii) the Auto sales R\$ 265, due to the launching of profile recording and review of fee system; and (iii) the Life insurance sales R\$ 74, 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.

Retained premiums from insurance remained practically stable in 2Q05 when compared to 1Q05, with slight increase in the Health and Auto segments.

b) Private Pension Plans Contributions

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
2,292	1,546	(32.5)	726	820	12.9

The variation in the period is substantially due to an increase in the amount of VGBL redemptions R\$ 673 and a 2.5% drop in the selling of VGBL/PGBL products, influenced by changes in tax laws, which also led to the transfer of redemptions that would occur in 4Q04 to be carried out in 1Q05.

N.B.: according to SUSEP, the recording of VGBL

The variation in the quarter was influenced by a growth in the selling of VGBL products R\$ 104; offset by higher volume of redemptions of this product in 2Q05 R\$ 31.

N.B.: according to SUSEP, the recording of VGBL redemptions reduces the retained contributions.

redemptions reduces the retained contributions.

c) Income on Savings Bonds

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
702	641	(8.7)	284	357	25.7

The variation is mostly due to a decrease in sales volume R\$ 34 and re-investment volume R\$ 24.

The variation mostly reflects the increment in sales R\$ 56, re-investments R\$ 13 and new businesses R\$ 4.

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

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(1,571)	(698)	(55.6)	(418)	(280)	(33.0)

The variation is detailed in the next charts:

The variation is detailed in the next charts:

a) Variation in Technical Reserves for Insurance

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(48)	(516)	975.0	(392)	(124)	(68.4)

Variations in Technical Provisions for insurance are directly related to the production of premiums in their respective effective periods. The most significant variation occurred in the Auto line. In 1H05, an extraordinary reserve 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 production of premiums in their respective effective periods. The most significant variation occurred in the Auto line. In 1Q05, an extraordinary reserve 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*).

b) Variation in Technical Provisions for Pension Plans

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(1,467)	(189)	(87.1)	(11)	(178)	1,518.2

The variation in the period reflects a marked increase in the redemption of VBGL/PGBL products, and also the lower sales of these products in 1H05, due to changes in tax laws.

Variations in technical provisions are directly related to new sales, combined with benefits and redemptions. In 1Q05, a great volume of redemptions occurred in view of changes in the tax laws.

c) Variation in Technical Provisions for Savings Bonds

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(56)	7		(15)	22	

The amounts in both periods refer to provisions for contingencies, the needs of which were lower in 1H05.

The amounts in both periods refer to provisions for contingencies, the needs of which were lower in 1H05.

Retained Claims

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(2,514)	(2,829)	12.5	(1,372)	(1,457)	6.2

The variation is mainly due to an increase in claims in the Health insurance line R\$ 264.

The variation in the quarter is basically due to an increase in claims in the Life Insurance R\$ 64 and Auto lines R\$ 33.

Savings Bond Draws and Redemptions

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(619)	(560)	(9.5)	(246)	(314)	27.6

In 1H04, there was a large redemption volume of the lump-sum payment maturing bonds.

The variation in the quarter basically results from the concentration of lump-sum payment bonds, maturing in 2Q05.

Insurance, Private Pension Plans and Savings Bonds Selling Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(417)	(453)	8.6	(229)	(224)	(2.2)

The variation is detailed in the charts below:

The variation is detailed in the charts below:

a) Insurance Products Selling Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(343)	(370)	7.9	(183)	(187)	2.2

The increase results, basically, from the growth in Auto insurance sales (launching of profile recording), although the ratio of selling expenses to premiums earned has decreased in 1H05.

Insurance products selling expenses remained steady in 2Q5, when compared to 1Q05.

b) Private Pension Plans and Savings Bonds Selling Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(74)	(83)	12.2	(46)	(37)	(19.6)

The increase in expenses during the period is substantially due to the higher commissions in the sale of savings bonds.

The reduced selling expenses in the quarter are basically due to the lower commission index in the sale of the VGBL product in 2Q05.

Pension Plans Benefits and Redemptions Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(1,123)	(1,373)	22.3	(745)	(628)	(15.7)

The variation was due to the increase in pension plans redemptions and also to the characteristics of PGBL plans, allowing the participant to redeem at any time, observing the grace period, in addition to the change in redemption withholding income tax, which also led to the transfer of redemptions that would occur in 4Q04 to be carried out in 1Q05.

The variation of this item resulted from the strong concentration of redemptions requests in 2Q05, related to the change in redemption withholding income tax, which also led to the transfer of redemptions that would occur in 4Q04 to be carried out in 1Q05.

Personnel Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(2,411)	(2,467)	2.3	(1,221)	(1,246)	2.0

The variation for the period was mainly due to: (i) payroll increase, as a result of the collective bargaining agreement of 8.5% in September/04 R\$ 228; (ii) higher employee profit sharing expenses R\$ 58; offset by: (iii) lower employment contracts termination expenses and provisions for labor claims R\$ 66; (iv) decrease in personnel expenses as a result of the synergy in administrative activities R\$ 165.

The variation of this item is basically due to: (i) the concentration of vacation in 1Q05 R\$ 45; (ii) higher employee profit sharing expenses R\$ 12; (iii) higher training investments R\$ 8; offset by lower: (iv) volume of provisions for labor claims R\$ 21; and (v) employment contracts termination expenses R\$ 14. Excluding these effects, we verify a structural reduction in expenses of R\$ 6.

Other Administrative Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(2,424)	(2,432)	0.3	(1,192)	(1,240)	4.0

The nominal change in this item presents a slight R\$ 8 increase. However, if such expenses were adjusted by an index which follows the average inflation of the period, of 7.2%, we would have real savings of R\$ 159.

The increase in the quarter is resulted from higher expenses related to: (i) third-party services R\$ 26, mainly due to increase in business volume, as well as investments in the improvement and optimization of IT platform; and (ii) advertising and publicity expenses R\$ 17, especially due to the launching of Bradescompleto campaign.

Tax Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(679)	(902)	32.8	(405)	(497)	22.7

This variation was generated by increased expenses for: (i) PIS/COFINS R\$ 176, as a result of higher taxable income that includes income from derivatives used for hedge effect of investment abroad; (ii) ISS R\$ 24, as a result of a change in legislation; and (iii) CPMF R\$ 32.

The variation in the quarter mainly results from increased expenses for: (i) PIS/COFINS R\$ 59, in view of the increase in taxable income, which includes income from derivatives used for hedge effect of investment abroad; and (ii) CPMF R\$ 24.

Equity in the Earnings of Affiliated Companies

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
122	5	(95.9)	(5)	10	

The variation is mostly due to better results from IRB-Brasil Resseguros R\$ 84 in the 1H04.

The variation basically derives from higher results obtained in the affiliated companies in 2Q05 when compared to 1Q05, pointing out the following investments: IRB-Brasil Resseguros R\$ 6; and American BankNote R\$ 3.

Other Operating Income

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
537	559	4.1	300	259	(13.7)

The reduction is basically due to: (i) lower financial income R\$ 24; (ii) lower recovery of charges and expenses R\$ 19; (iii) lower income on sale of goods R\$ 18; offset by: (iv) higher reversal of operating provisions.

The variation in the quarter is mainly due to lower reversal of other operating provisions R\$ 17.

Other Operating Expenses

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(1,494)	(1,495)	0.1	(704)	(791)	12,4

Expenses maintained steady during the period.

The increase in the quarter is basically due to increases in: (i) financial expenses R\$ 33; (ii) sundry losses R\$ 26; (iii) cost of services rendered R\$ 12; and (iv) formation of operating provisions R\$ 12.

Operating Income

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
1,420	3,730	162.7	1,584	2,146	35.5

The variation was basically derived from: (i) higher financial margin R\$ 1,943; (ii) increased revenues from services rendered R\$ 727; (iii) increase in contribution margin of insurance, private pension plans and savings bonds operations R\$ 145; partially offset by: (iv) higher allowance for doubtful accounts expenses R\$ 122; (v) higher tax expenses R\$ 223; and (vi) reduction in equity in the earnings of affiliated companies R\$ 117. For a more detailed analysis of the variation in each line, the reading of each specific item is recommended.

The variation was derived from: (i) higher financial margin R\$ 356; (ii) increase in revenues from services rendered R\$ 99; (iii) higher contribution margin of insurance, private pension and savings bonds operations R\$ 312; (iv) lower allowance for doubtful accounts expenses R\$ 73; partially offset by: (v) higher tax expenses R\$ 92; and (vi) reduction in other operating income/expense R\$ 128. For a further detailed variation analysis, the reading of each specific item is recommended.

Non-Operating Income

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
(213)	(27)	(87.3)	(6)	(21)	250.0

The variation is mainly due the extraordinary goodwill amortization occurred in 1H04 R\$ 135 and lower losses in the sale of assets and investments R\$ 40.

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

Income Tax and Social Contribution

1st Half/2004	1st Half/2005	Variation %	1st Qtr./2005	2nd Qtr./2005	Variation %
46	(1,081)		(373)	(708)	89.8

The variation in the expense for income tax and social contribution for the period includes R\$ 366 related to tax on partial income from hedge of investments abroad, as well as tax charges on pre-tax income, after additions and exclusions, as described in Note 35.

The variation in the expense for income tax and social contribution for the quarter reflects tax charges on pre-tax income, after additions and exclusions, as described in Note 35.

Comparative Balance Sheet R\$ million

	June		Variation	2005		Variation
Assets	2004	2005	%	March	June	%
Current Assets and Long-Term						
Receivables	171,051	189,981	11.1	186,588	189,981	1.8
Funds Available	2,222	3,082	38.7	3,058	3,082	0.8
Interbank Investments	20,529	23,374	13.9	21,613	23,374	8.1
Marketable Securities and Derivative						
Financial Instruments	56,212	64,441	14.6	64,842	64,441	(0.6)
Interbank and Interdepartmental						
Accounts	14,683	16,259	10.7	16,393	16,259	(0.8)
Restricted Deposits:						
Brazilian Central Bank	13,637	15,298	12.2	15,676	15,298	(2.4)
Other	1,046	961	(8.1)	717	961	34.0
Loan and Leasing Operations	47,488	59,928	26.2	55,894	59,928	7.2
Loan and Leasing Operations	51,511	64,237	24.7	60,041	64,237	7.0
Allowance for Doubtful Accounts	(4,023)	(4,309)	7.1	(4,147)	(4,309)	3.9
Other Receivables and Assets	29,917	22,897	(23.5)	24,788	22,897	(7.6)
Foreign Exchange Portfolio	15,126	7,672	(49.3)	8,616	7,672	(11.0)
Other Receivables and Assets	14,981	15,367	2.6	16,326	15,367	(5.9)
Allowance for other doubtful accounts	(190)	(142)	(25.3)	(154)	(142)	(7.8)
Permanent Assets	5,203	4,561	(12.3)	4,711	4,561	(3.2)
Investments	1,006	1,020	1.4	1,108	1,020	(7.9)
Property, Plant and Equipment in						
Use and Leased Assets	2,326	2,088	(10.2)	2,176	2,088	(4.0)
Deferred Charges	1,871	1,453	(22.3)	1,427	1,453	(1.8)
Deferred Charges	472	489	3.6	481	489	1.7
Goodwill on Acquisition of Subsidiaries, Net of Amortization	1,399	964	(31.1)	946	964	1.9
Total	176,254	194,542	10.4	191,299	194,542	(1.7)
Liabilities						
Current and Long-Term Liabilities	162,500	176,982	8.9	174,665	176,982	1.3
Deposits	64,133	71,654	11.7	71,372	71,654	0.4
Demand Deposits	13,541	14,892	10.0	14,924	14,892	(0.2)
Savings Deposits	22,457	24,517	9.2	24,448	24,517	0.3
Interbank Deposits	47	46	(2.1)	17	46	170.6
Time Deposits	28,088	32,043	14.1	31,807	32,043	0.7
Other Deposits		156		176	156	(11.4)
Funds Obtained in the Open Market	16,746	20,957	25.1	21,858	20,957	(4.1)
Funds from Issuance of Securities	7,080	6,677	(5.7)	5,035	6,677	32.6
Securities Issued Abroad	5,989	3,231	(46.1)	4,310	3,231	(25.0)
Other Funds	1,091	3,446	215.9	725	3,446	375.3
Interbank and Interdepartmental						
Accounts	1,090	1,466	34.5	1,318	1,466	11.2
Borrowings and Onlendings	16,817	14,999	(10.8)	15,634	14,999	(4.1)
Borrowings	8,895	6,477	(27.2)	7,419	6,477	(12.7)

Edgar Filing: BANK BRADESCO - Form 6-K

Onlendings	7,922	8,522	7.6	8,215	8,522	3.7
Derivative Financial Instruments	785	1,619	106.2	1,485	1,619	9.0
Technical Provision for Insurance, Private						
Pension Plans and Savings Bonds	29,478	36,533	23.9	35,328	36,533	3.4
Other Liabilities	26,371	23,077	(12.5)	22,635	23,077	2.0
Foreign Exchange Portfolio	8,750	3,181	(63.6)	3,627	3,181	(12.3)
Taxes and Social Security Contributions, Social and Statutory Payables	4,771	5,871	23.1	4,727	5,871	24.2
Subordinated Debt	6,181	6,496	5.1	6,117	6,496	6.2
Sundry	6,669	7,529	12.9	8,164	7,529	(7.8)
Deferred Income	38	58	52.6	44	58	31.8
Minority Interest in Subsidiaries	66	54	(18.2)	52	54	3.8
Stockholders Equity	13,650	17,448	27.8	16,538	17,448	5.5
Total	176,254	194,542	10.4	191,299	194,542	1.7

Equity Analysis R\$ million**Available Funds**

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
2,222	3,082	38.7	3,058	3,082	0.8

The increase for the period reflects the growths in: (i) local currency cash funds volume R\$ 699; and (ii) foreign currency cash funds volume R\$ 161.

The increase for the quarter is mainly due to: (i) growth in the local currency cash funds volume R\$ 145; and (ii) decrease in the volume of foreign currency cash funds R\$ 121.

Interbank Investments

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
20,529	23,374	13.9	21,613	23,374	8.1

The growth for the period reflects: (i) increase in open market investments, third-party and own portfolio positions R\$ 795 and R\$ 2,589, respectively; and offset by: (ii) decrease in interbank deposits and investments in the open market, unrestricted securities R\$ 489 and R\$ 50, respectively.

The increase in the quarter is due to: (i) increased investments in the open market, own portfolio position R\$ 2,627; (ii) decreased investments in the open market, third-party portfolio position R\$ 156; and (iii) reduction in interbank deposits R\$ 710.

Marketable Securities (TVM) and Derivative Financial Instruments

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
56,212	64,441	14.6	64,842	64,441	(0.6)

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 24.4% for the period, impacting on foreign currency indexed and/or denominated securities, which comprise 12.3% of the portfolio; and (iii) the redemption/maturity of securities. The analysis (excluded from Purchase and Sale Commitments – see item Funds Obtained in the Open Market) of portfolio profile, based on Management's intent, does not reveal significant changes in its distribution, from 70.80% to 72.6% of Trading Securities; from 19.7% to 19.8% of Securities Available for Sale; and of 9.5% to 7.6% of Securities Held to Maturity. In June/05, 60.3% of the total portfolio (excluded from purchase and sale commitments) was represented by Government Bonds, 17.2% by Private Securities and 22.5% by PGBL and VGBL fund quotas.

The variation in the quarter partially reflects: (i) the exchange loss variation of 11.8% in the quarter, which impacted on the foreign currency indexed and/or denominated securities, which compose 12.3% of the portfolio; and partially offset by: (ii) the issuance of perpetual subordinated debt R\$ 710.

The analysis (excluded from purchase and sale commitments – see item Funds Obtained in the Open Market) of portfolio profile, based on Management's intent, reveals the following distributions in the quarters: Trading Securities from 68.3% to 72.6%; Securities Available for Sale from 23.7% to 19.8%; and Securities Held to Maturity from 8.0% to 7.6%.

Interbank and Interdepartmental Accounts

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
14,683	16,259	10.7	16,393	16,259	(0.8)

The variation for the period basically reflects the increase in compulsory deposits volume of R\$ 1,660, due to the growth in the volume of demand and savings deposits, of 10.0% and 9.2%, respectively.

The variation in the quarter mainly results from: (i) decrease in the volume of compulsory deposits R\$ 378, basically in view of decreased average volume of demand deposits; partially offset by: (ii) higher volume in the interbank balance of the item check clearance services and other instruments R\$ 289.

Loan and Leasing Operations

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
58,402	69,787	19.5	65,979	69,787	5.8

Growth for the period was mainly due to: (i) the individual customer portfolio, up 50.6%, in particular in the Auto products, up by 55.8%, Personal Loan, up by 97.2% and CDC Store, up by 149.3%, reflecting the operating agreements recently executed with retailers. In the corporate portfolio, the growth rate was of 5.8%, as a result of the 23.8% increase of the small and medium-sized companies (SME) portfolio, coupled with a 6.2% decrease in the portfolio of large companies (Large Corporate), pointing out the products Working Capital, up by 29.3%, Auto, up by 54.2% and Overdraft-Secured Account, up by 12.8%, following the maintenance of the economic activity level, in both foreign and domestic markets in the period; partially offset by: (ii) exchange loss variation of 24.4% for the period, affecting foreign currency indexed and/or denominated contracts, comprising 9.0% of the total portfolio. In June/05, the portfolio was distributed at 61.5% for SMEs and Large Corporates and 38.5% for Individuals. In terms of concentration, the 100 largest borrowers accounted for 31.2% of the portfolio in June/04 and for 24.3% in June/05. Out of the Total Loan Portfolio in Normal Course in June/05, of R\$ 65,147, 37.9% is falling due in up to 90 days.

N.B.: 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.

The growth of the quarter is mainly due to: (i) individuals portfolio, with a 13.1% growth, especially in the Auto products, with a 10.8% increase, Personal Loan, with a 23.1% increase and CDC Store with a 138.2% increase, reflecting the operating agreements recently executed with retailers. The 1.6% growth recorded in the corporate portfolio results from a 5.8% hike in the portfolio of small and medium-sized companies (SME) and a 1.8% reduction in the portfolio of large companies (Large Corporate), pointing out the products Working Capital, with a 5.4% increase, BNDES Onlendings, with a 5.2% growth and Overdraft Secured Account, with a 6.7% increase, resulting from the maintenance of economic activity level, in both foreign and domestic markets; partially offset by: (ii) exchange loss variation of 11.8% in the quarter, affecting foreign currency indexed and/or denominated contracts, which account for 9.0% of total portfolio. In terms of concentration, the 100 largest borrowers accounted for 25.4% of the portfolio in March/05 and 24.3% in June/05.

N.B.: 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 (PDD)

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
(4,213)	(4,450)	5.6	(4,301)	(4,450)	3.5

The variation in the PDD balance for the period was due to: (i) the increase in the volume of loan operations; (ii) the preventive formation of PDD in 1H05 of R\$ 166, linked to the loans granted to a large utilities concessionaire; mitigated by: (iii) the constant improvement in quality of the Bank's loan portfolio. The ratio of total PDD to the loan portfolio dropped from 7.2% in June/04 to 6.4% in June/05, and the allowance coverage ratios to the abnormal course loan portfolio, rated from E to H raised from 189.5% in June/04 to 197.2% in June/05, and those rated from D to H decreased from 159.0% in June/04 to 158.1% in June/05. These ratios evidence the loan portfolio quality, as a result of our safe, selective and consistent loan granting strategy, coupled with the recovery of Brazilian economic activity. During the period, R\$ 2,164 was recorded as PDD and R\$ 1,927 was written-off. Additional PDD over minimum requirements increased from R\$ 905 in June/04 to R\$ 946 in June/05.

The variation in the PDD balance in the quarter basically reflects the growth of loan volume allied with the maintenance of quality of loan portfolio. Comparatively, the ratio of total PDD index in relation to the loan portfolio decreased from 6.5% in March/05 to 6.4% in June/05, and the allowance coverage ratios in relation to the loan portfolio under abnormal course, rated from E to H, remained practically steady, from 197.1% in March/05 to 197.2% in June/05, and those rated from D to H decreased from 162.2% in March/05 to 158.1% in June/05. These indexes reflect the quality of loan portfolio, arising from safe, selective and consistent strategy of loan granting, combined with the recovery of the economic activity in the country. In the quarter, PDD was recorded in the amount of R\$ 562 and R\$ 413 written-off. Additional PDD over minimum requirements increased from R\$ 938 in March/05 to R\$ 946 in June/05.

Other Receivables and Assets

June/2004 29,475	June/2005 22,578	Variation % (23.4)	March/2005 24,302	June/2005 22,578	Variation % (7.1)
-----------------------------------	-----------------------------------	-------------------------------------	------------------------------------	-----------------------------------	------------------------------------

The variation in the period is basically due to: (i) R\$ 7,454 decrease in the foreign exchange portfolio balance; partially mitigated by (ii) a R\$ 318 increase in the credit card operations not included in the loan operations.

N.B.: balances are deducted (net of corresponding PDD) of R\$ 442 in June/04 and of R\$ 319 in June/05, allocated to the Loan Operations and Leasing Operations and Allowance for Doubtful Accounts items.

The variation in the quarter is basically due to a R\$ 944 decrease in the exchange portfolio volume and a R\$ 909 decrease in the balance of item Negotiation and Intermediation of Amounts, mostly related to the settlement of intermediation operations of publicly-held companies stocks.

N.B.: balances are deducted (net of corresponding PDD) of R\$ 486 in March/05 and of R\$ 319 in June/05, allocated to the Loan Operations and Leasing Operations and Allowance for Doubtful Accounts items.

Permanent Assets

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
5,203	4,561	(12.3)	4,711	4,561	(3.2)

The variation in the quarter is mostly due to: (i) goodwill amortization in subsidiaries R\$ 585, of which R\$ 235 were extraordinarily amortized in the period; (ii) depreciation and amortization in the period; (iii) sale of stake in the company CP Cimentos R\$ 62; partially offset by: (iv) the acquisition of Morada Serviços R\$ 78; and (v) equity in the earnings of subsidiaries verified in the period.

The variation for the quarter was substantially due to: (i) goodwill amortization in subsidiaries totaling R\$ 88; (ii) depreciation and amortization in the quarter; (iii) sale of stake in the company CP Cimentos R\$ 63; offset by: (iv) the acquisition of Morada Serviços, R\$ 78.

Demand Deposits

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
13,541	14,892	10.0	14,924	14,892	(0.2)

The increase is mainly due to a 6.5% hike in the customer base. The evolvement of R\$ 1,351 shown above is composed of: Individuals R\$ 245, SMEs and Large Corporates R\$ 1,106.

In 2Q05, funds maintained in demand deposits remained practically steady compared to the previous quarter.

Savings Deposits

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
22,457	24,517	9.2%	24,448	24,517	0.3%

The increase in the period is basically due to: (i) the remuneration of deposits (TR + 0.5% p.m.) reaching 8.7%, in the period; and (ii) increase in the customer base.

In 2Q05, savings accounts funds remained stable when compared to the previous quarter.

Time Deposits

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
28,088	32,043	14.1	31,807	32,043	0.7

The increase is mostly due to the remuneration of the period, offset by the migration of funds to other funding products.

In 2Q05, time deposits remained steady compared to the previous quarter, as a result of the migration of funds to other funding products.

Interbank Deposits and Other Deposits

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
47	202	329.8	193	202	4.7

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

The increase results from: (i) a hike in the volume of interbank deposits account R\$ 29, partially offset by: (ii) a reduced volume in the investment account R\$ 20.

Funds Obtained in the Open Market

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
16,746	20,957	25.1	21,858	20,957	(4.1)

The variation in the balance of the period results from: (i) increase in the third-party portfolio R\$ 777; (ii) hike in the own portfolio R\$ 3,534; and (iii) reduction of unrestricted portfolio balance R\$ 100.

N.B.: this item includes investment funds and managed portfolio resources invested in purchase and sale commitments with Bradesco, the investors in which are subsidiaries included in the consolidated financial statements in the amount of R\$ 8,537 in June/04 and R\$ 7,382 in June/05.

The variation in this account balance for the quarter was mostly due to: (i) decrease in own portfolio R\$ 742; and (ii) decrease in third-party portfolio R\$ 159.

N.B.: this item includes investment funds and managed portfolio resources invested in purchase and sale commitments with Bradesco, the investors in which are subsidiary companies included in the consolidated financial statements in the amounts of R\$ 8,811 in March/05 and R\$ 7,382 in June/05.

Funds from Issuance of Securities

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
7,080	6,677	(5.7)	5,035	6,677	32.6

The variation basically derives from: (i) decreased volume of marketable securities issued abroad at R\$ 2,758, mainly in view of redemptions of Eurobonds and Commercial Papers, matured and not renewed; (ii) exchange loss variation of 24.4% in the period, which

The variation basically derives from: (i) increase in the issuance of securities in the country R\$ 2,721, mostly debentures, partially offset by: (ii) decreased volume of marketable securities issued abroad at R\$ 1,079, mainly in view of redemptions of Commercial Papers, matured

impacted on the funds from issuance of securities, the balances of which were R\$ 5,989 in June/04 and R\$ 3,231 in June/05; partially offset by: (iii) increase in the issuance of securities in the country R\$ 2,355, mostly debentures, as per Note 18c.

and not renewed, as per Note 18c, in addition to exchange loss variation of 11.8% in the quarter, which impacted on the funds from issuance of securities, the balances of which were R\$ 4,310 in March/05 and R\$ 3,231 in June/05.

Interbank and Interdepartmental Accounts

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
1,090	1,466	34.5	1,318	1,466	11.2

The variation is basically due to higher volume of foreign currency payment orders, summing up a R\$ 306 variation.

The variation is basically due to higher volume of foreign currency payment order, summing up a R\$ 104 variation.

Borrowings and Onlendings

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
16,817	14,999	(10.8)	15,634	14,999	(4.1)

The variation mainly arises from: (i) exchange loss variation of 24.4% in the period, which impacted on the foreign currency indexed and/or denominated loans and onlendings, the balances of which were R\$ 9,504 in June/04 and R\$ 6,782 in June/05 (28.6% reduction); partially offset by: (ii) increase in the volume of loans and onlendings in the country R\$ 650, mainly by means of FINAME onlendings.

The variation mainly results from: (i) exchange loss variation of 11.8% in the quarter, which impacted on foreign currency indexed and/or denominated loans and onlendings, the balances of which were R\$ 7,845 in March/05 and R\$ 6,782 in June/05 (13.6% reduction); and partially offset by: (ii) increase in the volume of loans and onlendings in the country of R\$ 347, mainly by means of FINAME and BNDES onlendings, with increases of R\$ 152 and R\$ 166, respectively.

Technical Provisions for Insurance, Private Pension Plans and Savings Bonds

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
29,478	36,533	23.9	35,328	36,533	3.4

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\$ 3,592 and PGBL plans at R\$ 841, and in the insurance segment, provisions for Auto/RCF at R\$ 374, as well as for Health segment R\$ 655, 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: in the private pension segment, in VGBL plans at R\$ 598 and PGBL plans at R\$ 196, and in the insurance segment, provisions for Auto/RCF at R\$ 60, as well as for Health segment at R\$ 100.

Other Liabilities, Derivative Financial Instruments and Deferred Income

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
33,453	29,843	(10.8)	29,462	29,843	1.3

The variation basically derives from: (i) exchange loss variation of 24.4% in the period impacting on the balance

The increase in the quarter is mainly due to: (i) issuance of perpetual debt of R\$ 710; (ii) increase in the balance of

of foreign exchange portfolio and foreign currency subordinated debt, which recorded reductions of R\$ 6,740 and R\$ 807, respectively; partially offset by: (ii) the issuance of perpetual subordinated debt of R\$ 710; and (iii) increase in the items Tax and Social Security and Derivative Financial Instruments items of R\$ 853 and R\$ 836, respectively.

N.B.: excludes advances on foreign exchange contracts of R\$ 6,259 and R\$ 5,089, allocated to the specific account in loan operations in June/04 and June/05, respectively.

items Tax and Social Security and Social and Corporate R\$ 782 and R\$ 444, respectively; partially offset by: (iii) exchange loss variation of 11.8% in the period impacting on the balance of foreign exchange portfolio and foreign currency subordinated debt, which recorded reductions of R\$ 655 and R\$ 451, respectively, and (iv) R\$ 976 decrease in the balance of item Trading and Intermediation of Securities mostly related to settlement of intermediation operations of publicly-held companies stocks.

N.B.: excludes advances on foreign exchange contracts of R\$ 5,298 and R\$ 5,089, allocated to the specific account in loan operations in March/05 and June/05, respectively.

Minority Interest in Subsidiaries

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
66	54	(18.2)	52	54	3.8

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

June/2004	June/2005	Variation %	March/2005	June/2005	Variation %
13,650	17,448	27.8	16,538	17,448	5.5

This variation is basically due to: (i) appropriation of net income for the period R\$ 4,431; (ii) capital increase which became effective R\$ 712; (iii) increase in reserve for market value adjustment of TVM and derivatives R\$ 319; (iv) record of goodwill on stocks subscription R\$ 24; (v) other R\$ 2; offset by: (vi) stock buyback R\$ 91; and (vii) interest on own capital paid and accrued R\$ 1,599.

This variation is due to: (i) appropriation of net income for the period R\$ 1,416; (ii) increase in reserve for market value adjustment of TVM and derivatives R\$ 111; which was offset by: (iii) stock buyback R\$ 58; and (iv) interest on own capital paid and accrued R\$ 559.

2 - Main Statement of Income Information

Consolidated Statement of Income R\$ thousand

	1st Half		Years			
	2005	2004	2003	2002	2001	2000
Revenues from Financial Intermediation	15,228,357	26,203,227	28,033,866	31,913,379	21,411,673	15,519,008
Loan Operations	7,187,962	12,731,435	12,294,528	15,726,929	11,611,236	7,787,745
Leasing Operations	182,138	300,850	307,775	408,563	420,365	512,962
Marketable Securities	1,958,099	4,921,179	7,832,965	9,527,663	7,367,600	6,122,486
Financial Income on Insurance, Private Pension Plans and Savings Bonds	3,233,720	5,142,434	5,359,939	3,271,913		
Derivative Financial Instruments	1,696,605	1,238,890	55,192	(2,073,247)	(270,572)	
Foreign Exchange Transactions	230,836	691,302	797,702	4,456,594	2,045,092	872,234
Compulsory Deposits	738,997	1,177,137	1,385,765	594,964	237,952	223,581
Expenses from Financial Intermediation	6,874,144	12,972,347	14,752,199	20,441,257	11,302,709	7,680,225
Funding Operations	4,674,319	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	1,840,891	3,215,677	3,120,342	2,241,283		
Borrowings and Onlendings	353,126	1,253,175	1,083,379	7,194,161	4,316,682	2,158,725
Leasing Operations	5,808	17,492	12,981	12,486		93
Financial Margin	8,354,213	13,230,880	13,281,667	11,472,122	10,108,964	7,838,783
Allowance for Doubtful Accounts	1,196,746	2,041,649	2,449,689	2,818,526	2,010,017	1,451,912
Gross Result from Financial Intermediation	7,157,467	11,189,231	10,831,978	8,653,596	8,098,947	6,386,871
Other Operating Income (Expenses)	(3,427,199)	(7,071,120)	(7,278,870)	(6,343,850)	(5,324,166)	(4,647,041)
Revenues from Services Rendered	3,420,949	5,824,368	4,556,861	3,711,736	3,472,560	3,042,699
Operating Income on Insurance, Private Pension Plans and Savings Bonds	(115,530)	(60,645)	(148,829)	658,165	(587,842)	(505,369)
Insurance, Private Pension Plans and Savings Bonds Retained Premiums	5,796,820	13,283,677	11,726,088	10,134,873	8,959,259	6,919,942
Net Premiums Written	7,426,679	15,389,170	13,111,896	10,687,384	9,413,039	7,258,148
Reinsurance Premiums and Redeemed Premiums	(1,629,859)	(2,105,493)	(1,385,808)	(552,511)	(453,780)	(338,206)
Variation in Technical Provisions for Insurance, Private Pension Plans and Saving Bonds	(697,682)	(3,964,106)	(3,670,163)	(2,784,647)	(3,492,217)	(3,001,118)
Retained Claims	(2,829,048)	(5,159,188)	(3,980,419)	(3,614,963)	(3,251,706)	(2,511,146)
Savings Bonds Draws and Redemptions	(559,635)	(1,223,287)	(1,099,554)	(720,932)	(744,402)	(355,243)
	(453,082)	(867,094)	(762,010)	(667,527)	(689,352)	(645,020)

Insurance, Private Pension Plans and Savings Bonds Selling Expenses						
Expenses with Pension Plans						
Benefits and Redemptions	(1,372,903)	(2,130,647)	(2,362,771)	(1,688,639)	(1,369,424)	(912,784)
Personnel Expenses	(2,466,949)	(4,969,007)	(4,779,491)	(4,075,613)	(3,548,805)	(3,220,607)
Other Administrative Expenses	(2,431,850)	(4,937,143)	(4,814,204)	(4,028,377)	(3,435,759)	(2,977,665)
Tax Expenses	(902,561)	(1,464,446)	(1,054,397)	(847,739)	(790,179)	(670,138)
Equity in the Earnings of Affiliated Companies	4,642	163,357	5,227	64,619	70,764	156,300
Other Operating Income	559,309	1,198,532	1,697,242	1,320,986	1,326,459	902,807
Other Operating Expenses	(1,495,209)	(2,826,136)	(2,741,279)	(3,147,627)	(1,831,364)	(1,375,068)
Operating Income	3,730,268	4,118,111	3,553,108	2,309,746	2,774,781	1,739,830
Non-Operating Income	(26,607)	(491,146)	(841,076)	186,342	(83,720)	(123,720)
Income Before Taxes on Profit and Ownership	3,703,661	3,626,965	2,712,032	2,496,088	2,691,061	1,616,110
Income Tax and Social Contribution	(1,080,661)	(554,345)	(396,648)	(460,263)	(502,257)	(258,776)
Non-Recurrent Result/Extraordinary						400,813
Minority Interest in Subsidiaries	(1,708)	(12,469)	(9,045)	(13,237)	(18,674)	(17,982)
Net Income	2,621,292	3,060,151	2,306,339	2,022,588	2,170,130	1,740,165
Return on Stockholders' Equity (Annualized)	32.30%	20.11%	17.02%	18.65%	22.22%	21.50%
Financial Margin/Total Assets (Annualized)	8.77%	7.15%	7.54%	8.03%	9.18%	8.26%

Edgar Filing: BANK BRADESCO - Form 6-K

	2005		2004			2003		
	2 nd Qtr.	1 st Qtr.	4 th Qtr.	3 rd Qtr.	2 nd Qtr.	1 st Qtr.	4 th Qtr.	3 rd Qtr.
Revenues from Financial Intermediation	7,119,093	8,109,264	6,201,944	5,525,100	7,719,563	6,756,620	7,443,322	7,911,617
Loan Operations	3,478,848	3,709,114	3,102,037	2,870,585	3,659,023	3,099,790	3,169,261	3,504,644
Leasing Operations	95,551	86,587	85,556	73,467	56,715	85,112	78,660	85,952
Marketable Securities	302,896	1,655,203	758,491	361,241	2,120,909	1,680,538	2,230,775	2,312,036
Financial Income on Insurance, Private Pension Plans and Savings Bonds	1,464,488	1,769,232	1,379,157	1,337,097	1,181,151	1,245,029	1,411,927	1,334,756
Derivative Financial Instruments	1,331,444	365,161	529,925	582,105	(68,697)	195,557	8,877	33,158
Foreign Exchange Transactions	58,759	172,077	28,645	(746)	502,246	161,157	254,543	275,508
Compulsory Deposits	387,107	351,890	318,133	301,351	268,216	289,437	289,279	365,563
Expenses from Financial Intermediation	2,763,910	4,110,234	2,686,069	2,220,925	4,639,047	3,426,306	3,800,058	4,754,050
Funding Operations	1,864,385	2,809,934	1,709,830	1,291,812	3,029,988	2,454,373	2,605,171	3,434,326
Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	901,840	939,051	922,018	942,651	698,695	652,313	701,184	761,148
Borrowings and Onlendings	(4,863)	357,989	49,921	(18,123)	905,617	315,760	490,305	555,389
Leasing Operations	2,548	3,260	4,300	4,585	4,747	3,860	3,398	3,187
Financial Margin	4,355,183	3,999,030	3,515,875	3,304,175	3,080,516	3,330,314	3,643,264	3,157,567
Allowance for Doubtful Accounts	562,149	634,597	488,732	478,369	513,554	560,994	451,516	603,139
	3,793,034	3,364,433	3,027,143	2,825,806	2,566,962	2,769,320	3,191,748	2,554,428

**Gross Result
from Financial
Intermediation
Other
Operating
Income**

(Expenses)	(1,646,577)	(1,780,622)	(1,491,990)	(1,663,296)	(1,945,378)	(1,970,456)	(2,305,000)	(1,887,139)
Revenues from Services Rendered	1,759,600	1,661,349	1,675,594	1,454,636	1,375,202	1,318,936	1,274,590	1,182,359
Operating Income on Insurance, Private Pension Plans and Savings Bonds	99,316	(214,846)	165,276	36,050	(127,324)	(134,647)	(94,771)	(86,292)
Insurance, Private Pension Plans and Savings Bonds Retained Premiums	3,001,125	2,795,695	3,836,157	3,464,550	2,989,637	2,993,333	3,434,634	2,873,832
Net Premiums Written	3,810,957	3,615,722	4,471,433	3,999,901	3,487,258	3,430,578	3,807,546	3,508,165
Reinsurance Premiums and Redeemed Premiums	(809,832)	(820,027)	(635,276)	(535,351)	(497,621)	(437,245)	(372,912)	(634,333)
Variation in Technical Provisions for Insurance, Private Pension Plans and Saving Bonds	(279,264)	(418,418)	(1,316,961)	(1,076,201)	(693,433)	(877,511)	(1,143,458)	(863,897)
Retained Claims Savings Bonds Draws and Redemptions	(1,456,990)	(1,372,058)	(1,317,196)	(1,328,082)	(1,281,728)	(1,232,182)	(920,068)	(1,066,766)
Insurance, Private Pension Plans and Savings Bonds Selling Expenses	(313,144)	(246,491)	(291,770)	(312,043)	(346,151)	(273,323)	(301,838)	(283,009)
Expenses with Pension Plans Benefits and Redemptions	(224,258)	(228,824)	(233,846)	(215,775)	(205,157)	(212,316)	(208,229)	(190,761)
Personnel Expenses	(628,153)	(744,750)	(511,108)	(496,399)	(590,492)	(532,648)	(955,812)	(555,691)
	(1,246,226)	(1,220,723)	(1,284,423)	(1,273,981)	(1,233,345)	(1,177,258)	(1,272,063)	(1,306,415)

Other Administrative Expenses	(1,239,471)	(1,192,379)	(1,288,511)	(1,225,032)	(1,215,747)	(1,207,853)	(1,327,995)	(1,232,599)
Tax Expenses	(497,966)	(404,595)	(411,494)	(373,965)	(343,100)	(335,887)	(293,466)	(254,650)
Equity in the Earnings of Affiliated Companies	10,283	(5,641)	44,797	(3,708)	122,309	(41)	30,723	7,218
Other Operating Income	259,469	299,840	310,663	350,660	279,688	257,521	246,922	422,630
Other Operating Expenses	(791,582)	(703,627)	(703,892)	(627,956)	(803,061)	(691,227)	(868,940)	(619,390)
Operating Income	2,146,457	1,583,811	1,535,153	1,162,510	621,584	798,864	886,748	667,289
Non-Operating Income	(20,757)	(5,850)	(148,183)	(129,249)	(202,568)	(11,146)	(73,495)	9,854
Income Before Taxes and Profit Sharing	2,125,700	1,577,961	1,386,970	1,033,261	419,016	787,718	813,253	677,143
Income Tax and Social Contribution	(707,848)	(372,813)	(322,116)	(278,499)	224,907	(178,637)	(95,620)	(111,614)
Minority Interest in Subsidiaries	(1,985)	277	(7,101)	(2,413)	(2,587)	(368)	(2,496)	(1,638)
Net Income	1,415,867	1,205,425	1,057,753	752,349	641,336	608,713	715,137	563,891
Return on Stockholders' Equity (Annualized)	36.63%	32.50%	30.85%	22.13%	20.16%	19.10%	22.85%	18.56%
Financial Margin/Total Assets (Annualized)	9.26%	8.63%	7.82%	7.56%	7.18%	8.54%	8.54%	7.91%

Results by Business Segment

Income Breakdown in percentage

Remark.: 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

1st Half of 2005 compared to the 1st Half of 2004 R\$ million

(*) Composition: Premiums and Net Contributions of variations in Technical Reserves 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 Reserves, which are included in the Financial Margin.

46

2nd Quarter of 2005 compared to the 1st 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 Financial Margin.

Increase in Financial Margin Items plus Exchange Adjustment

1st Half of 2005 compared to the 1st Half of 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 with 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) Includes price-level restatement and interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds.

2nd Quarter of 2005 compared to the 1st 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 with 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) Includes price-level restatement and interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds.

Analysis of the Financial Margin and Average Rates

Loan Operations x Income

R\$ million	2004		2005	
	1 st Half	1 st Half	1 st Qtr.	2 nd Qtr.
Loan Operations	47,625	58,770	57,024	60,266
Leasing Operations	1,383	1,803	1,717	1,873
Advances on Foreign Exchange Contracts	6,169	5,061	5,047	5,194
1 Total Average Balance (Quarterly)	55,177	65,634	63,788	67,333
2 Income (Loan Operations, Leasing and Exchange) (*)	6,908	7,453	3,827	3,626
3 Average Return Annualized Exponentially (2/1)	26.6%	24.0%	26.2%	23.3%

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

Securities x Income on Securities Transactions

R\$ million	2004		2005	
	1 st Half	1 st Half	1 st Qtr.	2 nd Qtr.
Marketable Securities	54,390	63,902	63,632	64,641
Interbank Investments	23,828	22,445	21,980	22,493
Subject to Repurchase Agreements	(21,541)	(21,900)	(22,372)	(21,407)
Derivative Financial Instruments	(392)	(1,093)	(830)	(1,552)
4 Total Average Balance (Quarterly)	56,285	63,353	62,410	64,175
5 Income on Securities Transactions (Net of Sales and Purchase Commitments Expenses) (*)	4,758	5,069	2,853	2,217
6 Average Rate Annualized Exponentially (5/4)	17.6%	16.6%	19.6%	14.5%

(*) 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	2004		2005	
	1 st Half	1 st Half	1 st Qtr.	2 nd Qtr.
7 Total Assets - Average Balance (Quarterly)	171,108	190,256	188,113	192,920
8 Income from Financial Intermediation	14,476	15,228	8,109	7,199
9 Average Rate Annualized Exponentially (8/7)	17.6%	16.6%	18.4%	15.6%

Funding x Expenses

R\$ million	2004		2005	
	1 st Half	1 st Half	1 st Qtr.	2 nd Qtr.
Deposits	60,448	70,557	70,008	71,513
Funds from Acceptance and Issuance of Securities	6,830	5,590	5,046	5,856
Interbank and Interdepartmental Accounts	1,527	1,568	1,619	1,392
Subordinated Debt	5,439	6,195	6,045	6,307
10 Total Funding - Average Balance (Quarterly)	74,244	83,910	82,718	85,068
11 Expenses (*)	3,366	2,137	1,538	599
12 Average Rate Annualized Exponentially (11/10)	9.3%	5.2%	7.6%	2.8%

(*) 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	2004		2005	
	1st Half	1st Half	1st Qtr.	2nd Qtr.
13 Technical Provisions for Insurance, Private Pension Plans and Savings Bonds				
Average Balance (Quarterly)	27,945	35,177	34,499	35,931
14 Expenses (*)	1,351	1,841	939	902
15 Average Rate Annualized Exponentially (14/13)	9.9%	10.7%	11.3%	10.4%

(*) Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Savings Bonds.

Borrowings and Onlendings (Local and Foreign) x Expenses

R\$ million	2004		2005	
	1 st Half	1 st Half	1 st Qtr.	2 nd Qtr.
Borrowings	7,971	7,153	7,490	6,948
Onlendings	7,838	8,378	8,306	8,368
16 Total Borrowings and Onlendings Average Balance (Quarterly)	15,809	15,531	15,796	15,316
17 Expenses for Borrowings and Onlendings (*)	538	190	204	(14)
18 Average Rate Annualized Exponentially (17/16)	6.9%	2.5%	5.3%	(0.4%)

(*) Includes Foreign Exchange adjustments (Note 13a).

Total Assets x Financial Margin

R\$ million		2004		2005	
		1st Half	1st Half	1st Qtr.	2nd Qtr.
19	Total Assets Average Balance (Quarterly)	171,108	190,256	188,113	192,920
20	Financial Margin (*)	6,411	8,354	3,999	4,355
21	Average Rate Annualized Exponentially (20/19)	7.6%	9.0%	8.8%	9.3%

(*) Gross Income from Financial Intermediation excluding Allowance for Doubtful Accounts (PDD).

Financial Market IndicatorsAnalysis of Financial Margin

The Financial Margin, 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, simply annulled the tax effect (Income Tax/Social Contribution and PIS/COFINS) in Net Income 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 earnings from derivative instruments are taxable when gains occur and deductible when losses occur. Therefore, gross income from hedge is reflected in Financial Margin, under the line "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

	Effect in the Period				Effect in the Quarter			
	Financial Margin	Tax Expenses	Income Tax Social Contribution	Net Income	Financial Margin	Tax Expenses	Income Tax Social Contribution	Net Income
Partial Income on Hedge of Investments Abroad	1,127	(52)	(366)	709	1,103	(52)	(357)	694
Variation of Investments Abroad	(709)			(709)	(694)			(694)
Effect on the items	418	(52)	(366)		409	(52)	(357)	

Therefore, for a better evaluation, we show below, the financial margin adjusted by these two results, as follows:

Adjusted Financial Margin

	R\$ million					
	1 st Half		Variation	2005		Variation
	2005	2004		2 nd Qtr.	1 st Qtr.	
Reported Financial Margin	8,354	6,411	1,943	4,355	3,999	356
() Sale of Belgo Mineira	(327)		(327)		(327)	327
() Hedge/Exchange Variation	(418)		(418)	(409)	(9)	(400)
Adjusted Financial Margin	7,609	6,411	1,198	3,946	3,663	283
% Adjusted over Average Assets	8.2	7.6		8.4	8.0	

Edgar Filing: BANK BRADESCO - Form 6-K

In 2Q05, the adjusted financial margin reached R\$ 3,946 million, a 7.7% growth when compared to R\$ 3,663 million in 1Q05. By comparing 1H05 with same period of previous year, the growth was 18.7%, reaching R\$ 7,609 million and R\$ 6,411 million, respectively.

The improvement in the adjusted Financial Margin of R\$ 1,198 million in 1H05, compared to 1H04, results from increase in (i) interest income of R\$ 924 million, caused by higher business volumes and (ii) non-interest income of R\$ 274 million, mainly as a result of higher gains from Securities Portfolio (TVM) and Treasury.

When compared to the previous quarter, the variation is due to: (i) a R\$ 300 million increase in interest income, basically composed of higher business volumes; and (ii) the R\$ 17 million drop in non-interest income.

This result shows the good performance and a sustainable growth of Bradesco Conglomerate's financial margin during this period, based on the diversification of business and growth in market niches with better returns and controlled risks. Higher volume of business also contributes to the financial margin increment, emphasizing, especially, the loan operations.

It is worth to take into account that the balance of loan operations was negatively influenced by foreign exchange variation over the past twelve months and also in 2Q05, due to the fact that part of the portfolio is indexed by foreign currency and during these periods, the U.S. dollar dropped 24.4% and 11.8%, respectively, against the real.

The loan destined to individuals offset the negative impact of foreign exchange variation and stood out as the segment that presented the largest growth of operations, considering the 50.6% evolution recorded between June 2004 and June 2005. Only in 2Q05, the segment grew 13.1%. Below are listed the major factors contributing to the evolvement of loan operations of this segment:

recent partnerships made by Bradesco with retailers for the granting of consumer loan.

growth of consigned loan operations with deduction from payroll, including partnership with other banks.

increase in the individuals checking accounts base of 330 thousand in 2Q05 and 675 thousand between December 2004 and June 2005.

acquisition of Banco Morada's consumer financing network in April 2005 through Finasa Promotora de Vendas. It is worth mentioning that this last event has not fully contributed to financial margin result, which should occur over the next periods, since the operations started on April 15, 2005, i.e., with a less than two-month impact on results.

The increment of individuals operations within the Organization attests the efficiency of strategy and positioning adopted by Bradesco in market niches, with a view to better rates and spread.

Hence, the adjusted financial margin average rate, which reflects the income compared to the total average assets, reached 8.2% in 1H05, against 7.6% in 1H04, accounting for a 0.6 percentage point increase. In the quarterly analysis, it reached 8.4% in 2Q05, compared to 8.0% in 1Q05, a 0.4 percentage point

Allowance for Doubtful Accounts (PDD)

Movement of Allowance for Doubtful Accounts

R\$ million

2004

2005

Edgar Filing: BANK BRADESCO - Form 6-K

	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Opening Balance	4,059	4,192	4,059	4,145	4,301	4,145
Amount Recorded for the Period	561	514	1,075	635	562	1,197
Amount Written-off for the Period	(505)	(493)	(998)	(479)	(413)	(892)
Balance Derived from Acquired Institutions	77		77			
Closing Balance	4,192	4,213	4,213	4,301	4,450	4,450
Specific Allowance	1,924	1,876	1,876	1,867	1,891	1,891
Generic Allowance	1,384	1,432	1,432	1,496	1,613	1,613
Other Allowance	884	905	905	938	946	946
Credit Recoveries	106	124	230	127	188	315

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

	R\$ million			
	2004		2005	
	March	June	March	June
Allowance for Doubtful Accounts (A)	4,192	4,213	4,301	4,450
Loan Operations (B)	54,894	58,402	65,979	69,787
PDD over Loan Operations (A/B)	7.6%	7.2%	6.5%	6.4%
<u>Coverage Ratio PDD/Abnormal Course Loans (E to H)</u>				

	R\$ million			
	2004		2005	
	March	June	March	June
(1) Total Allowance	4,192	4,213	4,301	4,450
(2) Abnormal Course Loans (E to H)	2,236	2,223	2,182	2,257
PDD Coverage Ratio (1/2)	187,5%	189,5%	197,1%	197,2%

For further information on Allowance for Doubtful Accounts (PDD), see pages 66 and 69 of this Report.

Revenues for Services Rendered R\$ million

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Checking Accounts	316	317	633	396	404	800
Loan Operations	167	195	362	285	322	607
Cards	241	243	484	290	304	594
Assets Management	203	213	416	246	252	498
Collection	149	151	300	165	178	343
Interbank Fees	63	63	126	65	66	131
Collection of Taxes	51	49	100	44	52	96
Consortium Purchase Plan Management	15	20	35	30	33	63
Custody and Brokerage Services	23	26	49	27	30	57
Other	91	98	189	113	119	232
Total	1,319	1,375	2,694	1,661	1,760	3,421

Revenues from Services Rendered increased 27.0% in 1H05, or R\$ 727 million when compared to 1H04, totaling R\$ 3.421 billion. The expansion in business volume over the last 12 months, directly linked to a sustained economic recovery activity, was the main reason for the growth in the Revenues from Loan Operations, up by R\$ 245 million. The tariff realignment and client base growth boosted the Checking Accounts, up by R\$ 167 million. The 22.3% expansion in the volume of managed assets was the main factor for the growth in Asset Management, which increased by R\$ 82 million, from R\$ 88.7 billion on June 30, 2004 to R\$ 108.5 billion on June 30, 2005. The 22.7% growth on Cards over the comparison between first half of 2004 and 2005, represented by the rise of R\$ 110 million, is directly related to the increase of 11.5% in the cards base, from 43.5 million to 48.5 million.

When compared to 1Q05, Revenues from Services Rendered showed an expansion of 6.0% with a R\$ 99 million growth, as a result of the increase in the client base and in business volumes in 2Q05, pointing out evolutions of 13.0%, 4.8%, 7.9% and 18.2% under the items Loan Operations , Cards , Tax Payment , Tax Collection and up by R\$ 37 million, R\$ 14 million, R\$ 13 million and R\$ 8 million, respectively.

Administrative and Personnel Expenses R\$ million

	R\$ million					
	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Third-Party Services	196	218	414	227	253	480
Communications	162	155	317	178	179	357
Depreciation and Amortization	123	118	241	116	111	227
Transport	94	88	182	105	100	205
Financial System Services	97	102	199	100	101	201
Publicity	110	86	196	70	87	157
Rents	75	75	150	77	79	156
Maintenance and Repairs	60	68	128	73	77	150
Capital Lease	77	83	160	67	63	130
Data Processing	58	71	129	58	57	115
Materials	38	35	73	40	41	81
Water, Electricity and Gas	34	31	65	35	37	72
Travel	14	13	27	12	14	26
Other	70	73	143	34	41	75
Administrative Expenses	1,208	1,216	2,424	1,192	1,240	2,432
Remuneration	614	613	1,227	616	638	1,254
Benefits	236	243	479	271	269	540
Social Charges	227	229	456	235	240	475
Employee Profit Sharing	45	39	84	65	78	143
Training	10	11	21	8	16	24
Labor Relations/Other	45	99	144	26	5	31
Personnel Expenses	1,177	1,234	2,411	1,221	1,246	2,467
Total Administrative and Personnel Expenses	2,385	2,450	4,835	2,413	2,486	4,899

In 1H05, the Administrative and Personnel Expenses remained practically stable when compared to the same period last year, reaching R\$ 4,899 million against R\$ 4,835 million in 1H04 due to successful efforts in controlling administrative expenses. The nominal change in Administrative Expenses, between the 1H04 and 1H05, shows a slight increase of R\$ 8 million, reaching the amount of R\$ 2,432 million. However, if we attribute an adjustment index according to the average inflation of the period, of 7.2%, the real decrease would have been of R\$ 159 million. Personnel Expenses presented a slight raise of R\$ 56 million when compared to 1H04, reaching R\$ 2,467 million, mainly due to: (i) the payroll increase resulted from the collective bargaining agreement (8.5%) in September/04 R\$ 228 million; (ii) higher employee profit sharing expenses R\$ 58 million; offset by: (iii) lower employment contract termination expenses and provisions for labor claims, R\$ 66 million; and (iv) reduction in personnel expenses, related to the synergies obtained in administrative processes, in the amount of R\$ 165 million.

When compared to 1Q05, Administrative and Personnel Expenses increased R\$ 73 million, down by 3.0%, from R\$ 2,413 million in 1Q05 to R\$ 2,486 million in 2Q05. Administrative Expenses increased R\$ 48 million, higher

variations occurred in the items Third Party Services and Advertising and Publicity , growing R\$ 26 million and R\$ 17 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 Advertising and Publicity expenses is basically due to the launching of new campaign Bradescompleto . Personnel Expenses were influenced by lower expenses volume in 1Q05, as a result of usual concentration of vacation in this period of R\$ 45 million. In addition, the 2Q05 was impacted by: (i) lower labor allowance expenses of R\$ 21 million; (ii) higher investment in employees training, in the amount of R\$ 8 million; (iii) higher employee profit sharing expenses in the amount of R\$ 12 million; and (iv) lower employment contracts termination expenses, in the amount of R\$ 14 million. Excluding these effects, we verify a structural reduction in expenses in the amount of R\$ 6 million in the quarter.

Operating Efficiency R\$ million

	Year					2005	
	2000	2001	2002	2003	2004	March	June (*)
Personnel Expenses	3,221	3,549	4,076	4,779	4,969	5,013	5,025
Employee Profit Sharing	(112)	(160)	(140)	(170)	(182)	(202)	(241)
Other Administrative Expenses	2,978	3,436	4,028	4,814	4,937	4,922	4,946
Total (1)	6,087	6,825	7,964	9,423	9,724	9,733	9,730
Financial Margin	7,839	10,109	11,472	13,282	13,231	13,901	15,173
Revenues from Services Rendered	3,043	3,473	3,712	4,557	5,824	6,166	6,551
Income from Insurance Premiums, Private Pension Plans and Savings Bonds	6,920	8,959	10,135	11,726	13,284	13,086	13,098
Variation in Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	(3,001)	(3,492)	(2,785)	(3,670)	(3,964)	(3,504)	(3,091)
Retained Claims	(2,511)	(3,252)	(3,615)	(3,980)	(5,159)	(5,299)	(5,474)
Draws and Redemptions from Savings Bonds	(355)	(744)	(721)	(1,100)	(1,223)	(1,196)	(1,164)
Insurance, Private Pension Plans and Savings Bonds							
Selling Expenses	(645)	(689)	(667)	(762)	(867)	(884)	(903)
Expenses with Pension Plan Benefits and Redemptions	(913)	(1,370)	(1,689)	(2,363)	(2,131)	(2,343)	(2,380)
Subtotal Private Pension Plans and Savings Bonds	(505)	(588)	658	(149)	(60)	140	86
Equity in the Earnings of Affiliated Companies	156	71	65	5	163	158	45
Other Operating Expenses	(1,376)	(1,831)	(3,148)	(2,741)	(2,826)	(2,839)	(2,827)
Other Operating Income	903	1,326	1,321	1,697	1,198	1,241	1,221
Total (2)	10,060	12,560	14,080	16,651	17,530	18,487	20,249
Operating Efficiency Ratio (%) = (1/2)	60.5	54.3	56.6	56.6	55.5	52.7	48.1

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

Operating Efficiency Ratio in percentage

Operating Efficiency

The Operating Efficiency Ratio (accumulated for the 12-month period) for 2Q05, was of 48.1%, down by 4.6% as compared to 2004, mainly as a result of the successful efforts in controlling administrative expenses, pointing out that administrative and personnel expenses remained practically steady, despite the combination of increase in business volume with average inflation (IGP-M/IPCA), of 7.2% over the past 12 months allied with the efforts to increasing revenues, pointing higher financial margin in the amount of R\$ 1,272 million, as a result of combination of increase in business volume with higher TVM and treasury gains in 2Q05 with an increase in revenues from services rendered, in the amount of R\$ 385 million, as a result of increased customer base with improved cross-selling index. It is worth pointing out that part of the increase financial margin of R\$ 1,272 million include R\$ 409, which is part of derivatives used for hedge effect of investments abroad, which in terms of net income, simply annulled the tax effect of this hedge strategy in the period. This negative tax effect is directly reflected on the item *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, we would reach an index of 49.0%, with a drop of 3.7% percentage points compared to March 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\$ 585 million, we would have a drop of 1.4 percentage points, from 49.0% to 47.6%.

The Amplified Coverage Ratio [revenue from services rendered/(personnel expenses + administrative expenses)] improved from 68.8% in 1Q05 to 70.8% in 2Q05, as shown in the graph below:

Administrative Expenses + Personnel and Revenues from Services Rendered

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.

As regards cost control practices, Bradesco adopts ABM (Activity-Based Management) 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.

The strict control of expenses, enhanced with the establishment of the Expenditure Assessment Committee in March 2004, coupled with the successful synergy obtained from the Institutions acquired, are being positively reflected on the Operating Efficiency Ratio.

Other Indicators

3 - Main Balance Sheet Information

Consolidated Balance Sheet R\$ thousand

Assets	June			December		
	2005	2004	2003	2002	2001	2000
Current and Long-Term Assets	189,981,195	179,979,956	171,141,348	137,301,711	105,767,892	90,693,025
Funds Available	3,081,453	2,639,260	2,448,426	2,785,707	3,085,787	1,341,653
Interbank Investments	23,373,699	22,346,721	31,724,003	21,472,756	3,867,319	2,308,273
Open Market Investments	18,372,684	15,667,078	26,753,660	19,111,652	2,110,573	1,453,461
Interbank Deposits	5,004,479	6,682,608	4,970,343	2,370,345	1,760,850	854,815
Allowance for Losses	(3,464)	(2,965)		(9,241)	(4,104)	(3)
Marketable Securities and Derivative Financial Instruments	64,441,412	62,421,658	53,804,780	37,003,454	40,512,688	33,119,843
Own Portfolio	54,548,419	51,255,745	42,939,043	29,817,033	27,493,936	21,743,924
Subject to Repurchase Agreements	1,659,859	4,807,769	5,682,852	1,497,383	9,922,036	10,822,637
Derivative Financial Instruments	1,827,167	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	4,614,678	4,512,563	3,109,634	3,536,659	1,988,799	421,727
Privatization Currencies	92,446	82,487	88,058	77,371	25,104	9,526
Subject to Collateral Provided	1,698,843	1,365,138	1,752,882	1,836,169	715,858	783,501
Allowances for Mark-to-market Adjustments					(740,433)	(670,866)
Interbank Accounts	16,197,600	16,087,102	14,012,837	12,943,432	5,141,940	5,060,628
Unsettled Receipts and Payments	598,099	22,075	20,237	16,902	10,118	6,920
Restricted Credits						
Restricted Deposits - Brazilian Central Bank	15,297,826	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	258,706	335,320	391,871	374,177	217,518	197,191
Interbank Onlending						2,024
Correspondent Banks	42,391	32,975	19,726	32,140	7,090	5,165
Interdepartamental Accounts	61,256	147,537	514,779	191,739	176,073	111,636
Internal Transfer of Funds	61,256	147,537	514,779	191,739	176,073	111,636
Loan Operations	58,042,463	51,890,887	42,162,718	39,705,279	35,131,359	30,236,106
Loan Operations:						
Public Sector	623,544	536,975	186,264	254,622	199,182	275,479
Private Sector	61,640,836	55,242,348	45,768,970	42,842,693	37,689,671	32,244,482
Allowance for Doubtful Accounts	(4,221,917)	(3,888,436)	(3,792,516)	(3,392,036)	(2,757,494)	(2,283,855)

Edgar Filing: BANK BRADESCO - Form 6-K

Leasing Operations	1,885,821	1,556,321	1,306,433	1,431,166	1,567,927	1,914,081
Leasing Receivables:						
Public Sector				45	138	160
Private Sector	3,920,705	3,237,226	2,859,533	3,141,724	3,248,050	3,813,369
Unearned Income from Leasing	(1,948,100)	(1,576,690)	(1,438,534)	(1,560,278)	(1,557,642)	(1,760,305)
Allowance for Leasing Losses	(86,784)	(104,215)	(114,566)	(150,325)	(122,619)	(139,143)
Other Receivables:	21,464,467	21,664,592	24,098,765	20,690,054	15,685,433	16,226,725
Receivables on Guarantees Honored	98	811	624	1,577	1,131	2,020
Foreign Exchange Portfolio Receivables	7,671,921	7,336,806	11,102,537	10,026,298	5,545,527	6,417,431
Negotiation and Intermediation of Securities Specific Receivables	214,478	197,120	331,064	249,849	187,910	191,873
Insurance Premiums Receivable	302,253	357,324	602,543	175,185	761,754	497,655
Sundry					146,919	124,776
Allowance for Other Doubtful Accounts	1,051,720	988,029	889,358	718,909	995,662	818,773
Other Assets	12,365,732	12,937,408	11,324,857	9,640,966	8,107,714	8,258,402
Other Assets	(141,735)	(152,906)	(152,218)	(122,730)	(61,184)	(84,205)
Allowance for Mark-to-Market Adjustments	1,433,024	1,225,878	1,068,607	1,078,124	599,366	374,080
Prepaid Expenses	442,621	477,274	586,994	679,515	415,484	409,771
Permanent Assets	4,560,892	4,946,512	4,956,342	5,483,319	4,348,014	4,185,458
Investments	1,019,608	1,101,174	862,323	512,720	884,773	830,930
Interest in Affiliated Companies:						
In the Country	403,056	496,054	369,935	395,006	742,586	689,002
Other investments	951,520	971,311	857,985	439,342	452,871	525,316
Allowance for losses	(334,968)	(366,191)	(365,597)	(321,628)	(310,684)	(383,388)
Property, Plant and Equipment in Use	2,076,038	2,270,497	2,291,994	2,523,949	2,152,680	2,017,093
Buildings in Use	1,294,487	1,357,063	1,398,735	1,748,409	1,475,581	1,491,847
Other Fixed Assets	3,545,553	3,604,741	3,480,636	3,459,950	2,988,008	2,705,577
Accumulated Depreciation	(2,764,002)	(2,691,307)	(2,587,377)	(2,684,410)	(2,310,909)	(2,180,331)
Leased Fixed Assets	12,345	18,951	34,362	34,323	46,047	10,688
Leased Assets	45,549	58,463	63,812	51,198	51,214	19,421
Accumulated Depreciation	(33,204)	(39,512)	(29,450)	(16,875)	(5,167)	(8,733)
Deferred Charges	1,452,901	1,555,890	1,767,663	2,412,327	1,264,514	1,326,747
Organization and Expansion Costs	1,191,651	1,268,436	1,124,058	1,037,559	874,970	731,717
Accumulated Amortization	(703,170)	(738,738)	(572,620)	(568,525)	(481,127)	(391,417)
Goodwill on Acquisition of Subsidiaries,						
Net of Amortization	964,420	1,026,192	1,216,225	1,943,293	870,671	986,447
Total	194,542,087	184,926,468	176,097,690	142,785,030	110,115,906	94,878,483

Liabilities	June		December			
	2005	2004	2003	2002	2001	2000
Current Liabilities and Long-Term Liabilities	176,981,908	169,596,632	162,406,307	131,652,394	100,199,709	86,654,746
Deposits	71,654,273	68,643,327	58,023,885	56,363,163	41,083,979	36,468,659
Demand Deposits	14,891,617	15,297,825	12,909,168	13,369,917	8,057,627	7,500,518
Savings Deposits	24,517,141	24,782,646	22,140,171	20,730,683	18,310,948	17,835,745
Interbank Deposits	46,003	19,499	31,400	23,848	40,446	568,416
Time Deposits	32,043,025	28,459,122	22,943,146	22,238,715	14,674,958	10,563,980
Other Deposits	156,487	84,235				
Funds Obtained in the Open Market	20,956,491	22,886,403	32,792,725	16,012,965	14,057,327	12,108,350
Own Portfolio	6,633,449	8,248,122	6,661,473	915,946	12,178,855	10,696,199
Third-party Portfolio	14,323,042	14,430,876	17,558,740	12,188,054	1,878,472	1,412,151
Unrestricted Portfolio		207,405	8,572,512	2,908,965		
Issuance of Securities	6,677,291	5,057,492	6,846,896	3,136,842	4,801,410	4,111,171
Exchange Acceptances				1,214		
Mortgage Notes	814,937	681,122	1,030,856	384,727	780,425	741,248
Debentures	2,631,189		7,291	100,369	48,921	1,039
Securities Issued Abroad	3,231,165	4,376,370	5,808,749	2,650,532	3,972,064	3,368,884
Interbank Accounts	190,711	174,066	529,332	606,696	192,027	107,129
Interbank Onlendings			159,098	35,686	4,519	1,059
Correspondent Banks	190,711	174,066	370,234	571,010	187,508	106,070
Interdepartmental Accounts	1,275,702	1,745,721	1,782,068	1,337,729	762,505	904,188
Third-party Funds in Transit	1,275,702	1,745,721	1,782,068	1,337,729	762,505	904,188
Borrowings	6,477,252	7,561,395	7,223,356	9,390,630	7,887,154	6,463,555
Local Borrowings Official Institutions	1,233	1,376	2,070	3,368	2,979	9,737
Local Borrowings Other Institutions	12,602	11,756	4,010	216,812	230,468	170,775
Foreign Currency Borrowings	6,463,417	7,548,263	7,217,276	9,170,450	7,653,707	6,283,043
Local Onlendings Official Institutions	8,517,482	8,355,398	7,554,266	7,000,046	5,830,633	5,096,604
National Treasury	51,341	72,165	51,398	62,187		
BNDES	3,789,963	3,672,007	3,403,462	3,437,319	3,067,220	2,589,284
CEF	36,822	395,820	459,553	453,803	433,381	405,264
FINAME	4,636,211	4,211,762	3,638,966	3,045,176	2,321,508	2,090,374
Other institutions	3,145	3,644	887	1,561	8,524	11,682
Foreign Onlendings	4,228	42,579	17,161	47,677	316,283	108,178
Foreign Onlendings	4,228	42,579	17,161	47,677	316,283	108,178
Derivative Financial Instruments	1,619,288	173,647	52,369	576,697	111,600	
Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	36,532,665	33,668,654	26,408,952	19,155,479	13,853,426	10,338,065
Other Liabilities	23,076,525	21,287,950	21,175,297	18,024,470	11,303,365	10,948,847

Edgar Filing: BANK BRADESCO - Form 6-K

Collection of Taxes and Other Contributions	1,341,263	204,403	130,893	108,388	181,453	128,785
Foreign Exchange Portfolio	3,180,758	3,011,421	5,118,801	5,002,132	1,343,769	2,439,657
Social and Statutory Payables	872,635	900,266	851,885	666,409	572,265	560,533
Fiscal and Pension Plans						
Activities	4,997,389	4,495,387	4,781,458	4,376,031	3,371,127	3,094,628
Negotiation and Intermediation of Securities	189,098	312,267	595,958	109,474	1,307,385	592,395
Subordinated Debt	6,496,007	5,972,745	4,994,810	3,321,597	969,842	
Sundry	5,999,375	6,391,461	4,701,492	4,440,439	3,557,524	4,132,849
Deferred Income	58,314	44,600	31,774	15,843	9,020	34,632
Deferred Income	58,314	44,600	31,774	15,843	9,020	34,632
Minority Interest in Subsidiary Companies	53,415	70,590	112,729	271,064	139,231	96,903
Stockholders Equity	17,448,450	15,214,646	13,546,880	10,845,729	9,767,946	8,092,202
Capital:						
Local Residents	9,030,539	6,959,015	6,343,955	4,960,425	4,940,004	5,072,071
Foreign Residents	969,461	740,985	656,045	239,575	259,996	74,429
Receivables		(700,000)				(400,500)
Capital Reserves	35,715	10,853	8,665	7,435	7,435	19,002
Profit Reserves	7,153,748	7,745,713	6,066,640	5,715,317	4,614,110	3,403,020
Adjustment at Market Value						
Marketable Securities and Derivatives	346,408	458,080	478,917	9,152		
Treasury Stock	(87,421)		(7,342)	(86,175)	(53,599)	(75,820)
Stockholders Equity Managed by Parent Company	17,501,865	15,285,236	13,659,609	11,116,793	9,907,177	8,189,105
Total	194,542,087	184,926,468	176,097,690	142,785,030	110,115,906	94,878,483

Total Assets by Currency and Maturity

Total Assets by Currency R\$ million

N.B.: 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	11,881	4,754	24,445	327	41,407	72.6
						112

Edgar Filing: BANK BRADESCO - Form 6-K

Securities Available for Sale	9,241	948	1,099	14	11,302	19.8
Securities Held to Maturity	1,173		3,177		4,350	7.6
Subtotal	22,295	5,702	28,721	341	57,059	100.0
Purchase and Sale Commitments	1,819	2,137	3,426		7,382	
Total on June 30, 2005	24,114	7,839	32,147	341	64,441	
Total on June 30, 2004	24,162	5,465	26,479	107	56,213	

Breakdown of Marketable Securities by Issuance R\$ million

Securities	2004	2005	
	June	March	June
Government	31,131	35,210	34,407
Private	6,821	8,965	9,798
PGBL/VGBL	9,724	11,856	12,854
Purchase & sale commitments:	8,537	8,811	7,382
Funds	6,659	5,445	4,182
PGBL/VGBL	1,878	3,366	3,200
Total	56,213	64,842	64,441

Classification of Marketable Securities by Segment in percentage

N.B.: the Breakdown 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 at the end of 1H05 reached a total of R\$ 69.8 billion, up by 11.1% in the 1H05 and by 19.5% in the last twelve months.

As in 2004, the most important highlight concerning Bradesco's loan portfolio growth was again guided by operations for individuals, mainly related to the consumer sales financing and personal credit. In the corporate segment, grantings remained concentrated in lines concerned with meeting the working capital and foreign trade needs, not observing a significant demand for long-term financings, focused on increasing the productive capacity and infrastructure.

For the next half of the year, our expectations are directed to a growth of the loan portfolio, coupled with the maintenance of the expansion of consumer sales financing, whether due to existing restrained demand, or in view of agreements made with various retailers, besides the seasonality, which is typical over the past months of the year. In addition, in the corporate scope, we expect a higher volume of operations concerned with foreign trade financing, regardless of current foreign exchange parity, since main Brazilian exporters are more and more focused on long-term commercial strategies, aiming at effectively conquering greater participation in the international market.

Loan Operations Total Portfolio

Loan for individuals continued to lead the growth of the portfolio in the 1H05, recording an increase of 26.7% in the period, accumulating 50.6% over the last twelve months, as an effect of recovery of the economic activity encouraging higher consumer and durable goods financing, assisted by a growth in 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

On the other hand, the behavior of loan granted to companies continued to show a more moderate performance (3.2% in 1H05 and 5.8% 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 versus U.S. dollar, with a high impact on foreign currency-indexed portfolios, which despite having shown a solid growth of businesses in the period, these were not reflected on a nominal basis over the portfolio, due to fall in U.S. dollar price.

Loan Portfolio 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 June 2005, 38.5% of the total portfolio compared to 30.5% observed in June 2004.

Per Activity Sector R\$ million

	2004		2005		2005	
	June	%	March	%	June	%
Public Sector	608	1.0	571	0.9	624	0.9
Private Sector	57,794	99.0	65,408	99.1	69,163	99.1
Industry	18,530	31.7	18,337	27.8	18,390	26.4
Commerce	8,698	14.9	10,198	15.5	10,559	15.1
Financial Intermediary	846	1.5	523	0.8	216	0.3
Services	10,800	18.5	11,459	17.4	11,922	17.0
Agriculture, Fishing, Silviculture e						
Forest Exploration	1,092	1.9	1,169	1.8	1,235	1.8
Individuals	17,828	30.5	23,722	36.0	26,841	38.5
Total	58,402	100.0	65,979	100.0	69,787	100.0

When distribution is concerned, by activity sector, the industry remained in absolute terms with the highest loan volume (26.4% of the total portfolio), again the segments related to exports, such as agri-industrialization, agribusiness, steel, metallurgy and automotive, followed by Services (17.0%) and Commerce (15.1%) .

Per Type R\$ million

	2004		2005	
	March	June	March	June

Borrowings and Discounted Trade				
Receivables	24,542	25,731	29,435	31,751
Financings	17,727	18,815	22,914	25,094
Rural and Agribusiness Loans	4,493	5,613	5,919	5,419
Leasing Operations	1,375	1,352	1,774	1,973
Advances on Foreign Exchange Contracts	6,065	6,259	5,298	5,089
Subtotal of Loan Operations	54,202	57,770	65,340	69,326
Other Loans	692	632	639	461
Total Loan Operations	54,894	58,402	65,979	69,787
Sureties and Guarantees Recorded in				
Memorandum Accounts	6,480	6,751	9,085	8,559
Total including Sureties and Guarantees	61,374	65,153	75,064	78,346

The performance strategy developed up to now, focused on retail, has been allowing the enlargement of businesses in different client profiles, both individuals (especially automobile financing lines, personal loan, and consigned loan) and micro, small and medium-sized companies through the expansion of borrowings and cashing of drafts, basically destined to supply the demand for working capital. Another benefit resulting from this process were both the diversification in terms of client profile and the change in the mix of the assets profile.

Loan Portfolio Quality

Similarly to the income reached in 2004, the 1H05 kept the bias of progressive and constant improvement in the loan portfolio profile, resulting in a higher contribution from credits under the AA C ratings, amounting to 92.6% of total balance, compared to 92.3% in December 2004.

Loan Operations by Rating in percentage

The total volume of the allowance for doubtful accounts presented a slight decrease in 1H05, reaching R\$ 4,450 million in percentage terms in relation to the total loan portfolio (6.6% in December 2004 to 6.4% in June 2005) as a result of improved quality of the loan portfolio mentioned above.

In this regard, we point out the sufficiency of existing allowances, 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 (PDD) x Default x Losses Percentage over Loan Operation Balance

We verify in the chart above that for a total allowance of 7.2% of the loan portfolio in June 2004, the loss over the next twelve months was 3.3% of the portfolio, i.e., the allowance existing in June 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 allowance.

It is worth pointing out that over the past years, we have been observed a great adherence between behavior of overdue loan classified between E and H final ratings and the volume of losses incurred in 12 subsequent months, as we can see in the chart 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, with 37.9% maturing in up to 90 days. However, the prior 12 months indicate a gradual lengthening of loan operation average terms, as a result of the growth of higher medium term portfolios, such as car financing and personal loan in the total loan assets.

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

The performance of the consolidated loan portfolio over the past twelve months up to June 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 credit granting process.

Portfolio Movement between June 2004 and 2005

Rating	Borrowers Remaining from June 2004		New Borrowers between June 2004 and 2005		Total Loans in June 2005	
	R\$ million	%	R\$ million	%	R\$ million	%
AA C	51,546	91.9	13,095	95.5	64,641	92.6
D	1,388	2.5	149	1.1	1,537	2.2
E H	3,138	5.6	471	3.4	3,609	5.2
Total	56,072	100.0	13,715	100.0	69,787	100.0

Concentration of Loan Portfolio R\$ million

As a result of the growth strategy of loan portfolio in retail, especially individuals, the concentration of loan among the Bank's largest borrowers kept decreasing in June 2005 as can be evidenced in the following table:

	2004				2005			
	March	%	June	%	March	%	June	%
Largest Borrower	781	1.4	779	1.3	907	1.4	836	1.2
10 Largest Borrowers	5,352	9.7	5,536	9.5	5,635	8.5	5,565	8.0
20 Largest Borrowers	8,137	14.8	8,497	14.5	8,317	12.6	8,116	11.6
50 Largest Borrowers	13,073	23.8	14,028	24.0	13,078	19.8	12,938	18.5
100 Largest Borrowers	17,085	31.1	18,234	31.2	16,784	25.4	16,957	24.3

Loan Portfolio Indicators

To make possible the analysis of the Bank's loan portfolio performance, both in measurable and qualitative terms, comparative summary of the main parameters, based on the rules established by BACEN for recording allowances.

Items	R\$ million			
	2004		2005	
	March	June	March	June
Total Loan Operations	54,894	58,402	65,979	69,787
Individuals	16,453	17,828	23,722	26,841
Corporate	38,441	40,574	42,257	42,946
Existing Allowance	4,192	4,213	4,301	4,450
Specific	1,924	1,876	1,867	1,891
Generic	1,384	1,432	1,496	1,613
Additional	884	905	938	946
Specific Allowance/Existing Allowance (%)	45.9	44.5	43.4	42.5
Existing Allowance/Total Loan Operations (%)	7.6	7.2	6.5	6.4
AA - C Ratings Loan Operations /Total Loan Operations (%)	90.4	91.3	92.5	92.6
Operations Under Risk Management (D Rating) /Total Loan Operations (%)	3.3	2.8	2.3	2.2
E - H Ratings Loan Operations /Total Loan Operations (%)	6.3	5.9	5.2	5.2
Loan Operations (D Rating)	1,837	1,629	1,524	1,537
Existing Allowance for D Rating Loan Operations	438	374	347	363
Allowance/ D Rating Loan Operations (%)	23.8	23.0	22.7	23.6
E - H Ratings Loan Operations	3,439	3,464	3,397	3,609
Existing Allowance for E - H Ratings Loan Operations	2,951	2,966	2,952	3,080
Allowance/ E - H Ratings Loan Operations (%)	85.8	85.6	86.9	85.3
Overdue D - H Ratings Loan Operations	2,724	2,649	2,652	2,815
Overdue E - H Ratings Loan Operations	2,236	2,223	2,182	2,257
Total Allowance/ Overdue D - H Ratings Loan Operations (%)	153.9	159.0	162.2	158.1
Total Allowance/ Overdue E - H Ratings Loan Operations (%)	187.5	189.5	197.1	197.2

The evolution of figures at the end of June 2005 continue to confirm the portfolio's low credit risk, based on its comfortable coverage levels. For the year of 2005, Bradesco remains prepared to take full advantage of all business opportunities, focused on increasing the loan portfolio, while respecting the established loan granting parameters, rooted in the traditional concepts of security, consistency, selectivity and diversification.

Funding

Deposits by Maturity R\$ million

Days to maturity	2005					Total
	March		June			
	Total	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	
Demand	14,924	14,892				14,892
Savings	24,448	24,517				24,517
Interbank	17	46				46
Time	31,807	4,439	4,863	3,867	18,874	32,043
Other Deposits	176	156				156
Total	71,372	44,050	4,863	3,867	18,874	71,654

Demand Deposits R\$ billion

Checking Accounts

The balance of Checking Accounts at Bradesco Organization closed 1H05 at R\$ 14.9 billion.

In compliance with the Brazilian Central Bank's rules, we implemented in June 2005 an automated system to meet judicial orders for locking, unlocking or transfer of locked amounts to other banks. The process is a pilot-operation with two judges. We estimate release to others in 2H05.

In conformity with policy for a continuous improvement in products and services, we optimized the process of account statements on behalf of legal entities, eliminating models and standardizing the periodicity of issuance via mail, resulting in savings in the amount of R\$ 7.2 million/year.

Quantity of Checking Accounts Corporate and Individuals in thousand

Savings Accounts

The balance of Bradesco Organization Savings Accounts totaled R\$ 24.5 billion in deposits at the end of 1H05, corresponding to a 19.2% market share of the Brazilian Savings and Loan System (SBPE) and secured the leadership of Bradesco among all private banks in the National Financial System.

The first half of the year is atypical for the savings industry, since between January and March a significant outflow occurs to meet saving account holders' commitments, such as payment of IPVA (Vehicle Tax), school material, amongst others, which justifies the fluctuations in this portfolio.

Savings Account Deposits R\$ billion

Share of SBPE (Brazilian Savings and Loan System) in percentage

Savings Accounts million

Asset Management

Bradesco is the leader in the ranking Invest Tracker Estadão Best Funds Ranking

For the third year in a row, Bradesco was rated with the **Best Funds on ranking Invest Tracker-estadão** due to the best performance and highest number of Five Star Funds, according to the Investment article of the newspaper O Estado de São Paulo of March 28, as well as in the magazine Estadão Investimentos of April 2005.

In October 2004, according to the evaluation from Thompson Financial Brasil, Bradesco was ranked the **Best Asset Manager of Brazil by ranking Invest Tracker Estadão Melhores Gestores** from that year.

These awards confirm BRAM's commitment to the excellence in the asset management, always offering the best investment options to all investors' profiles.

BRAM is the most outstanding manager in the Valor Investe ranking Best Management Companies

Bradesco was elected Top Fund Management 2005 in Mixed Income, from a rigorous methodology applied by Standard & Poor's, the largest risk rating company worldwide. The Investment Funds presented in the Star Ranking represent the best of the industry for individual investors, i.e., those under S&P analysis. Overall, 52 Bradesco's Funds starred in the ranking, amongst them, Bradesco FIC Renda Fixa Saturno, Bradesco FIA Selection and Bradesco Prime FIC FIA Small Cap.

Bradesco is elected the Best Fund Manager by Foco magazine

Bradesco is the Best Investment Fund Manager as per first Foco/Quantum ranking, prepared by Quantum Avaliação de Fundos de Investimentos (Quantum Investment Fund Assessment) for Foco magazine. The study assessed and listed the best return Funds amongst the largest ones in the market. With nine awards, Bradesco was noteworthy for reaching the highest number of Funds listed amongst ten top ones in six categories assessed: stocks, exchange, DI, multi-markets, private pension and fixed income.

Stockholders Equity R\$ million

	2004		2005	
	March	June	March	June
Investment funds	75,217	78,059	91,730	96,024
Managed portfolios	8,828	8,757	7,458	7,583
Third-party fund quotas	1,678	1,860	5,569	4,883
Total	85,723	88,676	104,757	108,490

Asset Distribution R\$ million

	2004		2005	
	March	June	March	June
Investment Funds Fixed Income	72,487	75,579	88,812	93,368
Investment Funds Floating Rate	2,730	2,480	2,918	2,656
Investment Funds Third-Party	1,538	1,737	5,391	4,712
Total	76,755	79,796	97,121	100,736
Managed Portfolio Fixed Income	6,570	6,561	5,583	5,840
Managed Portfolio Floating Rate	2,258	2,196	1,875	1,743
Managed Portfolio Third-Party	140	123	178	171
Total	8,968	8,880	7,636	7,754
Total Fixed Income	79,057	82,140	94,395	99,208
Total Floating Rate	4,988	4,676	4,793	4,399
Total Third-Party Funds	1,678	1,860	5,569	4,883
Total	85,723	88,676	104,757	108,490

Total Asset Under Management according to ANBID's Global Ranking R\$ million (*)

(*) Considering third-party fund quotas.

Number of Funds, Portfolios and Quotaholders

Edgar Filing: BANK BRADESCO - Form 6-K

	June 2004		March 2005		June 2005	
	Quantity	Quotaholders	Quantity	Quotaholders	Quantity	Quotaholders
Investment funds	498	2,704,987	503	2,715,998	509	3,422,576
Managed portfolios	116	415	113	387	109	287
Total	614	2,705,402	616	2,716,385	618	3,422,863

4 - Operating Companies

Bradesco Insurance and Private Pension Group**Insurance Companies**Aggregated Balance Sheet (*) R\$ million

	2004		2005	
	March	June	March	June
Assets				
Current Assets and Long-Term Assets	33,275	35,091	41,371	43,109
Marketable Securities	30,863	32,470	38,621	40,137
Insurance Premiums Receivable	848	947	941	1,014
Other Receivables	1,564	1,674	1,809	1,958
Permanent Assets	914	1,033	705	666
Total	34,189	36,124	42,076	43,775
Liabilities				
Current and Long-Term Liabilities	30,490	32,229	37,852	39,286
Tax, Civil and Labor Contingencies	941	1,120	1,148	1,105
Payables on Insurance, Private Pension Plans and Savings Bonds	404	487	399	450
Other Liabilities	1,198	1,144	977	1,198
Technical Provisions for Insurance	2,084	2,335	3,213	3,402
Technical Provisions for Private Pension Plans	23,907	25,134	30,080	31,079
Technical Provisions for Savings Bonds	1,956	2,009	2,035	2,052
Minority Interest	42	35	77	66
Stockholders Equity of The Parent Company	3,657	3,860	4,147	4,423
Total	34,189	36,124	42,076	43,775

(*) It includes Bradesco Saúde, wholly-owned subsidiary of Banco Bradesco, Private Pension Plans and Savings Bonds.

Aggregated Statement of Income (*) R\$ million

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Net Premiums Written	3,431	3,487	6,918	3,616	3,811	7,427
Reinsurance Premiums and Redeemed Premiums	(437)	(498)	(935)	(820)	(810)	(1,630)
Insurance Retained Premiums, Private Pension Plans and Savings Bonds	2,994	2,989	5,983	2,796	3,001	5,797

Edgar Filing: BANK BRADESCO - Form 6-K

Variation in Technical Provisions	(876)	(695)	(1,571)	(94)	(604)	(698)
Revenues from Services Rendered	84	57	141	95	100	195
Retained Claims	(1,238)	(1,291)	(2,529)	(1,386)	(1,474)	(2,860)
Expenses for Savings Bonds Draws and Redemptions	(273)	(346)	(619)	(247)	(313)	(560)
Expenses for Private Pension Plans Benefits and Redemptions	(527)	(581)	(1,108)	(731)	(611)	(1,342)
Selling Expenses	(215)	(205)	(420)	(230)	(230)	(460)
Expenses for Operating Allowance for Health Insurance				(324)	324	
Other Operating Income (Expenses)	(22)	(95)	(117)	(5)	17	12
Personnel and Administrative Expenses	(247)	(277)	(524)	(220)	(183)	(403)
Tax Expenses	(29)	(36)	(65)	(39)	(38)	(77)
Financial Result	588	469	1,057	500	537	1,037
Operating Income	239	(11)	228	115	526	641
Non-Operating Income	(8)	(28)	(36)	5	(54)	(49)
Equity in the Earnings of Subsidiaries and Affiliated Companies	17	158	175	358	61	419
Minority Interest	1	2	3	1	(2)	(1)
Income Before Taxes and Contributions	249	121	370	479	531	1,010
Taxes and Contributions on Income	(85)	90	5	(48)	(162)	(210)
Net Income	164	211	375	431	369	800

(*) It includes Bradesco Saúde, wholly-owned subsidiary of Banco Bradesco, IRB, Private Pension Plans and Savings Bonds.

Performance Ratios in percentage

	2004			2005		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Claims Ratio (1)	82.5	87.4	84.8	79.9	84.5	82.2
Selling Ratio (2)	12.7	12.3	12.5	11.5	11.4	11.4
Combined Ratio (3)	108.3	119.6	113.9	101.1	101.6	101.4
Expanded Combined Ratio (4)	97.3	110.8	103.9	92.1	88.8	90.4
Administrative Expense Ratio (5)	12.2	14.5	13.4	11.0	8.5	9.8

N.B.: for the purposes of comparison, in 2Q05 and 1H05 we excluded the allowance for Health Insurance, in the amount of R\$ 324 million.

(1) Retained Claims/Earned Premiums.

(2) Selling Expenses/Earned Premiums.

(3) (Retained Claims + Selling Expenses + Administrative Costs + Taxes + Other Operating Expenses)/Earned Premiums.

(4) (Retained Claims + Selling Expenses + Administrative Costs + Taxes + Other Operating Expenses)/(Earned Premiums + Financial Result).

(5) Administrative Expenses/Earned Premiums

Insurance Premiums Market Share (%)

In the insurance segment, according to SUSEP and ANS data up to May 2005, Bradesco secured R\$ 4.7 billion in premiums and maintained its industry leadership with a 24.6% market share. The insurance sector obtained a total of R\$ 19.233 billion in premiums up to May.

Growth in Technical Provisions (*) R\$ million

(*) Bradesco Saúde, Banco Bradesco's wholly-owned, is included.

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

Earned Premiums by Insurance Line R\$ million

Line	2004			2005		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Health (*)	729	710	1,439	836	495	1,331
Auto/RCF	392	393	785	460	493	953
Life/AP/VGBL	253	257	510	295	312	607
Basic Lines	95	90	185	92	88	180
DPVAT	34	28	62	53	31	84
Total	1,503	1,478	2,981	1,736	1,419	3,155

(*) In 2Q05, an allowance for Health Insurance was considered, in the amount of R\$ 324 million.

In 1H05, there was an increase of 5.8% in premiums earned in the insurance segment, if compared to the same period of the previous year.

Earned Premiums by Line %

Retained Claims by Insurance Line R\$ million

Line	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Health	662	660	1,322	789	796	1,585
Auto/RCF	329	381	710	337	370	707
Life/AP	171	173	344	158	222	380
Basic Lines	48	56	104	64	64	128
DPVAT	28	21	49	38	22	60
Total	1,238	1,291	2,529	1,386	1,474	2,860

Breakdown of loss ratio by Insurance Line (%)Selling Expenses by Insurance Line R\$ million

Line	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Health	23	23	46	27	24	51
Auto/RCF	71	71	142	81	89	170
Life/AP	80	68	148	73	68	141
Basic Lines	17	20	37	19	16	35
DPVAT	-	-	-	-	1	1
Total	191	182	373	200	198	398

Selling Expenses by Insurance Line (%)

Number of insured in thousands

Up to June 2005, there was an increase of 26.0% in the average customer base when compared to the same period of the previous year.

When comparing 2Q05 to the same period of the prior year, Bradesco Saúde maintained its noteworthy market position, especially in the corporate health insurance segment (source: ANS). Brazilian consumers are increasingly convinced that Health and Dental Insurance are the best alternatives for meeting their medical, hospital and dental care needs. At present, Bradesco Saúde has more than 2.5 million customers.

The increasing number of insured from large corporations that have contracted Bradesco Saúde, confirms the insurance company's high level of expertise and personalization in Corporate Insurance services, a distinct advantage in the Supplementary Health Insurance market.

Almost 12 thousand companies in Brazil have acquired Bradesco Saúde insurance products. Out of Brazil's 100 largest companies in terms of revenues, 31 are Bradesco's clients in the Health and Dental Health lines and out of the country's 50 largest companies, 32% are Bradesco Saúde's clients. (source: Exame Magazine's Biggest and Best List, July 2005).

Finally, emphasis should also be given to the user-friendly nature of the Bradesco Saúde Portal (www.bradescosaude.com.br), which, in addition to providing information on available products, also offers access to a number of services for the insured, prospects and brokers.

Until May 2005, the Bradesco Auto/RE maintained its position as one of the main players in the Brazilian Basic Line (RE) Insurance market, with a significant 9.9% share of total market sales in this area.

In the Corporate Risk segment, Bradesco Auto/RE was guarantor of facilities and businesses of 147 Brazil's largest companies, related to insurance operations of large corporations in the oil, petrochemical, steel, mining, aircraft, automobile, pulp and paper industries, with relevant contracting of policies for operating risks and named, domestic and international transport, engineering risks, aircraft, oil risks and port operator.

Also in the Corporate Risks segment, Bradesco /Auto/RE has been strengthening the relationship with Bradesco Corporate and Bradesco Empresas, aiming a greater success in the insurance renewal, currently under its leadership and conquering new insurance contracts in facilities and businesses of other large companies in the country.

In the Domestic and International Transport insurance area, we renewed the insurance policies of important companies, such as Sony Ericsson, Gradiente and Petrobras, referring to the latter, we also conquered the International Transport insurance.

80

In addition, the Group conquered new businesses in the business aircraft niche, with the product BRADESCO SEGURO AERONÁUTICO.

In the mass market insurance segment, whose products are focused on individuals, small and medium-sized companies, we maintained a meaningful number of customers, in particular those of the Residential Insurance line, with more than 600,000 homes insured.

Another high profitability segment was the Diverse Risks directed to equipment, mainly the insurance arising from operations of leasing, Finame and CDC of Banco Bradesco.

The continuous upgrading of products provides the improvement of the services rendered to our clients and contributing significantly for the increase in income of the current period.

In the Auto/RCF line, the market was affected by intense competition in big metropolitan areas, aggravated by a small growth in insured vehicle market.

During the period, we maintained our technically correct pricing policy, focused on balanced portfolio results. We consolidated our pricing policy based on the insured specific characteristics, after one year it was launched. We also maintained differentiated services, which add value to our products, such as discounts given through the nationwide customer service networks and autoglass repair, as well as the increase in the number of relationships with brokers which are carried out exclusively via Internet.

Bradesco's market share of the Auto/RCF portfolio, up to May, 2005 was 17.8%.

Awards/Recognition

1. In March 2005, Bradesco Seguros was awarded with the Segurador Brasil 2005, sponsored by Segurador Brasil magazine, being elected as the Insurance Company of the Year.
2. In March 2005, Bradesco Seguros was appointed in the seventh edition of the poll Marcas de Quem Decide (Brands of Those Who Decide), as the preferred insurance company amongst Rio Grande do Sul state consumers. This poll is prepared by Jornal do Comércio in partnership with the Qualidata Institute, being recognized as the most complete study concerning brands in the Brazil's south region.
3. In May 2005, Bradesco Seguros was chosen the Outstanding Performance of the Year, in award promoted by the Conjuntura Econômica magazine, of Getulio Vargas Foundation Brazilian Institute of Economy (Ibre/FGV), as the best insurance company in 2004 under the following aspects: Net Income, Total Assets, Stockholders Equity and Best Operating Margin.
4. In May, Bradesco Seguros e Previdência website won the iBest Award for the fourth time, regarded as the Oscar of the Brazilian Internet. The Insurance Company was the winner in the popular vote for Insurance category and Marketing Campaign category (Academia iBest), where it competed with various segment companies, which makes this achievement even more significant.
5. Bradesco Seguros won the XI Prêmio Abemd de Marketing Direto 2005 (Direct Marketingth Abemd Award 2005), promoted by the Brazilian Association of Direct Marketing (Abemd). The Company won the category Financial Products and Services Insurance, Private Pension Plan, Investment, Savings Bonds and Others, thanks to the case Campanha Renovação de Seguro Auto (Auto Insurance Renewal Campaign).

Edgar Filing: BANK BRADESCO - Form 6-K

6. Bradesco Seguros was awarded in the category Insurance Leadership /Insurance Company on the X Top of Mind Common Market, Successful Brands Minas Gerais , promoted by Mercado Comum magazine.
7. In June, Bradesco Seguros deserved special acknowledgment in the Balanço Financeiro magazine award, an annual publication edited by Gazeta Mercantil in partnership with the consulting firm Austin Rating. The company was awarded in the Insurance category.
8. In June 2005, Bradesco Seguros was awarded with the trophy Gaivota de Ouro , granted by the Seguro Total magazine. The company deserved special acknowledgment in the category Excellence in total premiums in the V Prêmio Mercado de Seguros 2005 (Insurance Market Award 2005).

81

Sponsorships

1. Bradesco Seguros was the exclusive sponsor for the 37th edition of the award Sports Highlights , promoted by A Notícia newspaper, a newspaper from the state of Santa Catarina. The event took place on March 11, at CentroSul 's conventions center, in the city of Florianópolis. In 2004, 44 successful athletes from Santa Catarina were honored with a trophy called O Jornaleiro .
2. Bradesco Seguros sponsors Motoristas.com, a website launched by Globo Online O Globo newspaper Internet version in partnership with Detran (Traffic State Department) Rio de Janeiro.
3. In May 2005, Bradesco Seguros was the official insurance company of the XII Bienal Internacional do Livro (12th International Book Fair), held in the city of Rio de Janeiro.

Vida e Previdência (Private Pension Plans)

Balance Sheet R\$ million

	2004		2005	
	March	June	March	June
Assets				
Current Assets and Long-Term Assets	26,364	27,008	31,613	32,876
Funds Available	24	29	34	59
Marketable Securities	25,781	26,489	30,943	32,077
Insurance Operations and Other Receivables	559	490	636	740
Permanent Assets	248	1,063	819	803
Total	26,612	28,071	32,432	33,679
Liabilities				
Current and Long-Term Liabilities	24,805	26,017	31,040	32,099
Tax and Social Security Contingencies	655	554	555	619
Operating Liabilities for Insurance and Private Pension Plans	42	63	89	97
Other Liabilities	201	266	316	304
Technical Provisions	23,907	25,134	30,080	31,079
Stockholders' Equity	1,807	2,054	1,392	1,580
Total	26,612	28,071	32,432	33,679

Statement of Income R\$ million

	2004			2005		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Retained Premiums	227	224	451	304	285	589
Variations in Premium Reserves	(10)	(4)	(14)	(11)	(5)	(16)
Earned Premiums	217	220	437	293	280	573

Edgar Filing: BANK BRADESCO - Form 6-K

Retained Claims	(161)	(125)	(286)	(167)	(206)	(373)
Expenses with Benefits VGBL	(5)	(10)	(15)	(14)	(17)	(31)
Selling Expenses Insurance	(57)	(48)	(105)	(57)	(56)	(113)
Other Operating Income (Expenses)	64	48	112	85	106	191
Income from Contributions and VGBL	1,465	1,395	2,860	1,340	1,450	2,790
Technical Provisions Variation Pension Plans and VGBL	(850)	(617)	(1,467)	(11)	(178)	(189)
Benefits/Redemptions Expenses	(527)	(581)	(1,108)	(731)	(611)	(1,342)
Redemptions Expenses VGBL	(240)	(330)	(570)	(606)	(637)	(1,243)
Selling Expenses Pension Plans and VGBL	(39)	(38)	(77)	(42)	(40)	(82)
Administrative Expenses	(56)	(48)	(104)	(57)	(60)	(117)
Tax Expenses	(7)	(13)	(20)	(12)	(17)	(29)
Financial Income	1,007	988	1,995	1,184	1,140	2,324
Financial Expenses	(634)	(691)	(1,325)	(925)	(874)	(1,799)
Equity Income and Expenses	2	167	169	407	93	500
Non-Operating Income (Expense)	2		2	(5)	(8)	(13)
Income Before Taxes and Contributions	181	317	498	682	365	1,047
Taxes and Contributions on Income	(60)	(49)	(109)	(96)	(90)	(186)
Net Income	121	268	389	586	275	861

Income from Pension Plans and VGBL – Market Share (%)

In the 1H05, income from pension plans totaled R\$ 2.790 billion.

Life Insurance Premiums – Market Share (%)

Income on net premiums issued in 1H05 totaled R\$ 635 million.

Increase in Technical Provisions R\$ million

Total technical provisions of Bradesco Vida e Previdência in June 2005 of R\$ 31,079 million comprised R\$ 19,711 million for supplementary pension plans, R\$ 10,409 million for VGBL, R\$ 874 million for life and personal accident, R\$ 81 million for DPVAT and R\$ 4 million for retroassignment.

Private Pension Plans and VGBL Investment Portfolios Market Share (%)

In June 2005, the Investment Portfolios totaled R\$ 31,639 million, comprising almost half of market resources.

Increase in Number of Participants in thousands

Increase in Life Insurance Policyholders in thousands

Thanks to its solid structure, innovative product policy and trusted market standing, Bradesco Vida e Previdência maintained its leadership, in 1H05, of both markets in which it operates, with a 28.4% share of income from private pension plans and a 16.2% share of life insurance premiums.

Bradesco is also sole leader in VGBL plans with a 42.3% share and a 24.0% share in PGBL (Source: ANAPP Data accumulated until May 2005).

The number of Bradesco Vida e Previdência customers reached 12.8%, in 1H05, surpassing the mark of 1.5 million private pension plan participants and 7.6 million life insurance holders. This significant increase was prompted by the strength of the Bradesco brand name, by the use of an appropriate management and sales policies and by the launching of innovative products.

Edgar Filing: BANK BRADESCO - Form 6-K

Year-end technical provisions totaled R\$ 31.1 billion in 1H05, an increase of 23.7% as compared to the same period of 2004. The portfolio of investments in private pensions and VGBL totaled R\$ 31.6 billion, comprising almost half of all market resources.

Awards/Recognition

The quality of services rendered by Bradesco Vida e Previdência was recognized during 1H05, conquering the following awards:

- Company of the Year awarded by FGV on 5.9.2005;
- Top of Business awarded on 5.13.2005;
- Best and Biggest Top in the ranking of largest insurance companies by premium, June/2005 edition;
- Desbravadores Trophy pioneer in VGBL, awarded on 3.15.2005;
- Marketing 10 Trophy by line of products (Life insurance, premium on personal accidents, Prev Jovem, amongst others), awarded on 3.15.2005.

Savings Bonds Companies ⁽¹⁾

Balance Sheet R\$ million

	2004		2005	
	March	June	March	June
Assets				
Current Assets and Long-Term Assets	2,639	2,683	2,621	2,749
Marketable Securities	2,547	2,596	2,536	2,658
Accounts Receivable and Other Receivables	92	87	85	91
Permanent Assets	20	201	91	34
Total	2,659	2,884	2,712	2,783
Liabilities				
Current and Long-Term Liabilities	2,286	2,416	2,295	2,352
Tax and Labor Contingencies	257	286	190	192
Other Liabilities	73	121	70	108
Technical Provisions	1,956	2,009	2,035	2,052
Stockholders' Equity	373	468	417	431
Total	2,659	2,884	2,712	2,783

Statement of Income R\$ million

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Income from Savings Bonds	306	396	702	284	357	641

Edgar Filing: BANK BRADESCO - Form 6-K

Technical Provisions Variation	(50)	(7)	(57)	(14)	21	7
Draws and Redemption of Bonds	(273)	(346)	(619)	(247)	(313)	(560)
Redemptions	(261)	(336)	(597)	(238)	(304)	(542)
Draws	(12)	(10)	(22)	(9)	(9)	(18)
Selling Expenses				(4)	(3)	(7)
Financial Result	107	71	178	71	71	142
Administrative Expenses/Taxes	(19)	(28)	(47)	(12)	(12)	(24)
Equity in the Earnings of Subsidiaries and Affiliated Companies	3	26	29	49		49
Non-Operating Income	(1)		(1)			
Income Before Taxes and Contributions	73	112	185	127	121	248
Taxes and Contributions on Income	(24)	(27)	(51)	(26)	(39)	(65)
Net Income	49	85	134	101	82	183

(1) Bradesco Capitalização and Atlântica Capitalização are included.

Edgar Filing: BANK BRADESCO - Form 6-K

Bradesco Capitalização's outstanding position in the savings bonds market is the result of its transparent operating policy, which is focused on adjusting its products in line with potential consumer demand.

Regionally, the company holds a leadership position in two Brazilian states, according to the latest figures for May 2005 published by SUSEP. The company's market share was of 30.89% in Amazonas and 24.67% in São Paulo.

In pursuit of a bond which is suited to its customers' different profiles and budgets, a number of products were developed, which vary in accordance with the type of payment (lump sum or monthly), contribution terms, regularity of draws (weekly or monthly) and related prize amounts. This phase brought the general public closer and consolidated the success of the popular Pé Quente Bradesco (Lucky Bond) savings bonds series.

Bradesco Capitalização was the first private savings bonds company in Brazil to receive ISO 9002 Certification, which in December 2002 was upgraded to the 2000 Version ISO 9001:2000. Granted by Fundação Vanzolini, the certification attests to the management quality of Bradesco savings bonds and confirms the principles on which their creation was based: good products, good services and continuous growth.

Income from Savings Bonds Certificates Market Share (%)

Technical Provisions Market Share (%)

Growth in Technical Provisions R\$ million

Following Bradesco Capitalização's fast-growing pace, the volume of Technical Provisions totaled R\$ 2.052 billion in June 2005, a growth rate of 2.1% compared to the same period in 2004. According to data for May 2005 disclosed by SUSEP, the company has 21.1% of the total market volume of Technical Provisions.

These results transmit confidence and confirm the company's financial soundness and capacity to honor the commitments to its clients.

Number of Customers in thousands

As a result of a customer loyalty building policy, focused on the quality customer service and the offer of innovative products, the number of Bradesco Capitalização's clients totaled more than 2.6 million at the end of 1H05.

Outstanding Traditional Savings Bonds in thousands

Outstanding Savings Bonds with Transfer of Draw Participation Rights in thousands

Total Outstanding Savings Bonds in thousands

The outstanding savings bonds portfolio varied from 59.9 million in June 2004 to 11.9 million in June 2005. This decrease was motivated by the redemption of a major series of bonds with Transfer of Draw Participation Rights, which were sold in 2004 via partnership agreements in various market segments. Of the total portfolio, 62.8% comprise bonds with Transfer of Draw Participation Rights, including Bradesco Cartões, Bradesco Vida e Previdência, Banco Finasa etc. Since the purpose of this type of savings bonds certificate is to add value to partners products or to provide incentives for customer due payments, these are low-priced bonds which are sold with reduced terms and grace periods and at a lower unit purchase price.

Awards/Recognition

1. In March 2005, Bradesco Capitalização was awarded the Segurador Brasil 2005 (Brazil's Insurance Company 2005), sponsored by Segurador Brasil magazine. The company was recognized as having the Best Performance.
2. Bradesco Capitalização conquered the Top Marketing 2005 Award, of ADVB/SP, for the case Pé Quente Bradesco SOS Mata Atlântica (Bradesco Lucky Bond Helping the Atlantic Forest). The award aims at giving special acknowledgement to Organizations strengthening the creation or the endurance of its products, service or brand, by means of innovative and solid marketing strategies.
3. Bradesco Capitalização deserved special acknowledgement in the Balanço Financeiro magazine award, an annual publication edited by Gazeta Mercantil in partnership with the consulting firm Austin Rating. The company was awarded in the Savings Bonds category.
4. In June 2005, Bradesco Capitalização was given the trophy Gaivota de Ouro, granted by the Seguro Total magazine. The company received special acknowledgement in the Melhores Empresas de Capitalização (Best Savings Bonds Companies) category in the V Prêmio Mercado de Seguros 2005 (Insurance Market Award 2005).

Banco FinasaConsolidated Balance Sheet R\$ million

	2004		2005	
	March	June	March	June
Assets				
Current Assets and Long-Term Assets	6,508	7,037	9,949	11,883
Funds Available	15	5	5	10
Interbank Investments	35	111	164	245
Marketable Securities and Derivative Financial Instruments	91	68	167	59
Interbank Accounts	27	29	17	33
Loan and Leasing Operations	5,974	6,482	9,155	11,048
Allowance for Doubtful Accounts	(213)	(227)	(277)	(329)
Other Receivables and Other Assets	579	569	718	817
Permanent Assets	383	361	1,655	1,739
Total	6,891	7,398	11,604	13,622
Liabilities				
Current and Long-Term Liabilities	6,608	7,023	11,032	12,927
Demand, Time and Interbank Deposits	5,976	6,479	10,572	12,487
Interbank Accounts	24	3		
Borrowings and Onlendings	55	55	47	10
Derivative Financial Instruments	319	241	113	83
Other Liabilities	234	245	300	347
Deferred Income	19	30	35	51
Stockholders Equity	264	345	537	644
Total	6,891	7,398	11,604	13,622

Consolidated Statement of Income R\$ million

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Income from Financial Intermediation	454	567	1,021	736	849	1,585
Financial Intermediation Expenses	(262)	(300)	(562)	(500)	(615)	(1,115)
Gross Income from Financial Intermediation	192	267	459	236	234	470
Other Operating Income (Expenses)	(100)	(137)	(237)	(150)	(168)	(318)
Operating Income	92	130	222	86	66	152
Non-Operating Income (Expenses)		(2)	(2)	1		1
Income Before Taxes and Contributions	92	128	220	87	66	153
Taxes and Contributions on Income	(32)	(6)	(38)	(15)	(6)	(21)
Net Income	60	122	182	72	60	132

Profile

Banco Finasa S.A. is the Consumer Sales Financing of Bradesco Organization, supplementing its businesses, focused on Personal Loans and financings for the acquisition of Light Vehicles, Transport and Other Assets or Services.

Finasa operates through the Finasa Promotora de Vendas Ltda., its wholly-owned subsidiary, responsible for acquiring new clients and business partners, by means of its 203 branches and 3,660 employees registered in June 2005.

Under the light vehicles and transport financing item, Finasa is present in 16,436 car dealers of new and used vehicles, trucks, buses and highway implements, operating nationwide.

In the financing of Other Assets and Services Finabens, it operates by means of 23,551 authorized stores selling furniture, décor, tourism, auto parts, home-improvement materials and IT related equipment and software, clothing and footwear, among others.

Referring to Personal Loan, named as CP, Finasa offers traditional loan, with stubbook issuance, guarantees for checks or vehicles and private sector's Loan Deposited in payroll. The products are offered in branches or alternative channels, such as Delivery and also partnerships with stores and dealers authorized by Finasa Promotora, named as CP Parcerias (CP Partnerships).

The operational agreements complement Finasa's businesses. These agreements are executed with car makers and car dealers, trucks and Finabens stores, following the example of Ford, Abracred - Brazilian Association of Fiat Car Dealers, Anamaco, Microsoft, Casas Bahia, Salfer, Dudony, Ponte Magazine and Eletrozema.

The material facts of 1H05 were:

1. In April, Morada Serviços e Financiamentos Ltda. was acquired, with a structure of 33 branches, 2,964 authorized stores and 218 employees, mainly operating in the cities of Rio de Janeiro and São Paulo. On April 30, Finasa Promotora merged Morada Serviços e Financiamentos Ltda.
2. Also in April, it was structured a specialized staff for the transport segment, with 102 employees, to serve business partners of all regions of the Country, which sells buses, trucks and highway implements.
3. Continuance of expansion process, and 5 new branches were inaugurated in the 1H05 for auto financing and 49 branches in the Personal Loan segment.

Operating Performance

On June 30, 2005, consolidated total assets - Consolidated, including affiliated companies, reached R\$ 13.6 billion, a growth rate of 84.12% compared to June 2004.

During the 1H05, the balance of loans and financings of Finasa exceeded the historical milestone of R\$ 10.0 billion, ending the first half with R\$ 11.0 billion in portfolio, 70.44% higher compared to same period of 2004, prior to Doubtful Accounts. Another historical milestone for the Bradesco this first half was the production exceeding the amount of R\$ 1.0 billion of new businesses per month.

The financing and loan portfolio ended the 1H05 as follows:

- Auto financing: balance of R\$ 9.6 billion, with a 59.37% growth compared to June 2004, operating a volume of R\$ 4.4 billion in 1H05 compared to R\$ 2.8 billion over same period of 2004 with a 59.29% growth in this item, where we also recorded a evolution of our market share from 18.8% in June 2004 to 20,3% in May 2005.
- Financing of other Assets and Services (FINABENS): R\$ 1.2 billion of balance in portfolio, with an increase of 184.84% compared to same period of 2004 distributed in 1,984 thousand clients, a 160.71% growth. New businesses conducted in the 1H05 reached R\$ 1.3 billion, a growth of 228.57% compared to same period of 2004, with market share in this item increasing from 6.4% in June 2004 to 24.4% in June 2005, pointing out this first half the start of operating agreement with Casas Bahia.
- Personal Loan: balance of R\$ 252.0 million, increasing 189.87% over June 2004. The volume traded this first half reached R\$ 213.0 million, 195.30% higher than 2004.

In 1H05, Bradesco posted a net income prior to mark-to-market - SWAP of R\$ 113.6 million compared to R\$ 101.9 million in 1H04, a 11.41% increase in this item recording Stockholders' Equity of R\$ 643.0 million in June 2005, which includes R\$ 80.0 million of capital increase occurred in April 2005, referring to the acquisition of Morada Serviços e Financiamentos Ltda.

After the mark-to-market adjustment, which this first half had a lower effect than in 2004 R\$ 18.2 million gain in 2005, compared to R\$ 79.9 million in 2004, the Net Income had the following composition:

	R\$ million	
	1H05	
	2004	2005
Net Income before Mark-to-Market SWAP	101,9	113,6
Mark-to-Market Effect SWAP	79,9	18,2
Net Income	181,8	131,8

Leasing Companies

On June 30, 2005, Bradesco Organization had the following leasing companies: Bradesco Leasing S.A. Arrendamento Mercantil, formerly Potenza Leasing S.A. Arrendamento Mercantil and Zogbi Leasing S.A. Arrendamento Mercantil.

Aggregated Balance Sheet R\$ million

	2004		2005	
	March	June	March	June
Assets				
Current Assets and Long-Term Assets	5,217	5,259	5,439	13,000
Funds Available	4	1		
Interbank Investments	2,273	2,325	2,607	10,135
Marketable Securities and Derivative Financial Instruments	1,254	1,273	751	668
Leasing Operations	1,305	1,271	1,578	1,673
Allowance for Doubtful Accounts	(119)	(107)	(82)	(82)
Other Receivables and Other Assets	500	496	585	606
Permanent Assets	39	37	87	86
Total	5,256	5,296	5,526	13,086
Liabilities				
Current and Long-Term Liabilities	3,056	3,060	3,264	10,803
Funds obtained in the Open Market and Funds Received from Issuance of Securities	1,703	1,766	1,987	9,465
Borrowings and Onlendings	233	203	188	177
Derivative Financial Instruments	20	15	6	4
Subordinated Debt	625	623	626	629
Other Liabilities	475	453	457	528
Stockholders' Equity	2,200	2,236	2,262	2,283
Total	5,256	5,296	5,526	13,086

Statement of Income R\$ million

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Income from Financial Intermediation	415	426	841	403	595	998
Financial Intermediation Expenses	(304)	(324)	(628)	(292)	(479)	(771)
Gross Income from Financial Intermediation	111	102	213	111	116	227
Other Operating Income (Expenses)	(14)	(25)	(39)	(15)	(50)	(65)
Operating Income	97	77	174	96	66	162
Non-Operating Income	1		1		1	1

Income Before Taxes and Contributions	98	77	175	96	67	163
Tax and Contributions on Income	(37)	(24)	(61)	(33)	(20)	(53)
Net Income	61	53	114	63	47	110

Leasing Performance Consolidated Bradesco

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

On June 30, leasing operations brought to present value totaled R\$ 1.973 billion, with a balance of R\$ 12.2 million receivable in operating leases.

The Bradesco Organization leasing companies are sector leaders, according to ABEL, with an 11.6% share of this market (reference date: May 2005).

This sound performance is rooted in its Branch Network integrated operations and the maintenance of its diversified business strategies in various market segments, in particular, the implementation of operating agreements with major industries, mainly in the heavy vehicle and machinery/equipment sectors.

The following graph presents the breakdown of Bradesco's consolidated leasing portfolio by type of asset.

Portfolio by Type of Asset

Bradesco Consórcios (Consortium Purchase System)Administradora (Management Company)

Balance Sheet R\$ thousand

	2004		2005	
	March	June	March	June
Assets				
Current Assets and Long-Term Assets	36,744	47,501	94,638	116,074
Funds Available			36	9
Marketable Securities	35,788	45,765	93,860	114,002
Other Receivables	956	1,736	742	2,063
Permanent Assets	747	800	734	706
Total	37,491	48,301	95,372	116,780
Liabilities				
Current and Long-Term Liabilities	8,859	14,336	25,215	37,918
Amounts Refundable to Former Groups Now Closed	5,560	5,650	5,980	6,081
Other Liabilities	3,299	8,686	19,235	31,837
Stockholders Equity	28,632	33,965	70,157	78,862
Total	37,491	48,301	95,372	116,780

Statement of Income R\$ thousand

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Revenues from Services Rendered	15,335	20,023	35,358	29,794	33,427	63,221
Taxes Payable	(903)	(1,183)	(2,086)	(2,912)	(3,337)	(6,249)
Financial Income	919	1,263	2,182	3,320	4,501	7,821
Administrative Expenses (Including Personnel Expenses)	(1,933)	(2,559)	(4,492)	(3,313)	(4,112)	(7,425)
Selling Expenses	(2,088)	(5,078)	(7,166)	(2,336)	(5,907)	(8,243)
Other Operating (Expenses) Income	47	120	167	430	746	1,176
Income Before Taxes and Contributions	11,377	12,586	23,963	24,983	25,318	50,301
Taxes and Contributions on Income	(1,950)	(2,657)	(4,607)	(8,737)	(8,841)	(17,578)
Net Income	9,427	9,929	19,356	16,246	16,477	32,723

Consortium Groups

Balance Sheet R\$ thousand

2004

2005

	March	June	March	June
Assets				
Current and Long-Term Assets	124,366	164,330	330,949	377,010
Amount Offset	4,436,832	5,499,952	8,268,522	9,495,099
Total	4,561,198	5,664,282	8,599,471	9,872,109
Liabilities				
Current and Long-Term Liabilities	12,260	21,626	52,264	69,131
Stockholders Equity	112,106	142,704	278,685	307,879
Amount Offset	4,436,832	5,499,952	8,268,522	9,495,099
Total	4,561,198	5,664,282	8,599,471	9,872,109

Operating overview

On December 9, 2002, Bradesco Consórcios commenced the sale of consortium quotas to the Bank's employees and on January 21, 2003, these sales were extended to Bradesco account holders and non-account holders, including the consortium purchase system in the Bank's product portfolio.

Operating in the Administration of Consortium Groups for the purchase of real estate, Vehicles, Tractors, Trucks and Combine Harvesters, the Company relies on Banco Bradesco's customer service infrastructure.

The Company relies on all the facilities offered by the Bradesco Branch Network to commercialize its products, which is a distinct market advantage responsible for the rapid growth presented by the consortium purchase system segment. The extensive nature and security associated with the Bradesco Brand Name are added advantages for expanding consortium plan sales.

Mission Statement

The Company's mission is to manage consortium plans and groups for individuals and corporations regardless of whether they are Bradesco account holders or not.

To operate in the car, truck, tractor and combine harvester segment, as well as in real estate, maintaining excellent standards in the quality of the services offered and in consortium system practice, pursuant to regulations determined by the Brazilian Central Bank and in line with the Bradesco's Organization philosophy.

Segmentation

The Bradesco Organization's entry into this segment is part of its strategy to offer the most complete range of product and services possible to its clients.

Provide all social classes with the opportunity to purchase items through the consortium quota system, filling a market lacuna at accessible prices, especially taking into account in relation to real estate product, the country's current high housing deficit.

Representation

Market Share Real Estate Consortium

Bradesco Consórcios

Market Share Automobile Consortium

Bradesco, present in this segment, has been playing an important role in the placement of personal and real property to the population. In this sector, the consumer may buy an apartment, house, land or office unit.

In 1H05, 47 thousand consortium quotas were sold.

On June 30, we recorded total accumulated sales exceeding 174,4 thousand consortium quotas, totaling sales higher than R\$ 5.1 billion and recording 39.8 thousand draws, with 26,5 thousand assets delivered and 931 active groups. In 1H05, we inaugurated 126 groups.

Active Quotes

Conquering Leadership

With a bold market strategy, Bradesco Consórcios leads the real estate segment, according to data informed by the Brazilian Central Bank in May, with 46,638 active quotas. These results brought important recognition, such as the Marketing Best and ADVB award.

Supported by an aggressive campaign for the sale of automobile quotas, Bradesco Consórcios reached also the leadership of the Auto segment, according to Central Bank's data, leaving behind consortium management companies associated with car makers, such as: Volkswagen, Fiat and GM. In May 2005, we registered 112,250 active quotas referring to this segment.

Leadership is conquered and consolidated (Real Estate and Auto) as a result of ongoing and determined efforts, motivated by the enthusiasm of each sales teams and the Branch Network distribution.

Total Quotas Sold

Number of active participants comprising the 10 largest real estate consortium management companies (*)

List of 10 largest auto segment consortium management companies (*)**Bradesco S.A. Corretora de Ttulos e Valores Mobiliários**Balance Sheet R\$ thousand

	2004		2005	
	March	June	March	June
Assets				
Current and Long-Term Assets	320,961	128,999	1,108,194	101,281
Funds Available	15	38	43	49
Interbank Investments and Securities	62,397	69,514	57,808	65,952
Other Receivables and Other Assets	258,549	59,447	1,050,343	35,280
Permanent Assets	21,084	22,154	24,619	28,926
Total	342,045	151,153	1,132,813	130,207
Liabilities				
Current and Long-Term Liabilities	271,781	77,818	1,066,541	59,190
Other Liabilities	271,781	77,818	1,066,541	59,190
Stockholders' Equity	70,264	73,335	66,272	71,017
Total	342,045	151,153	1,132,813	130,207

Statement of Income R\$ thousand

	2004			2005		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half

Edgar Filing: BANK BRADESCO - Form 6-K

Income from Financial Intermediation	2,498	2,557	5,055	1,285	3,565	4,850
Other Operating Income (Expenses)	5,113	1,162	6,275	5,148	2,180	7,328
Operating Income	7,611	3,719	11,330	6,433	5,745	12,178
Non-Operating Income		2	2		(7)	(7)
Income before Taxes and Contributions	7,611	3,721	11,332	6,433	5,738	12,171
Taxes and Contributions on Income	(2,561)	(1,234)	(3,795)	(2,978)	(1,912)	(4,890)
Net Income	5,050	2,487	7,537	3,455	3,826	7,281

Bradesco Corretora maintained its outstanding position in the Capital Markets at the end of 1H05.

We present below a summary of the main activities carried out during the 1H05:

Bradesco Corretora ended the 1H05 ranked 13th among the more than 90 brokerage firms operating in the São Paulo Stock Exchange (BOVESPA). During the period, services were provided to 30,345 investors and 261,946 call and put options were carried out for a total financial volume of R\$ 7.8 billion. The project *Sala de Ações* (*Stock Room*) was launched, with the first unit established in the Nova Central Branch. Bradesco Corretora participates with BOVESPA in the *Bovespa vai até você* campaign, an important effort to raise public awareness regarding the benefits of investing in the stock market.

This 1H05, Bradesco Corretora negotiated 1,791.9 thousand contracts in the Mercantile and Futures Exchange (BM&F) with a financial volume of R\$ 196.6 billion, ranking it at the 20th position out of more than 80 participants. The Corretora has centered its efforts on the continued expansion of its business, as well as on promoting the futures markets. In the agribusiness, it has been acting directly in the country's main production centers, through visits, seminars and participation in agricultural and farming fairs and exhibitions. In conjunction with the BM&F, the company sponsored visits to the exchange and to Bradesco Corretora in São Paulo by clients from all over the country. At the same time, the company hosted numerous visits by agricultural producers, teachers, opinion-makers and brokers of the physical commodities market. Bradesco Corretora, since January, has been participating in the negotiation of mini future contracts of Bovespa Index, US\$ and *boi gordo* (cattle) by WebTrading System, with a view to offering an alternative to conduct derivative operations directly on the trading session.

Online web trading for the 1H05 totaled 135,852 orders, with financial volume of R\$ 820.0 million, representing 2.4% of all Home-Broker operations carried out in BOVESPA and placing Bradesco Corretora at the 7th position in the overall ranking. The customer base increased by 17.3% with more than 4,803 new clients recorded during the 1H05 and more than 26,005 e-mails received.

As a result of its role in Public Offerings of Stocks Purchases, Primary and Secondary Public Offerings, Special Operations, Stock Swapping Auctions and Privatization Auctions, Bradesco Corretora continues to hold its important market position, with a financial volume of R\$ 468.1 million for the 1H05.

Bradesco Corretora offers an investment analysis service, operating jointly with Banco Bradesco's economic area, delivering main market performance reports, suggested stock portfolios and a comprehensive stock guide.

The company also offers a non-resident investor representative service for transactions carried out in the financial and capital markets, in accordance with the provisions of CMN Resolution 2,689, as of January 26, 2000.

Net Income recorded for the 1H05 totaled R\$ 7.3 million.

Stockholders' Equity at the end of the 1H05 reached R\$ 71.0 million and the assets totaled R\$ 130.2 million.

Information Trading at BM&F and BOVESPA

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
BM&F						
Ranking	26 th	28 th	27 th	19 th	21 st	20 th
Contracts Traded (thousand)	730.3	666.3	1,396.6	877.1	914.8	1,791.9
Financial Volume (R\$ billion)	80.0	76.1	156.1	106.4	90.2	196.6
Stock Exchange						
Ranking	9 th	13 th	10 th	11 th	24 th	13 th
Number of Investors	57,813	40,071	93,563	19,768	15,609	30,345
Number of Orders Executed	101,820	114,019	215,839	141,579	120,367	261,946
Volume Traded (R\$ Billions of)	4.7	2.7	7.4	5.1	2.7	7.8
Home Broker						
Ranking	5 th	5 th	5 th	7 th	8 th	7 th
Registered Customers	21,787	23,508	23,508	30,633	32,584	32,584
Orders Executed	59,785	49,229	109,014	72,999	62,853	135,852
Volume Traded (R\$ million)	355.7	285.5	641.2	460.7	359.3	820.0

Bradesco Securities, Inc.Balance Sheet R\$ thousand

	2004		2005	
	March	June	March	June
Assets				
Current and Long-Term Assets	64,255	66,047	59,308	53,752
Funds Available	424	6,922	8,405	7,275
Interbank Investments	2,912	491		
Marketable Securities and Derivative Financial Instruments	60,894	58,611	50,852	46,442
Other Receivables and Other Assets	25	23	51	35
Permanent Assets	56	46	22	16
Total	64,311	66,093	59,330	53,768
Liabilities				
Current and Long-Term Liabilities	433	203	985	581
Other Liabilities	433	203	985	581
Stockholders' Equity	63,878	65,890	58,345	53,187
Total	64,311	66,093	59,330	53,768

Statement of Income R\$ thousand

	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half

Gross Income from Financial Intermediation	720	(1,899)	(1,179)	(751)	2,392	1,641
Other Operating Income (Expenses)	(1,767)	(452)	(2,219)	(518)	(488)	(1,006)
Operating Income (Expenses)	(1,047)	(2,351)	(3,398)	(1,269)	1,904	635
Net Income/(Net Loss)	(1,047)	(2,351)	(3,398)	(1,269)	1,904	635

Bradesco Securities, Inc., a wholly-owned subsidiary of Banco Bradesco, operates as a broker dealer in the United States. The company's activities are focused on the intermediation of stock share purchases and sales, with emphasis on ADR operations. The company is also authorized to operate with Bonds, Commercial Paper and Certificates of Deposit, among others, and to provide Investment Advisory services. This Bradesco initiative was motivated by the more than 90 ADRs programs of Brazilian companies traded in New York and by the growing interest of foreign investors in the emerging markets, and is designed to offer support for global economy investors who invest part of this flow in countries such as Brazil.

Banco Bradesco obtained the Financial Holding Company status (Board of Governors of the Federal Reserve System), on January 30, 2004, which will allow the expansion of Bradesco Securities activities.

This status, given based on a rigorous analysis of various aspects determined in US banking legislation, including Bradesco's high level of capitalization and the quality of its Management, will allow the Bank, either directly or through its subsidiaries, to operate in the US market, whenever considered convenient, carrying out financial activities under the same conditions as local banks, in particular the following:

- Securities trading (underwriting, private placement and market-making);
- Acquisitions, mergers, portfolio management and financial services (merchant banking);
- Mutual funds portfolio management; and
- Sale of insurance.

Accordingly, Banco Bradesco has strengthened its role in the Investment Banking segment, increasing opportunities for exploiting various financial activities in the US market and contributing to the increase in the volume of transactions carried out with Brazilian companies.

5 - Operating Structure

Corporate Organization Chart

Major Stockholders

(1) The Bradesco Management (Board of Executive Officers and Board of Directors) comprises the Governing Board of the Fundação Bradesco, the Entity's Top Deliberative Body. Reference Date: June 30, 2005

104

Main Subsidiaries and Affiliated Companies

Administrative Body

Risk Ratings Bank

Fitch Ratings										M	
International Scale						National Scale		International			
Individual	Support	Foreign Currency		Local Currency		National		Foreign Currency Deposit		Foreign Cur Debt	
		Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
A	1	AAA	F1	AAA	F1	AAA(bra)	F1+(bra)	Aaa	P-1	Aaa	
A/B	2	AA+	F2	AA+	F2	AA+(bra)	F1 (bra)	Aa1	P-2	Aa1	
B	3	AA	F3	AA	F3	AA(bra)	F2 (bra)	Aa2	P-3	Aa2	
B/C	4	AA	B	AA	B	AA (bra)	F3 (bra)	Aa3	NP	Aa3	
C	5	A+	C	A+	C	A+ (bra)	B (bra)	A1		A1	
C/D		A	D	A	D	A (bra)	C (bra)	A2		A2	
D		A		A		A (bra)	D (bra)	A3		A3	
D/E		BBB+		BBB+		BBB+ (bra)		Baa1		Baa1	
E		BBB		BBB		BBB (bra)		Baa2		Baa2	
		BBB		BBB		BBB (bra)		Baa3		Baa3	
		BB+		BB+		BB+ (bra)		Ba1		Ba1	
		BB		BB		BB (bra)		Ba2		Ba2	
		BB		BB		BB (bra)		Ba3		Ba3	
		B+		B+		B+ (bra)		B1		B1	
		B		B		B (bra)		B2		B2	
		B		B		B (bra)		B3		B3	
		CCC		CCC		CCC (bra)		Caa1		Caa1	
		CC		CC		CC (bra)		Caa2		Caa2	
		C		C		C (bra)		Caa3		Caa3	
		DDD		DDD		DDD (bra)		Ca		Ca	
		DD		DD		DD (bra)		C		C	
		D		D		D (bra)					

N.B.: Bradesco's risk ratings are among the highest attributed to Brazilian Banks.

Risk Ratings Insurance and Savings Bonds Companies

Fitch Ratings		Insurance		Savings Bonds	
		Standard & Poor's		Standard & Poor's	
National Scale	International Scale	National Scale	International Scale	National Scale	National Scale
AAA (bra)	AAA	brAAA	AAA ^{SR}	brAAA	brAAA
AA+ (bra)	AA+	brAA+	AA+ ^{SR}	brAA+	brAA+
AA (bra)	AA	brAA	AA ^{SR}	brAA	brAA
AA (bra)	AA	brAA	AA ^{SR}	brAA	brAA
A+ (bra)	A+	brA+	A+ ^{SR}	brA+	brA+
A (bra)	A	brA	A ^{SR}	brA	brA
A (bra)	A	brA	A ^{SR}	brA	brA
BBB+ (bra)	BBB+	brBBB+	BBB+ ^{SR}	brBBB+	brBBB+
BBB (bra)	BBB	brBBB	BBB ^{SR}	brBBB	brBBB
BBB (bra)	BBB	brBBB	BBB ^{SR}	brBBB	brBBB
BB+ (bra)	BB+	brBB+	BB+ ^{SR}	brBB+	brBB+
BB (bra)	BB	brBB	BB ^{SR}	brBB	brBB
BB (bra)	BB	brBB	BB ^{SR}	brBB	brBB
B+ (bra)	B+	brB+	B+ ^{SR}	brB+	brB+
B (bra)	B	brB	B ^{SR}	brB	brB
B (bra)	B	brB	B ^{SR}	brB	brB
CCC (bra)	CCC	brCCC	CCC ^{SR}	brCCC	brCCC
CC (bra)	CC	brCC	CC ^{SR}	brCC	brCC
C (bra)	C	brC	C ^{SR}	brC	brC
	DDD	brD	D ^{SR}	brD	brD
	DD				
	D				

Ranking

Source	Criterion	Position	Reference Date
The Forbes Global 2000 Research	Banks/Forbes 2000*	1 st (Brazil)	March 2005
The Forbes Global 2000 Research	Banks/Forbes 2000*	38 th (Worldwide)	March 2005
The Forbes Global 2000 Research	Overall/Forbes 2000*	2 nd (Brazil)	March 2005

The Forbes Global 2000 Research Overall/Forbes 208th March
* Forbes 2000: companies comprising The Forbes Global 2000 list are rated based on a combination of criteria which
takes into consideration income, profit, assets and market value. (Worldwide) 2005

Market Segmentation

Bradesco operates on a segmented service basis, seeking to match its different products and services to the different profiles and size of its target public. In line with a world market trend, Bradesco's structure allows to grouping together customers with similar profiles, facilitating superior quality customer service, extending business opportunities with a greater focus on relationship actions.

Bradesco Retail

Bradesco maintains its Retail specialty, serving with high quality service all segments of the Brazilian population regardless of income level. The Bank has 15 million individuals and corporate customers account holders, who carry out millions of transactions daily at our Branches, Service Branches, Banco Postal (Post-Office Branches) and Correspondent Banks, comprising Brazil's largest Customer Service Network, besides thousands of teller machines, providing easy and convenient services over extended hours.

In addition to the extensive service network, customers are offered the comfort of alternative service channels such as the Easy Phone (*Fone Fácil*) service and Internet Banking, which are already used for a significant portion of daily transactions.

Micro, small and medium-sized companies, as well as individuals, are given special attention through oriented management.

The Retail segment has been focusing on the development of financial products, tailor-made to meet the customers' profile in an ongoing effort to offer quality, agile and reliable services to all customers, in particular, bearing in mind the value of customer relations.

The main focus of this segment is directed towards meeting the diverse customer demands, which include the offer of microcredit, onlending, foreign exchange and a complete range of financing products for individuals, which allied with the Bradesco Brand Name and nationwide Branch Network comprise an important source for increasing the Bank's results.

Significant investments have been made in staff training, designed to qualify employees for customized and efficient customer service, seeking to preserve relations and increase the customers' loyalty to the Bank.

Bradesco Retail also makes available a Digital Branch, operating in a virtual environment and offering courier service. The Branch has a team of managers who serve its clients, regardless of location, from 8:00 am to 8:00 pm, seven days a week.

109

Bradesco Corporate Banking

Mission and Values

Bradesco Corporate's mission is to meet client's needs, developing long-term ethical and innovative relationship in harmony with stockholders' interest.

The area's principal values and which permeate its day-to-day activities comprise the following:

- team work;
- ongoing pursuit of innovation and excellence in customer service;
- transparency in all actions;
- commitment to self-development;
- adherence to strategic guidelines;
- creativity, flexibility and initiative;
- agile customer delivery.

Background and Achievements

The Corporate Banking segment was introduced in 1999, designed to serve companies from its target market based on a customer, rather than product standpoint, under a centralized relations management, offering as well as traditional products, structured, Tailor-made and Capital Market solutions, through specific Managers who have a clear vision of risk, market, industries and relationship. In February, a training program was started in order to coach 25 new Managers, as a result of the continuous search for providing to customers the sales team with the best qualification of the market.

Among the various significant achievements obtained, we point out the ISO 9001:2000 quality certification received by all areas of the Corporate Banking structure, including its Corporate Banking exclusive customer service platforms, as well as the important partnerships entered into with major international banks: UFJ Japan, BBVA Spain and BES Portugal.

Brazilian Desk

Bradesco was the first Brazilian bank to carry out an operating agreement with a Japanese bank allowing the inclusion of approximately 300 thousand Brazilians living and working in Japan.

This partnership between the different professionals from the two banks, which was entered into two years ago, offers checking accounts and products and services destined to meet the needs of this community.

Customers have access to an exclusive UFJ-Bradesco Branch 7-days-a-week with 40 bilingual (Japanese and Portuguese) employees who answer via Automated Consulting and Contract Machines ACMs, which are fully integrated with the UFJ Branch Network, for local bank services and remittances to Brazil.

These facilities will also be available, initially, via 5,000 ATMs with screens in Portuguese, offering ease and convenience to customers.

The operating agreement establishes a strategic alliance between Bradesco and the UFJ Bank, which will become the world's largest bank following its merger with Banco Tokyo Mitsubishi.

Another example of a solution with significant added value for the Institution are the partnerships entered into with major retail networks for consumer sales financing, made feasible as a result of the relationship, familiarity with this industry's production chain and the synergy which exists among the Bank's various segments.

Total resources comprising assets (credit, bonds and guarantees) and liabilities (deposits and funds/portfolios) amount to R\$ 59.6 billion.

Target Market

The 1,244 Economic Groups comprising Bradesco Corporate's target market, which is comprised by large corporations which record sales results in excess of R\$ 180 million per annum, are located in the states of São Paulo, both the capital and inner state, Rio de Janeiro, Minas Gerais, Paraná, Rio Grande do Sul, Santa Catarina, Goiás, Pernambuco and Bahia.

Specialized Structures

In addition to the teams specialized in the different economic sectors, this service also maintains structures entirely dedicated to the management of specific clients:

Euro Desk this structure is focused on the management of customers of Spanish origin and the development of financial solutions for Bradesco Corporate companies, prospecting business synergies in Europe and Latin America.

Asian Desk this structure is focused on the management of clients of Asian origin and the development of financial solutions, acting as an economic and financial advisor in business carried out with Japan and the Asian continent as a whole.

Agribusiness the structure operates throughout this economic segment's production chain in the pursuit to implement feasible structured solutions to meet the specific needs of companies, as well as offering traditional services and products.

Bradesco Empresas (Middle Market)

Bradesco's middle market segment, Bradesco Empresas, was created with a view to offering services to companies with annual sales results from R\$ 15 million to R\$ 180 million, through 66 exclusive Branches in the main Brazilian capitals.

Bradesco Empresas aims to offer the best business management, such as: Loans, Investments, Foreign Trade, Derivatives, Cash Management and Structured Finance, targeting customers' satisfaction and results to the Bank.

The 66 Branches are distributed throughout Brazil as follows: Southeast (41), South (16), Mid-West (4), Northeast (3) and North (2).

Bradesco Empresas is formed by a team of 362 Relationship Managers, who are included in the ANBID Certification Program, serving on average from 28 to 33 economic groups per manager, encompassing 19,223 companies from all sectors of the economy.

Bradesco Private Banking

Bradesco Private Banking, through its highly qualified and specialized professionals focused on personalized advisory services, offers the Bank's high-income individual customers with minimum funds available for investment of R\$ 1 million, an exclusive line of products and services aimed at increasing their equity by maximizing returns. Therefore, the most appropriate financial solution is sought, considering each customer's profile, under the Taylor Made concept, providing advisory services for asset allocation and fiscal, tax and successor advisory services. Aiming the proximity to its customer base, Bradesco Private Banking holds two offices in the cities of São Paulo and Rio de Janeiro, as well as 7 service units in Porto Alegre, Blumenau, Curitiba, Belo Horizonte, Brasília, Salvador and Recife. Bradesco Private Banking is also certified by ISO 9001:2000 with scope on the relationship management of high net wealth individuals.

Bradesco Prime

Bradesco Prime's target public comprises individual customers with monthly income of more than R\$ 4 thousand, or with investments in excess of R\$ 50 thousand. This high income segment is aligned to Bradesco's commitment in offering a Complete Bank to all its clients.

Bradesco Prime's Mission is to be the first Client's Bank, focusing on relationship quality and in offering appropriate solutions to their needs, with prepared staff, adding value to stockholders and employees, within high ethical and professional standards.

Bradesco Prime's customers are provided with:

VIP facilities specifically designed to provide comfort and privacy;

Customized service by the Relationship Managers who, due to of their small client portfolios, are able to dedicate special attention to each client;

Differentiated products and services, including the Online Chat, a real time financial consulting and the Bradesco Prime Checking Account, a loyalty program which is designed to add value and provide incentives to the customer's relationship with the Bank through the offer of increasing benefits, the chat on-line, real time financial consultant, besides investments funds exclusively created for Bradesco Prime clients.

Bradesco Prime Customers have access to a Network comprising 184 exclusive Branches throughout Brazil. In addition, clients use unique Internet Banking and Call Center facilities, in addition to the extensive Bradesco Customer Service Network, which includes its nationwide Branches and ATM equipment.

Some Prime branches also offer differentiated services, such as:

Prime Digital Branch: focused on customer service via call center at extended business hours (from 8:00 am to 8:00 pm, 7 days-a-week, including bank holidays).

Prime Branch at Cidade de Deus, Latin America's first Wireless Branch, where managers use remote-connected equipment, enabling client to conduct his/her business from his/her own facilities.

The Relationship Managers are continually enhancing their professional qualifications to meet the financial needs of their clients. Moreover, all of these managers are included in the ANBID certification program.

Customer Service Network

	2004				2005					
	June				March			June		
	Branches	PABs	PAEs	PAAs	Branches	PABs	PAEs	Branches	PABs	PAEs
Consolidated	3,054	782	1,427	19	2,959	884	1,464	2,913	903	1,429
Bradesco	2,977	765	1,417		2,958	884	1,464	2,912	903	1,429
BEM ⁽¹⁾	76	17	10	19						
Banco Finasa	1				1			1		

Banco Postal	5,013	5,389	5,403
Branches Abroad	7	4	4
Subsidiaries Abroad	6	5	5
ATMs	21,600⁽²⁾	22,060	22,247
ATMs Network Outplaced Terminais	1,822	1,974	2,081
Finasa Promotora de Vendas	53	121	203
Promovel Empreendimentos e Serviços ⁽³⁾	68		

PAB (Corporate Site Branch), PAA (Advanced Service Branch) and PAE (Electronic Banking Branch).

(1) The BEM Branches were incorporated on October 25, 2004; 29 Branches were integrated under the Bradesco flag; 12 PAAs were converted into Branches; 15 PABs and 3 PAEs were transferred to Bradesco and 2 PAEs converted into PABs;

(2) 211 ATM machines of Banco BEM are not included; and

(3) Merged into Finasa Promotora de Vendas in November 2004

Customer Service Network Branches

Client/Branch Ratio thousand

Bradesco and Market Share

Region/State	June 2004			June 2005		
	Bradesco	Total banks in market (1)	Market share (%)	Bradesco	Total banks in market (1)	Market share (%)
North						
Acre	5	31	16.1	5	32	15.6
Amazonas	59	133	44.4	58	134	43.3
Amapá	4	19	21.1	4	24	16.7
Pará	50	267	18.7	49	277	17.7
Rondônia	18	88	20.5	18	88	20.5
Roraima	2	17	11.8	2	17	11.8
Tocantins	13	95	13.7	13	84	15.5
Total	151	650	23.2	149	656	22.7
Northeast						
Alagoas	12	122	9.8	11	125	8.8
Bahia	232	740	31.4	209	733	28.5
Ceará	29	358	8.1	29	363	8.0
Maranhão	102 ⁽²⁾	254	40.2	67	226	29.6
Paraíba	17	168	10.1	17	174	9.8
Pernambuco	65	462	14.1	63	475	13.3
Piauí	10	113	8.8	8	115	7.0
Rio Grande do Norte	14	136	10.3	13	143	9.1
Sergipe	13	152	8.6	12	158	7.6
Total	494	2,505	19.7	429	2,512	17.1
Central West						
Distrito Federal	33	291	11.3	30	304	9.9
Goiás	107	549	19.5	106	550	19.3
Mato Grosso	61	234	26.1	62	241	25.7
Mato Grosso do Sul	56	222	25.2	56	224	25.0
Total	257	1,296	19.8	254	1,319	19.3
Southeast						
Espírito Santo	40	315	12.7	40	328	12.2
Minas Gerais	286	1,889	15.1	276	1,833	15.1
Rio de Janeiro	272 ⁽³⁾	1,668	16.3	257 ⁽³⁾	1,645	15.6
São Paulo	1,106	5,508	20.1	1,072	5,609	19.1
Total	1,704	9,380	18.2	1,645	9,415	17.5
South						
Paraná	178	1,248	14.3	171	1,263	13.5

Edgar Filing: BANK BRADESCO - Form 6-K

Rio Grande do Sul	161	1,388	11.6	157	1,412	11.1
Santa Catarina	109	815	13.4	108	830	13.0
Total	448	3,451	13.0	436	3,505	12.4
Total	3,054	17,282	17.7	2,913	17,407	16.7

(1) Source: UNICAD Information on Entities of Interest to the Brazilian Central Bank June 2005.

(2) Includes 76 Banco BEM's branches.

(3) Includes one Banco Finasa's branch.

Customer Service Network (Branches) Market Share

Bradesco Day and Night Customer Service Channels

In addition to the Branch Network, Bradesco's clients are able to consult their banking transactions, carry out financial transactions and purchase products and services available via state-of-the-art technology through the following alternative channels: Self-Service (Auto-Atendimento), Easy Phone (Fone Fácil) and Internet Banking.

Bradesco Day and Night ATM Network

This ATM network is strategically distributed in strategic points throughout Brazil, with 22,247 machines as of 6.30.2005.

Bradesco ATM Network Distribution Monthly Productivity 1H05

Increase in Transactions in thousands

Financial Volume R\$ millionATM Network Highlights

Items	2004			2005		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Cash withdrawal transactions (million)	101.1	103.4	204.5	107.5	109.1	216.6
Deposit transactions (million)	47.9	48.7	96.6	47.2	48.5	95.7

Items	2004		2005	
	March	June	March	June
Banking service outlets (nationwide network)	6,628	6,783	7,033	7,155
Outplaced terminals (excluding branches, PABs and PAEs)	1,752	1,822	1,974	2,081

Highlights for the 1H05

846.4 million transactions carried out, a 6.7% increase compared to the same period of 2004, comprising a daily average of 4.8 million;

Traded financial volume totaled R\$ 107.5 billion, up 9.9% compared to same period last year, comprising a daily average of R\$ 616.9 million;

Instant Personal Loan transactions recorded growth of 37.8% in quantity and 49.5% in financial volume, as compared to the 1H04;

Bradesco Day and Night Fone Fácil (Easy Phone Service)

Nationwide 24-hour call-center access, 7 days a week, with Electronic Voice-Response (EVR) technology and personalized calls.

Personalized calls are routed via Bradesco's Data and Voice Network to call centers sites in São Paulo Santa Cecília and Osasco (Headquarters).

116

Number of Calls in millions

Number of Transactions in thousands

Financial Volume R\$ million

Highlights for the 1H05

Implementation of Single Number 4002-0022 unification of phone numbers making available access to Fone Fácil (Easy Phone);

In 1H05, 131.8 million calls were received, which means a higher volume of 11.4% compared to same period of 2004.

Implementation of New Electronic Services: personal loan; information about the best day to purchase with credit card; information about consortium (quota, general meetings and bid).

Bradesco Day and Night Internet Banking

Bradesco Day and Night Internet Banking Bradesco Day and Night manages a Portal which contains links to 40 related websites, 27 of which are institutional and 13 are transactional. Since it was first launched, Bradesco Internet Banking has focused on providing the largest number of online services as possible to its clients.

Bradesco Internet Banking currently offers its clients 582 different services, of which 337 for individuals and 245 for corporate clients, which can be accessed around-the-clock, seven days a week from anywhere. The figures evidence the enormous potential of the Internet.

Internet Banking thousands of registered users

Transactions in thousands (*)

(*) Via Internet Banking, ShopInvest, Cards, ShopCredit, Net Empresa and Net Empresa WebTA (Web File Transmission).

Financial Volume R\$ million (*)

(*) Via Internet Banking, ShopInvest, Cards, ShopCredit, Net Empresa and Net Empresa WebTA (Web File Transmission).

119

Services	Transactions 1H05
Bradesco Internet Banking (www.bradesco.com.br)	6.6 million registered users on 6.30.2005; 144.3 million transactions carried out.
ShopInvest Bradesco (www.shopinvest.com.br)	1.071 thousand registered users on 6.30.2005; 554.9 thousand transactions carried out.
ShopCredit (www.shopcredit.com.br)	7.9 million transactions/operations carried out.
Bradesco Net Empresa (www.bradesco.com.br)	321.619 registered companies on 6.30.2005. 14.0 million transactions/operations carried out.
Bradesco Cards (www.bradescocartoes.com.br)	11.0 million transactions carried out.
Net Empresa WebTA (Web File Transmission)	86.5 million transactions/operations carried out.

Highlights for 1H05

Bradesco won the survey conducted by Infoexame magazine 100 Top E-Commerce Companies;

Revista Executivos Financeiros (Financial Executives Magazine) e Finance 2005 Award: Best Individuals website: Bradesco; Best Means of Payment System: Bradesco e-commerce; Best Data and Image Transfer Project; Bradesco Net Empresa WebTA; Best Consortium Purchase Plan website: Bradesco Consórcios and Best Loan website: Bradesco ShopCredit;

iBest 2005 Award Banks category: Bradesco website; Financial Services category: Bradesco Cartões (cards)website; iBest Regional SP category: Bradesco website;

Implementation of Bradesco Security Key Project Electronic (Token) and Card (TanCode);

New websites: Bradesco Prime; Bradesco Internet Banking; Shopinvest Institucional and Bradesco Universitários;

Implementation of new service via the Internet: regularization of debts; stocks public offering and scheduling of investments consulting;

Online service on Cidadetran website;

New Bradesco Net Express;

New Infoemail Bradesco and Cards.

Banco Postal

Banco Postal is the trade name and brand through which Bradesco offers its products and services in all of Brazil's municipalities, in partnership with the Brazilian Postal and Telegraph Company ECT. This service was introduced in Brazil with a view to promoting the inclusion of millions of Brazilians, who due to distance or income non-availability, were excluded from basic banking services.

Banco Postal was created to supplement the Financial System, enabling service mainly to low income population, at their own locations. It plays an important role as agent of social-economic development, enabling that funds circulate at local governments, fomenting the local savings.

In 2Q05, Banco Postal achieved 5,403 units implemented and more than 3.8 million opened checking accounts, in less than three years of activities.

Number of Transactions Made in thousands

Investments in Infrastructure, Information Technology and Telecommunications

The investments for expanding the capacity of infrastructure, IT and telecommunications at Bradesco Organization are designed to maintain a modern, practical and secure customer service network, characterizing the Bank as one of the world's most contemporary companies and creating added value for its clients and users at home and abroad.

Investments

	R\$ million					
	Years					1 st Half
	2000	2001	2002	2003	2004	2005
Infrastructure	227	509	613	469	230	115
IT/Telecommunications	617	743	947	1,225	1,302	583
Total	844	1,252	1,560	1,694	1,532	698

Risk Management and Compliance

Credit Risks, Operating Risks, Market Risks, Internal Controls and Compliance

Activity and Structure

Risk management is becoming increasingly important, not only as a result of the global economy but also because of the most complex services and products provided to communities. Accordingly, Bradesco is constantly enhancing its risk management related activities in the pursuit to incorporate best international practices.

At Bradesco, risk management is seen as a competitive advantage, which adds value to the Bradesco Brand, since it provides the support required by the business areas for planning their activities, ensuring that resources are optimized and capital is allocated to the benefit of stockholders and society as a whole.

Accordingly, Bradesco has been providing important incentives over the years to its technical staff training programs, in particular regarding the professional qualification of those involved in the control and of risk management. The Department relies on an employee certified by GARP (Global Association of Risk Professionals) as financial risk manager, which consists of an internationally recognized exam for risk management professionals.

Aware that integrated risk management provides a competitive edge to activities, Bradesco established the Risk Management Department in July 1998 which, subsequent to the incorporation of compliance duties in March 2002, became the Risk Management and Compliance Department – DGRC. In July 2003, the department gained a statutory department director, aggregating the activities related to credit risk and other initiatives already in place in other areas of the Organization. The department became structured to perform the integrated management of loan, market, and operating risks, besides the compliance duties (comprising money laundering prevention, internal controls, information security, validation of transactions and Brazilian Payments System risks).

Organizational Structure of the Risk Management and Compliance Department:

The structure of the Risk Management and Compliance Department is designed not only to guarantee its independence, but also to place greater focus on these important value-added activities, demonstrating the Organization's commitment to the implementation of best corporate governance practices. Every effort is made to invest in and build its risk management capabilities. This is due to the fact that, as well as its own banking activities, Bradesco is extending risk analysis procedures to cover its equity related companies, such as BRAM Bradesco Asset Management and all the insurance companies (Life, Private Pension Plans, Health, Savings Bonds and others), referring to market and actuarial risks, consolidating a single risk management culture throughout the Organization.

The Risk Management and Compliance Department is also responsible for coordinating compliance with the regulations to be issued by the Brazilian Central Bank, complementing Notice 12,746 as regards the New Capital Accord (Basel II) introduced by the Basel Committee in June 2004, and also the provisions of Section 404 of the Sarbanes-Oxley Act.

Risk Management Process

Bradesco adopts a comprehensive and integrated approach for managing all risks inherent to its activities, based on the support from its Internal Controls and Compliance structure. This integrated

view allows the improvement of its risk management models, filling possible gaps, which could jeopardize the correct identification and assessment of risks.

Credit Risk Management

As part of its Credit Risk Management improvement process, Bradesco is working uninterruptedly to improve the procedures for gathering and controlling portfolio information, developing new loss estimation models to examine and prepare the rating inventories used in the different sectors where the Bank operates, follow-up of credit analysis, granting and settlement processes, monitoring credit concentration and identifying the causes of default and prepare risk mitigation strategies.

Efforts are focused on the adoption of advanced and robust models which are used to assess the risks inherent to all the components of the loan process, in line with best practices, as well as the recommendations of the most advanced models comprising the New Basel Capital Accord.

An important instrument settled in 2004 is the Executive Credit Risk Committee, which takes place monthly with the

participation of senior management, focusing on assuring the strategic management of the Organization's loan portfolio.

123

The following efforts, among others, are pointed out:

- implementation of expected and unexpected losses calculation system, besides of the allocation of the corresponding capital in Compliance with the New Basel Accord's requirements;
- backtesting of the models used for measuring loan portfolio's risks.
- optimization of the manageable IT systems in order to meet the current approach of department and customers segmentation, emphasizing decision-making and loan portfolio's management. follow-up of critical risks: periodical monitoring of the main events of default, by means of individual analysis based on the evolution of clients' balances and recovery estimates by main areas involved (Business, Loan and Recovery); and
- continuous review and restructuring of the internal processes, involving roles and responsibilities, qualification, organizational structures review and IT demands.

Operating Risk Management

Operating risks are those which could occur as a result of the interruption of business, system failures, errors, omission, fraud or external events in the Bank's various activities, affecting both customers and the Institution.

Operating risk management at Bradesco is based on the application of its own processes, methodologies and tools enabling, among other benefits, a decrease in unsubscribed regulatory capital and potential operating loss events. This concept includes the dissemination of risk management culture at different levels, disclosure of its corporate policies and the establishment of ongoing monitoring procedures of exposure levels.

The Organization has prepared an action plan designed to achieve full compliance with the 10 principles of Good Operating-Risk-Management Practices and the New Capital Accord, established by the Basel Committee and to meet Brazilian Central Bank regulatory requirements.

In line with the definition and development of the methodology and accounting and management criteria used for managing operating risk, the area has implemented a specific management system for streamlining this information, aiming at monitoring and properly understanding operating loss events, facilitating an in-depth assessment, based on either management or accounting controls.

Considering its important status in the Brazilian financial scenario, the Bradesco Organization has established as its operating risk management goal the Advanced Model Approach, as defined by the Basel Committee. The efficient use of this model will require less allocation of capital and increase its competitive advantage, as a result of improved operating efficiency and decreased loss events.

The mitigation of operating risk is considered as a key objective for improving efficiency and business quality.

Market Risk Management

Market risk is related to the possibility of the loss of income from fluctuating rates caused by mismatched maturities, currencies and indices of the Institution's asset and liability portfolios. This risk has been accompanied by growing strictness by the market, with significant technical evolvement over the past years, with a view to avoiding, or at least, minimizing, eventual losses to institutions, due to higher complexity in operations carried out domestically and internationally.

At Bradesco, market risks are managed through methodologies and models which are consistent with local and international market realities, ensuring that the Organization's strategic decisions are implemented with speed and a high level of reliability.

The Organization adopts a conservative policy regarding market risk exposure; VaR (Value at Risk) limits are defined by Senior Management, and compliance therewith is daily monitored by an independent area to the portfolio management. The methodology used to determine VaR has a reliability level of 97.5% . The volatilities and correlations used by the models are calculated on a statistical basis and used in processes based on future prospects in accordance with economic studies. The methodology applied and current statistical models are validated daily using backtesting techniques.

As from March 2005, VaR started to include positions abroad (previously followed-up on an independent basis), thus, consolidating the market risk. In the chart below, we show Global VaR positions (Treasury, position in Brazil and abroad, and Trade Portfolio). In order to allow comparisons, the calculation for June, September and December 2004 was retroactive.

Risk Factors	R\$ thousand	
	2004	2005

	June	September	December	March	June
Pre-fixed	13,561	4,661	11,697	8,806	18,621
IGP-M	9,821	7,962	4,086	3,420	4,432
TR	8,105	4,012	4,168	5,226	3,297
Exchange coupon	52,859	13,291	17,947	33,051	11,673
Foreign currency	2,108	2,572	195	9,699	3,100
Variable income			339	839	773
Brady Bonds / Treasury (USA)	68,838	29,973	21,983	57,844	30,361
Other	1,948	722	699	810	436
Correlated effect	(31,868)	(18,139)	(20,367)	(41,466)	(24,862)
VaR	125,372	45,054	40,747	78,229	47,831

Investments abroad protected by hedge operations are not considered in the VaR calculation, since these are strategically managed on a different basis, with amounts taking into account the tax effects, which minimize the sensitivity to risks and corresponding impacts on results, as well as foreign securities positions, which are funding-matched.

Besides the follow-up and control via VaR, a Gap Analysis is made daily, which measures the effect on domestic interest rate curve portfolio and exchange coupon curve (differential of interest paid above the exchange variation), as well as possible impacts on stress scenarios positions are periodically assessed.

Complementing the market risk monitoring, control and management structure and in accordance with Central Bank regulations, a daily verification is made of the values a