

BANK BRADESCO
Form 20-F
April 30, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 20-F

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2011

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 1-15250

OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

BANCO BRADESCO S.A.
(Exact name of Registrant as specified in its charter)
BANK BRADESCO
(Translation of Registrant's name into English)

Federative Republic of Brazil
(Jurisdiction of incorporation or organization)

Cidade de Deus S/N - Vila Yara - 06029-900 - Osasco - SP, Brazil
(Address of principal executive offices)

Luiz Carlos Angelotti (Managing Officer and Investor Relations Officer),
E-mail: 4000.luiz@bradesco.com.br
Telephone: +55 11 3684-4011
Cidade de Deus S/N - Vila Yara, 06029-900 - Osasco - SP, Brazil
(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
American Depositary Shares, or ADSs (evidenced by American Depositary Receipts, or ADRs), each representing 1 preferred share	New York Stock Exchange
Preferred Shares	New York Stock Exchange*
American Depositary Shares, or ADSs (evidenced by American Depositary Receipts, or ADRs)	New York Stock Exchange

Depository Receipts, or ADRs), each representing 1
common share
Common Shares

New York Stock Exchange*

* Not for trading, but only in connection with the registration of ADSs pursuant to the requirements of the SEC.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None.

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None.

Number of outstanding shares of each of the issuer's classes of capital or common stock as of December 31, 2011:

1,909,910,390	Common Shares, without par value
1,907,930,791	Preferred Shares, without par value

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act:

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If "Other" has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this annual report, the terms "Bradesco," the "Company," the "Organization," the "Bank," "we" or "us" refer to Banco Bradesco S.A., a *sociedade anônima* organized under the laws of Brazil and, unless the context otherwise requires, its consolidated subsidiaries. We are a full-service financial institution providing, directly or through our subsidiaries, a full range of banking, financial, purchasing consortium management, asset management, insurance, investment banking, pension plan (or pension) and capitalization bond services for all segments of the Brazilian market. Our operations are based primarily in Brazil.

All references herein to "*real*," "*reais*" or "R\$" are to the Brazilian real, the official currency of Brazil. References herein to "U.S. dollars," "dollar" and "US\$" are to United States dollars, the official currency of the United States of America ("USA").

Our audited consolidated financial statements as of and for the years ended December 31, 2011, 2010 and 2009, with the corresponding notes, are included under "Item 18. Financial Statements" of this annual report and were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board or "IASB" (referred to as "IFRS").

This is the first time Bradesco is filing consolidated financial statements with the United States Securities and Exchange Commission, or "SEC" using IFRS as issued by the IASB. Until December 31, 2010, our consolidated financial statements were prepared in accordance with the United States generally accepted accounting principles or "U.S. GAAP." U.S. GAAP differs in certain respects from IFRS.

In the transition to IFRS, Bradesco chose to use accounting practices adopted in Brazil for institutions authorized to operate by the Brazilian Central Bank, or "BR GAAP", as its previous accounting rules for the purposes of transition to IFRS. Accordingly, note 46 of the consolidated financial statements show the differences between BR GAAP and IFRS on equity on the date of transition to IFRS, January 1, 2009, as well as on December 31, 2009, and the effects on our result for the year ended December 31, 2009.

The consolidated IFRS financial statements as of and for the year ended December 31, 2011 presented herewith have recognition, measurement and presentation differences with respect to U.S. GAAP financial statements we had historically filed with the SEC. As required by SEC regulations, we present reconciliations of the differences between U.S. GAAP and IFRS affecting equity and net income including a narrative description of its nature in Note 47 to the consolidated financial statements.

The last consolidated financial statements available under U.S. GAAP, which were filed with the SEC, were those for the year ended December 31, 2010.

For certain purposes, such as reports for Brazilian shareholders, filings with the Brazilian Securities and Exchange Commission or "CVM", and determining dividend and federal income tax payments, we use

originally accounting practices adopted in Brazil for financial institutions authorized to operate by the Central Bank.

On April 20, 2012, the real U.S. dollar exchange rate was R\$1.8786 per US\$1.00 based on the closing selling exchange rate reported by Brazilian Central Bank (Banco Central do Brasil), or the "Central Bank." The selling exchange rate as of December 31, 2011 was R\$1.8758 per US\$1.00. See "Item 3.A. Selected Financial Data - Exchange Rate Information" for more information regarding the exchange rates applicable to the Brazilian currency since 2007.

As a result of recent fluctuations in the *real*/U.S. dollar exchange rate, the closing selling commercial exchange rate at April 20, 2012 or at any other date may not be indicative of current or future exchange rates.

Some data related to economic sectors presented in this annual report was obtained from the following sources: *Associação Brasileira das Empresas de Cartão de Crédito e Serviços* (Brazilian Association of Credit Card Companies and Services) or ABECS; *Associação Brasileira de Empresas de Leasing* (Brazilian Association of Leasing Companies) or ABEL; *Associação Brasileira das Entidades dos Mercados de Financeiros e de Capitais* (Brazilian Association of Financial and Capital Markets Entities) or ANBIMA; *Agência Nacional de Saúde Suplementar* (Brazilian Health Insurance Authority) or ANS; *Banco Central do Brasil* (Central Bank), or BACEN; *Banco Nacional de Desenvolvimento Econômico e Social* (Brazilian Development Bank) or BNDES; *Federação Nacional de Previdência Privada e Vida* (National Association of Private Pension Plans) or FENAPREVI; *Fundação Getulio Vargas* (Getulio Vargas Foundation) or FGV and *Superintendência de Seguros Privados* (Private Insurance Superintendence) or SUSEP. We believe these sources are reliable, but we cannot take responsibility for the accuracy of this data.

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Certain figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

References in this annual report to the "common shares" and "preferred shares" are to our common shares and preferred shares, respectively, and together our "shares." References to "American Depositary Shares" or "ADSs" are to American Depositary Shares, each representing one (1) preferred share. The ADSs are evidenced by American Depositary Receipts, or ADRs, issued pursuant to an Amended and Restated Deposit Agreement, dated as of July 22, 2009, by and among us, The Bank of New York Mellon, as depositary, and the holders and beneficial owners of ADSs evidenced by ADRs issued thereunder (the "Deposit Agreement").

On March 13, 2012, we established an American Depositary Shares program for our common shares, with each common share ADS representing one common share, referred to as the "common share ADSs." The common share ADSs are evidenced by "common share ADRs," issued pursuant to a Deposit Agreement, dated as of March 13, 2012 by and among us, The Bank of New York Mellon, as depositary, and the holders and beneficial owners of common share ADSs evidenced by common share ADRs issued

thereunder (the "Common Share Deposit Agreement" and together with the Deposit Agreement, the "Deposit Agreements").

Unless indicated otherwise, references herein to American Depositary Shares, ADSs, American Depositary Receipts and ADRs refer only to those represented by our preferred shares.

Throughout this annual report we may indicate that certain information is available at different websites operated by us. You should note that none of the information on the websites referred to or mentioned in this annual report is part of this annual report or is incorporated by reference herein.

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FORWARD LOOKING STATEMENTS

This annual report contains forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or "Securities Act," and Section 21E of the Securities Exchange Act of 1934, as amended, or "Exchange Act." These statements are based mainly on our current expectations and projections of future events and financial trends that currently affect or might affect our business. In addition to the items discussed in other sections of this annual report, there are many significant factors that could cause our financial condition and results of operation to differ materially from those set out in our forward-looking statements, including, but not limited to, the following:

- global economic conditions;
- economic, political and business conditions in Brazil and the markets in which we operate;
- risks of lending, credit, investments and other activities;
- our level of capitalization;
- cost and availability of funds;
- higher levels of delinquency by borrowers and other delinquency events leading to higher impairment of loans and advances;
- loss of customers or other sources of income;
- our ability to execute our investment strategies and plans as well as to maintain and improve our operating performance;
- our revenues from new products and businesses;
- adverse claims or legal or regulatory disputes or proceedings;
- inflation, depreciation of the *real* and/or fluctuations in the interest rate, which could adversely affect our margins;
- conditions of competition in the banking and financial services, credit card, asset management, insurance and related sectors;
- the market value of securities, particularly Brazilian government securities; and
- changes by the Central Bank and others in laws and regulations, applicable to us and our activities, including, but not limited to, those affecting tax issues.

Words such as "believe," "expect," "continue," "understand," "estimate," "will," "may," "anticipate," "should," "intend," and other similar expressions are intended to identify forward looking statements. These statements refer only to the date on which they were made, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or any other event.

In light of these risks and uncertainties, the forward looking statements, events and circumstances discussed in this annual report may not be accurate, and our actual results and performance could differ materially from those anticipated in our forward-looking statements. Investors should not make investment decisions based solely on the forward-looking statements in this annual report.

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PART I

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

Not applicable.

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

Not applicable.

ITEM 3. KEY INFORMATION

3.A. Selected Financial Data

We present below our selected financial data prepared in accordance with IFRS as of and for the years ended December 31, 2011, 2010 and 2009. The data as of and for the years ended December 31, 2010 and 2009, is derived from our consolidated financial statements which were audited by PricewaterhouseCoopers Auditores Independentes, an independent registered public accounting firm, as stated in their report included in this annual report. The data for the year ended December 31, 2011 is derived from our consolidated financial statements, which were audited by KPMG Auditores Independentes, an independent registered public accounting firm, as stated in their report included in this annual report. For more details of our changing independent auditors, see "Item 16.F. Change in Registrant Certifying Accountant."

The following selected financial data should be read together with the "Presentation of Financial and Other Information" and "Item 5. Operating and Financial Review and Prospects."

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Selected Financial Data according to IFRS

Year ended December 31,	US\$ in	R\$ in thousands		
	thousands ⁽¹⁾	2011	2010	2009
Data from the Consolidated Statement of Income				
Interest and similar income	43,845,029	82,367,272	63,772,183	55,165,229
Interest and similar expenses	(24,888,739)	(46,755,986)	(31,000,892)	(27,974,717)
Net interest income	18,956,290	35,611,286	32,771,291	27,190,512
Fee and commission income	5,785,325	10,868,311	9,421,485	7,866,601
Fee and commission expenses	(18,087)	(33,978)	(26,947)	(19,219)
Net fee and commission income	5,767,238	10,834,333	9,394,538	7,847,382
Net gains/(losses) on financial instruments classified as held for trading	(323,789)	(608,270)	2,212,733	5,983,781
Net gains/(losses) on financial assets classified as available for sale	194,454	365,302	754,416	757,255
Net gains/(losses) of foreign currency transactions	1,397,750	2,625,813	(682,961)	(897,638)
Income from insurance and pension plans	1,637,483	3,076,175	2,577,730	1,778,016
Impairment of loans and advances	(4,416,135)	(8,296,151)	(5,756,125)	(10,809,611)
Personnel expenses	(5,935,787)	(11,150,970)	(8,794,017)	(7,334,164)
Other administrative expenses	(6,109,408)	(11,477,134)	(9,761,445)	(8,138,058)
Depreciation and amortization	(1,128,678)	(2,120,335)	(1,966,433)	(1,516,529)
Other operating income/(expenses)	(2,586,342)	(4,858,702)	(6,002,663)	(3,024,640)
Income before income taxes and equity in the earnings of associates	7,453,075	14,001,347	14,747,064	11,836,306
Equity in the earnings of associates	363,101	682,122	577,053	728,867
Income before income t				