

BANK BRADESCO
Form 6-K
July 29, 2013

**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 July, 2013
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

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Bradesco _____

Forward-Looking Statements

This Report on Economic and Financial Analysis contains forward-looking statements relating to our business. Such statements are based on management's current expectations, estimates and projections about future events and financial trends, which could affect our business. Words such as: "believes," "anticipates," "plans," "expects," "intends," "aims," "evaluates," "predicts," "foresees," "projects," "guidelines," "should" similar expressions are intended to identify forward-looking statements. These statements, however, do not guarantee future performance and involve risks and uncertainties, which could be beyond our control. Furthermore, certain forward-looking statements are based on assumptions that, depending on future events, may prove to be inaccurate. Therefore, actual results may differ materially from the plans, objectives, expectations, projections and intentions expressed or implied in such statements.

Factors which could modify actual results include, among others, changes in regional, national and international commercial and economic conditions; inflation rates; increase in customer delinquency on the account of borrowers in loan operations, with the consequent increase in the allowance for loan losses; loss of funding capacity; loss of customers or revenues; our capacity to sustain and improve performance; changes in interest rates which could, among other events, adversely affect our margins; competition in the banking sector, financial services, credit card services, insurance, asset management and other related sectors; government regulations and fiscal matters; disputes or adverse legal proceedings or rulings; as well as credit risks and other loan and investment activity risks.

Accordingly, the reader should not rely excessively on these forward-looking statements. These statements are valid only as of the date they were prepared. Except as required under applicable legislation, we assume no obligation whatsoever to update these statements, whether as a result of new information, future events or for any other reason.

Few numbers of this Report were submitted to rounding adjustments.

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

Report on Economic and Financial Analysis – June 2013

Press Release

Highlights

The main figures of Bradesco in the first half of 2013 are presented below:

1. Adjusted Net Income⁽¹⁾ for the first half of 2013 stood at R\$5.921 billion (a 3.7% increase compared to the R\$5.712 billion recorded in the same period of the previous year), corresponding to earnings per share of R\$2.79 in the last 12 months, and Return on Average Adjusted Shareholders' Equity⁽²⁾ of 18.8%.
2. Adjusted Net Income is composed of R\$4.060 billion from financial activities, representing 68.6% of the total, and R\$1.861 billion from insurance, pension plan and capitalization bond operations, which accounted for 31.4%.
3. On June 30, 2013, Bradesco's market capitalization stood at R\$124.716 billion⁽³⁾, up 18.9% over the same period in 2012. As of May 2013, Bradesco common shares compose the Ibovespa index.
4. Total Assets stood at R\$896.697 billion in June 2013, an 8.0% increase over the same period in 2012. Return on Total Average Assets was 1.3%.
5. The Expanded Loan Portfolio⁽⁴⁾ stood at R\$402.517 billion in June 2013, up 10.3% during the same period in 2012. Operations with individuals totaled R\$123.562 billion (up 10.1% from June 2012), while operations with companies totaled R\$278.955 billion (up 10.4% from June 2012).
6. Assets under Management stood at R\$1.234 trillion, a 9.1% increase from June 2012.
7. Shareholders' Equity stood at R\$66.028 billion in June 2013, up 3.3% from June 2012. Capital Adequacy Ratio stood at 15.4% in June 2013,
9. Interest Financial Margin stood at R\$21.078 billion, up 1.6% in comparison with the first half of 2012.
10. The Delinquency Ratio over 90 days dropped 0.5 p.p. in the last 12 months and stood at 3.7% on June 30, 2013 (4.2% on June 30, 2012).
11. The Efficiency Ratio⁽⁵⁾ improved by 0.6 p.p. (from 42.4% in June 2012 to 41.8% in June 2013), and the "adjusted-to-risk" efficiency ratio stood at 52.6% (53.1% in June 2012).
12. Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income totaled R\$24.191 billion in the first half of 2013, up 15.3% over 2012. Technical Reserves stood at R\$131.819 billion, up 17.9% from June 2012.
13. Investments in infrastructure, information technology and telecommunications amounted to R\$2.296 billion in the first half of 2013, up 15.6% over the same period in 2012.
14. Taxes and contributions, including social security, paid or recorded in provision, amounted to R\$12.991 billion in the first half, of which R\$4.894 billion referred to taxes withheld and collected from third parties and R\$8.097 billion from Bradesco Organization activities, equivalent to 136.8% of Adjusted Net Income ⁽¹⁾.
15. Bradesco has an extensive customer service network in Brazil, with 4,692 Branches and 3,795 Service Branches - PAs. Customers can also use 1,454 PAEs – ATMs (Automatic Teller Machines) in companies, 44,819 Bradesco *Expresso* service points, 34,322 Bradesco *Dia & Noite* ATMs and 13,650 ATMs.

11.6% of which fell under Tier I Capital.

8. Interest on Shareholders' Equity were paid and recorded in provision to shareholders in the amount of R\$2.066 billion for the first half of 2013, R\$1.305 billion of which was paid as monthly and interim interest and R\$761 million was recorded in provision.

(1) According to non-recurring events described on page 8 of this Report on Economic and Financial Analysis; (2) Excludes mark-to-market effect of available-for-sale securities recorded under Shareholders' Equity; (3) Number of shares (excluding treasury shares) x closing price for common and preferred shares on the last trading day of the period; (4) Includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments, and operations bearing credit risk – commercial portfolio, which includes debentures and promissory notes; and (5) In the last 12 months.

— Report on Economic and Financial Analysis – June 2013

Highlights

16. Payroll, plus charges and benefits, totaled R\$5.316 billion. Social benefits provided to the 101,951 employees of the Bradesco Organization and their dependents amounted to R\$1.311 billion, while investments in training and development programs totaled R\$39.062 million.

17. Major Awards and Acknowledgments in the period:

- Bradesco stands out as the best ranked Brazilian private financial institution, according to the American magazine *Fortune*, which publishes a list of the world's 500 largest companies;
- It was recognized the Best Bank in Brazil, in the 2013 Euromoney Awards for Excellence, conducted by the British magazine *Euromoney*;
- Bradesco is the most valuable brand in Latin America, according to Millward Brown consulting firm;
- Bradesco was granted the 2012 Publicly-Held Company award, promoted by Apimec. It recognizes companies that have invested in long-term relationship and open dialog with investors;
- It stood out in the *Melhores e Maiores* yearbook in the 2013 edition: ranked first among the 200 Largest Groups in terms of Net Revenue in 2012 and the 10 Largest Banks in terms of Net Income in 2012, in addition to ranking first among financial institutions in terms of loans to medium-sized companies and credit card issues. In the Insurance segment, Grupo Bradesco Seguros e Previdência was ranked in three positions among the ten largest insurance companies in the country with Bradesco Saúde, to which was granted the first place,

- One of the best companies to start the career, according to *Guia Você S/A*, in partnership with the Administration Institute Foundation – FIA and Cia. de Talentos); and

- BRAM – Bradesco Asset Management was considered one of the best fund managers of Brazil and also the best equities manager in the country, according to *ValorInveste* magazine / *Valor Econômico* newspaper.

18. With regards to sustainability, Bradesco divides its actions into three pillars: (i) Sustainable Finances, focused on banking inclusion, social and environmental variables for loan approvals and product offerings; (ii) Responsible Management, focused on valuing professionals, improving the workplace and adopting eco-efficient practices; and (iii) Social and Environmental Investments, focused on education, the environment, culture and sports. In this area, we point out Fundação Bradesco, which has a 56-year history of extensive social and educational work, with 40 schools in Brazil. In 2013, an estimated budget of R\$460.961 million will benefit 106,843 students in its schools, in Basic Education (from Kindergarten to High School and Vocational Training - High School Level), Education for Youth and Adults; and Preliminary and Continuing Qualification focused on the creation of jobs and generation of income. The nearly 47 thousand students in Basic Education are guaranteed free, quality education, uniforms, school supplies, meals and medical and dental assistance. Fundação Bradesco will also assist another 350,000 students through its distance learning programs, found at its e-learning portal "Virtual School." These students will complete at least one of the many courses offered by the Virtual School. Furthermore, another 68,323 people will benefit from projects and

Bradesco Vida e Previdência and Bradesco Auto/RE, according to the *Exame* magazine);

actions in partnerships with CIDs - Digital Inclusion Centers, the Educa+Ação Program and Technology courses (*Educar e Aprender*– Educate and Learn).

- It is among the 100 largest world companies in market capitalization, according to the consulting firm PricewaterhouseCoopers;

Bradesco _____

Press Release

Main Information

| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Income Statement for the Period - R\$ million | | | | | | |
| Book Net Income | 2,949 | 2,919 | 2,893 | 2,862 | 2,833 | 2,803 |
| Adjusted Net Income | 2,978 | 2,943 | 2,918 | 2,893 | 2,867 | 2,837 |
| Total Financial Margin | 10,587 | 10,706 | 11,109 | 10,955 | 11,034 | 11,113 |
| Gross Loan Financial Margin | 7,634 | 7,414 | 7,527 | 7,460 | 7,362 | 7,245 |
| Net Loan Financial Margin | 4,540 | 4,305 | 4,317 | 4,157 | 3,955 | 3,723 |
| Allowance for Loan Losses (ALL) Expenses | (3,094) | (3,109) | (3,210) | (3,303) | (3,407) | (3,510) |
| Fee and Commission Income | 4,983 | 4,599 | 4,675 | 4,438 | 4,281 | 4,126 |
| Administrative and Personnel Expenses | (6,769) | (6,514) | (6,897) | (6,684) | (6,488) | (6,283) |
| Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income | 13,238 | 10,953 | 13,216 | 10,104 | 11,570 | 12,905 |
| Statement of Financial Position - R\$ million | | | | | | |
| Total Assets | 896,697 | 894,467 | 879,092 | 856,288 | 830,520 | 788,611 |
| Securities | 309,027 | 300,600 | 315,487 | 319,537 | 322,507 | 299,000 |
| Loan Operations ⁽¹⁾ | 402,517 | 391,682 | 385,529 | 371,674 | 364,963 | 355,000 |
| - Individuals | 123,562 | 119,231 | 117,540 | 114,536 | 112,235 | 109,000 |
| - Corporate | 278,955 | 272,451 | 267,989 | 257,138 | 252,728 | 246,000 |
| Allowance for Loan Losses (ALL) | (21,455) | (21,359) | (21,299) | (20,915) | (20,682) | (20,450) |
| Total Deposits | 208,485 | 205,870 | 211,858 | 212,869 | 217,070 | 211,000 |
| Technical Reserves | 131,819 | 127,367 | 124,217 | 117,807 | 111,789 | 107,000 |
| Shareholders' Equity | 66,028 | 69,442 | 70,047 | 66,047 | 63,920 | 61,000 |
| Assets under Management | 1,233,546 | 1,243,170 | 1,225,228 | 1,172,008 | 1,130,504 | 1,080,000 |
| Performance Indicators (%) on Adjusted Net Income (unless otherwise stated) | | | | | | |
| Adjusted Net Income per Share - R\$ ^{(2) (3)} | 2.79 | 2.77 | 2.74 | 2.71 | 2.70 | 2.68 |
| Book Value per Common and Preferred Share - R\$ ⁽³⁾ | 15.72 | 16.54 | 16.68 | 15.73 | 15.22 | 14.85 |
| Annualized Return on Average Shareholders' Equity ^{(4) (5)} | 18.8 | 19.5 | 19.2 | 19.9 | 20.6 | 21.3 |
| Annualized Return on Average Assets ⁽⁵⁾ | 1.3 | 1.3 | 1.4 | 1.4 | 1.4 | 1.4 |
| Average Rate - Annualized (Adjusted Financial Margin / Total Average Assets - Purchase and Sale Commitments - Permanent Assets) | 7.2 | 7.3 | 7.6 | 7.6 | 7.9 | 8.2 |
| Fixed Assets Ratio - Total Consolidated | 17.3 | 16.5 | 16.9 | 19.0 | 18.2 | 17.5 |
| Combined Ratio - Insurance ⁽⁶⁾ | 85.5 | 86.0 | 86.6 | 86.5 | 85.0 | 84.5 |
| Efficiency Ratio (ER) ⁽²⁾ | 41.8 | 41.5 | 41.5 | 42.1 | 42.4 | 42.7 |
| Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) ⁽²⁾ | 69.6 | 67.7 | 66.5 | 64.4 | 63.2 | 62.0 |
| Market Capitalization - R\$ million ⁽⁷⁾ | 124,716 | 145,584 | 131,908 | 113,102 | 104,869 | 96,000 |
| Loan Portfolio Quality % ⁽⁸⁾ | | | | | | |
| ALL / Loan Portfolio | 7.0 | 7.2 | 7.3 | 7.4 | 7.4 | 7.4 |
| Non-Performing Loans (>60 days) ⁽⁹⁾ / Loan Portfolio | 4.6 | 4.9 | 5.0 | 5.1 | 5.1 | 5.1 |

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| | | | | | |
|---|-------|-------|-------|-------|-------|
| Delinquency Ratio (> 90 days ⁽⁹⁾ / Loan Portfolio) | 3.7 | 4.0 | 4.1 | 4.1 | 4.2 |
| Coverage Ratio (> 90 days ⁽⁹⁾) | 188.6 | 179.4 | 178.2 | 179.0 | 177.4 |
| Coverage Ratio (> 60 days ⁽⁹⁾) | 153.5 | 146.0 | 147.3 | 144.8 | 144.0 |
| Operating Limits % | | | | | |
| Capital Adequacy Ratio - Total Consolidated | 15.4 | 15.6 | 16.1 | 16.0 | 17.0 |
| - Tier I | 11.6 | 11.0 | 11.0 | 11.3 | 11.8 |
| - Tier II | 3.8 | 4.6 | 5.1 | 4.7 | 5.2 |

Report on Economic and Financial Analysis – June 2013

Main Information

| | Jun13 | Mar13 | Dec12 | Sept12 | Jun12 | Mar12 | Dec11 | Sept11 |
|---|---------|---------|---------|---------|---------|---------|---------|---------|
| Structural Information - Units | | | | | | | | |
| Service Points | 70,829 | 69,528 | 68,917 | 67,225 | 65,370 | 62,759 | 59,721 | 55,832 |
| - Branches | 4,692 | 4,687 | 4,686 | 4,665 | 4,650 | 4,636 | 4,634 | 3,945 |
| - PAs ⁽¹⁰⁾ | 3,795 | 3,786 | 3,781 | 3,774 | 3,243 | 2,986 | 2,962 | 2,990 |
| - PAEs ⁽¹⁰⁾ | 1,454 | 1,457 | 1,456 | 1,456 | 1,476 | 1,497 | 1,477 | 1,589 |
| - External Bradesco ATMs ⁽¹¹⁾ | 3,498 | 3,712 | 3,809 | 3,954 | 3,992 | 3,974 | 3,913 | 3,953 |
| - Banco24Horas Network ATMs ⁽¹¹⁾ | 11,154 | 10,966 | 10,818 | 10,464 | 10,459 | 10,583 | 10,753 | 10,815 |
| - Bradesco Expresso (Correspondent Banks) | 44,819 | 43,598 | 43,053 | 41,713 | 40,476 | 38,065 | 34,839 | 31,372 |
| - Bradesco Promotora de Vendas | 1,404 | 1,309 | 1,301 | 1,186 | 1,061 | 1,005 | 1,131 | 1,157 |
| - Branches / Subsidiaries Abroad | 13 | 13 | 13 | 13 | 13 | 13 | 12 | 11 |
| ATMs | 47,972 | 48,025 | 47,834 | 47,542 | 47,484 | 47,330 | 46,971 | 45,596 |
| - Bradesco Network | 34,322 | 34,719 | 34,859 | 35,128 | 35,226 | 35,007 | 34,516 | 33,217 |
| - Banco24Horas Network | 13,650 | 13,306 | 12,975 | 12,414 | 12,258 | 12,323 | 12,455 | 12,379 |
| Employees | 101,951 | 102,793 | 103,385 | 104,100 | 104,531 | 105,102 | 104,684 | 101,334 |
| Outsourced Employees and Interns | 12,647 | 13,070 | 12,939 | 13,013 | 12,661 | 12,659 | 11,699 | 10,731 |
| Customers - in millions | | | | | | | | |
| Active Checking Account Holders ⁽¹²⁾ ⁽¹³⁾ | 26.2 | 25.8 | 25.7 | 25.6 | 25.6 | 25.4 | 25.1 | 24.7 |
| Savings Accounts ⁽¹⁴⁾ | 47.7 | 46.6 | 48.6 | 48.3 | 45.2 | 41.3 | 43.4 | 40.6 |
| Insurance Group | 44.2 | 42.9 | 43.1 | 42.4 | 41.9 | 40.8 | 40.3 | 39.4 |
| - Policyholders | 38.4 | 37.1 | 37.3 | 36.7 | 36.3 | 35.4 | 35.0 | 34.3 |
| - Pension Plan Participants | 2.4 | 2.3 | 2.3 | 2.3 | 2.2 | 2.2 | 2.2 | 2.1 |
| - Capitalization Bond Customers | 3.4 | 3.5 | 3.5 | 3.4 | 3.4 | 3.2 | 3.1 | 3.0 |
| Bradesco Financiamentos ⁽¹²⁾ | 3.5 | 3.6 | 3.7 | 3.7 | 3.8 | 3.8 | 3.8 | 4.0 |

(1) Expanded Loan Portfolio: includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk – commercial portfolio, covering debentures and promissory notes;

(2) In the last 12 months;

(3) For comparison purposes, the shares were adjusted according to bonuses and stock splits;

(4) Excluding mark-to-market effect of available-for-sale securities recorded under shareholders' equity;

(5) Year-to-date adjusted net income;

(6) Excludes additional reserves;

- (7) Number of shares (excluding treasury shares) multiplied by the closing price of common and preferred shares on the period's last trading day;
- (8) As defined by the Brazilian Central Bank (Bacen);
- (9) Credits overdue;
- (10) PA (Service Branch): a result from the consolidation of PAB (Banking Service Branch), PAA (Advanced Service Branch) and Exchange Branches, according to CMN Resolution 4072/12; and PAE: ATM located in the premises of a company;
- (11) Including overlapping ATMs within the Bank's own network and the *Banco24Horas* network: 1,804 in June 2013; 1,914 in March 2013; 1,964 in December 2012; 2,039 in September 2012; 2,059 in June 2012; 2,050 in March 2012; 2,019 in December 2011 and 2,040 in September 2011;
- (12) Number of customers (Corporate/ Individual Taxpayer ID (CNPJ/CPF));
- (13) Refers to 1st and 2nd holders of checking accounts; and
- (14) Number of accounts.

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Press Release

Ratings

Main Ratings

| Feasibility | Support | Fitch Ratings | | | | Domestic Scale | | |
|--|-------------------------------------|----------------------------------|---------------------|---------------------------------|-----------------------|----------------------------|--------------------------|----------------------|
| | | International Scale | | Foreign Currency | | Domestic | | |
| | | Domestic Currency | | Long Term | Short Term | Long Term | Short Term | |
| a - | 2 | Long Term A - | Short Term F1 | Long Term BBB + | Short Term F2 | Long Term AAA (bra) | Short Term F1 + (bra) | |
| Moody's Investors Service | | | | | | R&I Inc. | | |
| Financial Strength / Individual Credit Risk Profile | International Scale | | | | Domestic Scale | International Scale | | |
| | Foreign Currency Senior Debt | Domestic Currency Deposit | | Foreign Currency Deposit | | Domestic Currency | | Issuer Rating |
| C - / baa1 | Long Term Baa1 | Long Term A3 | Short Term P - 2 | Long Term Baa2 | Short Term P-2 | Long Term Aaa.br | Short Term BR - 1 | BBB |
| Standard & Poor's | | | | Austin Rating | | | | |
| International Scale - Issuer's Credit Rating | | Domestic Scale | | Corporate Governance | Domestic Scale | | | |
| Foreign Currency | | Domestic Currency | | Issuer's Credit Rating | Long Term | Short Term | | |
| Long Term BBB | Short Term A - 2 | Long Term BBB | Short Term A - 2 | Long Term brAAA | Short Term brA - 1 | brAA+ | brAAA | brA -1 |

Book Net Income vs. Adjusted Net Income

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

| | 1H13 | 1H12 | 2Q13 | R\$ million 1Q13 |
|-----------------------------|--------------|--------------|--------------|---------------------|
| Book Net Income | 5,868 | 5,626 | 2,949 | 2,919 |
| Non-Recurring Events | 53 | 86 | 29 | 24 |
| - Civil Provisions | 88 | 143 | 48 | 40 |
| - Tax Effects | (35) | (57) | (19) | (16) |
| Adjusted Net Income | 5,921 | 5,712 | 2,978 | 2,943 |
| ROAE % (1) | 18.7 | 20.3 | 18.9 | 19.3 |
| ADJUSTED ROAE % (1) | 18.8 | 20.6 | 19.1 | 19.5 |

(1) Annualized.

— Report on Economic and Financial Analysis – June 2013

Press Release**Summarized Analysis of Adjusted Income**

To provide for better understanding, comparison and analysis of Bradesco's results, we use the Adjusted Income Statement for analysis and comments contained in this Report on Economic and Financial Analysis, obtained from adjustments made to the Book Income Statement, detailed at the end of this Press Release, which includes

adjustments to non-recurring events shown on the previous page. Note that the Adjusted Income Statement serves as the basis for the analysis and comments made in Chapters 1 and 2 of this report.

| | R\$ million | | | | | | | |
|--|----------------------------------|---------------|------------------|--------------|---------------|---------------|------------------|--------------|
| | Adjusted Income Statement | | | | | | | |
| | | | Variation | | | | Variation | |
| | 1H13 | 1H12 | 1H13 x | 1H12 | 2Q13 | 1Q13 | 2Q13 x | 1Q13 |
| | | | Amount | % | | | Amount | % |
| Financial Margin | 21,293 | 21,729 | (436) | (2.0) | 10,587 | 10,706 | (119) | (1.1) |
| - Interest | 21,078 | 20,740 | 338 | 1.6 | 10,569 | 10,509 | 60 | 0.6 |
| - Non-interest | 215 | 989 | (774) | (78.3) | 18 | 197 | (179) | (90.9) |
| ALL | (6,203) | (6,501) | 298 | (4.6) | (3,094) | (3,109) | 15 | (0.5) |
| Gross Income from Financial Intermediation | 15,090 | 15,228 | (138) | (0.9) | 7,493 | 7,597 | (104) | (1.4) |
| Income from Insurance, Pension Plans and Capitalization Bonds ⁽¹⁾ | 2,183 | 1,830 | 353 | 19.3 | 1,028 | 1,155 | (127) | (11.0) |
| Fee and Commission Income | 9,582 | 8,399 | 1,183 | 14.1 | 4,983 | 4,599 | 384 | 8.3 |
| Personnel Expenses | (6,250) | (5,925) | (325) | 5.5 | (3,191) | (3,059) | (132) | 4.3 |
| Other Administrative Expenses | (7,033) | (6,842) | (191) | 2.8 | (3,578) | (3,455) | (123) | 3.6 |
| Tax Expenses | (2,140) | (2,003) | (137) | 6.8 | (1,017) | (1,123) | 106 | (9.4) |
| Equity in the Earnings (Losses) of Unconsolidated Companies | 15 | 59 | (44) | (74.6) | 12 | 3 | 9 | 300.0 |
| Other Operating Income/ (Expenses) | (2,317) | (2,031) | (286) | 14.1 | (1,147) | (1,170) | 23 | (2.0) |
| Operating Result | 9,130 | 8,715 | 415 | 4.8 | 4,583 | 4,547 | 36 | 0.8 |
| Non-Operating Result | (62) | (40) | (22) | 55.0 | (24) | (38) | 14 | (36.8) |
| Income Tax / Social Contribution | (3,091) | (2,929) | (162) | 5.5 | (1,553) | (1,538) | (15) | 1.0 |
| Non-controlling Interest | (56) | (34) | (22) | 64.7 | (28) | (28) | - | - |
| Adjusted Net Income | 5,921 | 5,712 | 209 | 3.7 | 2,978 | 2,943 | 35 | 1.2 |

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves of Insurance, Pension Plans and

Capitalization Bonds - Retained Claims - Capitalization Bond Draws and Redemptions - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

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Press Release

Summarized Analysis of Adjusted Income

Adjusted Net Income and Profitability

In the second quarter of 2013, Bradesco posted adjusted net income of R\$2,978 million, up 1.2%, or R\$35 million over the previous quarter, mainly due to (i) the greater business volume that increased fee and commission income; offset by: (ii) lower financial margin income, impacted by reduced income from non-interest financial margin; and (iii) higher operating expenses.

In the year-over-year comparison, adjusted net income increased by 3.7%, or R\$209 million, in the first half of 2013, for Return on Adjusted Average Shareholders' Equity (ROAE) of 18.8%.

Shareholders' Equity stood at R\$66,028 million in June 2013, up 3.3% over the same period of 2012. The Capital Adequacy Ratio stood at 15.4%, 11.6% of which fell under Tier I Reference Shareholders' Equity.

Total Assets came to R\$896,697 million in June 2013, up 8.0% over June 2012, driven by the increase in operations and the expansion of business volume. Return on Average Assets (ROAA) came to 1.3%.

— Report on Economic and Financial Analysis – June 2013

Summarized Analysis of Adjusted Income

Efficiency Ratio (ER)

The “adjusted to risk” ER over the last 12 months, which reflects the impact of risk associated with the loan operations⁽²⁾ which reached 52.6% in the second quarter of 2013, remaining stable from the previous quarter, mainly due to the decrease in expenses with allowance for loan losses in the monthly comparison.

ER over the last 12 months⁽¹⁾ and quarterly ER increased by 0.3 p.p. and 1.2 p.p. in the second quarter of 2013 from the previous quarter, reaching 41.8% and 42.1%, respectively. This variation was mainly due to the reduction in non-interest financial margin, due to lower gains from the market arbitrage in the quarter.

(1) ER = (Personnel Expenses - Employee Profit Sharing + Administrative Expenses) / (Financial Margin + Fee and Commission Income + Income from Insurance + Equity in the Earnings (Losses) of Unconsolidated Companies + Other Operating Income - Other Operating Expenses). Considering the ratio between: (i) total administrative costs (Personnel Expenses + Administrative Expenses + Other Operating Expenses + Tax Expenses not related to revenue generation + Insurance Selling Expenses) and (ii) revenue net of related taxes (not considering Claims and Selling Expenses from the Insurance Group), our ER in the second quarter of 2013 would be 44.6%; and

(2) Including ALL expenses, adjusted for granted discounts, loan recovery and sale of foreclosed assets, among others.

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Press Release

Summarized Analysis of Adjusted Income

Financial Margin

The R\$119 million decrease between the second and the first quarters of 2013 was mainly due to the lower result from the: (i) non-interest margin, in the amount of R\$179 million, due to lower gains from the market arbitrage; and offset: (ii) by the increase in the interest margin, in the amount of R\$60 million, as a result of higher gains from Loan and Funding margins.

In the first half of 2013, financial margin came to R\$21,293 million, a R\$436 million decrease from the same period in 2012, due to: (i) the lower result from the non-interest margin, in the amount of R\$774 million, due to lower gains from the market arbitrage, and offset by: (ii) the R\$338 million increase in income from interest-earning operations due to an increase in business volume, mainly from Loan and Insurance.

Report on Economic and Financial Analysis – June 2013

Summarized Analysis of Adjusted Income**Interest Financial Margin – Annualized Average Rates**

| | 1H13 | | | 1H12 | | | R\$ million |
|-------------------------|-----------------|------------------------|---------------------|-----------------|------------------------|---------------------|--------------------|
| | Interest | Average Balance | Average Rate | Interest | Average Balance | Average Rate | |
| Loans | 15,048 | 303,767 | 10.2% | 14,543 | 277,005 | 10.9% | |
| Funding | 2,061 | 328,690 | 1.3% | 2,209 | 334,070 | 1.3% | |
| Insurance | 1,828 | 128,330 | 2.9% | 1,577 | 107,966 | 2.9% | |
| Securities/Other | 2,141 | 304,853 | 1.4% | 2,411 | 283,699 | 1.7% | |
| Financial Margin | 21,078 | - | 7.2% | 20,740 | - | 7.6% | |
| | 2Q13 | | | 1Q13 | | | |
| | Interest | Average Balance | Average Rate | Interest | Average Balance | Average Rate | |
| Loans | 7,634 | 309,040 | 10.3% | 7,414 | 298,495 | 10.3% | |
| Funding | 1,112 | 330,956 | 1.4% | 949 | 326,424 | 1.2% | |
| Insurance | 895 | 130,868 | 2.8% | 933 | 125,791 | 3.0% | |
| Securities/Other | 928 | 305,841 | 1.2% | 1,213 | 303,865 | 1.6% | |
| Financial Margin | 10,569 | - | 7.2% | 10,509 | - | 7.2% | |

The annualized interest financial margin rate stood at 7.2% in the second quarter of 2013, remaining stable over the previous quarter.

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Summarized Analysis of Adjusted Income

Expanded Loan Portfolio⁽¹⁾

In June 2013, Bradesco's expanded loan portfolio totaled R\$402.5 billion, which was up 2.8% in the quarter, due to: (i) a 3.6% growth in Individuals; (ii) a 3.5% growth in Small and Medium-sized Entities (SMEs); and (iii) a 1.5% growth in Corporations.

In the last 12 months, the expanded loan portfolio increased 10.3%, driven by: (i) the 11.2% growth in SMEs; (ii) the 10.1% growth in Individuals; and (iii) the 9.7% growth in Corporations.

To the Corporate segment, the products that posted the strongest growth in the last 12 months were: (i) export financing; and (ii) real estate financing – corporate plan. To the Individuals segment, the main highlights were: (i) real estate financing; and (ii) payroll-deductible loans.

(1) Includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, assignment of receivables-backed investment funds and mortgage-backed receivables and rural loan.

For more information, see Chapter 2 of this Report.

Allowance for Loan Losses

For the fourth consecutive quarter, ALL expenses reduced to R\$3,094 million in the second quarter of 2013, down 0.5% from the previous quarter, even considering the 2.6% growth in the loan portfolio – as defined by Bacen in the quarter. This result was due to the reduction in delinquency level, despite the typical higher delinquency in the first months of the year.

In the year-over-year comparison, this expense reduced by 4.6%, even considering the 9.5% increase in loan operations – as defined by Bacen,

resulting from the reduced delinquency level in the last 12 months.

Report on Economic and Financial Analysis – June 2013

Summarized Analysis of Adjusted Income

Delinquency Ratio > 90 days⁽¹⁾

Delinquency ratio, which is based on transactions due over 90 days, had a decrease in all segments, for a 3.7% ratio, down 0.3 p.p. in the quarter and 0.5 p.p. in the last twelve months, confirming a downward trend.

(1) As defined by Bacen.

Coverage Ratios⁽¹⁾

The following graph presents the changes in coverage ratio of the Allowance for Loan Losses for loans overdue for more than 60 and 90 days. In June 2013, these ratios stood at 153.5% and 188.6%, respectively, pointing to a comfortable level of provisioning.

The ALL, totaling R\$21.5 billion in June 2013, was made up of: (i) R\$17.5 billion required by Bacen; and (ii) R\$4.0 billion in excess provisions.

(1) As defined by Bacen

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Press Release**Summarized Analysis of Adjusted Income****Income from Insurance, Pension Plans and Capitalization Bonds**

Net income for the second quarter of 2013 stood at R\$931 million (R\$930 million in the first quarter of 2013) for annualized Return on Adjusted Shareholders' Equity of 26.2%.

In the first half of 2013, Net Income came to R\$1.861 billion, up 4.2% from Net Income posted in the previous year (R\$1.786 billion), a 25.4% return on Adjusted Shareholders' Equity.

(1) Excluding additional provisions.

| | R\$ million (unless otherwise stated) | | | | | | | | Variation % | |
|--|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|-------------|-------------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 | 2Q13 x 1Q13 | 2Q13 x 2Q12 |
| Net Income | 931 | 930 | 964 | 837 | 881 | 905 | 860 | 780 | 0.1 | 5.7 |
| Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income | 13,238 | 10,953 | 13,216 | 10,104 | 11,570 | 9,418 | 11,138 | 9,025 | 20.9 | 14.4 |
| Technical Reserves | 131,819 | 127,367 | 124,217 | 117,807 | 111,789 | 106,953 | 103,653 | 97,099 | 3.5 | 17.9 |
| Financial Assets | 141,984 | 141,535 | 141,540 | 133,738 | 128,526 | 122,147 | 116,774 | 110,502 | 0.3 | 10.5 |
| Claims Ratio | 71.1 | 69.6 | 70.5 | 70.4 | 71.3 | 71.9 | 68.6 | 71.5 | 1.5 p.p. | (0.2) p.p. |
| Combined Ratio | 85.5 | 86.0 | 86.6 | 86.5 | 85.0 | 85.6 | 83.6 | 86.2 | (0.5) p.p. | 0.5 p.p. |
| Policyholders / Participants and Customers (in thousands) | 44,215 | 42,941 | 43,065 | 42,363 | 41,898 | 40,785 | 40,304 | 39,434 | 3.0 | 5.5 |
| Employees | 7,493 | 7,510 | 7,554 | 7,545 | 7,478 | 7,574 | 7,608 | 7,571 | (0.2) | 0.2 |
| Market Share of Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income ⁽¹⁾ | 24.1 | 22.4 | 24.8 | 24.3 | 24.8 | 23.4 | 25.6 | 24.9 | 1.7 p.p. | (0.7) p.p. |

(1) The second quarter of 2013 includes the latest data released by Susep (May 2013).

Note: For comparison purposes, it excludes the effects of non-recurring events.

Report on Economic and Financial Analysis – June 2013

Summarized Analysis of Adjusted Income

In the second quarter of 2013, revenue grew by 20.9% over the previous quarter, boosted by Life and Pension Plan, Capitalization Bond and Auto/RE products, which increased 32.2%, 14.5% and 12.9%, respectively.

Net income for the second quarter of 2013 was in line with the previous quarter, mainly due to: (i) the 20.9% growth in revenue, as mentioned above; (ii) the increase in equity income; and (iii) the improvement in the administrative efficiency ratio; partially offset by: (iv) the 1.5 p.p. increase in claims ratio; and (v) the reduction in financial income.

In the first half of 2013, production was up 15.3% from the same period in 2012, led by Health, Capitalization and Life and Pension Plan products, which increased 23.3%, 21.8% and 12.7%, respectively.

Net income for the first half of 2013 increased by 4.2% over that of the previous year, due to: (i) a 15.3% increase in revenue; (ii) a 1.2 p.p. decrease in claims ratio; (iii) the improved financial income; and (iv) the increase in the administrative efficiency ratio, already considering the sector's collective bargaining agreement in January 2013.

Grupo Bradesco Seguros complies with the regulatory requirements, also complying with global standards (Solvency II), with a leverage of 3.0 times its Shareholders' Equity in the period.

Press Release

Summarized Analysis of Adjusted Income

Fee and Commission Income

In the second quarter of 2013, fee and commission income came to R\$4,983 million, up R\$384 million, or 8.3% over the previous quarter, mainly due to the increase in business volume, highlighting the excellent performance of underwriting / financial advisory revenues in the quarter. Other sources of income that contributed to this result were: (i) card income; (ii) income from loan operations; (iii) checking account income; and (iv) fund management income.

In the year-over-year comparison, the increase of R\$1,183 million, or 14.1%, in the first half of 2013 was mainly due to: (i) the performance of the credit card segment, driven by the growth in revenue and transactions; (ii) higher income from checking accounts, which was a result of a better business volume and an increase in the checking account holder base, which posted net growth of 694 thousand active accounts in the period; (iii) higher gains from capital market operations (underwriting / financial advisory); (iv) greater income from collections; (v) greater income from fund management, whose volume of assets and portfolios under management increased by 11.4% in the period; and (vi) higher income from loan operations, due to greater volume of contracted operations and sureties and guarantees in the period.

Summarized Analysis of Adjusted Income

Personnel Expenses

In the second quarter of 2013, the R\$132 million increase from the previous quarter is a result of variations in:

- structural expenses – R\$73 million increase, mainly due to the lower concentration of vacations in the second quarter of 2013; and
- non-structural expenses – R\$59 million increase, mainly due to greater expenses with provision for labor claims.

- the R\$57 million increase in non-structural expenses, mainly due to greater expenses with provision for labor claims.

In the year-over-year comparison, the R\$325 million increase in the first half of 2013 was mainly due to:

- the R\$268 million, or 5.6% increase, in structural expenses, resulting from greater expenses with salaries, social charges and benefits, due to raise in salary levels, as per collective bargaining agreement (a 7.5% adjustment); and

Note: Structural Expenses = Salaries + Social Charges + Benefits + Pension Plans.

Non-Structural Expenses = Employee and Management Profit Sharing + Training + Labor Provision + Costs with Termination of Employment Contracts.

Press Release

Summarized Analysis of Adjusted Income

Administrative Expenses

Despite the higher expenses with (i) the opening of 5,459 service points in the period, mainly the opening of 4,343 *Bradesco Expresso* points, for a total of 70,829 service points on June 30, 2013, and (ii) the increase in business and service volume in the period, the administrative expenses increased only 2.8% between the first half of 2012 and 2013, as a result of the continued efforts to reduce costs, led by our Efficiency Committee. It is worth noting that IPCA and IGP-M inflation indexes reached 6.7% and 6.3%, respectively, in the last 12 months.

In the second quarter of 2013, the 3.6% increase in administrative expenses from the previous quarter was mainly due to the greater business and service volume in the quarter which, consequently, increased expenses with:

(i) outsourced services; (ii) data processing; (iii) depreciation and amortization; (iv) financial system services; and (v) communication.

Other Operating Income and Expenses

Other operating expenses, net of other operating income, totaled R\$1,147 million in the second quarter of 2013, remaining practically stable when compared to the previous quarter.

Year over year, other operating expenses, net of other operating income, increased by R\$286 million in the first half of 2013, mainly as a result of greater expenses with: (i) operating provisions, particularly those for civil contingencies; (ii) amortization of intangible assets; and (iii) sundry losses.

Summarized Analysis of Adjusted Income

Income Tax and Social Contribution

Income tax and social contribution increased 1.0% in comparison with the previous quarter and 5.5% in the year-over-year comparison, mainly due to the increase in taxable result.

It is worth noting the effective rate, which came to 41.4% in the second quarter of 2013, remaining stable over the previous quarters.

Unrealized Gains

Unrealized gains totaled R\$12,006 million in the second quarter of 2013, an R\$8,320 million decrease from the previous quarter. This was mainly due to the fixed-income securities subject to mark-to-market accounting, most of them related to the Insurance Group. These securities serve as guarantee of technical reserves, which are not subject to mark-to-market accounting.

Press Release

Economic Scenario

In the second quarter of 2013, the different global liquidity conditions are a result of the Federal Reserve's expected decision of beginning a reduction in monetary stimulus in the coming months. However, the U.S. Central Bank has emphasized that it will maintain its accommodative monetary policy for a long time, in order to support the ongoing recovery of the North American economy, which tends to benefit the whole world in the medium run, despite its initial side effects.

With regard to the Chinese economy, a growth below that obtained in the past year is a consensus, although an abrupt slowdown is not expected. Moreover, the purpose of an intended lower rate of expansion, which was a decision of local government authorities and a response to their economic policy, is to reduce existing macroeconomic and sectorial distortions. Thus, the world's second largest economy tends to have a more sustained and qualitative growth over the coming years.

In turn, the Brazilian economy is more prepared to face the world economy's current transition phase and the challenges concerning the domestic economic policy management. This view is supported by improved macroeconomic fundamentals and institutional advances in the past years. This process has been accompanied by the increase in social indicators.

The recovery of the Brazilian economy in the past months has been mainly supported by productive investments, which tend to rise thanks to infrastructure concessions program in the second half-year. The great performance of the domestic agribusiness sector led by increased production and higher income should be pointed out. The 2013 GDP growth is expected to be higher than the past

The expectations in the medium run point to a favorable scenario to the Brazilian economy, which has one of the most complete and diversified private sectors among the emerging nations. The exploration of the pre-salt discoveries and the hosting of major sporting events constitute a series of opportunities that are only available to a select group of nations tend to improve Brazil's infrastructure, as well as increase long-term production and income.

Despite the risks to the scenario and the challenges faced by the Brazilian economy in the pursuit of higher sustainable growth in the near future, Bradesco is maintaining a positive outlook, with favorable prospects in its operational segments. The volume of credit is growing at rates that are both sustainable and risk-compatible, while delinquency has been showing signs of a decline. Thanks to the intense and ongoing upward social mobility of recent years, the scenario for the banking and insurance sectors remains highly favorable.

year and even better in 2014.

Report on Economic and Financial Analysis – June 2013

Main Economic Indicators

| Main Indicators (%) | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 | 1Q11 |
|---|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|
| Interbank Deposit Certificate (CDI) | 1.79 | 1.61 | 1.70 | 1.91 | 2.09 | 2.45 | 2.67 | 3.01 | 3.01 |
| Ibovespa | (15.78) | (7.55) | 3.00 | 8.87 | (15.74) | 13.67 | 8.47 | (16.15) | (16.15) |
| USD – Commercial Rate | 10.02 | (1.45) | 0.64 | 0.46 | 10.93 | (2.86) | 1.15 | 18.79 | 18.79 |
| General Price Index - Market (IGP-M) | 0.90 | 0.85 | 0.68 | 3.79 | 2.56 | 0.62 | 0.91 | 0.97 | 0.97 |
| Extended Consumer Price Index (IPCA) – Brazilian Institute of Geography and Statistics (IBGE) | 1.18 | 1.94 | 1.99 | 1.42 | 1.08 | 1.22 | 1.46 | 1.06 | 1.06 |
| Federal Government Long-Term Interest Rate (TJLP) | 1.24 | 1.24 | 1.36 | 1.36 | 1.48 | 1.48 | 1.48 | 1.48 | 1.48 |
| Reference Interest Rate (TR) | - | - | - | 0.03 | 0.07 | 0.19 | 0.22 | 0.43 | 0.43 |
| Savings Account (Old Rule) ⁽¹⁾ | 1.51 | 1.51 | 1.51 | 1.53 | 1.58 | 1.70 | 1.73 | 1.95 | 1.95 |
| Savings Account (New Rule) ⁽¹⁾ | 1.30 | 1.25 | 1.26 | 1.40 | - | - | - | - | - |
| Business Days (number) | 63 | 60 | 62 | 64 | 62 | 63 | 62 | 65 | 65 |
| Indicators (Closing Rate) | Jun13 | Mar13 | Dec12 | Sept12 | Jun12 | Mar12 | Dec11 | Sept11 | Jun11 |
| USD – Commercial Selling Rate - (R\$) | 2.2156 | 2.0138 | 2.0435 | 2.0306 | 2.0213 | 1.8221 | 1.8758 | 1.8544 | 2.0138 |
| Euro - (R\$) | 2.8827 | 2.5853 | 2.6954 | 2.6109 | 2.5606 | 2.4300 | 2.4342 | 2.4938 | 2.5853 |
| Country Risk (points) | 237 | 189 | 142 | 166 | 208 | 177 | 223 | 275 | 275 |
| Basic Selic Rate Copom (% p.a.) | 8.00 | 7.25 | 7.25 | 7.50 | 8.50 | 9.75 | 11.00 | 12.00 | 12.00 |
| BM&F Fixed Rate (% p.a.) | 9.39 | 7.92 | 7.14 | 7.48 | 7.57 | 8.96 | 10.04 | 10.39 | 10.39 |

(1) Regarding the new savings account remuneration rule, it was defined that: (i) the existing deposits up to May 3, 2012 will continue to remunerate at TR + interest of 6.17% p.a.; and (ii) for deposits made as of May 4, 2012, the new rules are: (a) if the Selic rate is higher than 8.5% p.a., the TR + interest of 6.17% p.a. remuneration will be maintained; and (b) when the Selic rate is equal to or lower than 8.5% p.a., the remuneration will be 70% of Selic rate + TR.

Projections through 2015

| % | 2013 | 2014 | 2015 |
|--|-------------|-------------|-------------|
| USD - Commercial Rate (year-end) - R\$ | 2.25 | 2.35 | 2.42 |
| Extended Consumer Price Index (IPCA) | 5.75 | 5.60 | 5.50 |
| General Price Index - Market (IGP-M) | 5.00 | 5.00 | 4.80 |
| Selic (year-end) | 9.50 | 9.50 | 9.50 |
| Gross Domestic Product (GDP) | 2.30 | 2.50 | 3.00 |

Press Release**Guidance****Bradesco's Outlook for 2013**

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

| | |
|---|------------------|
| Loan Portfolio ⁽¹⁾ ⁽²⁾ | 11 to 15% |
| Individuals ⁽²⁾ | 11 to 15% |
| Companies ⁽²⁾ | 11 to 15% |
| Financial Margin ⁽³⁾ ⁽⁴⁾ | 4 to 8% |
| Fee and Commission Income ⁽⁵⁾ | 12 to 16% |
| Operating Expenses ⁽⁶⁾ ⁽⁷⁾ | 2 to 6% |
| Insurance Premiums | 12 to 15% |

(1) Expanded Loan Portfolio;

(2) From 13%–17% to 11%–15%.

(3) Under current criterion, Guidance for Interest Financial Margin;

(4) From 7%–11% to 4%–8%;

(5) From 9%–13% to 12%–16%;

(6) Administrative and Personnel Expenses; and

(7) From 4%–8% to 2%–6%.

Book Income vs. Managerial Income vs. Adjusted Income Statement**Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement****Second Quarter of 2013**

| | Book Income Statement | Reclassifications | | | | | | 2Q13 Fisc Hedg (7) |
|--|-----------------------------|-------------------|-----------|-------------|--------------|------------|----------|-----------------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | |
| Financial Margin | 10,005 | (353) | 37 | (42) | (876) | 168 | - | 1,6 |
| ALL | (3,608) | - | - | - | 605 | (91) | - | - |
| Gross Income from Financial Intermediation | 6,397 | (353) | 37 | (42) | (271) | 77 | - | 1,6 |
| Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾ | 1,028 | - | - | - | - | - | - | - |
| Fee and Commission Income | 4,886 | - | - | - | - | - | 97 | - |
| Personnel Expenses | (3,191) | - | - | - | - | - | - | - |
| Other Administrative Expenses | (3,530) | - | - | - | - | - | (48) | - |
| Tax Expenses | (829) | - | - | - | (9) | - | - | (17) |
| Equity in the Earnings (Losses) of Unconsolidated Companies | 12 | - | - | - | - | - | - | - |
| Other Operating Income/Expenses | (1,809) | 353 | (37) | 42 | 280 | 24 | (49) | - |
| Operating Result | 2,966 | - | - | - | - | 101 | - | 1,4 |
| Non-Operating Result | 77 | - | - | - | (101) | - | - | - |
| Income Tax / Social Contribution and Non-controlling Interest | (93) | - | - | - | - | - | - | (1,46) |
| Net Income | 2,949 | - | - | - | - | - | - | - |

(1) Expenses with Commission on the Placement of Loans and Financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin;"

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

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

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

(5) Losses/Gains from the Sale of Foreclosed Assets/Investments classified under the item "Non-Operating Result" were reclassified to items "ALL Expenses - Allowance for Loan Losses" / "Other

Operating Income/Expenses”/”Financial Margin;”

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

(7) Partial result of Derivatives used to hedge investments abroad, which simply annuls the tax effects (Income Tax/Social Contribution (IR/CS) and Social Integration Program/Contribution for Social Security Financing (PIS/Cofins)) of this hedge strategy in terms of Net Income;

(8) For more information see page 8 of this chapter; and

(9) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

Bradesco _____

Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****First Quarter of 2013**

| | Book Income Statement | Reclassifications | | | | | | 1Q13 Fisca Hedge (7) |
|--|-----------------------------|-------------------|-----------|-------------|--------------|-------------|------|-------------------------------|
| | | (1) | (2) | (3) | (4) | (5) | (6) | |
| Financial Margin | 11,928 | (299) | 16 | (41) | (644) | - | - | (254) |
| ALL | (3,475) | - | - | - | 410 | (44) | - | |
| Gross Income from Financial Intermediation | 8,453 | (299) | 16 | (41) | (234) | (44) | - | (254) |
| Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾ | 1,155 | - | - | - | - | - | - | |
| Fee and Commission Income | 4,508 | - | - | - | - | - | 91 | |
| Personnel Expenses | (3,059) | - | - | - | - | - | - | |
| Other Administrative Expenses | (3,368) | - | - | - | - | - | (87) | |
| Tax Expenses | (1,140) | - | - | - | (11) | - | - | 2 |
| Equity in the Earnings (Losses) of Unconsolidated Companies | 3 | - | - | - | - | - | - | |
| Other Operating Income/Expenses | (1,799) | 299 | (16) | 41 | 245 | 24 | (4) | |
| Operating Result | 4,753 | - | - | - | -(20) | - | - | (226) |
| Non-Operating Result | (58) | - | - | - | - | 20 | - | |
| Income Tax / Social Contribution and Non-controlling Interest | (1,776) | - | - | - | - | - | - | 22 |
| Net Income | 2,919 | - | - | - | - | - | - | |

(1) Expenses with Commission on the Placement of Loans and Financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin;"

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

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

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

(5) Losses/Gains from the Sale of Foreclosed Assets/Investments classified under the item "Non-Operating Result" were reclassified to items "ALL Expenses - Allowance for Loan Losses" / "Other

Operating Income/Expenses;”

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

(7) Partial result of Derivatives used to hedge investments abroad, which simply annuls the tax effects (Income Tax/Social Contribution (IR/CS) and Social Integration Program/Contribution for Social Security Financing (PIS/Cofins)) of this hedge strategy in terms of Net Income;

(8) For more information see page 8 of this chapter; and

(9) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

— Report on Economic and Financial Analysis – June 2013

Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****First Half of 2013**

| | Book Income Statement | Reclassifications | | | | | 1H- F H |
|--|--------------------------------------|--------------------------|----------------|------------|------------|------------|------------------------|
| | | (1) | (2) | (3) | (4) | (5) | |
| Financial Margin | 21,933(652) | 53(83) | (1,520) | 168 | - | - | |
| ALL | (7,083) | - | - | - | 1,015 | (135) | - |
| Gross Income from Financial Intermediation | 14,850(652) | 53(83) | (505) | 33 | - | - | |
| Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾ | 2,183 | - | - | - | - | - | - |
| Fee and Commission Income | 9,395 | - | - | - | - | - | 188 |
| Personnel Expenses | (6,250) | - | - | - | - | - | - |
| Other Administrative Expenses | (6,898) | - | - | - | - | - | (135) |
| Tax Expenses | (1,968) | - | - | - | (20) | - | - |
| Equity in the Earnings (Losses) of Unconsolidated Companies | 15 | - | - | - | - | - | - |
| Other Operating Income/Expenses | (3,606) | 652 | (53) | 83 | 525 | 48 | (53) |
| Operating Result | 7,720 | - | - | - | - | 81 | - |
| Non-Operating Result | 18 | - | - | - | - | (81) | - |
| Income Tax / Social Contribution and Non-controlling Interest | (1,870) | - | - | - | - | - | - |
| Net Income | 5,868 | - | - | - | - | - | - |

(1) Expenses with Commission on the Placement of Loans and Financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin;"

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

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

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

(5) Losses/Gains from the Sale of Foreclosed Assets/Investments classified under the item "Non-Operating Result" were reclassified to items "ALL Expenses - Allowance for Loan Losses" / "Other

Operating Income/Expenses” / “Financial Margin;”

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

(7) Partial result of Derivatives used to hedge investments abroad, which simply annuls the tax effects (Income Tax/Social Contribution (IR/CS) and Social Integration Program/Contribution for Social Security Financing (PIS/Cofins)) of this hedge strategy in terms of Net Income;

(8) For more information see page 8 of this chapter; and

(9) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

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Press Release**Book Income vs. Managerial Income vs. Adjusted Income Statement****First Half of 2012**

| | Book Income Statement | Reclassifications | | | | | 1H- F H |
|--|-----------------------------|-------------------|-----------|-------------|----------------|--------------|---------------|
| | | (1) | (2) | (3) | (4) | (5) | |
| Financial Margin | 22,077 | (457) | 96 | (48) | (1,133) | 29 | - |
| ALL | (6,948) | - | - | - | 607 | (159) | - |
| Gross Income from Financial Intermediation | 15,129 | (457) | 96 | (48) | (526) | (130) | - |
| Income from Insurance, Pension Plans and Capitalization Bonds ⁽⁹⁾ | 1,830 | - | - | - | - | - | - |
| Fee and Commission Income | 8,169 | - | - | - | - | - | 229 |
| Personnel Expenses | (5,925) | - | - | - | - | - | - |
| Other Administrative Expenses | (6,612) | - | - | - | - | - | (229) |
| Tax Expenses | (1,935) | - | - | - | 60 | - | - |
| Equity in the Earnings (Losses) of Unconsolidated Companies | 59 | - | - | - | - | - | - |
| Other Operating Income/Expenses | (3,108) | 457 | (96) | 48 | 466 | 58 | - |
| Operating Result | 7,607 | - | - | - | - | (72) | - |
| Non-Operating Result | (112) | - | - | - | - | 72 | - |
| Income Tax / Social Contribution and Non-controlling Interest | (1,869) | - | - | - | - | - | (1) |
| Net Income | 5,626 | - | - | - | - | - | - |

(1) Expenses with Commission on the Placement of Loans and Financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin;"

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

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

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

(5) Losses/Gains from the Sale of Foreclosed Assets/Investments classified under the item "Non-Operating Result" were reclassified to items "ALL Expenses - Allowance for Loan Losses" / "Other

Operating Income/Expenses” / “Financial Margin;”

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

(7) Partial result of Derivatives used to hedge investments abroad, which simply annuls the tax effects (Income Tax/Social Contribution (IR/CS) and Social Integration Program/Contribution for Social Security Financing (PIS/Cofins)) of this hedge strategy in terms of Net Income;

(8) For more information see page 8 of this chapter; and

(9) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

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Economic and Financial Analysis**Consolidated Statement of Financial Position and Adjusted Income Statement****Statement of Financial Position**

| | Jun13 | Mar13 | Dec12 | Sept12 | Jun12 | Mar12 | Dec11 | Sept11 | R\$ mil |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|--------|------------|
| Assets | | | | | | | | | |
| Current and Long-Term Assets | 881,121 | 879,192 | 864,279 | 840,295 | 815,063 | 773,896 | 746,090 | | 710 |
| Cash and Cash Equivalents | 16,180 | 11,347 | 12,077 | 12,944 | 13,997 | 25,069 | 22,574 | | 10 |
| Interbank Investments | 147,485 | 171,333 | 151,813 | 126,772 | 92,858 | 84,690 | 82,303 | | 85 |
| Securities and Derivative Financial Instruments | 309,027 | 300,600 | 315,487 | 319,537 | 322,507 | 294,959 | 265,723 | | 244 |
| Interbank and Interdepartmental Accounts | 52,150 | 52,769 | 49,762 | 56,276 | 62,510 | 61,576 | 72,906 | | 71 |
| Loan and Leasing Operations | 281,982 | 276,022 | 267,940 | 262,748 | 258,242 | 250,201 | 248,719 | | 241 |
| Allowance for Loan Losses (ALL) | (21,455) | (21,359) | (21,299) | (20,915) | (20,682) | (20,117) | (19,540) | | (19) |
| Other Receivables and Assets | 95,752 | 88,480 | 88,499 | 82,933 | 85,631 | 77,518 | 73,405 | | 74 |
| Permanent Assets | 15,576 | 15,275 | 14,813 | 15,993 | 15,457 | 15,654 | 15,443 | | 12 |
| Investments | 1,920 | 1,867 | 1,865 | 1,907 | 1,889 | 2,076 | 2,052 | | 1 |
| Premises and Leased Assets | 4,464 | 4,550 | 4,678 | 4,500 | 4,523 | 4,551 | 4,413 | | 3 |
| Intangible Assets | 9,192 | 8,858 | 8,270 | 9,586 | 9,045 | 9,027 | 8,978 | | 6 |
| Total | 896,697 | 894,467 | 879,092 | 856,288 | 830,520 | 789,550 | 761,533 | | 722 |
| Liabilities | | | | | | | | | |
| Current and Long-Term Liabilities | 829,426 | 823,788 | 807,799 | 789,036 | 765,398 | 730,214 | 704,664 | | 667 |
| Deposits | 208,485 | 205,870 | 211,858 | 212,869 | 217,070 | 213,877 | 217,424 | | 224 |
| Federal Funds Purchased and Securities Sold under Agreements to Repurchase | 266,825 | 281,045 | 255,591 | 245,538 | 225,974 | 213,930 | 197,448 | | 171 |
| Funds from Issuance of Securities | 53,821 | 47,832 | 51,359 | 53,810 | 51,158 | 48,482 | 41,522 | | 32 |
| Interbank and Interdepartmental Accounts | 3,793 | 3,815 | 5,667 | 3,649 | 3,618 | 3,231 | 4,614 | | 2 |
| Borrowing and Onlending | 49,121 | 46,209 | 44,187 | 45,399 | 47,895 | 47,112 | 53,247 | | 49 |
| Derivative Financial Instruments | 3,141 | 2,590 | 4,001 | 4,148 | 3,568 | 2,703 | 735 | | 1 |
| Reserves for Insurance, Pension Plans and Capitalization Bonds | 131,819 | 127,367 | 124,217 | 117,807 | 111,789 | 106,953 | 103,653 | | 97 |
| Other Liabilities | 112,421 | 109,060 | 110,919 | 105,816 | 104,326 | 93,926 | 86,021 | | 87 |
| Deferred Income | 661 | 632 | 658 | 619 | 615 | 646 | 672 | | |
| Non-controlling Interest in Subsidiaries | 582 | 605 | 588 | 586 | 587 | 630 | 615 | | |
| Shareholders' Equity | 66,028 | 69,442 | 70,047 | 66,047 | 63,920 | 58,060 | 55,582 | | 53 |
| Total | 896,697 | 894,467 | 879,092 | 856,288 | 830,520 | 789,550 | 761,533 | | 722 |

Consolidated Statement of Financial Position and Adjusted Income Statement**Adjusted Income Statement**

| | R\$ million | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
| Financial Margin | 10,587 | 10,706 | 11,109 | 10,955 | 11,034 | 10,695 | 10,258 | 10,230 |
| - Interest | 10,569 | 10,509 | 10,678 | 10,603 | 10,518 | 10,222 | 9,985 | 9,669 |
| - Non-interest | 18 | 197 | 431 | 352 | 516 | 473 | 273 | 561 |
| ALL | (3,094) | (3,109) | (3,210) | (3,303) | (3,407) | (3,094) | (2,661) | (2,779) |
| Gross Income from Financial Intermediation | 7,493 | 7,597 | 7,899 | 7,652 | 7,627 | 7,601 | 7,597 | 7,451 |
| Income from Insurance, Pension Plans and Capitalization Bonds ⁽¹⁾ | 1,028 | 1,155 | 955 | 1,029 | 953 | 877 | 933 | 864 |
| Fee and Commission Income | 4,983 | 4,599 | 4,675 | 4,438 | 4,281 | 4,118 | 4,086 | 3,876 |
| Personnel Expenses | (3,191) | (3,059) | (3,142) | (3,119) | (3,047) | (2,878) | (3,140) | (2,880) |
| Other Administrative Expenses | (3,578) | (3,455) | (3,755) | (3,565) | (3,441) | (3,401) | (3,682) | (3,405) |
| Tax Expenses | (1,017) | (1,123) | (1,098) | (1,038) | (991) | (1,012) | (1,005) | (866) |
| Equity in the Earnings (Losses) of Unconsolidated Companies | 12 | 3 | 45 | 45 | 19 | 40 | 53 | 41 |
| Other Operating Income/ (Expenses) | (1,147) | (1,170) | (1,130) | (1,054) | (1,035) | (996) | (808) | (907) |
| Operating Result | 4,583 | 4,547 | 4,449 | 4,388 | 4,366 | 4,349 | 4,034 | 4,174 |
| Non-Operating Result | (24) | (38) | (29) | (20) | (22) | (18) | 4 | 10 |
| Income Tax and Social Contribution | (1,553) | (1,538) | (1,488) | (1,455) | (1,461) | (1,468) | (1,241) | (1,304) |
| Non-controlling Interest | (28) | (28) | (14) | (20) | (16) | (18) | (26) | (16) |
| Adjusted Net Income | 2,978 | 2,943 | 2,918 | 2,893 | 2,867 | 2,845 | 2,771 | 2,864 |

(1) Income from Insurance, Pension Plan and Capitalization Bond Operations = Insurance, Pension Plan and Capitalization Bond Retained Premiums – Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption – Insurance, Pension Plan and Capitalization Bond Selling Expenses.

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

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Economic and Financial Analysis

Financial Margin - Interest and Non-Interest

Average Financial Margin Rate

| | | | | | R\$ million | |
|---|------------------|---------------|---------------|---------------|--------------|--------------|
| | Financial Margin | | | | Variation | |
| | 1H13 | 1H12 | 2Q13 | 1Q13 | Half | Quarter |
| Interest - due to volume | | | | | 1,731 | 316 |
| Interest - due to spread | | | | | (1,393) | (256) |
| - Financial Margin - Interest | 21,078 | 20,740 | 10,569 | 10,509 | 338 | 60 |
| - Financial Margin - Non-Interest | 215 | 989 | 18 | 197 | (774) | (179) |
| Financial Margin | 21,293 | 21,729 | 10,587 | 10,706 | (436) | (119) |
| Average Margin Rate ⁽¹⁾ | 7.2% | 7.9% | 7.2% | 7.3% | | |

(1) Average Margin Rate = (Financial Margin / Average Assets – Purchase and Sale Commitments – Permanent Assets) Annualized

The second quarter of 2013 had a financial margin of R\$10,587 million, an R\$119 million decrease when compared to the first quarter of 2013, due to: (i) the non-interest margin of R\$179 million, due to lower gains from market arbitrage; and offset: (ii) by the R\$60 million increase in interest margin.

In the first half of 2013, financial margin stood at R\$21,293 million, a R\$436 million decrease year over year, due to: (i) lower results from non-interest margin, totaling R\$774 million, due to lower gains from market arbitrage; and offset: (ii) by higher results from interest-earning operations, amounting to R\$338 million, arising from greater business volume.

Financial Margin - Interest

Interest Financial Margin - Breakdown

| | | | | | R\$ million | |
|---------|-------------------------------------|--------|-------|-------|-------------|---------|
| | Interest Financial Margin Breakdown | | | | Variation | |
| | 1H13 | 1H12 | 2Q13 | 1Q13 | Half | Quarter |
| Loans | 15,048 | 14,543 | 7,634 | 7,414 | 505 | 220 |
| Funding | 2,061 | 2,209 | 1,112 | 949 | (148) | 163 |

| | | | | | | |
|----------------------------------|---------------|---------------|---------------|---------------|------------|-----------|
| Insurance | 1,828 | 1,577 | 895 | 933 | 251 | (38) |
| Securities/Other | 2,141 | 2,411 | 928 | 1,213 | (270) | (285) |
| Interest Financial Margin | 21,078 | 20,740 | 10,569 | 10,509 | 338 | 60 |

In the second quarter of 2013, interest financial margin stood at R\$10,569 million, versus R\$10,509 million in the first quarter of 2013, for an increase of R\$60 million. The business lines that most contributed to this result were Loan and Funding, broken down under items Loan Financial Margin – Interest and Funding Financial Margin – Interest.

Between the first half of 2013 and the same period in 2012, interest financial margin increased R\$338 million. The business lines that most contributed to this increase were Loan and Insurance.

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Financial Margin - Interest**Interest Financial Margin - Rates**

The annualized interest financial margin rate compared to total average assets stood at 7.2% in the second quarter of 2013, remaining steady in the first quarter of 2013.

Interest Financial Margin - Annualized Average Rates

| | R\$ million | | | | | |
|----------------------------------|---------------|----------------------------|-----------------|---------------|----------------------------|-----------------|
| | Interest | 1H13 Average Balance | Average Rate | Interest | 1H12 Average Balance | Average Rate |
| Loans | 15,048 | 303,767 | 10.2% | 14,543 | 277,005 | 10.9% |
| Funding | 2,061 | 328,690 | 1.3% | 2,209 | 334,070 | 1.3% |
| Insurance | 1,828 | 128,330 | 2.9% | 1,577 | 107,966 | 2.9% |
| Securities/Other | 2,141 | 304,853 | 1.4% | 2,411 | 283,699 | 1.7% |
| Interest Financial Margin | 21,078 | - | 7.2% | 20,740 | - | 7.6% |
| | Interest | 2Q13 Average Balance | Average Rate | Interest | 1Q13 Average Balance | Average Rate |
| Loans | 7,634 | 309,040 | 10.3% | 7,414 | 298,495 | 10.3% |
| Funding | 1,112 | 330,956 | 1.4% | 949 | 326,424 | 1.2% |
| Insurance | 895 | 130,868 | 2.8% | 933 | 125,791 | 3.0% |
| Securities/Other | 928 | 305,841 | 1.2% | 1,213 | 303,865 | 1.6% |
| Interest Financial Margin | 10,569 | - | 7.2% | 10,509 | - | 7.2% |

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Economic and Financial Analysis**Loan Financial Margin - Interest****Loan Financial Margin - Breakdown**

| | Financial Margin - Loan | | | | R\$ million | |
|----------------------------------|--------------------------------|---------------|--------------|--------------|--------------------|----------------|
| | 1H13 | 1H12 | 2Q13 | 1Q13 | Variation | |
| | | | | | Half | Quarter |
| Interest - due to volume | | | | | 1,326 | 260 |
| Interest - due to spread | | | | | (821) | (40) |
| Interest Financial Margin | 15,048 | 14,543 | 7,634 | 7,414 | 505 | 220 |
| Income | 26,478 | 25,963 | 14,016 | 12,462 | 515 | 1,554 |
| Expenses | (11,430) | (11,420) | (6,382) | (5,048) | (10) | (1,334) |

In the second quarter of 2013, financial margin with loan operations reached R\$7,634 million, up 3.0% or R\$220 million over the first quarter of 2013. The variation is the result of: (i) the increase in average business volume, in the amount of R\$260 million; and (ii) the decrease in average spread, in the amount of R\$40 million.

Year over year, the financial margin for the first half of 2013 grew 3.5%, or R\$505 million, resulting from: (i) a R\$1,326 million increase in the volume of operations; and (ii) the decrease in average spread, amounting to R\$821 million, mainly affected by the drop in interest rates used.

Loan Financial Margin - Interest

Loan Financial Margin - Net Margin

The graph above presents a summary of loan activity. The Gross Margin line refers to interest income from loans, net of opportunity cost (a specific rate by type of operation and term).

The ALL curve shows delinquency costs, which are represented by Allowance for Loan Losses (ALL) expenses, plus discounts granted in transactions net of loan recoveries, arising from the sale of foreclosed assets, among other.

In the second quarter of 2013, the net margin curve, which refers to loan interest income net of ALL, grew 5.5% over the previous quarter, mainly due to increase in business volume. In the year-over-year comparison, the curve was up 10.0% in the first half of 2013, driven by: (i) the reduction in delinquency costs; and (ii) the increase in business volume.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Expanded Loan Portfolio⁽¹⁾

The expanded loan portfolio amounted to R\$402.5 billion in June 2013, up 2.8% in the quarter and 10.3% over the last 12 months.

The results were mainly led by Individuals and SMEs both in the quarter and the last 12-month period, which grew by 3.6% and 3.5% in the quarter and 10.1% and 11.2% in the last 12 months.

(1) Including sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, receivables-backed investment funds - FIDC, mortgage-backed receivables - CRI and rural loans.

For further information, refer to page 42 herein.

Expanded Loan Portfolio Breakdown by Product and Type of Customer (Individual and Corporate)

A breakdown of loan risk products for individuals is presented below:

| Individuals | R\$ million | | | Variation % | |
|---|----------------|----------------|----------------|-------------|-------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| CDC / Vehicle Leasing | 29,303 | 30,112 | 32,195 | (2.7) | (9.0) |
| Payroll-Deductible Loans ⁽¹⁾ | 24,262 | 22,448 | 19,243 | 8.1 | 26.1 |
| Credit Card | 21,156 | 20,263 | 18,545 | 4.4 | 14.1 |
| Personal Loans | 16,049 | 15,408 | 14,465 | 4.2 | 11.0 |
| Real Estate Financing ⁽²⁾ | 11,543 | 10,642 | 8,768 | 8.5 | 31.6 |
| Rural Loans | 6,752 | 6,806 | 6,367 | (0.8) | 6.0 |
| BNDES/Finame Onlending | 6,421 | 6,187 | 5,515 | 3.8 | 16.4 |
| Overdraft Facilities | 3,455 | 3,424 | 3,204 | 0.9 | 7.8 |
| Sureties and Guarantees | 662 | 580 | 650 | 14.2 | 1.9 |
| Other ⁽³⁾ | 3,959 | 3,360 | 3,282 | 17.8 | 20.6 |
| Total | 123,562 | 119,231 | 112,235 | 3.6 | 10.1 |

Including:

(1) Loan assignment (FIDC): R\$98 million in June 2013, R\$145 million in March 2013 and R\$339 million in June 2012;

(2) Loan assignment (CRI): R\$128 million in June 2013, R\$141 million in March 2013 and R\$182 million in June 2012; and

(3) Loan assignment (FIDC) for the acquisition of assets: R\$1 million in June 2013, R\$1 million in March 2013 and R\$2 million in June 2012; and rural loan assignment: R\$102 million in June 2013, R\$102 million in March 2013 and R\$112 million in June 2012.

The lines that most contributed to the increases in operations bearing credit risk for individuals were:

(i) real estate financing; and (ii) payroll-deductible loan.

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Loan Financial Margin - Interest

A breakdown of loan risk products in the corporate segment is presented below:

| Corporate | R\$ million | | | Variation % | |
|--|----------------|----------------|----------------|-------------|-------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| Working Capital | 44,207 | 44,992 | 42,533 | (1.7) | 3.9 |
| BNDES/Finame Onlending | 31,345 | 31,639 | 29,474 | (0.9) | 6.3 |
| Operations Abroad | 26,638 | 24,542 | 23,615 | 8.5 | 12.8 |
| Export Financing | 16,024 | 14,841 | 12,408 | 8.0 | 29.1 |
| Real Estate Financing - Corporate Plan ⁽¹⁾ | 14,168 | 13,305 | 11,047 | 6.5 | 28.2 |
| Credit Card | 13,590 | 13,558 | 14,385 | 0.2 | (5.5) |
| Overdraft Account | 10,540 | 10,558 | 10,437 | (0.2) | 1.0 |
| Vehicles - CDC | 7,613 | 7,281 | 6,245 | 4.6 | 21.9 |
| Leasing | 5,550 | 5,836 | 6,722 | (4.9) | (17.4) |
| Rural Loans | 4,953 | 4,842 | 4,539 | 2.3 | 9.1 |
| Sureties and Guarantees ⁽²⁾ | 62,721 | 59,148 | 52,226 | 6.0 | 20.1 |
| Operations bearing Credit Risk - Commercial Portfolio ⁽³⁾ | 30,942 | 30,833 | 28,043 | 0.4 | 10.3 |
| Other ⁽⁴⁾ | 10,664 | 11,076 | 11,054 | (3.7) | (3.5) |
| Total | 278,955 | 272,451 | 252,728 | 2.4 | 10.4 |

Including:

(1) Loan assignment (CRI): R\$223 million in June 2013; R\$226 million in March 2013 and R\$239 million in June 2012;

(2) A total of 90.6% of sureties and guarantees from corporate customers were contracted by corporations;

(3) Operations with debentures and promissory notes; and

(4) Letters of credit: R\$966 million in June 2013, R\$1,401 million in March 2013 and R\$1,779 million in June 2012.

Operations bearing credit risk for corporate customers grew by 2.4% in the quarter and 10.4% in the last 12 months. The main highlights in the quarter were: (i) operations abroad; and (ii) export financing. In the last 12 months, the growth was led by: (i) export financing; and (ii) real estate financing – corporate plan.

Expanded Loan Portfolio - Consumer Financing

The graph below shows the types of credit related to Consumer Financing of individual customers (CDC/vehicle leasing, personal loans, financing of goods, revolving credit card and cash and installment purchases at merchants).

Consumer financing totaled R\$91.1 billion, up 2.8% in the quarter and 7.3% in the last 12 months. Growth was led by: (i) personal loans (payroll-deductible loans are included); and (ii) credit card, which together totaled R\$61.5 billion, accounting for 67.5% of the consumer financing balance.

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Economic and Financial Analysis
Loan Financial Margin - Interest**Breakdown of the Vehicle Portfolio**

| | R\$ million | | | Variation % | |
|--------------------------|---------------|---------------|---------------|---------------|---------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| CDC Portfolio | 35,805 | 35,943 | 35,569 | (0.4) | 0.7 |
| Individuals | 28,192 | 28,662 | 29,324 | (1.6) | (3.9) |
| Corporate | 7,613 | 7,281 | 6,245 | 4.6 | 21.9 |
| Leasing Portfolio | 3,517 | 4,078 | 6,305 | (13.8) | (44.2) |
| Individuals | 1,111 | 1,450 | 2,871 | (23.4) | (61.3) |
| Corporate | 2,406 | 2,628 | 3,434 | (8.4) | (29.9) |
| Finame Portfolio | 11,029 | 10,690 | 10,294 | 3.2 | 7.1 |
| Individuals | 857 | 888 | 1,032 | (3.5) | (17.0) |
| Corporate | 10,172 | 9,802 | 9,262 | 3.8 | 9.8 |
| Total | 50,351 | 50,711 | 52,168 | (0.7) | (3.5) |
| Individuals | 30,160 | 31,000 | 33,227 | (2.7) | (9.2) |
| Corporate | 20,191 | 19,711 | 18,941 | 2.4 | 6.6 |

Vehicle financing operations (individual and corporate customers) totaled R\$50.4 billion in June 2013, presenting a decrease in quarter-over-quarter and year-over-year comparisons. Of the total vehicle portfolio, 71.1% corresponds to CDC, 21.9% to Finame and 7.0% to Leasing. Individuals represented 59.9% of the portfolio, while corporate customers accounted for the remaining 40.1%.

Expanded Loan Portfolio Concentration - by Sector

The share of each economic sector composing the loan portfolio had a slight variation. Services had the greatest growth, both in the quarter and in the last twelve-month period.

| Activity Sector | R\$ million | | | | | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|
| | Jun13 | % | Mar13 | % | Jun12 | % |
| Public Sector | 716 | 0.2 | 619 | 0.2 | 1,770 | 0.5 |
| Private Sector | 401,801 | 99.8 | 391,063 | 99.8 | 363,193 | 99.5 |
| Corporate | 278,239 | 69.1 | 271,832 | 69.4 | 250,958 | 68.8 |
| Industry | 88,495 | 22.0 | 88,745 | 22.7 | 78,798 | 21.6 |
| Commerce | 57,615 | 14.3 | 57,928 | 14.8 | 57,251 | 15.7 |
| Financial Intermediaries | 7,749 | 1.9 | 7,483 | 1.9 | 5,746 | 1.6 |
| Services | 120,239 | 29.9 | 113,773 | 29.0 | 105,188 | 28.8 |
| Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration | 4,141 | 1.0 | 3,903 | 1.0 | 3,975 | 1.1 |
| Individuals | 123,562 | 30.7 | 119,231 | 30.4 | 112,235 | 30.8 |
| Total | 402,517 | 100.0 | 391,682 | 100.0 | 364,963 | 100.0 |

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Loan Financial Margin - Interest

Changes in the Expanded Loan Portfolio

Of the R\$37.6 billion growth in the loan portfolio over the last 12 months, new borrowers accounted for R\$31.3 billion, or 83.3%, representing 7.8% of the portfolio in June 2013.

(1) Including loans settled and subsequently renewed in the last 12 months.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Changes in the Expanded Loan Portfolio - By Rating

The chart below shows that new borrowers and remaining debtors as of June 2012 (customers that remained in the loan portfolio for at least 12 months) presented a good level of credit quality (AA-C ratings), demonstrating the adequacy and consistency of the loan assignment policy and processes, as well as the quality of guarantees.

Changes in the Extended Loan Portfolio by Rating between June 2012 and 2013

| Rating | Total Loan as of June 2013 | | New Customers from July 2012 to June 2013 | | Remaining Debtors as of June 2012 | |
|--------------|----------------------------|--------------|---|--------------|-----------------------------------|--------------|
| | R\$ million | % | R\$ million | % | R\$ million | % |
| AA - C | 374,732 | 93.1 | 29,786 | 95.2 | 344,946 | 92.9 |
| D | 10,110 | 2.5 | 646 | 2.1 | 9,464 | 2.6 |
| E - H | 17,675 | 4.4 | 840 | 2.7 | 16,835 | 4.5 |
| Total | 402,517 | 100.0 | 31,272 | 100.0 | 371,245 | 100.0 |

Expanded Loan Portfolio - By Customer Profile

The table below presents the changes in the loan portfolio by customer profile:

| Customer Profile | R\$ million | | | Variation % | |
|------------------------------|----------------|----------------|----------------|-------------|-------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| Corporations | 157,818 | 155,409 | 143,830 | 1.5 | 9.7 |
| SMEs | 121,138 | 117,043 | 108,898 | 3.5 | 11.2 |
| Individuals | 123,562 | 119,231 | 112,235 | 3.6 | 10.1 |
| Total Loan Operations | 402,517 | 391,682 | 364,963 | 2.8 | 10.3 |

Expanded Loan Portfolio - By Customer Profile and Rating (%)

AA-C rated loans had a slight percentage reduction both in the quarter and in the last 12 months.

| Customer Profile | By Rating | | | | | | | | |
|------------------|-------------|------------|------------|-------------|------------|------------|-------------|------------|------------|
| | Jun13 | | | Mar13 | | | Jun12 | | |
| | AA-C | D | E-H | AA-C | D | E-H | AA-C | D | E-H |
| Corporations | 97.0 | 2.5 | 0.5 | 98.5 | 1.0 | 0.5 | 98.6 | 0.3 | 1.1 |
| SMEs | 91.5 | 3.0 | 5.5 | 91.3 | 3.1 | 5.6 | 91.3 | 3.0 | 5.7 |
| Individuals | 89.7 | 2.1 | 8.2 | 89.2 | 2.2 | 8.6 | 88.8 | 2.4 | 8.8 |
| Total | 93.1 | 2.5 | 4.4 | 93.5 | 2.0 | 4.5 | 93.4 | 1.8 | 4.8 |

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Economic and Financial Analysis**Loan Financial Margin - Interest****Expanded Loan Portfolio - By Business Segment**

Below is the quarterly and yearly growth in the expanded loan portfolio by business segment, which was led by the Prime and Retail segments.

| Business Segments | R\$ million | | | | Variation % | | | |
|--|--------------------|--------------|----------------|--------------|--------------------|--------------|----------------|-------------|
| | Jun13 | % | Mar13 | % | Jun12 | % | Quarter | 12M |
| Retail | 117,913 | 29.3 | 112,034 | 28.6 | 100,538 | 27.5 | 5.2 | 17.3 |
| Corporate ⁽¹⁾ | 161,731 | 40.2 | 160,232 | 40.9 | 151,847 | 41.6 | 0.9 | 6.5 |
| Middle Market | 52,126 | 12.9 | 50,200 | 12.8 | 45,447 | 12.5 | 3.8 | 14.7 |
| Prime | 17,082 | 4.2 | 16,170 | 4.1 | 13,768 | 3.8 | 5.6 | 24.1 |
| Other / Non-account holders ⁽²⁾ | 53,665 | 13.4 | 53,046 | 13.6 | 53,365 | 14.6 | 1.2 | 0.6 |
| Total | 402,517 | 100.0 | 391,682 | 100.0 | 364,963 | 100.0 | 2.8 | 10.3 |

(1) Including loans taken out with co-obligation. In the table on page 40, Loan Portfolio - by Customer Profile, these amounts are allocated to individuals; and

(2) Mostly, non-account holders using vehicle financing, credit cards and payroll-deductible loans.

Expanded Loan Portfolio - By Currency

The balance of foreign currency-indexed and/or denominated loan and onlending operations (excluding ACCs - Advances on Foreign Exchange Contracts) totaled US\$14.4 billion in June 2013 (US\$14.9 billion in March 2013 and US\$13.6 billion in June 2012), a 3.4% decrease in the quarter and

In June 2013, total loan operations, in reais, stood at R\$370.6 billion (R\$361.7 billion in March 2013 and R\$337.4 billion in June 2012), up 2.5% on the previous quarter and 9.8% over the last 12 months.

5.9% increase in the last 12 months, in dollars. In reais, these same foreign currency operations totaled R\$31.9 billion in June 2013 (R\$29.9 billion in March 2013 and R\$27.5 billion in June 2012), a 6.7% increase in the quarter and 16.0% growth in the last 12 months.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Expanded Loan Portfolio - by Debtor

Credit exposure level among the largest debtors was slightly lower in all ranges when compared to the previous quarter.

Loan Portfolio⁽¹⁾ - By Type

All operations bearing credit risk stood at R\$425.6 billion, up 3.0% in the quarter and 9.9% in the last 12 months.

| | R\$ million | | | Variation % | |
|--|----------------|----------------|----------------|-------------|-------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| Loans and Discounted Securities Financing | 149,406 | 144,724 | 135,873 | 3.2 | 10.0 |
| Rural and Agribusiness Financing | 17,580 | 17,238 | 15,624 | 2.0 | 12.5 |
| Leasing Operations | 6,656 | 7,280 | 9,588 | (8.6) | (30.6) |
| Advances on Exchange Contracts | 6,646 | 6,023 | 7,078 | 10.3 | (6.1) |
| Other Loans | 16,945 | 15,838 | 13,847 | 7.0 | 22.4 |
| Subtotal Loan Operations ⁽²⁾ | 305,574 | 297,883 | 279,166 | 2.6 | 9.5 |
| Sureties and Guarantees Granted (Memorandum Accounts) | 63,383 | 59,728 | 52,876 | 6.1 | 19.9 |
| Operations bearing Credit Risk - Commercial Portfolio ⁽³⁾ | 30,942 | 30,833 | 28,043 | 0.4 | 10.3 |
| Letters of Credit (Memorandum Accounts) | 966 | 1,401 | 1,779 | (31.0) | (45.7) |
| Advances from Credit Card Receivables | 1,084 | 1,206 | 2,207 | (10.1) | (50.9) |
| Co-obligation in Loan Assignment FIDC/CRI (Memorandum Accounts) | 449 | 512 | 761 | (12.4) | (41.0) |
| Co-obligation in Rural Loan Assignment (Memorandum Accounts) | 120 | 119 | 131 | 0.7 | (8.4) |
| Subtotal of Operations bearing Credit Risk - Expanded Portfolio | 402,517 | 391,682 | 364,963 | 2.8 | 10.3 |
| Other Operations Bearing Credit Risk ⁽⁴⁾ | 23,086 | 21,590 | 22,284 | 6.9 | 3.6 |
| Total Operations bearing Credit Risk | 425,603 | 413,273 | 387,247 | 3.0 | 9.9 |

(1) In addition to the Expanded Portfolio, it includes other operations bearing credit risk;

(2) As defined by Bacen;

(3) Including debenture and promissory note operations; and

(4) Including CDI operations, international treasury, swaps, forward currency contracts and investments in FIDC and CRI.

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Loan Financial Margin - Interest

The charts below refer to the Loan Portfolio, as defined by Bacen.

Loan Portfolio⁽¹⁾ - By Flow of Maturities

The maturities of performing loans were longer in June 2013, mainly due to BNDES onlending and real estate financing. Note that, due to their

guarantees and characteristics, these operations, in addition to being exposed to lower risk, provide favorable conditions to gain customer loyalty.

(1) As defined by Bacen.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Loan Portfolio⁽¹⁾ - Delinquency over 90 days

Delinquency ratio over 90 days had a reduction in the quarter and in the last 12 months, maintaining an improvement in a gradual downward trend. This positive result is observed in all segments.

As shown in the graph below, the total delinquency ratio for operations overdue from 61 to 90 days remained stable in the quarter and had a slight decrease over the last 12 months.

(1) As defined by Bacen.

Loan Financial Margin - Interest

Allowance for Loan Losses (ALL) x Delinquency x Losses⁽¹⁾

The ALL of R\$21.5 billion, representing 7.0% of the total portfolio, comprises the generic provision (customer and/or operation rating), the specific provision (non-performing loans) and the excess provision (internal criteria).

Bradesco has appropriate provisioning levels sufficient to support possible changes in scenarios, such as higher delinquency levels and/or changes in the loan portfolio profile.

It is worth mentioning the assertiveness of adopted provisioning criteria, which is proven by: (i) analyzing historical data on recorded allowances for loan losses; and (ii) effective losses in the subsequent twelve-month period, i.e., for an existing provision of 7.4% of the portfolio⁽¹⁾, in June 2012, the effective gross loss in the subsequent twelve-month period was 4.8%, meaning that the existing provision exceeded the loss over the subsequent twelve-month period by more than 55%, as shown in the graph below.

(1) As defined by Bacen.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Analysis in terms of loss, net of recovery, shows a significant increase in the coverage margin. In June 2012, for an existing provision of 7.4% of the portfolio⁽¹⁾, the net loss in the subsequent twelve-month period was 3.6%, meaning that the existing provision exceeded over 106% the loss in the subsequent 12 months.

(1) As defined by Bacen.

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Loan Financial Margin - Interest

Allowance for Loan Losses⁽¹⁾

The Non-performing Loan ratio (operations overdue for over 60 days) posted an increase in the quarter-over-quarter and year-over-year comparisons. Coverage ratios for the allowance for loans overdue from 60 to 90 days had a growth, standing at very comfortable levels.

(1) As defined by Bacen; and

(2) Loan operations overdue for over 60 days and that do not generate revenue appropriation on an accrual basis.

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Economic and Financial Analysis

Loan Financial Margin - Interest

Loan Portfolio⁽¹⁾ - Portfolio Indicators

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

| | R\$ million (except %) | | |
|--|------------------------|----------------|----------------|
| | Jun13 | Mar13 | Jun12 |
| Total Loan Operations ⁽¹⁾ | 305,574 | 297,883 | 279,166 |
| - Individuals | 122,571 | 118,263 | 110,952 |
| - Corporate | 183,002 | 179,620 | 168,215 |
| Existing Provision | 21,455 | 21,359 | 20,682 |
| - Specific | 10,879 | 11,268 | 10,809 |
| - Generic | 6,568 | 6,080 | 5,862 |
| - Excess | 4,008 | 4,010 | 4,010 |
| Specific Provision / Existing Provision (%) | 50.7 | 52.8 | 52.3 |
| Existing Provision / Loan Operations (%) | 7.0 | 7.2 | 7.4 |
| AA - C Rated Loan Operations / Loan Operations (%) | 91.3 | 91.6 | 91.4 |
| D Rated Operations under Risk Management / Loan Operations (%) | 3.0 | 2.6 | 2.3 |
| E - H Rated Loan Operations / Loan Operations (%) | 5.8 | 5.9 | 6.3 |
| D Rated Loan Operations | 9,070 | 7,608 | 6,356 |
| Existing Provision for D Rated Loan Operations | 2,356 | 2,079 | 1,738 |
| D Rated Provision / Loan Operations (%) | 26.0 | 27.3 | 27.3 |
| D - H Rated Non-Performing Loans | 16,015 | 16,616 | 16,105 |
| Existing Provision/D - H Rated Non-Performing Loans (%) | 134.0 | 128.5 | 128.4 |
| E - H Rated Loan Operations | 17,577 | 17,456 | 17,519 |
| Existing Provision for E - H Rated Loan Operations | 15,380 | 15,305 | 15,084 |
| E - H Rated Provision / Loan Operations (%) | 87.5 | 87.7 | 86.1 |
| E - H Rated Non-Performing Loans | 13,029 | 13,436 | 13,166 |
| Existing Provision/E - H Rated Non-Performing Loan (%) | 164.7 | 159.0 | 157.1 |
| Non-Performing Loans ⁽²⁾ | 13,980 | 14,628 | 14,365 |
| Non-Performing Loans ⁽²⁾ / Loan Operations (%) | 4.6 | 4.9 | 5.1 |
| Existing Provision / Non-Performing Loans ⁽²⁾ (%) | 153.5 | 146.0 | 144.0 |
| Loan Operations Overdue for over 90 days | 11,374 | 11,904 | 11,662 |
| Loan Operations Overdue for over 90 days / Loan Operations (%) | 3.7 | 4.0 | 4.2 |
| Existing Provision/Operations Overdue for over 90 days (%) | 188.6 | 179.4 | 177.4 |

(1) As defined by Bacen; and

(2) Loan operations overdue for over 60 days and that do not generate revenue appropriation on an accrual basis.

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

| | Financial Margin - Funding | | | | R\$ million | |
|----------------------------------|----------------------------|--------------|--------------|------------|-------------------|------------|
| | 1H13 | 1H12 | 2Q13 | 1Q13 | Variation Half | Quarter |
| Interest - due to volume | | | | | (34) | 15 |
| Interest - due to spread | | | | | (114) | 148 |
| Interest Financial Margin | 2,061 | 2,209 | 1,112 | 949 | (148) | 163 |

Quarter over quarter, interest funding financial margin increased 17.2%, or R\$163 million, as a result of: (i) the greater volume of funds raised that contributed with R\$15 million; and (ii) the R\$148 million increase in average spread, due to the interest rate increase in the period (Selic).

In the first half of 2013, interest funding financial margin was R\$2,061 million against the R\$2,209 million in the same period of 2012, down by 6.7% or R\$148 million, mainly driven by R\$114 million decrease in average spread, due to the interest rate decrease in the period (Selic).

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Economic and Financial Analysis

Funding Financial Margin - Interest

Loans vs. Funding

To analyze Loan Operations in relation to Funding, it is necessary to deduct from total customer funding (i) the amount committed to reserve requirements at Bacen, (ii) the amount of available funds held at customer service network, as well as (iii) add funds from domestic and foreign lines of credit that finance loan needs.

Bradesco depends little on interbank deposits and foreign lines of credit, given its capacity to effectively obtain funding from customers. This is a

result of: (i) the outstanding position of its service points; (ii) the extensive diversity of products offered; and (iii) the market's confidence in the Bradesco brand.

Note that the use of funds provides a comfortable margin, which proves that Bradesco is capable of meeting demand for funds for loans using its own funding.

| Funding vs. Investments | R\$ million | | | Variation % | |
|---|----------------|----------------|----------------|-------------------|-----------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| Demand Deposits | 36,586 | 35,714 | 32,529 | 2.4 | 12.5 |
| Sundry Floating | 4,795 | 4,541 | 4,122 | 5.6 | 16.3 |
| Savings Deposits | 72,627 | 70,163 | 62,308 | 3.5 | 16.6 |
| Time Deposits + Debentures ⁽¹⁾ | 158,650 | 157,708 | 177,503 | 0.6 | (10.6) |
| Financial Bills | 31,878 | 25,417 | 31,124 | 25.4 | 2.4 |
| Other | 24,002 | 22,929 | 19,799 | 4.7 | 21.2 |
| Customer Funds | 328,539 | 316,472 | 327,385 | 3.8 | 0.4 |
| (-) Reserve Requirements/Available Funds ⁽²⁾ | (59,717) | (56,500) | (67,210) | 5.7 | (11.1) |
| Customer Funds Net of Compulsory Deposits | 268,822 | 259,972 | 260,175 | 3.4 | 3.3 |
| Onlending | 34,923 | 34,922 | 32,122 | 0.0 | 8.7 |
| Foreign Lines of Credit | 8,420 | 8,716 | 17,018 | (3.4) | (50.5) |
| Funding Abroad | 45,731 | 42,936 | 51,411 | 6.5 | (11.0) |
| Total Funding (A) | 357,896 | 346,546 | 360,726 | 3.3 | (0.8) |
| Loan Portfolio/Leasing/Cards (Other Receivables)/Acquired CDI (B) ⁽³⁾ | 352,010 | 341,640 | 322,962 | 3.0 | 9.0 |
| B/A (%) | 98.4 | 98.6 | 89.5 | (0.2) p.p. | 8.9 p.p. |

- (1) Debentures mainly used to back purchase and sale commitments;
- (2) Excluding government securities tied to savings accounts; and
- (3) Comprising amounts relative to card operations (cash and installment purchases at merchants), amounts related to CDI to rebate from reserve requirements and debentures.

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Funding Financial Margin - Interest**Main Funding Sources**

The following table presents changes in main funding sources:

| | R\$ million | | | Variation % | |
|--|----------------|----------------|----------------|-------------|------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| Demand Deposits | 36,586 | 35,714 | 32,529 | 2.4 | 12.5 |
| Savings Deposits | 72,627 | 70,163 | 62,308 | 3.5 | 16.6 |
| Time Deposits | 98,573 | 99,505 | 121,761 | (0.9) | (19.0) |
| Debentures ⁽¹⁾ | 60,077 | 58,203 | 55,742 | 3.2 | 7.8 |
| Borrowing and Onlending | 49,121 | 46,209 | 47,895 | 6.3 | 2.6 |
| Funds from Issuance of Securities ⁽²⁾ | 53,821 | 47,833 | 51,158 | 12.5 | 5.2 |
| Subordinated Debts | 36,222 | 35,057 | 34,091 | 3.3 | 6.3 |
| Total | 407,027 | 392,684 | 405,484 | 3.7 | 0.4 |

(1) Considering only debentures used to back purchase and sale commitments; and

(2) Including: Financial Bills, on June 30, 2013, amounting to R\$31,878 million (R\$25,417 million on March 31, 2013 and R\$31,124 million on June 30, 2012).

Demand Deposits

The R\$872 million increase in the second quarter of 2013, when compared to the previous quarter, was basically driven by the seasonality of the first quarter of 2013, mainly due to the use of funds by our customers to pay one-time expenses at the beginning of the year (e.g., IPVA and IPTU taxes).

The R\$4,057 million, or 12.5%, increase in comparison with the second quarter of 2012 was mainly due to the improved funding and the increased account holder base.

Savings Deposits

Savings deposits increased 3.5% in the quarter-over-quarter comparison and 16.6% in the last 12 months, mainly as a result of: (i) greater funding volume; and (ii) the remuneration of savings account reserve.

The new savings remuneration rule determines that: (i) the existing account savings up to May 3, 2012 will continue to remunerate at TR + 0.5% p.m.; and (ii) for deposits made as of May 4, 2012, the new rules are: (a) if the Selic rate is higher than 8.5% p.a., the TR + 0.5% p.m. remuneration will be maintained; and (b) when the Selic rate is equal to or lower than 8.5% p.a., the remuneration will be 70% of Selic rate + TR.

Bradesco is always increasing its savings accounts base and posted net growth of 2.5 million new savings accounts over the last 12 months.

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Economic and Financial Analysis

Funding Financial Margin - Interest

Time Deposits

In the second quarter of 2013, time deposits totaled R\$98,573 million, remaining practically stable quarter over quarter and decreasing by 19.0% on the same period of the previous year.

Such performance is basically due to the new business opportunities offered to customers.

Debentures

On June 30, 2013, Bradesco's debentures amounted to R\$60,077 million, a 3.2% increase in the quarter-over-quarter comparison and a 7.8% increase over the last 12 months.

These variations are mainly due to the placement and maturity of the securities, which are also used to back purchase and sale commitments that are, in turn, impacted by the levels of economic activity.

Borrowing and Onlending

The quarter-over-quarter increase of R\$2,912 million, or 6.3%, was mainly due to the R\$3,000

R\$12,517 million in June 2012 to R\$11,214 million in June 2013, mainly due to: (a) the settlement of

million increase in foreign-currency-denominated and/or indexed borrowing and onlending, from R\$8,214 million in March 2013 to R\$11,214 million in June 2013, as a result of:

- (a) the exchange gain of 10.0% in the quarter; and
- (b) funds raised from loans abroad.

Year over year, the balance was up R\$1,226 million in the first half of 2013, mainly due to: (i) the R\$2,529 million increase in volume of funds raised through loans and onlending in Brazil, especially through Finame operations; and partially offset: (ii) by the R\$1,303 million decrease in foreign-currency-denominated and/or indexed borrowing and onlending, from

operations; and partially offset by: (b) the exchange gain of 9.6% in the period.

Funding Financial Margin - Interest

Funds for the Issuance of Securities

Funds from issuance of securities totaled R\$53,821 million, a 12.5% or R\$5,988 million increase in the quarter, mainly due to: (i) the increased inventory of Financial Bills, from R\$25,417 million in March 2013 to R\$31,878 million in June 2013, mainly due to the new issuances in the period; and partially offset: (ii) by the lower volume of securities issued abroad, in the amount of R\$1,099 million.

Between the first half of 2012 and 2013, there was an increase of R\$2,663 million, mainly driven by: (i) the higher volume of Mortgage Bonds, in the amount of R\$1,594 million; and (ii) the higher volume of Letters of Credit for Agribusiness, in the amount of R\$1,071 million; (iii) the new issuances of Financial Bills, whose amount increased R\$754 million; and partially offset: (iv) by the R\$493 million reduction in Collateral Mortgage Notes.

Subordinated Debt

Subordinated Debt totaled R\$36,222 million in June 2013 (R\$9,548 million abroad and R\$26,674 million in Brazil). In the last 12 months, Bradesco issued R\$4,143 million in Brazil.

Additionally, note that R\$26,355 million of total subordinated debt is used to compose the Tier II of the Capital Adequacy Ratio, given their maturity terms.

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Economic and Financial Analysis

Securities/Other Financial Margin - Interest

Securities/Other Financial Margin - Breakdown

| | Financial Margin - Securities/Other | | | | R\$ million | |
|----------------------------------|-------------------------------------|--------------|------------|--------------|--------------|--------------|
| | 1H13 | 1H12 | 2Q13 | 1Q13 | Variation | |
| | | | | | Half | Quarter |
| Interest - due to volume | | | | | 148 | 6 |
| Interest - due to spread | | | | | (418) | (291) |
| Interest Financial Margin | 2,141 | 2,411 | 928 | 1,213 | (270) | (285) |
| Income | 14,444 | 17,648 | 8,582 | 5,863 | (3,204) | 2,719 |
| Expenses | (12,303) | (15,237) | (7,654) | (4,650) | 2,934 | (3,004) |

Quarter over quarter, interest financial margin from Securities/Other was down by R\$285 million, mainly due to the decrease in average spread of operations of R\$291 million, as a result of the lower gain from fixed-rate trading portfolio management.

Year over year, interest financial margin from Securities/Other stood at R\$2,141 million, versus the R\$2,411 million recorded in the first half of 2012, down 11.2% or R\$270 million. This result was due to: (i) the decrease in the average spread of R\$418 million, driven by the lower gain from fixed-rate trading portfolio management; and offset: (ii) by the increase in the volume of operations, which affected the result in R\$148 million.

Insurance Financial Margin - Interest

Insurance Financial Margin - Breakdown

| | Financial Margin - Insurance | | | | R\$ million | |
|----------------------------------|------------------------------|--------------|------------|------------|-------------|-------------|
| | 1H13 | 1H12 | 2Q13 | 1Q13 | Variation | |
| | | | | | Half | Quarter |
| Interest - due to volume | | | | | 290 | 35 |
| Interest - due to spread | | | | | (39) | (73) |
| Interest Financial Margin | 1,828 | 1,577 | 895 | 933 | 251 | (38) |
| Income | 3,827 | 5,340 | 1,772 | 2,055 | (1,513) | (283) |
| Expenses | (1,999) | (3,763) | (877) | (1,122) | 1,764 | 245 |

In the quarter-over-quarter comparison, interest financial margin from insurance operations decreased R\$38 million, or 4.1%, due to: (i) the R\$73 million decrease in average spread; and offset: (ii) by the higher volume of operations, totaling R\$35 million.

In the year-over-year comparison, interest financial margin from insurance operations was up 15.9%, or R\$251 million, in the first half of 2013 due to: (i) the higher volume of operations, in the amount of R\$290 million; and offset: (ii) by the R\$39 million decrease in average spread.

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

| | Non-Interest Financial Margin | | | | R\$ million | |
|------------------|-------------------------------|------------|-----------|------------|-------------------|--------------|
| | 1H13 | 1H12 | 2Q13 | 1Q13 | Variation Half | Quarter |
| | Funding | (146) | (146) | (73) | (73) | - |
| Insurance | 62 | 182 | (13) | 75 | (120) | (88) |
| Securities/Other | 299 | 953 | 104 | 195 | (654) | (91) |
| Total | 215 | 989 | 18 | 197 | (774) | (179) |

The non-interest financial margin in the second quarter of 2013 stood at R\$18 million in comparison with the R\$197 million of the previous quarter. Year over year, non-interest margin decreased R\$774 million in the first half of 2013. The variations in non-interest financial margin were a result of:

- Insurance - which is represented by gains/loss from equity securities, and the variations in the periods are associated with market conditions, which enabled greater/lower gain opportunity; and
- Securities/Other - which had decreases of R\$91 million and R\$654 million between the first quarter of 2012 and 2013 and between the first half of 2012 and 2013, respectively, due to lower gains from market arbitrage. It is worth noting that an R\$148 million gain from the partial sale of BM&FBovespa shares was recorded in the second quarter of 2013.

Bradesco

Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Below is the analysis of the Statement of Financial Position and Income Statement of Grupo Bradesco Seguros e Previdência:

Consolidated Statement of Financial Position

| | R\$ million | | |
|--|----------------|----------------|----------------|
| | Jun13 | Mar13 | Jun12 |
| Assets | | | |
| Current and Long-Term Assets | 152,459 | 151,335 | 137,008 |
| Securities | 141,984 | 141,535 | 128,526 |
| Insurance Premiums Receivable ⁽¹⁾ | 2,546 | 2,464 | 2,009 |
| Other Loans | 7,929 | 7,336 | 6,473 |
| Permanent Assets | 3,936 | 3,777 | 3,312 |
| Total | 156,395 | 155,112 | 140,320 |
| Liabilities | | | |
| Current and Long-Term Liabilities | 139,412 | 136,025 | 122,494 |
| Tax, Civil and Labor Contingencies | 2,792 | 2,746 | 2,179 |
| Payables on Insurance, Pension Plan and Capitalization Bond Operations | 355 | 369 | 362 |
| Other Liabilities | 4,446 | 5,543 | 8,163 |
| Insurance Technical Reserves ⁽¹⁾ | 11,698 | 11,217 | 8,705 |
| Life and Pension Plan Technical Reserves | 114,383 | 110,527 | 98,199 |
| Capitalization Bond Technical Reserves | 5,738 | 5,623 | 4,886 |
| Non-controlling Interest | 641 | 663 | 624 |
| Shareholders' Equity | 16,342 | 18,424 | 17,202 |
| Total | 156,395 | 155,112 | 140,320 |

(1) In the second quarter of 2013, in compliance with ANS Normative Resolution 314, of November 23, 2012, Bradesco Saúde reclassified R\$715.4 million (R\$597.3 million in the first quarter of 2013), corresponding to the early recording of premiums, which was deducted from premiums receivable, to "Technical Reserves – Unearned Premium Reserve," under liabilities.

Consolidated Income Statement

| | | | R\$ million | |
|---|--------------|--------------|--------------------|--------------|
| | 1H13 | 1H12 | 2Q13 | 1Q13 |
| Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income | 24,191 | 20,988 | 13,238 | 10,953 |
| Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond | 12,605 | 10,625 | 6,393 | 6,212 |
| Financial Result from the Operation | 1,828 | 1,695 | 849 | 979 |
| Sundry Operating Income | 410 | 612 | 275 | 135 |
| Retained Claims | (7,271) | (6,188) | (3,724) | (3,547) |
| Capitalization Bond Draws and Redemptions | (1,883) | (1,509) | (1,011) | (872) |
| Selling Expenses | (1,266) | (1,098) | (630) | (636) |
| General and Administrative Expenses | (1,023) | (971) | (548) | (475) |
| Tax Expenses | (280) | (238) | (133) | (147) |
| Other Operating Income/Expenses | (223) | (147) | (32) | (191) |
| Operating Result | 2,897 | 2,781 | 1,439 | 1,458 |
| Equity Result | 218 | 186 | 117 | 101 |
| Non-Operating Result | (20) | (19) | (7) | (13) |
| Income before Taxes and Profit Sharing | 3,095 | 2,948 | 1,549 | 1,546 |
| Income Tax and Contributions | (1,141) | (1,086) | (571) | (570) |
| Profit Sharing | (33) | (39) | (17) | (16) |
| Non-controlling Interest | (60) | (37) | (30) | (30) |
| Net Income | 1,861 | 1,786 | 931 | 930 |

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Economic and Financial Analysis**Insurance, Pension Plans and Capitalization Bonds****Income Distribution of Grupo Bradesco Seguros e Previdência**

| | R\$ million | | | | | | | |
|------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
| Life and Pension Plans | 564 | 542 | 570 | 493 | 494 | 493 | 535 | 486 |
| Health | 155 | 167 | 167 | 133 | 148 | 151 | 181 | 132 |
| Capitalization Bonds | 97 | 131 | 103 | 86 | 91 | 104 | 87 | 86 |
| Basic Lines and Other | 115 | 90 | 124 | 125 | 148 | 157 | 57 | 76 |
| Total | 931 | 930 | 964 | 837 | 881 | 905 | 860 | 780 |

Performance Ratios

| | % | | | | | | | |
|--|------|------|------|------|------|------|------|------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
| Claims Ratio ⁽¹⁾ | 71.1 | 69.6 | 70.5 | 70.4 | 71.3 | 71.9 | 68.6 | 71.5 |
| Expense Ratio ⁽²⁾ | 10.9 | 11.0 | 11.6 | 11.3 | 11.1 | 11.1 | 11.1 | 10.5 |
| Administrative Expenses Ratio ⁽³⁾ | 4.1 | 4.3 | 4.2 | 5.0 | 4.3 | 5.0 | 4.5 | 5.8 |
| Combined Ratio ^{(4) (5)} | 85.5 | 86.0 | 86.6 | 86.5 | 85.0 | 85.6 | 83.6 | 86.2 |

(1) Retained Claims/Earned Premiums;

(2) Selling Expenses/Earned Premiums;

(3) Administrative Expenses/Net Written Premiums;

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

(5) Excluding additional reserves.

Note: For comparison purposes, the non-recurring events' effects are not considered.

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

In the second quarter of 2013, total revenue increased 20.9% over the previous quarter, boosted by Life and Pension Plan, Capitalization Bond and Auto/RE products, which grew 32.2%, 14.5% and 12.9%, respectively.

In the first half of 2013, production increased 15.3% when compared to the same period in the previous year, led by Health, Capitalization Bond and Life and Pension Plan products, which grew 23.3%, 21.8% and 12.7%, respectively.

Bradesco _____

Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

Report on Economic and Financial Analysis – June 2013

Insurance, Pension Plan and Capitalization Bonds

Retained Claims by Insurance Line

Bradesco

Economic and Financial Analysis

Insurance, Pension Plan and Capitalization Bonds

Insurance Expense Ratio by Insurance Line

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Insurance, Pension Plans and Capitalization Bonds

Efficiency Ratio

General and Administrative Expenses/Revenue

The improved administrative efficiency ratio when compared to the second quarter of 2012 was due to: (i) the benefits from cost rationalization; and (ii) the 14.4% increase in revenue in the period.

Bradesco

Economic and Financial Analysis

Insurance, Pension Plans and Capitalization Bonds

Technical Reserves

Report on Economic and Financial Analysis – June 2013

Economic and Financial Analysis**Bradesco Vida e Previdência**

| | R\$ million (unless otherwise specified) | | | | | |
|---|--|---------|---------|---------|---------|---------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 |
| Net Income | 564 | 542 | 570 | 493 | 494 | 493 |
| Premium and Contribution Income ⁽¹⁾ | 7,535 | 5,698 | 8,053 | 5,002 | 6,737 | 5,009 |
| - Income from Pension Plans and VGBL | 6,475 | 4,677 | 6,976 | 3,988 | 5,816 | 4,090 |
| - Income from Life/Personal Accidents Insurance Premiums | 1,060 | 1,021 | 1,077 | 1,014 | 921 | 919 |
| Technical Reserves | 114,383 | 110,527 | 108,371 | 102,425 | 98,199 | 93,861 |
| Investment Portfolio | 119,842 | 118,380 | 117,418 | 110,182 | 106,102 | 100,366 |
| Claims Ratio | 37.3 | 35.1 | 37.4 | 34.6 | 43.5 | 41.3 |
| Expense Ratio | 18.8 | 23.4 | 23.3 | 21.2 | 19.2 | 21.3 |
| Combined Ratio | 61.0 | 70.0 | 68.1 | 60.8 | 68.4 | 70.8 |
| Participants / Policyholders (in thousands) | 27,030 | 25,722 | 25,837 | 25,295 | 25,257 | 24,534 |
| Premium and Contribution Income Market Share (%) ⁽²⁾ | 28.5 | 24.6 | 29.6 | 28.8 | 29.9 | 27.5 |
| Life/AP Market Share - Insurance Premiums (%) ⁽²⁾ | 16.7 | 16.4 | 18.0 | 17.8 | 17.4 | 17.3 |

(1) Life/VGBL/PGBL/Traditional; and

(2) 2Q13 includes the latest data released by Susep (May 2013).

Note: For comparison purposes, the non-recurring events are not considered.

Due to its solid structure, a policy of product innovation and customer trust, Bradesco Vida e Previdência leads the segment with a 28.5% market share in terms of pension plan and VGBL income in the period (source: Susep – May 2013).

Net income for the second quarter of 2013 exceeded the previous quarter result by 4.1%, as a result of: (i) the 32.2% increase in revenue; (ii) the improved administrative efficiency ratio; partially offset by: (iii) the 2.2 p.p. increase in Life product

claims ratio; and (iv) the decrease in the financial result.

Net income for the first half of 2013 was 12.1% higher than the result posted in the same period of the previous year, mainly as a result of: (i) the 12.7% increase in revenue; (ii) the 6.0 p.p. decrease in Life product claims ratio; (iii) the increase in the financial result; and (iv) the improved administrative efficiency ratio.

Economic and Financial Analysis

Bradesco Vida e Previdência

Bradesco Vida e Previdência's technical reserves stood at R\$114.4 billion in June 2013, made up of R\$108.6 billion from Pension Plans and VGBL and R\$5.8 billion from Life, Personal Accidents and Other Lines, up 16.5% over June 2012.

The Pension Plan and VGBL Investment Portfolio totaled R\$116.9 billion in May 2013, equal to 32.7% of all market funds (source: Fenaprevi – May 2013).

Growth of Participants and Life and Personal Accident Policyholders

In June 2013, the number of Bradesco Vida e Previdência customers grew by 7.0% compared to June 2012, surpassing a total of 2.3 million pension plan and VGBL plan participants and

24.6 million personal accident participants. This impressive growth was fueled by the strength of the Bradesco brand and the improvement of selling and management policies.

Bradesco Saúde and Mediservice

| | R\$ million (unless otherwise stated) | | | | | | | |
|--|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
| Net Income | 155 | 167 | 167 | 133 | 148 | 151 | 181 | 132 |
| Net Written Premiums | 2,926 | 2,787 | 2,727 | 2,498 | 2,338 | 2,251 | 2,170 | 2,114 |
| Technical Reserves | 6,503 | 6,308 | 5,582 | 5,466 | 4,128 | 4,072 | 3,984 | 3,942 |
| Claims Ratio | 87.3 | 84.7 | 85.3 | 86.9 | 86.1 | 86.4 | 83.4 | 87.3 |
| Expense Ratio | 5.4 | 5.2 | 5.1 | 5.0 | 4.9 | 4.8 | 4.7 | 4.4 |
| Combined Ratio | 98.9 | 96.2 | 98.5 | 99.9 | 96.9 | 97.9 | 96.1 | 98.9 |
| Policyholders (in thousands) | 4,082 | 3,985 | 3,964 | 3,873 | 3,707 | 3,627 | 3,458 | 3,384 |
| Written Premiums Market Share (%) ⁽¹⁾ | 48.7 | 48.2 | 45.3 | 46.8 | 46.9 | 46.7 | 47.9 | 47.5 |

(1) 2Q13 considers the latest data released by ANS (May 2013).

Note: For comparison purposes, the non-recurring events are not considered.

Net income for the second quarter of 2013 had a decrease of 7.2% over the first quarter of 2013, mainly due to: (i) the decrease in the financial result; (ii) the 2.6 p.p. increase in claims ratio (1.4 p.p. of which due to revaluation of assumptions for premium reserve); partially offset by: (iii) the 5.0% increase in revenue.

Net income for the first half of 2013 was up 7.7% over the same period of the previous year, due to: (i) the 24.5% increase in revenue; (ii) the steady claims ratio; and (iii) the improved financial and equity result.

In June 2013, Bradesco Saúde and Mediservice maintained strong market position in the corporate segment (source: ANS).

Approximately 70 thousand companies in Brazil have Bradesco Saúde insurance and Mediservice plans.

Of the 100 largest companies in Brazil in terms of revenue, 53 are Bradesco Saúde and Mediservice customers (source: *Exame* magazine's Best and Major Companies (*Melhores e Maiores*) ranking, July 2013).

Economic and Financial Analysis**Bradesco Saúde and Mediservice****Number of Policyholders at Bradesco Saúde and Mediservice**

Together, the two companies have over 4.0 million customers. The high share of corporate policies in the overall portfolio (95.3% in June 2013) shows the companies' high level of specialization and customization in the corporate segment, a major advantage in today's supplementary health insurance market.

Bradesco Capitalização

| | R\$ million (unless otherwise stated) | | | | | | | |
|--|---------------------------------------|-------|-------|-------|-------|-------|-------|-------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
| Net Income | 96 | 131 | 103 | 86 | 91 | 104 | 87 | 86 |
| Capitalization Bond Income | 1,126 | 983 | 1,089 | 1,013 | 937 | 795 | 798 | 849 |
| Technical Reserves | 5,738 | 5,623 | 5,449 | 5,165 | 4,886 | 4,663 | 4,571 | 4,329 |
| Customers (in thousands) | 3,439 | 3,462 | 3,459 | 3,426 | 3,358 | 3,228 | 3,097 | 3,024 |
| Premium Income Market Share (%) ⁽¹⁾ | 22.1 | 22.1 | 23.1 | 22.8 | 22.2 | 21.2 | 21.6 | 21.4 |

(1) 2Q13 considers the latest data released by Susep (May 2013).

In the second quarter of 2013, revenue grew 14.5% over the previous quarter and the administrative efficiency ratio remained stable. Net income decreased 26.7% over the previous quarter, mainly due to the lower financial result.

Net income for the first half of 2013 was up 16.4% when compared to the same period of the previous year, as a result of: (i) the 21.8% increase in capitalization bond income; (ii) improved financial result; and (iii) the steady administrative efficiency ratio.

Bradesco Capitalização

Bradesco Capitalização ended the second quarter of 2013 leading the capitalization bond companies ranking, due to its policy of transparency and of adjusting its products based on potential consumer demand.

In order to offer the capitalization bond that best fits the profile and budget of each customer, Bradesco Capitalização has developed several products that vary in accordance with payment method (lump-sum or monthly), contribution term, frequency of draws and premium amounts. This phase was mainly marked by a closer relationship with the public by consolidating *Pé Quente Bradesco* products.

Among these products, it is worth pointing out the performance of the social and environmental products, from which a part of the profit is allocated to socially responsible projects, while also allowing the customer to create a financial reserve. Bradesco Capitalização currently has partnerships with the following social and environmental institutions: (i) Fundação SOS Mata Atlântica (contributes to the conservation of biological and cultural diversity of the Atlantic Forest, stimulating social and environmental citizenship); (ii) Instituto Ayrton Senna (contributes to education and human development, reducing illiteracy rates, school failure and drop-out rates); (iii) Fundação Amazonas Sustentável (contributes to the sustainable development, environmental preservation and improvement to the quality of life of communities that benefit from the preservation centers in the state of Amazonas); (iv) the Brazilian Cancer Control Institute (contributes to the development of projects for the prevention, early diagnosis and treatment of breast cancer in Brazil); and (v) Projeto Tamar (created to save sea turtles).

Bradesco Capitalização was the first capitalization bond company in Brazil to receive the ISO 9001 of Quality Management, certification which is held to date. Since 2009, it was certified by Fundação Vanzolini with the ISO 9001 Version 2008 for Management of Bradesco Capitalization Bonds. This attests to the quality of internal processes and confirms the principle targeting good products, services and continuous growth.

The portfolio is composed of 22.5 million active bonds, of which: 36.3% are Traditional Bonds sold in the branch network and at Bradesco *Dia & Noite* service channels, up 2.8% over June 2012; and 63.7% are incentive bonds (assignment of drawing rights), such as partnerships with Bradesco Vida e Previdência and Bradesco Auto/RE, which were up 10.2% over June 2012. Given that the purpose of this type of capitalization bond is to add value to the associated company product or even encourage the performance of its customers, bonds have reduced maturity and grace terms and lower sale price.

Bradesco _____

Economic and Financial Analysis
Bradesco Auto/RE

| | R\$ million (unless otherwise stated) | | | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2Q13 | 1Q13 | 4Q12 | 3Q12 | 2Q12 | 1Q12 | 4Q11 | 3Q11 |
| Net Income | 43 | 28 | 10 | 42 | 26 | 49 | 33 | 50 |
| Net Written Premiums | 1,204 | 1,039 | 1,014 | 1,239 | 1,208 | 967 | 983 | 1,042 |
| Technical Reserves | 4,817 | 4,643 | 4,577 | 4,508 | 4,345 | 4,148 | 3,920 | 3,853 |
| Claims Ratio | 58.6 | 58.5 | 63.7 | 63.9 | 64.2 | 64.7 | 65.9 | 61.3 |
| Expense Ratio | 18.0 | 17.7 | 17.8 | 18.7 | 18.8 | 18.4 | 18.2 | 17.4 |
| Combined Ratio | 100.8 | 105.6 | 109.6 | 105.8 | 104.1 | 107.4 | 108.2 | 104.1 |
| Policyholders (in thousands) | 3,652 | 3,798 | 3,871 | 3,968 | 3,826 | 3,801 | 3,694 | 3,632 |
| Premium Income Market Share (%) ⁽¹⁾ | 9.0 | 8.8 | 10.0 | 10.5 | 10.5 | 9.8 | 10.1 | 10.4 |

(1) 2Q13 considers the latest data released by Susep (May 2013).

Net income for the second quarter of 2013 was up by 53.6% from the previous quarter, due to: (i) the steady claims ratio; (ii) the lower operating expenses; and (iii) the improved equity result.

Net income for the first half of 2013 was 5.3% lower than that posted in the same period in 2012, due to: (i) lower equity result; and partially offset by: (ii) the decrease in claims and expense ratio; and (iii) higher financial result.

In the Property Insurance segment, the focus on large brokers and Corporate and Middle Market customers was maintained. This results in renewal of the main accounts, whether in leadership or participation in co-insurance. Also note the excellent performance of the Engineering Risks segment: the partnership with the Real Estate Loan area has enabled new insurance contracts from its customer base.

In Aviation and Maritime Hull insurance, the increased exchange with Corporate and Middle Market segments has been drawn on extensively,

Despite strong competition in the Auto/RCF line, the insurer has increased its customer base, mainly due to improvements to current products and the creation of products for a specific target-public. Among them, it is worth noting the launch of the First Vehicular Protection of Bradesco Seguro (*Bradesco Seguro Primeira Proteção Veicular*), exclusive to Bradesco's account holders, which helps, through the Day and Night Support services, new vehicles and vehicles of up to 15 years of use.

For better service, Bradesco Auto/RE currently has 23 Bradesco Auto Centers (BAC), which offer policyholders the greatest variety of services in a single place, including: auto claims services, reserve rental cars, installation of anti-theft equipment, preventative maintenance checks, glass repairs or replacement and environmental vehicle inspections.

taking full advantage of the stronger sales of new aircraft and those of the maritime segment.

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

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Bradesco Auto/RE

Number of Policyholders at Auto/RE

Mass insurance targets individuals, self-employed professionals and SMEs. The launch of new products combined with the continuous improvement to methods and systems has contributed to maintenance of customer base, which comprises around 3.6 million customers in the last 12 months.

It is worth pointing out that we continued with a strong strategy for the Residential Insurance segment, with a 13.0% growth in premiums from January to June 2013, totaling more than 1.8 million insured homes.

Bradesco

Economic and Financial Analysis
Fee and Commission Income

A breakdown of the variation in Fee and Commission Income for the respective periods is presented below:

| Fee and Commission Income | 1H13 | 1H12 | 2Q13 | 1Q13 | R\$ million | |
|----------------------------------|--------------|--------------|--------------|--------------|--------------------|----------------|
| | | | | | Variation | |
| | | | | | Half | Quarter |
| Card Income | 3,399 | 2,845 | 1,732 | 1,667 | 554 | 65 |
| Checking Account | 1,722 | 1,553 | 889 | 833 | 169 | 56 |
| Fund Management | 1,131 | 1,061 | 581 | 550 | 70 | 31 |
| Loan Operations | 1,090 | 1,025 | 573 | 517 | 65 | 56 |
| Collection | 710 | 636 | 367 | 344 | 74 | 23 |
| Underwriting / Financial | | | | | | |
| Advisory Services | 346 | 224 | 225 | 121 | 122 | 104 |
| Consortium Management | 344 | 293 | 177 | 167 | 51 | 10 |
| Custody and Brokerage | | | | | | |
| Services | 260 | 236 | 136 | 124 | 24 | 12 |
| Payments | 166 | 158 | 87 | 79 | 8 | 8 |
| Other | 413 | 368 | 217 | 196 | 45 | 21 |
| Total | 9,582 | 8,399 | 4,983 | 4,599 | 1,183 | 384 |

Explanations of the main items that influenced the variation in Fee and Commission Income between periods can be found below.

Fee and Commission Income

Card Income

For the fifth consecutive quarter, card income grew R\$65 million when compared to the previous quarter, for a total of R\$1,732 million, mainly due to the volume of transactions in the period and the increased revenue.

Year over year, card service revenue was up 19.5%, or R\$554 million, in the first half of 2013, mainly due to an increase in revenue from purchases and services, resulting from the 16.1% increase in card revenue, which reached R\$56.4 billion (R\$48.6 billion in the first half of 2012), and the increase in the number of transactions in the period.

Bradesco _____

Economic and Financial Analysis

Fee and Commission Income

Checking Account

In the second quarter of 2013, fee and commission income from checking accounts increased 6.7% in comparison with the previous quarter, mainly due to: (i) the net increase of 429 thousand new checking accounts; (ii) the expansion of the customer service portfolio; and (iii) the realignment of certain fees.

Year over year, income grew by R\$169 million, or 10.9%, in the first half of 2013, mainly due to: (i) the expansion of the checking account customer base, which posted a net increase of 693 thousand active current account holders (642 thousand individual customers and 51 thousand corporate customers); (ii) the expansion of the customer service portfolio; and (iii) the realignment of certain fees.

Loan Operations

In the second quarter of 2013, income from loan operations totaled R\$573 million, up 10.8% in comparison with the previous quarter, mainly driven by the greater volume of operations in the quarter.

Year over year, the 6.3% increase in the first half of 2013 was mainly the result of the greater income from collaterals, up 20.1%, mainly deriving from the 19.9% growth in the volume of Sureties and Guarantees in the period.

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Fee and Commission Income

Fund Management

In the second quarter of 2013, income from fund management totaled R\$581 million, up R\$31 million in comparison with the previous quarter, mainly due to higher number of business days in the quarter, offsetting the 1.9% drop in the volume of funds and portfolios raised and managed.

Year over year, the R\$70 million or 6.6% increase in the first half of 2013 was mainly due to: (i) increases in funds and portfolios, which grew by 11.4%; partially offset by (ii) the 12.7% decrease in the Ibovespa index in the period, impacting income from managed funds and portfolios pegged to equities.

The highlight was the investments in third-party funds, which grew by 19.4% in the period, followed by the 8.6% increase in fixed-rate funds.

| Shareholders' Equity | R\$ million | | | Variation % | |
|--------------------------------------|----------------|----------------|----------------|--------------|-------------|
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| Investment Funds | 387,172 | 392,652 | 358,881 | (1.4) | 7.9 |
| Managed Portfolios | 31,350 | 33,324 | 17,691 | (5.9) | 77.2 |
| Third-Party Fund Quotas | 8,715 | 9,404 | 7,017 | (7.3) | 24.2 |
| Total | 427,237 | 435,380 | 383,589 | (1.9) | 11.4 |
| Distribution | R\$ million | | | Variation % | |
| | Jun13 | Mar13 | Jun12 | Quarter | 12M |
| Investment Funds – Fixed Income | 359,835 | 364,266 | 331,421 | (1.2) | 8.6 |
| Investment Funds – Equities | 27,337 | 28,386 | 27,460 | (3.7) | (0.4) |
| Investment Funds – Third-Party Funds | 6,851 | 8,183 | 5,739 | (16.3) | 19.4 |
| Total - Investment Funds | 394,023 | 400,835 | 364,620 | (1.7) | 8.1 |
| Managed Portfolios - Fixed Income | 23,053 | 23,693 | 10,228 | (2.7) | 125.4 |
| Managed Portfolios – Equities | 8,297 | 9,631 | 7,463 | (13.9) | 11.2 |

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| | | | | | |
|--|----------------|----------------|----------------|--------------|-------------|
| Managed Portfolios - Third-Party Funds | 1,864 | 1,221 | 1,278 | 52.7 | 45.9 |
| Total - Managed Portfolios | 33,214 | 34,545 | 18,969 | (3.9) | 75.1 |
| x | | | | | |
| Total Fixed Income | 382,888 | 387,959 | 341,649 | (1.3) | 12.1 |
| Total Equities | 35,634 | 38,017 | 34,923 | (6.3) | 2.0 |
| Total Third-Party Funds | 8,715 | 9,404 | 7,017 | (7.3) | 24.2 |
| Overall Total | 427,237 | 435,380 | 383,589 | (1.9) | 11.4 |

Bradesco _____

Economic and Financial Analysis

Fee and Commission Income

Cash Management Solutions (Payments and Collection)

In the second quarter of 2013, income from payments and collection increased 7.3% in comparison with the previous quarter, mainly due to new businesses and increase in the number of processed documents in the period.

Year over year, the 10.6% or R\$84 million increase in the first half of 2013 was mainly due to the greater volume of processed documents, up from 930 million in the first half of 2012 to 1,037 million in the first half of 2013.

Consortium Management

In the second quarter of 2013, income from consortium management increased by 6.0% over the previous quarter, driven by the segment expansion. On June 30, 2013, Bradesco had 821 thousand active quotas (780 thousand active quotas on March 31, 2013), ensuring a leading position in all the segments it operates (real estate, auto and trucks/tractors).

Year over year, there was a 17.0% increase in the first half of 2013, resulting from: (i) the growth in the volume of bids; (ii) the increase in average ticket; and (iii) the increase in sales of new quotas, from 676 thousand active quotas on June 30, 2012 to 821 thousand active quotas on June 30, 2013, an increase of 145 thousand net quotas.

Bradesco's purpose is to offer the most complete portfolio of products and services to its customers. Therefore, the Organization provides consortium

To sell the consortium plans, Bradesco has the strength and expertise of several managers, who operate together with customers.

Bradesco remains being leader in the three segments due to planning and synergy with the branch network, together with stability and security of the Bradesco brand.

plans for all income groups, covering the different market demands, in real estate, automobile or truck/tractor/machinery/equipment segments.

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Fee and Commission Income

Custody and Brokerage Services

In the second quarter of 2013, total custody and brokerage service income had an increase of R\$12 million in relation to the previous quarter, basically due to the increase in volume of trading in BM&FBovespa, which influenced custody and brokerage service income.

Year over year, the 10.2% increase in the first half of 2013 reflected the increase in custody services, with an R\$85 billion gain in assets under custody.

Underwriting / Financial Advisory Services

The R\$104 million increase in the quarter-over-quarter comparison mainly refers to the performance of the capital market operations in the second quarter of 2013. Furthermore, changes in this income are often the result of capital markets' volatile performance.

Year over year, there was an increase of R\$122 million in the first half of 2013, mainly as a result of a greater business volume in the second quarter of 2013.

 Economic and Financial Analysis
Personnel and Administrative Expenses

| Personnel and Administrative Expenses | 1H13 | 1H12 | 2Q13 | 1Q13 | R\$ million | |
|--|----------------|----------------|----------------|----------------|-------------------|--------------|
| | | | | | Variation Half | Quarter |
| Personnel Expenses | | | | | | |
| Structural | 5,054 | 4,786 | 2,563 | 2,490 | 268 | 73 |
| Payroll/Social Charges | 3,755 | 3,592 | 1,915 | 1,840 | 163 | 75 |
| Benefits | 1,299 | 1,194 | 648 | 650 | 105 | (2) |
| Non-Structural | 1,197 | 1,139 | 628 | 569 | 57 | 59 |
| Management and Employee Profit Sharing | 672 | 666 | 336 | 336 | 6 | - |
| Provision for Labor Claims | 374 | 331 | 210 | 164 | 43 | 46 |
| Training | 39 | 63 | 26 | 12 | (24) | 14 |
| Termination Costs | 112 | 79 | 56 | 57 | 33 | (1) |
| Total | 6,250 | 5,925 | 3,191 | 3,059 | 325 | 132 |
| Administrative Expenses | | | | | | |
| Outsourced Services | 1,702 | 1,664 | 873 | 828 | 38 | 45 |
| Communication | 795 | 825 | 403 | 393 | (30) | 10 |
| Depreciation and Amortization | 651 | 609 | 331 | 319 | 42 | 12 |
| Data Processing | 615 | 530 | 315 | 300 | 85 | 15 |
| Rental | 407 | 378 | 204 | 203 | 29 | 1 |
| Transportation | 404 | 427 | 205 | 199 | (23) | 6 |
| Financial System Services | 368 | 326 | 189 | 179 | 42 | 10 |
| Advertising and Marketing | 330 | 315 | 169 | 161 | 15 | 8 |
| Asset Maintenance | 316 | 291 | 162 | 153 | 25 | 9 |
| Security and Surveillance | 239 | 205 | 124 | 116 | 34 | 8 |
| Leased Assets | 158 | 196 | 82 | 77 | (38) | 5 |
| Materials | 146 | 169 | 76 | 69 | (23) | 7 |
| Water, Electricity and Gas | 119 | 130 | 54 | 65 | (11) | (11) |
| Trips | 61 | 66 | 33 | 27 | (5) | 6 |
| Other | 722 | 711 | 356 | 367 | 11 | (11) |
| Total | 7,033 | 6,842 | 3,578 | 3,455 | 191 | 123 |
| Total Personnel and Administrative Expenses | 13,283 | 12,767 | 6,769 | 6,514 | 516 | 255 |
| Employees | 101,951 | 104,531 | 101,951 | 102,793 | (2,580) | (842) |
| Service Points | 70,829 | 65,370 | 70,829 | 69,528 | 5,459 | 1,301 |

In the second quarter of 2013, total personnel and administrative expenses came to R\$6,769 million, up 3.9% in comparison with the previous quarter.

Personnel Expenses

In the second quarter of 2013, personnel expenses came to R\$3,191 million, a 4.3% or R\$132 million variation from the previous quarter. The increase in structural expenses of R\$73 million was due to the lower concentration of holidays in the second quarter of 2013, for a total of R\$67 million. The increase in non-structural expenses of R\$59 million was due to greater expenses for the provision for labor claims, totaling R\$46 million.

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Economic and Financial Analysis

Personnel and Administrative Expenses

Personnel Expenses

Year over year, the R\$325 million increase in the first half of 2013 was due to: (i) the structural expenses totaling R\$268 million, related to the increase in expenses with payroll, social charges and benefits, impacted by the raise in salary levels (collective bargaining agreement of 2012); and (ii) the increase in non-structural expenses of R\$57 million, which was mainly a result of

greater expenses with provision for labor claims, totaling R\$43 million.

Bradesco

Economic and Financial Analysis

Personnel and Administrative Expenses

Administrative Expenses

In the second quarter of 2013, administrative expenses came to R\$3,578 million, up 3.6%, or R\$123 million, from the previous quarter, mainly due to greater business and service volume in the quarter, consequently increasing expenses with: (i) outsourced services, totaling R\$45 million; (ii) data processing, totaling R\$15 million; (iii) depreciation and amortization, totaling R\$12 million; (iv) financial system services, totaling R\$10 million; and (v) communication, totaling R\$10 million.

Despite the greater expenses with (i) the opening of 5,459 service points in the period, mainly the opening of 4,343 *Bradesco Expresso* points, for a total of 70,829 service points on June 30, 2013 and (ii) the increase in business and service volume in the period, administrative expenses increased only by 2.8% between the first half of 2013 and the same period in 2012, thanks to the Efficiency Committee efforts to control these expenses. Note that, in the last 12 months, the inflation rates Extended Consumer Price Index (IPCA) and General Market Price Index (IGP-M) stood at 6.7% and 6.3% respectively.

Operating Coverage Ratio ⁽¹⁾

In the quarter, the coverage ratio over the last 12 months maintained its improvement with a 1.9 p.p. growth, mainly due to an increase in fee and commission income, combined with ongoing cost control efforts, including the initiatives of our Efficiency Committee.

It is worth noting that 69.6% is the best rate over the last 18 quarters.

Tax Expenses

The R\$106 million decrease in tax expenses in comparison with the previous quarter was mainly driven by the decrease in PIS/Cofins taxable bases in the second quarter of 2013.

Year over year, these expenses increased R\$137 million in the first half of 2013, mainly due to higher PIS/Cofins/ISS expenses, reflecting the higher taxable income, especially fee and commission income.

Bradesco

Economic and Financial Analysis

Equity in the Earnings (Losses) of Unconsolidated Companies

In the second quarter of 2013, the equity in the earnings (losses) of unconsolidated companies was R\$12 million. The R\$9 million increase over the previous quarter was basically due to the improved results from the unconsolidated companies Integritas Participações and Fleury.

In the year-over-year comparison, the reduction in the first half of 2013 was mainly due to lower results from the unconsolidated company “IRB – Brasil Resseguros.”

Operating Income

Operating income in the second quarter of 2013 was R\$4,583 million, up R\$36 million from the previous quarter. This result was mainly due to: (i) the increase in fee and commission income, amounting to R\$384 million; (ii) the R\$106 million decrease in tax expenses; partially offset by: (iii) the R\$255 million increase in personnel and administrative expenses; (iv) the R\$127 million decrease in operating income from Insurance, Pension Plans and Capitalization Bonds; and (v) lower financial margin, amounting to R\$119 million.

Year over year, the R\$415 million or 4.8% increase in the first half of 2013 is basically a result of: (i) the R\$1,183 million increase in fee and commission income; (ii) the R\$353 million increase in operating income from Insurance, Pension Plans and Capitalization Bonds; (iii) lower allowance for loan loss expenses, in the amount of R\$298 million; partially offset by: (iv) a R\$516 million increase in personnel and administrative expenses; (v) lower financial margin, amounting to R\$436 million; (vi)

the R\$286 million increase in other operating expenses (net of other income); and (vii) the R\$137 million increase in tax expenses.

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Non-Operating Income

In the second quarter of 2013, non-operating income posted a loss of R\$24 million, R\$14 million less than the previous quarter and R\$22 million more than the first half of 2012, due to greater non-operating expenses (such as losses on sale of foreclosed assets/other) in the period.

Bradesco _____

Sustainability

Bradesco maintains the ISO 14064 certification

In the second quarter of 2013, Bradesco maintained the ISO 14064 certification, which establishes standards to quantify, monitor, verify and validate greenhouse gas (GHG) emissions.

Fundação Carlos Alberto Vanzolini was responsible for the Bank's certification process. Between April 8 and 10, the foundation analyzed the data from the Bradesco Organization's "2012 Greenhouse Gas Emissions Inventory" and from the "Greenhouse Gas Emissions Management System" in order to determine if they complied with the certification requirements.

2013 Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is a unified global system that collects information on corporate climate change policies, encouraging greater transparency for shareholders and investors. Bradesco has been a signatory of the CDP since 2006. A total of 4,100 companies worldwide report to the CDP, corresponding to

ISO 14064 guides Bradesco's policy on climate change, gives technical support to carbon offset processes, and develops a performance indicator on which sustainability reports such as GRI (Global Reporting Initiative), DJSI (Dow Jones Sustainability Index), ISE Bovespa and CDP (Carbon Disclosure Project) are grounded.

During these seven years in which Bradesco has maintained the certification, the Bank has improved the methodology adopted for data collection, enhanced information management and developed and monitored GHG emission reduction projects.

81% of the companies in the annual ranking of the world's 500 largest corporations. In 2012, 52 Brazilian companies reported their GHG emissions and climate change policies. Currently, the initiative is backed by more than 722 investors representing an excess of US\$87 trillion in assets.

Bradesco

Return to Shareholders

Investor Relations (IR)

In the second quarter of 2013, the Investor Relations department participated in nine events abroad, in the cities of Hong Kong, Singapore, Beijing, London, New York and Toronto. The local calendar of events included two “Apimec” meetings in Belo Horizonte and Salvador, with 458 participants, including investors, shareholders and market analysts.

Bradesco was also present in three editions of Expo Money, the largest financial education event in Latin America, which took place in Curitiba, Recife and Florianópolis, and in two of these cities—Curitiba and Florianópolis—there were also Bradesco Apimec presentations. In addition, the Investor Relations team frequently keeps contact with shareholders, investors and analysts via telephone, email, or at Bradesco's headquarters.

Corporate Governance

Bradesco's management is made up of the Board of Directors and the Statutory Board of Executive Officers. The former is composed of eight members who are eligible for reelection, and includes seven external members, including the Chairman (Mr. Lázaro de Mello Brandão) and one internal member (The Chief Executive Officer, Mr. Luiz Carlos Trabuco Cappi). The Board members are elected by the Annual Shareholders' Meeting, which elect the members of the Board of Executive Officers.

Bradesco's Corporate Governance structure includes five Committees subordinated to the Board of Directors, two (2) of which Statutory Committees (Audit and Compensation) and three (3) Non-Statutory Committees (Ethical Conduct, Internal Controls and Compliance, and Integrated Risk Management and Capital Allocation), in addition to forty-three (43) Executive Committees subordinated to the Board of Executive Officers, assisting it in performing its duties.

Bradesco guarantees its shareholders, as a minimum dividend, 30% of adjusted net income, as well as 100% tag-along rights for common shares and 80% for preferred shares. Preferred shares are also entitled to dividends 10% greater than those paid to common shares.

Bradesco voluntarily adhered to Level 1 Corporate Governance of BM&FBovespa in 2001, and to the Code of Self-Regulation and Best Practices for Publicly-Held Companies, issued by the Brazilian Association of Publicly-Held Companies (Abrasca), in 2011.

Bradesco was rated AA+ (Excellent Corporate Governance Practices) by Austin Rating.

Further information is available at the Bradesco's Investor Relations website www.bradescori.com.br – Corporate Governance.

Bradesco Shares**Number of Shares - Common and Preferred Shares (1)**

| | Jun13 | Mar13 | In thousands Jun12 |
|--------------------------------------|------------------|------------------|-------------------------------|
| Common Shares | 2,100,738 | 2,100,738 | 1,909,839 |
| Preferred Shares | 2,098,372 | 2,098,372 | 1,907,931 |
| Subtotal – Outstanding Shares | 4,199,110 | 4,199,110 | 3,817,770 |
| Treasury Shares | 8,164 | 8,164 | 7,025 |
| Total | 4,207,274 | 4,207,274 | 3,824,795 |

(1) Excluding bonuses and stock splits during the periods.

On June 30, 2013, Bradesco's capital stock stood at R\$38.1 billion, composed of 4,207,274 thousand no-par, book-entry shares, of which 2,103,637 thousand were common shares and 2,103,637 thousand were preferred shares. The largest shareholder is the holding company Cidade de Deus Cia. Comercial de Participações, which directly holds 48.7% of voting capital and 24.4% of total capital.

Cidade de Deus Cia. Comercial de Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações S.A., which is in turn controlled by Fundação Bradesco and BBD Participações S.A., whose majority of shareholders are members of Bradesco's Board of Directors, Statutory Board of Executive Officers and management-level employees.

Number of Shareholders – Domiciled in Brazil and Abroad

On June 30, 2013, there were 363,863 shareholders domiciled in Brazil, accounting for 99.72% of total shareholders and holding 67.35% of all shares, while a total of 1,019 shareholders are domiciled abroad, accounting for 0.28% of shareholders and holding 32.65% of shares.

| | Jun13 | % | Ownership of Capital (%) | Jun12 | % | Ownership of Capital (%) |
|-------------------------------------|----------------|---------------|---|----------------|---------------|---|
| Individuals | 327,527 | 89.76 | 21.97 | 332,632 | 89.85 | 23.04 |
| Companies | 36,336 | 9.96 | 45.38 | 36,656 | 9.90 | 47.42 |
| Subtotal Domiciled in Brazil | 363,863 | 99.72 | 67.35 | 369,288 | 99.75 | 70.46 |
| Domiciled Abroad | 1,019 | 0.28 | 32.65 | 919 | 0.25 | 29.54 |
| Total | 364,882 | 100.00 | 100.00 | 370,207 | 100.00 | 100.00 |

Bradesco

Return to Shareholders

Bradesco Shares

Average Daily Trading Volume of Shares ⁽¹⁾

Bradesco shares are traded on BM&FBovespa (São Paulo) and the New York Stock Exchange (NYSE). Since November 21, 2001, Bradesco trades its ADRs backed by preferred shares on NYSE. As of March 13, 2012, it has also traded ADRs backed by common shares.

In the first half of 2013, the average trading volume of our shares stood at R\$539 million, the highest value since 2001. Year over year, the average daily trading volume increased by 5.5%, boosted by the increased liquidity of our common shares traded on BM&FBovespa.

(1) Average daily trading volume of shares listed on BM&FBovespa (BBDC3-ON and BBDC4-PN) and NYSE (BBD-ADR PN and BBDO-ADR ON).

Bradesco Shares**Appreciation of Preferred Shares - BBDC4 (1)**

The graph shows the change in preferred shares due to Bradesco's dividend reinvestment, compared to the Ibovespa and the CDI - Interbank Deposit Rate. If R\$100 were invested in December 2001, Bradesco shares would be worth R\$900 in June 2013, an appreciation above Ibovespa and CDI rates in the same period.

(1) Including dividend reinvestment.

Share and ADR Performance (1)

| | 2Q13 | 1Q13 | Variation % | In R\$ (unless otherwise stated) | | |
|---|-------|-------|-------------|----------------------------------|-------|-------------|
| | | | | 1H13 | 1H12 | Variation % |
| Adjusted Net Income per Share | 0.71 | 0.70 | 1.4 | 1.41 | 1.36 | 3.7 |
| Dividends/Interest on Shareholders' Equity – Common Share (after Income Tax) | 0.201 | 0.198 | 1.5 | 0.399 | 0.382 | 4.5 |
| Dividends/Interest on Shareholders' Equity – Preferred Share (after Income Tax) | 0.220 | 0.218 | 1.0 | 0.438 | 0.420 | 4.3 |

| | In R\$ (unless otherwise stated) | | | | | |
|---|----------------------------------|---------|-------------|---------|---------|-------------|
| | Jun13 | Mar13 | Variation % | Jun13 | Jun12 | Variation % |
| Book Value per Common and Preferred Share | 15.72 | 16.54 | (5.0) | 15.72 | 15.22 | 3.3 |
| Last Trading Day Price – Common Shares | 30.60 | 35.20 | (13.1) | 30.60 | 22.73 | 34.6 |
| Last Trading Day Price – Preferred Shares | 28.80 | 34.14 | (15.6) | 28.80 | 27.22 | 5.8 |
| Last Trading Day Price – ADR ON (US\$) | 13.86 | 17.19 | (19.4) | 13.86 | 11.19 | 23.9 |
| Last Trading Day Price – ADR PN (US\$) | 13.01 | 17.02 | (23.6) | 13.01 | 13.52 | (3.8) |
| Market Capitalization (R\$ million) (2) | 124,716 | 145,584 | (14.3) | 124,716 | 104,869 | 18.9 |

(1) Adjusted for corporate events in the periods; and

(2) Number of shares (excluding treasury shares) x closing price for common and preferred shares on the last trading day of the period.

[Return to Shareholders](#)**Bradesco Shares****Recommendation of Market Analysts – Target Price**

Market analysts issue periodical recommendations on Bradesco preferred shares (BBDC4). We had access to 16 reports prepared by these analysts on July 17, 2013. Below are recommendations and a consensus on the target price for December 2013:

| Recommendations % | | Target Price in R\$ for Dec13 | |
|--------------------------|------|--------------------------------------|------|
| Buy | 50.0 | Average | 37.9 |
| Keep | 43.8 | Standard Deviation | 3.9 |
| Sell | 6.2 | Higher | 45.0 |
| Under Analysis | - | Lower | 31.2 |

For more information on target price and recommendation of each market analyst that monitors the performance of Bradesco shares, visit our IR website at www.bradescoir.com.br > Information to Shareholders > Analysts' Consensus.

Market Capitalization

In June 2013, Bradesco's market capitalization, considering the closing prices of common and preferred shares, was R\$124.7 billion, up 18.9% over the same period in 2012. In the year-over-year comparison, the Ibovespa decreased by 12.7%.

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Return to Shareholders

Main Indicators

Market Capitalization (Common and Preferred Shares) / Net Income(1): indicates a possible number of years that the investor would recover the capital invested, based on the closing prices of common and preferred shares.

Market Capitalization (Common and Preferred Shares) / Shareholders' Equity: indicates the multiple by which Bradesco's market capitalization exceeds its book shareholders' equity.

Dividend Yield (1): the ratio between share price and dividends and/or interest on shareholders' equity paid to shareholders in the last 12 months, which indicates the return on investment represented by the allocation of net income.

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Dividends/Interest on Shareholders' Equity

In the first half of 2013, a total of R\$2,066 million was allocated to shareholders as Interest on Shareholders' Equity. In the last twelve months, total Interest on Shareholders' Equity and Dividends allocated to shareholders correspond to 36.6% of net income, or 31.5% considering withholding income tax deduction therefrom.

(1) In the last 12 months.

Weight on Main Stock Indexes

Bradesco shares comprises Brazil's main stock indexes, including IBrX-50 (index that measures the total return of a theoretical portfolio comprising 50 shares selected among the most traded shares on BM&FBovespa), ISE (Corporate Sustainability Index), the ITAG (Special Tag-Along Stock Index), IGC (Special Corporate Governance Stock Index), IFNC (Financial Index which comprises banks, insurance and financial companies), and ICO2 (index comprising shares of the companies that are part of the IBrX-50 index and that accepted to take part in this initiative by adopting transparent greenhouse gas emission practices) and the Mid—Large Cap Index – MLCX (that measures the return of a portfolio composed of the highest cap companies listed).

Abroad, Bradesco shares are listed on NYSE's Dow Jones Sustainability World Index and the FTSE Latibex Brazil Index of Madrid Stock Exchange.

| Jun13 | In % (1) |
|--------------|-----------------|
| Ibovespa | 4.3 |
| IBrX-50 | 7.2 |
| IBrX | 7.6 |
| IFNC | 19.1 |
| ISE | 4.9 |
| IGC | 5.7 |
| ITAG | 10.7 |
| ICO2 | 9.5 |
| MLCX | 8.0 |

(1) Represents Bradesco's weight on the portfolio of main Brazilian stock market indexes.

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Additional Information**Market Share of Products and Services**

Market shares held by the Organization in the Banking and Insurance industries and in the Customer Service Network are presented below.

| | Jun 13 | Mar 13 | Jun 12 | Mar 12 |
|---|--------------|----------|--------|--------|
| Banks – Source : Brazilian Central Bank (Bacen) | | | | |
| Demand Deposits | N/A | 16.6 | 16.6 | 16.5 |
| Savings Deposits | N/A | 13.6 | 13.8 | 13.9 |
| Time Deposits | N/A | 11.2 | 12.8 | 12.9 |
| Loan Operations | 11.2 (1) (2) | 11.2 (1) | 11.7 | 11.9 |
| Loan Operations - Private Institutions | 22.1 (1) (2) | 21.9 (1) | 21.4 | 21.3 |
| Loan Operations - Vehicles Individuals (CDC + Leasing) | 14.5 (1) (2) | 14.5 (1) | 15.2 | 15.3 |
| Payroll-Deductible Loans | 11.4 (1) (2) | 11.3 (1) | 10.9 | 11.0 |
| Number of Branches | 21.1 | 21.3 | 21.9 | 22.0 |
| Banks - Source: Federal Revenue Service/ Brazilian Data Processing Service (Serpro) | | | | |
| Federal Revenue Collection Document (DARF) | N/A | 21.9 | 20.6 | 21.7 |
| Brazilian Unified Tax Collection System Document (DAS) | N/A | 16.5 | 16.4 | 16.2 |
| Banks – Source : Social Security National Institute (INSS)/Dataprev | | | | |
| Social Pension Plan Voucher (GPS) | N/A | 14.5 | 14.4 | 14.2 |
| Benefit Payment to Retirees and Pensioners | 25.1 | 24.9 | 24.1 | 23.9 |
| Banks – Source : Anbima | | | | |
| Investment Funds + Portfolios | 18.4 (2) | 18.5 | 18.0 | 17.6 |
| Insurance, Pension Plans and Capitalization Bonds – Source: Insurance Superintendence (Susep) and National Agency for Supplementary Healthcare (ANS) | | | | |
| Insurance, Pension Plan and Capitalization Bond Premiums | 24.1 (2) | 22.4 | 24.8 | 23.4 |
| Insurance Premiums (including Long-Term Life Insurance - VGBL) | 23.9 (2) | 21.9 | 24.8 | 23.2 |
| Life Insurance and Personal Accident Premiums | 16.7 (2) | 16.4 | 17.4 | 17.3 |
| Auto/Basic Lines (RE) Insurance Premiums | 9.0 (2) | 8.8 | 10.5 | 9.8 |
| Auto/Optional Third-Party Liability (RCF) Insurance Premiums | 10.7 (2) | 10.2 | 13.9 | 12.8 |
| Health Insurance Premiums | 48.7 (2) | 48.2 | 46.9 | 46.7 |
| Income from Pension Plan Contributions (excluding VGBL) | 30.9 (2) | 31.2 | 29.3 | 29.8 |
| Capitalization Bond Income | 22.1 (2) | 22.1 | 22.2 | 21.2 |
| Technical Reserves for Insurance, Pension Plans and Capitalization Bonds | 29.1 (2) | 29.1 | 29.5 | 29.7 |
| Insurance and Pension Plans – Source: National Federation of Life and Pension Plans (Fenaprevi) | | | | |
| Income from VGBL Premiums | 28.2 (2) | 23.7 | 30.0 | 27.0 |
| Income from Unrestricted Benefits Generating Plans (PGBL) Contributions | 26.2 (2) | 27.2 | 25.3 | 25.3 |

| | | | | |
|--|---------------------|------|------|------|
| Pension Plan Investment Portfolios (including VGBL) | 32.7 ⁽²⁾ | 32.7 | 33.9 | 33.1 |
| Leasing – Source: Brazilian Association of Leasing Companies (ABEL) | | | | |
| Lending Operations | 19.6 ⁽²⁾ | 19.4 | 19.2 | 18.8 |
| Consortia – Source: Bacen | | | | |
| Real Estate | 30.5 ⁽²⁾ | 30.5 | 29.3 | 29.3 |
| Auto | 26.7 ⁽²⁾ | 26.4 | 25.6 | 25.4 |
| Trucks, Tractors and Agricultural Implements | 19.3 ⁽²⁾ | 19.4 | 17.7 | 17.7 |
| International Area – Source: Bacen | | | | |
| Export Market | 17,4 | 17.1 | 19.3 | 19.8 |
| Import Market | 15,4 | 15.0 | 17.8 | 18.3 |

(1) Bacen data for March 2013 and May 2013 are preliminary; and

(2) Reference date: May 2013; and

N/A – Not Available.

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Additional Information**Market Share of Products and Services****Branch Network**

| Region | Jun13 | | Market Share | Jun12 | | Market Share |
|--------------|--------------|---------------|--------------|--------------|---------------|--------------|
| | Bradesco | Market | | Bradesco | Market | |
| North | 279 | 1,081 | 25.8% | 279 | 1,003 | 27.8% |
| Northeast | 850 | 3,527 | 24.1% | 838 | 3,278 | 25.6% |
| Midwest | 346 | 1,716 | 20.2% | 346 | 1,619 | 21.4% |
| Southeast | 2,430 | 11,623 | 20.9% | 2,409 | 11,236 | 21.4% |
| South | 787 | 4,256 | 18.5% | 778 | 4,086 | 19.0% |
| Total | 4,692 | 22,203 | 21.1% | 4,650 | 21,222 | 21.9% |

Reserve Requirements/Liabilities

| % | Jun13 | Mar13 | Dec12 | Sept12 | Jun12 | Mar12 | Dec11 | Sept11 |
|----------------------------|-------|-------|-------|--------|-------|-------|-------|--------|
| Demand Deposits | | | | | | | | |
| Rate ^{(2) (6)} | 44 | 44 | 44 | 44 | 43 | 43 | 43 | 43 |
| Additional ⁽³⁾ | - | - | - | - | 12 | 12 | 12 | 12 |
| Liabilities ⁽¹⁾ | 34 | 34 | 34 | 34 | 28 | 28 | 28 | 28 |
| Liabilities (Microfinance) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Free | 20 | 20 | 20 | 20 | 15 | 15 | 15 | 15 |
| Savings Deposits | | | | | | | | |
| Rate ⁽⁴⁾ | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Additional ⁽³⁾ | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Liabilities | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 65 |
| Free | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Time Deposits | | | | | | | | |
| Rate ^{(3) (5)} | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Additional ⁽³⁾ | 11 | 11 | 11 | 12 | 12 | 12 | 12 | 12 |
| Free | 69 | 69 | 69 | 68 | 68 | 68 | 68 | 68 |

(1) At Banco Bradesco, liabilities are applied to Rural Loans;

(2) Collected in cash and not remunerated;

(3) Collected in cash with the Special Clearance and Custody System (Selic) rate;

(4) Collected in cash with the Reference Interest Rate (TR) + interest of 6.17% p.a. for deposits made until

May 3, 2012, and TR + 70% of the Selic rate for deposits made as from May 4, 2012, when the Selic rate is equal to or lower than 8.5% p.a.;

(5) As of the calculation period from March 29, 2010 to April 1, 2010, with compliance on April 9, 2010, liabilities are now exclusively in cash, and may be paid with credits acquired as provided for by legislation in force; and

(6) FGC was prepaid 60 times in August 2008, as of the calculation period from October 20, 2008 to October 31, 2008, with compliance as of October 29, 2008.

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Additional Information

Investments in Infrastructure, Information Technology and Telecommunication

2013 is being a remarkable year for Bradesco. In the first half, technology enabled the business many achievements and innovations that have further improved the experience that more than 25 million account holders have with the Complete Bank.

Bradesco's technological apparatus and infrastructure provides convenience, facility and security to its customers when contracting and using its products and services. Despite its customer service channels, Bradesco still remains physically close to its customers. In the second quarter, 1,221 *Bradesco Expresso* service points were inaugurated, totaling more than 44.8 thousand service points nationwide. The *Bradesco Celular* channel exceeded the mark of 2 million active clients, a growth of more than 580% in the last two years. In addition to the many applications already available, Bradesco launched in May the version for Android operational system of *Bradesco Universitários*, enabling customers to access internet banking and exclusive content targeting students, such as grade and absence control, and access *Rádio Bradesco*, among others. The Bank also launched the Bradesco Investor Relations application for iPhone and iPad. It is a direct channel between the Bank and its shareholders, investors, analysts and all those who are involved in the capital market. Another convenience for Bradesco customers is the possibility to recharge pre-paid mobile phones—even without credit—through the phone itself. The amount is debited from the account and the credit is inserted in the phone by the operator.

Biometry, an innovative technology launched by Bradesco in 2007, exceeded the mark of 12 million registered customers, providing them with convenience and security. Customers carried out

For corporate customers, Bradesco launched the *Portal Sociedade de Negócios*, a new customer service channel for micro and small enterprises that aims to support the management of the business and contribute to an expansion of commercial contacts.

In May, Bradesco launched a chat about graphical analysis on Bradesco Corretora's website. Investors are able to talk with graphical analyst Daniel Marques in real time and request analyzes of securities, recommendations for purchase and sale and general clarifications. Bradesco also stood out on prestigious surveys that assess quality and performance in managing investment funds through BRAM - Bradesco Asset Management.

For those who like to travel, now it is possible to reload the Global Travel Card—a prepaid card in U.S. dollars, British pounds or euro—through the internet banking.

The Bradesco Seguros group also innovated and launched an application for the hearing impaired. In partnership with ProDeaf of Recife (state of Pernambuco), it developed an application called *Avatar*. This pioneering solution in Brazil enables the translation of Portuguese into the Brazilian Sign Language (LIBRAS). Available to mobile phones with the Android technology, the application enables hearing impaired customers to access the websites of Bradesco Seguros, Bradesco Auto/RE, Bradesco Saúde and Bradesco Vida e Previdência, being able to reach all content available on these channels. The idea is to contribute to social integration, in addition to breaking the communication barrier between Bradesco and this group—estimated at 2.7 million people in Brazil—that does not know Portuguese, or prefers the LIBRAS.

more than 4.2 million withdrawals balance statement checks without using their cards, only with the branch and account numbers, by using biometry and password. Transactions totaling more than R\$450 million were performed.

Bradesco has also made available to its new customers free online courses through its website www.bradesco.com.br. There are training courses on computing, budget planning, the Portuguese language orthographic agreement, etc.

— Report on Economic and Financial Analysis – June 2013

Additional Information**Investments in Infrastructure, Information Technology and Telecommunication**

Bradesco wants to improve not only the life of its many customers, but also the life of its employees. For that, the Bank made available several systems and tools, and implemented changes that make all difference and facilitate their work. For example, a new channel was developed to increase the knowledge of Bradesco's employees: Portal de Vídeos, a modern platform that allows faster access to training videos, as well as advertising and TV Bradesco materials.

The Branch Network also has an important tool to monitor the performance of the management of accounts of corporate customers: the AGC, which helps measure the team's performance and put into practice a strategy and work plan that will yield better results. In addition, the teams can, through the Electronic Board Treasury System, simulate rates, spreads and gross results of loan operations of corporate customers, thus helping the Branch Manager to make decisions regarding the rates practiced while searching for greater efficiency in transactions.

Innovation is a continuous concern of Bradesco. Therefore, in January 2013 the Bank created the Innovation Executive Committee. With the effective participation of members of the Board of Executive Officers, the group developed a new innovation model for Bradesco, which is more productive and multi-departmental.

The Bradesco Organization is recognized on the market by its pioneering position in technology. The Bank was considered the most valuable brand in Brazil, with technology being one of the criteria evaluated by the specialized consulting firm BrandAnalytics. Bradesco was also considered the most profitable bank in Latin America and the United States, according to a study disclosed by Economatica.

Furthermore, Bradesco was one of the winners of the XII Efinance Award, granted by Editora Executivos Financeiros, aiming to reward the most inventive and innovative implementations, solutions and applications in the IT and telecommunications areas, and recognize the talent and competence of professionals of the companies whose solutions were applied in 2012. Bradesco was the winner in the following categories: Internet Banking Broker, IT Infrastructure – Environment Development, Core System-Credit, Call Center, Social Networks, Mobile Infrastructure Management, Content Management, IT Governance, Mobile Banking, Innovation and Security.

As a prerequisite for its continuous expansion, Bradesco invested R\$2,296 million in Infrastructure, Information Technology and Telecommunications in the first half of 2013. The total amount invested over recent years, including infrastructure (facilities, restorations, improvements, furniture and fixtures), can be found below:

| | 1H13 | 2012 | 2011 | 2010 | R\$ million 2009 |
|--|--------------|--------------|--------------|--------------|---------------------|
| Infrastructure | 192 | 718 | 1,087 | 716 | 630 |
| Information Technology and Telecommunication | 2,104 | 3,690 | 3,241 | 3,204 | 2,827 |
| Total | 2,296 | 4,408 | 4,328 | 3,920 | 3,457 |

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Additional Information

Risk Management

Given the growing complexity of products and services and the globalization of the Organization's business, risk management has become a highly strategic activity, which must be constantly enhanced to keep pace with the dynamism of the markets and the pursuit of best practices, exemplified by the fact that Bradesco became the first and only Brazilian bank authorized by the Central Bank to use its own internally-developed market risk management models to calculate regulatory capital since January 2013.

The Organization exercises corporate risk control in an integrated and independent manner, preserving and valuing collegiate decision-making and developing and implementing methodologies, models, and measurement and control tools. It also provides training to employees from all Organization levels, from the business areas to the Board of Directors.

The management process ensures that risks can be proactively identified, measured, mitigated, monitored and reported as required in line with the complexity of the Organization's financial products and activity profile.

Detailed information on the risk management process, reference shareholders' equity and required reference shareholders' equity, as well as the Organization's risk exposure, can be found in the Risk Management Report on the Investor Relations website, at www.bradescori.com.br.

Capital Management

The Capital Management structure enables the Organization to reach its strategic objectives through an appropriate capital sufficiency planning. To comply with the definitions of governance, the Statutory and Executive Committees were considered, for assistance of the Board of Directors and the Board of Executive Officers in management and decision making.

Further information on the capital management structure can be found in the Risk Management Report and the 2012 Annual Report on the Investor Relations website: www.bradescori.com.br.

In line with definitions of governance, a new area responsible for the Conglomerate's capital

management was created: the Internal Capital Adequacy Assessment Process (ICAAP) and Capital Management, which acts jointly with the Integrated Risk Control Department, associated companies, business areas and the Organization's supporting areas.

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Additional Information**Capital Adequacy Ratio**

In June 2013, Bradesco's Reference Shareholders' Equity amounted to R\$92,629 million, versus a Required Reference Shareholders' Equity of R\$66,389 million, resulting in a R\$26,240 million capital margin. This figure was mostly impacted by the credit risk portion, representing 79.4% of the risk-weighted assets. The Capital Adequacy Ratio decreased by 0.2 p.p., from 15.6% in March 2013 to 15.4% in June 2013, mainly impacted by: (i) the mark-to-market devaluation of fixed income securities; (ii) the maturity of subordinated debts eligible to tier II capital; and offset by: (iii) the reduction in capital allocation to loan risk portion in the quarter.

Note that in March 2013 the Brazilian Central Bank disclosed a set of four resolutions and fifteen circular letters, which implement in Brazil the recommendations of the Basel Committee on Banking Supervision on financial institutions' capital structure, known as "Basel III." The main purposes are: (i) to improve the financial institutions' capacity of absorbing shocks arising from the financial system or other industries; (ii) to reduce the impact of the financial sector conditions on the real sector of the economy; (iii) to contribute to the financial stability; and (iv) to foster the sustainable economic growth. The implementation of the new capital structure in Brazil will begin as of October 1, 2013.

| Calculation Basis | R\$ million | | | | | | | |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | Jun13 | Mar13 | Dec12 | Sept12 | Jun12 | Mar12 | Dec11 | Sept11 |
| Reference Shareholders' Equity | 92,629 | 96,721 | 96,933 | 91,149 | 90,201 | 75,705 | 71,476 | 68,806 |
| Tier I | 69,998 | 68,109 | 66,194 | 64,265 | 62,418 | 60,580 | 58,714 | 56,876 |
| Shareholders' Equity | 66,028 | 69,442 | 70,047 | 66,047 | 63,920 | 58,059 | 55,582 | 53,742 |
| Mark-to-Market Adjustments | 3,593 | (1,732) | (4,229) | (2,150) | (1,865) | 2,126 | 2,765 | 2,781 |
| Reduction of Deferred Assets | (205) | (206) | (212) | (218) | (224) | (235) | (248) | (260) |
| Non-controlling Shareholders | 582 | 605 | 588 | 586 | 587 | 630 | 615 | 613 |
| Tier II | 22,761 | 28,741 | 30,867 | 26,992 | 27,890 | 15,231 | 12,865 | 12,063 |
| Mark-to-Market Adjustments | (3,593) | 1,732 | 4,229 | 2,150 | 1,865 | (2,126) | (2,765) | (2,781) |
| Subordinated Debt | 26,354 | 27,009 | 26,638 | 24,842 | 26,025 | 17,357 | 15,630 | 14,844 |
| Deduction of Funding Instruments | (130) | (129) | (128) | (108) | (107) | (107) | (103) | (134) |
| Risk-weighted Assets | 603,541 | 621,043 | 600,520 | 571,377 | 531,871 | 505,934 | 474,173 | 467,206 |
| Required Reference Shareholders' Equity | 66,389 | 68,315 | 66,057 | 62,851 | 58,506 | 55,653 | 52,159 | 51,393 |
| Credit Risk | 52,714 | 54,343 | 55,345 | 54,213 | 52,050 | 48,718 | 47,422 | 47,183 |
| Operating Risk | 3,354 | 3,354 | 3,432 | 3,432 | 3,313 | 3,313 | 2,810 | 2,810 |
| Market Risk | 10,321 | 10,617 | 7,281 | 5,207 | 3,143 | 3,622 | 1,927 | 1,400 |
| Margin (Excess/ Reference Shareholders' Equity Insufficiency) | 26,240 | 28,406 | 30,876 | 28,298 | 31,695 | 20,052 | 19,317 | 17,413 |
| Leverage Margin | 238,545 | 258,236 | 280,691 | 257,255 | 288,136 | 182,293 | 175,609 | 158,303 |
| Capital Adequacy Ratio | 15.4% | 15.6% | 16.1% | 16.0% | 17.0% | 15.0% | 15.1% | 14.7% |

Bradesco

Additional Information

Disclosure to the Market

20-F Form

Since we have preferred and common ADR programs on NYSE, we prepare and disclose the 20-F Form on an annual basis. On April 30, 2013, we filed this document at the U.S. Securities and Exchange Commission (SEC) for the year ended December 31, 2012, accompanied by the financial statements under IFRS.

This document is available on the Investor Relations website: www.bradeskori.com.br > Reports and Spreadsheets > SEC Filings > 20-F Filings.

Reference Form

In order to comply with CVM Instruction 480/09, on May 31, 2013, we filed the Reference Form at the Brazilian Securities and Exchange Commission (CVM). This document is prepared on an annual basis and restated in case of changes, as described in Article 24 thereof. In addition to the financial statements, the document presents the Organization's risk factors, a description of its operations, information on controlling shareholders, Management's comments on the Organization's results and equity, among other significant matters.

The document is available on the Investor Relations website: www.bradeskori.com.br > Reports and Spreadsheets > CVM Filings.

Report on Economic and Financial Analysis – June 2013

Independent Auditors' Report

Reasonable assurance report from independent auditors on the supplementary financial information

To the Directors of

Banco Bradesco S.A.

Osasco – SP

Introduction

We were engaged to apply reasonable assurance procedures for the supplementary accounting information included in the Economic and Financial Analysis Report of Banco Bradesco S.A. (“Bradesco”) for the semester ended June 30, 2013, which is prepared under the Bradesco’s Management responsibility. Our responsibility is to issue a Reasonable Assurance Report on such supplementary accounting information.

Scope, procedures applied and limitations

The reasonable assurance procedures were performed in accordance with standard NBC TO 3000 - Assurance Engagement Other than Audit and Review, issued by the Brazilian Federal Accounting Council (CFC – Conselho Federal de Contabilidade) and the ISAE 3000 – International Standard on Assurance Engagements issued by International Auditing and Assurance Standards Board – IASB, respectively, both for assurance engagements other than audits or reviews of historical financial information.

The reasonable assurance procedures comprised of: (a) planning of the work, considering the relevance of the supplementary financial information and the internal control systems that served as a basis for the preparation of the Economic and Financial Analysis Report of Bradesco; (b) obtaining an understanding of

the calculation methodology and the consolidation of indicators through interviews with the management responsible for the preparation of the supplementary accounting information, and (c) comparison of the financial and accounting indicators with the information disclosed at this date and/or accounting records.

The procedures that were applied do not constitute an audit or review in accordance with Brazilian and international auditing and review standards. Additionally, our report does not offer reasonable assurance on the scope of future information (such as goals, expectations and ambitions) and descriptive information that is subject to subjective assessment.

Criteria for preparation of the supplementary accounting information

The supplementary accounting information disclosed in the Economic and Financial Analysis Report for the semester ended June 30, 2013, were prepared by Management of Bradesco, based on the consolidated financial information included in the financial statement and on the criteria described in the Economic and Financial Information Report, in order to provide additional analysis, but without being part of the consolidated financial statements released in this date.

— Report on Economic and Financial Analysis – June 2013

Reasonable assurance report from independent auditors on the supplementary financial information

Conclusion

Based on the procedures applied, the supplementary accounting information included in the Economic and Financial Analysis Report for the semester ended June 30, 2013, are presented fairly, in all material respects, with regard to the information referred to in the paragraph of criteria for preparation of supplementary accounting information.

Osasco, July 19, 2013

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC 2SP 014428/O-6

Cláudio Rogélio Sertório

Accountant CRC 1SP 212059/O-0

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Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Management Report

Dear Shareholders,

We hereby present the financial statements of Banco Bradesco S.A., for the first half of 2013, prepared in accordance with the accounting practices adopted in Brazil and applicable to institutions authorized to operate by the Brazilian Central Bank.

Thanks to the ongoing recovery of productive investments, Brazil may well record more growth in the coming quarters than it did in 2012, although this will require a decline in inflationary pressure in order to maintain workers' purchasing power and, in a broader sense, macroeconomic predictability. At the same time, the reassessment of the global scenario poses difficulties due to reduced international liquidity and the downward trend in commodities prices. All in all, however, Bradesco still believes that the country is better prepared, both structurally and institutionally, to overcome the challenges that have recently intensified.

1. Net Income for the Period

In the first half of 2013, Bradesco posted Net Income of R\$5.868 billion, corresponding to earnings per share of R\$1.40 and a return on average Shareholders' Equity^(*) of 18.7%. The annualized Return on Average Total Assets stood at 1.3%.

Taxes and contributions, including social security contributions, paid or provisioned, came to R\$12.991 billion, of which R\$4.894 billion related to taxes withheld and collected from third parties, and R\$8.097 billion from activities developed by the Bradesco Organization, equivalent to 138.0% of Net Income.

A total of R\$2.066 billion was allocated to shareholders as Interest on Shareholders' Equity, of which R\$1.305 billion was paid as monthly and

In compliance with Article 8 of Brazilian Central Bank Circular Letter 3068/01, Bradesco declares that it has the financial capacity and the intention of holding to maturity those securities classified under "held-to-maturity securities." Bradesco further declares that the operations of Banco Bradesco S.A., its subsidiary, are sufficient to cover the strategic goals defined in the business plan, pursuant to Article 11 of Regulatory Attachment I to National Monetary Council Resolution 4122/12.

3. Funding and Assets under Management

On June 30, 2013, total funding raised and assets under management totaled R\$1.234 trillion, 9.1% more than in the previous year, broken down as follows:

R\$475.310 billion in demand deposits, time deposits, interbank deposits, open market and savings accounts, up by 7.3%;

R\$427.237 billion in assets under management, comprising investment funds, managed portfolios and third-party fund quotas, an 11.4% increase;

R\$177.511 billion in the exchange portfolio, borrowings and onlendings, working capital, tax payments and collection and related charges, funds

interim dividends and R\$760.657 million was provisioned. Interim Interest on Shareholders' Equity, paid on July 18, 2013, represents approximately 10 times the amount of monthly paid interest.

2. Paid-in Capital and Reserves

At the end of the first half, paid-in capital came to R\$38.100 billion. Together with Equity Reserves of R\$27.928 billion, Shareholders' Equity came to R\$66.028 billion, 3.3% up on the same period last year and equivalent to a book value of R\$15.72 per share.

Based on its stock price, Bradesco's Market Capitalization came to R\$124.716 billion on June 30, 2013, equivalent to 1.9 times Shareholders' Equity.

Managed Shareholders' Equity was equivalent to 7.4% of Consolidated Assets, which totaled R\$896.697 billion, 8.0% more than in June 2012. Accordingly, the Capital Adequacy Ratio stood at 15.4% of the consolidated financial result and 15.4% of the consolidated economic and financial result, which is substantially higher than the 11% minimum established by National Monetary Council Resolution 2099/94, in conformity with the Basel Committee. At the end of the half year, the fixed asset ratio in relation to Consolidated Reference Assets, was 44.3% in the consolidated financial result and 17.3% in the consolidated economic and financial result, well within the 50% limit.

from the issue of securities, subordinated debt in Brazil and other funding, a 3.8% expansion;

R\$131.819 billion in technical reserves for insurance, pension plans and capitalization bonds, up by 17.9%; and

R\$21.669 billion in foreign funding, through public and private issues, subordinated debt and the securitization of future financial flows, equivalent to US\$9.780 billion.

4. Loan Operations

At the end of the first half, consolidated loan operations came to R\$402.517 billion, 10.3% up on the same period in 2012, broken down as follows:

R\$6.647 billion in advances on exchange contracts, giving a total export financing portfolio of US\$13.932 billion;

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Management Report

US\$3.564 billion in import financing denominated in foreign currency;

R\$6.656 billion in leasing operations;

R\$17.579 billion in rural lending;

R\$91.072 billion in consumer financing, including R\$13.401 billion in credit card receivables;

R\$63.383 billion in sureties and guarantees; and

R\$32.397 billion in operations involving the onlending of foreign and domestic funds, originating mainly from the Brazilian Development Bank (BNDES), as one of its main onlending agents.

In the real estate financing segment, Bradesco allocated R\$7.208 billion to the construction and acquisition of homes, corresponding to 33,255 properties.

The consolidated allowance for loan losses stood at R\$21.455 billion, equivalent to 7.0% of total loan operations, exceeding the minimum provisions required by the Brazilian Central Bank by R\$4.008 billion.

44,819 Bradesco Expresso service points;

1,454 PAEs – in-company electronic service branches; and

3,498 External terminals in the Bradesco *Dia & Noite* network and 11,154 ATM's in the *Banco24Horas* network, with 1,804 terminals shared by both networks.

6. Banco Bradesco BBI

Bradesco BBI, the Organization's investment bank, advises customers on share issues, mergers and acquisitions and the structuring and distribution of debt instruments, including debentures, promissory notes, CRIs, mortgage-backed investment funds, receivables-backed investment funds (FIDCs) and bonds in Brazil and abroad, in addition to structured financing operations for companies and project finance. In the first half, Bradesco BBI executed operations worth more than R\$55.801 billion.

7. Bradesco Insurance Group

On June 30, 2013, the Bradesco Insurance Group, one of the leaders in the insurance, capitalization bond and private pension plan segments, posted Net Income of R\$1.861 billion and Shareholders'

Equity of R\$16.342 billion. Net written insurance premiums, pension contributions and capitalization bond revenue totaled R\$24.191 billion, 15.3% up on the same period in 2012.

5. Bradesco's Customer Service Network

Present nationwide and in several locations abroad, Bradesco's customer service network is based on the highest standards of quality and efficiency, underpinned by state-of-the-art technology, enabling it to provide customers and users with convenience, facility and security. At the end of the first half, it comprised 58,271 service points, 34,322 terminals in the Bradesco *Dia & Noite* Network, 33,819 of which also operating on weekends and holidays, 13,650 terminals in the *Banco24Horas* (24-Hour Bank) network, through which customers can make withdrawals, transfers and payments, obtain statements, check balances and solicit loans. In the payroll-deductible loan segment, the network had 1,404 Bradesco Promotora correspondent bank branches and, in the vehicle segment, 15,667 Bradesco Financiamentos points of sale:

8,487 Branches and PAs (Service Branches) in Brazil (Branches: Bradesco 4,668, Banco Bradesco Financiamentos 19, Banco Bankpar 2, Banco Bradesco BBI 1, Banco Bradesco Cartões 1 and Banco Alvorada 1; and PAs 3,795);

3 Overseas Branches, one in New York and two in Grand Cayman;

10 Overseas Subsidiaries (Banco Bradesco Argentina S.A. in Buenos Aires; Banco Bradesco Europa S.A. in Luxembourg; Bradesco North America LLC and Bradesco Securities, Inc. in New York; Bradesco Securities UK Limited in London, Bradesco Securities Hong Kong Limited and Bradesco Trade Services Limited in Hong Kong; Bradesco Services Co. Ltd. in Tokyo; Cidade Capital Markets Ltd. in Grand Cayman; and Bradescard Mexico, Sociedad de Responsabilidad Limitada in Mexico);

8. Corporate Governance

Bradesco's presence in the Brazilian capital market dates from 1946, when its shares began trading on the Stock Exchange. In 1997, its level I ADRs (American Depositary Receipts) backed by preferred shares began trading on the U.S. market, followed by level II ADRs, backed by common and preferred shares in 2001 and 2012, respectively. Also in 2001, its GDRs (Global Depositary Receipts) began trading on the European market (Latibex).

Bradesco's Management comprises the Board of Directors and Board of Executive Officers. Members of the Board of Directors are elected on an annual basis by the Annual Shareholders' Meeting and are responsible for electing the members of the Board of Executive Officers. The posts of Chairman of the Board of Directors and Chief Executive Officer may not be occupied by the same person.

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The Fiscal Council, consisting of three sitting members and three alternates, one sitting member and his or her alternate being elected by the preferred shareholders, has been installed every year since 2002. The term of office of the present Fiscal Council, elected by the Annual Shareholders' Meeting of March 11, 2013, will last until the next ASM in 2014.

In July 2005, Bradesco was awarded an AA rating (Excellent Corporate Governance Practices), by Austin Rating, which was upgraded to AA+ in December 2011, thanks to the improvement of several of the Bank's corporate governance practices.

As an example of these good practices, it is worth noting Bradesco's voluntary adherence, in 2001, to Corporate Governance Level 1 of the BM&FBOVESPA – Securities, Commodities and Futures Exchange. In 2011, also voluntarily, it adhered to the Code of Self-Regulation and Best Practices for Publicly-Held Companies, issued by the Brazilian Association of Publicly-Held Companies (Abrasca), adopting the "apply or explain" principle, in line with its determination to do everything possible to improve its governance.

In compliance with CVM Rule 381/03, in the first half the Bradesco Organization neither contracted from nor had services provided by KPMG Auditores Independentes that were not related to the external audit, in a level higher than 5% of total fees relating to external audit. Other services provided by external auditors were agreed procedures to review financial information, draws and system diagnosis. The Bank's policy is in line with the principles of preserving the auditors' independence, which are based on generally accepted international criteria, i.e. the auditors should not audit their own work, perform managerial duties for their clients or

All of these procedures improve the quality of operational processes and propagate the importance of a culture of control, ratifying the improvement of best practices.

Prevention of Money Laundering and Terrorism Financing

Bradesco maintains specific policies, rules, procedures and systems to prevent and/or detect the utilization of its structure and products and services for money laundering purposes and the financing of terrorism.

It provides training for its employees via various program formats, including informative brochures, videos, in-house and distance learning courses, and specific in-house lectures for the areas involved.

Suspicious or atypical cases are submitted to the Suspicious Transaction Assessment Commission, made up of representatives from several areas, which decides if they will be forwarded to the regulatory authorities.

The Prevention of Money Laundering and Terrorism Financing Program is supported by the Executive Committee to Prevent Money Laundering and the Financing of Terrorism, which is responsible for evaluating the work and the need to align procedures with the rules established by the regulatory authorities and with best national and international practices.

Independent Authentication of Models

The Independent Authentication of Models area is responsible for issuing a grounded and independent opinion on whether the internal models are functioning in accordance with the envisaged objectives and if the results obtained are appropriate

promote their clients' interests.

8.1. Internal Controls and Compliance

The effectiveness of the Organization's internal controls is sustained by its people, processes and technology. We therefore employ skilled professionals exclusively dedicated to this purpose, supported by previously defined and implemented processes and appropriate technology for the needs of the business.

The internal controls and compliance policy and the corporate risk management and control methodology are duly formalized, in accordance with the main control frameworks, including the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Control Objectives for Information and Related Technology (COBIT), which encompass business and technology aspects, respectively, National Monetary Council Resolution 2554/98, the Public Company Accounting Oversight Board (PCAOB) and Section 404 of the U.S. Sarbanes-Oxley Act.

Internal controls are developed jointly with the areas responsible for the various products, services and processes, whose adherence tests are applied with the required frequency, and the results reported to the Audit and Internal Controls and Compliance Committees, as well as the Board of Directors. In cases of non-compliance, corrective measures are implemented and monitored.

for their required purpose. It reports to managers, the internal auditors and the Integrated Risk Management and Capital Allocation Committee (COGIRAC).

Internal business support models facilitate the handling of critical issues, the improvement of processes and the standardization and streamlining of decisions in the context in which they are inserted. They also represent an important means of retaining knowledge.

In accordance with the guidelines of the New Capital Accord – Basel II and the requirements of the Brazilian Central Bank, the internal risk management models are submitted to an ongoing process of critical analysis, ensuring their high quality and ability to respond appropriately to their objectives, the so called Independent Validation Process.

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Management Report

Information Security

At the Bradesco Organization, information security comprises a set of controls, represented by procedures, processes, organizational structures, policies, rules and IT solutions to protect data with respect to confidentiality, integrity and availability. The bases for the protection of information assets are described in Bradesco's Information Security Policy and Rules.

Based on best international standards and practices of information security, the corporate awareness and training programs, as well as the above-mentioned policy and rules, are focused on protecting customers' data and the Organization's strategic information.

The Security Commissions and the Corporate Security Executive Committee meet periodically to examine and approve directives, measures and guidelines to support the Organization's information security processes and procedures.

8.2. Information Disclosure and Transparency Policies

Bradesco held 66 internal and external meetings with Brazilian and foreign investors in the first half, as well as 102 conference calls, 13 events in Brazil and 13 abroad. Four of these events were presentations to the Association of Analysts and Capital Market Professionals (Apimec), serving 887 people in different regions of the country. It also held two video chats with Bradesco's Investor Relations Officer, geared towards individual investors, and participated in the ExpoMoney Fair in Curitiba, Florianópolis and Recife.

9. Integrated Risk Control

9.1. Risk Management

Risk management is a highly strategic activity due to the growing complexity of services and products and the globalization of the Organization's business. Market dynamism obliges us to continually improve this activity, with a constant focus on best practices. As a result, in January 2013, Bradesco became the first and only bank in the country to receive Central Bank authorization to adopt the internal market risk models already used by its management, to calculate regulatory capital.

The Organization maintains corporate control over risks in an integrated and independent manner, preserving and valuing collegiate decisions, developing and implementing methods, models, and measurement and control tools, supported by a framework of committees subordinate to the Board of Directors, including the Audit Committee, and executive committees. It also keeps employees at all levels, from the business areas to the Board of Directors, fully informed of any changes.

The management process allows risks to be proactively identified, measured, mitigated, monitored and reported.

9.2. Credit Risk

Credit risk management is a continuous and evolutionary process of mapping, measuring and diagnosing through the use of models, instruments and procedures which requires a high degree of discipline and control when analyzing operations and preserves the integrity and independence of processes. It covers all aspects related to the

The Bradesco Apimec Meeting in Belo Horizonte (MG) was broadcast live over the Internet, exemplifying the Organization's aim of delivering information to the largest possible number of people in a transparent and democratic manner.

All information regarding the Bradesco Organization, including its profile, history, shareholding structure, management reports, financial results, latest acquisitions, Apimec meetings, and the Economic and Financial Analysis Report, as well as general financial market information are available on its Investor Relations website at www.bradesco.com.br/ri.

Bradesco also publishes a series of periodicals, both physically and electronically, including *Revista Bradesco* (twice a year), *Cliente Sempre em Dia* (every quarter), *PrimeLine* (every two months) and a Fact Sheet containing the period's financial highlights (on request), all of which targeting an external audience. The Bank's Sustainability Report is produced simultaneously with its Annual Report.

granting of loans, including characteristics of the borrower and credit concentration, guarantees and terms, from which the quality of the portfolio is derived.

The Organization continuously maps all activities that could generate exposure to credit risk, classifying them by probability and magnitude, and determines their managers, as well as measurement and mitigation plans. Control is exercised on a centralized and standardized corporate basis.

9.3. Market Risk

Market risk is carefully identified, mapped, measured, mitigated, controlled, managed and reported. The Organization's market risk exposure profile is conservative in nature and guidelines and limits are monitored independently on a daily basis.

Control over activities exposed to market risk is exercised by all of the Organization's companies in a corporate and centralized manner.

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Management Report

9.4. Liquidity Risk

The Organization's Market and Liquidity Risk Management Policy, together with the resulting rules and procedures, defines not only the minimum levels to be observed, including considerations of stress scenarios, but also the type of financial instruments in which funds should be invested and the operating strategy to be adopted if needed.

The liquidity risk management process involves the daily monitoring of the composition of available funds, compliance with minimum liquidity levels and contingency plans for stress situations. Positions are controlled and monitored in a centralized manner.

9.5. Operational Risk

Operational risk management is essential for the generation of added value. Risk control is conducted in a centralized, consolidated manner through identification and measurement, and the application of mitigation and monitoring plans, by each of the Organization's companies.

One of the most important operational risk management procedures is business continuity management, which consists of a set of plans to be implemented during crisis situations in order to ensure the recovery and continuity of business and prevent financial losses.

10. Human Resources

Always in line with market requirements, the Bradesco Organization maintains an excellent Human Resources Management model, with an emphasis on development through heavy investments in training programs in order to foster professional growth. The outcome of these policies is reflected in the increasing quality and efficiency of

– **Sustainable Finances** – aimed at fostering sustainable development through products that comply with best social and environmental practices. The concept of sustainable development in regard to banking inclusion and the democratization of credit, is applied when approving and monitoring loans and is also present in the products offered, such as lines of credit, investments, cards, insurance policies, private pension plans and capitalization bonds, as well as information on risk management;

– **Responsible Management** – demonstrates how Bradesco relates to its strategic stakeholders, as well as brand management and environmental management actions. It consists of initiatives based on our Sustainability Policy, designed to value and develop employees' potential, improve the work place and ensure more eco-efficient practices, and on our commitment to the Global Compact, the Millennium Goals and the Equator Principles. As a result, Bradesco has been included in various sustainability indexes, including the NYSE's Dow Jones Sustainability Index and the BM&BOVESPA's Corporate Sustainability Index (ISE) and Carbon Efficient Index (ICO2), and has received a number of certifications and awards; and

– **Social and Environmental Investments** - through private sector investments, sponsorships and donations, the Organization contributes to environmental preservation, social inclusion and the development of its surrounding communities through educational, sporting, environmental and cultural projects and events. The main environmental preservation and social inclusion initiatives include Fundação Bradesco, the Bradesco Sports and Education Program, Fundação SOS Mata Atlântica

our services. In the first half of 2013, 1,348 courses were administered to 628,074 employees.

The Organization took another important step forward in this aspect by creating the Bradesco Corporate University (UNIBRAD), as part of a larger strategy of focusing on its employees' individual competencies, offering in-house, external and online courses to enhance their professional and personal qualifications.

Benefits aimed at promoting the quality of life, well-being and security of its staff and their dependents covered 206,836 employees in the period.

11. Sustainability

Since Bradesco began operations, its activities have been underpinned by such issues as education, individual development, banking inclusion and the promotion of citizenship. Its sustainability guidelines, strategies and initiatives are supported by best corporate governance practices and grouped into three major categories: Sustainable Finances, Responsible Management and Social and Environmental Investments.

and Fundação Amazonas Sustentável.

To learn more about Bradesco's initiatives in this aspect, go to www.bancodoplaneta.com.br.

Fundação Bradesco

Fundação Bradesco, the Organization's pioneering social investment vehicle, has developed an extensive social and educational program designed to improving the learning experience throughout Brazil. It has 40 schools located in all Brazilian states and the Federal District, with a special emphasis on socially and economically underprivileged regions.

This year, the estimated budget of R\$460.961 million will provide free, high-quality education to: a) 106,843 students enrolled in its schools in the following levels: basic education (kindergarten to high school) and vocational training - high school, youth and adult education; and preliminary and continuing vocational training, which focuses on creating jobs and income; b) around 350 thousand students who will complete at least one of the distance-learning courses (EaD) available on the e-learning portal; and c) 68,323 beneficiaries in partnership projects and initiatives, including the Digital Inclusion Centers (CIDs), the Educa+Ação program and technology courses (Educar and Aprender). The approximately 47 thousand students enrolled in the basic education system also receive uniforms, school supplies, meals, and medical and dental assistance free of charge.

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Management Report

The 11th edition of National Volunteer Day, held on May 18, 2013, united 25,218 volunteers in 72 different locations across Brazil, including Fundação Bradesco schools and service points close to the schools' facilities. All in all, 314,452 initiatives were implemented in the educational, leisure, sports and environment areas, exemplifying solidarity and social awareness.

Bradesco Sports and Education Program

For more than 26 years, the Bradesco Sports Program has been supporting the social inclusion and citizenship of children and teenagers through sports, combining education, health and well-being projects.

In Osasco (SP), the Program maintains 17 Training and Specialist Centers to teach women's basketball and volleyball in its Sports Development Center, Fundação Bradesco schools, private schools and sports centers. Currently, around 2 thousand girls aged between 8 and 20 are taking part in the program, reinforcing Bradesco's commitment to defending a country that is giving increasing value to recognizing talent, effort and the full exercise of citizenship

12. Recognition

- **Most profitable bank in 2012 among financial institutions in Latin American and the United States**, according to a survey conducted by Economatica, a consulting firm;

- **Bradesco is among the 100 largest companies in the world**, according to a ranking prepared by PricewaterhouseCoopers;

- **One of the best companies to launch a career with**, according to a survey by *Guia Você S/A*, in association with Fundação Instituto de Administração – FIA and Cia. de Talentos;

- **Ranked first among the 200 Largest Groups in terms of net revenue and 10 largest banks in terms of net income in 2012** by *Exame* magazine's *Melhores e Maiores* yearbook;

- **Awarded the Selo Paulista da Diversidade (São Paulo Diversity Seal), in the Full 2012 category** by the São Paulo State Government Jobs and Labor Relations Secretariat, and

- **BRAM – Bradesco Asset Management was ranked first among the best managers of investment funds for institutions**, according to a survey by *Investidor Institucional* magazine, while a Standard & Poor's survey, published in *ValorInvest* magazine, a *Valor Econômico* newspaper publication, considered it **one of the best fund**

Rankings –Bradesco received the following honors in the first half:

- **Most valuable brand in the Latin American banking sector** and 16th in the overall ranking, according to a survey conducted by *The Banker* magazine and the consulting firm, Brand Finance. It was also placed 1st in the insurance sector;

- **Most valuable brand in Latin America**, according to a survey by the consulting firm Millward Brown;

- **Brazil's most valuable brand**, according to a study prepared by BrandAnalytics/Millward Brown, for *IstoÉ Dinheiro* magazine;

- **One of the most valuable brands in all sectors of the economy**, according to a survey by Brand Finance. It came 66th in the overall rankings, the highest-placed Brazilian brand in the list;

- **Best Brazilian and Latin America Bank** by Latin Finance;

managers in Brazil and the best equities manager in the country.

Ratings –Bradesco was evaluated by the following national and international ratings agencies in the first half:

- Standard & Poor's confirmed its 'A2' short-term domestic and foreign currency rating and its 'BBB' long-term domestic and foreign currency rating.

13. Acknowledgments

All these achievements reflect the Bradesco Organization's vocation for exceeding expectations and always offering the best, and would not have been possible without the support and trust of our shareholders and customers, as well as the dedicated efforts of our employees and other personnel. We would like to thank them all.

Cidade de Deus, July 19, 2013.

The Board of Directors and

Board of Executive Officers

(*) Excludes the mark-to-market effect of available-for-sale securities recorded under shareholders' equity.

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Consolidated Statement of Financial Position - R\$ thousand

| Assets | 2013 | | 2012 |
|---|--------------------|--------------------|--------------------|
| | June | March | June |
| Current assets | 601,883,754 | 608,211,993 | 600,201,144 |
| Cash and due from banks (Note 6) | 16,179,775 | 11,347,061 | 13,997,224 |
| Interbank investments (Notes 3d and 7) | 146,391,618 | 170,272,735 | 90,879,341 |
| Investments in federal funds purchased and securities sold under agreements to repurchase | 139,789,912 | 163,869,276 | 82,255,293 |
| Interbank deposits | 6,602,636 | 6,404,962 | 8,624,548 |
| Allowance for loan losses | (930) | (1,503) | (500) |
| Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b) | 197,622,811 | 188,849,858 | 254,725,288 |
| Own portfolio | 165,330,778 | 163,579,075 | 177,386,354 |
| Subject to repurchase agreements | 27,292,429 | 19,131,306 | 69,663,742 |
| Derivative financial instruments (Notes 3f, 8e II and 32b) | 2,374,661 | 1,066,093 | 2,790,138 |
| Underlying guarantee provided | 1,784,978 | 2,577,329 | 3,310,813 |
| Securities subject to unrestricted repurchase agreements | 839,965 | 2,496,055 | 1,574,241 |
| Interbank accounts | 50,930,612 | 51,252,878 | 61,081,583 |
| Unsettled payments and receipts | 608,839 | 910,715 | 643,934 |
| Reserve requirement (Note 9): | | | |
| - Reserve requirement - Brazilian Central Bank | 50,247,046 | 50,265,428 | 60,369,358 |
| - National treasury - rural loans | 578 | 578 | 578 |
| - National Housing System (SFH) | 3,025 | 9,911 | 4,738 |
| Correspondent banks | 71,124 | 66,246 | 62,975 |
| Interdepartmental accounts | 649,691 | 954,193 | 886,060 |
| Internal transfer of funds | 649,691 | 954,193 | 886,060 |
| Loans (Notes 3g, 10 and 32b) | 125,590,039 | 126,861,222 | 119,765,169 |
| Loans: | | | |
| - Public sector | 106,606 | 132,631 | 321,422 |
| - Private sector | 138,529,404 | 139,605,785 | 131,898,333 |
| Allowance for loan losses (Notes 3g, 10f, 10g and 10h) | (13,045,971) | (12,877,194) | (12,454,586) |
| Leasing (Notes 2, 3g, 10 and 32b) | 3,247,669 | 3,604,404 | 4,771,440 |
| Leasing receivables: | | | |
| - Public sector | - | - | 1,379 |
| - Private sector | 6,418,871 | 7,088,876 | 9,223,613 |
| Unearned income from leasing | (2,825,360) | (3,087,619) | (3,941,539) |
| Allowance for leasing losses (Notes 3g, 10f, 10g and 10h) | (345,842) | (396,853) | (512,013) |
| Other receivables | 58,441,498 | 52,457,873 | 51,278,262 |
| Receivables on sureties and guarantees honored (Note 10a-3) | 22,539 | 20,073 | 8,553 |
| Foreign exchange portfolio (Note 11a) | 12,603,475 | 12,142,061 | 14,026,676 |
| Receivables | 747,051 | 688,038 | 645,354 |
| Securities trading | 4,180,999 | 3,139,748 | 4,003,933 |

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| | | | |
|---|--------------------|--------------------|--------------------|
| Specific receivables | 2,761 | 2,687 | 2,429 |
| Insurance and reinsurance receivables and reinsurance assets – technical reserves | 3,462,377 | 3,218,301 | 2,766,572 |
| Sundry (Note 11b) | 38,288,768 | 34,028,914 | 30,535,432 |
| Allowance for other loan losses (Notes 3g, 10f, 10g and 10h) | (866,472) | (781,949) | (710,687) |
| Other assets (Note 12) | 2,830,041 | 2,611,769 | 2,816,777 |
| Other assets | 1,293,444 | 1,185,967 | 1,162,736 |
| Provision for losses | (519,587) | (481,303) | (580,793) |
| Prepaid expenses (Notes 3i and 12b) | 2,056,184 | 1,907,105 | 2,234,834 |
| Long-term receivables | 279,237,449 | 270,978,988 | 214,861,717 |
| Interbank investments (Notes 3d and 7) | 1,093,041 | 1,060,071 | 1,978,788 |

The accompanying Notes are an integral part of these Financial Statements.

Bradesco _____

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Consolidated Statement of Financial Position - R\$ thousand

| Assets | 2013 | | 2012 |
|--|--------------------|--------------------|--------------------|
| | June | March | June |
| Interbank investments | 1,093,041 | 1,060,071 | 1,978,788 |
| Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b) | 111,404,163 | 111,749,789 | 67,781,988 |
| Own portfolio | 52,647,547 | 58,281,287 | 38,744,376 |
| Subject to repurchase agreements | 49,069,201 | 45,406,568 | 27,790,998 |
| Derivative financial instruments (Notes 3f, 8e II and 32b) | 862,972 | 477,474 | 361,803 |
| Subject to the Brazilian Central Bank | 47,224 | - | - |
| Privatization currencies | 69,604 | 71,082 | 77,905 |
| Underlying guarantees provided | 8,100,563 | 7,512,742 | 641,690 |
| Securities subject to unrestricted repurchase agreements | 607,052 | 636 | 165,216 |
| Interbank accounts | 569,016 | 562,143 | 542,574 |
| Reserve requirement (Note 9): | | | |
| - SFH | 569,016 | 562,143 | 542,574 |
| Loans (Notes 3g, 10 and 32b) | 129,753,104 | 121,994,211 | 109,806,071 |
| Loans: | | | |
| - Public sector | 75,531 | 84,158 | 161,514 |
| - Private sector | 136,614,551 | 128,919,437 | 116,272,505 |
| Allowance for loan losses (Notes 3g, 10f, 10g and 10h) | (6,936,978) | (7,009,384) | (6,627,948) |
| Leasing (Notes 2, 3g, 10 and 32b) | 2,810,710 | 2,994,197 | 3,933,203 |
| Leasing receivables: | | | |
| - Private sector | 6,261,672 | 6,714,165 | 8,644,461 |
| Unearned income from leasing | (3,198,846) | (3,435,310) | (4,339,656) |
| Allowance for leasing losses (Notes 3g, 10f, 10g and 10h) | (252,116) | (284,658) | (371,602) |
| Other receivables | 31,949,379 | 30,949,376 | 29,588,352 |
| Receivables | 27,011 | 64,385 | 40,177 |
| Securities trading | 269,650 | 222,704 | 227,419 |
| Sundry (Note 11b) | 31,660,540 | 30,670,823 | 29,325,945 |
| Allowance for loan losses (Notes 3g, 10f, 10g and 10h) | (7,822) | (8,536) | (5,189) |
| Other assets (Note 12) | 1,658,036 | 1,669,201 | 1,230,741 |
| Other assets | - | 175 | 392 |
| Prepaid expenses (Notes 3i and 12b) | 1,658,036 | 1,669,026 | 1,230,349 |
| Permanent assets | 15,576,165 | 15,275,796 | 15,457,567 |
| Investments (Notes 3j, 13 and 32b) | 1,920,417 | 1,867,383 | 1,889,084 |
| Equity in the earnings (losses) of unconsolidated companies - In Brazil | 1,440,183 | 1,361,442 | 1,392,154 |
| Other investments | 754,227 | 779,944 | 771,421 |
| Allowance for losses | (273,993) | (274,003) | (274,491) |
| Premises and equipment (Notes 3k and 14) | 4,464,008 | 4,549,798 | 4,523,337 |
| Premises | 1,342,235 | 1,330,237 | 1,268,346 |

| | | | |
|--|--------------------|--------------------|--------------------|
| Other assets | 9,881,431 | 9,732,401 | 9,061,663 |
| Accumulated depreciation | (6,759,658) | (6,512,840) | (5,806,672) |
| Intangible assets (Notes 3I and 15) | 9,191,740 | 8,858,615 | 9,045,146 |
| Intangible assets | 17,581,168 | 16,855,832 | 15,275,328 |
| Accumulated amortization | (8,389,428) | (7,997,217) | (6,230,182) |
| Total | 896,697,368 | 894,466,777 | 830,520,428 |

The accompanying Notes are an integral part of these Financial Statements.

Report on Economic and Financial Analysis - June 2013

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Consolidated Statement of Financial Position - R\$ thousand

| Liabilities | 2013 | | 2012 |
|--|--------------------|--------------------|--------------------|
| | June | March | June |
| Current liabilities | 610,203,074 | 613,132,977 | 535,059,752 |
| Deposits (Notes 3n and 16a) | 149,275,466 | 143,657,650 | 139,504,779 |
| Demand deposits | 36,586,408 | 35,713,633 | 32,529,401 |
| Savings deposits | 72,627,265 | 70,162,669 | 62,308,096 |
| Interbank deposits | 485,693 | 280,896 | 412,796 |
| Time deposits (Notes 16a and 32b) | 39,576,100 | 37,500,452 | 44,254,486 |
| Federal funds purchased and securities sold under agreements to repurchase (Notes 3n and 16b) | 248,966,584 | 263,071,874 | 200,285,905 |
| Own portfolio | 117,565,530 | 103,173,557 | 126,572,857 |
| Third-party portfolio | 110,974,509 | 131,299,482 | 65,861,245 |
| Unrestricted portfolio | 20,426,545 | 28,598,835 | 7,851,803 |
| Funds from issuance of securities (Notes 16c and 32b) | 24,842,697 | 28,972,765 | 25,103,651 |
| Mortgage and real estate notes, letters of credit and others | 20,388,900 | 24,663,405 | 21,651,406 |
| Securities issued abroad | 4,453,797 | 4,309,360 | 3,452,245 |
| Interbank accounts | 1,014,942 | 1,008,585 | 699,350 |
| Correspondent banks | 1,014,942 | 1,008,585 | 699,350 |
| Interdepartmental accounts | 2,777,590 | 2,805,558 | 2,919,179 |
| Third-party funds in transit | 2,777,590 | 2,805,558 | 2,919,179 |
| Borrowing (Notes 17a and 32b) | 10,050,917 | 7,404,127 | 11,312,452 |
| Borrowing in Brazil - other institutions | 3,776 | 3,388 | 6,063 |
| Borrowing abroad | 10,047,141 | 7,400,739 | 11,306,389 |
| Onlending in Brazil - official institutions (Notes 17b and 32b) | 11,570,961 | 12,852,686 | 12,983,528 |
| National treasury | 17,444 | 32,029 | 117,484 |
| Brazilian Development Bank (BNDES) | 3,744,213 | 5,412,482 | 6,019,023 |
| Caixa Econômica Federal - Federal savings bank (CEF) | 20,900 | 20,589 | 19,156 |
| Fund for financing the acquisition of industrial machinery and equipment (Finame) | 7,788,404 | 7,387,586 | 6,826,614 |
| Other institutions | - | - | 1,251 |
| Onlending abroad (Notes 17b and 32b) | 136,862 | 92,385 | 131,540 |
| Onlending abroad | 136,862 | 92,385 | 131,540 |
| Derivative financial instruments (Notes 3f, 8e II and 32b) | 2,368,516 | 1,873,385 | 2,928,294 |
| Derivative financial instruments | 2,368,516 | 1,873,385 | 2,928,294 |
| Technical reserves for insurance, pension plans and capitalization bonds (Notes 3o and 21) | 106,516,946 | 102,582,039 | 89,472,808 |
| Other liabilities | 52,681,593 | 48,811,923 | 49,718,266 |
| Payment of taxes and other contributions | 3,379,189 | 3,252,662 | 3,155,094 |
| Foreign exchange portfolio (Note 11a) | 5,601,398 | 6,384,384 | 6,733,556 |
| Social and statutory | 1,770,785 | 973,367 | 1,727,091 |
| Tax and social security (Note 20a) | 5,360,436 | 5,101,563 | 5,536,874 |

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| | | | |
|--|--------------------|--------------------|--------------------|
| Securities trading | 5,804,401 | 4,544,802 | 4,231,607 |
| Financial and development funds | 1,230 | 2,368 | 1,671 |
| Subordinated debts (Notes 19 and 32b) | 2,311,545 | 1,524,755 | 3,961,648 |
| Sundry (Note 20b) | 28,452,609 | 27,028,022 | 24,370,725 |
| Long-term liabilities | 219,223,705 | 210,654,510 | 230,338,330 |
| Deposits (Notes 3n and 16a) | 59,210,059 | 62,212,484 | 77,565,155 |
| Interbank deposits | 213,191 | 207,549 | 58,765 |
| Time deposits (Notes 16a and 32b) | 58,996,868 | 62,004,935 | 77,506,390 |
| Federal funds purchased and securities sold under agreements to repurchase (Notes 3n and 16b) | 17,858,536 | 17,973,246 | 25,688,347 |

The accompanying Notes are an integral part of these Financial Statements.

Bradesco _____

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Consolidated Statement of Financial Position - R\$ thousand

| Liabilities | 2013 | | 2012 |
|---|--------------------|--------------------|--------------------|
| | June | March | June |
| Own portfolio | 17,858,536 | 17,973,246 | 25,683,210 |
| Unrestricted portfolio | - | - | 5,137 |
| Funds from issuance of securities (Notes 16c and 32b) | 28,977,913 | 18,859,499 | 26,054,278 |
| Mortgage and real estate notes, letters of credit and others | 21,311,125 | 9,949,182 | 17,122,483 |
| Securities issued abroad | 7,666,788 | 8,910,317 | 8,931,795 |
| Borrowing (Notes 17a and 32b) | 1,036,810 | 727,509 | 1,072,206 |
| Borrowing in Brazil - other institutions | 6,879 | 6,318 | 2,011 |
| Borrowing abroad | 1,029,931 | 721,191 | 1,070,195 |
| Onlending in Brazil - official institutions (Notes 17b and 32b) | 26,325,469 | 25,132,567 | 22,394,552 |
| BNDES | 8,116,776 | 7,713,582 | 6,665,410 |
| CEF | 28,165 | 32,709 | 44,381 |
| FINAME | 18,178,885 | 17,384,636 | 15,684,180 |
| Other institutions | 1,643 | 1,640 | 581 |
| Derivative financial instruments (Notes 3f, 8e II and 32b) | 772,057 | 716,922 | 639,791 |
| Derivative financial instruments | 772,057 | 716,922 | 639,791 |
| Technical reserves for insurance, pension plans and capitalization bonds (Notes 3o and 21) | 25,301,917 | 24,784,559 | 22,316,296 |
| Other liabilities | 59,740,944 | 60,247,724 | 54,607,705 |
| Tax and social security (Note 20a) | 19,695,567 | 20,807,703 | 19,302,197 |
| Subordinated debts (Notes 19 and 32b) | 33,910,561 | 33,532,583 | 30,129,473 |
| Sundry (Note 20b) | 6,134,816 | 5,907,438 | 5,176,035 |
| Deferred income | 661,074 | 632,590 | 615,363 |
| Deferred income | 661,074 | 632,590 | 615,363 |
| Non-controlling interests in subsidiaries (Note 22) | 582,002 | 604,602 | 586,895 |
| Shareholders' equity (Note 23) | 66,027,513 | 69,442,098 | 63,920,088 |
| Capital: | | | |
| - Domiciled in Brazil | 37,622,549 | 37,622,481 | 29,721,761 |
| - Domiciled abroad | 477,451 | 477,519 | 378,239 |
| Capital reserves | 11,441 | 11,441 | 11,441 |
| Profit reserves | 30,020,791 | 28,110,194 | 30,442,327 |
| Asset valuation adjustments | (1,907,418) | 3,417,764 | 3,551,255 |
| Treasury shares (Notes 23d and 32b) | (197,301) | (197,301) | (184,935) |
| Attributable to equity holders of the Parent Company | 66,609,515 | 70,046,700 | 64,506,983 |
| Total | 896,697,368 | 894,466,777 | 830,520,428 |

The accompanying Notes are an integral part of these Financial Statements.

Report on Economic and Financial Analysis - June 2013

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Consolidated Income Statement - R\$ thousand

| | 2013 | | 2012 | |
|--|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Half |
| Revenue from financial intermediation | 23,155,110 | 21,209,340 | 44,364,450 | 47,953,903 |
| Loans (Note 10j) | 13,104,591 | 12,264,448 | 25,369,039 | 24,974,583 |
| Leasing (Note 10j) | 201,649 | 206,273 | 407,922 | 656,876 |
| Operations with securities (Note 8h) | 7,960,885 | 5,861,280 | 13,822,165 | 15,722,195 |
| Financial income from insurance, pension plans and capitalization bonds (Note 8h) | 1,685,479 | 2,060,904 | 3,746,383 | 5,353,582 |
| Derivative financial instruments (Note 8h) | (1,446,665) | (157,174) | (1,603,839) | (1,850,576) |
| Foreign exchange operations (Note 11a) | 903,619 | 269,315 | 1,172,934 | 783,387 |
| Reserve requirement (Note 9b) | 699,612 | 662,938 | 1,362,550 | 2,276,508 |
| Sale or transfer of financial assets | 45,940 | 41,356 | 87,296 | 37,348 |
| Financial intermediation expenses | 16,757,928 | 12,756,536 | 29,514,464 | 32,824,100 |
| Federal funds purchased and securities sold under agreements to repurchase (Note 16e) | 9,651,675 | 7,845,707 | 17,497,382 | 18,942,381 |
| Adjustment for inflation and interest on technical reserves for insurance, pension plans and capitalization bonds (Note 16e) | 840,150 | 1,068,927 | 1,909,077 | 3,693,783 |
| Borrowing and onlending (Note 17c) | 2,658,178 | 366,839 | 3,025,017 | 3,239,256 |
| Allowance for loan losses (Notes 3g, 10g and 10h) | 3,607,925 | 3,475,063 | 7,082,988 | 6,948,680 |
| Gross income from financial intermediation | 6,397,182 | 8,452,804 | 14,849,986 | 15,129,803 |
| Other operating income (expenses) | (3,431,635) | (3,699,033) | (7,130,668) | (7,522,716) |
| Fee and commission income (Note 24) | 4,886,403 | 4,508,215 | 9,394,618 | 8,169,369 |
| Other fee and commission income | 3,882,630 | 3,571,118 | 7,453,748 | 6,293,559 |
| Income from banking fees | 1,003,773 | 937,097 | 1,940,870 | 1,875,810 |
| Insurance, pension plan and capitalization bond retained premiums (Notes 3o and 21d) | 13,188,684 | 10,900,830 | 24,089,514 | 20,840,891 |
| Net premiums written | 13,238,499 | 10,952,662 | 24,191,161 | 20,987,758 |
| Reinsurance premiums | (49,815) | (51,832) | (101,647) | (146,867) |
| Variation in technical reserves for insurance, pension plans and capitalization bonds (Note 3o) | (6,798,003) | (4,688,643) | (11,486,646) | (10,215,581) |
| Retained claims (Note 3o) | (3,724,791) | (3,549,301) | (7,274,092) | (6,189,861) |
| Capitalization bond draws and redemptions (Note 3o) | (1,011,808) | (871,576) | (1,883,384) | (1,508,505) |
| Insurance, pension plan and capitalization bond selling expenses (Note 3o) | (626,249) | (636,109) | (1,262,358) | (1,097,177) |
| Payroll and related benefits (Note 25) | (3,191,052) | (3,059,462) | (6,250,514) | (5,925,534) |

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| | | | | |
|---|------------------|--------------------|--------------------|--------------------|
| Other administrative expenses (Note 26) | (3,529,562) | (3,368,481) | (6,898,043) | (6,612,367) |
| Tax expenses (Note 27) | (828,512) | (1,139,974) | (1,968,486) | (1,935,672) |
| Equity in the earnings (losses) of unconsolidated companies (Note 13b) | 11,888 | 3,332 | 15,220 | 58,777 |
| Other operating income (Note 28) | 862,505 | 863,381 | 1,725,886 | 1,652,956 |
| Other operating expenses (Note 29) | (2,671,138) | (2,661,245) | (5,332,383) | (4,760,012) |
| Operating income | 2,965,547 | 4,753,771 | 7,719,318 | 7,607,087 |
| Non-operating income (loss) (Note 30) | 76,617 | (58,484) | 18,133 | (112,236) |
| Income before income tax and social contribution and non-controlling interests | 3,042,164 | 4,695,287 | 7,737,451 | 7,494,851 |
| Income tax and social contribution (Notes 34a and 34b) | (64,550) | (1,748,540) | (1,813,090) | (1,835,580) |
| Non-controlling interests in subsidiaries | (28,895) | (27,628) | (56,523) | (33,767) |
| Net income | 2,948,719 | 2,919,119 | 5,867,838 | 5,625,504 |

The accompanying Notes are an integral part of these Financial Statements.

Bradesco

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Statement of Changes in Shareholders' Equity -R\$ thousand

| Events | Paid-in Capital | Capital reserves | Profit reserves | | Asset valuation adjustments | | Treasury shares | Retain earnin (accumul losses |
|--|--------------------|---------------------|------------------|-------------------|--------------------------------|------------------|--------------------|--|
| | | Share premium | Legal | Statutory | Bradesco | Subsidiaries | | |
| Balances on December 31, 2011 | 30,100,000 | 11,441 | 3,269,412 | 23,463,119 | (328,343) | (750,856) | (183,109) | |
| Acquisition of treasury shares | - | - | - | - | - | - | (1,826) | |
| Asset valuation adjustments | - | - | - | - | 568,817 | 4,061,637 | - | |
| Net income | - | - | - | - | - | - | - | 5,621 |
| Allocations: - Reserves | - | - | 281,275 | 3,428,521 | - | - | - | (3,709) |
| - Interest on shareholders' equity paid | - | - | - | - | - | - | - | (1,548) |
| - Dividends paid | - | - | - | - | - | - | - | (367) |
| Balances on June 30, 2012 | 30,100,000 | 11,441 | 3,550,687 | 26,891,640 | 240,474 | 3,310,781 | (184,935) | |
| Balances on December 31, 2012 | 30,100,000 | 11,441 | 3,838,474 | 30,380,303 | 886,689 | 5,027,853 | (197,301) | |
| Capital increase through reserves | 8,000,000 | - | - | (8,000,000) | - | - | - | |
| Asset valuation adjustments | - | - | - | - | (792,299) | (1,704,479) | - | |
| Net income | - | - | - | - | - | - | - | 2,911 |
| Allocations: - Reserves | - | - | 145,956 | 1,745,461 | - | - | - | (1,891) |
| - Interest on shareholders' equity paid and/or provisioned | - | - | - | - | - | - | - | (1,027) |
| Balances on March 31, 2013 | 38,100,000 | 11,441 | 3,984,430 | 24,125,764 | 94,390 | 3,323,374 | (197,301) | |
| Asset valuation adjustments | - | - | - | - | (2,095,078) | (3,230,104) | - | |
| Net income | - | - | - | - | - | - | - | 2,941 |
| Allocations: - Reserves | - | - | 147,436 | 1,763,161 | - | - | - | (1,910) |
| | - | - | - | - | - | - | - | (1,038) |

- Interest on
shareholders' equity paid
and/or provisioned

**Balances on June 30,
2013**

38,100,000 11,441,413,866 25,888,925 (2,000,688) 93,270 (197,301)

**Balances on December
31, 2012**

30,100,000 11,441,383,474 30,380,303 886,689 5,027,853 (197,301)

Capital increase through
reserves

8,000,000 - - (8,000,000) - - -

Asset valuation
adjustments

- - - - (2,887,377) (4,934,583) -

Net income

- - - - - - - 5,86

Allocations: - Reserves

- - 293,392 3,508,622 - - - (3,802

- Interest on
shareholders'
equity paid
and/or
provisioned

- - - - - - - (2,065

**Balances on June 30,
2013**

38,100,000 11,441,413,866 25,888,925 (2,000,688) 93,270 (197,301)

The accompanying Notes are an integral part of these Financial Statements.

Report on Economic and Financial Analysis - June 2013

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Value Added Statements - R\$ thousand

| Description | 2013 | | | | | |
|---|-------------------------|----------------|-------------------------|----------------|----------------------|--|
| | 2 nd Quarter | % | 1 st Quarter | % | 1 st Half | |
| 1 - Revenue | 24,003,995 | 330.3 | 21,853,359 | 240.0 | 45,857,3 | |
| 1.1) Financial intermediation | 23,155,110 | 318.6 | 21,209,340 | 233.0 | 44,364,4 | |
| 1.2) Fees and commissions | 4,886,403 | 67.2 | 4,508,215 | 49.5 | 9,394,6 | |
| 1.3) Allowance for loan losses | (3,607,925) | (49.6) | (3,475,063) | (38.2) | (7,082,98 | |
| 1.4) Other | (429,593) | (5.9) | (389,133) | (4.3) | (818,72 | |
| 2 - Financial intermediation expenses | (13,150,003) | (180.9) | (9,281,473) | (102.0) | (22,431,47 | |
| 3 - Inputs acquired from third-parties | (2,891,625) | (39.9) | (2,748,609) | (30.0) | (5,640,23 | |
| Material, water, electricity and gas | (130,625) | (1.8) | (134,336) | (1.5) | (264,96 | |
| Outsourced services | (873,488) | (12.0) | (828,291) | (9.1) | (1,701,77 | |
| Communication | (402,904) | (5.5) | (392,545) | (4.3) | (795,44 | |
| Financial system services | (188,826) | (2.6) | (179,224) | (2.0) | (368,05 | |
| Advertising and marketing | (169,129) | (2.3) | (160,989) | (1.8) | (330,11 | |
| Transport | (205,298) | (2.8) | (198,807) | (2.2) | (404,10 | |
| Data processing | (315,817) | (4.3) | (299,394) | (3.3) | (615,21 | |
| Maintenance and repairs | (162,396) | (2.2) | (153,184) | (1.7) | (315,58 | |
| Security and surveillance | (123,850) | (1.7) | (115,541) | (1.3) | (239,39 | |
| Travel | (33,571) | (0.5) | (27,407) | (0.3) | (60,97 | |
| Other | (285,721) | (4.2) | (258,891) | (2.5) | (544,61 | |
| 4 - Gross value added (1-2-3) | 7,962,367 | 109.5 | 9,823,277 | 108.0 | 17,785,6 | |
| 5 - Depreciation and amortization | (706,599) | (9.7) | (723,939) | (8.0) | (1,430,53 | |
| 6 - Net value added produced by the entity (4-5) | 7,255,768 | 99.8 | 9,099,338 | 100.0 | 16,355,1 | |
| 7 - Value added received through transfer | 11,888 | 0.2 | 3,332 | - | 15,2 | |
| Equity in the earnings (losses) of unconsolidated companies | 11,888 | 0.2 | 3,332 | - | 15,2 | |
| 8 - Value added to distribute (6+7) | 7,267,656 | 100.0 | 9,102,670 | 100.0 | 16,370,3 | |
| 9 - Value added distributed | 7,267,656 | 100.0 | 9,102,670 | 100.0 | 16,370,3 | |
| 9.1) Personnel | 2,769,554 | 38.1 | 2,665,965 | 29.2 | 5,435,5 | |
| Payroll | 1,476,967 | 20.3 | 1,435,716 | 15.8 | 2,912,6 | |
| Benefits | 654,054 | 9.0 | 657,366 | 7.2 | 1,311,4 | |
| Government Severance Indemnity Fund for Employees (FGTS) | 140,390 | 1.9 | 136,313 | 1.5 | 276,7 | |
| Other | 498,143 | 6.9 | 436,570 | 4.7 | 934,7 | |
| 9.2) Tax, fees and contributions | 1,314,560 | 18.1 | 3,282,011 | 36.1 | 4,596,5 | |
| Federal | 1,154,155 | 15.9 | 3,127,667 | 34.4 | 4,281,8 | |
| State | 2,688 | - | 1,705 | - | 4,3 | |
| Municipal | 157,717 | 2.2 | 152,639 | 1.7 | 310,3 | |
| 9.3) Value distributed to providers of capital | 205,928 | 2.8 | 207,947 | 2.3 | 413,8 | |
| Rentals | 203,295 | 2.8 | 205,283 | 2.3 | 408,5 | |
| Asset leasing | 2,633 | - | 2,664 | - | 5,2 | |
| 9.4) Value distributed to shareholders | 2,977,614 | 41.0 | 2,946,747 | 32.4 | 5,924,3 | |
| Interest on shareholders' equity/dividends | 1,038,122 | 14.3 | 1,027,702 | 11.3 | 2,065,8 | |

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| | | | | | |
|--|-----------|------|-----------|------|---------|
| Retained earnings | 1,910,597 | 26.3 | 1,891,417 | 20.8 | 3,802,0 |
| Non-controlling interests in retained earnings | 28,895 | 0.4 | 27,628 | 0.3 | 56,5 |

The accompanying Notes are an integral part of these Financial Statements.

Bradesco _____

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Consolidated Statement of Cash Flows - R\$ thousand

| | 2nd Quarter | 2013 1st Quarter | 1st Half | 2012 1st Half |
|---|-------------------------------|--|----------------------------|-------------------------------------|
| Cash flow from operating activities: | | | | |
| Net Income before income tax and social contribution | 3,042,164 | 4,695,287 | 7,737,451 | 7,494,851 |
| Adjustments to net income before income tax and social contribution | 5,952,793 | 6,595,010 | 12,547,803 | 14,035,588 |
| Allowance for loan losses | 3,607,925 | 3,475,063 | 7,082,988 | 6,948,680 |
| Depreciation and amortization | 706,599 | 723,939 | 1,430,538 | 1,328,551 |
| Expenses with civil, labor and tax provisions | 914,548 | 1,261,372 | 2,175,920 | 1,929,883 |
| Expenses with adjustment for inflation and interest on technical reserves for insurance, pension plans and capitalization bonds | 840,150 | 1,068,927 | 1,909,077 | 3,693,783 |
| Equity in the earnings (losses) of unconsolidated companies | (11,888) | (3,332) | (15,220) | (58,777) |
| (Gain)/loss on sale of investments | (166,635) | 69 | (166,566) | (34,566) |
| (Gain)/loss on sale of fixed assets | 4,967 | 6,786 | 11,753 | 6,538 |
| (Gain)/loss on sale of foreclosed assets | 48,031 | 38,475 | 86,506 | 95,469 |
| Other | 9,096 | 23,711 | 32,807 | 126,027 |
| Adjusted net income before taxes | 8,994,957 | 11,290,297 | 20,285,254 | 21,530,439 |
| (Increase)/decrease in interbank investments | 102,958,517 | (42,290,917) | 60,667,600 | 26,945,919 |
| Decrease in trading securities and derivative financial instruments | 1,260,439 | 29,271,951 | 30,532,390 | 12,985,346 |
| (Increase)/decrease in interbank and interdepartmental accounts | 579,902 | (2,547,264) | (1,967,362) | (1,441,678) |
| (Increase) in loan and leasing | (9,431,490) | (11,476,303) | (20,907,793) | (15,325,511) |
| Increase in insurance and reinsurance receivables and reinsurance assets – technical reserves | (244,076) | (507,356) | (751,432) | (441,456) |
| Increase in technical reserves for insurance, pension plans and capitalization bonds | 3,612,115 | 2,080,251 | 5,692,366 | 4,442,329 |
| Increase/(decrease) in deferred income | 28,484 | (25,057) | 3,427 | (55,966) |
| (Increase)/decrease in other receivables and other assets | (5,227,708) | 2,696,449 | (2,531,259) | (9,462,919) |
| (Increase)/decrease in reserve requirement - Brazilian Central Bank | 18,382 | (2,313,011) | (2,294,629) | 10,841,398 |
| Increase/(decrease) in deposits | 2,615,391 | (5,987,390) | (3,371,999) | (354,293) |
| Increase/(decrease) in federal funds purchased and securities sold under agreements to repurchase | (14,220,000) | 25,453,968 | 11,233,968 | 28,526,025 |
| Increase/(decrease) in funds from issuance of securities | 5,988,346 | (3,527,043) | 2,461,303 | 9,635,767 |

| | | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| Increase/(decrease) in borrowings and onlending | 2,911,743 | 2,023,117 | 4,934,860 | (5,352,660) |
| Increase/(decrease) in other liabilities | (809,084) | (2,030,736) | (2,839,820) | 10,203,704 |
| Income tax and social contribution paid | (794,197) | (3,642,291) | (4,436,488) | (4,427,684) |
| Net cash provided by/(used in) operating activities | 98,241,721 | (1,531,335) | 96,710,386 | 88,248,760 |
| Cash flow from investing activities: | | | | |
| (Purchases)/proceeds from held-to-maturity securities | 217,907 | (27,944) | 189,963 | (618,474) |
| Sale of available-for-sale securities ⁽¹⁾ | 6,689,094 | 21,269,839 | 27,958,933 | 20,121,655 |
| Proceeds from sale of foreclosed assets | 128,631 | 75,980 | 204,611 | 57,219 |
| Sale of investments | 196,375 | 2,060 | 198,435 | 116,216 |
| Proceeds from the sale of premises and equipment and operating leased assets | 128,471 | 135,827 | 264,298 | 264,612 |
| Purchases of available-for-sale securities ⁽¹⁾ | (21,348,433) | (39,529,437) | (60,877,870) | (81,784,928) |
| Foreclosed asset acquisitions | (309,936) | (218,629) | (528,565) | (362,023) |
| Investment acquisitions | (75,111) | (1,331) | (76,442) | (2,233) |
| Premises and equipment and operating leased asset acquisitions | (231,470) | (345,975) | (577,445) | (895,310) |
| Intangible asset acquisitions | (709,957) | (1,013,263) | (1,723,220) | (842,560) |
| Dividends and interest on shareholders' equity received | 143,873 | 36,118 | 179,991 | 54,332 |
| Net cash provided by/(used in) investing activities | (15,170,556) | (19,616,755) | (34,787,311) | (63,891,494) |
| Cash flow from financing activities: | | | | |
| Increase in subordinated debts | 1,164,768 | 205,624 | 1,370,392 | 7,181,029 |
| Dividends and interest on shareholders' equity paid | (241,354) | (2,547,149) | (2,788,503) | (2,550,793) |
| Non-controlling interest | (51,495) | (11,220) | (62,715) | (62,130) |
| Acquisition of own shares | - | - | - | (1,826) |
| Net cash provided by/(used in) financing activities | 871,919 | (2,352,745) | (1,480,826) | 4,566,280 |
| Net increase/(decrease) in cash and cash equivalents | 83,943,084 | (23,500,835) | 60,442,249 | 28,923,546 |
| Cash and cash equivalents - at the beginning of the period | 24,054,234 | 47,555,069 | 47,555,069 | 36,860,152 |
| Cash and cash equivalents - at the end of the period | 107,997,318 | 24,054,234 | 107,997,318 | 65,783,698 |
| Net increase/(decrease) in cash and cash equivalents | 83,943,084 | (23,500,835) | 60,442,249 | 28,923,546 |

(1) Sale of Securities - In addition to the charge-off of original amortized cost due to sale of securities, it includes the charge-offs due to maturities of securities and of income/interest received. There were no sales of securities in the second quarter of 2013. Purchase of Securities – Purchase of securities at market price; and additionally, includes the effect of the transfer of securities from own portfolio to restricted portfolio and from restricted portfolio to own portfolio.

The accompanying Notes are an integral part of these Financial Statements.

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

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Notes to the Consolidated Financial Statements

1) OPERATIONS

Banco Bradesco S.A. (Bradesco) is a private-sector publicly traded company and Universal Bank that carries out all types of banking activities that it is authorized to do so through its commercial, foreign exchange, consumer financing and housing loan portfolios. The Bank has a number of other activities, either directly or indirectly, through its subsidiaries, particularly in leasing, investment banking, brokerage, consortium management, credit cards, real estate projects, insurance, pension plans and capitalization bonds. Operations are conducted within the context of the companies within the Bradesco Organization, working together in the market.

2) PRESENTATION OF THE FINANCIAL STATEMENTS

Bradesco's consolidated financial statements include the financial statements for Banco Bradesco, its foreign branches, subsidiaries and jointly-controlled entities, in Brazil and abroad, including SPEs (Special Purpose Entities). They were prepared based on accounting practices issued by Laws 4595/64 (Brazilian Financial System Law) and 6404/76 (Brazilian Corporate Law), along with amendments introduced by Laws 11638/07 and 11941/09 relating to the accounting of operations, associated with rules and instructions of the National Monetary Council (CMN) and the Brazilian Central Bank (Bacen), Brazilian Securities and Exchange Commission (CVM), where applicable, National Private Insurance Council (CNSP), Insurance Superintendence (Susep) and National Supplementary Healthcare Agency (ANS). The financial statements of leasing companies included in the consolidated information were prepared using finance leases, whereby leased fixed assets are classified as operating leases less the residual value paid in advance.

In the preparation of these consolidated financial statements, intercompany transactions, including investments, assets and liabilities, revenue, expenses and unrealized profit were eliminated and net income and shareholders' equity attributable to the non-controlling interests were accounted for on a separate line. For jointly-controlled investments with other shareholders, assets, liabilities and income and loss were proportionally consolidated in the consolidated financial statements according to the interest on shareholders' equity of each investee. Goodwill on the acquisition of investments in subsidiary/unconsolidated companies or jointly-controlled entities is included in investments and intangible assets (Note 15a). The foreign exchange variation from foreign branches or investments is presented in the income statement accounts together with changes in the value of the derivative financial instrument, borrowing or onlending operation to eliminate the effect of these investment hedge instruments.

The financial statements include estimates and assumptions, such as: the calculation of estimated loan losses; fair value estimates of certain financial instruments; civil, tax and labor provisions; impairment losses of securities classified as available-for-sale and held-to-maturity and non-financial assets; the calculation of technical reserves for insurance, pension plans and capitalization bonds; and the determination of the useful life of specific assets. Actual results may differ from those based on estimates and assumptions.

Bradesco's consolidated financial statements were approved by the Board of Directors on July 19, 2013.

Report on Economic and Financial Analysis – June 2013

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Notes to the Consolidated Financial Statements

Below are the primary direct and indirectly owned companies included in the consolidation:

| | Activity | Equity interest | | |
|--|------------------------|-----------------|-------------|-----------------|
| | | 2013 June 30 | March 31 | 2012 June 30 |
| Financial Area - Brazil | | | | |
| Alvorada Cartões, Crédito, Financiamento e Investimento S.A. | Banking | 100.00% | 100.00% | 100.00% |
| Banco Alvorada S.A. (1) | Banking | 99.99% | 99.99% | 99.95% |
| Banco Bradesco Financiamentos S.A. | Banking | 100.00% | 100.00% | 100.00% |
| Banco Bankpar S.A. | Banking | 100.00% | 100.00% | 100.00% |
| Banco Bradesco BBI S.A. | Investment bank | 98.35% | 98.35% | 98.35% |
| Banco Boavista Interatlântico S.A. | Banking | 100.00% | 100.00% | 100.00% |
| Bankpar Arrendamento Mercantil S.A. | Leasing | 100.00% | 100.00% | 100.00% |
| Banco Bradesco Cartões S.A. | Cards | 100.00% | 100.00% | 100.00% |
| Bradesco Administradora de Consórcios Ltda. | Consortium management | 100.00% | 100.00% | 100.00% |
| Banco BERJ S.A. | Banking | 100.00% | 100.00% | 100.00% |
| Bradesco Leasing S.A. Arrendamento Mercantil | Leasing | 100.00% | 100.00% | 100.00% |
| Bradesco S.A. Corretora de Títulos e Valores Mobiliários | Brokerage | 100.00% | 100.00% | 100.00% |
| BRAM - Bradesco Asset Management S.A. DTVM | Asset management | 100.00% | 100.00% | 100.00% |
| Ágora Corretora de Títulos e Valores Mobiliários S.A. | Brokerage | 100.00% | 100.00% | 100.00% |
| Banco Bradescard S.A. | Cards | 100.00% | 100.00% | 100.00% |
| Cielo S.A. (2) | Services | 28.65% | 28.65% | 28.65% |
| Cia. Brasileira de Soluções e Serviços - Alelo (2) | Services | 50.01% | 50.01% | 50.01% |
| Tempo Serviços Ltda. | Services | 100.00% | 100.00% | 100.00% |
| Financial Area - Abroad | | | | |
| Banco Bradesco Argentina S.A. | Banking | 99.99% | 99.99% | 99.99% |
| Banco Bradesco Europa S.A. | Banking | 100.00% | 100.00% | 100.00% |
| Banco Bradesco S.A. Grand Cayman Branch (3) | Banking | 100.00% | 100.00% | 100.00% |
| Banco Bradesco New York Branch | Banking | 100.00% | 100.00% | 100.00% |
| Bradesco Securities, Inc. | Brokerage | 100.00% | 100.00% | 100.00% |
| Bradesco Securities, UK. | Brokerage | 100.00% | 100.00% | 100.00% |
| Insurance, Pension Plan and Capitalization Bond Area | | | | |
| Atlântica Capitalização S.A. (4) | Capitalization bonds | - | - | 100.00% |
| Bradesco Argentina de Seguros S.A. | Insurance | 99.90% | 99.90% | 99.90% |
| Bradesco Auto/RE Companhia de Seguros | Insurance | 100.00% | 100.00% | 100.00% |
| Bradesco Capitalização S.A. | Capitalization bonds | 100.00% | 100.00% | 100.00% |
| Bradesco Saúde S.A. | Insurance/health | 100.00% | 100.00% | 100.00% |
| Odontoprev S.A. | Dental care | 43.50% | 43.50% | 43.50% |
| Bradesco Seguros S.A. | Insurance | 100.00% | 100.00% | 100.00% |
| Bradesco Vida e Previdência S.A. | Pension plan/insurance | 100.00% | 100.00% | 100.00% |

| | | | | |
|--|------------------------|---------|---------|---------|
| Atlântica Companhia de Seguros | Insurance | 100.00% | 100.00% | 100.00% |
| Other Activities | | | | |
| Andorra Holdings S.A. | Holding | 100.00% | 100.00% | 100.00% |
| Bradseg Participações S.A. | Holding | 100.00% | 100.00% | 100.00% |
| Bradescor Corretora de Seguros Ltda. | Insurance brokerage | 100.00% | 100.00% | 100.00% |
| Bradesplan Participações Ltda. | Holding | 100.00% | 100.00% | 100.00% |
| BSP Empreendimentos Imobiliários S.A. | Real estate | 100.00% | 100.00% | 100.00% |
| Cia. Securitizadora de Créditos Financeiros Rubi | Credit acquisition | 100.00% | 100.00% | 100.00% |
| Columbus Holdings S.A. | Holding | 100.00% | 100.00% | 100.00% |
| Nova Paiol Participações Ltda. | Holding | 100.00% | 100.00% | 100.00% |
| Scopus Tecnologia Ltda. | Information technology | 100.00% | 100.00% | 100.00% |
| União Participações Ltda. | Holding | 100.00% | 100.00% | 100.00% |

(1) Increase in equity interest through share acquisition in February 2013;

(2) Company proportionally consolidated, pursuant to CMN Resolution 2723/00 and CVM Rule 247/96;

(3) The special purpose entity International Diversified Payment Rights Company is being consolidated. The company takes part in the securitization operation of future flow of payment orders received from overseas (Note 16d); and

(4) Company merged into Bradesco Capitalização in October 2012.

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Notes to the Consolidated Financial Statements

3) SIGNIFICANT ACCOUNTING PRACTICES

a) Functional and Presentation Currencies

Consolidated financial statements are presented in Brazilian reais, which is also Bradesco's functional currency. Foreign branches and subsidiaries are mainly a continuation of activities in Brazil, and, therefore, assets, liabilities and profit or losses are translated into Brazilian reais using the appropriate currency exchange rate to comply with accounting practices adopted in Brazil. Foreign currency translation gains and losses arising are recognized in the period's income statement under items "Derivative Financial Instruments" and "Borrowing and Onlending."

b) Income and Expense Recognition

Income and expenses are recognized on an accrual basis together to determine the net income for the period to which they relate, regardless of receipt or payment of funds.

Fixed rate transactions are recorded at their redemption value with the income or expense relating to future periods being recorded as a deduction from the corresponding asset or liability. Finance income and costs are prorated daily and calculated based on the exponential method, except when they relate to discounted notes or to foreign transactions which are calculated using the straight-line method.

Floating rate or foreign-currency-indexed transactions are adjusted for inflation at the end of the reporting period.

Insurance and coinsurance premiums, net of premiums assigned to coinsurance and reinsurance and corresponding commissions, are recognized on a straight-line basis during the policies' effective period through accrual and reversal of the unearned premium reserve of deferred acquisition costs. Revenues from premiums and the corresponding deferred acquisition costs, relating to existing risk but with no policy issued, are recorded in the income statement at the beginning of the risk coverage, based on estimated

figures.

Income and expenses arising from DPVAT insurance operations are recorded based on information provided by the Seguradora Líder dos Consórcios do Seguro DPVAT S.A.

Accepted coinsurance and retrocession operations are recorded based on the information received from other companies and IRB - Brasil Resseguros S.A., respectively. Reinsurance operations with IRB are recorded based on operating and financial transactions sent by IRB whereas operations with other reinsurance companies are recorded based on their financial records subject to analysis. Deferral of reinsurance premiums granted is consistent to the corresponding reinsurance premium and/or reinsurance contract.

Brokerage and acquisition of new health insurance operations are deferred and recorded in the income statement over a 12-month period on a straight-line basis.

Pension plan contributions and life insurance premiums covering survival are recognized in the income statement as they are received. Income from management fees paid by special-purpose investment funds are recognized on the accrual basis at contractual rates.

Income from capitalization bonds is recognized when it is effectively received. Income from expired capitalization plans is recorded after the statute of limitation, under Article 206 of the Brazilian Civil Code. The expenses for placement of capitalization bonds, classified as "Acquisition Costs," are recognized when they are incurred. Technical reserves are recorded when the respective revenues are registered in books.

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c) Cash and cash equivalents

Cash and cash equivalents include: funds available in currency, investments in gold, investments in federal funds purchases and securities sold under agreements to repurchase and interest-earning deposits in other banks, maturing in 90 days or less and present an insignificant risk of change in fair value, that are used by Bradesco to manage its short-term commitments.

Cash and cash equivalents detailed balances are reflected in Note 6.

d) Interbank investments

Unrestricted purchase and sale commitments are stated at their fair value. Other investments are stated at cost, plus income earned up to the end of the reporting period, net of any devaluation allowance, if applicable.

The breakdown, terms and proceeds relating to interbank investments are presented in Note 7.

e) Securities - Classification

- Trading securities - securities acquired for the purpose of being actively and frequently traded. They are recorded at cost, plus income earned and adjusted to market value in the income statement for the period;
- Available-for-sale securities - securities that are not specifically intended for trading purposes or to be held to maturity. They are recorded at cost, plus income earned, which is recorded in profit or loss in the

period and adjusted to market value within shareholders' equity, net of tax, which will be recognized in profit or loss only when effectively disposed; and

- Held-to-maturity securities - securities intended and for the financial capacity to be held in the portfolio up to maturity. They are recorded at cost, plus earnings recognized in profit or loss for the period.

Securities classified as trading or available-for-sale, as well as derivative financial instruments, are recorded at their estimated fair value in the consolidated statement of financial position. The fair value is generally based on market prices or quotations for assets or liabilities with similar characteristics. If market prices are not available, fair values are based on traders' quotations, pricing models, discounted cash flows or similar techniques to determine the fair value and may require judgment or significant estimates by Management.

Classification, breakdown and segmentation of securities are presented in Note 8 (a to d).

f) Derivative financial instruments (assets and liabilities)

Classified according to intended use by Management, on the date that the operation was entered into and considering if it was intended for hedging purposes or not.

Operations involving derivative financial instruments are designed to meet the Bank's own needs in order to manage overall exposure, as well as to meet customer requests to manage their positions. Gains and losses are recorded in income or expenses accounts of the respective financial instruments.

Derivative financial instruments used to mitigate risk deriving from exposure to variations in the market value of financial assets and liabilities are designated as hedges and are classified according to their nature:

- Market risk hedge: for financial instruments classified in this category as well as the hedge-related financial assets and liabilities, gains and losses, realized or not, are recorded in the income statement; and

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- Cash flow hedge: the effective portion of valuation or devaluation of financial instruments classified in this category is recorded, net of tax, in a specific account under shareholders' equity. The ineffective portion of the respective hedge is directly recognized in the income statement.

A breakdown of amounts included in derivative financial instruments, in the balance sheet and memorandum accounts, is disclosed in Note 8 (e to h).

g) Loans and leasing, advances on foreign exchange contracts, other receivables with credit characteristics and allowance for loan losses

Loans and leasing, advances on foreign exchange contracts and other receivables with credit characteristics are classified according to their corresponding levels of risk in compliance with: (i) the parameters established by CMN Resolution 2682/99, with nine levels of risk from "AA" (minimum risk) to "H" (maximum risk); and (ii) Management's level of risk assessment. This assessment, which is carried out regularly, considers current economic conditions and past experience with loan losses, as well as specific and general risks relating to operations, debtors and guarantors. Moreover, the period of late payment defined in CMN Resolution 2682/99 is also considered to rate customer risk as follows:

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

(1) For transactions with terms of more than 36 months, past-due periods are doubled, as allowed under CMN Resolution 2682/99.

Interest and inflation adjustments on past-due transactions are only recognized up to the 59th day that they are past due. As from the 60th day, they are recognized in deferred income.

H-rated past-due transactions remain at this level for six months, after which they are written-off against the existing allowance and controlled in memorandum accounts for at least five years.

Renegotiated transactions are maintained at least at the same level as previously classified. Renegotiations already written-off against the allowance and that were recorded in memorandum accounts, are rated as level “H” and any possible gains derived from their renegotiation are recognized only when they are effectively received. When there is a significant repayment on the operation or when new material facts justify a change in the level of risk, the operation may be reclassified to a lower risk category.

The estimated allowance for loan losses is calculated to sufficiently cover probable losses, considering CMN and Bacen standards and instructions, together with Management assessment to determine credit risk.

Type, values, terms, levels of risk, concentration, economic sector of the activity, renegotiation and income from loans, as well as the breakdown of expenses and statement of financial position accounts for the allowance for loan losses are presented in Note 10.

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

Income tax and social contribution credits, calculated on income tax losses, social contribution losses and temporary additions are recorded in “Other Receivables - Sundry” and the provisions for deferred tax liabilities on tax differences in leasing depreciation and mark-to-market adjustments on securities are recorded in “Other Liabilities - Tax and Social Security.” The income tax rate only applies to tax differences in leasing depreciation.

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Tax credits on temporary additions are used and/or reversed against the corresponding provision. Tax credits on income tax and social contribution losses are used when taxable income is generated, under the 30% limit of the taxable profit for the period. Such tax credits are recorded based on current expectations on when the deduction can be used, considering technical studies and analyses carried out by Management.

The provision for income tax is calculated at 15% of taxable income plus a 10% surcharge. Social contribution on net income is calculated at 15% for financial institutions and insurance companies and at 9% for other companies.

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

Pursuant to Law 11941/09, changes in the criteria to recognize for revenue, costs and expenses included in the net income for the period, enacted by Law 11638/07 and by Articles 37 and 38 of Law 11941/09, shall not affect taxable income, and, for tax purposes, accounting methods and criteria in force on December 31, 2007 are considered. For accounting purposes, the tax effects of adopting the aforementioned laws are recorded in the corresponding deferred tax assets and liabilities.

The breakdown of income tax and social contribution, showing the calculations, the origin and expected use of tax credits, as well as unrecorded tax credits, are presented in Note 34.

i) Prepaid expenses

Prepaid expenses are represented by use of funds for future benefits or services, which are recognized in the profit or loss on an accrual basis.

Incurred costs relating to corresponding assets that will generate revenue in subsequent periods are recorded in the profit or loss according to the terms and the amount of expected benefits and directly written-off in the profit or loss when the corresponding assets or rights are no longer part of the institution's assets or when future benefits are no longer expected.

Prepaid expenses are shown in details in Note 12b.

j) Investments

Investments in unconsolidated companies, with significant influence over the investee or has at least 20% of the voting rights, under the equity method of accounting.

Tax incentives and other investments are stated at cost, less allowance for losses/impairment, where applicable.

Subsidiaries' and jointly-controlled companies are consolidated, and a list of the main companies can be found in Note 2. A list of the unconsolidated companies, as well as other investments, is shown in Note 13.

k) Premises and equipment

Relates to the tangible assets used by the Bank in its activities or used for that purpose, including those transactions which transfer risks, benefits and controls of the assets to the entity.

Fixed assets are stated at cost, net of the accumulated depreciation, calculated using the straight-line method according to the estimated economic useful life of the asset, as follows: premises - 4% p.a.; furniture and fixtures, machinery and equipment - 10% p.a.; transport systems - 20% p.a.; and data processing systems - 20% to 50% p.a., and adjusted for impairment, where applicable.

The breakdown of asset costs and their corresponding depreciation, as well as the unrecorded surplus value for real estate and fixed asset ratios, is presented in Note 14.

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l) Intangible assets

Relates to the right over intangible assets used by the Bank in its activities or used for that purpose.

Intangible assets comprise:

- Future profitability/customer portfolio acquired and acquiring the right to provide banking services: is recorded and amortized, as applicable, over the period in which the asset will directly and indirectly contribute to future cash flows and adjusted through impairment, where applicable; and
- Software: stated at cost less amortization calculated on a straight-line basis over the estimated useful life (20% to 50% per annum), from the date it is available for use and adjusted through impairment, where applicable. Internal software development costs are recognized as an intangible asset when it is possible to show the intention and ability to complete such development, as well as reliably measure costs directly attributable to the software, which will be amortized during its estimated useful life, considering the future economic benefits generated.

Goodwill and other intangible assets, including their changes by class, are broken down in Note 15.

m) Impairment

Financial and non-financial assets are tested for impairment.

Impairment evidence may comprise the non-payment or payment delay by the debtor, possible bankruptcy process or even significant or extended decline in asset value.

An impairment loss of a financial or non-financial asset is recognized in the profit or loss for the period if the book value of an asset or cash-generating unit exceeds its recoverable value.

Impairment losses, when applicable, are presented in Note 15 (b and c).

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

These are recognized at the value of the liabilities and include, when applicable, related charges up to the end of the reporting period, on a daily prorated basis.

A breakdown of securities recorded in deposits and federal funds purchased and securities sold under agreements to repurchase, as well as terms and amounts recognized in the statement of financial position and income statement, is presented in Note 16.

o) Technical reserves relating to insurance, pension plans and capitalization bonds

- Damage, health and group insurance lines, except life insurance covering survival:
 - The unearned premium reserve (PPNG) is calculated on a daily prorated basis, using premiums net of coinsurance assignment, but including reinsurance transfer operations, is comprised of the portion corresponding to the periods of risk not arising from insurance policies less initial contracting costs, except for health insurance, and includes estimates for risks in effect but not issued (RVNE). This reserve also includes risks not yet effective and already issued;
 - The mathematical reserve for unvested benefits (PMBaC) is calculated by the difference between the current value of future benefits and the current value of future contributions, corresponding to assumed obligations;
 - The reserve for unvested benefits relating to the individual health care plan portfolio covers the holder's dependents for five years upon death, and it is calculated based on the time dependents are expected to remain in the plan up to the end of this five-year period; after this, it is calculated based on

costs on the five-year-period plan, excluding payment of premiums;

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- The reserve for vested benefits relating to the individual health care plan portfolio comprises obligations under the terms of the contract relating to coverage of the health care plan, and premiums for the payment of insurers participating in the Bradesco Saúde– “GBS Plan” insurance, based on the present value of estimated future expenses with health care provided to dependents whose holders already deceased, as provided for in Normative Resolution 75/04 of ANS;
- For Health Insurance, the reserve for incurred but not reported (IBNR) claims is calculated based on incurred but not paid (IBNP) claims less the balance of the reserve for unsettled claims (PSL) on the calculation date. A final estimate of IBNP claims based on monthly run-off triangles, which consider the claims ratio in the last 12 months, is prepared to calculate IBNP claims;
- For other lines, the reserve for incurred but not reported (IBNR) claims is calculated based on incurred but not paid (IBNP) claims less the balance of the reserve for unsettled claims (PSL) on the calculation date. A final estimate of IBNP claims based on half-yearly run-off triangles is prepared to calculate IBNP claims. The run-off triangles consider the historical development of claims paid in the last 14 semesters to determine a future projection per occurrence period;
- The reserve for unsettled claims (PSL) considers all loss notices received up to the end of the reporting period and related costs, such as loss adjustment expenses, loss of suit, among others. The reserve is adjusted for inflation and includes all claims under litigation;
- The reserve for redemptions and other amounts to be settled (PVR) comprises figures related to redemptions to settle and premium refund not yet paid;
- The complementary reserve for coverage (PCC) refers to the amount necessary to complement technical reserves, as calculated through the Liability Adequacy Test (LAT), which is prepared using statistic and actuarial methods based on realistic considerations, taking into account the biometric table BR-EMS of both genders, improvement of G Scale and forward interest rate structures (ETTJ) free from risk and authorized by Susep. The improvement rate is calculated from automatic updates of the biometric table, considering the expected increase in future life expectancy; and

- Other technical reserves are mainly recorded to cover differences between the premiums future adjustments and the ones necessary to the technical balance of healthcare plan individual portfolio, adopting the formula included in the actuarial technical note approved by ANS.

- Pension plans and life insurance covering survival:

- The unrealized risk premiums (PPNG) is calculated on a daily prorated basis, using premiums net of coinsurance assignment, but including reinsurance transfer operations, is comprised of the portion corresponding to periods of risks not arising from insurance policies and includes an estimate for risks in effect but not issued (RVNE). This reserve also includes risks not yet effective and already issued;

- The mathematical reserve for unvested benefits (PMBaC) refers to participants who have not yet received any benefit. In defined benefit pension plans, the reserve represents the difference between the current value of future benefits and the current value of future contributions, corresponding to obligations in the form of retirement, disability, pension and annuity plans. The reserve is calculated using methodologies and assumptions set forth in the actuarial technical notes;

- The mathematical reserve for unvested benefits related to life insurance and unrestricted benefit pension plans (VGBl and PGBl), apart from the defined contribution plans, shows the value of participant contributions, net of costs and other contractual charges, plus income from investment in Exclusive Investment Funds (FIEs);

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- The reserve for redemptions and other amounts to be settled (PVR) comprises figures related to redemptions to settle, premium refund and portability requested not yet transferred to the recipient;

- The mathematical reserve for vested benefits (PMBC) refers to participants already benefiting and corresponds to the present value of future obligations related to the payment of ongoing benefits;

- The complementary reserve for coverage (PCC) refers to the amount necessary to complement technical reserves, as calculated through the Liability Adequacy Test (LAT), which is prepared using statistic and actuarial methods based on realistic considerations, taking into account the biometric table BR-EMS of both genders, improvement of G Scale and forward interest rate structures (ETTJ) free from risk and authorized by Susep. The improvement rate is calculated from automatic updates of the biometric table, considering the expected increase in future life expectancy;

- The reserve for related expenses (PDR) is recorded to cover estimated benefit and claims expenses;

- The reserve for financial surplus (PEF) corresponds to the portion of income from investment of reserves that exceeds minimum returns from pension plans that have a financial surplus in the participation clause;

- The reserve for technical surplus (PET) corresponds to the difference between the expected and the actual amounts for events in the period for pension plans that have a technical surplus in the participation clause;

- The reserve for incurred but not reported (IBNR) events, relating to pension plans, is recorded in compliance with Susep Circular Letter 448/12;

- The reserve for unsettled claims (PSL) considers all loss notices received up to the end of the reporting period and related costs, such as loss adjustment expenses, loss of suit, among others. The reserve is adjusted for inflation and includes all claims under litigation; and

- Other technical reserves (OTP) comprise the amounts required by Susep Circular Letter 462/13.

- Capitalization bonds:
 - The mathematical reserve for capitalization bond (PMC) is recorded for each active or suspended capitalization bond during the estimated term set forth in the general conditions of the plan, and is calculated according to the methodology set forth in the actuarial technical notes;

 - The reserve for redemption (PR) is recorded from capitalization bonds overdue or not yet due where early redemption has been requested by the customer. Reserves are adjusted for inflation based on the indexes provided in each plan;

 - The reserve for draws not yet taken place (PSR) and the reserve for draws payable (PSP) are recorded to cover premiums for future draws (not yet taken place) and also for prize money from draws where customers have already been chosen (payable);

 - The complementary draw reserve (PCS) is recorded to cover possible insufficiency for payment of draw premiums; and

 - The reserve for administrative expense (PDA) is recorded to cover the plan's expenses with placement and disclosure, brokerage and others, and complies with the methodology established in actuarial technical note.

Technical reserves are shown by account, product and segment, as well as amounts and details of plan assets covering these technical reserves, and are shown in Note 21.

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p) Provisions, contingent assets and liabilities and legal obligations - tax and social security

Provisions, contingent assets and liabilities, and legal obligations, as defined below, are recognized, measured and disclosed in accordance with the criteria set out in CPC 25, approved by CMN Resolution 3823/09 and CVM Resolution 594/09:

- Contingent assets: these are not recognized in the financial statements, except when Management has control over the situation or when there are real guarantees or favorable judicial decisions, to which no further appeals are applicable, classifying the gain as practically certain by confirming the expectation of receipt or compensation against another liability. Contingent assets with a chance of probable success are disclosed in the notes to the financial statements;
- Provisions: these are recorded taking into consideration the opinion of legal counsel, the nature of the lawsuits, similarity with previous lawsuits, complexity and positioning of the courts, whenever the loss is deemed probable which would cause a probable outflow of funds to settle the obligation and when amounts can be reliably measured;
- Contingent liabilities: according to CPC 25, the term "contingent" is used for liabilities that are not recognized because their existence will only be confirmed by the occurrence of one or more uncertain future events beyond Management's control. Contingent liabilities considered as possible losses should only be disclosed in the notes when relevant. Obligations deemed remote are not recorded as a provision nor disclosed; and
- Legal obligations - provision for tax risks: results from judicial proceedings, being contested on the grounds of legality or constitutionality, which, regardless of the assessment of the probability of success, are fully recognized in the financial statements.

Details on lawsuits, as well as segregation and changes in amounts recorded, by type, are presented in Note 18.

q) Funding expenses

Expenses related to funding transactions involving the issuance of securities are recognized in the profit or loss over the term of the transaction and reduces the corresponding liability. They are presented in Notes 16c and 19.

r) Other assets and liabilities

Assets are stated at their realizable amounts, including, when applicable, related income and monetary and exchange variations (on a daily prorated basis), less provision for losses, when deemed appropriate. Liabilities include known or measurable amounts, including related charges and monetary and exchange variations (on a daily prorated basis).

s) Subsequent events

These refer to events occurring from the end of the reporting period to the date they are authorized to be issued.

They comprise the following:

- Events resulting in adjustments: events relating to conditions already existing at the end of the reporting period; and
- Events not resulting in adjustments: events relating to conditions not existing at the end of the reporting period.

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There were no subsequent events that need to be adjusted or disclosed for these consolidated financial statements as of June 30, 2013.

4) INFORMATION FOR COMPARISON PURPOSES

Reclassifications

There were no reclassifications or other relevant information for previous periods that affect the comparability of the consolidated financial statements for the period ended June 30, 2013.

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Notes to the Consolidated Financial Statements

5) STATEMENT OF FINANCIAL POSITION AND INCOME STATEMENT ADJUSTED BY OPERATING SEGMENT

a) Statement of financial position

| | Financial (1) (2) | | Insurance (2) |
|--|--------------------|-------------------|--------------------|
| | Brazil | Abroad | Brazil |
| Assets | | | |
| Current and long-term assets | 690,695,682 | 90,103,443 | 152,453,300 |
| Cash and due from banks | 16,946,794 | 3,956,479 | 194,300 |
| Interbank investments | 146,108,071 | 1,376,588 | |
| Securities and derivative financial instruments | 156,137,864 | 11,562,116 | 141,783,000 |
| Interbank and interdepartmental accounts | 52,149,319 | - | |
| Loan and leasing | 234,567,785 | 72,484,576 | |
| Other receivables and other assets | 84,785,849 | 723,684 | 10,475,900 |
| Permanent assets | 54,010,516 | 44,790 | 3,249,780 |
| Investments | 43,017,175 | 3,209 | 1,288,100 |
| Premises and equipment | 3,578,531 | 15,217 | 827,800 |
| Intangible assets | 7,414,810 | 26,364 | 1,133,800 |
| Total on June 30, 2013 | 744,706,198 | 90,148,233 | 155,703,100 |
| Total on March 31, 2013 | 743,837,668 | 81,644,667 | 154,411,300 |
| Total on June 30, 2012 | 692,501,903 | 79,331,988 | 140,310,300 |
| Liabilities | | | |
| Current and long-term liabilities | 677,202,845 | 65,244,281 | 139,429,000 |
| Deposits | 184,779,943 | 28,755,809 | |
| Federal funds purchased and securities sold under agreements to repurchase | 262,464,928 | 4,394,514 | |
| Funds from issuance of securities | 42,900,547 | 12,120,585 | |
| Interbank and interdepartmental accounts | 3,792,153 | 379 | |
| Borrowing and onlending | 84,941,585 | 9,587,962 | |
| Derivative financial instruments | 3,013,854 | 126,719 | |
| Technical reserves from insurance, pension plans and capitalization bonds | - | - | 131,817,700 |
| Other liabilities: | | | |
| - Subordinated debts | 26,673,698 | 9,548,408 | |
| - Other | 68,636,137 | 709,905 | 7,611,300 |
| Deferred income | 656,546 | - | - |
| Non-controlling interests in subsidiaries | 819,294 | 24,903,952 | 16,274,000 |
| Shareholders' equity | 66,027,513 | - | - |
| Total on June 30, 2013 | 744,706,198 | 90,148,233 | 155,703,100 |

Total on March 31, 2013
Total on June 30, 2012

743,837,668 81,644,667 154,411,32
692,501,903 79,331,988 140,310,33

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Notes to the Consolidated Financial Statements**b) Income statement**

| | Financial (1) (2) | | Insurance Group | | Other Activities (2) | Elimina (4) |
|---|-------------------|----------------|------------------|----------------|----------------------------|----------------|
| | Brazil | Abroad | (2) (3) | | | |
| | | | Brazil | Abroad | | |
| Revenues from financial intermediation | 39,195,135 | 1,764,788 | 3,746,666 | - | 17,988 | (360) |
| Expenses from financial intermediation | 27,105,234 | 860,301 | 1,909,077 | - | - | (360) |
| Gross income from financial intermediation | 12,089,901 | 904,487 | 1,837,589 | - | 17,988 | |
| Other operating income/expenses | (8,385,361) | (41,719) | 1,245,640 | (899) | 51,692 | |
| Operating income | 3,704,540 | 862,768 | 3,083,229 | (899) | 69,680 | |
| Non-operating income | 34,806 | 3,266 | (19,963) | - | 24 | |
| Income before taxes and non-controlling interest | 3,739,346 | 866,034 | 3,063,266 | (899) | 69,704 | |
| Income tax and social contribution | (636,578) | (7,939) | (1,149,904) | (468) | (18,201) | |
| Non-controlling interests in subsidiaries | (5,177) | - | (51,283) | - | (63) | |
| Net income for the first half of 2013 | 3,097,591 | 858,095 | 1,862,079 | (1,367) | 51,440 | |
| Net income for the first half of 2012 | 3,749,195 | 50,654 | 1,785,872 | (214) | 39,997 | |
| Net income for the second quarter of 2013 | 1,371,229 | 631,323 | 932,463 | (1,370) | 15,074 | |
| Net income for the first quarter of 2013 | 1,726,362 | 226,772 | 929,616 | 3 | 36,366 | |

(1) The financial segment is comprised of: financial institutions; holding companies (which are mainly responsible for managing financial resources); as well as credit card, consortium and asset management companies;

(2) The asset, liability, income and expense balances among companies from the same segment are eliminated;

(3) The Insurance Group segment comprises insurance, pension plan and capitalization bond companies; and

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

6) CASH AND CASH EQUIVALENTS

| | R\$ thousand | | |
|--|--------------------|-------------------|-------------------|
| | 2013 | | 2012 |
| | June 30 | March 31 | June 30 |
| Cash and due from banks in domestic currency | 11,618,039 | 8,228,583 | 9,320,776 |
| Cash and due from banks in foreign currency | 4,561,643 | 3,118,369 | 4,676,339 |
| Investments in gold | 93 | 109 | 109 |
| Total cash and due from banks | 16,179,775 | 11,347,061 | 13,997,224 |
| Interbank investments (1) | 91,817,543 | 12,707,173 | 51,786,474 |
| Total cash and cash equivalents | 107,997,318 | 24,054,234 | 65,783,698 |

(1) Refer to operations which mature 90 days or less from the date they were effectively invested and with insignificant risk of change in fair value.

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Notes to the Consolidated Financial Statements

7) INTERBANK INVESTMENTS

a) Breakdown and maturity

| | 2013 | | | | R\$ thousand | | |
|---|--------------------|-------------------|-----------------|--------------------|---------------------|--------------------|-------------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | June 30 | March 31 | June 30 |
| Investments in federal funds purchased and securities sold under agreements to repurchase: | | | | | | | |
| Own portfolio position | 6,860,120 | 661,768 | - | - | 7,521,888 | 3,059,713 | 10,559,899 |
| National treasury notes | 34,943 | - | - | - | 34,943 | 1,495,868 | 6,647,183 |
| National treasury bills | 6,798,078 | 661,768 | - | - | 7,459,846 | 1,547,714 | 3,911,788 |
| Other | 27,099 | - | - | - | 27,099 | 16,131 | 928 |
| Funded position | 99,304,669 | 13,133,832 | - | - | -112,438,501 | 134,623,393 | 65,680,676 |
| Financial treasury bills | 656,670 | - | - | - | 656,670 | 52,178 | 128,443 |
| National treasury notes | 87,466,353 | 8,539,588 | - | - | 96,005,941 | 90,464,501 | 44,552,134 |
| National treasury bills | 11,181,646 | 4,594,244 | - | - | 15,775,890 | 44,106,714 | 21,000,099 |
| Short position | 16,728,915 | 3,100,608 | - | - | -19,829,523 | 26,186,170 | 6,014,718 |
| National treasury bills | 16,728,915 | 3,100,608 | - | - | 19,829,523 | 26,186,170 | 6,014,718 |
| Subtotal | 122,893,704 | 16,896,208 | - | - | -139,789,912 | 163,869,276 | 82,255,293 |
| Interest-earning deposits in other banks: | | | | | | | |
| Interest-earning deposits in other | 3,523,883 | 2,053,725 | 1,025,028 | 1,093,041 | 7,695,677 | 7,465,033 | 10,603,336 |

| | | | | | | | |
|--------------------------------|--------------------|--------------------|------------------|------------------|--------------------|--------------------|-------------------|
| banks | | | | | | | |
| Provision for losses | (720) | (210) | - | - | (930) | (1,503) | (500) |
| Subtotal | 3,523,163 | 2,053,515 | 1,025,028 | 1,093,041 | 7,694,747 | 7,463,530 | 10,602,836 |
| Total on June 30, 2013 | 126,416,867 | 18,949,723 | 1,025,028 | 1,093,041 | 147,484,659 | | |
| % | 85.8 | 12.8 | 0.7 | 0.7 | 100.0 | | |
| Total on March 31, 2013 | 48,268,268 | 120,600,633 | 1,403,834 | 1,060,071 | | 171,332,806 | |
| % | 28.2 | 70.4 | 0.8 | 0.6 | | 100.0 | |
| Total on June 30, 2012 | 73,109,897 | 15,818,559 | 1,950,885 | 1,978,788 | | | 92,858,129 |
| % | 78.8 | 17.0 | 2.1 | 2.1 | | | 100.0 |

b) Income from interbank investments

Classified in the income statement as income on securities transactions.

| | 2 nd Quarter | 2013 1 st Quarter | 1 st Half | R\$ thousand 2012 1 st Half |
|--|-------------------------|---------------------------------|----------------------|--|
| Income from investments in purchase and sale commitments: | | | | |
| • Own portfolio position | 148,376 | 198,610 | 346,986 | 785,165 |
| • Funded position | 1,943,522 | 2,082,369 | 4,025,891 | 2,880,852 |
| • Short position | 2,470,294 | 1,018,240 | 3,488,534 | 444,365 |
| Subtotal | 4,562,192 | 3,299,219 | 7,861,411 | 4,110,382 |
| Income from interest-earning deposits in other banks | 130,758 | 126,209 | 256,967 | 441,650 |
| Total (Note 8h) | 4,692,950 | 3,425,428 | 8,118,378 | 4,552,032 |

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Notes to the Consolidated Financial Statements

8) SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

Information on securities and derivative financial instruments is as follows:

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

| Financial | 2013 | | | | June 30 | % | March 31 | % | J |
|--|---------------------------------------|-------------------|---------------------|----------------|--------------------|--------------|--------------------|--------------|------------|
| | Insurance/ capitalization bonds | Pension plans | Other activities | | | | | | |
| Trading securities | 60,697,211 | 3,897,427 | 43,864,766 | 378,062 | 108,837,466 | 44.9 | 106,055,710 | 46.2 | 161 |
| - Government securities | 19,117,524 | 1,258,862 | 15,347 | 184,086 | 20,575,819 | 8.5 | 21,621,780 | 9.4 | 78 |
| - Corporate securities | 38,342,054 | 2,638,565 | 728,573 | 193,976 | 41,903,168 | 17.3 | 41,111,720 | 17.9 | 38 |
| - Derivative financial instruments (1) | 3,237,633 | - | - | - | 3,237,633 | 1.3 | 1,543,567 | 0.7 | 3 |
| - PGBL/VGBL restricted bonds | - | - | 43,120,846 | - | 43,120,846 | 17.8 | 41,778,643 | 18.2 | 41 |
| Available-for-sale securities | 88,678,564 | 14,877,373 | 26,329,512 | 12,375 | 129,897,824 | 53.6 | 119,715,319 | 52.1 | 114 |
| - Government securities | 70,549,260 | 13,164,438 | 24,687,790 | - | 108,401,488 | 44.7 | 98,740,804 | 43.0 | 94 |
| - Corporate securities | 18,129,304 | 1,712,935 | 1,641,722 | 12,375 | 21,496,336 | 8.9 | 20,974,515 | 9.1 | 20 |
| Held-to-maturity securities (4) | 46,086 | - | 3,747,045 | - | 3,793,131 | 1.5 | 4,011,038 | 1.7 | 3 |
| - Government securities | 46,086 | - | 3,747,045 | - | 3,793,131 | 1.5 | 4,011,038 | 1.7 | 3 |
| Subtotal | 149,421,861 | 18,774,800 | 73,941,323 | 390,437 | 242,528,421 | 100.0 | 229,782,067 | 100.0 | 279 |
| Purchase and sale commitments (2) | 17,460,621 | 3,169,876 | 45,826,577 | 41,479 | 66,498,553 | | 70,817,580 | | 42 |
| Overall total | 166,882,482 | 21,944,676 | 119,767,900 | 431,916 | 309,026,974 | | 300,599,647 | | 322 |
| - Government securities | 89,712,870 | 14,423,300 | 28,450,182 | 184,086 | 132,770,438 | 54.7 | 124,373,622 | 54.1 | 176 |
| - Corporate securities | 59,708,991 | 4,351,500 | 2,370,295 | 206,351 | 66,637,137 | 27.5 | 63,629,802 | 27.7 | 61 |

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| | | | | | | | | | |
|--------------------------------------|--------------------|-------------------|--------------------|----------------|--------------------|--------------|--------------------|--------------|------------|
| - PGBL/VGBL restricted bonds | - | - | 43,120,846 | - | 43,120,846 | 17.8 | 41,778,643 | 18.2 | 41 |
| Subtotal | 149,421,861 | 18,774,800 | 73,941,323 | 390,437 | 242,528,421 | 100.0 | 229,782,067 | 100.0 | 279 |
| Purchase and sale commitments (2) | 17,460,621 | 3,169,876 | 45,826,577 | 41,479 | 66,498,553 | | 70,817,580 | | 42 |
| Overall total | 166,882,482 | 21,944,676 | 119,767,900 | 431,916 | 309,026,974 | | 300,599,647 | | 322 |

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Notes to the Consolidated Financial Statements

b) Breakdown of the consolidated portfolio by issuer

| Securities (3) | June 30 | | | | 2013 | | Mark- |
|--------------------------------------|-------------------|------------------|-------------------|--------------------|--------------------|--------------------|-------|
| | 1 to 30 | 31 to 180 | 181 to 360 | More than | Fair/book | Original | |
| | days | days | days | 360 days | value | amortized cost | |
| | | | | | (5) (6) (7) | | |
| Government securities | 1,890,421 | 636,558 | 12,120,972 | 118,122,487 | 132,770,438 | 134,675,206 | (|
| Financial treasury bills | 161,915 | 578,802 | 287,616 | 5,981,282 | 7,009,615 | 7,008,469 | |
| National treasury bills | 1,582,601 | 8,807 | 9,294,194 | 20,250,431 | 31,136,033 | 32,041,162 | |
| National treasury notes | 136,162 | - | 2,527,228 | 91,663,057 | 94,326,447 | 95,358,119 | (|
| Brazilian foreign debt notes | 2,401 | - | - | 157,836 | 160,237 | 150,990 | |
| Privatization currencies | - | - | - | 69,604 | 69,604 | 57,863 | |
| Other | 7,342 | 48,949 | 11,934 | 277 | 68,502 | 58,603 | |
| Corporate securities | 14,561,352 | 2,482,221 | 2,373,153 | 47,220,411 | 66,637,137 | 67,728,302 | (|
| Bank deposit certificates | 147,246 | 545,208 | 220,396 | 488,836 | 1,401,686 | 1,401,686 | |
| Shares | 4,487,032 | - | - | - | 4,487,032 | 5,698,443 | (|
| Debentures | 71,571 | 658,486 | 1,041,357 | 29,018,973 | 30,790,387 | 30,849,054 | |
| Promissory notes | 262,772 | 628,757 | 166,591 | - | 1,058,120 | 1,058,958 | |
| Foreign corporate securities | 332,142 | 225,303 | 21,570 | 8,305,739 | 8,884,754 | 9,212,866 | |
| Derivative financial instruments (1) | 1,737,179 | 382,070 | 255,412 | 862,972 | 3,237,633 | 2,831,612 | |
| Other | 7,523,410 | 42,397 | 667,827 | 8,543,891 | 16,777,525 | 16,675,683 | |
| PGBL/VGBL restricted bonds | 3,550,102 | 226,432 | 3,288,414 | 36,055,898 | 43,120,846 | 43,120,846 | |
| Subtotal | 20,001,875 | 3,345,211 | 17,782,539 | 201,398,796 | 242,528,421 | 245,524,354 | (|
| Purchase and sale commitments (2) | 63,122,429 | 3,332,871 | - | 43,253 | 66,498,553 | 66,498,553 | |
| Hedge - cash flow (Note 8g) | - | - | - | - | - | - | - |

Overall total

83,124,3046,678,08217,782,539201,442,049309,026,974312,022,907 (

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Notes to the Consolidated Financial Statements

c) Consolidated classification by category, maturity and operating segment

l) Trading securities

| Securities (3) | June 30 | | | | Fair/ book value (5) (6) (7) | Original amount (8) |
|---|-------------------|------------------|------------------|--------------------|------------------------------|---------------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | | |
| - Financial | 10,041,489 | 2,788,406 | 3,389,886 | 44,477,430 | 60,697,211 | 60,500,000 |
| National treasury bills | 1,532,616 | 8,807 | 211,599 | 1,159,965 | 2,912,987 | 2,912,987 |
| Financial treasury bills | 161,892 | 499,063 | 159,872 | 4,326,170 | 5,146,997 | 5,146,997 |
| Bank deposit certificates | 78,370 | 533,103 | 200,934 | 22,326 | 834,733 | 834,733 |
| Derivative financial instruments (1) | 1,737,179 | 382,070 | 255,412 | 862,972 | 3,237,633 | 2,800,000 |
| Debentures | 55,081 | 658,413 | 921,010 | 26,262,482 | 27,896,986 | 27,900,000 |
| Promissory notes | 257,612 | 628,757 | 166,591 | - | 1,052,960 | 1,052,960 |
| National treasury notes | 131,437 | - | 949,875 | 9,925,947 | 11,007,259 | 11,007,259 |
| Other | 6,087,302 | 78,193 | 524,593 | 1,917,568 | 8,607,656 | 8,607,656 |
| - Insurance companies and capitalization bonds | 1,366,482 | 30,668 | 110,422 | 2,389,855 | 3,897,427 | 3,897,427 |
| Financial treasury bills | 23 | 20,072 | 7,254 | 1,214,635 | 1,241,984 | 1,241,984 |
| National treasury bills | - | - | - | 8,452 | 8,452 | 8,452 |
| Bank deposit certificates | 2,636 | 4,635 | 7,620 | 111,592 | 126,483 | 126,483 |
| National treasury notes | - | - | - | 2,156 | 2,156 | 2,156 |
| Debentures | - | - | 91 | 127,555 | 127,646 | 127,646 |
| Other | 1,363,823 | 5,961 | 95,457 | 925,465 | 2,390,706 | 2,390,706 |
| - Pension plans | 4,202,386 | 226,432 | 3,290,777 | 36,145,171 | 43,864,766 | 43,864,766 |
| PGBL/VGBL restricted bonds | 3,550,102 | 226,432 | 3,288,414 | 36,055,898 | 43,120,846 | 43,120,846 |
| Other | 652,284 | - | 2,363 | 89,273 | 743,920 | 743,920 |
| - Other activities | 94,302 | 13,671 | 20,364 | 249,725 | 378,062 | 378,062 |
| Financial treasury bills | - | 689 | 2,607 | 166,247 | 169,543 | 169,543 |
| Bank deposit certificates | 11,898 | 7,447 | 11,788 | 839 | 31,972 | 31,972 |
| National treasury bills | - | - | - | 9,818 | 9,818 | 9,818 |
| Debentures | - | - | 168 | 20,627 | 20,795 | 20,795 |
| Other | 82,404 | 5,535 | 5,801 | 52,194 | 145,934 | 145,934 |
| Subtotal | 15,704,659 | 3,059,177 | 6,811,449 | 83,262,181 | 108,837,466 | 108,837,466 |
| Purchase and sale commitments (2) | 63,010,890 | 3,332,871 | - | 43,253 | 66,387,014 | 66,387,014 |
| Financial/other | 17,458,847 | - | - | 43,253 | 17,502,100 | 17,502,100 |
| Insurance companies and capitalization bonds | 3,165,942 | - | - | - | 3,165,942 | 3,165,942 |

Overall total

221

| | | | | | | |
|---|--------------------|------------------|------------------|-------------------|--------------------|--------------------|
| Pension plans | 42,386,101 | 3,332,871 | - | - | 45,718,972 | 45,718,972 |
| - PGBL/VGBL | 41,464,519 | 3,332,871 | - | - | 44,797,390 | 44,797,390 |
| - Funds | 921,582 | - | - | - | 921,582 | 921,582 |
| Overall total | 78,715,549 | 6,392,048 | 6,811,449 | 83,305,434 | 175,224,480 | 175,224,480 |
| Derivative financial instruments (liabilities) | (1,676,017) | (489,657) | (202,842) | (772,057) | (3,140,573) | (2,867,516) |

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| Securities (3) | June 30 | | | | 2013 | |
|---|--------------------|------------------|------------------|--------------------|------------------------------|-------------------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | Fair/ book value (5) (6) (7) | Original amortized cost |
| Debentures | - | - | 168 | 20,627 | 20,795 | 20,795 |
| Other | 82,404 | 5,535 | 5,801 | 52,194 | 145,934 | 145,934 |
| Subtotal | 15,704,659 | 3,059,177 | 6,811,449 | 83,262,181 | 108,837,466 | 108,670,944 |
| Purchase and sale commitments (2) | 63,010,890 | 3,332,871 | - | 43,253 | 66,387,014 | 66,387,014 |
| Financial/other | 17,458,847 | - | - | 43,253 | 17,502,100 | 17,502,100 |
| Insurance companies and capitalization bonds | 3,165,942 | - | - | - | 3,165,942 | 3,165,942 |
| Pension plans | 42,386,101 | 3,332,871 | - | - | 45,718,972 | 45,718,972 |
| - PGBL/VGBL | 41,464,519 | 3,332,871 | - | - | 44,797,390 | 44,797,390 |
| - Funds | 921,582 | - | - | - | 921,582 | 921,582 |
| Overall total | 78,715,549 | 6,392,048 | 6,811,449 | 83,305,434 | 175,224,480 | 175,057,958 |
| Derivative financial instruments (liabilities) | (1,676,017) | (489,657) | (202,842) | (772,057) | (3,140,573) | (2,846,571) |

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Notes to the Consolidated Financial Statements**II) Available-for-sale securities**

| Securities (3) (9) | June 30 | | | | | 2013 | | | |
|---|------------------|----------------------|--------------------|-----------------------|------------------------------------|-------------------------------|--------------------|------------------------------------|----------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | Fair/ book value (5) (6) (7) | Original amortized cost | Mark-to-market | Fair/ book value (5) (6) (7) | Mark-to-market |
| - Financial | 1,169,466 | 286,034 | 10,883,498 | 76,339,566 | 88,678,564 | 92,440,528 | (3,761,964) | 75,194,660 | |
| National treasury bills | 49,985 | - | 9,082,594 | 19,072,195 | 28,204,774 | 29,075,840 | (871,066) | 28,556,540 | |
| Brazilian foreign debt securities | 2,401 | - | - | 111,750 | 114,151 | 104,904 | 9,247 | 432,493 | |
| Foreign corporate securities | 331,977 | 225,303 | 12,611 | 8,305,176 | 8,875,067 | 9,203,185 | (328,118) | 8,268,349 | |
| National treasury notes | - | - | 1,577,354 | 40,187,055 | 41,764,409 | 44,208,323 | (2,443,914) | 28,448,308 | |
| Financial treasury bills | - | 58,979 | 76,863 | 248,552 | 384,394 | 383,999 | 395 | 382,579 | |
| Bank deposit certificates | 48,347 | 22 | 54 | 354,078 | 402,501 | 402,501 | - | 402,587 | |
| Debentures | - | 74 | 71,153 | 2,423,423 | 2,494,650 | 2,503,007 | (8,357) | 836,969 | |
| Shares | 730,993 | - | - | - | 730,993 | 993,308 | (262,315) | 911,740 | |
| Other | 5,763 | 1,656 | 62,869 | 5,637,337 | 5,707,625 | 5,565,461 | 142,164 | 6,955,095 | |
| - Insurance companies and capitalization bonds | 1,596,958 | - | 39,440 | 13,240,975 | 14,877,373 | 16,075,529 | (1,198,156) | 15,899,295 | |
| National treasury notes | - | - | - | 13,160,901 | 13,160,901 | 14,037,525 | (876,624) | 14,059,498 | |
| Shares | 1,573,349 | - | - | - | 1,573,349 | 1,898,506 | (325,157) | 1,695,960 | |
| Debentures | 11,679 | - | 39,011 | 71,505 | 122,195 | 104,006 | 18,189 | 121,254 | |
| Other | 11,930 | - | 429 | 8,569 | 20,928 | 35,492 | (14,564) | 22,583 | |
| - Pension plans | 1,518,417 | - | 48,152 | 24,762,943 | 26,329,512 | 24,531,848 | 1,797,664 | 28,608,577 | |
| Shares | 1,500,326 | - | - | - | 1,500,326 | 2,130,508 | (630,182) | 1,679,703 | |

Overall total

224

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| | | | | | | | | |
|--|------------------|----------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| National treasury notes | - | - | - | 24,630,297 | 24,630,297 | 22,211,954 | 2,418,343 | 26,715,339 |
| Debentures | 3,204 | - | 9,924 | 113,381 | 126,509 | 113,607 | 12,902 | 136,860 |
| Other | 14,887 | - | 38,228 | 19,265 | 72,380 | 75,779 | (3,399) | 76,675 |
| - Other activities | 12,375 | - | - | - | 12,375 | 12,375 | - | 12,787 |
| Bank deposit certificates | 5,995 | - | - | - | 5,995 | 5,995 | - | 6,467 |
| Other | 6,380 | - | - | - | 6,380 | 6,380 | - | 6,320 |
| Subtotal | 4,297,216 | 286,034 | 10,971,090 | 114,343,484 | 129,897,824 | 133,060,280 | (3,162,456) | 119,715,319 |
| Purchase and sale commitments (2) | 111,539 | - | - | - | 111,539 | 111,539 | - | 103,835 |
| Insurance companies and capitalization bonds | 3,934 | - | - | - | 3,934 | 3,934 | - | 5,180 |
| Pension plans | 107,605 | - | - | - | 107,605 | 107,605 | - | 98,655 |
| Subtotal | 4,408,755 | 286,034 | 10,971,090 | 114,343,484 | 130,009,363 | 133,171,819 | (3,162,456) | 119,819,154 |
| Hedge - cash flow (Note 8g) | - | - | - | - | - | - | (7,045) | - |
| Overall total | 4,408,755 | 286,034 | 10,971,090 | 114,343,484 | 130,009,363 | 133,171,819 | (3,169,501) | 119,819,154 |

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III) Held-to-maturity securities

| Securities (3) | 2013 | | | | R\$ thousand | | |
|------------------------------|-----------------|-------------------|----------------------------------|--------------------------|---------------------------------------|---------------------------------------|------------------|
| | 1 to 30 days | 31 to 180 days | June 30 181 to 360 days | More than 360 days | Original amortized cost (5) (6) | Original amortized cost (5) (6) | |
| Financial | - | - | - | 46,086 | 46,086 | 319,949 | 323,880 |
| Brazilian foreign debt notes | - | - | - | 46,086 | 46,086 | 319,949 | 323,880 |
| Pension plans | - | - | - | 3,747,045 | 3,747,045 | 3,691,089 | 3,616,541 |
| National treasury notes | - | - | - | 3,747,045 | 3,747,045 | 3,691,089 | 3,616,541 |
| Overall total (4) | - | - | - | 3,793,131 | 3,793,131 | 4,011,038 | 3,940,421 |

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Notes to the Consolidated Financial Statements**d) Breakdown of the portfolios by financial statement classification**

| Securities | 2013 | | | | Total on | | | Total March | | |
|--|-------------------|--------------------|--------------------|-----------------------|--------------------|----------------|-----|----------------|-----|-----|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | June 30 | | | | | |
| | | | | | (3) | (5) | (6) | (3) | (5) | (7) |
| Own portfolio | 81,170,613 | 135,956,911 | 5,576,581 | 125,274,220 | 217,978,325 | 221,860 | | | | |
| Fixed income securities | 76,683,581 | 15,956,911 | 5,576,581 | 125,274,220 | 213,491,293 | 216,665 | | | | |
| Financial treasury bills | 161,915 | 248,508 | 151,994 | 4,339,894 | 4,902,311 | 4,583 | | | | |
| Purchase and sale commitments (2) | 63,122,429 | 3,332,871 | - | 43,253 | 66,498,553 | 70,817 | | | | |
| National treasury notes | 136,162 | - | - | 42,358,235 | 42,494,397 | 45,236 | | | | |
| Brazilian foreign debt securities | 2,401 | - | - | 157,836 | 160,237 | 334 | | | | |
| Bank deposit certificates | 147,246 | 545,208 | 220,396 | 488,836 | 1,401,686 | 1,388 | | | | |
| National treasury bills | 1,582,601 | - | 6,498 | 299,756 | 1,888,855 | 3,095 | | | | |
| Foreign corporate securities | 115,630 | 225,303 | 21,570 | 3,967,371 | 4,329,874 | 2,176 | | | | |
| Debentures | 71,571 | 658,486 | 1,041,357 | 29,018,973 | 30,790,387 | 30,972 | | | | |
| Promissory notes | 262,772 | 628,757 | 166,591 | - | 1,058,120 | 736 | | | | |
| PGBL/VGBL restricted bonds | 3,550,102 | 226,432 | 3,288,414 | 36,055,898 | 43,120,846 | 41,778 | | | | |
| Other | 7,530,752 | 91,346 | 679,761 | 8,544,168 | 16,846,027 | 15,543 | | | | |
| Equity securities | 4,487,032 | - | - | - | 4,487,032 | 5,194 | | | | |
| Shares of listed companies (technical reserve) | 1,775,308 | - | - | - | 1,775,308 | 1,956 | | | | |
| Shares of listed companies (other) | 2,711,724 | - | - | - | 2,711,724 | 3,238 | | | | |
| Restricted securities | 216,512 | 339,101 | 11,110,581 | 74,697,805 | 86,363,999 | 74,699 | | | | |
| Repurchase agreements | 216,512 | 8,807 | 10,828,729 | 65,307,582 | 76,361,630 | 64,531 | | | | |
| National treasury bills | - | 8,807 | 8,242,742 | 12,133,185 | 20,384,734 | 17,422 | | | | |
| Brazilian foreign debt securities | - | - | - | - | - | 418 | | | | |
| Financial treasury bills | - | - | 58,759 | 296,581 | 355,340 | 133 | | | | |
| National treasury notes | - | - | 2,527,228 | 48,539,448 | 51,066,676 | 40,430 | | | | |
| Foreign corporate securities | 216,512 | - | - | 4,338,368 | 4,554,880 | 6,130 | | | | |
| Brazilian Central Bank | - | - | - | 47,224 | 47,224 | | | | | |
| • National treasury notes | - | - | - | 47,224 | 47,224 | | | | | |
| Privatization currencies | - | - | - | 69,604 | 69,604 | 7 | | | | |

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| Securities | 2013 | | | | Total June 30 (3) (4) |
|---|-------------------|-------------------|--------------------|-----------------------|-----------------------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | |
| Guarantees provided | - | 330,294 | 281,852 | 9,273,395 | 9,885,541 |
| • National treasury bills | - | - | 204,989 | 7,210,438 | 7,415,427 |
| • Financial treasury bills | - | 330,294 | 76,863 | 1,344,807 | 1,751,964 |
| • National treasury notes | - | - | - | 718,150 | 718,150 |
| Derivative financial instruments (1) | 1,737,179 | 382,070 | 255,412 | 862,972 | 3,237,633 |
| Securities subject to unrestricted repurchase agreements | - | - | 839,965 | 607,052 | 1,447,017 |
| • National treasury bills | - | - | 839,965 | 607,052 | 1,447,017 |
| • Financial treasury bills | - | - | - | - | - |
| Overall total | 83,124,304 | 6,678,082 | 17,782,539 | 201,442,049 | 309,027,974 |
| % | 26.9 | 2.2 | 5.8 | 65.1 | |

(1) Consistent with the criterion adopted by Bacen Circular Letter 3068/01 and due to the characteristics of the securities, we are considering the derivative financial instruments, except those considered as cash flow hedges under the category Trading Securities;

(2) These refer to investment fund resources and managed portfolios applied on purchase and sale commitments with Bradesco, whose owners are consolidated subsidiaries, included in the consolidated financial statements;

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

(4) In compliance with Article 8 of Bacen Circular Letter 3068/01, Bradesco declares that it has financial capacity and intention to maintain held-to-maturity securities up to their maturity dates. This financial capacity is proven in Note 32a, which presents the maturity of asset and liability operations;

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

(6) This column reflects book value after mark-to-market in accordance with item (7), except for held-to-maturity instruments, whose market value is higher than the original amortized cost for the amount of R\$1,834,739 thousand (R\$2,418,145 thousand on March 31, 2013 and R\$2,221,338 thousand on June 30, 2012);

(7) The market value of securities is determined based on the market price available at the end of the reporting period. If no market price quotation is available at the end of the reporting period, amounts are estimated based on the prices quoted by dealers, pricing models, quotation models or price quotations for instruments with similar characteristics; for investment funds, the original amortized cost reflects the market value of the respective quotas; and

(8) In the first half of 2013 and 2012, other than temporary impairments were not realized for available-for-sale securities.

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e) Derivative financial instruments

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

Securities classified as trading and available-for-sale, as well as derivative financial instruments, are recognized in the consolidated statement of financial position at their estimated fair value. Fair value is generally based on quoted market prices or quotations for assets or liabilities with similar characteristics. Should market prices not be available, fair values are based on dealer quotations, pricing models, discounted cash flows or similar techniques for which the determination of fair value may require judgment or significant estimates by the Management.

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

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

Operations involving forward contracts of indexes and currencies are contracted by Management to hedge Bradesco's overall exposures and to meet customer needs.

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

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l) Amount of derivative financial instruments recorded in balance sheet and memorandum accounts

| | 2013 | | | | 2012 June |
|--------------------------------|--------------------|-------------|--------------------|------------|--------------------|
| | June 30 | Net | March 31 | Net | |
| | Overall amount | amount | Overall amount | amount | Overall amount |
| Futures contracts | | | | | |
| Purchase commitments: | 196,616,218 | | 223,081,680 | | 51,433,234 |
| - Interbank market | 185,532,147 | - | 219,197,444 | - | 40,918,242 |
| - Foreign currency | 11,034,161 | - | 3,854,591 | - | 10,504,659 |
| - Other | 49,910 | - | 29,645 | - | 10,333 |
| Sale commitments: | 341,422,889 | | 272,893,073 | | 234,555,190 |
| - Interbank market (1) | 297,055,555 | 111,523,408 | 248,061,301 | 28,863,857 | 199,271,376 |
| - Foreign currency (2) | 44,218,058 | 33,183,897 | 23,848,504 | 19,993,913 | 34,158,916 |
| - Other | 149,276 | 99,366 | 983,268 | 953,623 | 1,124,898 |
| Option contracts | | | | | |
| Purchase commitments: | 90,312,574 | | 117,143,753 | | 52,988,139 |
| - Interbank market | 89,252,700 | - | 115,770,200 | - | 51,627,400 |
| - Foreign currency | 548,201 | - | 431,770 | - | 617,196 |
| - Other | 511,673 | 141,128 | 941,783 | 203,616 | 743,543 |
| Sale commitments: | 96,395,214 | | 119,377,974 | | 67,411,635 |
| - Interbank market | 94,879,622 | 5,626,922 | 117,266,400 | 1,496,200 | 65,521,650 |
| - Foreign currency | 1,145,047 | 596,846 | 1,373,407 | 941,637 | 823,684 |
| - Other | 370,545 | - | 738,167 | - | 1,066,301 |
| Forward contracts | | | | | |
| Purchase commitments: | 23,085,324 | | 12,669,557 | | 24,897,454 |
| - Foreign currency | 22,605,990 | 11,547,741 | 12,444,930 | 5,499,737 | 23,924,878 |
| - Other | 479,334 | - | 224,627 | - | 972,576 |
| Sale commitments: | 11,539,330 | | 7,343,883 | | 15,967,216 |
| - Foreign currency | 11,058,249 | - | 6,945,193 | - | 14,708,122 |
| - Other | 481,081 | 1,747 | 398,690 | 174,063 | 1,259,094 |
| Swap contracts | | | | | |
| Assets (long position): | 46,696,235 | | 36,896,678 | | 36,744,376 |

Overall total

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| | | | | | |
|--|-------------------|-----------|-------------------|-----------|-------------------|
| - Interbank market | 10,671,693 | 1,843,102 | 9,065,548 | 766,346 | 7,380,073 |
| - Fixed rate | 4,087,314 | 1,326,802 | 4,021,502 | 2,086,199 | 2,035,035 |
| - Foreign currency (3) | 24,296,479 | - | 20,823,321 | - | 23,241,531 |
| - General Price Index - Market (IGP-M) | 1,206,371 | - | 900,876 | - | 2,102,500 |
| - Other | 6,434,378 | - | 2,085,431 | - | 1,985,237 |
| Liabilities (short position): | 46,250,410 | | 37,174,560 | | 37,042,035 |
| - Interbank market | 8,828,591 | - | 8,299,202 | - | 7,676,179 |
| - Fixed rate | 2,760,512 | - | 1,935,303 | - | 3,128,402 |
| - Foreign currency (3) | 25,827,340 | 1,530,861 | 22,190,574 | 1,367,253 | 23,343,946 |
| - IGP-M | 2,335,778 | 1,129,407 | 2,398,610 | 1,497,734 | 801,724 |
| - Other | 6,498,189 | 63,811 | 2,350,871 | 265,440 | 2,091,784 |

Derivatives include operations maturing in D+1.

(1) Includes cash flow hedges to protect CDI-related funding, for the amount of R\$17,479,586 thousand (R\$4,115,474 thousand on March 31, 2013 and R\$43,208,629 thousand on June 30, 2012) (Note 8g);

(2) Includes specific hedges to protect foreign investments totaling R\$25,216,431 thousand (R\$22,382,368 thousand on March 31, 2013 and R\$22,039,753 thousand on June 30, 2012); and

(3) Includes credit derivative operations (Note 8f).

To obtain greater payment assurance for operations with financial institutions and customers, Bradesco established compensation and settlement agreements for liabilities within the National Financial System, in accordance with CMN Resolution 3263/05.

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II) Breakdown of derivative financial instruments (assets and liabilities) shown at original amortized cost and market value

| | 2013 | | | | | |
|---------------------------------|-------------------------|---------------------------|--------------------|-------------------------|---------------------------|--------------------|
| | June 30 | | March 31 | | Market | |
| | Original amortized cost | Mark-to-market adjustment | Market value | Original amortized cost | Mark-to-market adjustment | Market value |
| Adjustment receivables - swaps | 1,253,464 | 408,380 | 1,661,844 | 990,432 | (249,829) | 740,603 |
| Receivable forward purchases | 1,135,483 | - | 1,135,483 | 340,611 | - | 340,611 |
| Receivable forward sales | 395,778 | - | 395,778 | 414,303 | - | 414,303 |
| Premiums on exercisable options | 46,887 | (2,359) | 44,528 | 50,831 | (2,781) | 48,050 |
| Total assets | 2,831,612 | 406,021 | 3,237,633 | 1,796,177 | (252,610) | 1,543,567 |
| Adjustment payables - swaps | (928,184) | (287,835) | (1,216,019) | (768,920) | (249,566) | (1,018,486) |
| Payable forward purchases | (385,462) | - | (385,462) | (328,832) | - | (328,832) |
| Payable forward sales | (1,423,146) | - | (1,423,146) | (1,181,586) | - | (1,181,586) |
| Premiums on written options | (109,785) | (6,161) | (115,946) | (73,144) | 11,741 | (61,403) |
| Total liabilities | (2,846,577) | (293,996) | (3,140,573) | (2,352,482) | (237,825) | (2,590,307) |

III) Futures, options, forward and swap contracts - (Notional)

| | 2013 | | | | | R\$ thousand 2012 | |
|--------------------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 1 to 90 days | 91 to 180 days | 181 to 360 days | More than 360 days | Total on June 30 | Total on March 31 | Total on June 30 |
| Futures contracts | 183,560,557 | 15,071,833 | 169,420,968 | 169,985,749 | 538,039,107 | 495,974,753 | 285,988,424 |
| Option contracts | 4,623,367 | 13,940,145 | 167,615,553 | 528,723 | 186,707,788 | 236,521,727 | 120,399,774 |
| Forward contracts | 26,471,979 | 2,881,946 | 2,310,664 | 2,960,065 | 34,624,654 | 20,013,440 | 40,864,670 |
| Swap contracts | 11,563,970 | 17,110,473 | 2,527,507 | 13,832,441 | 45,034,391 | 36,156,075 | 36,047,380 |
| Total on June 30, 2013 | 226,219,873 | 49,004,397 | 341,874,692 | 187,306,978 | 804,405,940 | | |
| Total on March 31, 2013 | 154,129,673 | 66,030,985 | 275,134,738 | 293,370,599 | | 788,665,995 | |
| Total on June 30, 2012 | 129,464,594 | 20,893,788 | 189,395,520 | 143,546,346 | | | 483,300,248 |

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IV) Types of margin offered for guarantee for derivative financial instruments, mainly futures contracts

| | 2013 | | R\$ thousand 2012 |
|------------------------------|------------------|------------------|----------------------|
| | June 30 | March 31 | June 30 |
| Government securities | | | |
| National treasury notes | 691,568 | 300,928 | 3,001,541 |
| Financial treasury bills | 7,837 | 13,647 | 34,700 |
| National treasury bills | 6,477,872 | 7,007,629 | 3,553,173 |
| Total | 7,177,277 | 7,322,204 | 6,589,414 |

V) Revenues and expenses, net

| | 2013 | | | R\$ thousand 2012 |
|--|-------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half |
| Swap contracts | 484,777 | 110,900 | 595,677 | (544,268) |
| Forward contracts | 345,224 | (57,712) | 287,512 | 77,121 |
| Option contracts | (54,220) | (212,904) | (267,124) | 61,540 |
| Futures contracts | (2,475,372) | 42,860 | (2,432,512) | (1,727,475) |
| Foreign exchange variation of investments abroad | 252,926 | (40,318) | 212,608 | 282,506 |
| Total | (1,446,665) | (157,174) | (1,603,839) | (1,850,576) |

VI) Total value of derivative financial instruments, by trading location and counter parties

| | 2013 | | R\$ thousand 2012 |
|-------------------------------|-------------|-------------|----------------------|
| | June 30 | March 31 | June 30 |
| Cetip (over-the-counter) | 51,097,837 | 40,137,623 | 42,990,316 |
| BM&FBOVESPA (stock exchange) | 707,114,043 | 724,863,625 | 398,868,005 |
| Abroad (over-the-counter) (1) | 30,006,844 | 17,949,627 | 35,763,455 |
| Abroad (stock exchange) (1) | 16,187,216 | 5,715,120 | 5,678,472 |

Overall total

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| | | | |
|--------------|--------------------|--------------------|--------------------|
| Total | 804,405,940 | 788,665,995 | 483,300,248 |
|--------------|--------------------|--------------------|--------------------|

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

A total of 95% of counterparties are corporate entities and 5% are financial institutions on June 30, 2013.

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In general, these represent bilateral agreements in which one of the parties purchases protection against the credit risk of a certain financial instrument (the risk is transferred). The selling counterparty receives remuneration that is usually paid linearly over the term of the agreement.

In the case of a default, the purchasing counterparty will receive a payment to offset the loss incurred on the financial instrument. In this case, the selling counterparty usually receives the underlying asset of the agreement in exchange for the payment.

| | Credit risk amount | | Effect on the calculation of capital requirement | | |
|---|--------------------|----------------|---|--------------|--------------|
| | 2013 | 2012 | 2013 | 2012 | |
| | June 30 | March 31 | June 30 | March 31 | June 30 |
| Sold protection | | | | | |
| Credit swaps whose underlying assets are: | | | | | |
| Securities - Brazilian public debt | - (261,794) | (323,408) | - | - | - |
| Derivatives with companies | - (4,028) | (4,043) | - | (222) | (222) |
| Purchased protection | | | | | |
| Credit swaps whose underlying assets are: | | | | | |
| Securities - Brazilian public debt | - | - | 656,922 | - | - |
| Derivatives with companies | - | - | 26,277 | - | 2,890 |
| Total | - (265,822) | 355,748 | - | (222) | 2,668 |
| Deposited margin | - 5,035 | 5,053 | | | |

Bradesco carried out operations involving credit derivatives to better manage its risk exposure and its assets. Contracts related to credit derivatives operations described above had their maturities up to June 30, 2013. The mark-to-market rates to protect counterparty risk through remuneration totaled R\$(1,018) thousand on March 31, 2013 and R\$505 thousand on June 30, 2012). There were no events to trigger defaults within the contracts during the period.

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Notes to the Consolidated Financial Statements**g) Cash flow hedge**

Bradesco uses cash flow hedges to protect its cash flows from payment of interest rates on funds indexed to Bank Deposit Certificates (CDB), related to variable interest rate risk of Interbank Deposit Rate (DI Cetip), thus registering fixed cash flows.

Bradesco has traded DI Future contracts at BM&FBOVESPA since 2009, using them as cash flow hedges for funding linked to DI. The following table presents the DI Future position, where:

| | 2013 | | R\$ thousand 2012 |
|---|------------|-----------|----------------------|
| | June 30 | March 31 | June 30 |
| DI Future with maturity between 2014 and 2017 | 17,479,586 | 4,115,474 | 43,208,629 |
| Funding indexed to CDI | 17,170,617 | 3,806,592 | 41,691,552 |
| Mark-to-market adjustment recorded in shareholders' equity(1) | (7,045) | (89,298) | (948,962) |
| Ineffective market value recorded in the income statement | - | - | (56) |

(1) The adjustment in shareholders' equity is R\$(4,227) thousand, net of tax (R\$(53,579) thousand on March 31, 2013 and R\$(569,377) thousand on June 30, 2012).

The effectiveness of the hedge portfolio was assessed in accordance with Bacen Circular Letter 3082/02.

h) Income from securities, insurance, pension plans and capitalization bonds and derivative financial instruments

| | 2013 | | R\$ thousand 2012 | |
|---|------------------|------------------|----------------------|----------------|
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Ha |
| Fixed income securities | 3,241,464 | 2,436,858 | 5,678,322 | 11,154,4 |
| Interbank investments (Note 7b) | 4,692,950 | 3,425,428 | 8,118,378 | 4,552,0 |
| Equity securities | 26,471 | (1,006) | 25,465 | 15,6 |
| Subtotal | 7,960,885 | 5,861,280 | 13,822,165 | 15,722, |
| Financial result from insurance, pension plans and capitalization bonds | 1,685,479 | 2,060,904 | 3,746,383 | 5,353,5 |
| Income from derivative financial instruments (Note 8e V) | (1,446,665) | (157,174) | (1,603,839) | (1,850,5 |
| Total | 8,199,697 | 7,765,010 | 15,964,709 | 19,225, |

Overall total

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9) INTERBANK ACCOUNTS - RESERVE REQUIREMENT

a) Reserve requirement

| | Remuneration | R\$ thousand | | |
|---|--------------------|-------------------|-------------------|-------------------|
| | | 2013 | | 2012 |
| | | June 30 | March 31 | June 30 |
| Reserve requirements - demand deposits | not remunerated | 7,467,661 | 6,789,398 | 8,524,372 |
| Reserve requirements - savings deposits | savings index | 14,387,520 | 13,977,474 | 12,348,150 |
| Time reserve requirements | Selic rate | 10,533,404 | 10,717,057 | 15,059,103 |
| Collection of funds from rural loan (1) | not remunerated | 536 | 536 | - |
| Additional reserve requirements | Selic rate | 17,857,925 | 18,780,963 | 24,437,733 |
| • Savings deposits | | 7,191,501 | 6,985,553 | 6,173,067 |
| • Demand deposits | | - | - | 4,092,235 |
| • Time deposits | | 10,666,424 | 11,795,410 | 14,172,431 |
| Restricted deposits - National Housing System (SFH) | TR + interest rate | 572,041 | 572,054 | 547,312 |
| Funds from rural loan | not remunerated | 578 | 578 | 578 |
| Total (2) | | 50,819,665 | 50,838,060 | 60,917,248 |

(1) Pursuant to Bacen's Circular Letter 3460/09, the banks must collect funds from rural loan (on demand deposits) not lent as of August 2010, to be delivered in August 2013; and

(2) For further information regarding new rules on reserve requirement, see Note 35c.

b) Revenue from reserve requirement

| | R\$ thousand | | | |
|-----------------------------|-------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 2013 | | 2012 |
| | | 1 st Quarter | 1 st Half | 1 st Half |
| Reserve requirement – Bacen | 692,739 | 656,553 | 1,349,292 | 2,262,601 |
| Reserve requirement - SFH | 6,873 | 6,385 | 13,258 | 13,907 |
| Total | 699,612 | 662,938 | 1,362,550 | 2,276,508 |

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10) LOANS

Information relating to loans, including advances on foreign exchange contracts, leasing and other receivables with credit characteristics is shown below:

a) By type and maturity

| | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 to 180 days | 181 to 360 days | More than 360 days | Performing |
|---|-------------------|-------------------|-------------------|-------------------|--------------------|-----------------------|--------------------|
| Discounted trade receivables and loans (1) | 20,689,674 | 13,652,431 | 9,518,424 | 17,745,774 | 18,606,682 | 54,173,065 | 54,173,065 |
| Financing | 4,015,859 | 3,577,808 | 3,156,381 | 8,736,798 | 15,369,990 | 67,356,736 | 67,356,736 |
| Agricultural and agribusiness financing | 1,939,390 | 725,327 | 598,513 | 3,243,053 | 2,555,269 | 8,161,552 | 8,161,552 |
| Subtotal | 26,644,923 | 17,955,566 | 13,273,318 | 29,725,625 | 36,531,941 | 130,010,151 | 130,010,151 |
| Leasing | 382,921 | 298,711 | 287,566 | 808,687 | 1,320,770 | 2,798,655 | 2,798,655 |
| Advances on foreign exchange contracts (2) | 699,206 | 984,158 | 1,012,608 | 2,087,048 | 1,791,635 | 6,376,655 | 6,376,655 |
| Subtotal | 27,727,050 | 19,238,435 | 14,573,492 | 32,621,360 | 39,644,346 | 133,005,461 | 133,005,461 |
| Other receivables (3) | 5,604,786 | 3,554,365 | 1,614,389 | 2,864,962 | 2,182,471 | 1,452,107 | 1,452,107 |
| Total Loans | 33,331,836 | 22,792,800 | 16,187,881 | 35,486,322 | 41,826,817 | 134,341,174 | 134,341,174 |
| Sureties and guarantees (4) | 1,757,457 | 1,133,395 | 1,329,468 | 3,088,370 | 6,251,927 | 49,112,107 | 49,112,107 |
| Loan assignment (5) | 13,404 | 12,267 | 11,103 | 26,892 | 28,694 | 100,267 | 100,267 |
| Loan assignment - real estate receivables certificate | 14,265 | 14,265 | 14,264 | 41,052 | 61,267 | 243,113 | 243,113 |
| Co-obligation in rural loan assignment (4) | - | - | - | - | - | - | - |
| Loans available for import (4) | 132,624 | 151,774 | 114,732 | 109,860 | 382,165 | 1,191,151 | 1,191,151 |
| Confirmed export credits (4) | 5,218 | 2,211 | 509 | 94 | 43,545 | 1,191,151 | 1,191,151 |
| Acquisition of credit card receivables | 288,830 | 128,812 | 91,756 | 238,748 | 270,339 | 1,191,151 | 1,191,151 |
| Overall total on June 30, 2013 | 35,543,634 | 24,235,524 | 17,749,713 | 38,991,338 | 48,864,754 | 184,112,174 | 184,112,174 |
| Overall total on March 31, 2013 | 33,582,729 | 23,864,475 | 18,736,578 | 39,399,561 | 48,105,688 | 174,695,031 | 174,695,031 |
| Overall total on June 30, 2012 | 31,054,388 | 24,606,297 | 17,812,373 | 36,109,330 | 47,811,130 | 157,393,518 | 157,393,518 |

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Notes to the Consolidated Financial Statements

| | Non-performing loans Installments past due | | | | | Total on June 30 (B) | 20 % |
|--|---|------------------|------------------|-------------------|-----------------------|----------------------------|--------------|
| | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 to 180 days | 181 to 540 days | | |
| Discounted trade receivables and loans (1) | 1,072,937 | 956,023 | 878,278 | 1,792,418 | 2,375,512 | 7,075,168 | 84.1 |
| Financing | 238,450 | 181,638 | 112,577 | 212,377 | 200,770 | 945,812 | 11.2 |
| Agricultural and agribusiness financing | 12,973 | 30,868 | 11,905 | 32,599 | 27,582 | 115,927 | 1.4 |
| Subtotal | 1,324,360 | 1,168,529 | 1,002,760 | 2,037,394 | 2,603,864 | 8,136,907 | 96.7 |
| Leasing | 41,121 | 32,971 | 21,856 | 39,658 | 33,892 | 169,498 | 2.0 |
| Advances on foreign exchange contracts (2) | 6,279 | 1,001 | - | - | - | 7,280 | 0.1 |
| Subtotal | 1,371,760 | 1,202,501 | 1,024,616 | 2,077,052 | 2,637,756 | 8,313,685 | 98.8 |
| Other receivables (3) | 3,535 | 1,774 | 943 | 40,536 | 50,425 | 97,213 | 1.2 |
| Overall total on June 30, 2013 | 1,375,295 | 1,204,275 | 1,025,559 | 2,117,588 | 2,688,688 | 8,410,898 | 100.0 |
| Overall total on March 31, 2013 | 1,496,155 | 1,269,356 | 1,077,286 | 2,052,077 | 2,815,005 | | |
| Overall total on June 30, 2012 | 1,376,154 | 1,265,670 | 1,061,560 | 2,157,956 | 2,733,302 | | |

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Notes to the Consolidated Financial Statements

| | Non-performing loans Outstanding Installments | | | | | | Total on June 30 | (C) | (6) |
|--|--|--------------------------|--------------------------|---------------------------|----------------------------|-----------------------------------|-----------------------------|------------|------------|
| | 1 to 30 days | 31 to 60 days | 61 to 90 days | 91 to 180 days | 181 to 360 days | More than 360 days | | | |
| Discounted trade receivables and loans (1) | 600,440,510 | 287,449,771 | 1,091,519 | 1,564,621 | 3,541,614 | 7,758,252 | 58 | | |
| Financing | 225,048,198 | 560,196,450 | 557,097 | 952,197 | 2,580,682 | 4,710,034 | 35 | | |
| Agricultural and agribusiness financing | 1,356 | 988 | 876 | 4,862 | 13,658 | 120,133 | 141,873 | 1 | |
| Subtotal | 826,844,709 | 835,647,097 | 1,653,478 | 2,530,476 | 6,242,429 | 12,610,159 | 93 | | |
| Leasing | 37,838 | 33,524 | 32,302 | 88,363 | 133,331 | 223,876 | 549,234 | 4 | |
| Subtotal | 864,682,743 | 869,359,679 | 1,741,841 | 2,663,807 | 6,466,305 | 13,159,393 | 100 | | |
| Other receivables (3) | 192 | 192 | 177 | 529 | 609 | 1,424 | 3,123 | | |
| Overall total on June 30, 2013 | 864,874,743 | 870,169,576 | 1,742,370 | 2,664,416 | 6,467,729 | 13,162,516 | 100 | | |
| Overall total on March 31, 2013 | 910,025,860 | 1,271,400 | 2,814,611 | 2,876,220 | 7,054,275 | | | | |
| Overall total on June 30, 2012 | 937,326,796 | 784,691,451 | 1,758,400 | 2,742,840 | 6,793,593 | | | | |

Report on Economic and Financial Analysis - June 2013

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Notes to the Consolidated Financial Statements

| | R\$ thousand | | | | | |
|---|---------------------|--------------|----------------------|--------------|---------------------|--------------|
| | Overall total | | | | | |
| | 2013 | | 2012 | | | |
| | Total on June 30 | % | Total on March 31 | % | Total on June 30 | % |
| | (A+B+C) | (6) | (A+B+C) | (6) | (A+B+C) | (6) |
| Discounted trade receivables and loans (1) | 149,405,762 | 40.2 | 144,723,610 | 40.1 | 135,873,495 | 40.4 |
| Financing | 108,340,794 | 29.2 | 106,780,296 | 29.6 | 97,155,943 | 28.9 |
| Agricultural and agribusiness financing | 17,579,536 | 4.7 | 17,238,105 | 4.8 | 15,624,336 | 4.6 |
| Subtotal | 275,326,092 | 74.1 | 268,742,011 | 74.5 | 248,653,774 | 73.9 |
| Leasing | 6,656,337 | 1.8 | 7,280,112 | 2.0 | 9,588,258 | 2.8 |
| Advances on foreign exchange contracts (2) - Note 11a | 6,646,367 | 1.8 | 6,022,860 | 1.7 | 7,077,738 | 2.1 |
| Subtotal | 288,628,796 | 77.7 | 282,044,983 | 78.2 | 265,319,770 | 78.8 |
| Other receivables (3) | 16,944,755 | 4.6 | 15,838,385 | 4.4 | 13,846,598 | 4.1 |
| Total Loans | 305,573,551 | 82.3 | 297,883,368 | 82.6 | 279,166,368 | 82.9 |
| Sureties and guarantees (4) | 63,382,724 | 17.1 | 59,727,920 | 16.6 | 52,876,150 | 15.7 |
| Loan assignment (5) | 98,458 | - | 145,276 | - | 340,431 | 0.1 |
| Loan assignment - real estate receivables certificate | 351,096 | 0.1 | 367,141 | 0.1 | 420,704 | 0.1 |
| Co-obligation in rural loan assignment (4) | 119,528 | - | 119,145 | - | 130,734 | - |
| Loans available for imports (4) | 912,461 | 0.2 | 1,379,284 | 0.4 | 1,689,760 | 0.5 |
| Confirmed exports loans (4) | 53,786 | - | 21,473 | - | 89,428 | - |
| Acquisition of credit card receivables | 1,083,850 | 0.3 | 1,205,614 | 0.3 | 2,206,793 | 0.7 |
| Overall total on June 30, 2013 | 371,575,454 | 100.0 | | | | |
| Overall total on March 31, 2013 | | | 360,849,221 | 100.0 | | |
| Overall total on June 30, 2012 | | | | | 336,920,368 | 100.0 |

(1) Including credit card loans and advances on credit card receivables for the amount of R\$18,833,944 thousand (R\$18,664,697 thousand on March 31, 2013 and R\$18,141,175 thousand on June 30, 2012);

(2) Advances on foreign exchange contracts are classified as a deduction from "Other Liabilities";

(3) Item "Other Receivables" comprises receivables on sureties and guarantees honored, receivables on sale of assets, trade and credit receivables, income from foreign exchange contracts and export contracts receivables and credit card receivables (cash and installment purchases at merchants) for the amount of R\$14,829,123 thousand (R\$13,951,091 thousand on March 31, 2013 and R\$12,582,104 thousand on June 30, 2012);

(4) Recorded in memorandum accounts;

(5) Amount of loan assignment up to June 30, 2013, March 31, 2013 and June 30, 2012, stated, net of installments received; and

(6) Percentage of each type by total loan portfolio, including sureties and guarantee, loan assignment and acquisition of receivables.

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Notes to the Consolidated Financial Statements**b) By type and levels of risk**

| | Levels of risk | | | | | | | | |
|--|-------------------|--------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | AA | A | B | C | D | E | F | G | H |
| Discounted trade receivables and loans | 26,291,980 | 66,459,859 | 8,816,191 | 27,422,328 | 7,090,689 | 1,906,246 | 1,847,533 | 1,467,956 | 8,102,980 |
| Financings | 18,402,754 | 43,364,456 | 35,803,251 | 6,934,997 | 1,020,134 | 458,051 | 365,692 | 295,853 | 1,695,606 |
| Agricultural and agribusiness financings | 1,902,073 | 3,905,223 | 5,470,872 | 5,594,904 | 335,917 | 144,688 | 123,710 | 19,754 | 82,395 |
| Subtotal | 46,596,807 | 113,729,538 | 50,090,314 | 39,952,229 | 8,446,740 | 2,508,985 | 2,336,935 | 1,783,563 | 9,880,981 |
| Leasing | 59,500 | 1,008,978 | 1,345,032 | 3,356,876 | 342,664 | 83,709 | 79,765 | 49,181 | 330,632 |
| Advances on foreign exchange contracts (2) | 3,146,625 | 1,653,778 | 977,619 | 748,849 | 108,063 | 3,362 | - | 798 | 7,273 |
| Subtotal | 49,802,932 | 116,392,294 | 52,412,965 | 44,057,954 | 8,897,467 | 2,596,056 | 2,416,700 | 1,833,542 | 10,218,886 |
| Other receivables | 259,991 | 12,299,470 | 429,765 | 3,270,973 | 173,010 | 39,778 | 35,171 | 25,526 | 411,071 |
| Overall total on June 30, 2013 | 50,062,923 | 128,691,764 | 52,842,730 | 47,328,927 | 9,070,477 | 2,635,834 | 2,451,871 | 1,859,068 | 10,629,957 |
| % | 16.4 | 42.1 | 17.3 | 15.5 | 3.0 | 0.9 | 0.8 | 0.6 | 3.4 |
| Overall total on March 31, 2013 | 54,285,124 | 120,630,384 | 43,007,420 | 54,896,288 | 7,608,436 | 2,763,122 | 2,166,866 | 1,767,857 | 10,757,871 |
| % | 18.2 | 40.5 | 14.5 | 18.4 | 2.7 | 0.9 | 0.7 | 0.6 | 3.5 |
| Overall total on June 30, 2012 | 53,112,363 | 112,241,494 | 39,112,363 | 50,824,336 | 3,356,320 | 3,273,315 | 2,235,542 | 1,838,017 | 10,172,621 |
| % | 19.1 | 40.2 | 14.0 | 18.2 | 2.3 | 1.2 | 0.8 | 0.7 | 3.5 |

(1) Percentage of each type by total loan portfolio, excluding sureties and guarantee, loan assignment, acquisition of receivables and co-obligation in rural loan assignment; and

(2) See Note 11a.

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Notes to the Consolidated Financial Statements**c) Maturity ranges and levels of risk**

| | Levels of risk Non-performing loans | | | | | | | | Total on June 30 | 2013 % (1) | 2012 Total March 31 |
|----------------------------------|--|---------|-----------|-----------|---------|---------|-----------|-----------|---------------------|------------------|---------------------------|
| | AAA | B | C | D | E | F | G | H | | | |
| Outstanding installments | - | - | - | - | - | - | - | - | 13,162,516 | 100.0 | 14,229,910 |
| 1 to 30 | - | 157,929 | 206,088 | 112,303 | 66,074 | 55,639 | 44,319 | 222,522 | 864,874 | 6.6 | 910,000 |
| 31 to 60 | - | 122,158 | 172,082 | 100,830 | 59,728 | 48,454 | 40,387 | 199,912 | 743,551 | 5.6 | 860,000 |
| 61 to 90 | - | 103,758 | 148,848 | 93,111 | 57,348 | 49,519 | 38,442 | 188,550 | 679,576 | 5.2 | 714,000 |
| 91 to 180 | - | 229,953 | 355,832 | 256,234 | 147,787 | 128,538 | 104,672 | 519,354 | 1,742,370 | 13.2 | 1,814,000 |
| 181 to 360 | - | 312,991 | 538,330 | 409,027 | 217,565 | 202,743 | 166,274 | 817,486 | 2,664,416 | 20.2 | 2,870,000 |
| More than 360 | - | 686,885 | 1,272,381 | 1,145,501 | 619,662 | 522,217 | 411,057 | 1,810,026 | 6,467,729 | 49.2 | 7,050,000 |
| Past due installments (2) | - | - | - | - | - | - | - | - | 8,410,898 | 100.0 | 8,709,910 |
| 1 to 14 | - | 47,585 | 124,515 | 78,388 | 32,431 | 24,298 | 18,999 | 113,073 | 439,289 | 5.2 | 490,000 |
| 15 to 30 | - | 338,505 | 232,725 | 125,912 | 48,609 | 36,512 | 23,112 | 130,631 | 936,006 | 11.1 | 1,000,000 |
| 31 to 60 | - | 16,118 | 474,440 | 254,314 | 101,392 | 81,752 | 47,737 | 228,522 | 1,204,275 | 14.3 | 1,260,000 |
| 61 to 90 | - | - | 13,663 | 385,775 | 147,349 | 100,803 | 68,161 | 309,808 | 1,025,559 | 12.2 | 1,070,000 |
| 91 to 180 | - | - | 3,891 | 24,390 | 309,323 | 455,450 | 481,199 | 843,335 | 2,117,588 | 25.2 | 2,050,000 |
| 181 to 360 | - | - | - | - | 9,449 | 19,119 | 24,211 | 2,557,453 | 2,610,232 | 31.1 | 2,700,000 |
| More than 360 | - | - | - | - | - | - | - | 77,949 | 77,949 | 0.9 | 1,000,000 |
| Subtotal | - | - | - | - | - | - | - | - | 21,573,414 | | 22,939,820 |
| Specific provision | - | 20,159 | 106,284 | 298,578 | 545,015 | 862,522 | 1,028,000 | 8,018,621 | 10,879,179 | | 11,260,000 |

(1) Percentage of maturities by type of installment; and

(2) Transactions maturing after 36 months have their past-due periods multiplied by two, as allowed by CMN Resolution 2682/99.

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Notes to the Consolidated Financial Statements

| | Levels of risk Performing loans | | | | | | | | |
|--|------------------------------------|--------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | AA | A | B | C | D | E | F | G | H |
| Outstanding installments | 50,062,923 | 128,691,764 | 50,826,848 | 43,786,132 | 6,084,692 | 819,117 | 726,827 | 390,498 | 2,611,336 |
| 1 to 30 | 4,827,191 | 18,306,331 | 2,509,110 | 6,515,036 | 445,125 | 99,961 | 72,855 | 47,667 | 508,560 |
| 31 to 60 | 3,785,245 | 11,711,110 | 2,058,822 | 4,465,045 | 312,561 | 50,700 | 72,684 | 65,534 | 271,099 |
| 61 to 90 | 2,735,856 | 7,619,460 | 1,978,060 | 3,408,748 | 231,696 | 32,051 | 22,518 | 17,112 | 142,380 |
| 91 to 180 | 5,938,804 | 17,144,488 | 4,202,288 | 7,214,145 | 479,592 | 78,812 | 58,375 | 40,911 | 328,907 |
| 181 to 360 | 6,015,003 | 21,016,910 | 6,019,142 | 6,930,026 | 1,088,817 | 168,981 | 71,168 | 54,868 | 461,902 |
| More than 360 | 26,760,824 | 52,893,465 | 34,059,426 | 15,253,132 | 3,526,901 | 388,612 | 429,227 | 164,406 | 898,488 |
| Generic provision | - | 643,433 | 508,268 | 1,313,584 | 608,469 | 245,735 | 363,413 | 273,349 | 2,611,336 |
| Overall total on June 30, 2013 (2) | 50,062,923 | 128,691,764 | 52,842,730 | 47,328,927 | 9,070,472 | 2,635,834 | 2,451,871 | 1,859,068 | 10,629,957 |
| Existing provision | - | 644,673 | 533,493 | 2,540,954 | 2,355,932 | 1,272,700 | 1,645,472 | 1,832,020 | 10,629,957 |
| Minimum required provision | - | 643,433 | 528,427 | 1,419,868 | 907,047 | 790,750 | 1,225,935 | 1,301,349 | 10,629,957 |
| Excess provision | - | 1,240 | 5,066 | 1,121,086 | 1,448,885 | 481,950 | 419,537 | 530,671 | - |
| Overall total on March 31, 2013 (2) | 54,285,124 | 120,630,384 | 43,007,420 | 54,896,288 | 7,608,436 | 2,763,122 | 2,166,866 | 1,767,857 | 10,757,871 |
| Existing provision | - | 604,477 | 434,956 | 2,935,240 | 2,079,315 | 1,334,156 | 1,474,716 | 1,737,843 | 10,757,871 |
| Minimum required provision | - | 603,148 | 430,078 | 1,646,888 | 760,843 | 828,937 | 1,083,433 | 1,237,499 | 10,757,871 |
| Excess provision | - | 1,329 | 4,878 | 1,288,352 | 1,318,472 | 505,219 | 391,283 | 500,344 | - |
| Overall total | 53,112,363 | 112,241,494 | 39,112,363 | 50,824,333 | 6,356,320 | 3,273,315 | 2,235,542 | 1,838,017 | 10,172,621 |

Overall total

253

**Overall total
on June 30,
2012 (2)**

| | | | | | | | | | |
|----------------------------|---|---------|---------|-----------|-----------|-----------|-----------|-----------|------------|
| Existing provision | - | 563,235 | 396,919 | 2,900,057 | 1,737,991 | 1,601,637 | 1,512,240 | 1,797,325 | 10,172,621 |
| Minimum required provision | - | 561,209 | 391,123 | 1,524,730 | 635,633 | 981,995 | 1,117,771 | 1,286,612 | 10,172,621 |
| Excess provision | - | 2,026 | 5,796 | 1,375,327 | 1,102,358 | 619,642 | 394,469 | 510,713 | - |

(1) Percentage of maturities by type; and

(2) The overall total includes performing loans for the amount of R\$284,000,137 thousand (R\$274,944,344 thousand on March 31, 2013 and R\$256,851,332 thousand on June 30, 2012) and non-performing loans of R\$21,573,414 thousand (R\$22,939,024 thousand on March 31, 2013 and R\$22,315,036 thousand on June 30, 2012).

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Notes to the Consolidated Financial Statements**d) Concentration of loans**

| | 2013 | | 2012 | | R\$ thousand | |
|-----------------------|------------|-------|------------|-------|--------------|-------|
| | June 30 | % (1) | March 31 | % (1) | June 30 | % (1) |
| Largest borrower | 2,653,726 | 0.9 | 2,544,047 | 0.9 | 2,695,001 | 1.0 |
| 10 largest borrowers | 16,673,201 | 5.5 | 15,823,086 | 5.3 | 15,034,781 | 5.4 |
| 20 largest borrowers | 25,606,826 | 8.4 | 24,278,555 | 8.2 | 23,849,797 | 8.5 |
| 50 largest borrowers | 38,951,215 | 12.7 | 38,695,745 | 13.0 | 37,099,425 | 13.3 |
| 100 largest borrowers | 50,703,348 | 16.6 | 51,179,314 | 17.2 | 48,492,619 | 17.4 |

(1) In relation to total of the portfolio (Bacen criterion).

e) By economic sector

| | 2013 | | 2012 | | R\$ thousand | |
|--|--------------------|-------------|--------------------|-------------|--------------------|-------------|
| | June 30 | % | March 31 | % | June 30 | % |
| Public sector | 182,137 | 0.1 | 216,789 | 0.1 | 484,315 | 0.2 |
| Federal Government | 81,755 | - | 56,859 | - | 264,059 | 0.1 |
| Petrochemical | 81,755 | - | 56,859 | - | 264,059 | 0.1 |
| State Government | 100,382 | 0.1 | 159,930 | 0.1 | 220,256 | 0.1 |
| Production and distribution of electricity | 100,382 | 0.1 | 159,930 | 0.1 | 220,256 | 0.1 |
| Private sector | 305,391,414 | 99.9 | 297,666,579 | 99.9 | 278,682,053 | 99.8 |
| Manufacturing | 58,457,476 | 19.1 | 57,657,251 | 19.3 | 53,708,416 | 19.2 |
| Food products and beverages | 13,082,089 | 4.3 | 12,776,317 | 4.3 | 13,031,279 | 4.6 |
| Steel, metallurgy and mechanics | 10,282,364 | 3.3 | 10,662,879 | 3.6 | 8,437,376 | 3.0 |
| Chemical | 5,114,521 | 1.7 | 4,830,701 | 1.6 | 3,867,776 | 1.4 |
| Light and heavy vehicles | 4,746,005 | 1.5 | 4,826,133 | 1.6 | 2,722,629 | 1.0 |
| Oil refining and production of alcohol | 4,405,724 | 1.4 | 3,826,904 | 1.3 | 3,614,232 | 1.3 |
| Pulp and paper | 3,594,634 | 1.2 | 3,819,967 | 1.2 | 4,182,487 | 1.5 |
| Textiles and apparel | 3,337,393 | 1.1 | 3,163,119 | 1.1 | 3,109,838 | 1.1 |
| Rubber and plastic articles | 2,926,953 | 1.0 | 2,707,106 | 0.9 | 2,604,477 | 0.9 |
| Furniture and wood products | 2,224,189 | 0.7 | 2,176,759 | 0.7 | 1,962,424 | 0.7 |
| Extraction of metallic and non-metallic ores | 1,775,627 | 0.6 | 1,754,936 | 0.6 | 1,910,812 | 0.7 |
| | 1,688,102 | 0.6 | 1,953,592 | 0.7 | 2,156,191 | 0.8 |
| Overall total | | | | | | 255 |

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| | | | | | | |
|--|-------------------|-------------|-------------------|-------------|-------------------|-------------|
| Electric and electronic products | | | | | | |
| Non-metallic materials | 1,622,821 | 0.5 | 1,588,808 | 0.5 | 1,755,485 | 0.6 |
| Automotive parts and accessories | 1,147,929 | 0.4 | 1,203,034 | 0.4 | 1,191,660 | 0.4 |
| Leather articles | 785,982 | 0.3 | 761,445 | 0.3 | 775,091 | 0.3 |
| Publishing, printing and reproduction | 752,544 | 0.2 | 737,141 | 0.2 | 721,043 | 0.3 |
| Other industries | 970,599 | 0.3 | 868,410 | 0.3 | 1,665,616 | 0.6 |
| Commerce | 44,220,564 | 14.4 | 44,565,679 | 15.0 | 43,517,495 | 15.6 |
| Merchandise in specialty stores | 11,280,428 | 3.7 | 11,957,566 | 4.0 | 11,973,098 | 4.3 |
| Food products, beverages and tobacco | 5,014,337 | 1.6 | 4,906,330 | 1.7 | 5,143,131 | 1.8 |
| Non-specialized retailer | 4,472,544 | 1.5 | 4,458,169 | 1.5 | 4,272,247 | 1.5 |
| Clothing and footwear | 3,554,765 | 1.2 | 3,419,738 | 1.2 | 3,347,543 | 1.2 |
| Automobile | 3,535,938 | 1.1 | 3,446,250 | 1.2 | 3,124,580 | 1.1 |
| Motor vehicle repairs, parts and accessories | 3,378,071 | 1.1 | 3,244,927 | 1.1 | 3,107,987 | 1.1 |
| Grooming and household articles | 2,746,418 | 0.9 | 2,792,626 | 1.0 | 2,496,040 | 0.9 |
| Waste and scrap | 2,253,624 | 0.7 | 2,204,324 | 0.7 | 2,094,463 | 0.8 |
| Fuel | 1,895,653 | 0.6 | 1,913,365 | 0.6 | 1,840,109 | 0.7 |

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| | 2013 | | 2012 | | R\$ thousand | |
|---|--------------------|--------------|--------------------|--------------|--------------------|--------------|
| | June 30 | % | March 31 | % | June 30 | % |
| Trade intermediary | 1,610,529 | 0.5 | 1,616,310 | 0.5 | 1,587,697 | 0.6 |
| Agricultural products | 1,526,084 | 0.5 | 1,569,833 | 0.5 | 1,472,555 | 0.5 |
| Wholesale of goods in general | 1,403,926 | 0.5 | 1,530,563 | 0.5 | 1,556,220 | 0.6 |
| Other commerce | 1,548,247 | 0.5 | 1,505,678 | 0.5 | 1,501,825 | 0.5 |
| Financial intermediaries | 2,344,360 | 0.8 | 2,186,470 | 0.7 | 1,364,037 | 0.5 |
| Services | 73,963,484 | 24.2 | 71,397,669 | 24.0 | 65,475,800 | 23.5 |
| Civil construction | 19,348,282 | 6.3 | 18,276,940 | 6.1 | 16,522,200 | 5.8 |
| Transportation and storage | 16,133,782 | 5.3 | 15,762,561 | 5.3 | 15,408,340 | 5.5 |
| Real estate activities, rentals and corporate services | 12,948,977 | 4.2 | 12,763,095 | 4.3 | 11,115,340 | 4.0 |
| Production and distribution of electric power, gas and water | 4,502,781 | 1.5 | 4,650,816 | 1.6 | 5,016,796 | 1.8 |
| Hotels and catering | 2,811,560 | 0.9 | 2,763,888 | 0.9 | 2,460,979 | 0.9 |
| Holding companies, legal, accounting and business advisory services | 2,747,230 | 0.9 | 3,182,266 | 1.1 | 3,028,824 | 1.1 |
| Social services, education, health, defense and social security | 2,325,442 | 0.8 | 2,348,961 | 0.8 | 2,120,646 | 0.8 |
| Clubs, leisure, cultural and sport activities | 2,223,570 | 0.7 | 2,095,370 | 0.7 | 2,196,741 | 0.8 |
| Telecommunications | 532,590 | 0.2 | 565,025 | 0.2 | 459,474 | 0.2 |
| Other services | 10,389,270 | 3.4 | 8,988,747 | 3.0 | 7,146,460 | 2.6 |
| Agriculture, cattle raising, fishing, forestry and timber industry | 3,834,426 | 1.3 | 3,596,360 | 1.2 | 3,664,469 | 1.3 |
| Individuals | 122,571,104 | 40.1 | 118,263,150 | 39.7 | 110,951,836 | 39.7 |
| Total | 305,573,551 | 100.0 | 297,883,368 | 100.0 | 279,166,368 | 100.0 |

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Notes to the Consolidated Financial Statements**f) Breakdown of loans and allowance for loan losses**

| Levels of risk | Non-performing loans | | Portfolio balance | | | R\$ thousand | | | |
|--|----------------------|-------------------|------------------------------|--------------------|--------------------|--------------|-----------------|------------------|-----------------|
| | Past due | Outstanding | Total - non-performing loans | Performing loans | Total | % | 2013 % | 2012 % | |
| | | | | | | (1) | June 30 YTD (2) | March 31 YTD (2) | June 30 YTD (2) |
| AA | - | - | - | 50,062,923 | 50,062,923 | 16.4 | 16.4 | 18.2 | 19.1 |
| A | - | - | - | 128,691,764 | 128,691,764 | 42.1 | 58.5 | 58.7 | 59.3 |
| B | 402,208 | 1,613,674 | 2,015,882 | 50,826,848 | 52,842,730 | 17.3 | 75.8 | 73.2 | 73.3 |
| C | 849,234 | 2,693,561 | 3,542,795 | 43,786,132 | 47,328,927 | 15.5 | 91.3 | 91.6 | 91.5 |
| Subtotal | 1,251,442 | 4,307,235 | 5,558,677 | 273,367,667 | 278,926,344 | 91.3 | | | |
| D | 868,779 | 2,117,006 | 2,985,785 | 6,084,692 | 9,070,477 | 3.0 | 94.3 | 94.3 | 93.8 |
| E | 648,553 | 1,168,164 | 1,816,717 | 819,117 | 2,635,834 | 0.9 | 95.2 | 95.2 | 95.0 |
| F | 717,934 | 1,007,110 | 1,725,044 | 726,827 | 2,451,871 | 0.8 | 96.0 | 95.9 | 95.8 |
| G | 663,419 | 805,151 | 1,468,570 | 390,498 | 1,859,068 | 0.6 | 96.6 | 96.5 | 96.5 |
| H | 4,260,771 | 3,757,850 | 8,018,621 | 2,611,336 | 10,629,957 | 3.4 | 100.0 | 100.0 | 100.0 |
| Subtotal | 7,159,456 | 8,855,281 | 16,014,737 | 10,632,470 | 26,647,207 | 8.7 | | | |
| Overall total on June 30, 2013 | 8,410,898 | 13,162,516 | 21,573,414 | 284,000,137 | 305,573,551 | 100.0 | | | |
| % | 2.8 | 4.3 | 7.1 | 92.9 | 100.0 | | | | |
| Overall total on March 31, 2013 | 8,709,879 | 14,229,145 | 22,939,024 | 274,944,344 | 297,883,368 | | | | |
| % | 2.9 | 4.8 | 7.7 | 92.3 | 100.0 | | | | |
| Overall total on June 30, 2012 | 8,594,642 | 13,720,394 | 22,315,036 | 256,851,332 | 279,166,368 | | | | |
| % | 3.1 | 4.9 | 8.0 | 92.0 | 100.0 | | | | |

(1) Percentage of total portfolio; and

(2) Cumulative percentage of total portfolio.

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Notes to the Consolidated Financial Statements

| Level of risk | Minimum required Provision - % | Minimum required Specific | | Allowance | | Excess | Existing | 2013 | |
|--|-----------------------------------|---------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|-----------------|
| | | Past due | Outstanding | Total specific | Generic | | | Total | June 30 YTD (1) |
| AA | - | - | - | - | - | - | - | - | - |
| A | 0.5 | - | - | - | 643,433 | 643,433 | 1,240 | 644,673 | 0.5 |
| B | 1.0 | 4,022 | 16,137 | 20,159 | 508,268 | 528,427 | 5,066 | 533,493 | 1.0 |
| C | 3.0 | 25,477 | 80,807 | 106,284 | 1,313,584 | 1,419,868 | 1,121,086 | 2,540,954 | 5.4 |
| Subtotal | | 29,499 | 96,944 | 126,443 | 2,465,285 | 2,591,728 | 1,127,392 | 3,719,120 | 1.3 |
| D | 10.0 | 86,878 | 211,700 | 298,578 | 608,469 | 907,047 | 1,448,885 | 2,355,932 | 26.0 |
| E | 30.0 | 194,566 | 350,449 | 545,015 | 245,735 | 790,750 | 481,950 | 1,272,700 | 48.3 |
| F | 50.0 | 358,967 | 503,555 | 862,522 | 363,413 | 1,225,935 | 419,537 | 1,645,472 | 67.1 |
| G | 70.0 | 464,394 | 563,606 | 1,028,000 | 273,349 | 1,301,349 | 530,671 | 1,832,020 | 98.5 |
| H | 100.0 | 4,260,771 | 3,757,850 | 8,018,621 | 2,611,336 | 10,629,957 | - | 10,629,957 | 100.0 |
| Subtotal | | 5,365,576 | 5,387,160 | 10,752,736 | 4,102,302 | 14,855,038 | 2,881,043 | 17,736,081 | 66.6 |
| Overall total on June 30, 2013 | | 5,395,075 | 5,484,104 | 10,879,179 | 6,567,587 | 17,446,766 | 4,008,435 | 21,455,201 | 7.0 |
| % | | 25.1 | 25.6 | 50.7 | 30.6 | 81.3 | 18.7 | 100.0 | |
| Overall total on March 31, 2013 | | 5,539,134 | 5,729,193 | 11,268,327 | 6,080,370 | 17,348,697 | 4,009,877 | 21,358,574 | |
| % | | 25.9 | 26.8 | 52.7 | 28.5 | 81.2 | 18.8 | 100.0 | |
| Overall total on June 30, 2012 | | 5,425,569 | 5,383,627 | 10,809,196 | 5,862,498 | 16,671,694 | 4,010,331 | 20,682,025 | |
| % | | 26.2 | 26.1 | 52.3 | 28.3 | 80.6 | 19.4 | 100.0 | |

(1) Ratio between existing allowance and total portfolio by level of risk.

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Notes to the Consolidated Financial Statements**g) Changes in allowance for loan losses**

| | R\$ thousand | | | |
|--------------------------|-------------------------|---------------------------------|----------------------|------------------------------|
| | 2 nd Quarter | 2013 1 st Quarter | 1 st Half | 2012 1 st Half |
| Opening balance | 21,358,574 | 21,298,588 | 21,298,588 | 19,540,448 |
| - Specific provision (1) | 11,268,327 | 11,181,925 | 11,181,925 | 9,875,415 |
| - Generic provision (2) | 6,080,370 | 6,106,477 | 6,106,477 | 5,654,244 |
| - Excess provision (3) | 4,009,877 | 4,010,186 | 4,010,186 | 4,010,789 |
| Additions | 3,607,925 | 3,475,063 | 7,082,988 | 6,948,680 |
| Reductions | (3,511,298) | (3,415,077) | (6,926,375) | (5,807,103) |
| Closing balance | 21,455,201 | 21,358,574 | 21,455,201 | 20,682,025 |
| - Specific provision (1) | 10,879,179 | 11,268,327 | 10,879,179 | 10,809,196 |
| - Generic provision (2) | 6,567,587 | 6,080,370 | 6,567,587 | 5,862,498 |
| - Excess provision (3) | 4,008,435 | 4,009,877 | 4,008,435 | 4,010,331 |

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

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

(3) The additional provision is recorded based on Management's experience and the expectation of the loan portfolio, to determine the total provision deemed sufficient to cover specific and general credit risk, together with the provision calculated based on levels of risk and the corresponding minimum percentage in the provision established by CMN Resolution 2682/99. The excess provision per customer was classified according to the corresponding level of risk (Note 10f).

h) Allowance for loan losses (ALL) expenses net of amounts recovered

Expenses with the allowance for loan losses, net of credit write offs recovered, are as follows.

| | R\$ thousand | | | |
|-----------------|-------------------------|---------------------------------|----------------------|------------------------------|
| | 2 nd Quarter | 2013 1 st Quarter | 1 st Half | 2012 1 st Half |
| Amount recorded | 3,607,925 | 3,475,063 | 7,082,988 | 6,948,680 |

Overall total

262

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Amount recovered (1) | (978,609) | (769,895) | (1,748,504) | (1,438,124) |
| ALL expense net of amounts recovered | 2,629,316 | 2,705,168 | 5,334,484 | 5,510,556 |

(1) Classified in income from loans (Note 10j).

i) Changes in the renegotiated portfolio

| | | 2013 | | R\$ thousand 2012 |
|--------------------------------------|-------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half |
| Opening balance | 9,768,664 | 9,643,915 | 9,643,915 | 8,658,167 |
| Amount renegotiated | 2,615,075 | 2,243,140 | 4,858,215 | 4,078,542 |
| Amount received | (1,394,411) | (1,252,860) | (2,647,271) | (2,005,444) |
| Write-offs | (1,009,205) | (865,531) | (1,874,736) | (1,592,248) |
| Closing balance | 9,980,123 | 9,768,664 | 9,980,123 | 9,139,017 |
| Allowance for loan losses | 6,418,706 | 6,274,463 | 6,418,706 | 5,816,314 |
| Percentage on renegotiated portfolio | 64.3% | 64.2% | 64.3% | 63.6% |

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Notes to the Consolidated Financial Statements**j) Income on loans and leasing**

| | | 2013 | | R\$ thousand 2012 | |
|---|-------------------------|-------------------------|----------------------|----------------------|--|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half | |
| Discounted trade receivables and loans | 8,657,839 | 8,156,372 | 16,814,211 | 16,671,584 | |
| Financings | 3,227,716 | 3,098,115 | 6,325,831 | 6,336,772 | |
| Agricultural and agribusiness loans | 240,427 | 240,066 | 480,493 | 528,103 | |
| Subtotal | 12,125,982 | 11,494,553 | 23,620,535 | 23,536,459 | |
| Recovery of credits charged-off as losses | 978,609 | 769,895 | 1,748,504 | 1,438,124 | |
| Subtotal | 13,104,591 | 12,264,448 | 25,369,039 | 24,974,583 | |
| Leasing, net of expenses | 201,649 | 206,273 | 407,922 | 656,876 | |
| Total | 13,306,240 | 12,470,721 | 25,776,961 | 25,631,459 | |

11) OTHER RECEIVABLES**a) Foreign exchange portfolio****Balances**

| | 2013 | | R\$ thousand 2012 |
|--|-------------------|-------------------|----------------------|
| | June 30 | March 31 | June 30 |
| Assets - other receivables | | | |
| Exchange purchases pending settlement | 10,278,732 | 9,553,768 | 10,976,235 |
| Exchange sale receivables | 2,606,505 | 2,862,547 | 3,430,285 |
| (-) Advances in local currency received | (378,286) | (362,797) | (485,561) |
| Income receivable on advances granted | 96,524 | 88,543 | 105,717 |
| Total | 12,603,475 | 12,142,061 | 14,026,676 |
| Liabilities - other liabilities | | | |
| Exchange sales pending settlement | 2,634,426 | 2,862,022 | 3,419,671 |
| Exchange purchase payables | 9,608,158 | 9,540,280 | 10,384,938 |
| (-) Advances on foreign exchange contracts | (6,646,367) | (6,022,860) | (7,077,738) |
| Other | 5,181 | 4,942 | 6,685 |

Overall total

264

| | | | |
|---------------------------------------|------------------|------------------|------------------|
| Total | 5,601,398 | 6,384,384 | 6,733,556 |
| Net foreign exchange portfolio | 7,002,077 | 5,757,677 | 7,293,120 |
| Memorandum accounts: | | | |
| - Loans available for imports | 912,461 | 1,379,284 | 1,689,760 |
| - Confirmed exports loans | 53,786 | 21,473 | 89,428 |

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Foreign exchange results

Adjusted foreign exchange results for presentation purposes

| | 2013 | | R\$ thousand 2012 | |
|---|----------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half |
| Foreign exchange results | 903,619 | 269,315 | 1,172,934 | 783,387 |
| Adjustments: | | | | |
| - Income on foreign currency financing (1) | 65,887 | 27,233 | 93,120 | 92,396 |
| - Income on export financing (1) | 216,790 | 133,496 | 350,286 | 325,290 |
| - Income on foreign investments (2) | 18,160 | 2,485 | 20,645 | 65,699 |
| - Expenses of liabilities with foreign bankers (3) (Note 17c) | (611,465) | (129,066) | (740,531) | (969,551) |
| - Funding expenses (4) | (95,416) | (74,238) | (169,655) | (165,185) |
| - Other | (294,177) | (51,305) | (345,481) | 234,369 |
| Total adjustments | (700,221) | (91,395) | (791,616) | (416,982) |
| Adjusted foreign exchange results | 203,398 | 177,920 | 381,318 | 366,405 |

(1) Recognized in "Income from loans;"

(2) Recognized in "Income from security transactions;"

(3) Related to funds for financing of advances on foreign exchange contracts and import financing, recognized in "Borrowing and onlending expenses;" and

(4) Refer to funding expenses of investments in foreign exchange.

b) Sundry

| | 2013 | | R\$ thousand 2012 |
|-----------------------------|------------|------------|----------------------|
| | June 30 | March 31 | June 30 |
| Tax credits (Note 34c) | 29,814,523 | 26,021,328 | 23,105,852 |
| Credit card operations | 15,912,973 | 15,156,705 | 14,788,897 |
| Debtors for escrow deposits | 11,436,069 | 11,449,154 | 10,332,319 |

Overall total

266

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| | | | |
|---|-------------------|-------------------|-------------------|
| Prepaid taxes | 4,237,065 | 4,769,829 | 5,626,396 |
| Other debtors | 4,111,909 | 3,329,254 | 2,788,909 |
| Trade and credit receivables (1) | 3,404,431 | 2,973,376 | 2,003,918 |
| Advances for Deposit Guarantee Fund (FGC) | 76,109 | 121,774 | 258,770 |
| Payments to be reimbursed | 505,518 | 647,027 | 494,626 |
| Receivables from sale of assets | 61,745 | 56,022 | 59,285 |
| Other | 388,966 | 175,268 | 402,405 |
| Total | 69,949,308 | 64,699,737 | 59,861,377 |

(1) Include receivables from the acquisition of financial assets from loans without substantial transfer of risks and benefits.

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Notes to the Consolidated Financial Statements**12) OTHER ASSETS****a) Foreclosed assets/other**

| | Cost | Provision for losses | R\$ thousand | | |
|-------------------------------------|------------------|----------------------|-----------------------|----------------|-----------------|
| | | | Cost net of provision | | 2012 June 30 |
| | | | 2013 June 30 | March 31 | |
| Real estate | 450,911 | (63,137) | 387,774 | 368,884 | 242,781 |
| Goods subject to special conditions | 173,581 | (173,581) | - | - | - |
| Vehicles and similar | 531,157 | (254,210) | 276,947 | 229,912 | 229,988 |
| Inventories/warehouse | 95,980 | - | 95,980 | 92,332 | 97,180 |
| Machinery and equipment | 20,707 | (9,301) | 11,406 | 11,876 | 11,329 |
| Other | 21,108 | (19,358) | 1,750 | 1,835 | 1,057 |
| Total on June 30, 2013 | 1,293,444 | (519,587) | 773,857 | | |
| Total on March 31, 2013 | 1,186,142 | (481,303) | | 704,839 | |
| Total on June 30, 2012 | 1,163,128 | (580,793) | | | 582,335 |

b) Prepaid expenses

| | R\$ thousand | | |
|--|------------------|------------------|------------------|
| | 2013 | | 2012 June 30 |
| | June 30 | March 31 | |
| Commission on the placement of loans and financing (1) | 1,765,184 | 1,727,648 | 1,715,706 |
| Deferred insurance acquisition costs (2) | 1,380,471 | 1,330,806 | 1,153,224 |
| Advertising and marketing expenses (3) | 55,475 | 91,554 | 126,060 |
| Other (4) | 513,090 | 426,123 | 470,193 |
| Total | 3,714,220 | 3,576,131 | 3,465,183 |

(1) Commissions paid to storeowners, car dealers and correspondent banks - payroll-deductible loans;

(2) Commissions paid to brokers and representatives on sale of insurance, pension plans and capitalization bond products;

(3) Prepaid expenses of future advertising and marketing campaigns on media; and

(4) Mainly related to card issue costs.

13) INVESTMENTS**a) Changes in investments in the consolidated financial statements**

| Affiliates | 2013 | | R\$ thousand 2012 |
|---|------------------|------------------|-----------------------------|
| | June 30 | March 31 | June 30 |
| - IRB-Brasil Resseguros S.A. | 531,719 | 531,508 | 487,030 |
| - Integritas Participações S.A. | 508,889 | 506,441 | 505,494 |
| - BES Investimento do Brasil S.A. | 129,858 | 128,887 | 107,052 |
| - Other | 269,717 | 194,606 | 292,578 |
| Total investment in affiliates - in Brazil | 1,440,183 | 1,361,442 | 1,392,154 |
| - Tax incentives | 239,533 | 239,542 | 239,542 |
| - Other investments | 514,694 | 540,402 | 531,879 |
| Provision for: | | | |
| - Tax incentives | (212,045) | (212,055) | (211,555) |
| - Other investments | (61,948) | (61,948) | (62,936) |
| Overall total investments | 1,920,417 | 1,867,383 | 1,889,084 |

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b) The adjustments from the equity method accounting of investments were recorded in the income statement, under "Equity in the Earnings (Losses) of Unconsolidated Companies," and correspond to R\$15,220 thousand in the first half of 2013 (R\$58,777 thousand in the first half of 2012) and R\$11,888 thousand in the second quarter of 2013 (R\$3,332 thousand in the first quarter of 2013).

| Companies | Capital stock | Adjusted shareholders' equity | Number of shares/quotas held (thousands) | | Co o |
|---|---------------|-------------------------------|--|-----------|---------|
| | | | Common | Preferred | |
| IRB-Brasil Resseguros S.A. (2) | 1,350,000 | 2,503,385 | - | 212 | |
| BES Investimento do Brasil S.A. - Banco de Investimento | 420,000 | 649,290 | 12,734 | 12,734 | |
| Integritas Participações S.A. (2) | 615,294 | 906,523 | 22,581 | - | |
| Other (2) | | | | | |

Equity in the earnings (losses) of unconsolidated companies

(1) The adjustment considers income calculated periodically by the companies and includes equity variations by the investees not coming from profit or loss, as well as alignment of accounting practice adjustments, where applicable; and

(2) Based on financial information from the previous month. On June 30, 2013, interest in IRB-Brasil Resseguros S.A. is 20.42%, subject to approval, and in Integritas Participações S.A. is 25.17%,.

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Notes to the Consolidated Financial Statements**14) PREMISES AND EQUIPMENT**

| | Annual rate of depreciation | Cost | Depreciation | R\$ thousand | | |
|--|-----------------------------------|-------------------|--------------------|--------------------------|------------------|------------------|
| | | | | Cost net of depreciation | | |
| | | | | 2013 June 30 | March 31 | 2012 June 30 |
| Property and equipment: | | | | | | |
| - Buildings | 4% | 936,563 | (379,736) | 556,827 | 550,635 | 497,771 |
| - Land | - | 405,672 | - | 405,672 | 403,688 | 403,227 |
| Facilities, furniture and equipment in use | 10% | 4,813,912 | (2,756,791) | 2,057,121 | 2,144,022 | 2,229,149 |
| Security and communication systems | 10% | 288,620 | (166,450) | 122,170 | 110,576 | 105,587 |
| Data processing systems | 20 to 50% | 4,720,911 | (3,424,021) | 1,296,890 | 1,314,970 | 1,260,532 |
| Transportation systems | 20% | 57,988 | (32,660) | 25,328 | 25,907 | 27,071 |
| Total on June 30, 2013 | | 11,223,666 | (6,759,658) | 4,464,008 | | |
| Total on March 31, 2013 | | 11,062,638 | (6,512,840) | | 4,549,798 | |
| Total on June 30, 2012 | | 10,330,009 | (5,806,672) | | | 4,523,337 |

The Bradesco Organization's premises and equipment shows an unrecorded surplus of R\$5,266,042 thousand (R\$3,740,214 thousand on March 31, 2013 and R\$3,029,696 thousand on June 30, 2012). This is due to an increase in their market price, based on valuations by independent experts in 2013, 2012 and 2011.

The total consolidated fixed assets to net worth ratio is 17.3% (16.5% on March 31, 2013 and 18.2% on June 30, 2012), and the consolidated finance fixed assets to net worth ratio is 44.3% (43.7% on March 31, 2013 and 43.5% on June 30, 2012), whereas the maximum limit is 50%.

The difference between the total consolidated and consolidated finance fixed assets to net worth ratios is due to non-financial subsidiaries which have high liquidity and low fixed assets to net worth ratio, with the consequent increase in the consolidated finance fixed assets to net worth ratio. Whenever necessary, we may reallocate funds to the financial companies through the payment of dividends/interest on shareholders' equity to financial companies or a corporate restructuring between the financial and non-financial companies, thus improving the ratio.

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15) INTANGIBLE ASSETS

a) Goodwill

Goodwill from the acquisition of investments amounted to R\$2,773,061 thousand, net of accumulated amortization, where applicable, of which:

(i) R\$613,086 thousand represents the difference between the purchase price and the market value of the net assets acquired, which is recorded in Permanent Assets - Investments (BM&FBOVESPA and Integritas/Fleury shares), amortized when disposed; and (ii) R\$2,159,975 thousand, net of accumulated amortization, for future performance/customer portfolio, which is amortized over 20 years, where applicable.

In the first half of 2013, goodwill amortization amounted to R\$132,579 thousand (R\$132,730 thousand in the first half of 2012) and R\$65,221 thousand in the second quarter of 2013 (R\$67,358 thousand in the first quarter of 2013) (Note 29).

b) Intangible assets

Acquired intangible assets consist of:

| | Amortization rate (1) | Cost | Amortization | R\$ thousand | | |
|---|-----------------------------|-------------------|--------------------|--------------------------|------------------|------------------|
| | | | | Cost net of amortization | | |
| | | | | 2013 June 30 | 2012 March 31 | 2012 June 30 |
| Acquisition of banking services rights | Contract (4) | 5,497,636 | (2,574,019) | 2,923,617 | 2,575,617 | 2,917,369 |
| Software (2) | 20% to 50% | 7,093,932 | (3,528,440) | 3,565,492 | 3,541,667 | 2,754,352 |
| Future profitability/customer portfolio (3) | Up to 20% | 4,364,001 | (2,204,026) | 2,159,975 | 2,208,755 | 3,341,606 |
| Other (5) | Contract | 625,599 | (82,943) | 542,656 | 532,576 | 31,819 |
| Total on June 30, 2013 | | 17,581,168 | (8,389,428) | 9,191,740 | | |
| Total on March 31, 2013 | | 16,855,832 | (7,997,217) | | 8,858,615 | |
| Total on June 30, 2012 | | 15,275,328 | (6,230,182) | | | 9,045,146 |

(1) Intangible assets are amortized over an estimated period of economic benefit and recognized in "other administrative expenses" and "other operating expenses," where applicable;

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

(3) Mainly composed of goodwill on the acquisition of equity interest in Banco Bradescard (currently Banco Ibi) - R\$847,477 thousand, Odontoprev - R\$275,505 thousand, Ágora Corretora - R\$16,385 thousand, Bradescard Mexico (currently Ibi México) - R\$22,898 thousand, Europ Assistance Serviços de Assistência Personalizados - R\$17,697 thousand, Alelo (CBSS) - R\$90,757 thousand, and Cielo/Investees - R\$659,699 thousand;

(4) Based on the pay-back of each agreement; and

(5) Mainly refers to the 2016 Olympic Games sponsorship program.

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c) Changes in intangible assets by type

| | R\$ thousand | | | | |
|-------------------------------------|--|------------------|---|----------------|------------------|
| | Acquisition of banking service rights | Software | Future profitability/ customer portfolio | Other | Total |
| Balance on December 31, 2012 | 2,586,519 | 3,077,469 | 2,047,325 | 558,816 | 8,270,129 |
| Additions (reductions) | 791,123 | 768,224 | 245,229 | 28,553 | 1,833,129 |
| Amortization for the period | (454,025) | (280,201) | (132,579) | (44,713) | (911,518) |
| Balance on June 30, 2013 | 2,923,617 | 3,565,492 | 2,159,975 | 542,656 | 9,191,740 |

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

a) Deposits

| | 2013 | | | | R\$ thousand | | |
|--|--------------------|-------------------|--------------------|-----------------------|--------------------|--------------------|--------------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | June 30 | March 31 | June 2012 |
| Demand deposits (1) | 36,586,408 | - | - | - | 36,586,408 | 35,713,633 | 32,520,000 |
| Savings deposits (1) | 72,627,265 | - | - | - | 72,627,265 | 70,162,669 | 62,300,000 |
| Interbank deposits | 229,957 | 170,615 | 85,121 | 213,191 | 698,884 | 488,445 | 470,000 |
| Time deposits (2) | 13,587,517 | 15,440,196 | 10,548,387 | 58,996,868 | 98,572,968 | 99,505,387 | 121,760,000 |
| Overall total on June 30, 2013 | 123,031,147 | 15,610,811 | 10,633,508 | 59,210,059 | 208,485,525 | | |
| % | 59.0 | 7.5 | 5.1 | 28.4 | 100.0 | | |
| Overall total on March 31, 2013 | 120,017,022 | 13,993,550 | 9,647,078 | 62,212,484 | | 205,870,134 | |
| % | 58.3 | 6.8 | 4.7 | 30.2 | | 100.0 | |
| Overall total on June 30, 2012 | 110,540,043 | 16,527,298 | 12,437,438 | 77,565,155 | | | 217,060,000 |
| % | 51.0 | 7.6 | 5.7 | 35.7 | | | 100.0 |

(1) Classified as "1 to 30 days", not considering average historical turnover; and

(2) Considers the actual maturities of investments.

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Notes to the Consolidated Financial Statements**b) Federal funds purchased and securities sold under agreements to repurchase**

| | 2013 | | | | June 30 | March 31 | J |
|--|--------------------|-------------------|-------------------|--------------------|---------------------|--------------------|--------------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | | | |
| Own portfolio | 76,200,460 | 30,746,350 | 10,618,720 | 17,858,536 | 135,424,066 | 121,146,803 | 152,111,111 |
| Government securities | 70,533,271 | 345,954 | 73,607 | - | 70,952,832 | 56,995,527 | 95,111,111 |
| Debentures of own issuance | 1,979,565 | 30,400,396 | 10,545,113 | 17,151,646 | 60,076,720 | 58,202,962 | 55,111,111 |
| Foreign | 3,687,624 | - | - | 706,890 | 4,394,514 | 5,948,314 | - |
| Third-party portfolio (1) | 109,428,442 | 1,546,067 | - | - | -110,974,509 | 131,299,482 | 65,111,111 |
| Unrestricted portfolio (1) | 16,069,421 | 4,357,124 | - | - | 20,426,545 | 28,598,835 | 7,111,111 |
| Overall total on June 30, 2013 (2) | 201,698,323 | 36,649,541 | 10,618,720 | 17,858,536 | 266,825,120 | | |
| % | 75.6 | 13.7 | 4.0 | 6.7 | 100.0 | | |
| Overall total on March 31, 2013 (2) | 205,595,520 | 48,116,762 | 9,359,592 | 17,973,246 | | 281,045,120 | |
| % | 73.2 | 17.1 | 3.3 | 6.4 | | 100.0 | |
| Overall total on June 30, 2012 (2) | 165,986,004 | 24,790,614 | 9,509,287 | 25,688,347 | | | 225,111,111 |
| % | 73.4 | 11.0 | 4.2 | 11.4 | | | |

(1) Represented by government securities; and

(2) Includes R\$66,498,553 thousand (R\$70,817,580 thousand on March 31, 2013 and R\$42,529,664 thousand on June 30, 2012) of investment funds in purchase and sale commitments with Bradesco, whose quotaholders are subsidiaries included in the consolidated financial statements (Notes 8a, b, c and d).

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Notes to the Consolidated Financial Statements**c) Funds from the issuance of securities**

| | 2013 | | | | R\$ thousand | | |
|---|------------------|-------------------|--------------------|-----------------------|-------------------|-------------------|-------------------|
| | 1 to 30 Days | 31 to 180 days | 181 to 360 days | More than 360 days | June 30 | March 31 | June 30 |
| Securities - Brazil: | | | | | | | |
| - Mortgage bonds | 88,075 | 341,691 | 251,261 | 1,649 | 682,676 | 735,141 | 1,175,739 |
| - Letters of credit for real estate | 437,117 | 1,349,906 | 2,841,134 | 161,263 | 4,789,420 | 4,420,338 | 3,195,845 |
| - Letters of credit for agribusiness | 478,257 | 944,307 | 1,383,224 | 1,543,669 | 4,349,457 | 4,039,988 | 3,278,002 |
| - Financial bills | 1,079,874 | 6,989,268 | 4,204,786 | 19,604,544 | 31,878,472 | 25,417,120 | 31,124,303 |
| Subtotal | 2,083,323 | 9,625,172 | 8,680,405 | 21,311,125 | 41,700,025 | 34,612,587 | 38,773,889 |
| Securities - abroad: | | | | | | | |
| - MTN Program Issues (1) | 365,711 | 1,145,299 | 2,053,973 | 5,266,108 | 8,831,091 | 10,046,520 | 8,655,602 |
| - Securitization of future flow of money orders received from abroad (Note 16d) | 7,156 | 407,595 | 474,063 | 2,419,807 | 3,308,621 | 3,192,076 | 3,752,347 |
| - Issuance costs | - | - | - | (19,127) | (19,127) | (18,919) | (23,909) |
| Subtotal | 372,867 | 1,552,894 | 2,528,036 | 7,666,788 | 12,120,585 | 13,219,677 | 12,384,040 |
| Overall total on June 30, 2013 | 2,456,190 | 11,178,066 | 11,208,441 | 28,977,913 | 53,820,610 | | |
| % | 4.6 | 20.8 | 20.8 | 53.8 | 100.0 | | |
| Overall total on March 31, 2013 | 3,229,782 | 12,948,357 | 12,794,626 | 18,859,499 | | 47,832,264 | |
| % | 6.8 | 27.1 | 26.7 | 39.4 | | 100.0 | |
| Overall total on June 30, 2012 | 1,395,571 | 8,958,166 | 14,749,914 | 26,054,278 | | | 51,157,929 |
| % | 2.8 | 17.5 | 28.8 | 50.9 | | | 100.0 |

(1) Issuance of securities on the international market to invest in foreign exchange transactions, pre-export financing, import financing and working capital financing, predominately in the medium and long terms.

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d) Since 2003, Bradesco has used certain agreements to optimize its funding and liquidity management activities by using SPEs - Special Purpose Entities. An SPE, also known as a Diversified Payment Rights Company outside Brazil, is financed with long-term debt and settled through future cash flows from underlying assets which basically include flows from current payment orders and future remittances made by individuals and companies located abroad to beneficiaries in Brazil for which the Bank acts as a paying agent.

Long-term securities issued by the SPE and sold to investors are settled with proceeds from the payment order flows. Bradesco is obliged to redeem these securities in specific cases of delinquency or if the SPE discontinues operations.

Funds from the sale of current and future payment order flows, received by the SPE, must be maintained in a specific bank account until a minimum amount has been reached.

Below are the main features of the notes issued by SPEs:

| | Date of issue | Transaction amount | Maturity | R\$ thousand | | |
|--|---------------|--------------------|------------|------------------|------------------|------------------|
| | | | | Total | | 2012 June 30 |
| | | | | 2013 June 30 | March 31 | |
| | 06.11.2007 | 481,550 | 05.20.2014 | 103,975 | 125,830 | 220,837 |
| | 06.11.2007 | 481,550 | 05.20.2014 | 103,624 | 125,672 | 220,723 |
| | 12.20.2007 | 354,260 | 11.20.2014 | 110,626 | 120,663 | 181,603 |
| | 03.06.2008 | 836,000 | 05.22.2017 | 829,738 | 804,445 | 958,629 |
| Securitization of future flow of payment orders received from abroad | 12.19.2008 | 1,168,500 | 02.20.2019 | 1,106,175 | 1,005,379 | 1,008,830 |
| | 12.17.2009 | 133,673 | 11.20.2014 | 69,000 | 75,268 | 113,287 |
| | 12.17.2009 | 133,673 | 02.20.2017 | 121,644 | 118,443 | 142,577 |
| | 12.17.2009 | 89,115 | 02.20.2020 | 102,139 | 96,439 | 100,350 |
| | 08.20.2010 | 307,948 | 08.21.2017 | 309,268 | 298,680 | 352,614 |
| | 09.29.2010 | 170,530 | 08.21.2017 | 176,756 | 170,704 | 201,527 |
| | 11.16.2011 | 88,860 | 11.20.2018 | 109,230 | 99,270 | 99,658 |
| | 11.16.2011 | 133,290 | 11.22.2021 | 166,446 | 151,283 | 151,712 |
| Total | | 4,378,949 | | 3,308,621 | 3,192,076 | 3,752,347 |

e) Cost for market funding and inflation and interest adjustments of technical reserves for insurance, pension plans and capitalization bonds

| | 2nd | 2013 | |
|--|-------------------|------------------|-------------------|
| | Quarter | 1st | 1st Half |
| | Quarter | Quarter | 1st Half |
| Savings deposits | 932,755 | 895,940 | 1,828,695 |
| Time deposits | 1,928,385 | 1,835,739 | 3,764,124 |
| Federal funds purchased and securities sold under agreements to repurchase | 5,629,963 | 4,194,433 | 9,824,396 |
| Funds from issuance of securities | 1,057,910 | 830,243 | 1,888,153 |
| Other funding expenses | 102,662 | 89,352 | 192,014 |
| Subtotal | 9,651,675 | 7,845,707 | 17,497,382 |
| Cost for inflation and interest adjustment of technical reserves of insurance, pension plans and capitalization bonds | 840,150 | 1,068,927 | 1,909,077 |
| Total | 10,491,825 | 8,914,634 | 19,406,459 |

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17) BORROWING AND ONLENDING

a) Borrowing

| | 2013 | | | | R\$ thousand | | |
|--|--------------|----------------|-----------------|--------------------|--------------|-----------|------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | June 30 | March 31 | June 30 |
| In Brazil - other institutions | 3,776 | - | - | 6,879 | 10,655 | 9,706 | 8,074 |
| Abroad | 2,429,235 | 4,265,564 | 3,352,342 | 1,029,931 | 11,077,072 | 8,121,930 | 12,376,584 |
| Overall total on June 30, 2013 | 2,433,011 | 4,265,564 | 3,352,342 | 1,036,810 | 11,087,727 | | |
| % | 21.9 | 38.5 | 30.2 | 9.4 | 100.0 | | |
| Overall total on March 31, 2013 | 950,229 | 4,610,913 | 1,842,985 | 727,509 | | 8,131,636 | |
| % | 11.7 | 56.7 | 22.7 | 8.9 | | 100.0 | |
| Overall total on June 30, 2012 | 1,987,611 | 5,637,175 | 3,687,666 | 1,072,206 | | | 12,384,658 |
| % | 16.0 | 45.5 | 29.8 | 8.7 | | | 100.0 |

b) Onlending

| | 2013 | | | | R\$ thousand | | |
|--|--------------|----------------|-----------------|--------------------|--------------|------------|------------|
| | 1 to 30 days | 31 to 180 days | 181 to 360 days | More than 360 days | June 30 | March 31 | June 30 |
| In Brazil | 1,109,514 | 4,766,262 | 5,695,185 | 26,325,469 | 37,896,430 | 37,985,253 | 35,378,080 |
| - National Treasury | - | - | 17,444 | - | 17,444 | 32,029 | 117,484 |
| - BNDES | 403,729 | 1,462,533 | 1,877,951 | 8,116,776 | 11,860,989 | 13,126,064 | 12,684,433 |
| - CEF | 1,856 | 8,677 | 10,367 | 28,165 | 49,065 | 53,298 | 63,537 |
| - FINAME | 703,929 | 3,295,052 | 3,789,423 | 18,178,885 | 25,967,289 | 24,772,222 | 22,510,794 |
| - Other institutions | - | - | - | 1,643 | 1,643 | 1,640 | 1,832 |
| Abroad | 136,862 | - | - | - | 136,862 | 92,385 | 131,540 |
| Overall total on June 30, 2013 | 1,246,376 | 4,766,262 | 5,695,185 | 26,325,469 | 38,033,292 | | |
| % | 3.3 | 12.5 | 15.0 | 69.2 | 100.0 | | |
| Overall total on March 31, 2013 | 1,785,309 | 5,695,392 | 5,464,370 | 25,132,567 | | 38,077,638 | |
| % | 4.6 | 15.0 | 14.4 | 66.0 | | 100.0 | |
| Overall total on June 30, 2012 | 1,295,623 | 5,137,474 | 6,681,971 | 22,394,552 | | | 35,509,620 |
| % | 3.6 | 14.5 | 18.8 | 63.1 | | | 100.0 |

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c) Borrowing and onlending expenses

| | R\$ thousand | | | |
|--|-------------------------|---------------------------------|----------------------|------------------------------|
| | 2 nd Quarter | 2013 1 st Quarter | 1 st Half | 2012 1 st Half |
| Borrowing: | | | | |
| - In Brazil | 15,896 | 6,734 | 22,630 | 7,074 |
| - Abroad | 32,354 | 29,785 | 62,139 | 75,324 |
| Subtotal borrowing | 48,250 | 36,519 | 84,769 | 82,398 |
| Onlending in Brazil: | | | | |
| - National Treasury | 110 | 504 | 614 | 605 |
| - BNDES | 187,460 | 146,243 | 333,703 | 411,319 |
| - CEF | 835 | 934 | 1,769 | 2,503 |
| - FINAME | 225,876 | 223,201 | 449,077 | 642,575 |
| - Other institutions | 147 | 146 | 293 | 26 |
| Onlending abroad: | | | | |
| - Payables to foreign bankers (Note 11a) | 611,465 | 129,066 | 740,531 | 969,551 |
| - Other expenses with foreign onlending | 3,535,002 | (469,405) | 3,065,597 | 2,404,933 |
| - Exchange variation from investments abroad | (1,950,967) | 299,631 | (1,651,336) | (1,274,654) |
| Subtotal onlending | 2,609,928 | 330,320 | 2,940,248 | 3,156,858 |
| Total | 2,658,178 | 366,839 | 3,025,017 | 3,239,256 |

18) PROVISIONS, CONTINGENT ASSETS AND LIABILITIES AND LEGAL LIABILITIES - TAX AND SOCIAL SECURITY

a) Contingent assets

Contingent assets are not recognized in the financial statements, however, there are ongoing proceedings where the chance of success is considered probable, such as: a) Social Integration Program (PIS), claiming to offset PIS against Gross Operating Income, paid under Decree-Laws 2445/88 and 2449/88, regarding the payment that exceeded the amount due under Supplementary Law 07/70 (PIS Repique); and b) other taxes, the legality and/or constitutionality of which is being challenged, where the decision may lead to reimbursement of amounts paid.

b) Provisions classified as probable losses and legal obligations - tax and social security

Bradesco Organization is a party to a number of labor, civil and tax lawsuits, arising from the normal course of business.

Management recorded provisions based on their opinion and of their legal counsel, the nature of the lawsuit, similarity to previous lawsuits, complexity and the courts standing, where the loss is deemed probable.

Management considers that the provision is sufficient to cover losses generated by the respective lawsuits.

Liability related to litigation is held until the conclusion to the lawsuit, represented by judicial decisions, with no further appeals or due to the statute of limitation.

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I - Labor claims

These are claims brought by former employees and outsourced employees seeking indemnifications, especially for unpaid overtime, according to Article 224 of the Consolidation of Labor Laws (CLT). In proceedings in which a judicial deposit is used to guarantee the execution of the judgment, the labor provision is made considering the estimated loss of these deposits. For other proceedings, the provision is based on the average of payments made for claims settled over the last 12 months.

Overtime is monitored by using electronic time cards and paid regularly during the employment contract and, accordingly, the claims filed by former employees do not represent significant amounts.

II - Civil claims

These are claims for pain and suffering and property damages, mainly relating to protests, returned checks, the inclusion of information about debtors in the credit restriction registry and the replacement of inflation adjustments excluded as a result of government economic plans. These lawsuits are individually controlled using a computer-based system and provisioned whenever the loss is deemed as probable, considering the opinion of Management and their legal counsel, the nature of the lawsuits, and similarity with previous lawsuits, complexity and positioning of the courts.

Most of these lawsuits are brought to the Special Civil Court (JEC), in which the claims are limited to 40 times the minimum wage and do not cause significant impact on Bradesco Organization's financial position.

Note that a significant number of legal claims pleading the incidence of inflation rates, which were excluded from inflation adjustments on savings account balances due to economic plans, were part of federal government's economic policy to reduce inflation. Although the Bank complied with the legal requirements in force at the time, these lawsuits have been recorded as provisions, taking into consideration claims effectively notified and the evaluation of the perspective of the loss, considering the current judicial decision of the Superior Court of Justice (STJ).

Two points are worth noting regarding disputes relating to economic plans: a) the Bank does not expect any significant provisions to be recorded in excess of what has been provided for, as legal new claims cannot be made; and b) the Federal Supreme Court (STF) suspended the analysis of all appeals up until a final decision issued by the court.

III - Legal obligations - provision for tax risks

The Bradesco Organization is disputing the legality and constitutionality of certain taxes and contributions in court, for which provisions have been recorded in full, although there is good chance of a favorable outcome in the medium to long term, based on the opinion of Management and their legal counsel. The processing of these legal obligations whose risk is deemed as probable is regularly monitored in the legal court. During or after the conclusion of each case, a favorable outcome may arise for the Organization, resulting in the reversal of the related provisions.

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The main cases are:

- Cofins - R\$9,993,073 thousand (R\$9,605,570 thousand on March 31, 2013 and R\$8,082,808 thousand on June 30, 2012): a request for authorization to calculate and pay Cofins based on effective income, as set forth in Article 2 of Supplementary Law 70/91, removing the unconstitutional increase in the calculation for other revenues other than income;
- INSS Autonomous Brokers - R\$1,221,705 thousand (R\$1,181,038 thousand on March 31, 2013 and R\$1,065,260 thousand on June 30, 2012): we are requesting the impact of social security contribution on remunerations paid to third-party service providers, established by Supplementary Law 84/96 and subsequent regulations/amendments, at the 20% rate and additionally 2.5%, on the grounds that services are not provided to insurance companies but to policyholders, thus being outside the incidence of the contribution provided for in item I, Article 22, of Law 8212/91, as new wording in Law 9876/99;
- IRPJ/Loan Losses - R\$1,713,111 thousand (R\$1,689,868 thousand on March 31, 2013 and R\$1,268,824 thousand on June 30, 2012): we are requesting to deduct from income tax and social contributions payable (IRPJ and CSLL, respectively) amounts of actual and definite loan losses related to unconditional discounts granted upon receipt of claims incurred, regardless if they comply with the terms and conditions provided for in Articles 9 to 14 of Law 9430/96 that only apply to temporary losses;
- CSLL - Deductibility on IRPJ calculation basis - R\$867,168 thousand (R\$857,345 thousand on March 31, 2013 and R\$651,997 thousand on June 30, 2012): we are requesting to calculate and pay income tax calculated and paid for 1997 and subsequent years, excluding CSLL in the calculation, under Article 1, of Law 9316/96, since this contribution represents an effective, necessary and mandatory expense to the Company; and
- PIS - R\$305,648 thousand (R\$303,806 thousand on March 31, 2013 and R\$298,206 thousand on June 30, 2012): we are requesting the authorization to offset overpaid amounts in 1994 and 1995 as PIS contribution, corresponding to the surplus on the calculation established in the Constitution, i.e., gross operating income, as defined in the income tax legislation - set out in Article 44 of Law 4506/64, excluding interest income.

IV - Provisions by nature

| | 2013 | | R\$ thousand 2012 |
|---------------------|------------------|------------------|----------------------|
| | June 30 | March 31 | June 30 |
| Labor claims | 2,471,717 | 2,494,006 | 2,427,101 |
| Civil claims | 3,765,509 | 3,777,206 | 3,499,173 |
| Subtotal (1) | 6,237,226 | 6,271,212 | 5,926,274 |

| | | | |
|-----------------------------|-------------------|-------------------|-------------------|
| Provision for tax risks (2) | 16,452,731 | 15,951,570 | 13,609,925 |
| Total | 22,689,957 | 22,222,782 | 19,536,199 |

(1) Note 20b; and

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

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V - Changes in provisions

| | | R\$ thousand | |
|---|------------------|------------------|-------------------|
| | | 2013 | |
| | Labor | Civil | Tax (1) |
| Balance at December 31, 2012 | 2,496,270 | 3,722,404 | 15,071,659 |
| Adjustment for inflation | 142,320 | 174,497 | 397,570 |
| Provisions, net of reversals and write-offs | 250,769 | 201,700 | 1,009,064 |
| Payments | (417,642) | (333,092) | (25,562) |
| Balance at June 30, 2013 | 2,471,717 | 3,765,509 | 16,452,731 |

(1) Mainly include legal liabilities.

c) Contingent liabilities classified as possible losses

The Bradesco Organization maintains a system to monitor all administrative and judicial proceedings in which the institution is plaintiff or defendant and, based on the opinion of legal counsel, classifies the lawsuits according to the expectation of loss. Case law trends are periodically analyzed and, if necessary, the related risk is reclassified. In this respect, contingent lawsuits deemed with the risk of a possible loss are not recorded as a liability in the financial statements. The main lawsuits classified as such are the following: a) leasing companies' Tax on Services of any Nature (ISSQN), total lawsuits correspond to R\$1,151,684 thousand (R\$1,134,548 thousand on March 31, 2013 and R\$1,092,677 thousand on June 30, 2012) which relates to the municipal tax demands other than those where the company is not located and where, under law, tax is collected; b) 2006-2010 income tax and social contribution, relating to goodwill amortization being disallowed on the acquisition of investments, for the amount of R\$838,399 thousand (R\$813,533 thousand on March 31, 2013 and R\$704,487 thousand on June 30, 2012); c) IRPJ and CSLL deficiency notice relating to disallowance of loan loss expenses, for the amount of R\$482,515 thousand (R\$475,693 thousand on March 31, 2013 and R\$291,739 thousand on June 30, 2012); d) IRPJ and CSLL deficiency note relating to disallowance of exclusions of revenues from mark-to-market securities in 2007, amounting to R\$229,556 thousand (R\$227,783 thousand on March 31, 2013); and e) IRPJ, CSLL, PIS and COFINS deficiency note, amounting to R\$334,433 thousand on alleged tax-exempt gain, when Bovespa shares were merged into *Nova Bolsa* (BM&FBovespa), in 2008.

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Notes to the Consolidated Financial Statements**19) SUBORDINATED DEBT**

| Maturity | Original term in years | Amount of the operation | Currency | Remuneration |
|--------------------------|-------------------------------|--------------------------------|-----------------|---|
| In Brazil: | | | | |
| Subordinated CDB: | | | | |
| | | | | 100.0% of CDI rate + (0.3440% p.a.- 0.4914% IPCA + 7.6320% |
| 2012 (1) | 5 | - | R\$ | |
| 2013 (6) | 5 | 230,000 | R\$ | 100.0% of CDI rate + 1.0817% |
| 2014 | 6 | 1,000,000 | R\$ | 112.0% of CDI IPCA + (6.92% p.a.- 8.55% |
| 2015 | 6 | 1,274,696 | R\$ | 108.0% to 112.0% of CDI |
| 2016 | 6 | 500 | R\$ | IPCA + 7.1292% |
| | | | | 100.0% of CDI rate + 0.87% |
| 2012 (1) | 10 | - | R\$ | 101.5% of CDI |
| 2019 | 10 | 20,000 | R\$ | IPCA + 7.76% |
| Financial notes: | | | | |
| | | | | IGP-M + 6.3874% |
| | | | | IPCA + (6.7017% p.a. - 6.8784% |
| | | | | Fixed rate of 13.0949% |
| 2016 | 6 | 102,018 | R\$ | 108.0% to 110.0% of CDI |
| | | | | 100.0% of CDI rate + (1.2685%p.a. - 1.3656% |
| | | | | IGP-M + (5.7745% p.a. - 6.9588% |
| | | | | IPCA + (5.6030% p.a. - 7.5482% |
| | | | | Fixed rate of (11.7493% p.a. - 13.8609% |
| 2017 | 6 | 8,630,999 | R\$ | 104.0% to 112.5% of CDI |
| | | | | 100.0% of CDI rate + (0.7855%p.a. - 1.3061% |
| | | | | IGP-M + (4.0147% p.a. - 6.2626% |
| | | | | IPCA + (3.6712% p.a. - 6.2822% |
| | | | | Fixed rate of (9.3991% p.a. - 12.1754% |
| 2018 (2) | 6 | 8,262,799 | R\$ | 105.0% to 112.2% of CDI |
| | | | | IGP-M + (3.6320% p.a. - 4.0735% |
| | | | | IPCA + (3.2983% p.a. - 4.4268% |
| | | | | Fixed rate of (9.3207% p.a. - 10.3107% |
| 2019 (7) | 6 | 21,858 | R\$ | 109.3% to 109.5% of CDI |

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| Maturity | Original term in years | Amount of the operation | Currency | Remuneration | June |
|-----------------|-------------------------------|--------------------------------|-----------------|--|-------------|
| 2017 | 7 | 40,100 | R\$ | IPCA + 7.4163% p.a. Fixed rate of 13.1763% p.a. | 59, |
| 2018 | 7 | 141,050 | R\$ | IGP-M + 6.6945% p.a. IPCA + (5.9081% p.a. - 7.3743% p.a.) 100.0% of CDI rate + (1.0079% p.a. - 1.0412% p.a.) IGP-M rate + 4.1768 p.a. | 180, |
| 2019 (3) | 7 | 3,172,835 | R\$ | IPCA + (4.0262% p.a. - 6.1757% p.a.) Fixed rate of (10.1304% p.a. - 11.7550% p.a.) | 3,223, |
| 2020 (10) | 7 | 1,700 | R\$ | 110.5% to 112.2% of CDI rate | 1, |
| 2018 | 8 | 50,000 | R\$ | IPCA + 4.2620% p.a. IGP-M + 7.0670% p.a. | 68, |
| 2019 | 8 | 12,735 | R\$ | IGP-M + 5.8351% p.a. IPCA + (5.8950% p.a. - 6.3643% p.a.) Fixed rate of 13.3381% p.a. | 16, |
| 2020 (5) | 8 | 28,556 | R\$ | IGP-M + 5.5341% p.a. IPCA + (3.9941% p.a. - 6.1386% p.a.) Fixed rate of (11.1291% p.a. - 11.8661% p.a.) | 31, |
| 2021 (8) | 8 | 1,236 | R\$ | 110.0% to 110.7% of CDI rate | 1, |
| 2021 | 9 | 7,000 | R\$ | IPCA + (3.7004% p.a. - 4.3419% p.a.) 111.0% of CDI rate | 7, |
| 2021 | 10 | 19,200 | R\$ | IGP-M + (6.0358% p.a. - 6.6244% p.a.) IPCA + (5.8789% p.a. - 7.1246% p.a.) Fixed rate of 12.7513% p.a. | 23, |
| 2022 (4) | 10 | 54,143 | R\$ | 109.0% of CDI rate IGP-M + (3.9270% p.a. - 4.2994% p.a.) IPCA + (4.1920% p.a. - 6.0358% p.a.) Fixed rate of (10.3489% p.a. - 12.4377% p.a.) | 59, |
| 2023 (9) | 10 | 688,064 | R\$ | 110.0% to 111.3% of CDI rate IGP-M + (3.5855% p.a. - 3.9984% p.a.) IPCA + (3.9292% p.a. - 4.962% p.a.) Fixed rate (10.6804% p.a. - 10.8971% p.a.) | 714, |

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| Maturity | Original term in years | Amount of the operation | Currency | Remuneration | 2013 | |
|-----------------------------|------------------------|-------------------------------|----------|--------------------|-------------------|-------------------|
| | | | | | June 30 | March 31 |
| CDB pegged to loans: | | | | | | |
| 2013 to 2016 | 2 to 4 | 4,753 | R\$ | 100.0% of CDI rate | 5,310 | 5,651 |
| Subtotal in Brazil | | | | | 26,673,698 | 26,460,464 |
| Abroad: | | | | | | |
| 2013 | 10 | 1,434,750 | US\$ | Rate of 8.75% p.a. | 1,125,555 | 1,044,859 |
| 2014 | 10 | 801,927 | Euro | Rate of 8.00% p.a. | 658,875 | 602,339 |
| 2019 | 10 | 1,333,575 | US\$ | Rate of 6.75% p.a. | 1,690,364 | 1,510,917 |
| 2021 | 11 | 2,766,650 | US\$ | Rate of 5.90% p.a. | 3,632,012 | 3,253,413 |
| 2022 | 11 | 1,886,720 | US\$ | Rate of 5.75% p.a. | 2,477,196 | 2,219,526 |
| Issuance costs on funding | | | | | (35,594) | (34,180) |
| Subtotal abroad | | | | | 9,548,408 | 8,596,874 |
| Overall total | | | | | 36,222,106 | 35,057,338 |

(1) Subordinated debt transactions that matured in October and November 2012;

(2) Issue of financial notes, of which were issued as follows: (i) R\$56,300 thousand in July 2012; (ii) R\$30,060 thousand in August 2012; (iii) R\$36,825 thousand in September 2012; (iv) R\$128,927 thousand in October 2012; (v) R\$300 thousand in November 2012; and (vi) R\$25,135 thousand in December 2012, maturing in 2018;

(3) Issue of financial notes, of which were issued as follows: (i) R\$300 thousand in July 2012; (ii) R\$23,633 thousand in August 2012; (iii) R\$4,025 in September 2012; (iv) R\$922,816 thousand in October 2012; (v) R\$1,100,400 thousand in November 2012; and (vi) R\$1,066,700 thousand in December 2012, maturing in 2019;

(4) Issue of financial notes, of which were issued as follows: (i) R\$748 thousand in July 2012; (ii) R\$8,000 thousand in August 2012; (iii) R\$7,223 thousand in September 2012; (iv) R\$10,600 thousand in October 2012; and (v) R\$1,058 thousand in December 2012, maturing in 2022;

(5) Issue of financial notes, of which were issued as follows: (i) R\$8,297 thousand in June 2012; (ii) R\$400 thousand in July 2012; (iii) R\$300 thousand in August 2012; (iv) R\$601 thousand in September 2012; and (v) R\$901 thousand in December 2012, maturing in 2020;

(6) Subordinated debt transactions that matured in January, February, April and May 2013;

(7) Issue of financial notes, of which were issued as follows: (i) R\$3,362 thousand in January 2013; (ii) R\$3,731 thousand in February 2013; and (iii) R\$14,765 thousand in March 2013, maturing in 2019;

(8) Issue of financial notes, of which were issued as follows: (i) R\$736 thousand in January 2013; and (ii) R\$500 thousand in March 2013, maturing in 2021;

(9) Issue of financial notes, of which were issued as follows: (i) R\$85,180 thousand in January 2013; (ii) R\$498,310 thousand in February 2013; and (iii) R\$104,574 thousand in March 2013, maturing in 2023; and

(10) Issue of financial notes, of which were issued as follows: (i) R\$1,700 thousand in March 2013, maturing in 2020.

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Notes to the Consolidated Financial Statements**20) OTHER LIABILITIES****a) Tax and social security**

| | 2013 | | R\$ thousand 2012 |
|--|-------------------|-------------------|-----------------------------|
| | June 30 | March 31 | June 30 |
| Provision for tax risk (Note 18b IV) | 16,452,731 | 15,951,570 | 13,609,925 |
| Provision for deferred income tax (Note 34f) | 4,255,124 | 5,888,391 | 7,532,884 |
| Taxes and contributions on profit payable | 3,320,455 | 2,997,552 | 2,610,252 |
| Taxes and contributions payable | 1,027,693 | 1,071,753 | 1,086,010 |
| Total | 25,056,003 | 25,909,266 | 24,839,071 |

b) Sundry

| | 2013 | | R\$ thousand 2012 |
|--|-------------------|-------------------|-----------------------------|
| | June 30 | March 31 | June 30 |
| Credit card operations | 14,180,731 | 13,733,929 | 12,149,223 |
| Civil and labor provisions (Note 18b IV) | 6,237,226 | 6,271,212 | 5,926,274 |
| Provision for payments | 4,849,547 | 4,401,147 | 4,500,664 |
| Sundry creditors | 5,792,748 | 5,304,827 | 3,409,162 |
| Liabilities for acquisition of assets and rights | 1,805,985 | 1,938,604 | 1,947,510 |
| Liabilities for official agreements | 321,700 | 31,091 | 299,038 |
| Other | 1,399,488 | 1,254,650 | 1,314,889 |
| Total | 34,587,425 | 32,935,460 | 29,546,760 |

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Notes to the Consolidated Financial Statements**21) INSURANCE, PENSION PLANS AND CAPITALIZATION BONDS****a) Technical reserves by account**

| | Insurance (1) | | | Life and pension plans (2) (3) | | | Capitalization bonds | | |
|---|---------------|-----------|-----------|--------------------------------|------------|------------|----------------------|-----------|-----------|
| | 2013 | | 2012 | 2013 | | 2012 | 2013 | | 2012 |
| | June 30 | March 31 | June 30 | June 30 | March 31 | June 30 | June 30 | March 31 | June 30 |
| Current and long-term liabilities | | | | | | | | | |
| Mathematical reserve for unvested benefits | 931,421 | 919,682 | 627,589 | 98,622,773 | 95,183,486 | 84,005,788 | - | - | - |
| Mathematical reserve for vested benefits | 189,915 | 185,134 | 143,756 | 6,174,238 | 6,089,372 | 5,660,877 | - | - | - |
| Mathematical reserve for capitalization bonds | - | - | - | - | - | - | -4,976,376 | 4,895,041 | 4,196,700 |
| Reserve for claims incurred but not reported (IBNR) | 1,392,704 | 1,474,547 | 1,154,261 | 1,191,230 | 1,045,151 | 867,054 | - | - | - |
| Unearned premium reserve (4) | 3,025,645 | 2,794,696 | 2,099,448 | 212,528 | 211,247 | 168,472 | - | - | - |
| Complementary reserve for coverage | - | - | - | 4,978,649 | 5,154,742 | 4,209,702 | - | - | - |
| Reserve for unsettled claims | 3,516,427 | 3,198,678 | 2,903,036 | 1,170,537 | 1,149,433 | 1,029,881 | - | - | - |
| Reserve for financial surplus | - | - | - | 378,511 | 372,154 | 392,748 | - | - | - |
| Reserve for draws and | - | - | - | - | - | - | 584,435 | 556,193 | 514,800 |

redemptions

| | | | | | | | | | |
|-----------------------|-------------------|-------------------|------------------|--------------------|--------------------|-------------------|------------------|------------------|----------------|
| Other reserves | 2,642,031 | 2,644,302 | 1,776,723 | 1,654,392 | 1,321,039 | 1,864,239 | 177,051 | 171,701 | 173,9 |
| Total reserves | 11,698,143 | 11,217,039 | 8,704,813 | 114,382,858 | 110,526,624 | 98,198,761 | 5,737,862 | 5,622,935 | 4,885,5 |

(1) "Other reserves" - Insurance basically refers to the technical reserves of the "personal health" portfolio recorded to: (i) cover the differences of future premium adjustments and those required for the portfolio technical balance; and (ii) adapt to current interest rate scenarios;

(2) Includes personal insurance and pension plans;

(3) "Other reserves" - Life and Pension Plan mainly includes the "Reserve for redemption and other amounts to be settled" and "Reserve for related expenses;" and

(4) As of the first quarter of 2013, in compliance with ANS Normative Resolution 314/12, Bradesco Saúde reclassified R\$715,409 thousand (R\$597,280 thousand on March 31, 2013), corresponding to the early recording of premiums, which was deducted from premiums receivable, to "Technical Reserves – Unearned Premium Reserve," under liabilities.

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b) Technical reserves by product

| | Insurance | | | Life and pension plans | | | Capitalization bonds | | |
|--|-------------------|-------------------|------------------|------------------------|--------------------|-------------------|----------------------|------------------|------------------|
| | 2013 | | 2012 | 2013 | | 2012 | 2013 | | |
| | June 30 | March 31 | June 30 | June 30 | March 31 | June 30 | June 30 | March 31 | June 30 |
| Health | 6,649,640 | 6,380,755 | 4,180,157 | - | - | - | - | - | - |
| Auto/RCF | 2,739,910 | 2,642,862 | 2,682,107 | - | - | - | - | - | - |
| DPVAT/Retrocession | 215,639 | 177,132 | 163,478 | 572,318 | 396,306 | 360,474 | - | - | - |
| Life | 16,223 | 16,075 | 15,824 | 5,218,269 | 5,068,647 | 4,333,314 | - | - | - |
| Basic lines | 2,076,731 | 2,000,215 | 1,663,247 | - | - | - | - | - | - |
| Unrestricted Benefits Generating Plan - PGBL to be granted | - | - | - | 18,222,159 | 18,000,032 | 16,092,687 | - | - | - |
| Long-Term Life Insurance - VGBL - to be granted | - | - | - | 69,696,077 | 66,717,897 | 58,259,616 | - | - | - |
| Pension plans | - | - | - | 20,674,035 | 20,343,742 | 19,152,670 | - | - | - |
| Capitalization bonds | - | - | - | - | - | - | -5,737,862 | 5,622,935 | 4,818,000 |
| Total technical reserves | 11,698,143 | 11,217,039 | 8,704,813 | 114,382,858 | 110,526,624 | 98,198,761 | 5,737,862 | 5,622,935 | 4,818,000 |

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Notes to the Consolidated Financial Statements**c) Guarantees for technical reserves**

| | Insurance | | | Life and pension plans | | | Capitalization bonds | | |
|---|-------------------|-------------------|------------------|------------------------|--------------------|-------------------|----------------------|------------------|------------------|
| | 2013 June 30 | 2012 March 31 | 2012 June 30 | 2013 June 30 | 2012 March 31 | 2012 June 30 | 2013 June 30 | 2012 March 31 | 2012 June 30 |
| Total technical reserves | 11,698,143 | 11,217,039 | 8,704,813 | 114,382,858 | 110,526,624 | 98,198,761 | 5,737,862 | 5,622,935 | 4,885,530 |
| (-) Loading on insurance sales – extended guarantee | (94,676) | (79,094) | - | - | - | - | - | - | - |
| (-) Portion corresponding to contracted reinsurance | (819,881) | (882,212) | (847,453) | (11,377) | (8,843) | (9,185) | - | - | - |
| (-) Deposits retained at IRB and court deposits | (26,611) | (25,437) | (18,500) | (55,836) | (56,844) | (62,887) | - | - | - |
| (-) Receivables | (831,130) | (715,884) | (906,533) | - | - | - | - | - | - |
| (-) Unearned premium reserve – Health Insurance (1) | (715,409) | (597,280) | - | - | - | - | - | - | - |
| (-) Reserves from DPVAT agreements | (209,831) | (170,696) | (156,554) | (568,063) | (392,259) | (357,185) | - | - | - |
| To be insured | 9,000,605 | 8,746,436 | 6,775,773 | 113,747,582 | 110,068,678 | 97,769,504 | 5,737,862 | 5,622,935 | 4,885,530 |
| Investment fund quotas (VGBL and PGBL) | - | - | - | 87,918,236 | 84,717,929 | 74,352,303 | - | - | - |
| Investment fund quotas (excluding VGBL and | 3,436,152 | 2,929,908 | 7,030,957 | 14,878,511 | 13,968,480 | 16,794,830 | 3,484,916 | 3,322,135 | 4,463,470 |

| | | | | | | | | | | |
|---|-------------------|------------------|---------------|----------------|------------------|----------------|----------------|----------------|------------------|------------------|
| PGBL) | | | | | | | | | | |
| Government securities | 6,655,086 | 6,170,641 | - | 9,707,320 | 9,788,831 | 4,968,760 | 1,867,972 | 1,930,331 | | |
| Private securities | 101,566 | 104,884 | 39,774 | 199,594 | 208,431 | 598,425 | 115,976 | 116,240 | 238,500 | |
| Shares | 5,544 | 5,314 | 3,248 | 1,424,865 | 1,566,817 | 1,254,973 | 347,371 | 384,082 | 273,580 | |
| Total technical reserve guarantees | 10,198,348 | 9,210,747 | 77,073 | 979,114 | 1,285,261 | 110,250 | 488,979 | 969,291 | 5,816,235 | 5,752,788 |
| | | | | | | | | | 4,975,570 | |

(1) Deduction set forth in Article 4 of ANS Resolution 314/12.

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d) Insurance, pension plan contribution and capitalization bond retained premiums

| | 2013 | | | R\$ thousand |
|--|----------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half |
| Written premiums | 5,764,672 | 5,361,395 | 11,126,067 | 9,511,067 |
| Pension plan contributions (including VGBL) | 6,474,635 | 4,676,875 | 11,151,510 | 9,911,510 |
| Capitalization bond income | 1,126,065 | 982,856 | 2,108,921 | 1,741,921 |
| Granted coinsurance premiums | (47,282) | (29,126) | (76,408) | (111,408) |
| Refunded premiums | (79,591) | (39,338) | (118,929) | (60,929) |
| Net written premiums | 13,238,499 | 10,952,662 | 24,191,161 | 20,970,161 |
| Reinsurance premiums | (49,815) | (51,832) | (101,647) | (144,647) |
| Insurance, pension plan and capitalization bond retained premiums | 13,188,684 | 10,900,830 | 24,089,514 | 20,825,514 |

22) NON-CONTROLLING INTERESTS IN SUBSIDIARIES

| | 2013 | | R\$ thousand |
|-------------------------|----------------|----------------|-----------------|
| | June 30 | March 31 | 2012 June 30 |
| Banco Bradesco BBI S.A. | 129,036 | 125,600 | 120,690 |
| Other (1) | 452,966 | 479,002 | 466,205 |
| Total | 582,002 | 604,602 | 586,895 |

(1) Mainly related to the non-controlling interest in Odontoprev S.A.

23) SHAREHOLDERS' EQUITY (PARENT COMPANY)

a) Capital stock in number of shares

Fully subscribed and paid-in capital stock comprises non-par, registered, book-entry shares.

| | 2013 | | 2012 |
|---------------------------------|----------------------|----------------------|----------------------|
| | June 30 | March 31 | June 30 |
| Common shares | 2,103,637,129 | 2,103,637,129 | 1,912,397,390 |
| Preferred shares | 2,103,636,910 | 2,103,636,910 | 1,912,397,191 |
| Subtotal | 4,207,274,039 | 4,207,274,039 | 3,824,794,581 |
| Treasury (common shares) | (2,898,610) | (2,898,610) | (2,559,000) |
| Treasury (preferred shares) | (5,265,370) | (5,265,370) | (4,466,400) |
| Total outstanding shares | 4,199,110,059 | 4,199,110,059 | 3,817,769,181 |

b) Changes in capital stock in number of shares

| | Common | Preferred | Total |
|---|----------------------|----------------------|----------------------|
| Number of outstanding shares as of December 31, 2012 | 1,909,762,290 | 1,907,610,491 | 3,817,372,781 |
| Capital increase through share issue – 10% bonus ⁽¹⁾ | 191,239,739 | 191,239,719 | 382,479,458 |
| Increase in treasury shares – 10% bonus | (263,510) | (478,670) | (742,180) |
| Number of outstanding shares as of June 30, 2013 | 2,100,738,519 | 2,098,371,540 | 4,199,110,059 |

(1) Paid to shareholders of record as at March 25, 2013.

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The Special Shareholders' Meeting held on March 11, 2013 deliberated on the capital increase of R\$8,000,000 thousand, from R\$30,100,000 thousand to R\$38,100,000 thousand, through the capitalization of a portion of the "Profit Reserves – Statutory Reserve" account, in compliance with Article 169 of Law 6404/76, with a 10% stock bonus, through the issue of 382,479,458 new no-par registered, book-entry shares, of which 191,239,739 are common shares and 191,239,719 are preferred shares, paid free of charge to shareholders as bonus, at the proportion of one (1) new share for every ten (10) new shares of the same type they hold, benefiting Bradesco's shareholders of record as at March 25, 2013.

Simultaneously to the operation in the Brazilian Market and at the same proportion, the ADRs – American Depositary Receipts at the U.S. Market (NYSE) and GDRs – Global Depositary Receipts at the European Market (Latibex) were granted bonus, and shareholders received one (1) new DR for every ten (10) DRs they held as at March 28, 2013.

c) Interest on shareholders' equity/dividends

Preferred shares have no voting rights, but are entitled to all other rights and advantages given to common shares and, in compliance with Bradesco's Bylaws, have priority for repayment of capital and an additional ten percent (10%) interest on shareholders' equity and/or dividends, in accordance with the provisions of Paragraph 1, item II, of Article 17 of Law 6404/76, amended by Law 10303/01.

According to Bradesco's Bylaws, shareholders are entitled to interest on shareholders' equity and/or dividends amounting to at least 30% of the net income for the year, adjusted in accordance with Brazilian Corporate Law.

Interest on shareholders' equity is calculated based on the shareholders' equity limited to the variation in the Federal Government Long-Term Interest Rates (TJLP), subject to available profits before deductions, or transfer to retained earnings or profit reserves for the amounts equivalent or greater than twice its value.

Bradesco's capital remuneration policy aims to distribute interest on shareholders' equity at the maximum amount calculated under current legislation, and this is included, net of Withholding Income Tax, in the calculation for mandatory dividends for the year under the Company's Bylaws.

The Board of Directors' Meeting held on June 20, 2012 approved the Board of Executive Officers' proposal to pay Company's shareholders monthly interest on shareholders' equity, replacing monthly dividends. Shareholders now receive R\$0.018817992 (net of 15% withholding income tax - R\$0.015995293) per common share and R\$0.020699791 (net of 15% withholding income tax - R\$0.017594822) per preferred share, in effect from July 2012, to be paid as of August 1, 2012.

The Board of Directors' meeting held on June 27, 2012 approved the Board of Executive Officers' proposal to pay shareholders interim interest on shareholders' equity for the first half of 2012, for the amount of R\$754,300 thousand, at R\$0.188184678 (net of 15% withholding income tax - R\$0.159956976) per common share and R\$0.207003146 (net of 15% withholding income tax - R\$0.175952674) per preferred share, which was paid on July 18, 2012.

The Board of Directors' Meeting held on December 21, 2012 approved the Board of Executive Officers' proposal to pay shareholders supplementary interest on shareholders' equity for 2012, for the amount of R\$2,054,400 thousand, at R\$0.512557736 (net of 15% withholding income tax - R\$0.435674076) per common share and R\$0.563813510 (net of 15% withholding income tax - R\$0.479241484) per preferred share, which was paid on March 7, 2013.

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The Board of Directors' Meeting held on February 5, 2013 approved the Board of Executive Officers' proposal to pay shareholders supplementary interest on shareholders' equity for 2012, for the amount of R\$266,483 thousand, at R\$0.066485657 per common share and R\$0.073134223 per preferred share, which was paid on March 7, 2013.

The Board of Directors' Meeting held on March 11, 2013 approved the Board of Executive Officers' proposal to maintain the monthly interest on shareholders' equity at R\$0.018817992 (net of 15% withholding income tax - R\$0.015995293) per common share and R\$0.020699791 (net of 15% withholding income tax - R\$0.017594822) per preferred share, as of the payment of interest on shareholders' equity for April 2013, to be made on May 2, 2013. The amounts monthly paid to shareholders increased by 10% after the inclusion of new shares in shareholders' positions.

The Board of Directors' Meeting held on June 27, 2013 approved the Board of Executive Officers' proposal to pay shareholders interim interest on shareholders' equity for the first half of 2013, for the amount of R\$830,000 thousand, at R\$0.188253558 (net of 15% withholding income tax - R\$0.160015524) per common share and R\$0.207078914 (net of 15% withholding income tax - R\$0.176017077) per preferred share, which was paid on July 18, 2013.

Interest on shareholders' equity and dividends for the first half of 2013 is calculated as follows:

| | R\$ thousand | % |
|--|-------------------|---|
| Net income for the half-year | 5,867,838 | |
| (-) Legal reserve | (293,392) | |
| Adjusted calculation basis | 5,574,446 | |
| Monthly, interim and supplementary interest on shareholders' equity (gross), paid and/or provisioned | 2,065,824 | |
| Withholding income tax on interest on shareholders' equity | (309,874) | |
| Interest on shareholders' equity (net) in the first half of 2013 | 1,755,9503 | |
| Interest on shareholders' equity (net) and dividends in the first half of 2012 | 1,683,4333 | |

(1) Percentage of interest on shareholders' equity/dividends after adjustments.

Interest on shareholders' equity and dividends were paid or recorded in provisions, as follows:

| Description | Per share (gross) | | Gross amount paid / recorded in provision | Withholding Income Tax (IRRF) (15%) | R\$ thousand |
|--|-------------------|------------------|---|-------------------------------------|---|
| | Common shares | Preferred shares | | | Net amount paid / recorded in provision |
| Supplementary interest on shareholders' equity paid | 0.197765 | 0.217542 | 794,200 | 119,130 | 675,070 |
| Interim interest on shareholders' equity paid | 0.188185 | 0.207003 | 754,300 | 113,145 | 641,155 |
| Monthly dividends paid | 0.091610 | 0.100770 | 367,208 | - | 367,208 |
| Total in the first half of 2012 | 0.477560 | 0.525315 | 1,915,708 | 232,275 | 1,683,433 |
| Monthly interest on shareholders' equity paid | 0.056454 | 0.062099 | 226,271 | 33,941 | 192,330 |
| Interim interest on shareholders' equity paid (1) (2) | 0.094127 | 0.103539 | 415,000 | 62,250 | 352,750 |
| Supplementary interest on shareholders' equity provisioned (1) | 0.087647 | 0.096412 | 386,431 | 57,964 | 328,467 |
| Total in the first quarter of 2013 | 0.238228 | 0.262050 | 1,027,702 | 154,155 | 873,547 |
| Monthly interest on shareholders' equity paid (1) | 0.056454 | 0.062099 | 248,896 | 37,334 | 211,562 |
| Interim interest on shareholders' equity paid (1) (2) | 0.094127 | 0.103539 | 415,000 | 62,250 | 352,750 |
| Supplementary interest on shareholders' equity provisioned (1) | 0.084879 | 0.093367 | 374,226 | 56,135 | 318,091 |
| Total in the second quarter of 2013 | 0.235460 | 0.259005 | 1,038,122 | 155,719 | 882,403 |
| Monthly interest on shareholders' equity paid (1) | 0.112908 | 0.124198 | 475,167 | 71,275 | 403,892 |
| Interim interest on shareholders' equity paid (1) (2) | 0.188254 | 0.207078 | 830,000 | 124,500 | 705,500 |
| Supplementary interest on shareholders' equity provisioned (1) | 0.172526 | 0.189779 | 760,657 | 114,099 | 646,558 |
| Total in the first half of 2013 | 0.473688 | 0.521055 | 2,065,824 | 309,874 | 1,755,950 |

(1) Including the 10% stock bonus in March 2013; and

(2) Paid on July 18, 2013.

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d) Treasury shares

The Board of Directors' meeting held on December 21, 2011 resolved to renew the term for the share buyback, based on the previous conditions. It was valid up to June 23, 2012. The Board of Directors' meeting held on June 21, 2012 resolved to renew the term for the share buyback, based on the previous conditions. It was valid up to December 25, 2012. The Board of Directors' Meeting held on December 20, 2012 resolved to renew the term for the share buyback, based on the previous conditions. It was valid up to June 26, 2013. The Board of Directors' Meeting held on June 25, 2013 resolved to renew the term for the share buyback, based on the previous conditions. It is valid until June 26, 2014.

A total of 2,898,610 common shares and 5,265,370 preferred shares had been acquired, totaling R\$197,301 thousand up to June 30, 2013, and remain in treasury. The minimum, average and maximum cost per common share is R\$23.62221, R\$25.41203 and R\$27.14350, respectively, and R\$26.20576, R\$27.22915 and R\$33.12855 per preferred share, respectively. The market value was R\$30.60 per common share and R\$28.80 per preferred share on June 30, 2013.

24) FEE AND COMMISSION INCOME

| | 2013 | | | R\$ thousand |
|--|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2nd Quarter | 1st Quarter | 1st Half | 2012 |
| | | | | 1st Half |
| Credit card income | 1,652,411 | 1,595,658 | 3,248,069 | 2,717,745 |
| Checking account | 888,694 | 833,310 | 1,722,004 | 1,552,915 |
| Asset management | 580,827 | 550,408 | 1,131,235 | 1,060,740 |
| Loans | 573,733 | 518,580 | 1,092,313 | 1,031,780 |
| Collections | 366,833 | 343,647 | 710,480 | 635,802 |
| Consortium management | 176,583 | 167,232 | 343,815 | 293,190 |
| Custody and brokerage services | 136,022 | 124,189 | 260,211 | 236,335 |
| Underwriting / financial advisory services | 224,995 | 120,876 | 345,871 | 224,268 |
| Payments | 87,033 | 78,789 | 165,822 | 157,993 |
| Other | 199,272 | 175,526 | 374,798 | 258,601 |
| Total | 4,886,403 | 4,508,215 | 9,394,618 | 8,169,369 |

25) PAYROLL AND RELATED BENEFITS

R\$ thousand

| | 2013 | | 2012 | |
|----------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Half |
| Payroll | 1,476,967 | 1,435,716 | 2,912,683 | 2,755,509 |
| Benefits | 654,054 | 657,366 | 1,311,420 | 1,202,444 |
| Social security charges | 561,888 | 529,810 | 1,091,698 | 1,044,464 |
| Employee profit sharing | 261,859 | 259,876 | 521,735 | 529,825 |
| Provision for labor claims | 210,211 | 163,705 | 373,916 | 330,693 |
| Training | 26,073 | 12,989 | 39,062 | 62,599 |
| Total | 3,191,052 | 3,059,462 | 6,250,514 | 5,925,534 |

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26) OTHER ADMINISTRATIVE EXPENSES

| | R\$ thousand | | | |
|-------------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2013 | | 2012 | |
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Half |
| Outsourced services | 873,488 | 828,291 | 1,701,779 | 1,664,698 |
| Communication | 402,904 | 392,545 | 795,449 | 824,735 |
| Depreciation and amortization | 432,009 | 411,925 | 843,934 | 800,450 |
| Data processing | 315,817 | 299,394 | 615,211 | 530,148 |
| Advertising and marketing | 169,129 | 160,989 | 330,118 | 314,701 |
| Transport | 205,298 | 198,807 | 404,105 | 427,026 |
| Rental | 203,295 | 205,283 | 408,578 | 378,217 |
| Asset maintenance | 162,396 | 153,184 | 315,580 | 290,757 |
| Financial system services | 188,826 | 179,224 | 368,050 | 326,341 |
| Supplies | 76,327 | 69,285 | 145,612 | 168,458 |
| Security and surveillance | 123,850 | 115,541 | 239,391 | 205,012 |
| Water, electricity and gas | 54,298 | 65,051 | 119,349 | 130,411 |
| Travel | 33,571 | 27,407 | 60,978 | 66,492 |
| Other | 288,354 | 261,555 | 549,909 | 484,921 |
| Total | 3,529,562 | 3,368,481 | 6,898,043 | 6,612,367 |

27) TAX EXPENSES

| | R\$ thousand | | | |
|---|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2013 | | 2012 | |
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Half |
| Contribution for Social Security Financing (Cofins) | 535,418 | 803,023 | 1,338,441 | 1,272,605 |
| Social Integration Program (PIS) contribution | 92,199 | 134,545 | 226,744 | 214,989 |
| Tax on Services (ISS) | 137,352 | 122,814 | 260,166 | 224,888 |
| Municipal Real Estate Tax (IPTU) expenses | 11,425 | 21,011 | 32,436 | 29,957 |
| Other | 52,118 | 58,581 | 110,699 | 193,233 |
| Total | 828,512 | 1,139,974 | 1,968,486 | 1,935,672 |

28) OTHER OPERATING INCOME

| | | | | R\$ thousand |
|--|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2013 | | | 2012 |
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Half |
| Other interest income | 372,092 | 343,525 | 715,617 | 832,814 |
| Reversal of other operating provisions | 193,096 | 198,716 | 391,812 | 196,754 |
| Gains on sale of goods | 22,243 | 19,172 | 41,415 | 33,375 |
| Revenues from recovery of charges and expenses | 23,767 | 21,783 | 45,550 | 123,505 |
| Other | 251,307 | 280,185 | 531,492 | 466,508 |
| Total | 862,505 | 863,381 | 1,725,886 | 1,652,956 |

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29) OTHER OPERATING EXPENSES

| | R\$ thousand | | | |
|------------------------------------|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2013 | | 2012 | |
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Half |
| Other finance costs | 1,108,520 | 1,017,722 | 2,126,242 | 1,862,110 |
| Sundry losses | 432,208 | 371,684 | 803,892 | 743,134 |
| Commissions on loans and financing | 352,793 | 299,110 | 651,903 | 457,464 |
| Discount granted | 270,639 | 230,158 | 500,797 | 499,398 |
| Intangible assets amortization | 209,369 | 244,656 | 454,025 | 395,371 |
| Goodwill amortization (Note 15a) | 65,221 | 67,358 | 132,579 | 132,730 |
| Other | 232,388 | 430,557 | 662,945 | 669,805 |
| Total | 2,671,138 | 2,661,245 | 5,332,383 | 4,760,012 |

30) NON-OPERATING INCOME (LOSS)

| | R\$ thousand | | | |
|---|-------------------------------|-------------------------------|----------------------------|----------------------------|
| | 2013 | | 2012 | |
| | 2nd Quarter | 1st Quarter | 1st Half | 1st Half |
| Gain/loss on sale and write-off of assets and investments (1) | 113,637 | (45,330) | 68,307 | (67,441) |
| Recording/reversal of non-operating provisions | (49,723) | (31,886) | (81,609) | (70,584) |
| Others | 12,703 | 18,732 | 31,435 | 25,789 |
| Total | 76,617 | (58,484) | 18,133 | (112,236) |

(1) Includes: (i) gain/loss on sale of BM&FBovespa shares in the second quarter of 2013, amounting to R\$148,397 thousand; and

(ii) gain/loss on sale of CETIP shares in the first half of 2012, amounting to R\$29,205 thousand.

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31) RELATED-PARTY TRANSACTIONS (DIRECT AND INDIRECT)

a) Related party transactions (direct and indirect) are carried out under conditions and at rates consistent with those entered into with third parties, when applicable, and effective on the dates of the operations. The transactions are as follows:

| | 2013 | | 2012 |
|--|----------------------|----------------------|----------------------|
| | June 30 | March 31 | June 30 |
| | Assets | Assets | Assets |
| | (liabilities) | (liabilities) | (liabilities) |
| Interest on shareholders' equity and dividends: | (512,566) | (292,469) | (400,000) |
| Cidade de Deus Companhia Comercial de Participações | (377,504) | (215,403) | (300,000) |
| Fundação Bradesco | (135,062) | (77,066) | (100,000) |
| Demand deposits/Savings accounts: | (17,687) | (22,184) | (10,000) |
| Fundação Bradesco | - | - | - |
| BBD Participações S.A. | (4) | (9) | - |
| Nova Cidade de Deus Participações S.A. | (1) | (7) | - |
| Cidade de Deus Companhia Comercial de Participações | (10) | (8) | - |
| Key Management Personnel | (17,672) | (22,160) | - |
| Time deposits: | (125,632) | (172,106) | (100,000) |
| Cidade de Deus Companhia Comercial de Participações | (34,522) | (42,124) | - |
| Key Management Personnel | (91,110) | (129,982) | - |
| Federal funds purchased and securities sold under agreements to repurchase: | (839,669) | (230,091) | (200,000) |
| Cidade de Deus Companhia Comercial de Participações | (555,251) | - | - |
| BBD Participações S.A. | (68,762) | (4,404) | - |
| Key Management Personnel | (215,656) | (225,687) | - |
| Funds from issuance of securities: | (559,731) | (565,432) | (300,000) |
| Key Management Personnel | (559,731) | (565,432) | - |
| Rental of branches: | - | - | - |
| Fundação Bradesco | - | - | - |
| Subordinated debts: | (722) | (709) | (100,000) |
| Fundação Bradesco | (722) | (709) | - |
| Cidade de Deus Companhia Comercial de Participações | - | - | - |

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b) Compensation for key Management personnel

Each year, the Annual Shareholders' Meeting approves:

- The annual overall amount of management compensation, set forth at the Board of Directors Meetings, to be paid to board members and members of the Board of Executive Officers, as determined by the Company's Bylaws, and
- The amount allocated to finance Management pension plans, within the Employee and Management pension plan of the Bradesco Organization.

For 2013, the maximum amount of R\$329,600 thousand was set for Management compensation and R\$325,600 thousand to finance defined contribution pension plans.

The current policy on Management compensation sets forth that 50% of net variable compensation, if any, must be allocated to the acquisition of preferred shares of Banco Bradesco S.A., which must be traded in three equal, annual and successive installments, the first of which maturing in the year following the payment date. This procedure complies with CMN Resolution 3921/10, that sets forth a management compensation policy for financial institutions

Short-term Management benefits

| | 2013 | | R\$ thousand 2012 | |
|--------------------|-------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half |
| Salaries | 81,425 | 82,151 | 163,576 | 173,026 |
| INSS contributions | 18,290 | 18,455 | 36,745 | 38,830 |
| Total | 99,715 | 100,606 | 200,321 | 211,856 |

Post-employment benefits

| | | 2013 | | R\$ thousand 2012 | |
|--|-------------------------|-------------------------|----------------------|----------------------|--|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half | |
| Defined contribution supplementary pension plans | 80,364 | 81,750 | 162,114 | 138,135 | |
| Total | 80,364 | 81,750 | 162,114 | 138,135 | |

Bradesco does not offer long-term benefits related to severance pay or share-based compensation, pursuant to CPC 10 – Share-Based Payment, approved by CMN Resolution 3989/11, to its key Management personnel.

Other information**l) Under current law, financial institutions are not allowed to grant loans or advances to:**

- a) Officers and members of the advisory, administrative, fiscal or similar councils, as well as to their respective spouses and family members up to the second degree;
- b) Individuals or corporations that own more than 10% of their capital; and
- c) Corporations of which the financial institution itself, any officers or administrators of the institution, as well as their spouses and respective family members up to the second degree own more than 10%.

Therefore, no loans or advances are granted by financial institutions to any subsidiary, members of the Board of Directors or Board of Executive Officers and their relatives.

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II) Shareholding

Together, Members of the Board of Directors and Board of Executive Officers had the following shareholding in Bradesco:

| | 2013 | | 2012 |
|------------------|----------------|-----------------|----------------|
| | June 30 | March 31 | June 30 |
| Common shares | 0.73% | 0.73% | 0.74% |
| Preferred shares | 1.01% | 1.00% | 0.99% |
| Total shares (1) | 0.87% | 0.86% | 0.86% |

(1) On June 30, 2013, direct and indirect shareholding of the members of Bradesco's Board of Directors and Board of Executive Officers amounted to 3.15% of common shares, 1.05% of preferred shares and 2.10% of all shares.

32) FINANCIAL INSTRUMENTS

a) Risk management

Risk management is highly strategic due to the increasing complexity of services and products and the globalization of the Organization's business. The dynamic markets lead Bradesco to an ongoing improvement of this activity in the pursuit of best practices. For that reason, Bradesco was authorized by Bacen to use its internal market risk models, which were already in force, to calculate regulatory capital as of January 2013.

The Organization controls risk management in an integrated and independent manner, preserving and valuing the Board's decisions, developing and implementing methodologies, models, and measurement and control tools. It also provides training to employees from all Organization levels, from the business areas to the Board of Directors.

The management process allows the risks to be proactively identified, measured, mitigated, monitored and reported, which is necessary in view of the Organization's complex financial products and activity profile.

Credit risk management

Credit risk refers to the possibility of losses associated to the non-compliance by the borrower or counterparty for their respective financial obligations under agreed terms, as well as to the reduction of the value of a loan agreement resulting from a deterioration of the borrower's risk rating, reduced earnings or remuneration, the advantages in renegotiation, recovery costs and other values related to the counterparty's non-compliance with its financial obligations.

Credit risk management in the Organization is a continuous and evolving process of mapping, development, assessment and diagnosis through the use of models, instruments and procedures that require a high degree of discipline and control during the analysis of operations to preserve the integrity and autonomy of the processes.

The Organization carefully controls its exposure to credit risk, which mainly results from loans, securities and derivative financial instruments. Credit risk also stems from financial obligations related to loan commitments or financial guarantees.

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Market risk management

Market risk is represented by the possibility of financial losses due to fluctuating prices and interest rates of the Organization's financial assets as its asset and liability operations may have mismatched maturities, currencies and indexes.

Market risk is carefully identified, measured, mitigated, controlled and reported. The Organization has a conservative exposure profile to market risk, with the guidelines and limits monitored independently on a daily basis.

Market risk is controlled for all of the Organization's companies in a corporate and centralized manner. All operations exposing the Organization to market risk are mapped, measured and classified by probability and importance, and the whole process is approved by the corporate governance structure.

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Below is the statement of financial position by currency

| | 2013 | | |
|--|--------------------|--------------------|--------------------|
| | June 30 | | |
| | Balance | Local | Foreign (1) (2) |
| Assets | | | |
| Current and long-term assets | 881,121,203 | 823,936,727 | 57,184, |
| Funds available | 16,179,775 | 11,618,132 | 4,561, |
| Interbank investments | 147,484,659 | 146,065,667 | 1,418, |
| Securities and derivative financial instruments | 309,026,974 | 296,821,317 | 12,205, |
| Interbank and interdepartmental accounts | 52,149,319 | 52,149,319 | |
| Loans and leasing | 261,401,522 | 233,407,343 | 27,994, |
| Other receivables and assets | 94,878,954 | 83,874,949 | 11,004, |
| Permanent assets | 15,576,165 | 15,534,200 | 41, |
| Investments | 1,920,417 | 1,920,065 | |
| Premises and equipment and leased assets | 4,464,008 | 4,448,759 | 15, |
| Intangible assets | 9,191,740 | 9,165,376 | 26, |
| Total | 896,697,368 | 839,470,927 | 57,226, |
| Liabilities | | | |
| Current and long-term liabilities | 829,426,779 | 762,649,081 | 66,777, |
| Deposits | 208,485,525 | 184,607,054 | 23,878, |
| Federal funds purchased and securities sold under agreements to repurchase | 266,825,120 | 262,430,606 | 4,394, |
| Funds from issuance of securities | 53,820,610 | 41,700,025 | 12,120, |
| Interbank and interdepartmental accounts | 3,792,532 | 2,088,134 | 1,704, |
| Borrowing and onlending | 49,121,019 | 37,651,107 | 11,469, |
| Derivative financial instruments | 3,140,573 | 2,898,412 | 242, |
| Technical reserve for insurance, pension plans and capitalization bonds | 131,818,863 | 131,817,731 | 1, |
| Other liabilities: | | | |
| - Subordinated debt | 36,222,106 | 26,673,698 | 9,548, |
| - Other | 76,200,431 | 72,782,314 | 3,418, |
| Deferred income | 661,074 | 661,074 | |
| Non-controlling interests in subsidiaries | 582,002 | 582,002 | |
| Shareholders' equity | 66,027,513 | 66,027,513 | |
| Total | 896,697,368 | 829,919,670 | 66,777, |
| Net position of assets and liabilities | | | (9,551,2 |
| Net position of derivatives (2) | | | (9,525,8 |
| Other net memorandum accounts (3) | | | 85, |
| Net exchange position (liability) | | | (18,991,5 |

- (1) Amounts originally recorded and/or indexed mainly in USD;
- (2) Excluding operations maturing in D+1, to be settled at the rate on the last day of the month; and
- (3) Other commitments recorded in memorandum accounts.

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VaR Internal Model - Trading Portfolio

From this quarter on, we will also show the 1-day VaR, excluding liquidity risk adjustment of positions and net of tax.

| Risk factors | 2013 | | R\$ thousand |
|------------------------------------|----------------|-----------------|-------------------------|
| | June 30 | March 31 | 2012 June 30 |
| Fixed rates | 202,022 | 88,234 | 42,649 |
| Exchange coupon | 13,752 | 7,000 | 11,851 |
| Foreign currency | 573 | 1,346 | 19,695 |
| IGP-M/IPCA | 97,424 | 95,047 | 40,587 |
| Equities | 6,425 | 5,461 | 8,677 |
| Sovereign/Eurobonds and Treasuries | 16,668 | 14,738 | 11,795 |
| Other | 1,009 | 1,412 | 5,742 |
| Correlation/diversification effect | (176,289) | (59,333) | (43,633) |
| VaR (Value at Risk) | 161,584 | 153,905 | 97,363 |

Amounts net of tax.

The VaR adjusted by the market liquidity risk, which includes the period necessary to exclude existing positions (holding period), is shown in the table below:

| Risk factors | 2013 | | R\$ thousand |
|------------------------------------|----------------|-----------------|-------------------------|
| | June 30 | March 31 | 2012 June 30 |
| Fixed rates | 659,820 | 349,574 | 120,806 |
| Exchange coupon | 22,920 | 11,666 | 19,751 |
| Foreign currency | 955 | 2,243 | 32,825 |
| IGP-M/IPCA | 296,798 | 394,024 | 101,845 |
| Equities | 11,839 | 18,909 | 24,247 |
| Sovereign/Eurobonds and Treasuries | 50,604 | 41,834 | 18,836 |
| Other | 1,681 | 2,353 | 9,576 |
| Correlation/diversification effect | (536,609) | (182,379) | (81,852) |
| VaR (Value at Risk) | 508,008 | 638,224 | 246,034 |

Amounts gross of tax.

Sensitivity analysis

The Trading Portfolio is also monitored daily by sensitivity analyses that measure the effect of movements of market and price curves on our positions. Furthermore, a sensitivity analysis of the Organization's financial exposures (Trading and Banking Portfolio) is performed on a quarterly basis, in compliance with CVM Rule 475/08.

Note that the impact of the financial exposure on the Banking Portfolio (notably interest rates and price indexes) do not necessarily represent a potential accounting loss for the Organization because a portion of loans held in the Banking Portfolio are financed by demand and/or savings deposits, which are "natural hedges" for future variations in interest rates, moreover, interest rate variations do not represent a material impact on the Institution's result, as Loans are held to maturity. Also, due to our strong presence in the insurance and pension plan market, most of the assets are adjusted for price indexes, linked to the corresponding technical reserves.

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Sensitivity Analysis - Trading and Banking Portfolios

| | | Trading and Banking portfolios (1) | | | | | | | |
|------------------------|--|------------------------------------|-------------|-------------|----------|-------------|-------------|----------|---------|
| | | June 30 | | | 2013 | | | March 31 | |
| | | 1 | 2 | 3 | 1 | 2 | 3 | 1 | |
| Interest rate in Reais | Exposure subject to variations in fixed interest rates and interest rate coupons | (12,145) | (3,485,901) | (6,717,621) | (17,407) | (3,545,969) | (6,895,059) | (8,822) | (1,830) |
| Price indexes | Exposure subject to variations in price index coupon rates | (19,747) | (2,364,773) | (4,371,129) | (18,876) | (1,819,418) | (3,375,792) | (12,238) | (1,200) |
| Exchange coupon | Exposure subject to variations in foreign currency coupon rates | (818) | (92,321) | (172,375) | (826) | (75,742) | (142,887) | (1,030) | (900) |
| Foreign currency | Exposure subject to exchange variations | (7,138) | (165,505) | (311,594) | (1,143) | (19,163) | (40,581) | (5,378) | (130) |
| Equities | Exposure subject to variation in stock prices | (20,290) | (506,537) | (1,012,880) | (19,192) | (477,562) | (954,884) | (15,493) | (380) |

| | | | | | | | | | |
|--|--|-----------------|--------------------|---------------------|-----------------|--------------------|---------------------|-----------------|----------------|
| | Exposure subject to variations in the interest rate of securities traded on the international market | | | | | | | | |
| Sovereign/ Eurobonds and Treasuries | | (1,243) | (72,262) | (140,443) | (1,344) | (51,212) | (100,660) | (4,950) | (12,000) |
| Other | Exposure not classified in previous definitions | (164) | (4,152) | (8,305) | (58) | (1,450) | (2,899) | (99) | |
| Total excluding correlation of risk factors | | (61,545) | (6,691,451) | (12,734,347) | (58,846) | (5,990,516) | (11,512,762) | (48,010) | (3,800) |
| Total including correlation of risk factors | | (41,020) | (5,625,938) | (10,706,105) | (38,709) | (4,887,562) | (9,378,843) | (28,009) | (3,000) |

(1) Amounts net of tax.

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The sensitivity analysis of the Trading Portfolio, which represents exposures that may have a material impact on the Organization's results, is presented below. Note that results show the impact for each scenario on a static portfolio position. The market dynamism results in continuous changes in these positions and does not necessarily reflect the current position. Moreover, as previously mentioned, the Organization has an ongoing process of market risk management, which constantly looks for market dynamism to mitigate related risks according to the strategy determined by Senior Management. Therefore, in cases of deterioration indicators in a certain position, proactive measures are taken to minimize any potential negative impact, aimed at maximizing the risk/return ratio for the Organization.

Sensitivity Analysis - Trading Portfolio

| | | Trading portfolio (1) | | | | | | 20 | |
|---------------------------|--|-----------------------|-------------|-------------|----------|-------------|-------------|---------|-------|
| | | 2013 | | | 2013 | | | Jun | |
| | | June 30 | | | March 31 | | | 2 | |
| | | 1 | 2 | 3 | 1 | 2 | 3 | 1 | |
| Interest rate in Reais | Exposure subject to variations in fixed interest rates and interest rate coupons | (5,111) | (1,244,357) | (2,426,654) | (5,440) | (1,052,299) | (2,065,253) | (1,786) | (366, |
| Price indexes | Exposure subject to variations in price index coupon rates | (2,856) | (331,650) | (590,663) | (7,339) | (706,289) | (1,351,585) | (1,870) | (186, |
| Exchange coupon | Exposure subject to variations in foreign currency coupon rates | (784) | (90,108) | (167,965) | (831) | (74,728) | (141,002) | (939) | (88, |
| Foreign currency Equities | Exposure subject to exchange variations | (823) | (22,802) | (45,875) | (1,326) | (32,834) | (65,648) | (9,745) | (243, |
| | | (1,894) | (46,631) | (93,068) | (1,949) | (46,893) | (93,591) | (2,137) | (53, |

| | | | | | | | | | |
|--|---|-----------------|--------------------|--------------------|-----------------|--------------------|--------------------|-----------------|----------------|
| | Exposure subject to variation in stock prices | | | | | | | | |
| | Exposure subject to variations in the interest rate of securities traded on the international market | (954) | (56,064) | (108,720) | (1,316) | (47,571) | (92,786) | (4,427) | (114, |
| Sovereign/ Eurobonds and Treasuries | Exposure not classified in previous definitions | (197) | (4,967) | (9,934) | (45) | (1,142) | (2,284) | (89) | (2, |
| Other | | | | | | | | | |
| Total excluding correlation of risk factors | | (12,619) | (1,796,579) | (3,442,879) | (18,246) | (1,961,756) | (3,812,149) | (20,993) | (1,055, |
| Total including correlation of risk factors | | (4,187) | (1,113,743) | (2,180,501) | (11,528) | (1,513,203) | (2,935,318) | (11,711) | (660, |

(1) Amounts net of tax.

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Sensitivity analyses were carried out based on scenarios prepared for the respective dates, always considering market data at the time and scenarios that would adversely affect our positions, according to the examples below:

Scenario 1: Based on market information (BM&FBOVESPA, Anbima, etc.), stresses were applied for 1 basis point on the interest rate and 1% variation on prices. For example, in the scenario applied to positions on June 28, 2013, the Real/Dollar exchange rate was R\$2.25. The rate applied on the positions on June 28, 2013 was 9.42% p.a. for the 1-year fixed interest rate scenario,

Scenario 2: 25% stresses were determined based on market information. For instance, in the scenario applied to positions on June 28, 2013, the Real/Dollar exchange rate was R\$2.79. For the interest rate scenario, the 1-year fixed interest rate applied to positions on June 28, 2013 was 11.76% p.a. Scenarios for other risk factors also represented a 25% stress on the respective curves or prices, and

Scenario 3: 50% stresses were determined based on market information. For instance, in the scenario applied to positions on June 28, 2013, the Real/Dollar exchange rate was R\$3.34. For the interest rate scenario, the 1-year fixed interest rate applied to positions on June 28, 2013 was 14.12% p.a. Scenarios for other risk factors also represented a 50% stress on the respective curves or prices.

Liquidity Risk

Liquidity Risk is represented by the possibility of the institution not being able to efficiently meet its obligations, without affecting its daily operations and incurring significant losses, as well as the possibility of the institution not being able to trade a position at market price due to its high amount when compared to the usually traded volume or due to some market discontinuation.

One of the objectives of the Organization's Policy on Market and Liquidity Risk Management, approved by the Board of Directors, is to lay down the rules, criteria and procedures that guarantee the establishment of the Minimum Liquidity Reserve (RML) for the Organization, as well as the strategy and action plans for liquidity crisis situations. As part of the criteria and procedures approved, the Organization also establishes a minimum liquidity reserve to be recorded daily and the types of assets eligible for making up the resources available. Moreover, instruments for managing liquidity in a normal scenario and in a crisis scenario and the strategies to be implemented in each case are established.

The liquidity risk is managed in a corporate and centralized manner, by daily monitoring of the composition of available resources, compliance with the minimum level of liquidity and contingency plans for stress situations.

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The statement of financial position by maturity is as follows

| | 1 to 30 days | 31 to 180 days | 181 to da |
|--|--------------------|--------------------|-------------------|
| Assets | | | |
| Current and long-term assets | 509,942,530 | 91,894,427 | 48,406,379 |
| Funds available | 16,179,775 | - | - |
| Interbank investments (2) | 134,237,752 | 11,128,838 | 1,028,838 |
| Securities and derivative financial instruments (1) (2) | 239,551,032 | 3,529,739 | 2,899,702 |
| Interbank and interdepartmental accounts | 51,580,303 | - | - |
| Loan and leasing | 29,217,614 | 61,922,696 | 37,693,793 |
| Other receivables and assets | 39,176,054 | 15,313,154 | 6,780,000 |
| Permanent assets | 532,576 | 1,100,348 | 1,330,000 |
| Investments | - | - | - |
| Premises and equipment | 58,263 | 291,325 | 34,412 |
| Intangible assets | 474,313 | 809,023 | 98,588 |
| Total on June 30, 2013 | 510,475,106 | 92,994,775 | 49,738,111 |
| Total on March 31, 2013 | 510,799,184 | 101,274,805 | 55,590,000 |
| Total on June 30, 2012 | 484,367,299 | 92,394,486 | 53,520,000 |
| Liabilities | | | |
| Current and long-term liabilities | 483,068,285 | 79,065,257 | 48,063,000 |
| Deposits (3) | 123,031,147 | 15,610,811 | 10,630,000 |
| Federal funds purchased and securities sold under agreements to repurchase (2) | 201,698,323 | 36,649,541 | 10,610,000 |
| Funds from issuance of securities | 2,456,190 | 11,178,066 | 11,200,000 |
| Interbank and interdepartmental accounts | 3,792,532 | - | - |
| Borrowing and onlending | 3,679,387 | 9,031,826 | 9,040,000 |
| Derivative financial instruments | 1,676,017 | 489,657 | 20,000 |
| Technical reserves for insurance, pension plans and capitalization bonds (3) | 102,118,422 | 3,097,161 | 1,300,000 |
| Other liabilities: | | | |
| - Subordinated debts | 554,487 | 737 | 1,750,000 |
| - Other | 44,061,780 | 3,007,458 | 3,300,000 |
| Deferred income | 661,074 | - | - |
| Non-controlling interests in subsidiaries | - | - | - |
| Shareholders' equity | - | - | - |
| Total on June 30, 2013 | 483,729,359 | 79,065,257 | 48,063,000 |
| Total on March 31, 2013 | 477,082,938 | 91,275,038 | 45,400,000 |
| Total on June 30, 2012 | 414,354,804 | 69,393,150 | 51,920,000 |

| | | | |
|---|-------------------|-------------------|--------------|
| Net assets on June 30, 2013 YTD | 26,745,747 | 40,675,265 | 42,33 |
| Net assets on March 31, 2013 YTD | 33,716,246 | 43,716,013 | 53,90 |
| Net assets on June 30, 2012 YTD | 70,012,495 | 93,013,831 | 94,61 |

- (1) Investments in investment funds are classified as 1 to 30 days;
- (2) Repurchase agreements are classified according to the maturity of the transactions; and
- (3) Demand and savings deposits and technical reserves for insurance, pension plans and capitalization bonds comprising VGBL and PGBL products are classified as 1 to 30 days, without considering average historical turnover.

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Operational Risk

Operational risk is represented by losses from internal processes, personnel and inadequate systems or failures and external events. This definition includes legal risk, but excludes Strategy and Reputation Risk.

Operational risk management is essential to generate added value. Risk is controlled centrally through identification, measurement, mitigation plans and monitoring, on a consolidated basis and for each of the Organization's companies.

Among plans to mitigate operational risk, the most important is business continuity management, which consists of formal plans to be adopted during moments of crisis to guarantee the recovery and continuation of business as well as preventing loss.

Capital Management

The capital management process is performed to provide the conditions necessary to meet the Organization's strategic objectives, considering the economic and commercial environment in which it operates. This process is compatible with the nature of operations, complexity of service and products and extent of the Organization's exposure to risks.

Under Bacen regulations, financial institutions are required to permanently maintain capital (Reference Shareholders' Equity) consistent with the risks of their activities, represented by Required Reference Shareholders' Equity (PRE). The PRE calculation considers, at least, the sum of credit risk, market risk and operating risk.

Adjusting to Reference Shareholders' Equity is done daily and aims to ensure that the Organization has a solid capital base to support development of activities and cope with risk, either in normal or in extreme market conditions, as well as meeting capital regulatory requirements.

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Below is the Capital Adequacy Ratio:

| Calculation basis - Capital Adequacy Ratio | 2013 | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| | June 30 | | March 31 | |
| | Financial | Economic-financial | Financial | Economic-financial |
| Shareholders' equity | 66,027,513 | 66,027,513 | 69,442,098 | 69,442,098 |
| Reduction of deferred assets - CMN Resolution 3444/07 | (108,124) | (205,192) | (112,918) | (206,332) |
| Decrease in gains/losses of mark-to-market adjustments in available for sale and derivatives - CMN Resolution 3444/07 | 3,593,253 | 3,593,253 | (1,731,929) | (1,731,929) |
| Non-controlling interests/other | 189,226 | 582,002 | 185,778 | 604,602 |
| Reference shareholders' equity - Tier I | 69,701,868 | 69,997,576 | 67,783,029 | 68,108,439 |
| Total of gains/losses of adjustments to market value in available for sale and derivatives - CMN Resolution 3444/07 | (3,593,253) | (3,593,253) | 1,731,929 | 1,731,929 |
| Subordinated debt/other | 26,354,543 | 26,354,543 | 27,008,547 | 27,008,547 |
| Reference shareholders' equity - Tier II | 22,761,290 | 22,761,290 | 28,740,476 | 28,740,476 |
| Total reference shareholders' equity (Tier I + Tier II) | 92,463,158 | 92,758,866 | 96,523,505 | 96,848,915 |
| Deduction of instruments for funding - CMN Resolution 3444/07 | (129,858) | (129,858) | (128,887) | (128,887) |
| Reference shareholders' equity (a) | 92,333,300 | 92,629,008 | 96,394,618 | 96,720,028 |
| Capital allocation (by risk) | | | | |
| - Credit risk | 53,435,935 | 52,713,838 | 55,043,902 | 54,343,075 |
| - Market risk | 10,321,359 | 10,321,359 | 10,617,396 | 10,617,396 |
| - Operational risk | 2,397,142 | 3,354,289 | 2,397,142 | 3,354,289 |
| Required reference shareholders' equity (b) | 66,154,436 | 66,389,485 | 68,058,440 | 68,314,760 |
| Margin (a-b) | 26,178,864 | 26,239,523 | 28,336,178 | 28,405,268 |
| Risk-weighted assets (c) | 601,403,964 | 603,540,777 | 618,713,096 | 621,043,272 |
| Capital adequacy ratio (a/c) | 15.4% | 15.4% | 15.6% | 15.6% |

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b) Market value

The book value, net of loss provisions on the main financial instruments is shown below:

| Portfolio | Book value | Market value | Unrealized gain/(loss) without In income statement | | |
|--|---------------|-----------------|---|-------------------|-------------------|
| | | | 2013 | | 2012 |
| | | | June 30 | June 30 | March 31 |
| Securities and derivative financial instruments (Notes 3e, 3f and 8) | 309,026,974 | 310,861,713 | (1,334,762) | 8,121,992 | 8,140,573 |
| - Adjustment of available-for-sale securities (Note 8 cll) | | | (3,169,501) | 5,703,847 | 5,919,235 |
| - Adjustment of held-to-maturity securities (Note 8d item 6) | | | 1,834,739 | 2,418,145 | 2,221,338 |
| Loan and leasing (Notes 2, 3g and 10) (1) | 305,573,551 | 306,452,770 | 879,219 | 1,333,593 | 1,536,523 |
| Investments (Notes 3j and 13) (2) | 1,920,417 | 15,121,341 | 13,200,924 | 12,109,212 | 12,710,628 |
| Treasury shares (Note 23d) | 197,301 | 240,340 | - | - | - |
| Time deposits (Notes 3n and 16a) | 98,572,968 | 98,275,585 | 297,383 | 238,234 | 177,450 |
| Funds from issuance of securities (Note 16c) | 53,820,610 | 53,995,887 | (175,277) | (161,585) | (263,296) |
| Borrowing and onlending (Notes 17a and 17b) | 49,121,019 | 49,291,131 | (170,112) | (137,600) | 90,355 |
| Subordinated debts (Note 19) | 36,222,106 | 36,913,250 | (691,144) | (1,177,596) | (848,547) |
| Unrealized gains excluding tax | | | 12,006,231 | 20,326,250 | 21,543,686 |

(1) Includes advances on foreign exchange contracts, leases and other receivables with lending characteristics; and

(2) Primarily includes the surplus of interest in subsidiaries and affiliates (Cielo, Odontoprev and Fleury) and other investments (BM&FBOVESPA).

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Determination of the market value of financial instruments:

- Securities and derivative financial instruments, investments, subordinated debts and treasury shares are based on the market price at the reporting date. If no quoted market price is available, estimate amounts are based on the dealer quotations, pricing models, quotation models or quotations for instruments with similar characteristics;
- Fixed rate loans were determined by discounting estimated cash flows, using interest rates applied by the Bradesco Organization for new contracts with similar features. These rates are consistent with the market at the reporting date; and
- Time deposits, funds from issuance of securities, borrowing and onlending were calculated by discounting the difference between the cash flows under the contract terms and our market rates for the same product at the reporting date.

34) EMPLOYEE BENEFITS

Bradesco and its subsidiaries sponsor a unrestricted benefit pension plan (PGBL) for employees and directors which is a private defined contribution pension plan that allows financial resources to be accumulated by participants throughout their careers by means of employee and employer contributions and invested in an Exclusive Investment Fund (FIE).

The PGBL is managed by Bradesco Vida e Previdência S.A. and BRAM - Bradesco Asset Management S.A. The Securities Dealer Company (DTVM) is responsible for the financial management of FIES.

Contributions made by employees and directors of Bradesco and its subsidiaries are for the equivalent of at least 4% of their salary, except for participants who chose to migrate from the defined benefit plan to a defined contribution plan (PGBL) in 2001, whose contributions to the PGBL were maintained at the levels that prevailed for the defined benefit plan when they migrated, always respecting the 4% minimum.

Actuarial obligations of the defined contribution plan (PGBL) are fully covered by the plan assets of the corresponding FIES.

In addition to the aforementioned plan (PGBL), participants who chose to migrate from the defined benefit plan are guaranteed a proportional deferred benefit, corresponding to their accumulated rights in the plan. For participants of the defined benefit plan, whether they migrated to the PGBL plan or not, for retirees and pensioners, the present value of the actuarial plan obligation is fully covered by the plan assets.

Banco Alvorada S.A. (successor from the spin-off of Banco Baneb S.A.) maintains defined contribution and defined benefit retirement plans, through Fundação Baneb de Seguridade Social - Bases (related to the former employees of Baneb).

Banco Bradesco BBI S.A. (formally Banco BEM S.A.) sponsors both defined benefit and defined contribution retirement plans, through Caixa de Assistência e Aposentadoria dos Funcionários do Banco do Estado do Maranhão (Capof).

Alvorada Cartões, Crédito, Financiamento e Investimento S.A. (Alvorada CCFI) (merging company of Banco BEC S.A.) sponsors a defined benefit plan through Caixa de Previdência Privada do Banco do Estado do Ceará (Cabec).

The assets of pension plans are invested in compliance with the applicable legislation (government securities and private securities, listed company shares and real estate properties).

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On December 31, 2012, according to CPC 33 – Employee Benefit, as approved by CVM Resolution 600/09, Bradesco and its subsidiaries, as sponsors of these plans, taking into consideration the economic and actuarial study, recalculated their actuarial commitments using a real interest rate that reflects the new real interest rate scenario, recognizing their obligations in the financial statements.

Bradesco's foreign branches and subsidiaries provide their employees and directors with a pension plan in accordance with standards set locally by the authorities accumulating funds throughout the participant's career.

Expenses relating to contributions made in the first half of 2013 totaled R\$307,900 thousand (R\$263,260 thousand in the first half of 2012) and R\$149,857 thousand in the second quarter of 2013 (R\$158,043 thousand in the first quarter of 2013).

In addition to this benefit, Bradesco and its subsidiaries offer their employees and management other benefits including: health insurance, dental care, life and personal accident insurance, as well as professional training, whose expenses, including the aforementioned contributions, amounted to R\$1,350,482 thousand in the first half of 2013 (R\$1,265,043 thousand in the first half of 2012) and R\$680,127 thousand in the second quarter of 2013 (R\$670,355 thousand in the first quarter of 2013).

34) INCOME TAX AND SOCIAL CONTRIBUTION**a) Calculation of income tax and social contribution charges**

| | 2013 | | R\$ thousand 2012 | |
|--|----------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half |
| Income before income tax and social contribution | 3,042,164 | 4,695,287 | 7,737,451 | 7,494,851 |
| Total income tax and social contribution at rates of 25% and 15%, respectively (1) | (1,216,865) | (1,878,115) | (3,094,980) | (2,997,940) |
| Effect on the tax calculation: | | | | |
| Equity in the earnings (losses) of unconsolidated companies | 4,755 | 1,333 | 6,088 | 23,511 |
| Non-deductible expenses, net of non-taxable income | (111,161) | (102,806) | (213,967) | (220,114) |
| Interest on shareholders' equity (2) | 320,553 | 316,666 | 637,219 | 619,400 |
| Other amounts (3) | 938,168 | (85,618) | 852,550 | 739,563 |

b) Market value

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Income tax and social contribution for the period (64,550)(1,748,540)(1,813,090)(1,835,580)

(1) The social contribution rate for companies of the financial and insurance sectors was increased to 15%, according to Law 11727/08, remaining at 9% for other companies (Note 3h);

(2) Includes paid and payable interest on shareholders' equity; and

(3) Primarily includes the exchange variation on investments made abroad and bringing the effective social contribution rate to the (40%) rate.

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b) Breakdown of income tax and social contribution in the income statement

| | 2013 | | R\$ thousand 2012 | |
|---|----------------------------|-------------------------|----------------------|----------------------|
| | 2 nd Quarter | 1 st Quarter | 1 st Half | 1 st Half |
| Current taxes: | | | | |
| Income tax and social contribution payable | (1,964,143) | (3,554,148) | (5,518,291) | (4,453,355) |
| Deferred taxes: | | | | |
| Amount recorded/realized in the period on temporary additions | 1,991,765 | 2,014,332 | 4,006,097 | 2,684,127 |
| Use of opening balances of: | | | | |
| Social contribution loss | (42,791) | (189,707) | (232,498) | (42,519) |
| Income tax loss | (72,104) | (69,914) | (142,018) | (105,653) |
| Recording in the period on: | | | | |
| Social contribution loss | 6,181 | 35,064 | 41,245 | 47,700 |
| Income tax loss | 16,542 | 15,833 | 32,375 | 34,120 |
| Total deferred taxes | 1,899,593 | 1,805,608 | 3,705,201 | 2,617,775 |
| Income tax and social contribution for the period | (64,550) | (1,748,540) | (1,813,090) | (1,835,580) |

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Notes to the Consolidated Financial Statements**c) Deferred income tax and social contribution**

| | Balance on 12.31.2012 | Amount recorded | Amount realized | Balance on 6.30.2013 | Bal o 3.31 |
|---|----------------------------------|----------------------------|----------------------------|-------------------------------------|---------------------------|
| Allowance for loan losses | 12,175,635 | 3,218,700 | 1,123,066 | 14,271,269 | 13,2 |
| Civil provisions | 1,473,051 | 198,869 | 175,694 | 1,496,226 | 1,5 |
| Tax provisions | 4,953,069 | 517,261 | 19,116 | 5,451,214 | 5,2 |
| Labor provisions | 987,394 | 246,427 | 258,406 | 975,415 | 9 |
| Provision for devaluation of securities and investments | 411,399 | 525 | 557 | 411,367 | 4 |
| Provision for devaluation of foreclosed assets | 185,942 | 90,433 | 72,820 | 203,555 | 1 |
| Adjustment to market value of trading securities | 15,072 | 18,432 | 3,023 | 30,481 | 1 |
| Amortization of goodwill | 356,837 | 1,538 | 30,357 | 328,018 | 3 |
| Provision for interest on shareholders' equity (1) | - | 127,152 | - | 127,152 | 2 |
| Other | 1,697,152 | 1,705,422 | 435,623 | 2,966,951 | 1,9 |
| Total deductible taxes on temporary differences | 22,255,551 | 6,124,759 | 2,118,662 | 26,261,648 | 24,2 |
| Income tax and social contribution losses in Brazil and abroad | 1,697,087 | 73,620 | 374,516 | 1,396,191 | 1,4 |
| Subtotal (2) | 23,952,638 | 6,198,379 | 2,493,178 | 27,657,839 | 25,7 |
| Adjustment to fair value of available-for-sale securities (2) | 109,446 | 1,938,357 | 31,961 | 2,015,842 | 1 |
| Social contribution - Provisional Measure 2158-35/01 (3) | 140,842 | - | - | 140,842 | 1 |
| Total deferred tax assets (Note 11b) | 24,202,926 | 8,136,736 | 2,525,139 | 29,814,523 | 26,0 |
| Deferred tax liabilities (Note 34f) | 7,996,282 | 546,260 | 4,287,418 | 4,255,124 | 5,8 |
| Deferred tax assets, net of deferred tax liabilities | 16,206,644 | 7,590,476 | (1,762,279) | 25,559,399 | 20,1 |
| - Percentage of net deferred tax assets on reference shareholders' equity (Note 32a) | 16.7% | | | 27.6% | |
| - Percentage of net deferred tax assets over total assets | 1.8% | | | 2.9% | |

(1) Deferred taxes on interest on shareholders' equity is recorded up to the authorized tax limit;

(2) Deferred taxes from companies in the financial and insurance sectors were recorded considering the increase in the social contribution rate, established by Law 11727/08 (Note 3h); and

(3) Up to the end of 2013, the amount of R\$54,876 thousand should be realized, which will be recorded when effectively used (item d).

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d) Expected realization of deferred tax assets on temporary differences, income tax and social contribution losses and deductible social contribution - Provisional Measure 2158-35

| | R\$ thousand | | | | | |
|-----------------------------|-----------------------|---------------------|---|---------------------|-----------------------------|-------------------|
| | Temporary differences | | Income tax and social contribution losses | | Social contribution 2158-35 | Total |
| | Income tax | Social contribution | Income tax | Social contribution | | |
| 2013 | 3,755,378 | 2,193,759 | 111,988 | 74,694 | | |
| 2014 | 5,288,610 | 3,086,781 | 329,266 | 205,211 | 85,966 | 8,995,834 |
| 2015 | 4,997,461 | 2,913,233 | 196,364 | 168,930 | - | 8,275,988 |
| 2016 | 1,094,581 | 631,306 | 32,802 | 77,012 | - | 1,835,701 |
| 2017 | 1,468,317 | 769,588 | 127,875 | 71,976 | - | 2,437,756 |
| 2018 (1 st half) | 39,492 | 23,142 | 53 | 20 | - | 62,707 |
| Total | 16,643,839 | 9,617,809 | 798,348 | 597,843 | 140,842 | 27,798,681 |

The projected realization of deferred tax assets is an estimate and it is not directly related to the expected accounting income.

The present value of deferred tax assets, calculated based on the average funding rate, net of tax effects, amounts to R\$26,429,024 thousand (R\$24,667,235 thousand on March 31, 2013 and R\$21,544,937 thousand on June 30, 2012), of which R\$24,973,521 thousand (R\$23,119,253 thousand on March 31, 2013 and R\$20,999,136 thousand on June 30, 2012) refers to temporary differences, R\$1,317,754 thousand (R\$1,410,832 thousand on March 31, 2013 and R\$416,172 thousand on June 30, 2012) to income tax and social contribution losses and R\$137,749 thousand (R\$137,150 thousand on March 31, 2013 and R\$129,629 thousand on June 30, 2012) of social contribution tax credit, pursuant to Provisional Measure 2158-35.

e) Unrecognized deferred tax assets

On June 30, 2013, deferred tax assets of R\$464,284 thousand (R\$464,253 thousand on March 31, 2013 and R\$1,478,186 thousand on June 30, 2012) has not been recorded in the financial statements, and will be recorded when they meet with regulatory demands and/or present the probable prospects to be realized according to studies and analyses prepared by the Management and in accordance with Bacen regulations.

f) Deferred tax liabilities

| | 2013 | | R\$ thousand 2012 |
|---|------------------|------------------|----------------------|
| | June 30 | March 31 | June 30 |
| Mark-to-market adjustment of derivative financial instruments | 757,879 | 2,410,511 | 3,312,670 |
| Difference in depreciation | 1,823,987 | 2,131,802 | 2,925,560 |
| Judicial deposit and others | 1,673,258 | 1,346,078 | 1,294,654 |
| Total | 4,255,124 | 5,888,391 | 7,532,884 |

The deferred tax liabilities of companies in the financial and insurance sector were established considering the increased social contribution rate, established by Law 11727/08 (Note 3h).

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Notes to the Consolidated Financial Statements**35) OTHER INFORMATION**

a) The Bradesco Organization manages investment funds and portfolios with net assets of R\$427,237,752 thousand as at June 30, 2013 (R\$435,379,885 thousand on March 31, 2013 and R\$383,588,580 thousand on June 30, 2012).

b) Consortia funds

| | 2013 | | R\$ thousand 2012 |
|--|----------------|-----------------|-----------------------------|
| | June 30 | March 31 | June 30 |
| Monthly estimate of funds receivable from consortium members | 326,415 | 313,651 | 274,134 |
| Contributions payable by the group | 16,119,602 | 15,830,920 | 14,367,536 |
| Consortium members - assets to be included | 14,388,684 | 14,085,985 | 12,846,148 |
| Credits available to consortium members | 3,565,510 | 3,487,634 | 3,326,158 |

| | 2013 | | In units 2012 |
|-------------------------------------|----------------|-----------------|-------------------------|
| | June 30 | March 31 | June 30 |
| Number of groups managed | 3,054 | 2,972 | 2,735 |
| Number of active consortium members | 821,004 | 780,098 | 676,087 |
| Number of assets to be included | 407,524 | 398,264 | 187,526 |

c) In the second quarter of 2013, Bacen amended and redefined the regulations relating to reserve requirement on short exchange position. It showed the following effects:

| Description | Current regulation | Previous regulation |
|--|--|---|
| Reserve requirement on short exchange position | The enforcement of the reserve requirement for financial institutions is calculated by applying a 0% rate on amount exceeding US\$3 billion. | The enforcement of the reserve requirement for financial institutions is calculated by applying a 60% rate on amount exceeding US\$3 billion. |

d) As part of the convergence process with international accounting standards, the Brazilian Accounting Pronouncements Committee (CPC) issued several accounting pronouncements, as well as their interpretations and guidelines, which are applicable to financial institutions only after approval by CMN.

The accounting standards which have been approved by CMN include the following:

- Resolution 3566/08 - Impairment of Assets (CPC 01);
- Resolution 3604/08 - Statement of Cash Flows (CPC 03);
- Resolution 3750/09 - Related Party Disclosures (CPC 05);
- Resolution 3823/09 - Provisions, Contingent Liabilities and Contingent Assets (CPC 25);
- Resolution 3973/11 - Subsequent Events (CPC 24);
- Resolution 3989/11 - Share-based Payment (CPC 10);
- Resolution 4007/11 - Accounting Policies, Changes in Accounting Estimates and Errors (CPC 23); and
- Resolution 4144/12 - Framework (R1).

Presently, it is not possible to estimate when the CMN will approve the other CPC pronouncements or if they will be used prospectively or retrospectively.

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Notes to the Consolidated Financial Statements

CMN Resolution 3786/09 and Bacen Circular Letters 3472/09 and 3516/10 establish that financial institutions and other entities authorized by Bacen to operate, which are publicly-held companies or which are required to establish an Audit Committee shall, as from December 31, 2010, annually prepare and publish their consolidated financial statements in up to 90 days from the reference date December 31, prepared under the International Financial Reporting Standards (IFRS), in compliance with standards issued by the International Accounting Standards Board (IASB).

As required by CMN Resolution, on March 28, 2013, Bradesco published its consolidated financial statements for December 31, 2012 and 2011 on its website, in accordance with IFRS standards. Management believes that net income and shareholders' equity as at June 30, 2013 do not differ significantly from the nature or amounts disclosed on December 31, 2012 under IFRS, as issued by the IASB.

Report on Economic and Financial Analysis – June 2013

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Management Bodies

Reference Date: July 8, 2013

| | | |
|---|---|---|
| Board of Directors | Department Directors (continued) | Audit Committee |
| Chairman Lázaro de Mello Brandão | Guilherme Muller Leal João Albino Winkelmann João Carlos Gomes da Silva Joel Antonio Scalabrini Johan Albino Ribeiro | Carlos Alberto Rodrigues Guilherme - Coordinator José Lucas Ferreira de Melo Romulo Nagib Lasmar Osvaldo Watanabe |
| Vice-Chairman Antônio Bornia | Jorge Pohlmann Nasser José Luis Elias | Compliance and Internal Control Committee Mário da Silveira Teixeira Júnior – Coordinator |
| Members Mário da Silveira Teixeira Júnior João Aguiar Alvarez Denise Aguiar Alvarez Luiz Carlos Trabuco Cappi Carlos Alberto Rodrigues Guilherme Milton Matsumoto | José Luiz Rodrigues Bueno José Ramos Rocha Neto Júlio Alves Marques Laércio Carlos de Araújo Filho Layette Lamartine Azevedo Júnior Lúcio Rideki Takahama Luiz Alves dos Santos Luiz Carlos Brandão Cavalcanti Junior Marcelo Santos Dall'Occo Marcos Aparecido Galende Marcos Bader Marcos Daré Marlene Morán Millan Marlos Francisco de Souza Araújo Nobuo Yamazaki Octavio Manoel Rodrigues de Barros | Carlos Alberto Rodrigues Guilherme Milton Matsumoto Julio de Siqueira Carvalho de Araujo Domingos Figueiredo de Abreu Marco Antonio Rossi Alexandre da Silva Glüher Clayton Camacho Frederico William Wolf Roberto Sobral Hollander Rogério Pedro Câmara |
| Board of Executive Officers | Executive Officers | Executive Disclosure Committee Luiz Carlos Angelotti - Coordinator |
| Chief Executive Officer Luiz Carlos Trabuco Cappi | Paulo Aparecido dos Santos Paulo Faustino da Costa | Julio de Siqueira Carvalho de Araujo Domingos Figueiredo de Abreu Marco Antonio Rossi Alexandre da Silva Glüher Moacir Nachbar Junior |
| Executive Vice-Presidents | | |

Julio de Siqueira Carvalho de Araujo

Domingos Figueiredo de Abreu
José Alcides Munhoz
Aurélio Conrado Boni
Sérgio Alexandre Figueiredo Clemente
Marco Antonio Rossi

Managing Directors

Maurício Machado de Minas
Alexandre da Silva Glüher
Alfredo Antônio Lima de Menezes

André Rodrigues Cano
Josué Augusto Pancini
Luiz Carlos Angelotti
Marcelo de Araújo Noronha
Nilton Pelegriano Nogueira

Deputy Directors

Altair Antônio de Souza
André Marcelo da Silva Prado
Denise Pauli Pavarina

Luiz Fernando Peres

Moacir Nachbar Junior

Octávio de Lazari Júnior

Department Directors

Adineu Santesso
Amilton Nieto
André Bernardino da Cruz Filho
Antonio Carlos Melhado
Antonio José da Barbara
Arnaldo Nissental
Aurélio Guido Pagani

Cassiano Ricardo Scarpelli
Clayton Camacho
Diaulas Morize Vieira
Marcondes Junior
Douglas Tevis Francisco

Edilson Wiggers
Eurico Ramos Fabri
Fernando Antônio Tenório

Roberto Sobral Hollander
Rogério Pedro Câmara
Waldemar Ruggiero Júnior

Walkiria Schirrmeister Marquetti

Directors

Antonio Chinellato Neto
Cláudio Borges Cassemiro
João Sabino

Osmar Roncolato Pinho
Paulo Manuel Taveira de Oliveira Ferreira
Roberto de Jesus Paris

Regional Officers

Alex Silva Braga
Almir Rocha
Antonio Gualberto Diniz
Antonio Piovesan
Carlos Alberto Alástico
Delvaír Fidêncio de Lima
Francisco Aquilino Pontes Gadelha
Francisco Assis da Silveira Junior

Geraldo Dias Pacheco

João Alexandre Silva
José Sergio Bordin
Leandro José Diniz
Luis Carlos Furquim Vermieiro
Mauricio Gomes Maciel
Volnei Wulff
Wilson Reginaldo Martins

Compensation Committee

Lázaro de Mello Brandão - Coordinator
Antônio Bornia

Mário da Silveira Teixeira Júnior
Luiz Carlos Trabuço Cappi
Carlos Alberto Rodrigues Guilherme
Milton Matsumoto
Sérgio Nonato Rodrigues

Antonio José da Barbara
Marcelo Santos Dall'Occo
Marcos Aparecido Galende

Paulo Faustino da Costa
Haydewaldo R. Chamberlain da Costa

Ethical Conduct Committee

Milton Matsumoto - Coordinator
Carlos Alberto Rodrigues Guilherme

Julio de Siqueira Carvalho de Araujo

Domingos Figueiredo de Abreu
Marco Antonio Rossi
Alexandre da Silva Glüher
André Rodrigues Cano
Josué Augusto Pancini
Clayton Camacho
Frederico William Wolf
Glaucimar Peticov
José Luiz Rodrigues Bueno
Júlio Alves Marques

Rogério Pedro Câmara

Integrated Risk Management and Capital Allocation Committee

Julio de Siqueira Carvalho de Araujo - Coordinator
Domingos Figueiredo de Abreu
José Alcides Munhoz
Aurélio Conrado Boni
Sérgio Alexandre Figueiredo Clemente
Marco Antonio Rossi
Alexandre da Silva Glüher
Alfredo Antônio Lima de Menezes
Luiz Carlos Angelotti

Marlos Francisco de Souza Araújo
Roberto Sobral Hollander

Fiscal Council

Sitting Members

Nelson Lopes de Oliveira - Coordinator
João Carlos de Oliveira

Fernando Roncolato Pinho
Frederico William Wolf
Glaucimar Peticov

General Accounting Department
Marcos Aparecido Galende
Accountant-CRC 1SP201309/O-6

Domingos Aparecido Maia
Deputy Members
Jorge Tadeu Pinto de Figueiredo
Renaud Roberto Teixeira
João Batistela Biazon

Ombudsman Department
Júlio Alves Marques – Ombudsman

Bradesco _____

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Independent Auditors' Report on the Consolidated Financial Information

To the Board of Directors and Shareholders

Banco Bradesco S.A.

Osasco – SP

We have audited the accompanying consolidated financial statements of Banco Bradesco S.A. ("Bradesco"), which comprise the consolidated statement of financial position as at June 30, 2013, the consolidated statements of income, changes in equity and cash flows for the semester then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Bradesco's Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Independent Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Brazilian and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, we consider internal controls relevant to the Bradesco's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bradesco's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements, above mentioned, present fairly, in all material respects, the consolidated financial position of Banco Bradesco S.A., as at June 30, 2013, and of its consolidated financial performance and its consolidated cash flows for the semester then ended in accordance with accounting practices adopted in Brazil applicable to institutions authorized to operate by the Brazilian Central Bank.

Other matters

Consolidated statement of value added

We have also audited the consolidated statement of value added (DVA), preparation of which is the responsibility of the Banco Bradesco S.A's Management, for the semester ended June 30, 2013, which submission is required by publicly-held companies under the Brazilian Corporate Law. The aforementioned statement was subject to the same auditing procedures described above and, in our opinion, are fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Review of corresponding amounts for the first and second quarters of 2013

The consolidated balance sheet information as of March 31, 2013 and the related consolidated statements of income, cash flows, value added and the statement of changes in shareholders' equity for the first and second quarters of 2013, which are presented herein by the Bradesco's Management as supplemental information, were reviewed by us, on which we issued reports that did not contain any modifications, dated April 19, 2013 with reference to March 31, 2013 and the first quarter of 2013, and July 19, 2013 with

reference to the second quarter of 2013.

Osasco, July 19, 2013

Original report in Portuguese signed by

KPMG Auditores Independentes

CRC 2SP014428/O-6

Cláudio Rogélio Sertório

Accountant CRC 1SP212059/O-0

Report on Economic and Financial Analysis – June 2013

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Summary of the Audit Committee's Report

Corporate Governance and Related Responsibilities

The Board of Directors of Banco Bradesco S.A. opted for a single Audit Committee for all the companies comprising the Financial Conglomerate, including Grupo Bradesco de Seguros e Previdência (Insurance Group).

The Management is in charge of defining and implementing managerial information systems to prepare the financial statements of the companies composing Bradesco Organization, pursuant to the accounting principles adopted in Brazil, applicable to institutions the Brazilian Central Bank (Bacen) authorizes to operate, the rules of the National Monetary Council, the Bacen, the Brazilian Securities and Exchange Commission (CVM), National Private Insurance Board (CNSP), the Insurance Superintendence (Susep) and the National Supplementary Healthcare Agency (ANS).

The Management is also responsible for processes, policies and internal control procedures that ensure the protection of assets, the appropriate recognition of liabilities and the management of risk operations of Bradesco Organization.

The Independent Audit is in charge of examining the financial statements and issuing a report about their compliance with the accounting principles. Additionally, as a result of its works for the purpose of issuing the aforementioned report, it also advises on accounting procedures and internal controls, without prejudice to other reports to be prepared, such as limited reviews of the quarterly information to be delivered to Bacen and CVM.

It is incumbent upon the Internal Audit (General Inspectorate Department) to check the quality of Bradesco Organization's internal control systems and the regularity of policies and procedures

Among the Audit Committee's duties are also those required by the U.S. Sarbanes-Oxley Act for companies registered with the U.S. Securities and Exchange Commission and quoted on the New York Stock Exchange.

The Audit Committee's charter is available on the website www.bradesco.com.br in the Corporate Governance area.

Activities in the First Half of 2013

The Audit Committee attended 99 meetings with business, risk control and management areas, and with internal and independent auditors, checking the information considered relevant or critical through the referencing of different sources.

The Audit Committee's work schedule for 2013 was focused on the main processes and products referring to Bradesco Organization's activities. Among the most relevant aspects, we point out:

- process of preparing and disclosing financial reports to shareholders and external users, which contain accounting and financial information;
- the credit and operating risk management and control systems, preparation for the use of internal models in line with the conditions set forth by the New Basel Capital Accord (Basel II) and Bacen's rules about the issue. With regard to market risk, Bacen approved on November 29, 2012 the use of internal model as of January 1, 2013;
- the improvement of internal controls systems deriving from projects in the IT and Internal Control and Compliance areas.

Internal Controls Systems

established by the Management, including those adopted in the preparation of financial reports.

It is incumbent upon the Audit Committee to assess the quality and the effectiveness of the Internal and Independent Audits, the effectiveness and the sufficiency of Bradesco Organization's internal control systems and to analyze the financial statements, providing the relevant recommendations when applicable.

Based on the work program and agenda established for the first half of 2013, the Audit Committee was informed on the main processes within the Organization, evaluating their quality and management commitment to their continuous improvement.

As a result of meetings with Bradesco Organization's areas, the Audit Committee had the opportunity to suggest manners to improve the processes to the Board of Directors, as well as to monitor the implementation of improvement suggestions identified in the audit process and discussions with business and Internal Control and Compliance areas.

Bradesco _____

Financial Statements, Independent Auditors' Report, Summary of the Audit Committee's Report and Fiscal Council's Report

Summary of the Audit Committee's Report

Based on the information and remarks collected, the Audit Committee hereby deems the internal control system of Bradesco Organization as suitable to the size and complexity of its businesses and structured so as to ensure the efficiency of its operations, the financial report-generating systems, as well as compliance with internal and external rules, to which all transactions are subject.

Independent Audit

The planning of the independent audit for 2013 was discussed with KPMG Auditores Independentes (KPMG) and, throughout the first half of 2013, the audit teams responsible for services presented their results and main conclusions to the Audit Committee.

The material issues pointed out in the report about the study and the evaluation of accounting and internal controls systems, prepared in connection with the examination of the financial statements and respective recommendations for the improvement of these systems, were discussed with the Committee, which requested the monitoring of the implementations and improvements in the areas in charge.

Based on the planning submitted by auditors and on the subsequent discussions about results, the Committee considered that the works developed by the teams were adequate to the Organization's businesses.

Internal Audit

The Committee requested that the Internal Audit considered several works in line with issues covered by the Committee's agenda in its planning for 2013.

Consolidated Financial Statements

In the first half of 2013, the Committee held meetings with the General Accounting, Planning, Budget, Control and Internal Audit departments to examine the monthly, quarterly and half-yearly financial statements. These meetings analyzed and assessed the aspects of preparing individual and consolidated trial balances and balance sheets, notes to the financial statements and financial reports published with the consolidated financial statements.

Bradesco's accounting policies were also considered in the preparation of financial statements, as well as compliance with accounting practices adopted in Brazil, applicable to institutions that Bacen authorizes to operate as well as with the applicable laws.

Prior to the disclosures of the Quarterly Financial Information (IFTs) and half-yearly balance sheets, the Committee held meetings with KPMG to assess the aspects of independence of auditors and control environment when producing the figures to be disclosed.

Based on aforementioned reviews and discussions, the Audit Committee recommends that the Board of Directors approves the audited financial statements for the half-year ended June 30, 2013.

Cidade de Deus, Osasco, SP, July 19, 2013

CARLOS ALBERTO RODRIGUES GUILHERME
(Coordinator)

Throughout the first half of 2013, the teams in charge of executing planned works reported and discussed with the Audit Committee the main conclusions on process and inherent risks.

JOSÉ LUCAS FERREIRA DE MELO
ROMULO NAGIB LASMAR
OSVALDO WATANABE

Based on discussions regarding the planning of the Internal Audit, focused on risks, processes and the evaluation of the results thereof, the Audit Committee found that the Internal Audit had adequately met the demands of the Committee and the needs and requirements of the Organization and regulatory bodies.

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Fiscal Council's Report

The undersigned members of the Fiscal Council of Banco Bradesco S.A., in the exercise of their legal and statutory duties, having examined the Management Report and the Financial Statements related to the first half of 2013, and the technical feasibility study of taxable income generation, brought at present value, which has the purpose of recording the Deferred Tax Assets pursuant to the CVM Rule 371/02, Resolution 3059/02 of the National Monetary Council, and Bacen Circular Letter 3171/02, and in view of the unqualified report prepared by KPMG Auditores Independentes, are of the opinion that the aforementioned documents, based on the accounting practices adopted in Brazil, applicable to entities that the Brazilian Central Bank authorizes to operate, fairly reflect the Company's equity and financial position.

Cidade de Deus, Osasco, São Paulo, July 19, 2013

Nelson Lopes de Oliveira

Domingos Aparecido Maia

João Carlos de Oliveira

Bradesco _____

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: July 23, 2013

BANCO BRADESCO S.A.

By:

/S/ Luiz Carlos Angelotti

Luiz Carlos Angelotti
Executive Managing Officer and
Investor Relations Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
