

BANK BRADESCO
Form 6-K
February 04, 2005

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

FORM 6-K

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

For the month of February, 2005

Commission File Number 1-15250

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

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

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

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

Form 20-F Form 40-F

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

Yes No

Report on Economic and
Financial Analysis

December 2004

Financial Market Indicators (%)

Index	2003			2004		
	3 rd Qtr.	4 th Qtr.	Accumulated to December	3 rd Qtr.	4 th Qtr.	Accumulated to December
CDI	5.61	4.40	23.26	3.86	3.99	16.20
IBOVESPA	23.42	38.88	97.34	9.92	12.70	17.81
USD - Commercial rate	1.79	(1.17)	(18.23)	(8.01)	(7.14)	(8.13)
IGP-M	1.14	1.49	8.70	3.25	1.96	12.42
IPCA - IBGE	1.32	1.15	9.30	1.94	2.0	7.60
TJLP	2.87	2.63	11.48	2.35	2.35	9.81
TR	1.29	0.69	4.65	0.57	0.47	1.82
Savings deposits	2.82	2.21	11.10	2.09	1.98	8.10
Business days	66	64	252	65	62	251
Collective labor agreement (*)	12.60	-	12.60	8.50	-	8.50

Closing Price

USD - Commercial rate - sell (in reais)	2.9234	2.8892	2.8892	2.8586	2.6544	2.6544
Euro	3.4103	3.6506	3.6506	3.5573	3.6195	3.6195
Peso (Argentine)	1.0066	0.9847	0.9847	0.9572	0.8955	0.8955
Sovereign risk (points)	695	463	463	466	383	383
SELIC Central Bank reference rate COPOM (% p.a.)	20.00	16.50	16.50	16.25	17.75	17.75
Prefixed BM&F rate - 1 yr. (% p.a.)	18.10	15.88	15.88	17.40	17.85	17.85

(*) In 2004, monthly salaries of up to R\$ 1,500.00 were increased by R\$ 30,00.

Compulsory Deposit Rates (%)

Deposits	2003		2004	
	3 rd Qtr.	4 th Qtr.	3 rd Qtr.	4 th Qtr.
Demand deposits ⁽¹⁾	45	45	45	45
Additional ⁽²⁾	8	8	8	8
Time deposits ⁽³⁾	15	15	15	15
Additional ⁽²⁾	8	8	8	8

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Savings deposits ⁽⁴⁾	20	20	20	20
Additional ⁽²⁾	10	10	10	10

- (1) Cash deposit - no remuneration.
(2) Cash deposit - SELIC rate.
(3) Deposit in Government Securities. From the amount calculated at 15% , R\$ 300 million may be deducted as per Brazilian Central Bank instructions, effective from November 8, 2004.
(4) Cash deposit - Reference Rate (TR) + interest of 6.17% p.a.

Rates and Limits (%)

Items	2003		2004	
	3 rd Qtr.	4 th Qtr.	3 rd Qtr.	4 th Qtr.
Income tax	25	25	25	25
Social contribution	9	9	9	9
PIS ⁽¹⁾	0.65	0.65	0.65	0.65
COFINS ⁽²⁾	4	4	4	4
Legal reserve on net income	5	5	5	5
Maximum fixed assets ⁽³⁾	50	50	50	50
Minimum capital Basel ⁽⁴⁾	11	11	11	11

- (1) The rate applicable to non-financial and similar companies is 1.65% (non-cumulative PIS).
(2) The rate applicable to financial and similar companies was increased to 4% in September 2003 and for other companies to 7.60% in February 2004 (non-cumulative COFINS).
(3) On reference equity.
(4) Reference equity may not be lower than 11% of weighted assets.

Forward-Looking Statements

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

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

Accordingly, the reader should not place undue reliance on these forward-looking statements. In all cases, these forward-looking statements are valid only as at the date they are made. Except as required under applicable legislation, we assume no obligation whatsoever to update these statements, whether as a result of new information, future events or any other motive.

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RISK FACTORS

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

Risks Relating to Brazil

1) Brazilian political and economic conditions have a direct impact on our business and the market price of the preferred shares and ADSs

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

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

2) If Brazil experiences substantial inflation in the future, our revenues and the market price of the preferred shares and ADSs may be reduced

Brazil has in the past experienced extremely high rates of inflation, with annual rates of inflation during the last fifteen years reaching as high as 1,158% in 1992, 2,708% in 1993 and 1,093% in 1994.

More recently, Brazil's rates of inflation were 26.4% in 2002, 7.7% in 2003 and 12.1% in 2004. Inflation itself and governmental measures to combat inflation have in the past had significant negative effects on the Brazilian economy. Inflation, actions taken to combat inflation and public speculation about possible future actions have also contributed to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets. If Brazil experiences substantial inflation in the future, our costs (if not accompanied by an increase in interest rates) may increase, our operating and net margins may decrease and, if investor confidence lags, the price of our preferred shares and ADSs may fall. Inflationary pressures may also curtail our ability to access foreign financial markets and may lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Brazilian economy.

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

Since the end of 1997, and in particular during the last three years, as a result of economic problems in various emerging market countries, including the economic crisis in Argentina, investors have had a heightened risk perception for investments in emerging markets. As a result, in some periods Brazil has experienced a significant outflow of U.S. dollars and Brazilian companies have faced higher costs for raising funds, both domestically and abroad, and have been impeded from accessing international capital markets. We cannot assure you that international capital markets will remain open to Brazilian companies or that prevailing interest rates in these markets will be advantageous to us.

4) Developments in other emerging markets may adversely affect the market price of the preferred shares and ADSs

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

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

Risks Relating to Bradesco and the Brazilian Banking and Insurance Industry

1) The Brazilian government regulates the operations of Brazilian banks and insurance companies, and changes in existing laws and regulations or the imposition of new ones may negatively affect our operations and revenues

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

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving. Existing laws and regulations could be amended, the manner in which laws and regulations are enforced or interpreted could change, and new laws or regulations could be adopted. Such changes could materially adversely affect our operations and our revenues.

Regulatory changes affecting other businesses in which we are engaged, including our brokerdealer, consortium and leasing operations, could also have an adverse effect on our operations and our revenues.

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

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

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

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

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

At December 31, 2004, Cidade de Deus Companhia Comercial de Participações, which we call Cidade de Deus Participações, directly held 47.95% of our common shares and Fundação Bradesco directly and indirectly held 44.38% of our common shares. As a result, these shareholders have the power to prevent a change in control of our company, even if a transaction of that nature would be beneficial to our other shareholders, as well as to approve related-party transactions or corporate reorganizations.

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Bradesco Private Banking
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Customer Service Network
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Certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

List of Abbreviations

ABC	Activity-Based Costing
ABEL	Brazilian Association of Leasing Companies
ABM	Activity-Based Management
ACC	Advance on foreign exchange contracts
ACE	Advance on Export Contracts - Delivered Bills
ADR	American Depositary Receipt
ADS	American Depositary Share
ANAPP	National Association of Private Pension Plan Companies
ANBID	National Association of Investment Banks
ANS	National Agency for Supplementary Healthcare
AP	Personal Accident
APIMEC	Association of Capital Market Investment Analysts and Professionals
B2B	Business to Business
B2C	Business to Consumer
BACEN	Brazilian Central Bank
BDR	Brazilian Depositary Receipt
BID	Interamerican Development Bank
BM&F	Mercantile and Futures Exchange
BNDES	National Bank for Economic and Social Development
BOVESPA	São Paulo Stock Exchange
CBLC	Brazilian Settlement and Custody Company
CDB	Certificate of Bank Deposit
CDC	Consumer Sales Financing
CDI	Certificate of Interbank Deposit
CEF	Federal Savings Bank
CETIP	Center for the Financial Clearance and Custody of Private Securities
CMN	National Monetary Council
CNSP	National Private Insurance Council
COFINS	Social Contribution on Billings
COPOM	Monetary Policy Committee
COSIF	Chart of Accounts for National Financial System Institutions
COSO	Committee of Sponsoring Organizations
CRI	Certificate of Real Estate Receivables
CS	Social Contribution
CVM	Brazilian Securities Commission
DPVAT	Compulsory Vehicle Insurance
DR	Depositary Receipt
DTVM	Securities Dealer
ERP	Enterprise Resource Planning
EVR	Electronic Voice Response Unit
EXIM	Export and Import BNDES financing line
FCVS	Compensation and Salary Variation Fund
FED	U.S. Federal Reserve System
FGC	Receivables Guarantee Fund
FGTS	Employee Severance Indemnity Fund
FGV	Fundação Getulio Vargas
FIA	Fundação Instituto de Administração
FIDC	Credit Assignment Funds
FIFE	Exclusive Financial Investment Fund
FINAME	Fund for Financing the Acquisition of Industrial Machinery and Equipment
FIPE	Economic Research Institute Foundation
FIPECAFI	Accounting, Actuarial and Financial Research Institute Foundation
FxRN	Fixed Rate Note

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GDAD Performance and Decision Making Support Management
GDP Gross Domestic Product
IBA Brazilian Actuarial Institute
IBMEC Brazilian Capital Market Institute
IBNR Claims Incurred But Not Reported
IBOVESPA São Paulo Stock Exchange Index
IFC International Finance Corporation
IGP-M General Price Index - Market
IPCA Extended Consumer Price Index
IR Income tax
ISO International Organization for Standardization
JCP Interest attributed to own capital
LFT Financial Treasury Notes
LTN National Treasury Bonds
MBA Master of Business Administration
MP Provisional Measure
NBC Central Bank Notes
NTN Federal Treasury Notes
ON Common Stock
PDD Allowance for Loan Losses
PGBL Unrestricted Benefits Generating Plan
PIS Social Integration Program
PL Stockholders Equity
PN Preferred Stock
PROEX Export Financing Program
PTRB Online Tax Payment
RCF Optional Third-Party Liability
ROA Return on Assets
ROAA Return on Average Assets
ROAE Return on Average Equity
ROE Return on Equity
SAP Systems Applications and Products
SBCE Brazilian Export Financing Insurance Company
SBPE Brazilian Savings and Loan System
SEC U.S. Securities and Exchange Commission
SELIC Special Clearance and Custody System
SESI National Industry Social Service
SFH National Housing System
SFN National Financial System
SPB Brazilian Payment System
SPE Specific Purpose Entity
SUSEP Superintendency of Private Insurance
TED Instant Online Transfer
TJLP Long-term Interest Rate
TR Reference Rate
TVM Securities
UNESCO United Nations Educational, Scientific and Cultural Organization
USCP United States Commercial Paper
USP São Paulo State University
V@R Value at Risk
VGBL Long-term life insurance
WAP Wireless Application Protocol

1 Bradesco Line by Line

Highlights

Earnings In millions of reais

	2004			Accumulated to December		
	3 rd Qtr.	4 th Qtr.	% Variation	2003	2004	% Variation
Financial margin	3,303	3,516	6.4	13,282	13,231	(0.4)
Provision for loan losses	478	489	2.3	2,450	2,042	(16.7)
Commission and fees	1,455	1,675	15.1	4,557	5,824	27.8
Insurance premiums, private pension plans and savings bonds	3,465	3,836	10.7	11,726	13,284	13.3
Personnel expenses	1,274	1,284	0.8	4,779	4,969	4.0
Other administrative expenses	1,225	1,289	5.2	4,814	4,937	2.6
Operating income	1,163	1,534	31.9	3,553	4,118	15.9
Net income	752	1,058	40.7	2,306	3,060	32.7

Balance Sheet In millions of reais

	2004			December		
	September	December	% Variation	2003	2004	% Variation
Total assets	179,703	184,926	2.9	176,098	184,962	5,0
Securities	58,155	62,422	7.3	53,805	62,422	16,0
Credit operations	59,976	62,788	4.7	54,336	62,788	15,6
Permanent assets	5,030	4,946	(1.7)	4,956	4,946	(0,2)
Total deposits	64,787	68,643	6.0	58,024	68,643	18,3
Borrowings and onlendings	16,715	15,960	(4.5)	14,795	15,960	7,9
Technical reserves	31,585	33,669	6.6	26,409	33,669	27,5
Stockholders equity	14,678	15,215	3.7	13,547	15,215	12,3

Change in Number of Shares Outstanding

	Common Stock	Preferred Stock	Total
Number of shares held at December 31, 2003 (*)	79,836,526	78,693,936	158,530,462
Shares acquired and not canceled for the year	(386,083)	(4)	(386,087)
Stock split (**)	158,900,886	157,387,864	316,288,750

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Number of shares held at December 31, 2004 238,351,329 236,081,796 474,433,125

(*) Shares divided by 10,000, as a result of the reverse stock split.

(**) 2-for-1 stock split increasing the number of shares by 200%. Please see Note 25b to the financial statements for further information.

Share Performance (*) in reais

	2004			Accumulated to December		
	3 rd Qtr.	4 th Qtr.	% Variation	2003	2004	% Variation
Net income per share	1.59	2.23	40.3	4.85	6.45	33.0
Dividends/JCP per share ON (net of income tax)	0.567	0.584	2.9	2.318	2.261	(2.5)
Dividends/JCP per share PN (net of income tax)	0.624	0.642	2.9	2.550	2.487	(2.5)
Net book value (ON and PN)	30.94	32.07	3.7	28.48	32.07	12.6
Average last day price (ON)	39.48	55.63	40.9	44.57	55.63	24.8
Average last day price (PN)	50.00	64.88	29.8	51.03	64.88	27.1
Market value of stockholders' equity (in millions of reais) (**)	21,213	28,576	34.7	22,722	28,576	25.8

(*) Adjusted for comparison purposes to reflect the 2-for-1 stock split.

(**) Number of shares x average last day quotation for the period.

JCP = Interest attributed to own capital.

Cash Generation In millions of reais

	2003			2004		
	3 rd Qtr.	4 th Qtr.	Accumulated to December	3 rd Qtr.	4 th Qtr.	Accumulated to December
Net income	564	715	2,306	752	1,058	3,060
Equity in the earnings of associated companies	(7)	(31)	(5)	4	(44)	(163)
Allowance for loan losses	603	453	2,450	478	489	2,042
Technical reserves	1,625	1,844	6,791	2,019	2,239	7,180
(Reversal of) allowance for mark-to-market	(1)	(11)	19	-	(3)	(7)
Depreciation and amortization	179	153	623	134	128	548
Amortization of goodwill	62	173	1,035	188	212	713
Other	(22)	2	(3)	21	(12)	(29)
Total	3,003	3,298	13,216	3,596	4,067	13,344

Added Value In millions of reais

	2003			2004		
	3 rd Qtr.	4 th Qtr.	Accumulated to December	3 rd Qtr.	4 th Qtr.	Accumulated to December
ADDED VALUE (A+B+C)	2,395	2,172	9,008	2,702	2,812	10,207

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A - Gross profit from financial intermediation	2,554	3,192	10,832	2,825	3,027	11,189
B - Commissions and fees	1,182	1,275	4,557	1,455	1,675	5,824
C - Other operating expenses	(1,341)	(2,295)	(6,381)	(1,578)	(1,890)	(8,806)
DISTRIBUTION OF ADDED VALUE (D+E+F+G)	2,395	2,172	9,008	2,702	2,812	10,207
D - Employees	1,094	1,013	3,887	1,030	1,027	3,992
E - Government	737	444	2,815	920	727	3,155
F - JCP/Dividends to stockholders (paid and accrued)	367	347	1,347	333	340	1,325
G - Reinvestment of profits	197	368	959	419	718	1,735

Performance Ratios (annualized) - %

	2004		Accumulated to December	
	3 rd Qtr.	4 th Qtr.	2003	2004
Return on stockholders' equity (total)	22.1	30.9	17.0	20.1
Return on stockholders' equity (average)	23.3	31.7	18.9	22.0
Return on total assets (total)	1.7	2.3	1.3	1.7
Stockholders' equity to total assets	8.2	8.2	7.7	8.2
Capital adequacy ratio (Basel) - financial consolidated	19.9	18.8	19.9	18.8
Capital adequacy ratio (Basel) - total consolidated	17.0	16.1	17.2	16.1
Permanent assets to stockholders' equity - financial consolidated	42.7	38.0	40.8	38.0
Permanent assets to stockholders' equity - total consolidated	24.2	23.3	26.4	23.3
Efficiency ratio (accumulated over the prior 12-month period)	58.3	55.5	56.6	55.5

Other Information

	2004			December		
	September	December	% Variation	2003	2004	% Variation
Funds obtained and managed - in millions of reais	255,017	265,383	4.1	240,832	265,383	10.2
Number of employees	74,227	73,644	(0.8)	75,781	73,644	(2.8)
Number of branches	3,049	3,004	(1.5)	3,052	3,004	(1.6)
Checking account holders - million	15.3	15.7	2.6	14.5	15.7	8.3
Debit and credit card base - million	45.2	46.4	2.7	41.1	46.4	12.9

Profitability

Bradesco reported net income of R\$ 3,060 million, for 2004, up by 32.7%, compared to net income of R\$ 2,306 million for 2003. Stockholders equity was R\$ 15,215 million at December 31, 2004, an increase of 12.3% compared to the prior-year. As a result, the return on stockholders equity (ROE) was 20.1%. Assets totaled R\$ 184,762 million at the end of 2004, a growth rate of 4.9% compared to the balance for 2003. Return on total assets (ROA) for 2004 was 1.7%. Net income per share, adjusted to reflect the 2-for-1 stock split was R\$ 6.45.

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In the fourth quarter of 2004 (4Q04) consolidated net income was R\$ 1,058 million, up by R\$ 306 million, or 40.7% compared to third-quarter earnings (3Q04). Return on stockholders' equity (ROE) annualized was 30.9% for the quarter and return on total assets (ROA) annualized was 2.3%.

4Q04 was marked by the good performance of revenues comprising financial margin, mainly as a result of expanding business volume, in particular credit portfolio, influenced by the return to economic growth, in both the international and domestic markets. We also highlight the increase in commissions and fees, up by 15.1% compared to 3Q04, in particular, income on cards and checking account maintenance.

The present improved credit portfolio scenario, in sync with our ongoing selective credit granting policy, was mirrored by improved portfolio risk ratings, with AA-to-C rated credits comprising 92.3% of total portfolio, and the provision for loan loss recorded in the amount of R\$ 489 million for 4Q04, totaling R\$ 2,042 million for the year.

The Operating Efficiency Ratio in 2004 was 55.5%, improving by 2.8 points compared to the 12-month period ended 3Q04, mainly as a result of the firm commitment by Bradesco's management to control expenses and grow quarterly revenues. As a result the expanded coverage ratio (income on commission and fees/personnel expenses + administrative expenses) increased from 58.2% in 3Q04 to 65.1% in 4Q04.

Comparative Statement of Income - In millions of reais

	Accumulated to December 2003	Accumulated to December 2004	% Variation	3 rd Qtr. 2004	4 th Qtr. 2004	% Variation
Income from lending and trading activities	28,034	26,203	(6.5)	5,525	6,202	12.30
Credit operations	12,295	12,731	3.5	2,871	3,102	8.0
Leasing operations	308	301	(2.3)	73	86	17.8
Securities	7,833	4,921	(37.2)	361	758	110.0
Financial income on insurance, private pension plans and savings bonds	5,360	5,143	(4.0)	1,337	1,379	3.1
Derivative financial instruments	55	1,239	2,152.7	582	530	(8.9)
Foreign exchange transactions	797	691	(13.3)	-	29	-
Compulsory deposits	1,386	1,177	(15.1)	301	318	5.6
Expenses	17,203	15,014	(12.7)	2,700	3,175	17.6
Deposits	10,536	8,486	(19.5)	1,292	1,710	32.4
Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds	3,120	3,216	3.1	943	922	(2.2)
Borrowings and onlendings	1,084	1,253	15.6	(18)	50	(377.8)
Financial margin	13,282	13,231	(0.4)	3,304	3,516	6.4
Leasing operations	13	17	30.8	5	4	(20.0)
Provision for loan losses	2,450	2,042	(16.7)	478	489	2.3
Income from financial intermediation	10,831	11,189	3.3	2,825	3,027	7.2
Other operating income (expenses)	(7,279)	(7,071)	(2.9)	(1,662)	(1,493)	(10.2)
Commissions and fees	4,557	5,824	27.8	1,455	1,675	15.1
Income on insurance premiums, private pension plans and savings bonds	11,726	13,284	13.3	3,465	3,836	10.7
Insurance premiums retained	5,535	6,433	16.2	1,674	1,770	5.7
Private pension plan contributions	5,035	5,493	9.1	1,453	1,748	20.3
Income on savings bonds	1,156	1,358	17.5	338	318	(5.9)
Variation in technical reserves for insurance, pension plans and savings bonds	(3,670)	(3,964)	8.0	(1,076)	(1,317)	22.4
Variation in technical reserves for insurance	(249)	(288)	15.7	(114)	(127)	11.4
Variation in technical reserves for pension plans	(3,336)	(3,640)	9.1	(972)	(1,200)	23.5
Variation in technical reserves for savings bonds	(85)	(36)	(57.6)	10	10	-
Claims - insurance operations	(3,980)	(5,159)	29.6	(1,328)	(1,317)	(0.8)

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Savings bond draws and redemptions	(1,100)	(1,223)	11.2	(312)	(292)	(6.4)
Insurance, Pension Plan and Savings Bond Selling Expenses	(762)	(867)	13.8	(216)	(234)	8.3
Insurance product selling expenses	(622)	(709)	14.0	(176)	(189)	7.4
Pension plan and savings bond selling expenses	(140)	(158)	12.9	(40)	(45)	12.5
Expenses with pension plan benefits and redemptions	(2,363)	(2,131)	(9.8)	(496)	(511)	3.0
Operating income from insurance, private pension plans and savings bonds	(149)	(60)	(59.7)	37	165	345.9
Personnel expenses	(4,779)	(4,969)	4.0	(1,274)	(1,284)	0.8
Other administrative expenses	(4,814)	(4,937)	2.6	(1,225)	(1,289)	5.2
Tax expenses	(1,054)	(1,464)	38.9	(374)	(411)	9.9
Equity in the earnings of associated companies	5	163	3,160.0	(4)	44	(1,200.0)
Other operating income	1,697	1,198	(29.4)	351	311	(11.4)
Other operating expenses	(2,741)	(2,826)	3.1	(628)	(704)	12.1
Operating income	3,553	4,118	15.9	1,163	1,534	31.9
Non-operating income	(841)	(491)	(41.6)	(130)	(148)	13.8
Income before taxes and profit sharing	2,712	3,627	33.7	1,033	1,386	34.2
Provision for income tax and social contribution	(397)	(554)	39.5	(278)	(321)	15.5
Minority interest in subsidiaries	(9)	(13)	44.4	(3)	(7)	133.3
Net income	2,306	3,060	32.7	752	1,058	40.7
Return on stockholders equity (%) annualized	17.0	20.1	-	22.1	30.9	-

Analysis of the Statement of Income In millions of reais

Income from Credit and Leasing Operations

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
12,590	13,015	3.4	2,939	3,184	8.3

Income was up mostly as a result of: (i) the increase in the volume of the credit portfolio, which totaled R\$ 62,788, particularly in the consumer customer portfolio, up by 35.6%, as compared to the corporate portfolio up by 7.5% (ii) negative exchange variation of 8.1% for the twelve-month period through December 2004 (period/04), compared to negative exchange variation of 18.2% for the twelve-month period through December 2003 (period/03), impacting foreign-currency indexed and/or denominated operations, which comprise 10.3% of the portfolio; offset substantially by: (iii) falling average interest rates in line with the variation in CDI of 23.3% for period/03 as compared to 16.2% for period/04.

The variation was mainly due to: (i) less negative exchange variation of 7.1% in 4Q04, against negative exchange variation of 8.0% in 3Q04, impacting foreign-currency indexed and/or denominated operations, comprising 10.3% of the portfolio; and (ii) the increase in the average volume of the credit portfolio, especially the 13.4% increase for the quarter in the consumer customer portfolio, particularly, Personal Credit and Auto CDC products, with higher average revenues.

Results of Securities (TVM) and Derivative Financial Instrument Operations

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Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
7,888	6,160	(21.9)	943	1,288	36.6

The variation for the period is mainly due to: (i) falling average interest rates for the period/04; offset in part by: (ii) the increase (non-interest income) of R\$ 1,261, in period/04 against R\$ 939 in period/03, as a result of increased gains with securities (TVM) and treasury operations; (iii) less negative exchange variation of 8.1% in period/04, against negative exchange variation of 18.2% in period/03, impacting foreign-currency-indexed and or denominated securities, which comprise 12.6% of the portfolio; and (iv) increase in the average volume of the securities portfolio, particularly federal government securities, as a result of increased funding.

This increase for the quarter reflects mainly: (i) increase in the average volume of the securities portfolio, particularly federal government securities, as a result of increased funding; (ii) less negative exchange variation of 7.1% in 4Q04, against negative exchange variation of 8.0% in 3Q04, impacting foreign currency-indexed and or denominated securities, which comprise 12.6% of the total portfolio; partially offset by: (iii) decrease in non-interest income of R\$ 415 in 4Q04, compared to R\$ 438 in 3Q04, as a result of less gains with securities.

Financial Income on Insurance, Private Pension Plans and Savings Bonds

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
5,360	5,143	(4.0)	1,337	1,379	3.1

The variation for the period was mainly due to the increase in the average volume of the securities portfolio, comprising federal government securities, related to technical reserves, especially PGBL and VGBL products and by increased variation in the IGP-M index, of 8.7% for 2003, against 12.4% in 2004. However, overall results were down mainly due to: (i) the decrease in average interest rates, especially CDI, from 23.3% in period/03 to 16.2% for period/04; and (ii) by the drop in non-interest income from R\$ 303 in period/03 to R\$ 179 in period/04, as a result of less gains on securities.

The variation for the quarter was substantially due to the increase in volume of the securities portfolio, mainly comprising federal government securities, as a result of the increase in the sale of supplementary pension plans and insurance policies, especially PGBL and VGBL, partially offset by: (ii) less variation in the IGP-M index, from 2.0% in 4Q04, against 3.3% in 3Q04.

Results of Foreign Exchange Transactions

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
797	691	(13.3)	-	29	-

During the period, there was a decrease in the volume of the foreign exchange portfolio as a result of less exchange variation for the period. Considering the adjustments to foreign funding expenses

The volume of the fx portfolio for the quarter presents a decrease, when measured in reais, mainly as a result of negative exchange variation of 7.1% in 4Q04. Considering the adjustments to foreign

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used to finance import/export transactions (Note 13 to the financial statements), results would total R\$ 325 for period/03 to R\$ 222 for period/04.

funding expenses used to finance import/export transactions, results would total R\$ 45 and R\$ 79 in 3Q04 and 4Q04, respectively.

Results of Compulsory Deposits

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
1,386	1,177	(15.1)	301	318	5.6

The decrease for the period reflects: (i) drop in the SELIC rate from 23.3% for period/03 to 16.2% for period/04, which is used to remunerate the additional compulsory deposit; (ii) the decrease in the TR reference rate used to remunerate compulsory savings account deposits, from 4.7% in period/03 to 1.8% for period/04; partially offset by: (iii) the increase in the average volume of deposits for the period.

This increase was mainly due to: (i) increase in the SELIC rate from 3.9% in 3Q04 to 4.0% in 4Q04, which is used to remunerate the additional compulsory deposit; (ii) increase in the average volume of deposits for the quarter; partially offset by (iii) the decrease in the TR reference rate used to remunerate compulsory savings account deposits, from 0.6% in 3Q04 to 0.5% for 4Q04.

Interest and Charges on Deposits

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
10,536	8,486	(19.5)	1,292	1,710	32.4

The decrease mainly reflects: (i) falling average interest rates, in line with the variation in the CDI from 23.3% in period/03 against 16.2% in period/04, impacting expenses for purchase and sale commitments third-party portfolio and time deposits and - R\$ 1,131 and R\$ 951 respectively, partially offset by: (ii) greater expense for securities abroad - R\$ 535, generated by negative exchange variation of 18.2% in period/03 as compared to negative exchange variation of 8.1% in period/04; and (iii) increase in the average volume of funding for the period.

The increase in this expense mainly reflects negative exchange variation of 7.1% in 4Q04, compared to negative exchange variation of 8.0% in 3Q04, impacting securities and other funds obtained abroad; (ii) increase in interest rates, in line with the variation in the CDI from 3.9% in 3Q04 to 4.0% in 4Q04; and (iii) increase in the average volume of funding in 4Q04.

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

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
3,120	3,216	3.1	943	922	(2.2)

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The increase mainly reflects (i) the increase in the average volume of technical reserves, for insurance, private pension plans and premium bonds, particularly PGBL and VGBL products and (ii) the improved accounting policies in period/04, with R\$ 267, recorded in this account rather than in Variation in technical reserves for insurance, private pension plans and savings bonds pursuant to prior policy; partially offset by: (iii) the fall in average interest rates, in line with the variation in the CDI rate of 23.3% for period/03 as compared to 16.2% for period/04.

The variation was mainly due to less variation in the IGP-M, from 3.3% in 3Q04 against 2.0% in 4Q04, one of the indexes used to remunerate technical reserves for insurance, private pension plans and savings bonds; partially offset by the increase in sales of supplementary pension plans and insurance policies, particularly PGBL and VGBL products.

Expenses for Borrowings and Onlendings

Accumulated to December		
2003	2004	% Variation
1,084	1,253	15.6

2004		
3 rd Quarter	4 rd Quarter	% Variation
(18)	50	(377.8)

The increase reflects negative exchange variation of 18.2% in period/03, against negative exchange variation of 8.1% in period/04, impacting borrowings and onlendings indexed and/or denominated in foreign currency, as well as the increase in local funding through onlendings from BNDES/FINAME.

This increase reflects negative exchange variation of 7.1% in 4Q04 against positive exchange variation of 8.0% in 3Q04, impacting borrowings and onlendings indexed and/or denominated in foreign currency, as well as the increase in local funding through onlendings from BNDES/FINAME.

Financial Margin

Accumulated to December		
2003	2004	% Variation
13,282	13,231	(0.4)

2004		
3 rd Quarter	4 rd Quarter	% Variation
3,304	3,516	6.4

The variation for the period was mainly due to: (i) decrease in interest income - R\$ 90, comprising growth in the average volume of business - R\$ 1,470 and shrinking spreads R\$ 1,560; (ii) financial expenses recorded formerly in the Variation in technical reserves for insurance, private pension plans and savings bonds account - R\$ 267; partially offset by (iii) the increase in non-interest income - R\$ 306, mainly due to increased gains on treasury transactions and credit recoveries for period/04.

The variation for the quarter was mainly due to: (i) increase in interest income - R\$ 291, comprising growth in the average volume of business - R\$ 194 and change in loan profile - R\$ 97; partially offset by (ii) decrease in non-interest income - R\$ 79, derived from the less gains on securities transactions and credit recoveries as compared to 3Q04.

Expenses for Provision for Loan Losses

Accumulated to December		
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2004		
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2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
2,450	2,042	(16.7)	478	489	2.3

Excluding additional provisions - R\$ 354 in period/03 and R\$ 66 in period/04, the decrease in expenses for PDD in the amount of R\$ 120, was mainly due to our selectivity and ongoing enhancement of tools/instruments used to grant, recover and monitor credits, as well as the continuing recovery of the Brazilian economy, reflected in the quality of our credit portfolio. In December 2003 and December 2004, our AA to C rated portfolio comprised 91.2% and 92.3% respectively of our total portfolio.

The increase is consistent with the growth in credit portfolio volume in 4Q04, offset by our selectivity and ongoing enhancement of tools/instruments used to grant, recover and monitor credits, as well as the continuing recovery of the Brazilian economy, reflected in the quality of our credit portfolio. In September 2004 and December 2004, our AA to C rated portfolio comprised 91.6% and 92.3% respectively of our total portfolio.

Income on Commissions and Fees

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
4,557	5,824	27.8	1,455	1,675	15.1

Growth for the period is derived substantially from the increase in the average volume of transactions and number of customers, as well as improvement in the partnership ratio, as a result of the segmentation process, especially: (i) fund management - R\$ 298; (ii) credit operations - R\$ 252; (iii) income on cards - R\$ 252; and (iv) checking accounts - R\$ 220; and (v) consortium purchase plan management - R\$ 61.

Variation for the quarter was mainly due to the increase in the average volume of transactions, as well as improvement in the partnership ratio, as a result of the segmentation process, in particular: (i) income on cards R\$ 105; checking accounts R\$ 49; credit operations - R\$ 26; and (iv) collection R\$8.

Income from Insurance Premiums, Private Pension Plans and Savings Bonds

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
11,726	13,284	13.3	3,465	3,836	10.7

The variation for the period is detailed below:

The variation for the quarter is detailed below:

a) Insurance Premiums Retained

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation

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5,535	6,433	16.2
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The variation for the period mainly reflects: (i) the increase in the Health line portfolio - R\$ 464, as a result of the inclusion of 300 thousand new lives in the Corporate Health segment; (ii) increase in the Auto portfolio - R\$ 245, especially online transactions by brokers and policyholders; and (iii) increase in the Life portfolio - R\$ 168.

1,674	1,770	5.7
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The increase for the fourth quarter was mainly due to growth in sales of Life - R\$ 44 and Auto - R\$ 40.

b) Private Pension Plan Contributions

Accumulated to December		
2003	2004	% Variation
5,035	5,493	9.1

The variation for the period was substantially due to: (i) growth in VGBL product sales - R\$ 478; (ii) receipt of the transfer of the Previllares supplementary pension plan portfolio - R\$ 117; e partially offset by (iii) lower PGBL product sales -R\$ 274.

2004		
3 rd Quarter	4 rd Quarter	% Variation
1,453	1,748	20.3

The growth for the quarter was substantially derived from growth in VGBL and PGBL product sales - R\$ 290 and 208, respectively; partially offset by lower traditional product sales - R\$ 203.

c) Income on Savings Bonds

Accumulated to December		
2003	2004	% Variation
1,156	1,358	17.5

This growth reflects the increase in sales and re-investment of bonds maturing during the period.

2004		
3 rd Quarter	4 rd Quarter	% Variation
338	318	(5.9)

The variation is partly due to the decrease in the re-investment of bonds matured in 4Q04.

Variation in Technical Reserves for Insurance, Pension Plans and Savings Bonds

Accumulated to December		
2003	2004	% Variation
(3,670)	(3,964)	8.0

The variation for the period is detailed below:

2004		
3 rd Quarter	4 rd Quarter	% Variation
(1,076)	(1,317)	22.4

The variation for the period is detailed below:

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a) Variation in Technical Reserves for Insurance

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(249)	(288)	15.7	(114)	(127)	11.4

Variations in technical reserves for insurance are directly related to the production of premiums in their respective effective periods. In period/04, the most significant variation occurred as a result of the increased reserve recorded in the Auto line - R\$ 30.

Variations in technical reserves for insurance are directly related to the production of premiums in their respective effective periods. In 4Q04, the most significant amount was recorded in the Auto line - R\$ 17.

b) Variation in Technical Reserves for Pension Plans

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(3,336)	(3,640)	9.1	(972)	(1,200)	23.5

Variations in technical reserves are directly related to the production of premium and contributions in diverse selling periods, against benefits and redemptions. During the period, reserves were recorded in VGBL and traditional products - R\$ 430 and R\$ 771, respectively, offset by a lower reserve recorded for the PGBL product - R\$ 897 and by the improved accounting policies in period/04, with R\$ 267, recorded in Price-level statement and interest on technical reserves for insurance, private pension plans and savings bonds rather than in this account.

Variations in technical reserves are directly related to the production of premium and contributions in diverse selling periods, against benefits and redemptions. During the quarter, reserves were recorded, mainly, in VGBL and PGBL products - R\$ 280 and R\$ 71, respectively, offset by a lower reserve recorded for traditional products - R\$ 123.

c) Variation in Technical Reserves for Savings Bonds

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(85)	(36)	(57.6)	10	10	-

The variation reflects substantially the change in the criteria used to calculate the reserves for draws in September 2004, as well as the decrease in reserves for contingencies.

The variation of technical reserves remained stable for the quarter.

Claims - Insurance Operations

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(3,980)	(5,159)	29.6	(1,328)	(1,317)	(0.8)

The increase in expense with claims for the period was mainly due to: (i) improved calculation of the provision for claims incurred but not reported (IBNR) during the period, used to analyze the movement of claims for a period of 54 months rather than 12, as in prior periods, which resulted in the recording of an extraordinary reserve of R\$ 276; (ii) an amount of R\$ 74, arising from civil contingencies related to insurance operations; and (iii) the increase in indemnities in Health, Auto and Life lines - R\$ 773, compatible with earned premium growth.

Excluding the extraordinary reserves in 3Q04 R\$ 74, arising from civil contingencies related to insurance operations, the amounts of retained claims would total R\$ 1,254 and R\$ 1,137, respectively, compatible with earned premium growth.

Savings Bond Draws and Redemptions

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(1,100)	(1,223)	11.2	(312)	(292)	(6.4)

The increase for the period is due to increased reserves recorded for redemptions and draws - R\$ 123, as a result of increased sales of savings bonds.

The drop is mainly due to the decreased volume of single payment bond redemptions of R\$ 5 thousand, matured in 4Q04.

Insurance, Pension Plan and Savings Bond Selling Expenses

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(762)	(867)	13.8	(216)	(234)	8.3

The variation for the period is detailed below:

The variation for the quarter is detailed below:

a) Insurance Product Selling Expenses

Accumulated to December			2004		
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2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(622)	(709)	14.0	(176)	(189)	7.4

The increase in selling expenses for the period occurred mainly in Life - R\$ 33, Auto - R\$ 32 and Health - R\$ 17 products, in line however with the ratio of selling expenses to earned premium.

The increase in selling expenses for the quarter occurred mainly in the Life R\$ 10 and Auto - R\$3, even though the ratio of selling expenses to earned premium decreased for the quarter.

b) Pension Plan and Savings Bond Selling Expenses

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(140)	(158)	12.9	(40)	(45)	12.5

The increase in these expenses for the period reflects substantially the growth in VGBL product sales.

The increase in these expenses for the quarter reflects substantially the growth in VGBL and PGBL product sales.

Expenses with Pension Plan Benefits and Redemptions

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(2,363)	(2,131)	(9.8)	(496)	(511)	3.0

The decrease for the period was mainly due to decreased benefit payments and redemptions of traditional private pension plans - R\$323, offset by increased benefit payments and redemptions in the PGBL and VGBL products - R\$ 91.

The increase in these expenses for the quarter mainly reflects increased benefit payments and redemptions in traditional pension plan products - R\$ 7 and PGBL and VGBL products - R\$ 8, in 4Q04 compared to 3Q04.

Personnel Expenses

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(4,780)	(4,969)	4.0	(1,274)	(1,284)	0.8

The variation for the period reflects for the most part: (i) the effect of the collective bargaining agreement - R\$ 260, of which: R\$ 248 in 2003 was reflected in 2004 and R\$ 72 in 2004, offset by less

The variation for the quarter was mainly due to payroll increases, as a result of the collective bargaining agreement (8.5%) in September 2004, which was partially offset by lower personnel expenses, as a

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expenses with bonus in 2004 of R\$ 60; (ii) increased expenses for labor claims R\$ 40; and (iv) consolidation of BBV Banco, Zogbi and BEM - R\$ 207. Disregarding the above events the decrease in payroll would amount to R\$ 317 for the period, mainly as a result of the synergy following the merger of banks acquired.

result of the synergy following the merger of banks acquired.

Other Administrative Expenses

Accumulated to December		
2003	2004	% Variation
(4,814)	(4,937)	2.6

The increase for the period was mainly due to consolidation of BBV Banco, Zogbi and BEM R\$ 239, acquired in 2004, partially offset by the decrease in expenses R\$ 116, as a result of management's focus on controlling administrative expenses, establishing goals for maintenance of their notional value.

2004		
3 rd Quarter	4 rd Quarter	% Variation
(1,225)	(1,289)	5.2

The variation in administrative expenses remained practically stable in 4Q04, except for the seasonal increase in expenses for publicity and advertising - R\$ 54.

Tax Expenses

Accumulated to December		
2003	2004	% Variation
(1,054)	(1,464)	38.9

This variation was substantially generated by: (i) the increase in expenses for COFINS - R\$ 266, as a result of the rise in the calculation base rate from 3% to 4% in September 2003, as well as an increase in taxable income; (ii) the increase in expenses for ISS - R\$ 74, as a result of a change in legislation; and (iii) increased expense for CPMF - R\$ 45.

2004		
3 rd Quarter	4 rd Quarter	% Variation
(374)	(411)	9.9

The increase for the quarter was mainly generated by an increase in expenses for COFINS - R\$ 22, which is compatible with the growth in taxable income during the quarter.

Equity in the Earnings of Associated Companies

Accumulated to December		
2003	2004	% Variation
5	163	3,160.0

The variation was mainly derived from improved results in associated companies for the period, as follows: IRB-Brasil

2004		
3 rd Quarter	4 rd Quarter	% Variation
(4)	44	(1,200.0)

The variation was mainly derived from improved results in associated companies for the quarter as follows: Marlim

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Resseguros - R\$ 70; Marlim Participações - R\$ 25; and American BankNote - R\$ 18.

Participações - R\$ 19 and IRB-Brasil Resseguros - R\$ 19.

Other Operating Income

Accumulated to December		
2003	2004	% Variation
1,697	1,198	(29.4)

The variation for the period was mainly derived from: (i) reversal of other operating provisions in period/03, especially tax contingencies - R\$ 344; and (ii) decrease due to non-consolidation of Latasa, sold in period/2003 R\$ 130.

2004		
3 rd Quarter	4 rd Quarter	% Variation
351	311	(11.4)

The variation for the quarter reflects the reversal of other operating provisions, in particular, the reversal of tax contingencies in 3Q04.

Other Operating Expenses

Accumulated to December		
2003	2004	% Variation
(2,741)	(2,826)	3.1

The growth was generated substantially by: (i) increased expenses for amortization of goodwill, as a result of the acquisition of BBV Banco, Zogbi and BEM - R\$ 107; (ii) increase in the cost of services rendered; (iii) operating provisions R\$ 33; (iv) increase in sundry losses (discounts granted on credit operations/fraud) R\$ 45; partially offset by (v) less financial expense R\$ 251.

2004		
3 rd Quarter	4 rd Quarter	% Variation
(628)	(704)	12.1

The increase for 4Q04 was mainly due to: (i) operating provisions R\$ 31; (ii) increase in costs of services rendered - R\$ 27; and (iii) increase in sundry losses ((discounts granted on credit operations/fraud) R\$ 10.

Operating Income

Accumulated to December		
2003	2004	% Variation
3,553	4,118	15.9

The variation for the period was due to: (i) increase in income on commissions and fees - R\$ 1,267; (ii) less expense for provision for loan losses - R\$ 408; (iii) increase in equity and earnings in associated companies - R\$ 158; (iv) increase in the margin of contribution of insurance, private pension plan and savings bond operations - R\$ 88; partially offset by: (v) decrease in operating

2004		
3 rd Quarter	4 rd Quarter	% Variation
1,163	1,534	31.9

The variation for the quarter was derived from: (i) increase in financial margin - R\$ 212; (ii) increase in income on commissions and fees R\$ 220; (iii) increase in the margin of contribution of insurance, private pension plan and savings bond operations R\$ 128; (iv) increase in equity and earnings in associated companies - R\$ 48; partially offset by: (v) decrease in operating revenue (net of other

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revenue (net of other expenses) R\$ 583; (vi) increased tax expense - R\$ 410; (vii) increase in personnel and administrative expenses - R\$ 312; and (viii) less financial margin R\$ 51.

expenses) - R\$ 115; (vi) increased personnel and administrative expenses - R\$ 74; (vii) increased tax expenses - R\$ 37; and (viii) increase in expense for provision for loan losses - R\$ 11.

Non-operating Income

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(841)	(491)	(41.6)	(130)	(148)	13.8

The variation for the period mainly reflects (i) extraordinary amortization of goodwill for period/03 - R\$799; offset by: (ii) extraordinary amortization of goodwill in period/04 - R\$ 370; and (iii) income determined as a result of the auction of branches R\$ 211 for period/03.

The variation for the quarter reflects substantially increased extraordinary amortization of goodwill in 4Q04 - R\$ 133 as compared to R\$ 102 in 3Q04.

Income Tax and Social Contribution

Accumulated to December			2004		
2003	2004	% Variation	3 rd Quarter	4 rd Quarter	% Variation
(397)	(554)	39.5	(278)	(321)	15.5

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

The variation in the expense for income tax and social contribution for the quarter was due substantially to: (i) calculation basis increase which applied to the IRPJ and CS rates (34%), generated an increase in expense - R\$ 121; adjusted by variations in exclusions: (ii) increase in equity in the earnings of subsidiary and associated companies - R\$ 18; (iii) less exchange loss - R\$ 32; and (iv) decrease in the amount of deferred tax assets recorded - R\$ 23.

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Comparative Balance Sheet - In millions of reais

Assets	December 2003	December 2004	% Variation	September 2004	December 2004	% Variation
Current assets and long-term receivables	171,142	179,980	5.2	174,673	179,980	3.0
Funds available	2,448	2,639	7.8	2,386	2,639	10.6
Interbank investments	31,724	22,347	(29.6)	25,126	22,347	(11.1)
Securities and derivative financial instruments	53,805	62,422	16.0	58,155	62,422	7.3
Interbank and interdepartmental accounts	14,528	16,235	11.7	15,336	16,235	5.9
Restricted deposits:						
Brazilian Central Bank	13,580	15,696	15.6	14,244	15,696	10.2
Other	948	539	(43.1)	1,092	539	(50.6)
Credit and leasing operations	43,469	53,447	23.0	49,859	53,447	7.2
Credit and leasing operations	47,376	57,440	21.2	53,832	57,440	6.7
Allowance for loan and leasing losses	(3,907)	(3,993)	2.2	(3,973)	(3,993)	0.5
Other receivables and assets	25,168	22,890	(9.1)	23,811	22,890	(3.9)
Foreign exchange portfolio	11,103	7,337	(33.9)	8,960	7,337	(18.1)
Other receivables and assets	14,217	15,705	10.5	15,059	15,705	4.3
Allowance for losses	(152)	(152)	0.7	(208)	(152)	(26.9)
Permanent assets	4,956	4,946	(0.2)	5,030	4,946	(1.7)
Investments	862	1,101	27.7	971	1,101	13.4
Property and equipment in use and leased assets	2,326	2,289	(1.6)	2,288	2,289	-
Deferred charges	1,768	1,556	(12.0)	1,771	1,556	(12.1)
Deferred charges	552	530	(4.0)	541	530	(2.0)
Goodwill on acquisition of subsidiaries, net of amortization	1,216	1,026	(15.6)	1,230	1,026	(16.6)
Total	176,098	184,926	5.0	179,703	184,926	2.9
Liabilities						
Current and long-term liabilities	162,406	169,595	4.4	164,907	169,595	2.8
Deposits	58,024	68,643	18.3	64,787	68,643	6.0
Demand deposits	12,909	15,298	18.5	14,782	15,298	3.5
Savings deposits	22,140	24,783	11.9	23,186	24,783	6.9
Interbank deposits	32	19	(40.6)	14	19	35.7
Time deposits	22,943	28,459	24.0	26,805	28,459	6.2
Other deposits	-	84	-	-	84	-
Deposits received under security repurchase agreements	32,793	22,886	(30.2)	21,551	22,886	6.2
Funds from issuance of securities	6,847	5,057	(26.1)	6,116	5,057	(17.3)
Securities issued abroad	5,809	4,376	(24.7)	5,227	4,376	(16.3)
Other resources	1,038	681	(34.4)	889	681	(23.4)
Interbank and interdepartmental accounts	2,311	1,920	(16.9)	1,739	1,920	10.4
Borrowings and onlendings	14,795	15,960	7.9	16,715	15,960	(4.5)
Borrowings	7,224	7,561	4.7	8,695	7,561	(13.0)
Onlendings	7,571	8,399	10.9	8,020	8,399	4.7
Derivative financial instruments	52	173	232.7	308	173	(43.8)
Technical reserves for insurance, private pension plans and savings bonds	26,409	33,669	27.5	31,585	33,669	6.6
Other liabilities	21,175	21,287	0.5	22,106	21,287	(3.7)
Foreign exchange portfolio	5,119	3,011	(41.2)	3,974	3,011	(24.2)
Taxes and social security contributions, social and statutory payables	5,633	5,395	(4.2)	5,208	5,395	3.6
Subordinated debt	4,995	5,972	19.6	6,089	5,972	(1.9)
Sundry	5,428	6,909	27.3	6,835	6,909	1.1
Deferred income	32	45	40.6	44	45	2.3
Minority interest in subsidiaries	113	71	(37.2)	74	71	(4.1)
Stockholders equity	13,547	15,215	12.3	14,678	15,215	3.7
Total	176,098	184,926	5.0	179,703	184,926	2.9

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Equity Analysis - In millions of reais

Funds Available

December/2003	December/2004	% Variation
2,448	2,639	7.8

This increase for the year reflects the increase in the volume of local currency cash funds - R\$ 347, offsetting the decrease in the volume of foreign currency cash funds - R\$ 156.

September/2004	December/2004	% Variation
2,386	2,639	10.6

This variation for the quarter was due to the increase in the volume of local currency cash funds - R\$ 268, offsetting the decrease in the volume of foreign currency cash funds - R\$ 15.

Interbank Investments

December/2003	December/2004	% Variation
31,724	22,347	(29.6)

The variation for the year reflects: (i) the decrease in the third-party and own portfolio positions and unrestricted notes in open market investments, down by R\$ 2,730, R\$ 5,222 and R\$ 3,135, respectively; partially offset by: (ii) the increase in interbank deposits - R\$ 1,710.

September/2004	December/2004	% Variation
25,126	22,347	(11.1)

The increase for the quarter is mainly due to: (i) decrease in the third-party portfolio and own portfolio positions of open market investments, down by R\$ 1,103 and R\$ 1,510 respectively; and (ii) by decreased interbank deposits - R\$ 166.

Securities (TVM) and Derivative Financial Instruments

December/2003	December/2004	% Variation
53,805	62,422	16.0

The increase for the year is due substantially to: (i) additional funds derived from the increase in funding, particularly technical reserves for insurance, private pension plans and savings bonds, as well as issuance of subordinated and mitigated in part by: (ii) negative exchange variation of 8.1% for 2004 (year/04) impacting foreign-currency indexed and/or denominated securities, which comprise 12.6% of the portfolio; and (iii) the redemption/maturity of securities during the year.

September/2004	December/2004	% Variation
58,155	62,422	7.3

The variation is mainly due to: (i) additional funds derived from the increase in funding, particularly technical reserves for insurance, private pension plans and savings bonds; partially offset by: (ii) negative exchange variation of 7.1% for the quarter, impacting foreign-currency indexed and/or denominated securities, which comprise 12.6% of the portfolio; and (iii) the redemption/maturity of securities during the quarter.

Interbank and Interdepartmental Accounts

December/2003	December/2004	% Variation
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September/2004	December/2004	% Variation
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14,528

16,235

11.7

15,336

16,235

5.9

The variation for the year reflects the increase in compulsory Brazilian Central Bank (BACEN) deposits, as a result of the increase in the volume of demand and savings deposits which grew 18.5% and 11.9%, respectively.

The increase for the quarter reflects the growth in compulsory BACEN deposits, as a result of the increase in the volume of demand and savings deposits which grew 3.5% and 6.9%, respectively, offset by amounts resulting from the balancing of checks and other documents recorded in the Unsettled payments and receipts accounts, between SFN institutions on the last day of the year.

Credit and Leasing Operations

December/2003	December/2004	% Variation
54,336	62,788	15.6

Growth for the year was mainly due to: (i) the consumer customer portfolio with a growth rate of 35.6%, in particular, Auto CDC products up by 51.1% and Personal Credit, up by 66.7% and Onlendings BNDES up by 52.7%, reflecting increased consumer confidence in the present economic scenario. In the corporate portfolio, the growth rate was 7.5%, as a result of the increase of 32.8% of the micro, small and medium business portfolio, offset by a decline of 7.0% in the portfolio of large companies, (mainly as a result of the appreciation of the real against the US dollar). In the corporate portfolio, we highlight the rural credit product, up by 27.8%, auto financing up by 62.5% and working capital up by 11.4%, following the return to economic growth, in both foreign and domestic markets in 2004; (ii) consolidation of Banco Zogbi and Banco BEM; partially offset by: (iii) negative exchange variation of 8.1% for year/04, affecting foreign-currency indexed and/or denominated contracts, comprising 10.3% of the total portfolio.

N.B. Includes advances on foreign exchange contracts and other receivables and does not include the allowance for loan losses, as described in Note 12 to the financial statements.

September/2004	December/2004	% Variation
59,976	62,788	4.7

This growth was mainly due to: (i) increase in the balance of the credit portfolio, especially the 13.4% increase for the quarter in the individual customer portfolio, in particular, Auto Financing products up by 16.8%, Personal Credit up by 13.8% and Onlendings BNDES up by 12.0%. In the corporate customer portfolio, the increase of 0.7% was partially motivated by appreciation of the real against the US dollar influencing the negative results of foreign-currency indexed and/or denominated operations. In this portfolio, we highlight working capital products, up by 15.6%, discount of promissory notes, up by 19.2% and Auto Financing, up by 17.8%; partially offset by: (ii) negative exchange variation of 7.1% in 4Q04, affecting foreign-currency indexed and/or denominated contracts, comprising 10.3% of the total portfolio.

N.B. Includes advances on foreign exchange contracts and other receivables and does not include the allowance for loan losses, as described in Note 12 to the financial statements.

Allowance for Loan Losses (PDD)

December/2003	December/2004	% Variation
(4,059)	(4,145)	2.1

The variation in the balance of PDD for the year was due to the increase in the volume of credit operations, mitigated by the ongoing improvement in quality of the Bank's credit portfolio. We noted that the ratio of total PDD to the credit portfolio dropped from 75% in December/03 to 6.6% in December/04, and the ratio of allowance coverage to the abnormal course credit portfolio, rated from D to H, increased from 154.2% in December/03 to 169.8% in December/04. These ratios evidence the improvement in credit portfolio quality, as a result of our safe, selective and consistent credit granting strategy, as well as the improved Brazilian economy. In year/04, R\$ 2,118 (R\$ 77 derived from acquisition) was recorded as PDD and R\$ 2,032 was written off. Excess allowance over minimum requirements increased from R\$ 859 in December/03 to R\$ 925 in December/04.

September/2004	December/2004	% Variation
(4,181)	(4,145)	(0.9)

The balance of PDD remained practically stable for the quarter, evidencing the excellent quality of the Bank's credit portfolio. We noted that the ratio of total PDD to the credit portfolio dropped from 7.0% in September/04 to 6.6% in December/04, and the ratio of allowance coverage to the abnormal course credit portfolio, rated from D to H, increased from 165.1% in September/04 to 169.8% in December/04. These ratios evidence the improvement in credit portfolio quality, as a result of our safe, selective and consistent credit granting strategy, as well as the improved Brazilian economy. During the quarter, R\$ 489 was recorded and R\$ 525 was written off. Excess allowance over minimum requirements increased from R\$ 913 in September/04 to R\$ 925 in December/04.

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Other Receivables and Assets

December/2003	December/2004	% Variation
24,543	22,491	(8.4)

This variation is mainly due to: (i) the decrease in fx portfolio volume R\$ 3,766; partially mitigated by: (ii) the increase in accounts receivable for credit card transactions, which do not involve the granting of credit.

N.B. This total is less (net of corresponding PDD) an amount of R\$ 625 in December/03 and R\$ 399 in December/04, allocated to the Credit Operations and Leasing Operations and Allowance for loan losses accounts.

Permanent Assets

December/2003	December/2004	% Variation
4,956	4,946	(0.2)

The variation for the year reflects substantially: (i) amortization of goodwill in subsidiaries R\$ 713, of which R\$ 370 was amortized on an extraordinary basis in year/04; (ii) goodwill on the acquisition of Banco Zogbi and Banco BEM R\$ 443, partially offset by equity in the earnings of subsidiary and associated companies for 2004 and (iii) the transfer of share investments from current to permanent assets.

Demand Deposits

December/2003	December/2004	% Variation
12,909	15,298	18.5

The increase for the year is principally due to the growing number of consumer customers, as well as the increase in funds deposited by corporate entities.

Savings Deposits

December/2003	December/2004	% Variation
22,140	24,783	11.9

This growth reflects substantially: (i) increase in the number of customers and (ii) 8.1% remuneration (TR + 0.5% p.m.) for year/04

September/2004	December/2004	% Variation
23,387	22,491	(3.8)

The variation for the quarter mostly reflects: (i) the decrease in fx portfolio volume R\$ 1,623; partially mitigated by: (ii) the increase in accounts receivable for credit card transactions, which do not involve the granting of credit.

N.B. This total is less (net of corresponding PDD) an amount of R\$ 424 in September/04 and R\$ 399 in December/04, allocated to the Credit Operations and Leasing Operations and Allowance for loan losses accounts.

September/2004	December/2004	% Variation
5,030	4,946	(1.7)

The variation for the quarter was substantially due to: (i) amortization of goodwill in subsidiaries - R\$ 204, of which R\$ 133 was amortized on an extraordinary basis, mitigated by: (ii) equity in the earnings of subsidiary and associated companies for 4Q04 and (iii) the transfer of share investments from current to permanent assets.

September/2004	December/2004	% Variation
14,782	15,298	3.5

The increase for the quarter is principally due to the increase in funds deposited by corporate entities and in the number of bank customers.

September/2004	December/2004	% Variation
23,186	24,783	6.9

The growth for the quarter is due to: (i) increase in the number of customers and (ii) 2.0% remuneration (TR + 0.5% p.m.) for 4Q04 on

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on deposits.

Time Deposits

December/2003	December/2004	% Variation
22,943	28,459	24.0

This increment is due for the most part to: (i) remuneration recognized for the year; (ii) increased volume, partly, to attend demand by institutional investors.

Interbank Deposits and Other Deposits

December/2003	December/2004	% Variation
32	103	221.9

The variation for the year is mainly due to the introduction of the Investment Account effective from October 1, 2004.

Deposits Received under Security Repurchase Agreements

December/2003	December/2004	% Variation
32,793	22,886	(30.2)

The variation in this account balance for the year was due mostly to: (i) decrease in the third-party portfolio R\$ 3,128; (ii) decrease in the unrestricted notes portfolio R\$ 8,366; partially offset by: (iii) increase in own portfolio R\$ 1,587.

N.B. Includes investment fund and managed portfolio resources invested in purchase and sale commitments with Bradesco, the investors in which are subsidiary companies included in the consolidated financial statements in the amounts of R\$ 11,512 (December/03) and R\$ 10,234 (December/04).

Funds from Acceptance and Issuance of Securities

December/2003	December/2004	% Variation
6,847	5,057	(26.1)

The decrease is due to the redemption of securities issued abroad (Eurobonds) matured and not renewed during the year, as well as negative exchange variation of 8.1% for the year.

Interbank and Interdepartmental Accounts

deposits.

September/2004	December/2004	% Variation
26,805	28,459	6.2

The growth for the quarter is due to: (i) income accrued and (ii) increase in the volume of funding to attend demand by institutional investors.

September/2004	December/2004	% Variation
14	103	635.7

The variation for the quarter is mainly due to the introduction of the Investment Account effective from October 1, 2004.

September/2004	December/2004	% Variation
21,551	22,886	6.2

The variation in this account balance for the quarter was mostly due to: (i) increase in own portfolio - R\$ 2,428; partially offset by: (ii) decrease in third-party portfolio - R\$ 1,198, respectively.

N.B Includes investment fund and managed portfolio resources invested in purchase and sale commitments with Bradesco, the investors in which are subsidiary companies included in the consolidated financial statements in the amounts of R\$ 8,518 (September/04) and R\$ 10,234 (December/04).

September/2004	December/2004	% Variation
6,116	5,057	(17.3)

The decrease is due to the redemption of securities issued abroad (Eurobonds) matured and not renewed during the quarter, as well as negative exchange variation of 7.1% for 4Q04.

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December/2003	December/2004	% Variation
2,311	1,920	(16.9)

The variation reflects mainly the increased volume of foreign currency money orders in December/04 as compared to December/03.

Borrowings and Onlendings

December/2003	December/2004	% Variation
14,795	15,960	7.9

The variation for the year is due substantially to: (i) the increase in the volume of funds obtained in Brazil via onlendings from BNDES/FINAME; and (ii) new funding transactions abroad, partially offset by: (iii) negative exchange variation of 8.1% for year/04, since a portion of these transactions are indexed and/or denominated in foreign currency.

Other Liabilities and Derivative Financial Instruments

December/2003	December/2004	% Variation
27,410	26,256	(4.2)

The variation was due mostly to: (i) decrease in the volume of the fx portfolio; (ii) negative exchange variation of 8.1% for the year on balances of a portion of subordinated debt; offset by (iii) new issuance of subordinated debt in foreign currency R\$ 817 in year/04.

N.B. Excludes advances on foreign exchange contracts of R\$ 6,183 and R\$ 4,797, allocated to the specific account in credit operations in December/03 and December/04, respectively.

Technical Reserves for Insurance, Private Pension Plans and Savings Bonds

December/2003	December/2004	% Variation
26,409	33,669	27.5

The increase for the year reflects mainly the increased sales of private supplementary pension plans and insurance policies, in particular, PGBL and VGBL products, as well as price-level restatement and interest on technical reserves.

Minority Interest in Subsidiaries

September/2004	December/2004	% Variation
1,739	1,920	10.4

The variation reflects mainly the increased volume of foreign currency money orders in December/04 as compared to September/04.

September/2004	December/2004	% Variation
16,715	15,960	(4.5)

The decrease for the quarter is mainly due to: (i) negative exchange variation of 7.1% in 4Q04, since a portion of these transactions are indexed and/or denominated in foreign currency; partially offset by: (ii) increase in the volume of funds obtained in Brazil via onlendings from BNDES/FINAME.

September/2004	December/2004	% Variation
28,032	26,256	(6.3)

The variation for the quarter reflects substantially: (i) the decrease in the volume of the fx portfolio - R\$ 963; and (ii) negative exchange variation of 7.1% for 4Q04 on balances of a portion of subordinated debt.

N.B. Excludes advances on foreign exchange contracts of R\$ 5,618 and R\$ 4,797, allocated to the specific account in credit operations in September/04 and December/04, respectively.

September/2004	December/2004	% Variation
31,585	33,669	6.6

The growth for the quarter is substantially due to the increased sales of private supplementary pension plans and insurance policies, in particular, PGBL and VGBL products, as well as price-level restatement and interest on technical reserves.

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December/2003	December/2004	% Variation
113	71	(37.2)

The decrease for the year was due to the sale of our stake in Sete Quedas Empreendimentos Imobiliários e Participações Ltda.

Stockholders Equity

December/2003	December/2004	% Variation
13,547	15,215	12.3

This variation is due to: (i) appropriation of net income for the year - R\$ 3,060; (ii) others - R\$ 2; offset by: (iii) interest attributed to own capital, paid and accrued - R\$ 1,325; (iv) decrease in the mark-to-market adjustment reserve of securities and derivatives - R\$ 20, as a result of the reversal of mark-to-market adjustment of certain investments in shares, subsequent to their transfer to permanent assets, offset by the results of the appreciation of market value in year/04; and (v) acquisition of own shares - R\$ 49.

September/2004	December/2004	% Variation
74	71	(4.1)

Minority interest in subsidiaries remained practically stable for the quarter.

September/2004	December/2004	% Variation
14,678	15,215	3.7

This variation is due to: (i) appropriation of net income for 4Q04 - R\$ 1,058; offset by: (ii) decrease in the mark-to-market adjustment reserve of securities and derivatives - R\$ 181, as a result of the reversal of mark-to-market adjustment of certain investments in shares, subsequent to their transfer to permanent assets, offset by the results of the appreciation of market value in 4Q04; and (iii) interest attributed to own capital, paid and accrued - R\$ 340.

2 Main Statement of Income Information

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Consolidated Statement of Income In thousands of reais

	2004	2003	2002	2001	2000
Income from lending and trading activities	26,203,227	28,033,866	31,913,379	21,411,673	15,519,008
Credit operations	12,731,435	12,294,528	15,726,929	11,611,236	7,787,745
Leasing operations	300,850	307,775	408,563	420,365	512,962
Securities transactions	4,921,179	7,832,965	9,527,663	7,367,600	6,122,486
Financial income on insurance, private pension plans and savings bonds	5,142,434	5,359,939	3,271,913	-	-
Derivative financial instruments	1,238,890	55,192	(2,073,247)	(270,572)	-
Foreign exchange transactions	691,302	797,702	4,456,594	2,045,092	872,234
Compulsory deposits	1,177,137	1,385,765	594,964	237,952	223,581
Expenses	15,013,996	17,201,888	23,259,783	13,312,726	9,132,137
Interest and charges on:					
Deposits	8,486,003	10,535,497	10,993,327	6,986,027	5,521,407
Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds	3,215,677	3,120,342	2,241,283	-	-
Borrowings and onlendings	1,253,175	1,083,379	7,194,161	4,316,682	2,158,725
Leasing operations	17,492	12,981	12,486	-	93
Provision for loan losses	2,041,649	2,449,689	2,818,526	2,010,017	1,451,912
Income from financial intermediation	11,189,231	10,831,978	8,653,596	8,098,947	6,386,871
Other operating income (expenses)	(7,071,120)	(7,278,870)	(6,343,850)	(5,324,166)	(4,647,041)
Commissions and fees	5,824,368	4,556,861	3,711,736	3,472,560	3,042,699
Income on insurance premiums, private pension plans and savings bonds	13,283,677	11,726,088	10,134,873	8,959,259	6,919,942
Variation in technical reserves for insurance, private pension plans and savings bonds	(3,964,106)	(3,670,163)	(2,784,647)	(3,492,217)	(3,001,118)
Claims - insurance operations	(5,159,188)	(3,980,419)	(3,614,963)	(3,251,706)	(2,511,146)
Savings bond draws and redemptions	(1,223,287)	(1,099,554)	(720,932)	(744,402)	(355,243)
Insurance and pension plan selling expenses	(867,094)	(762,010)	(667,527)	(689,352)	(645,020)
Expenses with pension plan benefits and redemptions	(2,130,647)	(2,362,771)	(1,688,639)	(1,369,424)	(912,784)
Personnel expenses	(4,969,007)	(4,779,491)	(4,075,613)	(3,548,805)	(3,220,607)
Other administrative expenses	(4,937,143)	(4,814,204)	(4,028,377)	(3,435,759)	(2,977,665)
Tax expenses	(1,464,446)	(1,054,397)	(847,739)	(790,179)	(670,138)
Equity in the earnings of associated companies	163,357	5,227	64,619	70,764	156,300
Other operating income	1,198,532	1,697,242	1,320,986	1,326,459	902,807
Other operating expenses	(2,826,136)	(2,741,279)	(3,147,627)	(1,831,364)	(1,375,068)
Operating income	4,118,111	3,553,108	2,309,746	2,774,781	1,739,830
Non-operating income (expenses), net	(491,146)	(841,076)	186,342	(83,720)	(123,720)
Income before taxes and profit sharing	3,626,965	2,712,032	2,496,088	2,691,061	1,616,110

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Provision for income tax and social contribution	(554,345)	(396,648)	(460,263)	(502,257)	(258,776)
Non-recurring/extraordinary income	-	-	-	-	400,813
Minority interest in subsidiaries	(12,469)	(9,045)	(13,237)	(18,674)	(17,982)
Net income	3,060,151	2,306,339	2,022,588	2,170,130	1,740,165
<hr/>					
Return on stockholders' equity	20.11%	17.02%	18.65%	22.22%	21.50%
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	2004				2003			
	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Income from lending and trading activities	6,201,944	5,525,100	7,719,563	6,756,620	7,443,322	7,911,617	5,434,443	7,244,484
Credit operations	3,102,037	2,870,585	3,659,023	3,099,790	3,169,261	3,504,644	2,685,193	2,935,430
Leasing operations	85,556	73,467	56,715	85,112	78,660	85,952	65,777	77,386
Securities transactions	758,491	361,241	2,120,909	1,680,538	2,230,775	2,312,036	1,333,343	1,956,811
Financial income on insurance, private pension plans and savings bonds	1,379,157	1,337,097	1,181,151	1,245,029	1,411,927	1,334,756	1,172,214	1,441,042
Derivative financial instruments	529,925	582,105	(68,697)	195,557	8,877	33,158	(360,489)	373,646
Foreign exchange transactions	28,645	(746)	502,246	161,157	254,543	275,508	168,153	99,498
Compulsory deposits	318,133	301,351	268,216	289,437	289,279	365,563	370,252	360,671
Expenses	3,174,801	2,699,294	5,152,601	3,987,300	4,251,574	5,357,189	3,068,353	4,524,772
Interest and charges on:								
Deposits	1,709,830	1,291,812	3,029,988	2,454,373	2,605,171	3,434,326	1,826,314	2,669,686
Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds	922,018	942,651	698,695	652,313	701,184	761,148	755,950	902,060
Borrowings and onlendings	49,921	(18,123)	905,617	315,760	490,305	555,389	(103,670)	141,355
Leasing operations	4,300	4,585	4,747	3,860	3,398	3,187	3,194	3,202
Provision for loan losses	488,732	478,369	513,554	560,994	451,516	603,139	586,565	808,469
Income from financial intermediation	3,027,143	2,825,806	2,566,962	2,769,320	3,191,748	2,554,428	2,366,090	2,719,712
Other operating income (expenses)	(1,491,990)	(1,663,296)	(1,945,378)	(1,970,456)	(2,305,000)	(1,887,139)	(1,506,993)	(1,579,738)
Commissions and fees	1,675,594	1,454,636	1,375,202	1,318,936	1,274,590	1,182,359	1,082,637	1,017,275
Income on insurance premiums, private pension plans and savings bonds	3,836,157	3,464,550	2,989,637	2,993,333	3,434,634	2,873,832	2,728,022	2,689,600
Variation in technical reserves for insurance, private pension plans and savings bonds	(1,316,961)	(1,076,201)	(693,433)	(877,511)	(1,143,458)	(863,897)	(708,447)	(954,361)
Claims - insurance operations	(1,317,196)	(1,328,082)	(1,281,728)	(1,232,182)	(920,068)	(1,066,766)	(1,055,767)	(937,818)
Savings bond draws and redemptions	(291,770)	(312,043)	(346,151)	(273,323)	(301,838)	(283,009)	(282,275)	(232,432)
Insurance and pension plan selling expenses	(233,846)	(215,775)	(205,157)	(212,316)	(208,229)	(190,761)	(182,499)	(180,521)
Expenses with pension plan benefits and redemptions	(511,108)	(496,399)	(590,492)	(532,648)	(955,812)	(555,691)	(461,256)	(390,012)
Personnel expenses	(1,284,423)	(1,273,981)	(1,233,345)	(1,177,258)	(1,272,063)	(1,306,415)	(1,147,838)	(1,053,175)
Other administrative expenses	(1,288,511)	(1,225,032)	(1,215,747)	(1,207,853)	(1,327,995)	(1,232,599)	(1,152,697)	(1,100,913)
Tax expenses	(411,494)	(373,965)	(343,100)	(335,887)	(293,466)	(254,650)	(238,429)	(267,852)
Equity in the earnings of associated companies	44,797	(3,708)	122,309	(41)	30,723	7,218	(27,989)	(4,725)
Other operating income	310,663	350,660	279,688	257,521	246,922	422,630	517,507	510,183
Other operating expenses	(703,892)	(627,956)	(803,061)	(691,227)	(868,940)	(619,390)	(577,962)	(674,987)
Operating income	1,535,153	1,162,510	621,584	798,864	886,748	667,289	859,097	1,139,974
Non-operating income (expenses), net	(148,183)	(129,249)	(202,568)	(11,146)	(73,495)	9,854	(95,872)	(681,563)
Income before taxes and profit sharing	1,386,970	1,033,261	419,016	787,718	813,253	677,143	763,225	458,411
Provision for income tax and social contribution	(322,116)	(278,499)	224,907	(178,637)	(95,620)	(111,614)	(242,190)	52,776
Minority interest in subsidiaries	(7,101)	(2,413)	(2,587)	(368)	(2,496)	(1,638)	(1,325)	(3,586)
Net income	1,057,753	752,349	641,336	608,713	715,137	563,891	519,710	507,601

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Results by Business Segment - In millions of reais

Amounts accumulated from January to December

	Financial		Insurance Group		Other Activities	Amount Eliminated	Consolidated Bradesco
	Local	Foreign	Local	Foreign			
Income from financial intermediation	8,768	468	1,935	1	11	6	11,189
Other operating income (expenses)	(6,989)	(108)	(1,046)	(2)	22	(6)	(8,129)
Commissions and fees	5,120	17	311	-	775	(399)	5,824
Personnel expenses	(4,233)	(21)	(478)	(1)	(236)	-	(4,969)
Other administrative expenses	(4,625)	(66)	(529)	(1)	(182)	466	(4,937)
Other revenue (expenses)	(3,251)	(38)	(350)	-	(335)	(73)	(4,047)
Net income accumulated to December 2004	1,779	360	889	(1)	33	-	3,060
Net income accumulated to December 2003	1,249	323	678	1	55	-	2,306

Composition of Income - %

Increase in the Main Statement of Income Items

2004 as Compared to 2003 In millions of reais

(*) Composition: Premiums and contributions, net of variations in technical reserves for insurance, private pension plans and savings bonds, less claims, redemptions, benefits and commissions, not including financial income on insurance activities and price-level restatement and interest on technical reserves which are included in financial margin.

(**) Mainly reversal of other operating provisions in the amount of R\$ 344.

4Q04 as Compared to 3Q04 In millions of reais

(*) Composition: Premiums and contributions, net of variations in technical reserves for insurance, private pension plans and savings bonds, less claims, redemptions, benefits and commissions, not including financial income on insurance activities and price-level restatement and interest on technical reserves which are included in financial margin.

Increase in Financial Margin Items plus Exchange Adjustment

2004 as Compared to 2003 In millions of reais

- (1) Includes income on credit operations + income on leasing operations + income on foreign exchange transactions (Note 13a).
- (2) Includes interest and charges on deposits, excluding expenses for purchase and sale commitments + expenses for borrowings and onlendings + income on compulsory deposits + adjustments to income on foreign exchange transactions (Note 13a).
- (3) Includes income on securities transactions, less expenses with purchase and sale commitments + financial income on insurance, private pension plans and savings bonds + income on derivative financial instruments + adjustments to income on foreign exchange transactions (Note 13a).
- (4) Includes price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds.

4Q04 as Compared to 3Q04 In millions of reais

- (1) Includes income on credit operations + income on leasing operations + income on foreign exchange transactions (Note 13a).
- (2) Includes interest and charges on deposits, excluding expenses for purchase and sale commitments + expenses for borrowings and onlendings + income on compulsory deposits + adjustments to income on foreign exchange transactions (Note 13a).

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- (3) Includes income on securities transactions, less expenses with purchase and sale commitments + financial income on insurance, private pension plans and savings bonds + income on derivative financial instruments + adjustments to income on foreign exchange transactions (Note 13a).
- (4) Includes price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds.
Analysis of the Adjusted Financial Margin and Average Rates

Credit Operations x Income

In millions of reais	Accumulated to December 2003	Accumulated to December 2004	3 rd Qtr. 2004	4 th Qtr. 2004
Credit operations	44,051	50,207	51,270	54,080
Leasing operations	1,481	1,452	1,402	1,556
Advances on foreign exchange contracts	5,876	5,784	5,938	5,207
1 - Total average balance (quarterly)	51,407	57,443	58,610	60,843
2 - Income (*)	12,678	13,149	2,983	3,258
3 - Average return annualized exponentially (2/1)	24.7%	22.9%	22.0%	23.2%

(*) Includes income from credit operations, net results from leasing operations and adjusted results on foreign exchange transactions (Note 13a).

Securities x Income on Securities Transactions

In millions of reais	Accumulated to December 2003	Accumulated to December 2004	3 rd Qtr. 2004	4 th Qtr. 2004
Securities	43,188	56,749	57,184	60,288
Interbank investments	25,232	23,792	22,827	23,736
Subject to repurchase agreements	(20,957)	(21,812)	(19,149)	(22,219)
Derivative financial instruments	(322)	(332)	(546)	(241)
4 Total average balance (quarterly)	47,141	58,397	60,316	61,565
5 Income on securities transactions (net of expenses for repurchase agreements) (*)	9,269	8,101	1,509	1,835
6 Average rate annualized exponentially (5/4)	19.7%	13.9%	10.4%	12.5%

(*) Includes financial income on insurance, private pension plans, savings bonds, derivative financial instruments and foreign exchange adjustments (Note 13a).

Total Assets x Income from Financial Intermediation

In millions of reais	Accumulated to December 2003	Accumulated to December 2004	3 rd Qtr. 2004	4 th Qtr. 2004
7 - Total assets - Average balance (quarterly)	156,547	175,591	177,979	182,314
8 - Income from financial intermediation	28,034	26,203	5,525	6,202
9 - Average rate annualized exponentially (8/7)	17.9%	14.9%	13.0%	14.3%

Funding x Expenses

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In millions of reais	Accumulated to December 2003	Accumulated to December 2004	3 rd Qtr. 2004	4 th Qtr. 2004
Deposits	56,885	62,955	64,460	66,715
Funds from acceptance and issuance of securities	5,717	6,332	6,598	5,587
Interbank and interdepartmental accounts	1,857	1,648	1,415	1,830
Subordinated debt	3,705	5,676	6,135	6,031
10 - Total funding - average balance (quarterly)	68,166	76,611	78,608	80,163
11 - Expenses (*)	5,167	4,147	218	563
12 - Average rate annualized exponentially (11/10)	7.6%	5.4%	1.1%	2.8%

(*) Funding expenses without repurchase agreements, less income on compulsory deposits and foreign exchange adjustments (Note 13a).
Technical Reserves for Insurance, Private Pension Plans and Savings Bonds x Expenses

In millions of reais	Accumulated to December 2003	Accumulated to December 2004	3 rd Qtr. 2004	4 th Qtr. 2004
13 Technical reserves for insurance, private pension plans and savings bonds - average balance (quarterly)	22,762	29,818	30,532	32,627
14 Expenses (*)	3,120	3,216	943	922
15 Average rate annualized exponentially (14/13)	13.7%	10.8%	12.9%	11.8%

(*) Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds.
Borrowings and Onlendings (Local and Foreign) x Expenses

In millions of reais	Accumulated to December 2003	Accumulated to December 2004	3 rd Qtr. 2004	4 th Qtr. 2004
Borrowings	8,375	8,034	8,795	8,128
Onlendings	7,069	7,986	7,971	8,209
16 - Total borrowings and onlendings - average balance (quarterly)	15,444	16,020	16,766	16,337
17 - Expenses for borrowings and onlendings (*)	377	656	26	92
18 - Average rate annualized exponentially (17/16)	2.4%	4.1%	0.6%	2.3%

(*) Includes foreign exchange adjustments (Note 13a).
Total Assets x Financial Margin

In millions of reais	Accumulated to December 2003	Accumulated to December 2004	3 rd Qtr. 2004	4 th Qtr. 2004
19 - Total assets - average balance (quarterly)	156,547	175,591	177,979	182,314
20 - Financial margin (*)	13,282	13,231	3,304	3,516
21 - Average rate annualized exponentially (20/19)	8.5%	7.5%	7.6%	7.9%

(*) Income from financial intermediation excluding provision for loan losses (PDD).

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Financial Market Indicators

Analysis of Financial Margin

Bradesco's consolidated financial margin (before PDD) totaled R\$ 13,231 million, for 2004, down by 0.4% compared to R\$ 13,282 million for 2003.

Interest income decreased financial margin by R\$ 90 million for the year, mainly as a result of the growth in average business volume of some R\$ 1,470 million, offset by the decrease in spreads of R\$ 1,560 million.

In 2004, non-interest income grew financial margin by R\$ 360 million, as compared to the prior year, mainly as a result of increased gains on securities transactions and credit recoveries during the 12-month period.

Compared to 2003, we stress that the balance of financial margin, for 2004, was impacted negatively by an amount of R\$ 267 million, as a result of the reclassification of financial expenses, recorded in prior periods in the "Changes in technical reserves for insurance, private pension plans and savings bonds" account, and the fact that in 2003, financial margin was also influenced favorably by gain on the sale of shares of Latasa in the amount of R\$ 195 million.

Compared to 2003, the average financial margin rate for 2004, reflecting the ratio between the results of financial margin and the average balance of total assets decreased by 1.0 percentage point. This downturn was influenced in particular by the sharp fall in the interest rate (CDI) used to remunerate own working capital, funding and float, considering that in 2003, CDI was 23.3%, compared to 16.2% in 2004.

Compared to the prior quarter (3Q04), financial margin for the fourth quarter of 2004 (4Q04) was up by 6.4%, from R\$ 3,304 million to R\$ 3,516 million, respectively.

The main factor responsible for the growth in financial margin between these quarters was the increase in interest income, up by R\$ 291 million, as well as the increase of R\$ 194 million, derived from the growth in business volume and R\$ 97 million in change of loan profile.

This increase was partially offset by the decrease in non-interest income which dropped by R\$ 79 million in 4Q04, mainly as a result of the impact of the mark-to-market of securities and credit recoveries for 4Q04.

The annualized financial margin rate for 4Q04 was 7.9%, up by 0.3 percentage point compared to 3Q04, evidencing Bradesco's efforts to allocate its assets to best margin products.

The increase in Bradesco's consolidated financial margin, as mentioned above, was based on the continuous growth in financial volume, in particular, business activities with the best spreads.

Confirming this expansion policy, the balance of consumer customer credit operations grew by 13.4% in 4Q04 and comparing the growth of these balances over the 12-month period of 2004, the increase was even greater, 35.6%.

Emphasis should also be given to the performance of demand and savings account deposits, up by 18.5% and 11.9% respectively, for the year. In 4Q04, the balance of demand deposits grew by 3.5% and savings deposits by 6.9%, compared to 3Q04.

The good operating performance, presented by Bradesco in 2004, had a positive effect on financial margin, as a result of the restructuring and customer base segmentation processes, as well as the consolidation of Banco Postal, and the extensive presence of Banco Finasa in the consumer sales financing market (CDC), seeking new business fronts and confirming its outstanding capacity to secure new customers and expand its activities in different niche markets.

Provision for Loan Losses (PDD)

Movement of Allowance for Loan Losses - In millions of reais

2003			2004		
3 rd Qtr.	4 th Qtr.	Accumulated to December	3 rd Qtr.	4 th Qtr.	Accumulated to December

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Opening balance	4,109	4,151	3,665	4,213	4,181	4,059
Amount recorded for the period	603	451	2,449	478	489	2,041
Amount written off for the period	(561)	(543)	(2,226)	(510)	(525)	(2,032)
Balance derived from acquired institutions	-	-	171	-	-	77
Closing balance	4,151	4,059	4,059	4,181	4,145	4,145
Specific provision	1,939	1,816	1,816	1,885	1,785	1,785
Generic provision	1,390	1,384	1,384	1,383	1,435	1,435
Additional provision	822	859	859	913	925	925
Credit recoveries	138	160	511	228	154	612
Allowance for Loan Losses (PDD) on Credit and Leasing Operations - In millions of reais						

	2003		2004	
	September	December	September	December
	Allowance for loan losses - PDD (A)	4,151	4,059	4,181
Credit operations (B)	52,776	54,336	59,976	62,788
PDD on credit operations (A/B)	7.9%	7.5%	7.0%	6.6%
Ratio of PDD Coverage to Abnormal Course Credits (D to H)				

	In millions of reais			
	2003		2004	
	September	December	September	December
Total provisions (1)	4,151	4,059	4,181	4,145
Abnormal course credits (D to H) (2)	2,922	2,633	2,533	2,441
PDD coverage ratio (1/2)	142.1%	154.2%	165.1%	169.8%
Please see pages 63, 64 and 65 of this report for further information on the allowance for loan losses.				

Commissions and Fees

	In millions of reais					
	2003			2004		
	3 rd Qtr.	4 th Qtr.	Accumulated to December	3 rd Qtr.	4 th Qtr.	Accumulated to December
Checking accounts	287	311	1,107	324	373	1,327
Cards	203	220	818	241	346	1,069
Fund management	163	189	590	233	239	888
Collection	155	155	595	160	168	629

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Credit operations	149	159	579	222	248	831
Interbank charges	65	68	257	67	69	261
Collection of taxes	48	48	186	51	54	204
Custody and brokerage services	21	22	77	24	25	98
Consortium purchase plan management	8	14	26	23	29	87
Other	83	89	322	110	124	430

Total	1,182	1,275	4,557	1,455	1,675	5,824
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In 2004, the balance of income on commissions and fees increased by 27.8%, or R\$ 1,267 million, as compared to 2003 and totaled R\$ 5,824 million. Growth for 4Q04 was 15.1%, an increase of R\$ 220 million compared to the prior quarter, a total end-quarter balance of R\$ 1,675 million, mainly as a result of the increase in revenues on: (i) credit cards, up by R\$ 105 million; (ii) checking accounts, up by R\$ 49 million; and (iii) credit operations, up by R\$ 26 million. The increase in business volume, directly related to improvements in Brazil's economic activity levels, was the main factor influencing the growth of these revenues, as well as the increase in the number of customers and improved partnership ratio as a result of the segmentation process.

Administrative and Personnel Expenses

	In millions of reais					
	2003			2004		
	3 rd Qtr.	4 th Qtr.	Accumulated to December	3 rd Qtr.	4 th Qtr.	Accumulated to December
Third-party services	214	231	815	216	216	847
Communications	163	171	634	159	171	647
Depreciation and amortization	137	127	530	118	120	480
Publicity and advertising	83	139	372	88	142	426
Financial system services	92	97	357	101	103	402
Transport	91	99	357	100	108	390
Leasing	79	70	279	76	72	308
Rents	72	82	287	73	76	299
Data processing	73	75	274	70	55	254
Maintenance and repairs	60	68	242	69	75	272
Materials	47	43	172	36	44	152
Water, electricity and gas	27	32	115	30	34	129
Travel	17	18	64	14	17	58
Other	78	76	316	75	56	273
Administrative expenses	1,233	1,328	4,814	1,225	1,289	4,937
Remuneration	632	646	2,380	636	647	2,509
Single payment bonus	98	1	99	14	29	43
Benefits	265	258	964	257	271	1,007
Social charges	196	244	831	228	241	924
Employee profit sharing	48	43	171	43	55	182
Training	16	15	61	15	16	53
Labor/other	51	65	273	81	25	251
Personnel expenses	1,306	1,272	4,779	1,274	1,284	4,969
Total administrative and personnel expenses	2,539	2,600	9,593	2,499	2,573	9,906

In 2004, administrative and personnel expenses increased by R\$ 313 million, or 3.3% compared to the prior year comprising a total year-end balance of R\$ 9,906 million. In 4Q04, this increase was 3.0%, or R\$ 74 million compared to the prior quarter comprising a total fourth-quarter

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balance of R\$ 2,573 million.

Administrative expenses remained practically stable for the quarter, except for the seasonal increase in expenses for publicity and advertising in the amount of R\$ 54 million. The increase in administrative expenses is related to the growth in business volume, since Bradesco is permanently focused on expenditure control.

Personnel expenses were affected in 4Q04 by the increase in salary levels, following the collective bargaining agreement (8.5%) in September 2004, and were mitigated by the decrease in personnel expenses as a result of the synergy achieved by the incorporation of the banks acquired by Bradesco.

Operating Efficiency

	In millions of reais				
	Year				
	2000	2001	2002	2003	2004
Personnel expenses	3,221	3,549	4,076	4,779	4,969
Employee profit sharing	(112)	(160)	(140)	(170)	(182)
Other administrative expenses	2,978	3,436	4,028	4,814	4,937
Total (1)	6,087	6,825	7,964	9,423	9,724
Financial margin = Gross income from financial intermediation less PDD	7,839	10,109	11,472	13,282	13,231
Commissions and fees	3,043	3,473	3,712	4,557	5,824
Income from insurance premiums, private pension plans and savings bonds	6,920	8,959	10,135	11,726	13,284
Variation in technical reserves for insurance, pension plans and savings bonds	(3,001)	(3,492)	(2,785)	(3,670)	(3,964)
Claims - insurance operations and savings bond draws and redemptions	(2,866)	(3,996)	(4,336)	(5,080)	(6,382)
Insurance and pension plan selling expenses	(645)	(689)	(667)	(762)	(867)
Expenses with pension plan benefits and redemptions	(913)	(1,370)	(1,689)	(2,363)	(2,131)
Subtotal	(505)	(588)	658	(149)	(60)
Equity in the earnings of associated companies	156	71	65	5	163
Other operating expenses	(1,376)	(1,831)	(3,148)	(2,741)	(2,826)
Other operating income	903	1,326	1,321	1,697	1,198
Total (2)	10,060	12,560	14,080	16,651	17,530
Efficiency ratio (%) = (1/2)	60.5	54.3	56.6	56.6	55.5
Operating Efficiency Ratio (%)					

The Operating Efficiency Ratio (accumulated for the 12-month period) for 4Q04, was 55.5%, down by 2.8% as compared to the 12-month period ended 3Q04, mainly as a result of the successful efforts to increase revenues, in particular, commissions and fees and operating income from insurance, private pension plans and savings bonds, as well as management's emphasis on controlling administrative costs and the establishment of goals for maintaining their notional value. (N.B. In 2004, if we exclude expenses for the amortization of goodwill from the IEO calculation basis, in the amount of R\$ 344 million, the ratio drops by 1.1%, from 55.5% to 54.4%.).

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

As regards cost control practices, Bradesco adopts ABM (Activity-Based Management) methodology, a pro-active approach designed to produce effective results and the identification of opportunities on a timely basis. Accordingly, at the same time as its processes are improved, operating performance is seamlessly integrated with strategic objectives.

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The strict control of expenses, enhanced as a result of the creation of the Expenditure Appraisal Committee in March 2004 and the successful synergy process of the Institutions acquired had a positive effect on the Operating Efficiency Ratio.

Other Indicators

3 Main Balance Sheet Information

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Consolidated Balance Sheet - In thousands of reais

Assets	December				
	2004	2003	2002	2001	2000
Current assets and long-term receivables	179,979,956	171,141,348	137,301,711	105,767,892	90,693,025
Funds available	2,639,260	2,448,426	2,785,707	3,085,787	1,341,653
Interbank investments	22,346,721	31,724,003	21,472,756	3,867,319	2,308,273
Open market investments	15,667,078	26,753,660	19,111,652	2,110,573	1,453,461
Interbank deposits	6,682,608	4,970,343	2,370,345	1,760,850	854,815
Provision for losses	(2,965)	-	(9,241)	(4,104)	(3)
Securities and derivative financial instruments	62,421,658	53,804,780	37,003,454	40,512,688	33,119,843
Own portfolio	51,255,745	42,939,043	29,817,033	27,493,936	21,743,924
Subject to repurchase agreements	4,807,769	5,682,852	1,497,383	9,922,036	10,822,637
Derivative financial instruments	397,956	232,311	238,839	581,169	-
Subject to negotiation and intermediation of securities	-	-	-	526,219	9,394
Restricted deposits - Brazilian Central Bank	4,512,563	3,109,634	3,536,659	1,988,799	421,727
Privatization currencies	82,487	88,058	77,371	25,104	9,526
Subject to collateral provided	1,365,138	1,752,882	1,836,169	715,858	783,501
Allowance for mark-to-market	-	-	-	(740,433)	(670,866)
Interbank accounts	16,087,102	14,012,837	12,943,432	5,141,940	5,060,628
Unsettled payments and receipts	22,075	20,237	16,902	10,118	6,920
Restricted deposits:					
- Brazilian Central Bank	15,696,154	13,580,425	12,519,635	4,906,502	4,848,668
- National Treasury - rural funding	578	578	578	712	660
- National Housing System - SFH	335,320	391,871	374,177	217,518	197,191
Interbank onlendings	-	-	-	-	2,024
Correspondent banks	32,975	19,726	32,140	7,090	5,165
Interdepartmental accounts	147,537	514,779	191,739	176,073	111,636
Internal transfer of funds	147,537	514,779	191,739	176,073	111,636
Credit operations	51,890,887	42,162,718	39,705,279	35,131,359	30,236,106
Credit operations:					
- Public sector	536,975	186,264	254,622	199,182	275,479
- Private sector	55,242,348	45,768,970	42,842,693	37,689,671	32,244,482
Allowance for loan losses	(3,888,436)	(3,792,516)	(3,392,036)	(2,757,494)	(2,283,855)
Leasing operations	1,556,321	1,306,433	1,431,166	1,567,927	1,914,081
Leasing receivables:					
- Public sector	-	-	45	138	160
- Private sector	3,237,226	2,859,533	3,141,724	3,248,050	3,813,369
Unearned lease income	(1,576,690)	(1,438,534)	(1,560,278)	(1,557,642)	(1,760,305)
Allowance for leasing losses	(104,215)	(114,566)	(150,325)	(122,619)	(139,143)
Other receivables	21,664,592	24,098,765	20,690,054	15,685,433	16,226,725

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Receivables on guarantees honored	811	624	1,577	1,131	2,020
Foreign exchange portfolio	7,336,806	11,102,537	10,026,298	5,545,527	6,417,431
Income receivable	197,120	331,064	249,849	187,910	191,873
Negotiation and intermediation of securities	357,324	602,543	175,185	761,754	497,655
Specific credits	-	-	-	146,919	124,776
Insurance premiums receivable	988,029	889,358	718,909	995,662	818,773
Sundry	12,937,408	11,324,857	9,640,966	8,107,714	8,258,402
Allowance for other losses	(152,906)	(152,218)	(122,730)	(61,184)	(84,205)
Other assets	1,225,878	1,068,607	1,078,124	599,366	374,080
Other assets	477,274	586,994	679,515	415,484	409,771
Allowance for losses	(230,334)	(257,185)	(243,953)	(164,290)	(171,876)
Prepaid expenses	978,938	738,798	642,562	348,172	136,185
Permanent assets	4,946,512	4,956,342	5,483,319	4,348,014	4,185,458
Investments	1,101,174	862,323	512,720	884,773	830,930
Investments in associated companies:					
- Local	496,054	369,935	395,006	742,586	689,002
Other investments	971,311	857,985	439,342	452,871	525,316
Allowance for losses	(366,191)	(365,597)	(321,628)	(310,684)	(383,388)
Property and equipment in use	2,270,497	2,291,994	2,523,949	2,152,680	2,017,093
Buildings in use	1,357,063	1,398,735	1,748,409	1,475,581	1,491,847
Other fixed assets	3,604,741	3,480,636	3,459,950	2,988,008	2,705,577
Accumulated depreciation	(2,691,307)	(2,587,377)	(2,684,410)	(2,310,909)	(2,180,331)
Leased assets	18,951	34,362	34,323	46,047	10,688
Leased assets	58,463	63,812	51,198	51,214	19,421
Accumulated depreciation	(39,512)	(29,450)	(16,875)	(5,167)	(8,733)
Deferred charges	1,555,890	1,767,663	2,412,327	1,264,514	1,326,747
Organization and expansion costs	1,268,436	1,124,058	1,037,559	874,970	731,717
Accumulated amortization	(738,738)	(572,620)	(568,525)	(481,127)	(391,417)
Goodwill on acquisition of subsidiaries, net of amortization	1,026,192	1,216,225	1,943,293	870,671	986,447
Total	184,926,468	176,097,690	142,785,030	110,115,906	94,878,483

Liabilities and stockholders' equity	December				
	2004	2003	2002	2001	2000
Current and long-term liabilities	169,596,632	162,406,307	131,652,394	100,199,709	86,654,746
Deposits	68,643,327	58,023,885	56,363,163	41,083,979	36,468,659
Demand deposits	15,297,825	12,909,168	13,369,917	8,057,627	7,500,518
Savings deposits	24,782,646	22,140,171	20,730,683	18,310,948	17,835,745
Interbank deposits	19,499	31,400	23,848	40,446	568,416
Time deposits	28,459,122	22,943,146	22,238,715	14,674,958	10,563,980
Other deposits	84,235	-	-	-	-
Deposits received under security repurchase agreements	22,886,403	32,792,725	16,012,965	14,057,327	12,108,350
Own portfolio	8,248,122	6,661,473	915,946	12,178,855	10,696,199
Third-party portfolio	14,430,876	17,558,740	12,188,054	1,878,472	1,412,151
Unrestricted portfolio	207,405	8,572,512	2,908,965	-	-
Funds from issuance of securities	5,057,492	6,846,896	3,136,842	4,801,410	4,111,171
Exchange acceptances	-	-	1,214	-	-
Mortgage notes	681,122	1,030,856	384,727	780,425	741,248
Debentures	-	7,291	100,369	48,921	1,039
Securities issued abroad	4,376,370	5,808,749	2,650,532	3,972,064	3,368,884
Interbank accounts	174,066	529,332	606,696	192,027	107,129
Interbank onlendings	-	159,098	35,686	4,519	1,059
Correspondent banks	174,066	370,234	571,010	187,508	106,070
Interdepartmental accounts	1,745,721	1,782,068	1,337,729	762,505	904,188
Third-party funds in transit	1,745,721	1,782,068	1,337,729	762,505	904,188
Borrowings	7,561,395	7,223,356	9,390,630	7,887,154	6,463,555
Local borrowings - official institutions	1,376	2,070	3,368	2,979	9,737
Local borrowings - other institutions	11,756	4,010	216,812	230,468	170,775
Foreign currency borrowings	7,548,263	7,217,276	9,170,450	7,653,707	6,283,043
Local onlendings - official institutions	8,355,398	7,554,266	7,000,046	5,830,633	5,096,604
National Treasury	72,165	51,398	62,187	-	-
National Bank for Economic and Social Development (BNDES)	3,672,007	3,403,462	3,437,319	3,067,220	2,589,284
Federal Savings Bank (CEF)	395,820	459,553	453,803	433,381	405,264
Government Agency for Machinery and Equipment Financing (FINAME)	4,211,762	3,638,966	3,045,176	2,321,508	2,090,374
Other institutions	3,644	887	1,561	8,524	11,682
Foreign onlendings	42,579	17,161	47,677	316,283	108,178
Foreign onlendings	42,579	17,161	47,677	316,283	108,178
Derivative financial instruments	173,647	52,369	576,697	111,600	-
Technical reserves for insurance, private pension plans and savings bonds	33,668,654	26,408,952	19,155,479	13,853,426	10,338,065
Other liabilities	21,287,950	21,175,297	18,024,470	11,303,365	10,948,847
Collection of taxes and other contributions	204,403	130,893	108,388	181,453	128,785
Foreign exchange portfolio	3,011,421	5,118,801	5,002,132	1,343,769	2,439,657
Social and statutory payables	900,266	851,885	666,409	572,265	560,533
Taxes and social security contributions	4,495,387	4,781,458	4,376,031	3,371,127	3,094,628
Negotiation and intermediation of securities	312,267	595,958	109,474	1,307,385	592,395
Subordinated debt	5,972,745	4,994,810	3,321,597	969,842	-
Sundry	6,391,461	4,701,492	4,440,439	3,557,524	4,132,849
Deferred income	44,600	31,774	15,843	9,020	34,632
Deferred income	44,600	31,774	15,843	9,020	34,632
Minority interest in subsidiary companies	70,590	112,729	271,064	139,231	96,903

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Stockholders' equity	15,214,646	13,546,880	10,845,729	9,767,946	8,092,202
Capital:					
- Local residents	6,959,015	6,343,955	4,960,425	4,940,004	5,072,071
- Foreign residents	740,985	656,045	239,575	259,996	74,429
Unpaid capital	(700,000)	-	-	-	(400,500)
Capital reserves	10,853	8,665	7,435	7,435	19,002
Revenue reserves	7,745,713	6,066,640	5,715,317	4,614,110	3,403,020
Mark-to-market adjustment - securities and derivatives	458,080	478,917	9,152	-	-
Treasury stock	-	(7,342)	(86,175)	(53,599)	(75,820)
Stockholders' equity managed by the parent company	15,285,236	13,659,609	11,116,793	9,907,177	8,189,105
Total	184,926,468	176,097,690	142,785,030	110,115,906	94,878,483

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Balance Sheet by Currency and Exchange Exposure at December 31, 2004 - In millions of reais

	Currency		
	Local	Foreign ⁽¹⁾⁽²⁾	Total
Assets			
Current and long-term receivables	154,232	25,748	179,980
Funds available	2,224	415	2,639
Interbank investments	17,691	4,656	22,347
Securities and derivative financial instruments	54,667	7,755	62,422
Interbank and interdepartmental accounts	16,228	7	16,235
Credit and leasing operations	46,856	6,591	53,447
Other receivables and assets	16,566	6,324	22,890
Permanent assets	4,580	366	4,946
Investments	737	364	1,101
Property and equipment in use and leased assets	2,287	2	2,289
Deferred charges	1,556	-	1,556
Total assets	158,812	26,114	184,926
Liabilities			
Current and long-term liabilities	148,026	21,570	169,596
Deposits	66,190	2,453	68,643
Deposits received under security repurchase agreements	21,961	925	22,886
Funds from issuance of securities	679	4,378	5,057
Interbank and interdepartmental accounts	935	985	1,920
Borrowings and onlendings	7,942	8,017	15,959
Derivative financial instruments	174	-	174
Technical reserves for insurance, private pension plans and savings bonds	33,669	-	33,669
Other liabilities			
- Subordinated	3,060	2,913	5,973
- Other	13,416	1,899	15,315
Deferred income	45	-	45
Minority interest in subsidiaries	70	-	70
Stockholders' equity	15,215	-	15,215
Total	163,356	21,570	184,926
Net position of assets and liabilities			4,544
Net position of derivatives (2)			(5,692)
Other memorandum accounts, net (3)			(325)
Net exchange position (liability)			(1,473)

(1) Amounts expressed and/or indexed mainly in USD.

(2) Excluding operations maturing in D+1, to be settled in currency at December 31, 2004 price levels.

(3) Leasing commitments and others are controlled in memorandum accounts.

Total Assets by Currency

Balance Sheet by Maturity at December 31, 2004 - In millions of reais

	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	Indeterminate	Total

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Assets

Current assets and long-term receivables	100,240	20,941	18,871	39,928	-	179,980
Funds available	2,639	-	-	-	-	2,639
Interbank investments	20,549	483	555	760	-	22,347
Securities and derivative financial instruments ⁽¹⁾	39,675	604	8,465	13,678	-	62,422
Interbank and interdepartmental accounts	15,924	7	9	295	-	16,235
Credit and leasing operations	8,982	18,931	8,490	17,044	-	53,447
Other receivables and assets	12,493	916	1,353	8,128	-	22,890
Permanent assets	56	282	337	2,598	1,673	4,946
Investments	-	-	-	-	1,101	1,101
Property and equipment in use and leased assets	21	104	124	1,468	572	2,289
Deferred charges	35	178	213	1,130	-	1,556
Total	100,318	21,223	19,209	42,503	1,673	184,926
Liabilities						
Current and long-term liabilities	97,147	16,057	8,253	48,139	-	169,526
Deposits ⁽²⁾	42,921	6,448	3,752	15,522	-	68,643
Deposits received under security repurchase agreements	20,458	369	50	2,009	-	22,886
Funds from issuance of securities	475	1,302	235	3,045	-	5,057
Interbank and interdepartmental accounts	1,920	-	-	-	-	1,920
Borrowings and onlendings	1,818	5,157	2,591	6,393	-	15,959
Derivative financial instruments	138	24	3	9	-	174
Technical reserves for insurance, private pension plans and savings bonds ⁽²⁾	21,490	1,019	307	10,853	-	33,669
Other liabilities:						
- Subordinated debt	45	25	-	5,903	-	5,973
- Other	7,882	1,713	1,315	4,405	-	15,315
Deferred income	45	-	-	-	-	45
Minority interest in subsidiaries	-	-	-	-	70	70
Stockholders' equity	-	-	-	-	15,215	15,215
Total	97,192	16,057	8,253	48,139	15,285	184,926
Accumulated net assets in 2004	3,126	8,292	19,248	13,612	-	-
Accumulated net assets in 2003	8,014	15,596	18,799	12,244	-	-

(1) Investment fund applications are classified as up to 30 days.

(2) Demand and savings account deposits and technical reserves for insurance and private pension plans, comprising VGBL and PGBL products, are classified as up to 30 days, without considering average historical turnover.

Total Assets by Maturity

Securities - In millions of reais

Consolidated Portfolio Composition by Issuer (1)

Securities	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	Market/Book value	Restated cost value	Mark-to-market adjustment
Government securities	1,299	2,928	12,651	23,539	40,417	40,209	208
Financial Treasury Notes	110	2,139	2,853	9,301	14,403	14,416	(13)
National Treasury Bonds	814	734	8,453	545	10,546	10,561	(15)
Federal Treasury Notes	219	0	1,217	7,776	9,212	9,211	1
Brazilian foreign debt notes	156	0	31	5,590	5,777	5,518	259
Privatization certificates	-	-	-	267	267	286	(19)
Central Bank Notes	0	0	50	0	50	54	(4)

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Other	0	55	47	60	162	163	(1)
Corporate bonds	4,249	1,690	1,112	4,720	11,771	11,249	522
Certificates of Bank Deposit	2,197	1,269	909	1,411	5,786	5,790	(4)
Debentures	5	0	65	1,690	1,760	1,792	(32)
Corporate bonds abroad	29	69	42	1,358	1,498	1,432	66
Shares	1,788	0	0	0	1,788	1,300	488
Derivative financial instruments	112	163	40	83	398	385	13
Other	118	189	56	178	541	550	(9)
Purchase and sale commitments	0	0	1,047	9,187	10,234	10,234	0
Total at December 31, 2004	5,548	4,618	14,810	37,446	62,422	61,692	730
Total at December 31, 2003	2,598	14,007	8,248	28,952	53,805	52,937	868

Composition by Maturity (1)

Securities	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	Market/Book value	Restated cost value	Mark-to-market adjustment
Trading securities	3,733	4,269	9,060	25,096	42,158	42,159	(1)
Financial Treasury Notes	96	2,039	2,789	8,265	13,189	13,195	(6)
Purchase and Sale Commitments	0	0	1,047	9,186	10,233	10,233	0
National Treasury Bonds	813	732	3,133	158	4,836	4,841	(5)
Federal Treasury Notes	20	0	1,063	4,103	5,186	5,187	(1)
Debentures	3	0	0	1,177	1,180	1,180	0
Certificates of Bank Deposit	2,175	1,254	908	1,101	5,438	5,441	(3)
Brazilian foreign debt notes	22	0	31	768	821	801	20
Shares	519	0	0	0	519	519	0
Other	85	244	89	338	756	762	(6)
Securities available for sale	1,579	186	5,652	8,009	15,426	14,708	718
Federal Treasury Notes	1	2	5,320	387	5,710	5,720	(10)
Brazilian foreign debt notes	93	0	0	3,671	3,764	3,525	239
Financial Treasury Notes	14	100	65	1,035	1,214	1,222	(8)
Corporate bonds abroad	27	0	0	1,211	1,238	1,168	70
Federal Treasury Notes	116	0	98	617	831	829	2
Shares	1,270	0	0	0	1,270	781	489
Debentures	2	0	64	514	580	612	(32)
Certificates of Bank Deposit	22	15	1	310	348	349	(1)
Other	34	69	104	264	471	501	(30)
Securities held to maturity	124	0	58	4,258	4,440	4,440	0
Federal Treasury Notes	83	0	55	3,057	3,195	3,195	0
Brazilian foreign debt notes	41	0	0	1,151	1,192	1,192	0
Other	0	0	3	50	53	53	0
Derivative financial instruments	112	163	40	83	398	385	13
Total at December 31, 2004	5,548	4,618	14,810	37,446	62,422	61,692	730
Total at December 31, 2003	2,598	14,007	8,248	28,952	53,805	52,937	868
Derivative financial instruments (liabilities)							
Total at December 31, 2004	(138)	(25)	(3)	(8)	(174)	(176)	2

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Total at December 31, 2003 (5) (15) (11) (21) (52) (42) (10)

(1) Please see Note 10 to the financial statements for further information.
Summary of the Classification of Securities

	Financial	Insurance/ savings bonds	Private pension plan	Other activities	Total	%
Trading securities	11,026	4,999	26,058	75	42,158	67.54
Securities available for sale	12,869	1,478	1,067	12	15,426	24.71
Securities held to maturity	1,328	-	3,112	-	4,440	7.11
Derivative financial instruments	398	-	-	-	398	0.64
Total at December 31, 2004	25,621	6,477	30,237	87	62,422	100.00
Total at December 31, 2003	24,607	4,683	24,427	88	53,805	

Classification of Securities by Segment - %

Credit Operations

The consolidated balance of credit operations at the end of the fourth quarter of 2004 totaled R\$ 62.8 billion, up by 15.6% for the year and by 4.7% for the final quarter. This positive performance reflected the ongoing recovery process presented by the Brazilian economy, mainly as a result of the good foreign sector performance, which produced a significant trade surplus, as well as the return to domestic market activity, as a result of the relay effect produced by exports, and gradually improving income and employment levels in the second half of the year.

If macroeconomic conditions remain stable in 2005, bank sector credit activity is expected to grow, achieving a more streamlined expansion between export sector related business and that related to domestic market consumption and infrastructure.

The main contribution to credit performance in 2004 came from consumer customers. This portfolio grew consistently throughout the year, recording an increase of 35.6% from January thru December and 13.4% in the final quarter alone. The sustained recovery of economic activity during the period raised consumer confidence and guaranteed a more stable scenario, increasing the volume of credit directed to the consumer financing and family investment areas.

The integration of Banco Zogbi and Finasa operations, in February 2004, as well as the expansion of Banco Postal also contributed to the increase in the volume of credit directed to consumers with a lower-income profiles, finalizing, as a result, the consumer customer segmentation process which commenced with the creation of the Bradesco Private banking and Bradesco Prime segments.

The recent operating agreements entered into with retailers and banks are consistent with this growth strategy, even though their effects are expected to be perceived more consistently in 2005.

On the other hand, despite the dynamic economic growth prevailing in 2004, the volume of credit granted to companies, while evidencing a definite tendency for expansion, accelerated at a much more moderate pace (+ 7.5% for the year). The manufacturing sector maintained, in absolute terms, the majority of credit volume (29.5% of total portfolio), especially, the agribusiness, steel, metal products and automobile segments, all of which contain a significant export component.

By Economic Activity Sector - In millions of reais

2004			
September	%	December	%

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Public sector	625	1.0	537	0.8
Private sector	59,351	99.0	62,251	99.2
Manufacturing	18,458	30.8	18,549	29.5
Commerce	9,544	15.9	9,826	15.6
Financial intermediation	355	0.6	344	0.6
Services	11,203	18.7	11,232	17.9
Agriculture, livestock raising, fishing, forest development and management	1,103	1.8	1,109	1.8
Individuals	18,688	31.2	21,191	33.8
Total	59,976	100.0	62,788	100.0

This restrained performance by companies was particularly evidenced in the case of major companies, whose segment while maintaining its leadership portfolio position with a total volume of loans in the amount of R\$ 22.9 billion in December 2004, was affected by other factors, including exchange rate appreciation, considering the volume of assets indexed in foreign currency. Moreover, the significant improvement evidenced in the operating income of these companies during the year, decreased the demand for new bank credit, as did other more favorable capital market funding methods.

Credit Portfolio by Type of Customer

However, as a result of our specific segmentation strategy, we were able to expand business with other customer profiles, both consumer customers (in particular the auto and personal credit financing lines) and micro, small and medium sized business customers, through the increase in loans and discounted notes, which are mainly directed to supply working capital demand. Another advantage of this strategy is the greater diversification in terms of the number of customers and wide-ranging credit distribution.

	2003		2004	
	September	December	September	December
Discount of trade receivables and other loans	24,481	24,736	26,818	27,791
Financings	15,721	16,776	19,608	21,906
Rural and agribusiness loans	4,204	4,443	5,955	6,082
Leasing operations	1,439	1,421	1,451	1,661
Advances on foreign exchange contracts	6,168	6,183	5,618	4,796
Subtotal of credit operations	52,013	53,559	59,450	62,236
Other receivables	763	777	526	552
Total credit operations	52,776	54,336	59,976	62,788
Securities and guarantees recorded in memorandum accounts	6,433	6,435	6,960	8,100

Emphasis should also be given to the increase recorded in transactions with securities and guarantees, especially in the major companies segment, which could indicate greater confidence and willingness by the economic agents to make further investments based on the growth in demand and income.

Credit Portfolio Quality

2004 was marked by a continuous improvement in the credit portfolio profile. AA-to-C rated credits, classified by BACEN as normal course operations, totaled 92.3% of the total portfolio, compared to 91.2% in December 2003.

Credit Portfolio by Rating - %

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As a result, the volume of the allowance for loan losses decreased from 7.5% of assets in December 2003, to 6.6% in December 2004, with a total balance of R\$ 4,145 million. We stress, however, that out of this amount, 43.1% effectively comprises operations past due for more than 15 days (installments overdue and falling due) and the remaining portion is recorded as a precaution only, based on the customers' internal classification (34.6%) or to cover specific and general portfolio risks (22.3%).

In this respect, we stress that the volume recorded as an allowance in recent years has proved sufficient not only to cover, comfortably, the minimum requirements established by Resolution 2682, but also to cover credit losses (recorded subsequent to the regulatory 12-month period), confirming the consistency of Bradesco's policy for recording the allowance for loan losses.

Allowance for Loan Losses (PDD) x Default x Losses % of Credit Operation Balance

Considering that, as a rule, Bradesco transfers its non-performing loans to loss, subsequent to a default period of 12 months, in compliance with BACEN regulations, the percentage of credits written off to loss for the prior 12 months, compared to the percentage of existing credits in the prior year, is an important indicator of portfolio quality. For our readers' convenience, the curve in the above graph representing the amounts written off for the 12 months prior to the corresponding determination was moved to permit a direct comparison between the percentage of expected loss and the amounts effectively written off.

Historically, the percentage of overdue credits rated E-to-H of total credit operations shows a similar path to that recorded by losses, anticipating their behavior.

Credit Portfolio Profile

Credit Portfolio by Maturity In millions of reais

The maturity of the normal course credit portfolio evidences a concentration of short-term credits, with 38.9% maturing in up to 90 days. However, the prior 12 months indicate a gradual lengthening of credit operation terms, as a result of the economic stability.

Movement of Credit Portfolio between December 2003 and 2004 In millions of reais

The performance of the consolidated credit portfolio over the prior twelve months up to December 2004, evidences an ongoing improvement in the quality of the assets, ratifying the appropriateness of the credit rating instruments used in Bradesco's credit granting process.

Portfolio Movement between December 2003 and 2004

Level	Borrowers remaining from December 2003		New borrowers between December 2003 and 2004		Total credit at December 2004	
	In millions reais	%	In millions reais	%	In millions reais	%
AA to C	47,907	91.4	10,021	96.4	57,928	92.3
D	1,595	3.1	98	0.9	1,693	2.7
E to H	2,891	5.5	276	2.7	3,167	5.0
Total	52,393	100.0	10,395	100.0	62,788	100.0

Concentration of Credit Portfolio - In millions of reais

As a result of the increase in the proportion of credits granted to consumer customers, the concentration of credit among the Bank's largest borrowers decreased, both in absolute and relative terms, as presented in the following table:

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	2003				2004			
	September	%	December	%	September	%	December	%
Largest borrower	771	1.5	828	1.5	931	1.6	897	1.4
10 largest borrowers	5,060	9.6	5,515	10.1	5,746	9.6	5,593	8.9
20 largest borrowers	8,111	15.4	8,408	15.5	8,803	14.7	8,239	13.1
50 largest borrowers	13,500	25.6	13,363	24.6	14,196	23.7	13,055	20.8
100 largest borrowers	17,493	33.1	17,319	31.9	18,062	30.1	16,683	26.6

Credit Portfolio Indicators

To facilitate the analysis of the Bank's credit portfolio performance, we present below a comparative summary of the main parameters, based on the rules established by BACEN for recording provisions.

Items	In millions of reais			
	2003		2004	
	September	December	September	December
Total credit operations	52,776	54,336	59,976	62,788
- Consumer	14,740	15,633	18,688	21,191
- Corporate	38,036	38,703	41,288	41,597
Existing allowance	4,151	4,059	4,181	4,145
- Specific	1,939	1,816	1,885	1,785
- Generic	1,390	1,384	1,383	1,435
- Additional	822	859	913	925
Specific allowance/existing allowance (%)	46.7	44.7	45.1	43.1
Existing allowance/total credit operations (%)	7.9	7.5	7.0	6.6
Normal course operations (from AA to C)/total credit operations (%)	90.4	91.2	91.6	92.3
Operations under risk management (D)/total credit operations (%)	2.8	2.7	2.9	2.7
Abnormal course operations (from E to H)/total credit operations (%)	6.8	6.1	5.5	5.0
Credit operations (D)	1,460	1,488	1,765	1,693
Existing allowance (D)	413	423	398	454
Allowance/credit operations (D) (%)	28.3	28.4	22.5	26.8
Credit operations (from E to H)	3,580	3,286	3,287	3,167
Existing provision (from E to H)	3,027	2,842	2,856	2,741
Allowance/credit operations (from E to H) (%)	84.6	86.5	86.9	86.5

The year-end figures for 2004 continue to confirm the portfolio's low credit risk, based on its comfortable coverage levels. For 2005, Bradesco is prepared to take full advantage of the expected growth in credit demand, while at the same time respecting the established credit granting parameters and maintaining its expansion strategy firmly rooted in the traditional concepts of security, consistency and selectivity.

Funding

Deposits by Maturity - In millions of reais

2004

Days to maturity	September		December			Total
	Total	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	
Demand	14,782	15,298	-	-	-	15,298
Savings	23,186	24,783	-	-	-	24,783
Interbank	14	19	-	-	-	19
Time	26,805	2,737	6,448	3,752	15,522	28,459
Other deposits	-	84	-	-	-	84
Total	64,787	42,921	6,448	3,752	15,522	68,643

Demand Deposits - In billions of reais

Checking Accounts - Million

Increase in Checking Accounts - Million

Consumer and Corporate Customers - December 2004

Savings Accounts

The balance of Bradesco Organization Savings Accounts totaled R\$ 24.8 billion in deposits at the end of 4Q04, corresponding to a 19.46% market share of the Brazilian Savings and Loan System (SBPE) and secured Bradesco's leadership of all private banks in the National Financial System.

Since the introduction of the Investment Account, established by Law 10892, of July 13, 2004 and effective from October 10, 2004, five thousand new accounts have been opened as integrated investment accounts. This process is fully automated and requires no additional effort by savers, since as a checking account holder, S/he need only select the Savings Account option at the time of the investment for the account to be opened automatically.

Savings Account Deposits - In billions of reais

Share of SBPE (Brazilian Savings and Loan System) - %

Savings Accounts - Million

Asset Management

Bradesco Rated Best Fund Manager by Thomson Financial Brazil

BRAM - Bradesco Asset Management was ranked top of the list of the 10 best rated investment fund managers organized by the Ranking Invest Tracker Estadão, published by the O Estado de S. Paulo newspaper on October 25, 2004. Bradesco's differential was the combination of high performance, the significance of the assets managed and its presence in the majority of the fund subgroups.

Bradesco Rated Best Bank in which to Invest in 2004

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For the second year in a row, Bradesco was rated Best Bank in which to Invest by the personal investment guide, Guia de Investimentos Pessoais 2005, according to an annual study organized by Você S/A magazine and by the Finance Studies Center at the Fundação Getúlio Vargas.

New Information Disclosure

As from 4Q04, additional information is included in this section related to asset management, providing greater transparency to the net assets managed by Banco Bradesco. These amounts are presented in the following tables and facilitate comparison with prior periods, in line with the premises adopted by the ANBID ranking:

Net Assets - In millions of reais

	2003		2004	
	September	December	September	December
Investment funds	67,552	72,494	80,852	86,253
Managed portfolios	9,050	9,033	9,319	8,243
Third-party fund quotas	880	1,490	3,095	5,144
Total	77,482	83,017	93,266	99,640

● Distribution of Assets - In millions of reais

	2003		2004	
	September	December	September	December
Investment funds - fixed return	65,272	69,784	78,148	83,441
Investment funds - floating rate	2,280	2,710	2,704	2,812
Investment funds - third-party funds	730	1,294	3,004	5,067
Total	68,282	73,788	83,856	91,320
Fixed return customer portfolios	6,372	6,728	6,742	5,922
Floating rate customer portfolios	2,678	2,305	2,577	2,321
Managed portfolios - third-party funds	150	196	91	77
Total	9,200	9,229	9,410	8,320
Total fixed-return funds	71,644	76,512	84,890	89,363
Total floating-rate funds	4,958	5,015	5,281	5,133
Total third-party funds	880	1,490	3,095	5,144
Total	77,482	83,017	93,266	99,640

Total Volume of Managed Assets according to ANBID's Global Ranking - In millions of reais (*)

(*) Considering third-party fund quotas.
Number of Funds, Portfolios and Quotaholders

2003

2004

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	Number	Quotaholders	Number	Quotaholders
Investment funds	505	2,758,298	507	2,683,514
Managed portfolios	126	415	105	371
Total	631	2,758,713	612	2,683,885

4 Operating Companies

Bradesco Insurance Group

Insurance Companies

Consolidated Balance Sheet - In millions of reais

	2003		2004	
	September	December	September	December
Assets				
Current assets and long-term receivables	29,156	31,787	37,873	39,593
Securities	26,735	29,297	35,157	36,778
Insurance premiums receivable	817	846	844	951
Other receivables	1,604	1,644	1,872	1,864
Permanent assets	956	935	1,016	965
Total	30,112	32,722	38,889	40,558
Liabilities				
Current and long-term liabilities	26,819	29,130	34,551	37,482
Tax, civil and labor contingencies	895	938	1,065	1,087
Payables on insurance, private pension plans and savings bonds	452	518	696	860
Other liabilities	1,011	1,265	1,205	1,903
Technical reserves for insurance	1,949	2,031	2,477	2,687
Technical reserves for private pension plans	20,733	22,524	27,059	28,960
Technical reserves for savings bonds	1,779	1,854	2,049	1,985
Minority interest	45	44	36	35
Stockholders' equity of the parent company	3,248	3,548	4,302	3,041
Total	30,112	32,722	38,889	40,558

Consolidated Statement of Income - In millions of reais

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Income on insurance premiums, private pension plans and premium bonds	2,873	3,424	11,715	3,464	3,836	13,283
Variation in technical reserves	(952)	(1,353)	(4,108)	(1,077)	(1,280)	(3,827)
Commission and fees	52	60	188	83	90	314

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Retained claims	(1,069)	(1,098)	(4,160)	(1,338)	(1,330)	(5,197)
Expenses for premium bond draws and redemptions	(283)	(162)	(959)	(313)	(291)	(1,223)
Expenses for private pension plan benefits and redemptions	(558)	(774)	(2,195)	(486)	(499)	(2,093)
Selling expenses	(194)	(208)	(769)	(216)	(236)	(873)
Other operating income (expenses)	(1)	(23)	(8)	46	(6)	(78)
Personnel and administrative expenses	(238)	(288)	(996)	(244)	(343)	(1,111)
Tax expenses	(16)	(23)	(82)	(32)	(39)	(137)
Financial revenue, net	624	673	2,268	405	432	1,894
Operating income (expense)	238	228	894	292	448	966
Non-operating income	12	28	16	18	(28)	(45)
Equity in the earnings of subsidiary and associated companies	34	36	43	(1)	(90)	84
Minority interest	-	1	1	-	(2)	1
Income before taxes and contributions	284	293	954	309	328	1,006
Taxes and contributions on income	(92)	(117)	(341)	(108)	(16)	(118)
Net income	192	176	613	201	312	888

Performance Ratios - %

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Claims ratio (1)	78.6	76.7	78.0	84.2	79.1	83.1
Selling ratio (2)	12.4	12.9	12.5	12.0	12.1	12.3
Combined ratio (3)	106.0	106.6	106.2	99.4	101.7	108.2
Expanded combined ratio (4)	92.6	99.7	96.7	88.6	92.6	98.3
Administrative expense ratio (5)	13.6	14.5	13.8	12.9	11.9	12.8

- (1) Retained claims/earned premiums.
- (2) Selling expenses/earned premiums.
- (3) (Retained claims + selling expenses + administrative costs + taxes + other operating expenses)/earned premiums.
- (4) (Retained claims + selling expenses + administrative costs + taxes + other operating expenses)/(earned premiums + financial revenue).
- (5) Administrative expenses/earned premiums.

Insurance Premiums - Market Share (%)

Up to November 2004, Bradesco Seguros secured R\$ 10.3 billion in premiums and maintained its industry leadership with a 25.8% market share. The insurance sector obtained a total of R\$ 40.1 billion in premiums through November 2004.

Growth in Technical Reserves
In millions of reais

The exhibits presenting the technical reserves of Bradesco Vida e Previdência are presented below in the section specifically related to the pension plan company.

Earned Premiums by Insurance Line - In millions of reais

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Line	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Health	661	681	2,590	792	805	3,036
Auto/RCF ^(a)	349	397	1,419	413	436	1,634
Life/AP ^(b) /VGBL ^(c)	242	246	872	268	325	1,103
Basic Lines	86	86	345	90	93	368
DPVAT ^(d)	22	21	105	26	23	111
Total	1,360	1,431	5,331	1,589	1,682	6,252

(a) Optional third-party liability.

(b) Personal accident.

(c) Long-term life products.

(d) Compulsory vehicle insurance.

In 2004, the Company's earned premiums grew by 17.3% as compared to 2003.

Earned Premiums by Line - %

Retained Claims by Insurance Line - In millions of reais

Line	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Health	604	612	2,326	734	749	2,805
Auto/RCF	275	312	1,106	357	363	1,430
Life/AP	129	114	464	164	139	646
Basic Lines	40	46	180	61	65	231
DPVAT	21	14	84	22	14	85
Total	1,069	1,098	4,160	1,338	1,330	5,197

Retained Claims by Insurance Line (%)

N.B. Retained claims/earned premiums.

Selling Expenses by Insurance Line - In millions of reais

Line	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Health	20	21	79	25	25	96
Auto/RCF	64	74	263	77	76	295
Life/AP	68	71	262	72	83	303
Basic Lines	16	18	65	17	20	74

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Total	168	184	669	191	204	768
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Selling Expenses by Insurance Line (%)

N.B. Expenses for Selling/earned premiums.

Number of Policyholders - Thousand

Up to December 2004, the average number of customers grew by 18.7% compared to the prior year.

In comparison with the same period in 2003, Bradesco Saúde maintained its outstanding market position, especially in the corporate health insurance segment (source: ANS - National Agency for Supplementary Healthcare). Brazilian consumers are increasingly convinced that Health and Dental Insurance are the best alternatives for meeting their medical, hospital and dental care needs. At present, Bradesco Saúde has more than 2.5 million customers.

The increasing number of policyholders employed by micro, small and medium companies, as well as major corporations that have contracted Bradesco Saúde, confirms the insurance company's high level of expertise and personalization in Corporate Insurance services, a distinct advantage in the Supplementary Health Insurance market.

Almost 12 thousand companies in Brazil have acquired Bradesco Health Insurance. Out of Brazil's 100 largest companies in terms of billings, 32 are Bradesco clients in the Health and Dental Health lines and out of the country's 50 largest companies, 28% are Bradesco Saúde clients. (source: Exame Magazine's Biggest and Best List, July 2004).

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

Through November 2004, the Bradesco Insurance Group maintained its position as one of the main players in the Brazilian Basic Line (RE) Insurance market, with a significant 10.4% share of total market billings in this area.

In the major risk segment, Bradesco Auto/RE participates in the insurance coverage of 147 out of Brazil's 500 largest companies and maintains an outstanding position among the Brazilian market's largest insurance companies in this business segment.

BRDESCO FLIGHT INSURANCE which was launched at the beginning of 2004, increased Bradesco Auto/RE's competitiveness in that particular portfolio and facilitated the securing of a number of new premiums, in particular, for executive aircraft.

The workshop held to present the new SIGA (Integrated Policy Management) system and to debate the new rules introduced by the Civil Code for Transport Insurance and Customs Regulations, brought brokers closer to policyholders in this segment and became a distinct advantage in the sale of policies to freight companies.

Special emphasis should also be given to the combined actions carried out by the Production and Corporate areas, facilitating increased success in the renewal of policies and the securing of new business in the non-mass insurance segment.

In the Corporate Area, we highlight the deployment of products which complement the operations of Bradesco Consórcios and Bradesco Credit Cards, such as Credit Insurance (Breach of Guarantee) and Insurance Against Theft, which offer protection against risks inherent to the utilization of credit cards and acquisition of goods, respectively. In addition to these products, studies relating to the issuance of insurance policies to protect debit card holders are being concluded, such coverage will protect Bradesco checking account holders against certain events when using ATMs (withdrawals, cash transfers, bill and tax payments etc.) and when making purchases in commercial establishments.

In the mass market insurance segment, whose products are focused on the consumer and small and medium corporate segments, Bradesco maintained a significant number of customers, in particular, for the Residential Insurance line, with more than 600,000 homes insured.

In the pursuit to always offer our customers best quality services, the launching of our new products made a substantial contribution to the results achieved during the period.

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In the Auto/RCF line, the market was affected by intense competition, aggravated by slacking vehicle sales. During the period, we maintained our technically correct pricing policy, guaranteeing balanced portfolio results. Emphasis should also be given to the launching of our new pricing policy based on the policyholders' specific characteristics and maintenance of the differentiated services which add value to our products, such as discounts given through the nationwide customer service networks and autoglass repair, as well as the increase in the number of relationships with brokers which are carried out exclusively online via the Internet.

Bradesco's market share of the Auto/RCF portfolio, up to November 2004, was 16.8%.

Awards/Recognition

Bradesco Seguros

1. In April, Bradesco Seguros e Previdência was rated among the 100 largest investors in this area for 2003, according to research carried out in Brazil by Info magazine. Indiana Seguros, another Bradesco Insurance Group company, was also highlighted in the 2004 edition of Brazil's 100 most wired companies.

2. Bradesco Seguros e Previdência was the brand name preferred by consumers in the southern state of Rio Grande do Sul. This preference was revealed in May 2004 in the sixth edition of the poll Decision-maker Brands, prepared by the Jornal do Comércio, a regional newspaper specialized in business and economy, in partnership with Instituto Qualidata. Bradesco was rated preferred insurance company by 13.2% of those interviewed.

3. The Bradesco e Previdência Insurance website is 3-time champion award winner at the iBEST awards, considered Brazil's equivalent to the Internet Oscar. In May, at the awards ceremony held in São Paulo, the insurance company was voted winner by popular jury in the "Insurance" category.

4. Bradesco Seguros e Previdência won the Segurador Brasil award in the Best Institutional Campaign and Arts and Culture Support Highlight categories. These awards were given in June by Brasil/Notícias Editora e Comunicação Empresarial, publishers of the Planeta Seguros magazine.

5. Bradesco Seguros e Previdência was rated best company in the vehicle insurance line according to the "Gazeta Mercantil Financial Report prepared in partnership with the consultancy Austin Rating in June. The report was prepared based on data for 2003.

6. Bradesco Seguros e Previdência won the insurance "Market Award" ("Prêmio Mercado de Seguros"), in June, given by the Seguro Total magazine in the "Excellence in Total Premiums" category.

7. Bradesco Seguros e Previdência received the Folha Top of Mind award, in the insurance category, for the third time in a row. The Folha Top of Mind awards are given every year to the brands with best consumer recall indices, based on the results of a market research study carried out by the Datafolha Institution among thousands of Brazilians nationwide. The awards are announced in the month of October.

8. Bradesco Seguros e Previdência was rated, for the second year running, as the insurance company with greatest recall by the population of the state of Alagoas, and for which the company received the 2004 Best Brand Name award, in the category Top of Mind First Brand Name Recalled. The award, organized by the Tribuna de Alagoas daily, was received in October.

9. In November, Bradesco Seguros e Previdência received the Multilogística/Expocargo 2004 award, organized by the Portos e Comércio Exterior, freight journal, published in Porto Alegre, Rio Grande do Sul. The prize pays homage to professionals, companies and agencies with a significant contribution to export and import activities.

10. In November, Bradesco Seguros e Previdência was recognized as a Notable Company in 2004 by the trade journal, Jornal do Comercio, published in Rio de Janeiro.

11. Bradesco Seguros e Previdência was mentioned in the 2004 edition of the Marketing Highlight Awards, organized by the Brazilian Association of Marketing and Business ABM&N. The Company received the award in the services category for the case The Bradesco Seguros e Previdência Ombudsman. The awards ceremony took place in December.

12. In December, Bradesco Seguros e Previdência received a trophy from the Rio de Janeiro chapter of the Brazilian Hotel Industry Association (ABIH-RJ), for its contribution to tourism in Rio, in the form of the Bradesco Seguros e Previdência traditional Christmas Tree.

Culture

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1. Bradesco Seguros e Previdência sponsored the Dell Arte series of International Concerts held at the Municipal Theater in Rio de Janeiro. The following concerts were held up to September 2004:

- Italian Concert - May 17.
- Academie Für Alte Musik - June 22.
- Emma Kirkby & The Romantic Chamber Group of London - July 29.
- Quartet Herold - August 23.
- Les Arts Florissants - September 29.
- BBC Symphony Orchestra with Jukka-Pekka Saraste October 19
- Christmas Oratory by J. S. Bach with Windsbacher Knabenchor & Deutsche Kammer Virtuosen Berlin and Soloists November 3

2. Bradesco Seguros e Previdência sponsored the 2004 Christmas Tree Project, built to float in the middle of the Lagoa Rodrigo de Freitas lake in Rio de Janeiro, for the ninth year in a row. Recognized by the Guinness Book of Records as the world's largest stylized floating Christmas Tree, its initial lighting up ceremony is considered to be the third most important event in Rio de Janeiro's tourist agenda, after the Carnival and the New Year Eve fireworks display. The tree was lit up every evening from November 27 thru January 6, 2005.

Bradesco Saúde

1. In May, Bradesco Saúde was announced winner of the Prêmio Segurador Brasil award in the Excellence in Health Insurance category. This award is given by Brasil/Notícias Editora e Comunicação Empresarial, publishers of the Planeta Seguros magazine.

2. Bradesco Saúde won the Hospital Best award in the Health Operator of the Year category, according to a poll carried out among innumerable physicians and other health professionals nationwide. The poll was organized by Simonsen e Associados. The first edition of this award held in June is an initiative of the Brazilian Association of Health Marketing (Associação Brasileira de Marketing em Saúde).

Vida e Previdência (Private Pension Plans)

Balance Sheet - In millions of reais

	2003		2004	
	September	December	September	December
Assets				
Current assets and long-term receivables	22,719	24,920	29,454	31,279
Funds available	36	27	41	6
Interbank investments	19	20	-	-
Securities	22,197	24,438	28,826	30,246
Insurance operations and other receivables	467	435	587	1,027
Permanent assets	253	249	1,194	1,590
Total	22,972	25,169	30,648	32,869
Liabilities				
Current and long-term liabilities	21,404	23,451	28,171	31,144
Tax and social security contingencies	503	627	704	723
Operating liabilities for insurance and private pension plans	124	160	331	518
Other liabilities	44	140	77	943
Technical reserves	20,733	22,524	27,059	28,960
Stockholders' equity	1,568	1,718	2,477	1,725
Total	22,972	25,169	30,648	32,869

Statement of Income - In millions of reais

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	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Retained premiums	210	227	820	266	322	1,039
Variations in premium reserves	(5)	(19)	(66)	(25)	(28)	(67)
Earned premiums	205	247	754	241	294	972
Retained claims	(117)	(101)	(430)	(138)	(136)	(561)
Expenses with benefits - VGBL	-	(6)	(6)	(11)	(12)	(37)
Selling expenses - insurance	(45)	(50)	(185)	(55)	(66)	(227)
Other operating income (expenses)	45	58	174	75	78	267
Income from contributions and VGBL	1,348	1,877	5,644	1,810	2,233	6,903
Variations in technical reserves and VGBL	(821)	(1,137)	(3,631)	(973)	(1,200)	(3,640)
Expenses with benefits/matured plans	(559)	(773)	(2,195)	(486)	(499)	(2,093)
Expenses for redemptions VGBL	(200)	(223)	(608)	(357)	(485)	(1,411)
Selling expenses - pension plans and VGBL	(39)	(38)	(147)	(39)	(43)	(157)
Administrative expenses	(53)	(67)	(217)	(62)	(67)	(235)
Tax expenses	(3)	(3)	(14)	(12)	(19)	(51)
Financial income	1,081	1,068	4,363	1,117	1,129	4,237
Financial expenses	(701)	(623)	(2,884)	(926)	(909)	(3,160)
Equity income and expenses	4	2	9	58	141	368
Non-operating income (expense)	4	(2)	2	3	(16)	(11)
Income before taxes and contributions	149	190	629	245	423	1,164
Taxes and contributions on income	(42)	(71)	(202)	(64)	(97)	(269)
Net income	107	119	427	181	326	895

Income from Plans and VGBL - Market Share (%)

In 2004, plan income totaled R\$ 6.903 billion, a 22.3% increase over the prior year.

Life Insurance Premiums Market Share (%)

Income on net premiums issued in 2004 totaled R\$ 1.208 billion.

Increase in Technical Reserves In millions of reais

Total technical reserves of Bradesco Vida e Previdência in December 2004 of R\$ 28,960 million comprised R\$ 18,973 million for supplementary pension plans, R\$ 9,140 million for VGBL, R\$ 773 million for life and personal accident, R\$ 69 million for DPVAT and R\$ 5 million for retrocession.

Guaranteeing Assets of Technical Reserves

Pension Plan and VGBL Investment Portfolios Market Share (%)

In December 2004, the investment portfolios totaled R\$ 30,842 million, comprising almost half of market resources.

Participants

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Increase in Number of Participants thousand

N.B. Includes VGBL long-term life products.
Life and Personal Accident Policyholders

Increase in Life Insurance Policyholders thousand

Thanks to its solid structure, innovative product policy and trusted market standing, Bradesco Vida e Previdência maintained its leadership, in 2004, of both markets in which it operates, with a 36.3% share of income from private pension plans and a 17.0% share of life insurance premiums.

Bradesco is also sole leader in all the private pension product areas in which it operates, with a 44.7% share in VGBL, a 25.9% share in PGBL and a 26.4% share in traditional plans (Source: ANAPP National Association of Private Pension Plans Data accumulated thru November 2004).

The number of Bradesco Vida e Previdência customers grew by 27.3%, in 2004, surpassing the mark of 1.5 million private pension plan participants and 6.7 million life insurance holders. This significant increase was prompted by the strength of the Bradesco brand name, by the use of an appropriate management and sales policies and by the launching of innovative products.

Among the new products launched during the year, we highlight Vida Segura Bradesco and for women, Vida Máxima Mulher Bradesco, which together now surpass the half-million policyholders mark and a monthly premium income of more than R\$ 7.2 million, strengthening, accordingly, Bradesco's strategy which is designed to offer different products to different market segments and facilitate the access to life insurance for lower income bracket consumers.

Year-end technical reserves totaled R\$ 29.0 billion, an increase of 28.6% as compared to 2003 and a portfolio of investments in private pensions and VGBL totaling R\$ 30.8 billion, comprising almost half of all market resources.

Awards/Recognition

The quality of the services provided by Bradesco Vida e Previdência was recognized again in 2004 by receipt of the following awards:

1. Best Private Pension Plan Company, according to the Balanço Financeiro report published by Gazeta Mercantil newspaper, prepared in partnership with the agency Austin Rating.
2. "Brazil's Largest Insurance Company", according to the Biggest and Best guide published by Exame magazine.
3. Trusted Brand Names Award", organized by Reader's Digest magazine.
4. Best Insurance Company Award, according to Clube Vida em Grupo of Rio de Janeiro (CVG-RJ).
5. ANSP 2004 Award, for the case "Everyone has the right to protect their family."
6. Top Sales Award", organized by ADBV.
7. Marketing Top Award", from the Brazilian Association of Sales and Marketing Directors (RJ), for the case "Vida Segura Bradesco".
8. Marketing Highlight Award", organized by the Brazilian Association of Marketing & Business - ABM&N, in the category Product, for the case "Vida Segura Bradesco".
9. 2004 Coverage-Performance Award", in the category "Portfolio Performance Private Pension Plans" given by the Cobertura magazine.

Savings Bond Companies (1)

Balance Sheet - In millions of reais

2003

2004

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	September	December	September	December
Assets				
Current assets and long-term receivables	2,152	2,621	2,813	2,949
Securities	2,059	2,427	2,719	2,844
Accounts receivable and other receivables	93	194	94	105
Permanent assets	329	20	205	31
Total	2,481	2,641	3,018	2,980
Liabilities				
Current and long-term liabilities	2,033	2,239	2,413	2,616
Tax and labor contingencies	155	165	177	179
Other liabilities	99	220	187	452
Technical reserves	1,779	1,854	2,049	1,985
Stockholders' equity	448	402	605	364
Total	2,481	2,641	3,018	2,980

Statement of Income - In millions of reais

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Income from savings bonds	292	314	1,156	338	319	1,358
Variation in technical reserves	(42)	(171)	(226)	10	47	1
Draws and redemption of bonds	(283)	(162)	(959)	(312)	(292)	(1,223)
Redemptions	(277)	(158)	(941)	(298)	(276)	(1,172)
Draws	(6)	(4)	(18)	(14)	(16)	(51)
Selling expenses	-	-	(1)	(1)	(4)	(5)
Other operating income (expenses)	(1)	-	(2)	(1)	-	-
Financial income, net	110	88	338	60	74	311
Administrative expenses/taxes	(18)	(26)	(81)	(22)	(21)	(90)
Equity results	35	14	57	4	33	65
Non-operating income	1	39	40	-	(3)	(2)
Income before taxes and contributions	94	96	322	76	153	415
Taxes and contributions on income	(20)	(30)	(90)	(24)	(41)	(117)
Net income	74	66	232	52	112	298

(1) Includes: Bradesco Capitalização and Atlântica Capitalização.

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

The company holds a leadership position in two Brazilian states, according to the latest figures for November 2004 published by SUSEP. The company's market share was as follows: 33.5% in Amazonas and 25.7% in São Paulo.

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

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

Income from Savings Bond Certificates - Market Share (%)

Technical Reserves - Market Share (%)

Growth in Technical Reserves - In millions of reais

Bradesco Capitalização's fast-growing volume of technical reserves totaled R\$ 2.0 billion in December 2004, a growth rate of 7.1% compared to December 2003. According to data for November 2004 published by SUSEP, the company has 22.2% of the total market volume of technical reserves.

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

Number of Customers - Thousand

As a result of its customer loyalty building policy, focused on quality customer service and the offer of innovative products, the number of Bradesco Capitalização customers totaled more than 2.7 million at the end of 4Q04.

Outstanding Savings Bonds - Thousand

Outstanding Saving Bonds with Transfer of Draw Participation Rights - Thousand

Total Outstanding Savings Bonds - Thousand

The outstanding savings bond portfolio varied from 78 million bonds in 2003 to 31.8 million bonds in 2004. This decrease was motivated by the maturity of a major series of bonds of the Transfer of Draw Participation Rights type, which were sold in 2003 via partnership agreements in various market segments. Of the total portfolio, 85.5% comprise bonds of the Transfer of Draw Participation Rights type, including Bradesco Cartões, Bradesco Vida e Previdência, Banco Finasa etc. Since the purpose of this type of savings bond certificate is to add value to partners products or to provide incentives for customer payments, these are low-priced bonds which are sold with reduced terms and grace periods and at a lower unit purchase price.

Awards/Recognition

1. In June, Bradesco Capitalização won the Insurance Market Award in the Best Savings Bond Company category, organized by Seguro Total magazine.
2. In November, Bradesco Capitalização received the Top de Marketing award, given by the Brazilian Association of Sales and Marketing Directors (RJ), for the successful sales of its Pé Quente Bradesco SOS Mata Atlântica bond.
3. Bradesco Capitalização received the Marketing Highlight 2004 award given by the Brazilian Association of Marketing and Business ABM&N, in the Products category for the case Pé Quente Bradesco SOS Mata Atlântica. The awards ceremony was held in December.
4. In December, Bradesco Capitalização received the Ecology Top award from the Brazilian Association of Sales and Marketing Directors (SP), for the sales performance of its Pé Quente Bradesco SOS Mata Atlântica bond.

Banco Finasa

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Consolidated Balance Sheet - In millions of reais

	2003		2004	
	September	December	September	December
Assets				
Current assets and long-term receivables	4,841	5,519	7,652	8,697
Funds available	3	4	8	9
Interbank investments	25	35	37	107
Securities and derivative financial instruments	15	12	78	27
Interbank accounts	20	20	30	28
Credit and leasing operations	4,595	5,172	7,129	8,114
Allowance for loan losses	(134)	(136)	(233)	(253)
Other receivables and other assets	317	412	603	665
Permanent assets	12	12	343	1,640
Total	4,853	5,531	7,995	10,337
Liabilities				
Current and long-term liabilities	4,557	5,308	7,551	9,837
Demand, time and interbank deposits	4,128	4,746	7,025	9,322
Deposits received under security repurchase agreements and funds from the issuance of securities	3	-	-	-
Interbank accounts	-	-	2	-
Borrowings and onlendings	124	140	51	47
Derivative financial instruments	92	327	203	159
Other liabilities	210	95	270	309
Deferred income	18	21	35	36
Stockholders equity	278	202	409	464
Total	4,853	5,531	7,995	10,337

Consolidated Statement of Income - In millions of reais

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Income from lending and trading activities	408	209	1,374	590	667	2,334
Expenses for lending and trading activities	(239)	(229)	(918)	(333)	(418)	(1,314)
Gross profit from financial intermediation	169	(20)	456	257	249	1,020
Other operating income (expenses), net	(133)	(125)	(480)	(160)	(133)	(583)
Operating income	36	(145)	(24)	97	115	437
Non-operating income (expenses), net	-	-	(4)	1	1	(4)
Income before taxes and contributions	36	(145)	(28)	98	116	433
Taxes and contributions on income	(13)	49	9	(34)	(19)	(91)
Net income (loss)	23	(96)	(19)	64	97	342

Profile

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Banco Finasa S.A. is the Bradesco Organization's consumer sales financing arm since October 1998, complementing Bradesco's Direct Consumer Credit and Personal Credit operations and is fully integrated with its policies and guidelines.

Focusing on the direct relationship with vehicle dealerships and stores which sell other durables and semi-durables and services, the Bank operates through the intermediation of Finasa Promotora de Vendas Ltda., its wholly owned subsidiary, which is responsible for prospecting customers and forwarding credit proposals to the Bank.

The first significant event of the year was the commencement, from February 2004, of the management of the business and structures of Banco Zogbi and Promovel Empreendimentos e Serviços Ltda., acquired by the Bradesco Organization in November 2003. With vast experience in the Personal Credit and Consumer Sales Financing segments focused on durable and semi-durable goods and services for classes B, C, D and E, Zogbi had some 1 million active customers and some 4 million customers on file, a network of 67 branches and more than 11 thousand registered stores. This acquisition comprised a strategic advance for the Organization and complements, in full, Finasa's operations.

In October 2004, Banco Zogbi was incorporated by Banco Finasa and in November, Finasa Promotora incorporated Promovel.

Finasa will operate the agreements signed by Bradesco in November and December 2004, respectively, with Casas Bahia and Salfer, two important domestic market retail networks for the granting of consumer sales financing. These agreements represent a distinct advantage and important relationship instrument with commercial partners for expanding business, as do the agreements signed previously with Ford Credit, Microsoft and ABRAPAR, subsequent to approval by the Brazilian Association of Fiat Automobile Dealerships - ABRACAF.

At the end of 2004, the commercial and operating structures of the former Zogbi and Finasa, were fully integrated and apt for the expansion of three business lines: Vehicles, Personal Credit and Other Assets and Services under the name of Finabens, with 121 branches of Finasa Promotora de Vendas distributed nationwide, 3,174 employees and 32,687 registered service outlets, including 14,105 new and used vehicle dealerships and 18,582 stores selling furniture, DIY, tourism, auto parts and IT related equipment and software, white goods, clothing and footwear, among others.

Customers served by Banco Finasa totaled some 1.994 million.

Appraised by Austin Rating, Banco Finasa obtained the maximum AAA rating for financial soundness and a Low Risk long-term rating.

Operating Performance

At December 31, 2004, consolidated assets totaled R\$ 10.3 billion, a growth rate of 29.3% compared to September 2004 and of 86.9% compared to December 2003. Credit operations, before the allowance for loan losses, totaled R\$ 8.1 billion, a growth rate of 13.8% compared to September 2004 and 56.9%, as compared to the same period in 2003. Of this total, R\$ 7.6 billion comprised the new and used auto financing portfolio, compared to R\$ 6.6 billion at September 30, 2004 and R\$ 5.1 billion at December 31, 2003.

Auto-financing production for 4Q04 totaled R\$ 2.1 billion and R\$ 6.4 billion for the period between January and December, up by 52.4% as compared to 2003.

The acquisition of Zogbi and its management by Finasa during the year are already producing positive results, with year-end results for the Finabens and Personal Credit portfolios of R\$ 415.2 million and R\$ 124.1 million, respectively, as compared to R\$ 115.4 million and R\$ 4.2 million, in December 2003.

Finabens financing production for 4Q04 totaled R\$ 249.7 million, and R\$ 866.3 million from January thru December, a growth rate of 51.5% as compared to 2003, including Zogbi production.

Personal credit production in 4Q04 was R\$ 60.5 million and totaled R\$ 181.0 million from January thru December, up by 59.0% compared to the prior year, including Zogbi production.

The largest permanent asset balances in September and December 2004, as compared to the same periods in the prior year, comprise, respectively, unamortized goodwill on the purchase of Banco Zogbi and other group companies and the acquisition of 35% of the shares of Banco Alvorada in November 2004.

Banco Finasa reported second-half net income of R\$ 160.5 million, totaling R\$ 342.3 million for the year. Stockholders' equity at December 31, 2004 was R\$ 464 million.

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We stress that income in the amount of R\$ 16.4 million was recorded for 4Q04, derived from the mark-to-market (MTM) adjustment of swap transactions, in compliance with Central Bank Circular 3082, which totaled R\$ 114.5 million for the period from January to December. These transactions are designed to hedge overall credit operations and were entirely successful from an economic viewpoint. However, from a formal standpoint, these transactions are not acceptable as hedges pursuant to the aforementioned legislation. As a result, the asset transactions to which they are a counter entry receive a different accounting treatment, ie, they are adjusted based on the rates established in the corresponding contracts, whereas swaps are marked to market.

Net income for the year is comprised as follows:

	In millions of reais			
	2003	2004		
		1st Half	2nd Half	Accumulated to December
Net income before MTM - SWAP	119.0	101.9	125.9	227.8
Mark-to-market effect - SWAP	(138.3)	79.9	34.6	114.5
Net income (loss)	(19.3)	181.8	160.5	342.3

● Leasing Companies

At December 31, 2004, the Bradesco Organization had the following leasing companies: Bradesco Leasing S.A. Arrendamento Mercantil, formerly Potenza Leasing S.A. Arrendamento Mercantil, Alvorada Leasing Brasil S.A. Arrendamento Mercantil, formerly BBV Leasing Brasil S.A. Arrendamento Mercantil and Zogbi Leasing S.A. Arrendamento Mercantil.

Balance Sheet in Aggregate - In millions of reais

	2003		2004	
	September	December	September	December
Assets				
Current assets and long-term receivables	4,989	5,061	4,737	5,227
Funds available	6	2	1	-
Interbank investments	2,105	2,153	2,257	2,548
Securities and derivative financial instruments	1,096	1,171	618	649
Leasing operations	1,405	1,372	1,348	1,513
Allowance for leasing losses	(122)	(114)	(95)	(99)
Other receivables and other assets	499	477	608	616
Permanent assets	40	41	485	93
Total	5,029	5,102	5,222	5,320
Liabilities				
Current and long-term liabilities	2,994	3,022	3,131	3,209
Interbank deposits	3	-	-	-
Securities received under security repurchase agreements and funds received from issuance of securities	1,593	1,650	1,834	1,907
Borrowings and onlendings	256	253	191	191
Derivative financial instruments	10	22	11	8
Subordinated debt	635	628	624	625

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Other liabilities	497	469	471	478
Stockholders' equity	2,035	2,080	2,091	2,111
Total	5,029	5,102	5,222	5,320

Statement of Income - In millions of reais

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Income from lending and trading activities	283	345	1,000	257	382	1,480
Expenses for lending and trading activities	(161)	(246)	(579)	(191)	(296)	(1,115)
Gross profit from financial intermediation	122	99	421	66	86	365
Other operating income (expenses), net	(20)	(30)	(85)	8	(14)	(45)
Operating income	102	69	336	74	72	320
Non-operating income	-	4	8	(5)	(4)	(8)
Income before taxes and contributions	102	73	344	69	68	312
Tax and contributions on income	(33)	(25)	14	(15)	(22)	(98)
Net income	69	48	358	54	46	214

Leasing Performance - Consolidated Bradesco

Bradesco's leasing operations are carried out through Bradesco Leasing S.A. Arrendamento Mercantil and Banco Finasa S.A.

At December 31, 2004, leasing operations brought to present value totaled R\$ 1.660 billion, with a balance of R\$ 20.3 million receivable in operating leases.

According to the Brazilian Association of Leasing Companies (ABEL), the Bradesco Organization leasing companies are sector leaders, with an 11.9% share of this market (base date: November 2004). This sound performance is rooted in its Branch Network integrated operations and the maintenance of its diversified business strategies in various market segments, in particular, the implementation of operating agreements with major industries, mainly in the heavy vehicle and machinery/equipment sectors.

The following pie graph presents the composition of Bradesco's consolidated leasing portfolio by types of asset.

Portfolio by Types of Asset at December 31, 2004

- Bradesco Consórcios (Consortium Purchase System)

Administradora (management company)

Balance Sheet - In thousands of reais

	2003		2004	
	September	December	September	December

Assets

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Current assets and long-term receivables	19,956	26,369	61,552	76,381
Funds available	-	-	8	5
Securities	17,335	25,509	60,217	74,709
Other receivables	2,621	860	1,327	1,667
Permanent assets	731	740	770	782

Total	20,687	27,109	62,322	77,163
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Liabilities

Current and long-term liabilities	6,456	7,903	15,055	23,252
Amounts refundable to former groups now closed	5,292	5,450	5,749	5,853
Other liabilities	1,164	2,453	9,306	17,399
Stockholders equity	14,231	19,206	47,267	53,911

Total	20,687	27,109	62,322	77,163
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Statement of Income - In thousands of reais

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Income on commission and fees	8,437	13,682	26,133	22,935	28,676	86,970
Taxes payable	(591)	(946)	(1,849)	(1,370)	(1,722)	(5,179)
Financial income	560	708	2,147	1,780	2,466	6,428
Administrative expenses (including personnel expenses)	(1,790)	(2,479)	(7,445)	(2,522)	(4,162)	(11,060)
Selling expenses	(2,993)	(3,179)	(11,205)	(4,550)	(8,624)	(20,455)
Other operating (expenses) income	37	(3)	54	210	291	668
Income before taxes and contributions	3,660	7,783	7,835	16,483	16,925	57,372
Taxes and contributions on income	(1,239)	(2,808)	(2,931)	(3,181)	(4,068)	(11,857)
Net income	2,421	4,975	4,904	13,302	12,857	45,515

Quarterly Results 2003 and 2004 In thousands of reais

Consortium Groups

Balance Sheet - In thousands of reais

	2003		2004	
	September	December	September	December
Assets				
Current assets and long-term receivables	49,809	85,235	201,818	268,577
Amount offset	2,750,813	4,101,186	6,189,691	8,163,846
Total	2,800,622	4,186,421	6,391,509	8,432,423

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Liabilities

Current and long-term liabilities	1,595	4,933	30,923	36,083
Stockholders' equity	48,214	80,302	170,895	232,494
Amount offset	2,750,813	4,101,186	6,189,691	8,163,846
Total	2,800,622	4,186,421	6,391,509	8,432,423

Operations

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

Operating in the administration of consortium groups for the purchase of real estate, vehicles, tractors, trucks and combine harvesters, the company can rely on the customer service infrastructure deployed by Banco Bradesco.

The company uses all the facilities offered by the Bradesco customer service network to commercialize the products offered, a distinct market advantage responsible for the rapid growth presented by the consortium purchase system segment. The extensive nature and security associated with the Bradesco brand name are added advantages for expanding consortium plan sales.

Mission

The company's mission is to manage consortium plans and groups for consumer and corporate purchasers regardless of whether they are Bradesco account holders or not, and to operate in the car, truck, tractor and combine harvester segment, as well as in real estate, maintaining excellent standards in the quality of the services offered and in consortium system practice, pursuant to regulations determined by the Brazilian Central Bank and in line with the Bradesco Organization's philosophy.

Segmentation

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

Providing all income brackets with the opportunity to purchase items through the consortium quota system, filling a market lacuna at accessible prices, especially considering, as regards the country's present housing deficit, real estate products.

Representation

Within this segment, Bradesco plays a central role in providing Brazilians with the opportunity to acquire consumer durables and real estate. In this sector consumers can acquire apartments, houses, building plots or commercial offices.

In 2004, 104.3 thousand consortium quotas were sold comprising an increase of more than 60% compared to December 2003.

Billings also increased to R\$ 2.8 billion, up by 27% compared to 2003.

At December 31, 2004, accumulated sales totaled 150.2 thousand consortium quotas, with billings of more than R\$ 4.3 billion, 24,302 participants were selected by bid or by draw and 14,720 items were delivered to members comprising 805 active groups. 241 groups were formed in 4Q04.

Quotas sold in 2004

Market leadership

With a bold market strategy, Bradesco Consórcios leads the real estate segment, according to data informed by the Brazilian Central Bank in November, with 38,455 active quotas. These results brought important recognition, such as the Marketing Best and ADVB Awards, given by the Brazilian Association of Sales and Marketing Directors.

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In September 2004, Bradesco Consórcios commenced an aggressive campaign to secure the leadership of the Auto segment, growing by 103.1% in comparison with the prior quarter, which is equivalent to 37,114 quotas sold during the period and with very real possibilities of attaining its objective.

Leadership is secured and consolidated as a result of ongoing and determined efforts, motivated by the enthusiasm of each sales teams and the distribution force of our customer service network.

Quotas sold in 4Q03 and 4Q04

Quotas accumulated for the year

Total outstanding real-estate quotas in 2004

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

(*) Data for November 2004, as per Central Bank report.

List of 10 largest auto segment consortium management companies (*)

(*) Data for November 2004, as per Central Bank report.

- Bradesco S.A. Corretora de Títulos e Valores Mobiliários

Balance Sheet In thousands of reais

	2003		2004	
	September	December	September	December
Assets				
Current assets and long-term receivables	188,853	319,850	110,193	116,135
Funds available	6	15	27	38
Interbank investments and securities	96,730	65,586	73,695	62,112
Other receivables and other assets	92,117	254,249	36,471	53,985
Permanent assets	19,753	20,310	23,058	23,773
<hr/>				
Total	208,606	340,160	133,251	139,908
<hr/>				
Liabilities				
Current and long-term liabilities	109,212	274,569	56,872	78,914
Other liabilities	109,212	274,569	56,872	78,914
<hr/>				
Stockholders' equity	99,394	65,591	76,379	60,994
<hr/>				
Total	208,606	340,160	133,251	139,908
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Statement of Income - In thousands of reais

2003

2004

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	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Income from lending and trading activities	4,943	4,294	18,273	2,741	3,557	11,353
Other operating income (expenses), net	1,088	1,146	3,689	1,209	2,620	10,104
Operating income	6,031	5,440	21,962	3,950	6,177	21,457
Non-operating income (expense)	(390)	(1)	(391)	-	-	2
Income before taxes and contributions	5,641	5,440	21,571	3,950	6,177	21,459
Taxes and contributions on income	(2,051)	(1,818)	(7,387)	(1,341)	(2,076)	(7,212)
Net income	3,590	3,622	14,184	2,609	4,101	14,247

At the end of 2004, Bradesco Corretora maintained its outstanding position in the Capital Market.

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

Bradesco Corretora ended the year ranked 9th among the more than 90 brokerage firms operating in the São Paulo Stock Exchange (BOVESPA). During the year, services were provided to 120,435 investors and 461,258 buy and sell orders were carried out for a total financial volume of R\$ 16.5 billion. The Corretora participates with BOVESPA in the Bovespa vai até você campaign in an important effort to raise public awareness regarding the benefits of investing in the stock market.

Bradesco Corretora negotiated 2.8 thousand contracts in the Mercantile and Futures Exchange (BM&F) for a financial volume of R\$ 315.8 billion, ranking the Corretora 27th out of more than 90 participants. The Corretora has centered its efforts on the continued expansion of its business, as well as promoting the futures market. In the agricultural area, the Corretora acts directly in the country's main production centers, through visits, seminars and participation in agricultural fairs and expos. In conjunction with the BM&F, the company sponsored visits to the exchange and Bradesco Corretora in São Paulo by investors from all over the country. At the same time, the company hosted numerous visits by farmers, teachers, opinion-makers and brokers from the physical commodities market.

Online web trading for the year totaled 232,200 orders with a financial volume of R\$ 1.4 million, comprising 5.3% of all Home-Broker operations carried out in BOVESPA and placing the Corretora fifth in the overall ranking. The customer base increased by 44.5% with more than 8,558 new customers registered during the year and more than 47,059 e-mails received.

As a result of its role in Public Offerings of Share Purchases, Special Operations, Stock Swapping Auctions and Privatization Auctions, Bradesco Corretora continues in its important market position, with a financial volume of R\$ 554.4 million for the year.

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

The company also offers a non-resident investor representation service for transactions carried out in the financial and capital markets, in accordance with the provisions of CMN Resolution 2689, of January 26, 2000.

Net income recorded for the year totaled R\$ 14.2 million.

Stockholders' equity at the end of the year increased to R\$ 61.0 million, corresponding to 43.6% of total assets of R\$ 139.9 million.

Information - Trading at BM&F and BOVESPA

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
BM&F						
Ranking	21 st	29 th	24 th	29 th	22 nd	27 th

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Contracts traded (million)	0.6	0.4	2.0	0.6	0.8	2.8
Financial volume (in billions of reais)	72.1	45.0	244.7	69.9	89.8	315.8

Stock Exchange

Ranking	10 th	10 th	11 th	10 th	9 th	9 th
Number of investors	17,025	16,802	50,499	20,341	15,394	120,435
Number of orders executed	74,128	88,365	279,665	65,389	180,030	461,258
Volume traded (in billions of reais)	3.1	3.8	11.3	3.7	5.4	16.5

Home Broker

Ranking	4 th	5 th	5 th	5 th	5 th	5 th
Registered customers	17,082	19,223	19,223	25,340	27,781	27,781
Orders executed	44,296	51,633	166,694	60,783	62,403	232,200
Volume traded (in millions of reais)	248.6	319.9	960.1	355.2	378.8	1,375.2

- Bradesco Securities, Inc.

Balance Sheet - In thousands of reais

	2003		2004	
	September	December	September	December
Assets				
Current assets and long-term receivables	61,366	64,587	63,500	60,348
Funds available	408	2,041	1,821	1,671
Interbank investments	2,885	970	5,978	5,771
Securities and derivative financial instruments	58,036	60,544	55,682	52,890
Other receivables and other assets	37	1,032	19	16
Permanent assets	84	70	34	25
Total	61,450	64,657	63,534	60,373
Liabilities				
Current and long-term liabilities	141	158	524	1,023
Other liabilities	141	158	524	1,023
Stockholders' equity	61,309	64,499	63,010	59,350
Total	61,450	64,657	63,534	60,373

Statement of Income - In thousands of reais

	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Gross profit from financial intermediation	1,332	3,552	4,697	3,263	1,792	6,929
Other operating income (expenses), net	(294)	355	(789)	(683)	(819)	(5,813)
Operating income (expense)	1,038	3,907	3,908	2,580	973	1,116

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Net income	1,038	3,907	3,908	2,580	973	1,116
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Bradesco Securities, Inc., a wholly owned subsidiary of Banco Bradesco, operates as a broker dealer in the United States. The company's activities are focused on the intermediation of share purchases and sales, with emphasis on ADR operations. The company is also authorized to operate with Bonds, Commercial Paper and Certificates of Deposit, among others, and to provide Investment Advisory services. This Bradesco initiative was motivated by more than 90 programs involving ADRs of Brazilian companies traded in New York and by the growing interest of foreign investors in the emerging markets and is designed to offer support for global economy investors who invest part of this flow in countries such as Brazil.

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

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

- Underwriting, private placement and market-making.
- Acquisitions, mergers, portfolio management and financial services (merchant banking).
- Administration of mutual fund portfolios.
- Sale of insurance.

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

5 Operating Structure

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Corporate Organization Chart

MAJOR STOCKHOLDERS

(1) The Bradesco Management (Board of Executive Officers and Board of Directors) comprises the Governing Board of the Bradesco Foundation, the Entity's most senior deliberative organ.

Base date: December 31, 2004

ON = COMMON STOCK

PN = PREFERRED STOCK

MAIN SUBSIDIARIES AND ASSOCIATED COMPANIES

ON = COMMON STOCK

PN = PREFERRED STOCK

Administrative Body

Risk Ratings Bank

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

Risk Ratings - Insurance and Savings Bond Companies

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

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Insurance				Savings Bonds		
FITCH RATINGS		STANDARD & POOR'S		SR RATING	STANDARD & POOR'S	
National Scale	International Scale	National Scale	International Scale	National Scale	National Scale	
AAA(bra)	AAA	brAAA		AAASR	brAAA	brAAA
AA+(bra)	AA+	brAA+		AA+SR	brAA+	brAA+
AA(bra)	AA	brAA		AASR	brAA	brAA
AA-(bra)	AA-	brAA-		AA-SR	brAA-	brAA-
A+(bra)	A+	brA+		A+SR	brA+	brA+
A(bra)	A	brA		ASR	brA	brA
A-(bra)	A-	brA-		A-SR	brA-	brA-
BBB+(bra)	BBB+	brBBB+		BBB+SR	brBBB+	brBBB+
BBB(bra)	BBB	brBBB		BBBSR	brBBB	brBBB
BBB-(bra)	BBB-	brBBB-		BBB-SR	brBBB-	brBBB-
BB+(bra)	BB+	brBB+		BB+SR	brBB+	brBB+
BB(bra)	BB	brBB		BBSR	brBB	brBB
BB-(bra)	BB-	brBB-		BB-SR	brBB-	brBB-
B+(bra)	B+	brB+		B+SR	brB+	brB+
B(bra)	B	brB		BSR	brB	brB
B-(bra)	B-	brB-		B-SR	brB-	brB-
CCC(bra)	CCC	brCCC		CCCSR	brCCC	brCCC
CC(bra)	CC	brCC		CCSR	brCC	brCC
C(bra)	C	brC		CSR	brC	brC
	DDD	brD		DSR	brD	brD
	DD					
	D					

Ranking

Source	Criteria	Position	Base Date
Forbes "International 500"	Overall/Revenue	156th (Worldwide)	2003
Forbes "International 500"	Banks/Revenue	1st (Brazil) 21st (Worldwide)	2003
Forbes "The World's Leading Companies"	Overall/Forbes 2000*	247th (Worldwide)	2004
Forbes "The World's Leading Companies"	Banks/Forbes 2000*	1st (Brazil) 46th (Worldwide)	2004

* Forbes 2000: companies comprising the World's Leading Companies list are rated based on a combination of criteria which takes into consideration income, profit, assets and market value.

Market Segmentation

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

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Retail Bradesco

Bradesco maintains its retail vocation, attending with high quality service all segments of the Brazilian population regardless of income bracket. The Bank has 15 million consumer and corporate customers, who carry out millions of transactions daily at our branches, banking service posts, Banco Postal post-office branches and correspondent banks, comprising Brazil's largest Customer Service Network, providing easy and convenient services over extended hours.

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

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

The retail segment also highlights the development of financial products, tailor made to meet the customers' profile in an ongoing effort to offer quality, agile and reliable service to all customers, in particular, bearing in mind the value of customer relations.

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

Significant investments in staff training, designed to qualify employees to provide a personalized and efficient customer service, seek to preserve relations and increase the customers' loyalty to the Bank.

Retail Bradesco also has a Digital Branch, operating in a virtual environment and via courier service. The Branch has a team of managers who attend customers regardless of location, from 8h00 to 20h00, seven days a week.

Bradesco Corporate Banking

Mission and Values

Bradesco Corporate's mission is to meet customer needs, developing long-term ethical and innovative relationships in sync with stockholders' interest.

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

- Team work.
- Ongoing pursuit of innovation and excellence in customer service.
- Transparency in all actions.
- Commitment to self-development.
- Adherence to strategic guidelines.
- Creativity, flexibility and initiative.
- Agile customer delivery.

Background and Achievements

The Corporate Banking segment was introduced in 1999, designed to attend customers from its target market based on a customer, rather than product standpoint, under a centralized relations management, offering as well as traditional products, structured, tailor-made and capital market solutions, through specific segment managers who have a clear vision of risk, market, economic sectors and relationship.

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

Brazilian Desk

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

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

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

These facilities are also available, initially, via 4,500 ATMs with screens written in Portuguese, offering ease and convenience to customers.

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

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

Total resources comprising assets (credit, bonds and guarantees) and liabilities (deposits and funds/portfolios) amount to R\$ 57.4 billion.

Target Market

The majority of the 1,304 Economic Groups comprising Bradesco Corporate record billings in excess of R\$ 180 million per annum and are located in São Paulo, both the capital and upstate, Rio de Janeiro, Minas Gerais, Paraná, Rio Grande do Sul, Santa Catarina, Goiás, Pernambuco and Bahia.

Specialized Structures

As well as the teams specialized in the different economic sectors, this service also has structures entirely dedicated to the management of specific customers:

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

Asian Desk - this structure is focused on the management of customers of Asian origin and the development of financial solutions, acting as an economic and financial advisor in business carried out with Japan and the rest of Asia.

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

Bradesco Empresas (Middle Market)

Bradesco's middle market segment, Bradesco Empresas, was created in April 2002, designed to offer quality corporate customer service for companies all over Brazil.

This segment targets middle market companies with annual billings from R\$ 15 million to R\$ 180 million.

The Bradesco Empresas service offers exclusively reserved Branches for its corporate customers in this segment, located in strategic areas.

This segment has 66 service outlets throughout Brazil distributed as follows: Southeast (41), South (16), Central West (4), Northeast (3) and North (2) with 17,319 corporate customers from the different production chain sectors.

The personalized service offered by Bradesco Empresas requires permanent investment in training for our Relationship Managers and the adaptation of the IT structure, designed to provide added value and consequently increase the Bank's share of this segment.

All managers comprising the Bradesco Empresas service are included in the ANBID certification program.

Since they are responsible for a maximum portfolio of 25 to 30 economic organizations, each Relationship Manager is able to focus on increasing business in the following areas: Loans, Investments, Foreign Trade, Derivatives, Cash Management and Structured Transactions.

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Bradesco Private Banking

Bradesco Private Banking, through its highly qualified and specialized professionals focused on personalized advisory services, attends the Bank's high-income consumer customers with minimum funds available for investment of R\$ 1 million, offering an exclusive line of products and services designed to increase their wealth by maximizing returns.

Bradesco Prime

This segment was created in May 2003, and its target public comprises consumer customers with a monthly incomes of more than R\$ 4 thousand, or with investments in excess of R\$ 50 thousand.

Bradesco Prime is designed to coordinate the Bank's commercial relationship with these segment customers, providing exclusive VIP facilities specifically designed to provide comfort and privacy, with personalized attendance by the Relationship Managers who, because client portfolios are kept small, are able to dedicate special attention to each customer, offering differentiated products and services, including the Bradesco Prime Account, a loyalty building program which is designed to add value and provide incentives to the customer's relationship with the Bank through the offer of increasing benefits.

Bradesco Prime Customers have access to a network comprising 177 Branches throughout Brazil, 147 of which share facilities with the traditional Retail Segment Branches and 30 of which are exclusive Prime branches. In addition, customers use exclusive internet banking and call center facilities, as well as the extensive Bradesco Customer Service Network, including its nationwide branches and self-service network.

The Prime branches also offer differentiated services, for example:

- Prime Digital Branch: focused on customer service via a call center with extended business hours (from 8h00 to 20h00, 7-days-a-week, including bank holidays).

- Prime Branch at Cidade de Deus, Latin America's first Wireless Branch, where managers' using remotely connected equipment, can manage the customer's banking business from his/her own environment.

The Relationship Managers continually enhance their professional qualifications to ensure that all the financial needs of their customers are taken care of. Moreover, all of these managers are included in the ANBID certification program.

Customer Service Network

	2003		2004						
	December		September				December		
	Branches	PABs/PAEs	Branches	PABs	PAEs	PAAs	Branches	PABs	PAEs
Consolidated	3,052	2,062	3,049	806	1,458	19	3,004	851	1,450
Bradesco	2,831	1,862	2,972	789	1,448	-	3,003	851	1,450
BCN	220	200	-	-	-	-	-	-	-
BEM	-	-	76	17	10	19	-	-	-
Banco Finasa	1	-	1	-	-	-	1	-	-
Banco Postal	4,000			5,299			5,383		
Branches abroad	7			6			6		
Subsidiaries abroad	6			6			6		
ATMs	21,605			21,733			21,822		
Self-service branch network outplaced terminals	1,794			1,866			1,945		
Finasa Promotora de Vendas	53			52			121		
Promovel Empreendimentos e Serviços (*)	-			69			-		

N.B. The BCN Customer Service Network was incorporated on February 25, 2004: 125 Branches were integrated under the Bradesco banner, 24 were re-opened as Prime Branches and 100 PABs, 89 PAEs and 57 correspondents were transferred to Bradesco. The BEM Branches were

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incorporated on October 25, 2004; 29 Branches were integrated under the Bradesco banner; 12 PAAs were converted into Branches; 15 PABs and 3 PAEs were transferred to Bradesco and 2 PAEs converted into PABs.

PAB (banking service post), PAA (advanced banking post) and PAE (electronic service outlet).

(*) Merged into Finasa Promotora de Vendas in November 2004.

Customer Service Network - Branches

Customer to Branch Ratio - Thousand

Bradesco and Market Share

Region/State	Bradesco	Total banks in market ⁽¹⁾	Market share (%)
North			
Acre	5	31	16.1
Amazonas	59	132	44.7
Amapá	4	23	17.4
Pará	50	270	18.5
Rondônia	18	88	20.5
Roraima	2	17	11.8
Tocantins	13	79	16.5
Total	151	640	23.6
Northeast			
Alagoas	12	122	9.8
Bahia	230	743	31.0
Ceará	29	359	8.1
Maranhão	67	223	30.0
Paraíba	17	170	10.0
Pernambuco	65	471	13.8
Piauí	10	113	8.8
Rio Grande do Norte	14	133	10.5
Sergipe	13	153	8.5
Total	457	2,487	18.4
Central West			
Federal District	33	305	10.8
Goiás	107	543	19.7
Mato Grosso	62	231	26.8
Mato Grosso do Sul	56	223	25.1

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Total	258	1,302	19.8
Southeast			
Espírito Santo	40	318	12.6
Minas Gerais	285	1,830	15.6
Rio de Janeiro	268(2)	1,626	16.5
São Paulo	1,100	5,538	19.9
Total	1,692	9,312	18.2
South			
Paraná	176	1,254	14.0
Rio Grande do Sul	161	1,401	11.5
Santa Catarina	108	829	13.0
Total	445	3,484	12.8
Total	3,003	17,225	17.4

(1) Source: UNICAD - Information on entities of interest to the Brazilian Central Bank - November 2004.

(2) Includes a branch of Banco Finasa.

Customer Service Network (Branches) - Market Share - December 2004

Bradesco Day and Night Customer Service Channels

As well as the traditional Customer Service Network (Branches), Bradesco customers are able to consult their banking transactions, carry out financial transactions and purchase products and services deployed via state-of-the-art technology through the following alternative channels: Self-service (Auto-Atendimento), Easy Phone (Fone Fácil) and Internet Banking.

Bradesco Day and Night - Self-Service ATM Network

This self-service ATM network, distributed strategically throughout Brazil, has 21,822 terminals.

Located in bank branches and in all areas of important economic agglomeration: Shopping Malls, Hypermarkets, Supermarkets, Airports, Service Stations, Bus Terminals etc.

Bradesco Self-Service Network Distribution - Monthly Productivity - December 2004

Increase in Transactions - Thousand

Financial Volume - In millions of reais

Self-service Network Highlights

Items	2003				2004			
	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
Banking service outlets (nationwide network)	5,762	5,845	6,172	6,487	6,628	6,783	6,858	7,020
Outplaced terminals (excluding branches, PABs and PAEs)	1,755	1,772	1,842	1,794	1,752	1,822	1,866	1,945
Cash withdrawal transactions (million)	92.5	95.6	98.9	109.9	101.1	103.4	107.8	117.5
Deposit transactions (million)	47.0	47.6	48.4	50.5	47.9	48.7	50.2	51.7
Inter-account transfers (million)	4.5	4.6	4.8	5.2	5.0	5.1	5.3	5.7
Express checkbooks issued (million)	2.5	2.6	2.6	2.9	2.5	2.6	2.6	2.8
Balance consultations (million)	99.5	102.2	115.3	133.7	132.0	140.0	152.3	166.4
Highlights for 2004								

- Incorporation of BCN with 628 ATMs adjusted to operate with cutting-edge technology.
- 1.7 billion transactions carried out, a 10.5% increase compared to 2003, comprising a daily average of 5.3 million.
- Financial volume movement totaled R\$ 209.9 billion, an increase of 13.3% as compared to 2003, comprising a daily average of R\$ 729.6 million.
- Installation of 4,792 terminals, 290 replacing obsolete machines and 4,502 new terminals for network expansion purposes and to meet increased demand. An average of 399 terminals installed per month.
- An 8.2% increase in the number of service outlets nationwide as compared to 2003.

Bradesco Day and Night - Easy Phone Service (Fone Fácil)

Nationwide 24-hour call-center access, 7 days a week, with Electronic Voice-Response (EVR) technology and personalized calls in 70 regions.

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

Number of Calls - Million

Number of Transactions - Thousand

Financial Volume - In millions of reais

Highlights for 2004

- 240.7 million calls received during the year, an increase of 4.9% compared to the total volume of calls received in 2003.
- In 2004, EVR calls totaled 79.4%, up by 4.8% compared to 2003.
- 411 million transactions were carried out during the year, up by 1.5% compared to 2003, with a daily average of 1.1 million transactions.
- Financial movement in 2004 totaled R\$ 5.5 billion, up by 5.1% compared to 2003, a daily average of R\$ 15.1 million with 394 thousand products and services sold in 4Q04, totaling 1.9 million for the year.

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- In 2004, 95.5% of personalized service call queries were resolved during the first contact.

Bradesco Day and Night - Internet Banking

The Bradesco Portal contains links to 29 related websites. Since it was first launched, Bradesco Internet Banking has focused on innovating and deploying the largest number of online services possible for its customers.

At present, Bradesco Internet Banking offers its customers 255 different services for consumer customers and 190 for corporate customers, which can be accessed around the clock, seven days a week from anywhere on earth.

The results achieved to date evidence the enormous potential of Internet Banking.

Internet Banking - Registered Users - Thousand

Transactions - Thousand (*)

(*) Via Internet Banking, ShopInvest, Cards, ShopCredit and Net Empresa.

Financial Volume - In millions of reais (*)

(*) Via Internet Banking, ShopInvest, Cards, ShopCredit and Net Empresa.

Services	Total in 2004
Bradesco Internet Banking (www.bradesco.com.br)	6.4 million registered users. 281.0 million transactions carried out.
ShopInvest Bradesco (www.shopinvest.com.br)	1,045 thousand registered users. 1.1 million transactions carried out.
ShopCredit (www.shopcredit.com.br)	11.4 million transactions/operations carried out.
Bradesco Net Empresa (www.bradesco.com.br)	284,230 registered companies. 22.4 million transactions/operations conducted.
B2C (www.bradesco.com.br)	2.2 million transactions/sales posted. 2,457 stores registered with Bradesco Online Payment Methods.
Bradesco Cards (www.bradescocartoes.com.br)	17.7 million transactions carried out.
Bradesco Internet Banking for the Visually Impaired (www.bradesco.com.br)	2,495 active registered users.
Web Point	112 terminals installed.
Bradesco Net Express	1,921 companies registered. 7.8 million transactions carried out.
Infoemail	177.5 thousand registered users.
Infocellphone	7,202 registered customers.
Mobile Banking (WAP)	744 thousand transactions carried out.

Highlights for 2004

- Financial volume movement in 2004 totaled R\$ 109.5 billion, up by 123.5% compared to 2003, a daily average of R\$ 299.3 million.
- In 2004, online transmission volume totaled 439.7 million transactions, highlighting WebTA transmissions which grew by 239% as compared to 2003.

Products:

- Launching of the Bradesco website's new layout (www.bradesco.com.br)
- Launching of the new Bradesco Empresas website (www.bradescoempresas.com.br)
- Launching of the ShopFácil corporate portal (www.shopfacil.com.br)

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- Exclusive ShopInvest stocks room content (www.shopinvest.com.br)
- New Finasa website (www.finasa.com.br)
- New Finasa Sports Program website (www.finasaesportes.com.br)
- New layout of the Bradesco Cards website (www.bradescocartoes.com.br)
- New layout of the Bradesco Custody Services website (www.bradescocustodia.com.br)
- On-line courses on the University Student website (www.bradescouniversitarios.com.br)
- Investor Relations website in Spanish (www.bradesco.com.br/ri)
- New Economic Update website (www.economiaemdia.com.br)
- CHIP Campaign 2004
- New transactional ShopCredit website (www.shopinvest.com.br)
- New website for Government Authorities (www.bradescopoderpublico.com.br)
- New Bradesco Nikkei website (www.bradesconikkei.com.br)
- New transactional Bradesco ShopInvest website (www.shopinvest.com.br)
- New layout of the Bradesco Consórcios website (www.consorciobradesco.com.br)
- New layout of the Bradesco Investors Relations website (www.bradesco.com.br/ri)
- New Bradesco Capitalização savings bond area website (www.bradescocapitalizacao.com.br)
- New layout of the Bradesco Corporate segment website (www.corporatebradesco.com.br)
- Reformulation of the Bradesco Fx website (www.bradescocambio.com.br)
- Reformulation of the Bradesco Cidadetran website (www.cidadetran.com.br)
- Investment Account made available
- Adaptation of ShopInvest service to comply with CVM Instruction 409
- Bradesco Net Empresa: Security package implementation
- New WebTA/Remote remittance approval
- Launching of B2B online payment
- On-line customer service via videoconference on the Bradesco Nikkei website

Awards Received:

- iBest award in the Banks category: (www.bradesco.com.br)
- iBest award in the Insurance category: (www.bradescoseguros.com.br)
- Best Internet Banking e-finance award from Executivos Financeiros magazine
- Best Consumer Internet Bank - Brazil from Global Finance
- Included in the InfoExame magazine's list of the 100 Largest e-commerce companies.

Banco Postal

Banco Postal is the trade name through which Bradesco offers its products and services in all of Brazil's municipalities, in partnership with the Brazilian Postal and Telegraph Company - ECT. Banco Postal is an example of the success of the Correspondent Bank concept, as a result of its far-reaching scope, the portfolio of products and services offered and its socially responsible role within Brazil's different local communities. As a result, the Correspondent Bank is yet another segment in which Bradesco is consolidating its leadership.

Instrument of Social Inclusion

Banco Postal is now a reality in more than 4.7 thousand Brazilian municipalities. In just over two years of existence, 5,383 branches were installed in the most diverse regions of Brazil and more than 2.8 million accounts were opened. 1.7 thousand branches were opened in areas which had no previous access to banking services, bringing benefits to a population of some 18 million people. For the first time, this population was given the opportunity to own a check book, invest in a savings account or contract credit. These citizens can now count on the convenience and quality of the services of Brazil's largest private-sector bank.

Today, more than 650 thousand beneficiaries of the National Institute of Social Security (INSS) receive their benefit payments through the comfort of a Banco Postal post-office branch near their homes and no longer need to travel long distances, by boat or dirt track, or spend the better part of their earnings on the journey.

Network Coverage

Banco Postal services will also be installed in franchised units and official post-offices, where the service is not yet available, in a total 2,521 branches.

Benchmark for Lower-income Bracket Customer Service

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Banco Postal is recognized worldwide as a benchmark in low-income customer service, provided in developing countries. Financial institutions from a number of countries and international bodies have contacted Bradesco to study this model.

This recognition is also evidenced by the constant presence of Banco Postal in the media, through articles in major daily newspapers published in Brazil and in the specialized financial market press.

Bradesco was given the important 2004 e-finance award by the Executivos Financeiros magazine for the case "Banco Postal", as best Correspondent Bank project in Brazil.

New Services

New services were deployed in 2004, such as the receipt of federal, state and municipal taxes; GPS payments to the INSS and on-line instant loans for customers with available pre-approved credit, extending the range of products and services offered with Banco Postal as an intermediary.

Available services:

- Receipt and forwarding of account opening proposals.
- Withdrawals from checking and savings accounts.
- Checking and savings account deposits.
- Balance consultation and statements for checking and savings account and INSS benefits.
- Receipt of payments via bank docket.
- Receipt of utility bill payments (water, electricity, telephone etc.).
- Payment of INSS benefits.
- Receipt and forwarding of credit proposals.
- Debit card requests.
- Receipt of federal (DARF), state and municipal taxes.
- Collection of FGTS contributions.
- Receipt of GPS contributions to the INSS.
- On-line loans for customers with available pre-approved credit.

Number of Accounts Opened (Accumulated) - Thousand

Number of Branches Opened (Accumulated)

Number of Transactions Carried Out Monthly - Thousand

Investments in Infrastructure, Information Technology and Telecommunications

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

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creating added value for its customers and users at home and abroad.

Investments

In millions of reais

	2000	2001	2002	2003	2004
Infrastructure	227	509	613	469	230
IT/Telecommunications	617	743	947	1,225	1,302
Total	844	1,252	1,560	1,694	1,532

Risk Management and Compliance

Activity and Structure

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

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

Accordingly, Bradesco has provided important incentives over the years to its technical staff training programs, in particular regarding the professional qualification of those involved in the control and management of risk. For example one of the Compliance Department staff is a GARP (Global Association of Risk Professionals) certified financial risk manager, having sat and passed this internationally recognized exam.

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

Organizational Structure of the Risk Management and Compliance Department:

The structure of the Risk Management and Compliance Department is designed not only to guarantee area independence but also to place greater focus on these important value-added activities, demonstrating the Organization's commitment to the implementation of best corporate governance practices, making every effort to invest in and build its risk management capabilities, since as well as its banking activities, Bradesco is extending risk analysis procedures to cover its equity related companies such as BRAM - Bradesco Asset Management and all the insurance companies (Life, Private Pension Plans, Health, Premium Bonds and other insurance), in respect of market and actuarial risks, consolidating a single risk management culture on an Organization-wide basis.

The Risk Management and Compliance Department is also responsible for coordinating compliance with the regulations to be issued by the Brazilian Central Bank, complementing Communiqué 12746 as regards the New Capital Accord (Basel II) introduced by the Basel Committee in June 2004 and the provisions of section 404, of the Sarbanes-Oxley Act.

Risk Management Process

Bradesco adopts a comprehensive and integrated approach for managing all risks inherent to its activities, based on the support from its Internal Controls and Compliance structure. This integrated view permits the enhancement of its risk management models, filling possible lacunas which could jeopardize the correct identification and assessment of risks.

Credit Risk Management

As part of its credit risk management enhancement process, Bradesco is working uninterruptedly to improve the procedures for gathering and controlling portfolio information, developing new loss estimation models, enhancing and preparing the rating inventories used in the different sectors in which the Bank operates as well as overseeing credit analysis, granting and settlement processes, monitoring credit concentration and identifying the causes of default and in the preparation of risk mitigation strategies.

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

The following efforts, among others are highlighted:

- Mapping, identification, measurement and mitigation of credit risk management capacity gaps, as regards Basel II requirements, as well the best practices, embracing roles and responsibilities, professional qualification, review of the organizational structure and IT demands.
- Creation of an Executive Credit Risk Committee responsible for assuring the strategic management of the credit portfolio.
- Structuring of the system used to calculate projected and unexpected losses and corresponding capital allocation.
- Backtesting of models used to assess the credit portfolio risks.
- Improvement of the management information systems designed to meet the requirements of the present customer segmentation approach, with the emphasis on decision making and credit portfolio management.
- Review and restructuring of internal processes, embracing roles and responsibilities, capacity building, review of organizational structures and information technology demands.

Operating Risk Management

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

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

The Organization has prepared an action plan designed to achieve full compliance with the 10 principles of good operating-risk-management practice and the New Capital Accord, established by the Basel Committee and to meet Brazilian Central Bank regulatory requirements.

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

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

The mitigation of operating risk is considered crucial for improving efficiency and business quality.

Market Risk Management

Market risk is related to the possibility of the loss of income from fluctuating rates caused by mismatched maturities, currencies and indices of the Institution's asset and liability portfolios. This risk is monitored on a strict basis by the financial market to avoid losses for institutions.

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

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

The methodology applied and current statistical models are validated daily using backtesting techniques.

We present below the V@R of the Own Portfolio positions (Treasury):

Risk factors	In thousands of reais				
	2003		2004		
	December	March	June	September	December
Prefixed	5,888	2,832	7,267	1,586	2,040
Exchange coupon	17,999	15,245	51,719	15,172	20,140
Foreign currency	2,907	55	285	612	40
Floating rate	11	-	-	-	339
Correlated effect	(5,858)	(1,322)	(1,902)	(1,109)	(1,759)
V@R	20,947	16,810	57,369	16,261	20,800

We present below the V@R of the positions related to the Group's commercial transactions:

Risk factors	In thousands of reais				
	2003		2004		
	December	March	June	September	December
Prefixed	379	2,856	6,384	3,153	9,788
IGP-M	14,696	5,748	9,161	7,885	4,010
TR	3,771	5,739	8,105	4,012	4,168
Exchange coupon	3,456	742	466	1,180	1,000
Foreign currency	2,183	723	2,125	1,953	210
Other	62	45	36	31	31
Correlated effect	(8,879)	(5,630)	(10,153)	(7,802)	(4,967)
V@R	15,668	10,223	16,124	10,412	14,240

In addition, a daily Gap Analysis is performed to measure the effect of the movement in the internal interest rate and foreign exchange coupon curves (interest spread paid above the foreign exchange variation) on the portfolio.

Complementing the market risk monitoring, control and management structure and in accordance with Central Bank regulations, a daily verification is made of the values at risk for the fixed and foreign exchange positions of the Organization's entire portfolio and of minimum capital requirements.

Liquidity Risk Management

Liquidity risk management is designed to control the different mismatched liquidation terms of the Institution's rights and obligations, as well as the liquidity of the financial instruments used to manage the financial positions.

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Knowledge and monitoring of this risk are critical since they enable the Organization to settle transactions on a timely and secure basis.

At Bradesco, liquidity risk management involves a series of controls, mainly, the establishment of technical limits and an ongoing assessment of the positions assumed and financial instruments used.

Management of Internal Controls and Compliance

The Organization's capital is managed to optimize the risk to return ratio, minimizing losses through the implementation of well-defined business strategies and maximizing efficiency in the combination of factors which impact the Capital Adequacy Ratio (Basel).

The Organization is continually developing policies, systems and internal controls to mitigate possible potential losses generated by its exposure to risk, designed to optimize processes and procedures, among which we highlight the following:

- Implementation of an internal controls system based on the 25 Internal Control Principles defined by the Basel Committee and the methodology of the Committee of Sponsoring Organizations (COSO), mainly regarding control environment components, risk assessment, control activities, information, communications and monitoring. This system strengthens the ongoing improvement of the process used to identify and evaluate the controls used to mitigate risks in compliance with regulatory requirements, including Section 404 of the Sarbanes-Oxley Act.

- SPB (Brazilian Payments System) management, designed to guarantee the efficiency of the messages transmitted between the Organization's banks and all the external entities comprising this system. The activity is based on the Organization's information system monitoring tools, as well as an intense staff training and capacity building program to ensure that the system is always fully operational and available. In addition, the Bank has an SPB Systems Contingency Plan, supported by a specific tool and structured within an exclusive environment with corporate access and considers pre-defined scenarios and actions ensuring that system failure risks are kept to a minimum.

- The TED (Online Cash Transfers) validation system designed to reduce operating risks generated by the unauthorized transfer of funds from the Organization, providing a greater level of security and reliability in transactions.

- Measures taken to prevent and combat money laundering, based on the Bank's know-your-customer policy and in conformity with best corporate governance practices, which are applied as part of the continuous staff training programs and ongoing improvement of technology tools used to monitor financial movement and designed to prevent the utilization of the Organization in transactions or situations which could be, direct or indirectly, related to money laundering crimes, defined in Law 9613/98.

- Information Security Management, a series of measures comprised mainly by controls and a Security Policy designed to protect customer and corporate information. The Bradesco Organization has a formal structure, with specific objectives and responsibilities, for defining, maintaining and improving information security in the corporate environment, which is based on the Corporate Information Security Policy and Standards approved by the Executive Information Security Committee. The following policies are adopted in relation to customer information:

- Information is gathered legally and with the customers' knowledge.
- Information transmitted to Bradesco is stored integrally and securely and undergoes no modification with access restricted to authorized personnel only.
- Information is only used for purposes which have been properly approved by the Organization.
- Customer information is never disclosed to third parties, except upon legal or judicial determination.

Capital Risk Management

The Organization's capital is managed to optimize the risk to return ratio, minimizing losses through the implementation of well-defined business strategies and maximizing efficiency in the combination of factors which impact the Capital Adequacy Ratio (Basel).

Capital Adequacy Ratio (Basel) - December 2004 - In millions of reais

Calculation

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Calculation basis	Consolidated financial ⁽¹⁾	Total consolidated ⁽²⁾
Stockholders' equity	15,215	15,215
<i>Minority interest</i>	6	70
Decrease in deferred tax assets - BACEN Resolution 3059	(41)	(41)
Reference equity - Level I	15,180	15,244
Reference equity - Level II (subordinated debt)	5,663	5,663
Total reference equity (Level I + Level II)	20,843	20,907
Risk-weighted assets	111,182	130,056
Capital adequacy ratio (%)	18.75	16.08
Ratio variation - %		
Ratio in December 2003	19.85	17.22
Movement (%)		
Net income for the period	3.02	2.61
Interest attributed to own capital	(1.32)	(1.15)
Mark-to-market adjustment - securities and derivatives	(0.06)	(0.07)
Subordinated debt	0.89	0.79
Other	(0.11)	(0.12)
Variation in weighted assets:		
Securities	0.68	(0.13)
Credit operations	(1.93)	(1.40)
Deferred tax assets	0.10	(0.01)
Risk (swap, market, interest rate and foreign exchange)	(1.75)	(1.30)
Memorandum accounts	(0.19)	(0.16)
Other assets	(0.43)	(0.20)
Ratio in December 2004	18.75	16.08

(1) Financial companies only.

(2) Financial and non-financial companies.

Credit Policy

Designed to ensure maximum security, quality and liquidity in the investment of assets, minimizing risks inherent to all types of credit operation, the Organization's Credit Policy also seeks to offer agile and profitable business, applying appropriate methodology for each of the Bank's business segments, as well as directing the establishment of operating limits and the granting of credit.

Credit is granted based on a highly automated and efficient approvals system, supported by assessment policies which are geared by constantly improving technical parameters designed to ensure proper support for credit decisions.

As part of this system, the Branches operate within varying limits depending on the size and type of guarantee offered, while specialized credit scoring systems maximize the speed and security of the approvals process, based on strict protection standards.

The credit committees located at the Bank's headquarters also play an important role, centralizing, analyzing and authorizing credit operations at amounts above the branch limits and managing this core strategic activity.

Operations are diversified, non-selective and focused on consumer and corporate customers with sound payment capacity and proven creditworthiness. Care is taken to ensure that the underlying guarantees are sufficient to cover the risks assumed, considering the purpose and terms of the credit granted.

Methodology Used for Credit Portfolio Classification

In addition to supporting the establishment of minimum parameters for granting credit and managing risk, the credit risk scoring system established by the Brazilian Central Bank also facilitates the definition of differentiated credit policies based on the customer's specific

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characteristics and size, providing a basis for the correct pricing of operations and for establishing the most appropriate guarantees for each situation.

In accordance with internal policy, Bradesco Customer risk ratings are established on a corporate basis and are periodically reviewed to maintain the quality of the credit portfolio. These ratings are segmented as follows:

Classification - Corporate			
Rating	Bradesco	% Provision	Concept
AA	Excellent	0.0	Premium company/group, with size, tradition and market leadership, with excellent reputation and economic and financial position.
A	Very good	0.5	Company/group with size, sound economic and financial position, acting in markets with good prospects and/or potential for expansion.
B	Good	1.0	Company/group which, regardless of size, has a good economic and financial position.
C	Acceptable	3.0	Company/group with a satisfactory economic and financial situation but with performance subject to economic scenario variations.
D	Fair	10.0	Company/group with economic and financial position in decline or unsatisfactory accounting information, under risk management.
E	Deficient	30.0	Abnormal course credit operations, classified based on expected loss as per percentage shown.
F	Bad	50.0	
G	Critical	70.0	
H	Uncollectible	100.0	

In the case of consumer customers, the above risk ratings are mainly defined based on their registered reference variables which include: income, equity, restrictions and indebtedness, as well as performance and past relationship with the Bank.

Cards

	Million					
	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Number of cards	39.1	41.1	41.1	45.2	46.4	46.4
Credit	6.8	7.0	7.0	7.2	7.6	7.6
Debit	32.3	34.1	34.1	38.0	38.8	38.8
Average amount billed - in reais	4,005.6	4,808.4	16,163.0	5,194.5	6,186.8	20,909.9
Credit	2,483.4	2,761.9	9,926.3	2,879.4	3,146.8	11,476.9

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Debit	1,522.2	2,046.5	6,236.7	2,315.1	3,040.0	9,433.0
Number of transactions	76.9	91.1	306.2	102.1	119.1	407.6
Credit	38.7	42.9	154.0	46.8	51.4	185.4
Debit	38.2	48.2	152.2	55.3	67.7	222.2
Credit Cards						

The number of Bradesco credit cards increased to 7.6 million in 4Q04, an increase of 8.6% as compared to 4Q03 (Visa and MasterCard banners).

The number of transactions grew by 20.4% in 2004 compared to 2003. Billings for the year reached the mark of R\$ 11.5 billion, a growth rate of 15.6% as compared to 2003, with a market share of 13.4% of cards under the Visa and MasterCard banners.

In the fourth quarter, Bradesco launched the Cred Mais Card for company employees whose salaries are paid via the Bradesco payroll service, offering more attractive interest rates for revolving credit, as well as Private Label cards for the exclusive use of customers of specific retail stores, designed to leverage business and build customer loyalty for the corresponding commercial establishments.

Debit Cards

In the 4Q04, the debit card base increased by 13.8%, compared to the same period in 2003, confirming Bradesco's leadership as Brazil's largest issuer in the Visa Electron market.

In terms of billings, in 2004, there was a significant 51.2% increase compared to 2003, with a growth in transactions of 46.0%.

These two indicators demonstrate clearly that Brazilians are changing their payment habits, substituting checks and cash for the use of cards, especially debit cards.

As part of its strategy to provide incentives to retail credit, Bradesco launched, in 4Q04, CDC Visa Electron, a product for debit card holders which permits the payment of purchases in up to 12 monthly installments, with R\$ 4 billion of pre-approved credit available.

Income on Credit Cards

Income derived from card services, totaled R\$ 1,069 million in 2004, a 30.7% increase, compared to 2003.

Card Assets

In 4Q04, card assets comprising credits for installment purchase and financing credits grew by 16.3%, as compared to 4Q03, totaling R\$ 3.1 billion at the end of the quarter.

Credit Card Base - Million

Credit Card Billings - In millions of reais

Debit Card Base - Million

Debit Card Billings - In millions of reais

Total Card Base (Credit and Debit) - Million

Credit Card Assets - In millions of reais

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International Area

The International Area operates under the following framework:

12 Operational Units in Brazil

Belo Horizonte (with support platform in Brasília), Blumenau, Campinas (with support platforms in Ribeirão Preto, Franca and Sorocaba), Curitiba, Fortaleza, Manaus (with support platforms in Belém), Porto Alegre, Recife, Rio de Janeiro, Salvador, São Paulo (with support platforms in Santos and Guarulhos) and Vitória.

11 Units Abroad (Branches and Subsidiaries)

Branches:	New York	- Bradesco
	Grand Cayman	- Bradesco, BCN, Boavista and Mercantil
	Nassau	- Boavista
Subsidiaries:	Buenos Aires	- Banco Bradesco Argentina S.A.
	Nassau	- Boavista Banking Limited
	Luxembourg	- Banco Bradesco Luxembourg S.A.
	Tokyo	- Bradesco Services Co., Ltd.
	Grand Cayman	- Cidade Capital Markets Ltd.

At the end of 2004, the Bradesco Organization, through its International Area evidences once more the strong support given over recent years to the expansion and consolidation of foreign trade.

In 2004, Brazilian exports reached the significant volume of US\$ 96.475 billion, a 32% growth rate as compared to the prior year. Bradesco, as a result of its commitment to offer support to exporters, increased its market share from 20.7% in 2003 to 21.4% in 2004.

Exchange contracts negotiated by Bradesco in 2004 attained a total amount of US\$ 20.0 billion, an increase in performance of 29.7% compared to the volume of US\$ 15.4 billion in exchange transactions for 2003. During the year, Bradesco granted a total of US\$ 7.6 billion in export financing.

In the import market, total business conducted by the International Area grew to US\$ 7.4 billion, a 28.8% increase compared to the volume of US\$ 5.8 billion negotiated in 2003, with a market share of 13.1%.

The International Area year-end balance totaled US\$ 3.9 billion in export and import financing, foreign collateral provided and loans to Brazilian companies abroad. In 2004, designed to offer increased support to companies operating in the international market, Bradesco installed 3 foreign exchange platforms in Sorocaba, Ribeirão Preto and Guarulhos. These platforms are located near the Bradesco Empresas sector and are staffed by professionals specialized in foreign exchange and foreign commerce. In 2005, this initiative will be extended to other Brazilian cities.

Volume of Foreign Currency Trade - In billions of U.S. dollars

Export Market

Import Market

In the different foreign exchange market segments, Bradesco negotiated the significant volume of 579,070 exchange contracts, up by 29% as compared to 2003.

We present below the exchange contracts negotiated by Bradesco in 2003 and 2004:

Products	2003 Volume	2004 Volume	% Variation
Export	97,035	107,626	10.9
Import	96,918	111,779	15.3

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Financial - purchase	23,807	24,715	3.8
Financial - sale	43,879	45,998	4.8
Interbank - purchase	9,350	8,181	(12.5)
Interbank - sale	15,293	14,102	(7.8)
Total Free market	286,282	312,401	9.1
Floating market	162,217	266,669	64.4
Overall total	448,499	579,070	29.1

Emphasis should also be given to the fact that Bradesco now uses Digital Certification for exchange contract purposes, since the electronic signature process facilitates customer transactions, as well as the foreign exchange flows, reducing operating risks and costs.

We present below the foreign trade portfolio balances at the end of the final quarter of 2004:

	In millions of U.S. dollars	In millions of reais
Export financing		
Advance on foreign exchange contracts - undelivered bills	1,156.0	3,067.7
Advance on export contracts - delivered bills	573.5	1,521.7
Prepayments	1,053.6	2,796.7
Onlending of funds borrowed from BNDES/EXIM	284.9	756.0
Documentary drafts and bills of exchange in foreign currency	3.9	10.4
Indirect exports	6.2	16.5
Loans under export incentive program (Proex)		
Total export financing	3,078.1	8,169.0
Import financing		
Foreign currency import loans	290.2	769.9
Exchange discounted in advance	185.9	493.4
Open import credit	49.7	131.8
Total import financing	525.8	1,395.1
Guarantees		
International guarantees	126.7	336.2
Total international guarantees	126.7	336.2
Total export and import financing	3,730.6	9,900.3
Loans via branches abroad	138.5	367.5
Total	3,869.1	10,267.8

The foreign exchange portfolio is financed by credit lines obtained from correspondent banks and at the end of December 2004, approximately 85 U.S., European and Asian Banks had extended credit lines to Bradesco. At the end of the year, the cost of obtaining export financing lines reached its lowest level in recent years, at 25 basis points above LIBOR for a period of 180 days and 40 basis points for 360 days. Compared to 2003, the decrease totaled some 25 basis points, evidencing a substantial improvement in the Brazil risk perception by international investors.

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In addition to this source of funding, the Bank also has a Commercial Paper program in the United States in the amount of US\$ 300 million, which was renewed in June 2004 for a 1-year period.

We present below the balance of assets and stockholders' equity of the foreign units at the end of the year:

	In millions of U.S. dollars	
	Assets	Stockholders' equity
Foreign branches and subsidiaries		
Bradesco New York	1,485.9	143.1
Bradesco Grand Cayman	5,649.6	852.3
BCN Grand Cayman	347.6	142.4
Boavista Grand Cayman, Nassau and Banking Ltd. - Nassau	351.1	90.6
Cidade Capital Markets Ltd. - Grand Cayman	31.3	31.1
Bradesco Services Co. Ltd. - Tokyo	0.4	0.4
Mercantil Grand Cayman	341.3	178.6
Banco Bradesco Argentina S.A.	18.6	16.7
Banco Bradesco Luxembourg S.A.	330.6	131.1

The core objective of the foreign branches and subsidiaries is to obtain funds in the international market for onlending to customers, principally through the financing of Brazilian foreign trade.

The main activity of the subsidiary Banco Bradesco Luxembourg S.A. is to provide additional services to private banking customers and to increase foreign trade operations.

In 2004, the Organization commenced a rationalization process designed to close down certain units abroad. Comprising financial institutions acquired over recent years, these units were located in regions in which Bradesco was already present. In 2004, the unit previously owned by Banco Bilbao Vizcaya Brasil, located in Nassau, was closed down and its capital transferred to the Bradesco unit in Grand Cayman. In 2005 a number of other closures abroad will also be concluded.

At the end of the year, as well as short-term funds obtained from correspondent banks for foreign trade financing, loans of US\$ 1.5 billion on a consolidated basis were raised by the Bradesco Organization through public and private, medium and long-term placements, in the international capital market, earmarked for foreign trade financing and working capital loans. 2004 was marked by the low demand by companies for foreign currency indexed loans. Accordingly, despite the large appetite of the international capital market for Brazilian bonds, we accessed this market only sporadically, as compared to 2003, when funds were raised in the amount of some US\$ 2.8 billion.

Emphasis should also be given, among others in 2004, to the issue denominated in reais, equivalent to US\$ 100 million, with a 3-year term, in which Bradesco innovated, once again, by applying straight-line interest, in accordance with the internationally used interest calculation system.

We highlight below the following issues in 2004:

Issues	Currency	Million	Date issued	Maturity
FxRN - Banco Bradesco	US\$	100.0	2.9.2004	2.9.2006
FxRN - Banco Bradesco	US\$	100.0	3.2.2004	3.1.2007
USCP - Banco Bradesco	US\$	300.0	14.6.2004	13.6.2005
Securitization MT 100 - Series 2004-1 - Fixed (*)	US\$	100.0	28.7.2004	20.8.2012
Subordinated Debt (US\$ 275.9 million) - Banco Bradesco	Euro	225.0	15.4.2004	15.4.2014
FxRN - BRL (US\$ 100 million)	Reais	270.9	10.12.2004	10.12.2007

(*) International Diversified Payment Rights Company.

Public Placements Abroad - Outstanding - Base Date December 2004
Amounts in excess of US\$ 50 million

Issues	Currency	Million	Date issued	Maturity
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FxRN	US\$	100.0	2.12.2003	3.1.2005
FxRN	US\$	100.0	8.8.1997	5.8.2005
FxRN	US\$	100.0	2.9.2004	2.9.2006
FxRN	US\$	100.0	26.12.2003	26.12.2006
FxRN	US\$	100.0	3.2.2004	3.1.2007
FxRN - BRL (US\$ 100 million)	Reais	270.9	10.12.2004	10.12.2007
USCP	US\$	300.0	14.6.2004	13.6.2005
Securitization MT 100 - Series 2003-1 - Fixed - (*)	US\$	200.0	20.8.2003	20.8.2010
Securitization MT 100 - Series 2003-2 - Floating - (*)	US\$	200.0	20.8.2003	20.8.2010
Securitization MT 100 - Series 2004-1 - Fixed - (*)	US\$	100.0	28.7.2004	20.8.2012
Subordinated Debt	US\$	150.0	17.12.2001	15.12.2011
Subordinated Debt (US\$ 133.2 million)	Yen	17,500.0	25.4.2002	17.4.2012
Subordinated Debt	US\$	500.0	24.10.2003	24.10.2013
FIRN	US\$	125.0	11.12.2004	11.12.2014
Subordinated Debt (US\$ 275.9 million)	Euro	225.0	15.4.2004	15.4.2014

Total equivalent amount in US\$:

Public issues	US\$	2,631.7
Private issues	US\$	363.7
Total	US\$	2,995.4

(*) International Diversified Payment Rights Company.

The Bradesco Organization had the following programs in December 2004:

Type	Currency	Million
Euro CD Program	US\$	1,000.0
MTN Program	US\$	2,500.0
USCP	US\$	300.0
Total	US\$	3,800.0

Capital Market

Underwriting Transactions

In 2004, Bradesco coordinated important transactions with shares, debentures and promissory notes which totaled R\$ 12.488 billion, comprising 59.45% of all issues registered at the Brazilian Securities Commission (CVM).

Transactions with shares, comprised the following: public offer of primary market shares of Braskem S.A., in the amount of R\$ 1.105 billion and of CPFL Energia S.A., in the amount of R\$ 940.0 million, of Bradespar S.A., in the amount of R\$ 1.044 billion, as well as a public offer of secondary market shares of Weg S.A., in the total amount of R\$ 320 million. Among fixed income transactions we highlight the following public offers of debentures: of Braskem S.A. in the amount of R\$ 1.200 billion; of Suzano Bahia Sul Papel e Celulose, in the amount of R\$ 500.0 million; of Telecomunicações de São Paulo S.A. - Telesp, in the amount of R\$ 1.500 billion; of Klabin S.A., in the amount of R\$ 314.0 million and also the public offering of promissory notes of Empresa Brasileira de Telecomunicações S.A.- Embratel, in the total amount of R\$ 1.000 billion.

% Share of Transactions

(*) Primary and secondary issues.

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Of the total number of floating and fixed-return transactions registered at CVM up to December 2004, Bradesco participated in 47% of primary and secondary share issues, in 37% of debenture issues and in 60% of promissory notes issues.

Mergers, Acquisitions, Project Finance, Corporate Reorganization and Privatizations

In March 2004, ANBID published its Mergers & Acquisitions Ranking for 2003 in which Bradesco was rated segment leader for the 2nd consecutive year in number of transactions, with completion of a total of 8 operations.

ANBID Mergers & Acquisitions Ranking - December 2003

Ranking - number of operations

Consultants	Ranking	Operations
Bradesco	1st	8
JP Morgan	1st	8
Unibanco	1st	8
Citigroup	4th	6

Continuing this trend, in 2004, Bradesco signed 4 new powers of attorney, increasing its activity in the Financial Advisory Service and Merger/Acquisition segments.

Among these, we highlight the contract entered into by Bradesco and the Interamerican Development Bank - BID, for structuring an Investment Fund, designed to obtain US\$ 500.0 million for investments in infrastructure.

Bradesco's presence is also notable in Project Finance operations, where it obtained two new powers of attorney and continues to act as a financial advisor to major corporations operating in electric power generation and co-related projects, as well as in the structuring of the corresponding financings.

Structured Transactions

The Structured Transactions Area is responsible for the following:

- Development of structures used to segregate credit risks, through Special Purpose Entities (SPEs), Credit Acquisitions, Credit Assignment Funds (FIDCs) and Certificates of Real Estate Receivables (CRIs).
- Structuring of properly protected medium and long-term financings based on pre-defined cash flows pursuant to specific covenants and guarantees which minimize the risks of each transaction.
- Development of structured solutions designed to meet the specific needs of companies, such as: decreased use of working capital, increased liquidity, optimization of financial and tax costs, compliance with legal technical limits/financial covenants, sale of permanent assets and structured financings.
- Coordination of loan syndication processes, including the lengthening of refinanceable debts, structured by the Bank or third parties.

Collection and Tax and Utility Collections

Cash Management

Bradesco's cash management solutions comprise a portfolio of more than 40 products designed to meet public and private sector customer management needs in the areas of receipts, payments, human resources and administration, ensuring that their bank transactions are carried out with speed and convenience, in line with superior quality (ISO 9001:2000) and security (electronic certification and sound cryptography) standards.

The innovations have secured the preference of a growing number of customers from all market segments and niches in diverse locations and different activity fields, using latest-generation technology means for connecting the Bank and its customers online.

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In particular, we highlight the new Government Authority area, which is designed to provide a specialized service to federal, state and municipal organs, identifying business opportunities and structuring customized solutions, through a specific internet portal (www.bradescopoderpublico.com.br).

Among the key product and service solutions deployed by Bradesco, we highlight the following:

Receipt Solutions

Bradesco Online Collection

The high efficiency standards of Bradesco's online collection service generate confidence, minimizing costs and maximizing customer returns, covering all of their accounts receivable management needs. As a result of these features, Bradesco Collection is now market leader, generating other business opportunities for the Organization. Online collection is responsible for processing some 98% of all documents registered in the Bradesco collection portfolio.

Tax and Utility Collections

Developed based on high standards of efficiency and quality, Bradesco's tax and utility collections serve a dual purpose. On the one hand, they seek to provide customer satisfaction with appropriate and innovative solutions for the settlement of taxes, duties and contributions. On the other, they effectively interact with the different Government Departments in the federal, state and municipal spheres and with public utility concessionaires.

Bradesco's tax and utility collection services are noted for the speed and security of the data transmitted and amounts collected.

Payment Solutions

Net Empresa, Pag-For and PTRB (Online Tax Payments)

As part of the same efficiency commitment, Bradesco's payment solutions, deployed through the Net Empresa, Pag-For and PTRB products, meet all customer needs, facilitating supplier payments, tax settlements and electronic transfers, online or through the transmission of files with maximum speed and security.

In 2004, an amount of R\$ 401.5 billion was recorded for 111.1 million payment transactions, facilitating the management of Trade Accounts Payable for more than 288 thousand companies.

	In billions of reais					
	2003			2004		
	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Receipt solutions (1)	174.2	193.5	695.0	209.2	230.3	812.5
Payment solutions	71.7	96.7	302.1	104.9	114.3	401.5
Total	245.9	290.2	997.1	314.1	344.6	1,214.0
Taxes						
Water, electricity, telephone and gas	20.6	23.8	82.6	25.5	25.7	98.7
Social security payments	4.1	4.6	16.1	4.9	5.3	19.4
Total public sector (*)	4.4	6.4	17.8	5.3	7.2	22.7
	29.1	34.8	116.5	35.7	38.2	140.8

Number of transactions - Million

2003

2004

	3rd Qtr.	4th Qtr.	Accumulated to December	3rd Qtr.	4th Qtr.	Accumulated to December
Receipt solutions (1)	177.9	210.9	729.9	215.6	230.6	854.1
Payment solutions	19.7	25.6	80.5	29.2	31.0	111.1
Total						
Taxes	197.6	236.5	810.4	244.8	261.6	965.2
Water, electricity, telephone and gas	15.7	15.3	61.3	18.4	16.7	72.0
Social security payments (2)	29.9	31.1	116.9	33.4	35.0	131.7
Total public sector (*)	11.3	12.0	43.2	10.7	11.4	44.4
	56.9	58.4	221.4	62.5	63.1	248.1

(1) Total movement (funds obtained, used, credits etc.).

(2) Total beneficiaries: more than 4.443 million retirees and pensioners (corresponding to 19.52% of all those registered with the Brazilian Institute of Social Security - (INSS)).

(*) Also includes privatized public utility service concessionaires

N.B Payment via automatic debit

49.165 million - January to December 2003

50.683 million - January to December 2004

Growth - Receipt and Payment Solutions

Public Sector Growth

Bookkeeping of Assets and Qualified Custody Services

Bradesco offers its customers the following quality services using an appropriate infrastructure and specialized personnel: custody of securities, controllership, funds for receivables, DR-Depository Receipt, BDR-Brazilian Depository Receipt, as well as bookkeeping services for stocks, debentures and investment fund quotas.

Growth

Growth in the Qualified Custody area was continuous in 2004, with the securing of new customers and investments in new products (Funds for Receivables) contributing to a total year-end volume of R\$ 141,2 billion. Among the most important new customers, we highlight Fundação Petrobras de Seguridade Social - Petros, Brazil's second largest pension fund in volume of assets, with more than 90 thousand participants, distributed between various sponsoring entities.

Improved Customer Service

Through Internet Banking and ShopInvest, all Bradesco stockholders who are also checking account holders can consult their equity positions (stocks, quota units, debentures and BDR). This system permits consultation of share positions regardless of whether the shares were issued by Bradesco or by any other company integrating the Bradesco Computer-registered Share system, as well as access to assets registered at the Bradesco Financial Depository Institution or Brazilian Financial Clearance and Custody Company (CBLC).

We present below the main indicators for the final quarter of 2004:

Bookkeeping of Assets

164 companies comprise the Bradesco computer-registered share system, with 2.5 million shareholders.

39 companies comprise the Bradesco computer-registered debenture system with a market value of R\$ 18.2 billion.

17 investment funds comprise the Bradesco computer-registered quota system, with a market value of R\$ 1.1 billion.

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2 registered BDR Programs, with a market value of R\$ 247.7 million.

Custody and Controllership

R\$ 141.2 billion in assets under custody for customers who use the Bradesco Custody services (Funds, Portfolios, DR and Funds for Receivables).

R\$ 225.3 billion comprises the total equity of the 647 investment funds and managed portfolios using the Bradesco Controllership services.

9 registered DR Programs, with a market value of R\$ 30.4 billion

Assets under Custody - In billions of reais

Business Processes

Alô Bradesco (Hello Bradesco)

The Hello Bradesco service, a direct and open channel with users of the Bank's different sectors, facilitates the improvement of customer relations through the suggestions and complaints received in relation to the Organization's products and services. From its creation, prior even to the introduction of the Brazilian Consumer Protection Code, this service has proved to be an instrument of important strategic value, as a result of its transparency, capacity to detect trends and conciliate interests, anticipating solutions in line with the constantly evolving market.

NBR ISO 9001:2000 Quality Certificate

The Bradesco Organization ended the year with 81 Products and Services certified by this high-level distinction, confirming the Bank's commitment to assuring ongoing ease and convenience for its customers and users.

Methodology for Mapping Processes

This methodology is designed to map the processes carried out by the Organization's different departments on a stage-by-stage basis which, in conjunction with the information on related products, services and activities, ensures that these processes are effectively analyzed in the pursuit for ongoing improvement, as well as providing the documentation required by the Internal Controls and Compliance System, the Bradesco Quality Management System based on the NBR ISO 9001:2000, the Activity-Based Costing System - ABC and Section 404 of the Sarbanes-Oxley Act.

Activity-Based Costing - ABC

Designed to support the Bank in its actions to improve processes and optimize production resources, practices recommended for decreasing costs, Bradesco adopts the Activity-Based Costing System - ABC which measures the cost and performance of its activities, resources and cost centers.

A thorough knowledge of the Bank's activities, as well as the correct measurement of the resources consumed by these activities, permit a more accurate analysis of the cost/benefit ratio of each of the Organization's productive processes and results centers.

We stress that as a result of the application of activity-based costing, the Bank is now meeting the following targets: improved allocation of costs to products, channels and customers; information for supporting studies on which the structuring and negotiation of bank charges are based; product, unit and customer profitability systems support; support for studies concerning outsourcing, incorporations and equipment sharing, as well as support for cost rationalization studies.

Activity-Based Management Program

The Bank has commenced implementation of Activity-Based Management, seeking to exploit the potential benefits of this cost management model which will rapidly lead to the prevention of costs and a pro-active approach regarding the identification of opportunities.

Accordingly, as processes are improved, operating performance can be seamlessly integrated with Bradesco's strategic objectives, designed to create and/or sustain the Bank's competitive advantages and add value both for customers and stockholders.

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The future mission of Activity-Based Management is to provide permanent support to the planning and control of the Bank's business processes, ensuring that tactical and operational issues are continually improved, as well as supporting their strategic gearing.

Integrated Management System - ERP

For purposes of providing permanent and appropriate support for its operations and in the pursuit of improved results, as well as extending its capacity to manage the Organization's resources, Bradesco adopts one of the most modern concepts for integrating organizational processes, using SAP's Integrated Management System solution mySAP Business Suite.

The implementation of this system represents an innovation in the treatment of the value chain supporting Bradesco's financial industry, through the adoption of an approach which is focused on processes, people, organizational structure and technology.

Initially, the system will integrate processes in the Human Resources, Training, Purchases, Accounts Payable, and Property and Equipment areas, as well as the Accounting processes on which they are based. The areas integrated through this technology will be able to renew processes and review organizational structures and some 74 thousand system users will be trained via in-class training and distance learning.

As a result of the implementation of the Integrated Management System, Bradesco will benefit most from the organization and standardization of the processes carried out in different areas, secure data processing, increased productivity and agile decision making, as well as decreased operating costs. These factors are crucial for the Organization's growth, especially in view of current financial area competition, prompting us to pursue increasingly effective management methods designed to ensure that all of Bradesco's business potential is properly leveraged.

Expenditure Appraisal Committee

In the pursuit of enhanced cost control and the adoption of strategies, policies and measures designed to restrain expenditure, in March 2004, Bradesco created the Expenditure Appraisal Committee, responsible for monitoring administrative and personnel expenses, as well as expenditure with capitalization, analyzing their origin with the related areas, seeking to obtain a maximum cost/benefit ratio.

The Committee, in sync with good Corporate Governance practices, is an important tool, as a result of its permanent activity and capacity to anticipate events, for improving and enhancing processes, capable of carrying out an in-depth analysis of Bradesco's costs, from all standpoints and producing savings which reflect positively on the Organization's results.

Corporate Governance

Bradesco's adherence to best corporate governance practices has placed greater emphasis on the Bank's efforts to improve internal controls and introduced strict standards of professional conduct. The efforts made to ensure that we are continually perceived as a secure, reliable and dynamic institution are reflected throughout our activity sectors, enhancing our relations and transparency with investors and, at the same time, providing incentives to directors to ensure that their decisions are based on the best interests of the Institution and stockholders, as well as consolidating our positive market image.

The results recorded to date reveal that we are achieving these goals, both in operating efficiency and in the Institution's increasing capacity to raise funds at home and abroad.

Bradesco has always sought to mark its presence through actions designed to strengthen the capital market. As part of its pioneer strategy, its shares were listed in the Brazilian stock exchange in 1946, just three years after its foundation, notwithstanding the fact that its operations were limited to the State of São Paulo.

From June 1997, it has been listed in the New York Stock Exchange (NYSE) for ADR Level I trading and from November 2001 for Level II.

In Spain, non-voting shares are traded in the Madrid Stock Exchange (Latibex) since February 2001.

From June 2001, Bradesco shares are included in BOVESPA's Level 1 Corporate Governance index, evidencing its commitment to add shareholder value, through the use of instruments designed to increase the liquidity of its shares.

Since Bradesco's shares are traded in foreign stock exchanges, the Bank also prepares its financial statements in accordance with internationally accepted US accounting principles (US-GAAP).

During the year, no non-audit services were contracted by the Bradesco Organization or provided by KPMG Auditores Independentes for an amount which exceeds 5% of the total external audit costs. This policy complies with internationally accepted principles designed to maintain

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the independence of external auditors Each external audit is contracted for a maximum five-year period pursuant to Brazilian Central Bank requirements.

At the Ordinary General Meeting of March 10, 2004, approval was given to maintain the Fiscal Council comprising 3 full members and 3 alternates, with terms through 2005, with one full member and his/her alternate elected from among the non-voting stockholders.

Other important initiatives reaffirm the commitment of the Bradesco Organization to adhere to best corporate governance practices, such as:

Tag-along rights were incorporated into the by-laws, ensuring that, in the event of the sale of the controlling interest, 100% of the price paid per share to the controlling stockholders will also be paid to minority stockholders, and 80% of such price to non-voting stockholders.

2 members of the Board of Directors are indicated by the minority stockholders.

Increased transparency of market information, with disclosures in 3 languages (Portuguese, English and Spanish).

Influenced by the Sarbanes-Oxley Act (SARBOX) we enhanced our internal controls and market information disclosure procedures and introduced a code of corporate ethics, code of business sector ethics for the accounting and financial management areas and a code of business sector ethics for units relating to the administration and management of third-party services and the provision of custody and controllership services, which are applicable to all staff involved in these activity areas and based on which they declare themselves to be personally liable for the effectiveness of all related controls and disclosure procedures.

Executive Committee for Ethical Conduct, responsible for monitoring the application of the provisions of the Corporate and Setorial Codes of Ethics, establishing actions focused on disclosure, disseminating and promoting adherence to their content and assessing and establishing applicable sanctions in the event of infringements, to ensure that these codes are effective.

Audit Committee, comprising 3 members, two of whom are non-board members, whose role is to advise the Board of Directors with respect to their duties relating to the monitoring of the accounting policies used to prepare the financial statements of the Institution and its subsidiaries and to indicate and appraise the efficacy of the independent auditors.

Compliance and Internal Controls Committee, whose role it is to advise the Board of Directors with respect to their duties relating to the adoption of strategies, policies and measures used to disseminate the internal controls culture, risk mitigation and compliance with legislation applicable to the Organization.

Remuneration Committee, whose role it is to submit to the Board of Directors proposals for policies and guidelines used to remunerate the Bank's Executive Directors, based on the performance targets established by the Board.

Disclosure Committee, responsible for establishing the Disclosure Policy for Significant Acts or Facts, ensuring control, consistency, quality and transparency in the disclosure of information.

Expenditure Assessment Committee whose role it is to advise the Board with respect to the monitoring and control of costs and the adoption of strategies, policies and measures focused on the contentment of expenditure of the Bradesco Organization companies.

Adherence by Bradesco to the Equator Principles, based on a combination of environmental and social screening policies, developed by the International Finance Corporation (IFC), an arm of the World Bank, for compliance when financing projects of amounts in excess of US\$ 50 million.

By adhering to these principles, Bradesco believes that society as a whole will benefit, since the Bank will be consolidating the management of its exposure to the risks related to these projects and its pro-active involvement in environmental and social issues.

Agenda of corporate events, published on the Bank's website containing the dates of the main corporate events.

Disclosure Policy for Significant Acts or Facts and Securities Trading to be complied with by all directors and managers.

Dividend distribution policy

Pursuant to Bradesco's by-laws, stockholders are entitled to a yearly dividend and/or interest attributed to own capital of at least 30% of the corresponding adjusted net income.

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The policy adopted by the Bank to remunerate stockholders through the payment of interest attributed to own capital in the maximum amount, calculated based on the legislation in force, is designed to add shareholder value through increased investor yields.

In recent years, the following amounts were paid: R\$ 849 million in 2001 (41.17% of adjusted net income), R\$ 947 million in 2002 (49.28% of adjusted net income), R\$ 1,347 billion in 2003 (61.48% of adjusted net income) and R\$ 1.325 billion in 2004 (43.3% of adjusted net income).

Recognition

Bradesco was recognized as the Bank that pays the largest dividends out of all institutions in the banking sector and the third largest out of all companies in Brazil over the last 10 years, according to an unprecedented study prepared by the consulting firm Lafis. Moreover, Bradesco was also ranked leader in dividend yield, in the banking sector of 8 Latam countries and the U.S.A., based on an analysis carried out by the consultancy Economática.

A number of specialized publications also highlighted the Bank's excellence in the administration of funds. Bradesco was considered the best investment manager in Brazil, according to the personal investment guide for 2005 Guia Você S/A de Investimentos Pessoais. The Bank was also rated best investment fund manager in the ranking prepared by the Invest Tracker Estadão - Melhores Gestores. For the third time running, Bradesco was also ranked best fund manager in Brazil, by the Guia Exame Best Investment Fund Guide. In addition, BRAM - Bradesco Asset Management received the maximum rating from Moody's, one of the world's most important risk rating agencies, with an "Aaa (MQ)" in Management Quality.

Bradesco also received triple recognition in the poll carried out by Gazeta Mercantil/Consultoria Austin Rating and published in the special Financial Report edition of Gazeta Mercantil newspaper, as Best Retail Sector Bank, Best Private Pension Fund Company and Best Insurance Company in the Auto Line.

For the second time, the Bank was given the Quality in Banks award by the Banco Hoje magazine, as the financial institution which provides the best customer service in Brazil.

Bradesco was also ranked third in the list of most capitalized Latam banks (Tier One Capital), according to a study organized by the British magazine The Banker.

The Bank was rated leader out of Latin America's 100 Largest Private Financial Institutions according to the Latin Trade magazine, a specialized Latam financial sector publication.

Another important distinction was given in the traditional ranking prepared by the US magazine Fortune Global 500, which listed Bradesco as the only Brazilian private-sector institution among the world's 500 largest banks.

The Bank was also ranked first among Brazilian banks for its customer service quality, based on research into the image of banks, conducted by the América Economia.

In the study carried out to reveal the Best People Management Company organized by the Valor Carreira magazine, published by the Valor Econômico newspaper, with technical support from the Hay Group, Bradesco was ranked leader in the category of companies with more than 15 thousand employees.

Bradesco was ranked for the 5th time in Guia Exame's - 150 Best Companies in which to Work guide and for the second year running among the 50 Best Companies for Women Employees. This recognition is the result of a study carried out by the Exame-Você S/A magazines in partnership with the consultancy Great Place to Work Institute.

Leader for the sixth consecutive year out of a list of Brazil's 100 largest private business groups, according to Exame magazine's biggest and best guide for 2004, Guia Melhores e Maiores. Out of the 50 largest insurance companies by premium, Bradesco Vida e Previdência assumed first place, according to the same publication.

Bradesco was also Brazil's private-sector bank with the best recall, according to a study prepared by the Datafolha Institute for the Top of Mind award given by the Folha de S.Paulo newspaper, which rates the brand names with most value for consumers. Bradesco Seguros e Previdência was the brand name with the best recall in the insurance area.

6 Social Responsibility

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Human Resources

Bradesco offers its staff the opportunity to continually develop their professional careers in a healthy and ethical work environment, where the Bank's commitments and objectives are clearly defined. The Organization regards its staff very highly and adopts the management policy of encouraging its people to seek promotion at all hierarchical levels. A customary saying at Bradesco is "Everyone can make it". One of our Organization's most outstanding business features is as the saying goes that "You can build your career at Bradesco". Our closed-career policy, whereby the majority of our employees are admitted at apprentice level or following the acquisition of other banks, means that all in-house job vacancies are filled from our own ranks. This policy requires substantial investments in on-line or in-class staff training and provides our employees with the opportunity to develop their careers, through agile, extensive and permanent capacity building programs.

We are present both nationwide and in a number of countries abroad and our employees are given the chance to work in a number of different environments, in different operating and territorial areas.

Bradesco has a commitment to respect cultural and ethnic diversity which is considered a strategic factor for the good performance of a Bank which is present in almost all of Brazil's towns and villages.

Best Place in which to Work

Bradesco was listed for the fifth time the prestigious Guia Exame-Você S/A guide – The Best Companies in which to Work, based on a study carried out by the Exame and Você S/A magazines in partnership with the consulting firm Great Place to Work Institute. As well as being ranked among the 150 best companies in which to work in Brazil, Bradesco was also rated among the 50 best companies for women for the second consecutive year.

This Guide is considered the best and most comprehensive study on the workplace environment in Brazil and involved the participation of 460 companies. The study assessed the working environment of all these companies, as well as elements such as benefits, remuneration, professional development opportunities, ethics, citizenship values and social responsibility. Some 900 employees were selected by the researchers to take part in the survey.

In 2004, Bradesco was also highlighted in the list of "Best People Management Companies" organized by the Hay Group and published in the Valor Carreira yearbook, distributed by the Valor Econômico newspaper. According to this survey, based on interviews with 2,051 employees who were asked to assign scores to various statements about the workplace. Bradesco was rated first place in the category for companies with more than 15 thousand workers. Some 250 companies took part in this survey.

People Management

This area, created in 2003, is designed to integrate a complete map of the Organization's human capital, with current HR policy and to introduce innovations in internal relations, through the development of leaders in people management.

The program is already used in the inspection, card, loans and financing systems development departments and in the Prime, Bradesco Empresas (middle market) and Retail segments and in the latter at three regional offices, facilitating the profile appraisal of more than 2,650 employees.

Based on this knowledge, leaders and employees are able to share actions focused on improving their performance and relationships, as well as establishing goals designed to improve their key skills.

Workplace Health and Safety Policies

Bradesco adopts preventive measures in the Occupational Health field, through information and guidance programs focusing employees. The related campaigns are disseminated through information bulletins, brochures and articles published in the Bank's Interação magazine and during the Week for Workplace Accident Prevention - SIPAT.

The Interação magazine publishes periodically health and behavior tips, designed to promote awareness among employees as regards preventive measures for improving life quality.

In 2004, the issues addressed included: chemical dependence, (alcoholism/drugs), RSI/WRMD (Repetitive Stress Injury/Work-related Musculoskeletal Disorders), smoking, diabetes, STD/AIDS (Sexually Transmitted Diseases/Acquired Immuno-deficiency Syndrome) and high blood pressure.

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During the Accident Prevention Week, held every year at locations where CIPA Internal Accident Prevention Committees have been formed by bank employees, important issues addressing health and safety in the workplace were on the agenda in 2004 and brochures on Fire Prevention and Combat were distributed to all the Bradesco Organization employees.

AIDS prevention and care in the workplace: Bradesco maintained its active role, in 2004, as member of the National Business Council - CEN, associated with the Ministry of Health and which is designed to promote actions in the workplace to control and manage this syndrome.

The quality of the furniture, machinery and equipment used by employees is based on the guidelines contained in the Ergonomic Workplace Analysis designed to reduce physical effort and discomfort and correct harmful posture.

Another focal point concerns life quality, ie, establish the equilibrium between the employee's personal and professional life. We are permanently alert to the number of normal and overtime hours worked by our staff, guaranteeing that employees have time for their personal commitments and leisure.

Winding Down Room: the Bank offers its call center staff at the Santa Cecília building, a room for winding down, which is designed to offer a comfortable environment and extra emotional support. The room is completely different to the other Organization environments and is equipped with furniture and apparatus to assist relaxation and soften the impact of the operators' day-to-day activities in and out of the call center. The room is open to all area employees in the event of situations of conflict or psychological and emotional necessities.

Benefits

As well as legally established benefits, Bradesco employees also have access to a series of benefits designed to guarantee their future and improve their life quality.

Supplementary retirement pension plan: contracted with Bradesco Vida e Previdência, to which the Bank contributes 50% of the monthly installments (including the 13th salary). The plan provides coverage to the retiree, the retiree or participant's widow or widower and their children under the age of 21 (or up to the age of 24 if still studying at university).

Health and dental care insurance: Bradesco employees and their dependents have access to healthcare plans paid for in full by the Bank. This insurance includes treatment for AIDS (with reimbursement of expenses for medical prescriptions), kidney dialysis, organ transplants, as well as alternative treatments using acupuncture, homeopathy and physiotherapy, among others. The dental care plan includes preventive and surgical treatment, oral rehabilitation, child dentistry, endodontics, periodontology and prosthodontics.

In 2004, there were 3,427,202 medical/hospital consultations and 725,049 dental consultations.

Influenza jab campaign: 43,544 employees received the jab free of charge and 7,641 of their dependents were vaccinated at subsidized rates.

Social service and psychological assistance: in situations of emergency and special needs, the Bank offers social and psychological assistance to its employees and their dependents. Assistance is given in diverse situations, such as in the event of serious illness, accidents, decease in the family and the need for special loans. This initiative demonstrates Bradesco's concern with the well-being of its staff and in the event of personal problems.

Other Voluntary Benefits

All employees receive daily snacks free of charge.

All Bradesco employees have access to group life and group personal accident insurance policies.

Loans at subsidized rates for the purchase of house, automobiles, computers and personal expenses.

Medical and dental care insurance, as well as an allowance for creche/childcare, with no limit for employees with disabled children.

Social Inclusion

Youth apprenticeship program: launched in 2004, this is another Bradesco initiative focused on social inclusion, designed to qualify young people in Financial System services. The project which is based on Law 10097, of December 19, 2000, is carried out in partnership with the Bradesco Foundation. Over a period of 2 years, the time during which they will be working at Bradesco, these young people are given the opportunity to complement the knowledge they acquired at school, participating in the Organization's daily activities. As a result, this program is

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a rare opportunity for young people to gain experience and preparation for the employment market and to develop their professional skills.

This project creates future prospects for these young people, seeking to transform their personal and social reality. At present, Bradesco has 400 young people on its apprenticeship program and expects to double this number thru 2006.

Equal opportunity for the disabled: from 2002, the Bank is a member of the special Work Group, coordinated by Fenaban (National Federation of Banks), which provides professional training courses for disabled people. In 2004, designed to optimize the opportunities for hiring ex-course participants, still unemployed, the Bank offered top-up courses for former students and in December 2004, concluded a program with 212 disabled people in the states of São Paulo, Rio de Janeiro, Paraná and Minas Gerais.

Designed to increase the number of disabled people hired by Bradesco, partnerships have been entered into with specialized institutions, such as the Association for Assistance to Disabled Children - AACD and the Solidarity Center for Workers in Osasco.

At December 31, 2004, Bradesco's employees, including staff at the subsidiaries, totaled 73,644.

The following table presents the variation in the Bradesco headcount:

	December				2004			
	2000	2001	2002	2003	March	June	September	December
Banco Bradesco	49,177	51,633	53,732	59,430	63,362	62,245	61,934	62,013
Subsidiaries	6,575	6,943	8,729	9,407	10,649	10,601	10,429	11,631
Subtotal Bradesco	55,752	58,576	62,461	68,837	74,011	72,846	72,363	73,644
Banco BCN	4,780	5,857	6,105	5,203	-	-	-	-
Subsidiaries	1,172	1,280	1,504	1,741	-	-	-	-
Subtotal BCN	5,952	7,137	7,609	6,944	-	-	-	-
Banco Baneb	2,514	-	-	-	-	-	-	-
Subsidiaries	-	-	-	-	-	-	-	-
Subtotal Baneb	2,514	-	-	-	-	-	-	-
Banco Boavista	1,564	-	-	-	-	-	-	-
Subsidiaries	22	-	-	-	-	-	-	-
Subtotal Boavista	1,586	-	-	-	-	-	-	-
Banco Mercantil	-	-	3,970	-	-	-	-	-
Subsidiaries	-	-	353	-	-	-	-	-
Subtotal Mercantil	-	-	4,323	-	-	-	-	-
Total not including BEM/Zogbi	65,804	65,713	74,393	75,781	74,011	72,846	72,363	73,644
Banco BEM	-	-	-	-	502	488	468	-
Subsidiaries	-	-	-	-	80	6	-	-
Subtotal BEM	-	-	-	-	582	494	468	-
Banco Zogbi	-	-	-	-	83	3	3	-
Subsidiaries	-	-	-	-	1,514	1,441	1,393	-

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Subtotal Zogbi	-	-	-	-	1,597	1,444	1,396	-
Total	65,804	65,713	74,393	75,781	76,190	74,784	74,227	73,644

Human Resources December 2004

By Age	By Gender	By Educational Background	By Years of Service with Bradesco	By Managerial Position
Younger than 30 44%			Less than 5 years 40%	
From 31 to 40 38%	Men 54%	High School 30%	From 6 to 10 years 12%	Non-managerial 53%
From 41 to 50 16%	Women 46%	University 69%	From 11 to 20 years 37%	Managerial 47%
Older than 50 2%		Other 1%	More than 20 years 11%	

Personnel Expenses

Bradesco's accumulated personnel expenses totaled R\$ 4,969 million at December 31, 2004, including expenses for remuneration, social charges, benefits, training, employee profit sharing and others.

The following pie graph presents the percentage share of each item in relation to total Bradesco personnel expenditure:

Composition of Personnel Expenses - December 2004

Personnel Expenses by Business Segment - December 2004

Training

The Staff Training Department has created and provides specific professional capacity building and enhancement programs providing employees with technical knowledge and behavioral skills, which are in sync with the Organization's needs and market requirements.

Designed to provide ongoing improvement and quality staff training activities, this area is ISO 9001:2000 certified, guaranteeing that course requests are approved and that employees are satisfied with the programs offered and that training activities are efficient.

The desire to offer tools which permit employee self-development Organization-wide, prompted Bradesco to implement online training in January 2000. This system, called TreiNet, offers 31 courses with 367,654 employee participations. In 2004, 6 more technical and 10 behavioral programs were made available.

In order to comply with related legislation, joint actions with the marketing area were required to promote internal-marketing campaigns encouraging staff to participate in courses covering money laundering prevention and internal controls via TreiNet. In addition, written material was distributed to all staff and 4 specific training films in video widely shown.

In compliance with Resolution 3158/03, of the National Monetary Council, preparatory programs for the compulsory Investment Product Certification Exam, were implemented by the Bank. These programs are specifically designed for our specialists in investments responsible for providing investment advice in the branch network and to institutional investors. Some 4,100 of our professionals have successfully sat this exam to date.

Through important partnerships entered into with Consulting Firms, Universities and Business Schools, such as USP, FGV and IBMEC, the Bank has qualified its professionals to operate in the various Organization segments, such Bradesco Empresas (middle market), Corporate and Private Banking and Prime.

In 2004, the Insurance Universe UNIVERSEG was launched in partnership by the Human Resources and Marketing departments of Bradesco Seguros e Previdência, for brokers selling the companies' products. Courses are offered in-class or online, via TreiNetSeg, TreiNetPrev and

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TreiNetCapi with specific courses for the Insurance, Private Pension Plan and Savings Bond areas.

For purposes of training our branch employees in new retail strategies, we created the Bradesco Strategic Management program which addresses, among others, business opportunity potential in the Bank's different regional activity areas, as well as the planning of actions designed to increase results, through the related sales of products and services, involving Regional and Branch Managers. In addition, we have developed a Retail Credit program, in partnership with SEBRAE, designed to qualify account managers, who attend corporate customers, in the granting of credit for micro and small businesses.

In 1996, in partnership with educational institutions such as FIA, FIPE, FGV and Ibmec, 1,037 of the Organization's employees obtained MBAs or other post-graduate degrees and specialization courses. In the second half of the year, a group commenced studying for the Controller-MBA, in partnership with Fipecafi, com 30 participants, from diverse areas and 3 more groups commenced their MBAs in banking business (two in-class groups and one online group) for branch managers Organization-wide and developed in partnership with FGV - São Paulo and FGV - Rio de Janeiro, with 100 participants.

In 2004, the integration of Banco BCN and Banco BEM required the implementation of further training efforts on products, services, operating systems and customer service. ZOGBI and FINASA were also merged which also demanded specific training.

During the period from January to December 2004, 1,322 courses were given in 14,968 groups, with 467,215 employee participations and a total of 4,579,950 hours spent in training, as well as investments of R\$ 52.7 million.

Increase in Employee Training Participation - Thousand Participations

Total Amount Invested in Training - In millions of reais

Sociocultural Events

Bradesco gave support to a number of different social projects throughout Brazil in 2004. These consisted of cultural, regional, sector or professional venues, including trade fairs, seminars, conventions and community events.

In commemoration of São Paulo's 450th anniversary, Bradesco was the exclusive sponsor of the "Picasso na Oca - uma retrospectiva", the largest exhibition of the Spanish genius, Picasso, to be held in Latin America. The retrospective brought 125 works of art from the Picasso Museum in Paris and attracted a visiting public of more than 900 thousand.

Bradesco also sponsored the impressionist exhibition "100 Maravilhas - Impressionismo e Referências", at the Assis Chateaubriand Museum of Art of São Paulo (Masp), with works painted by a number of the movement's principal artists, such as Renoir, Cézanne and Monet.

Bradesco was present, once again this year, as a sponsor of the Summer Festival and Carnival in Salvador (BA) Saint John's fiesta in Caruaru (PE), the VII Japan Festival in São Paulo (SP) and at the 15th Japanese-Brazilian Festival in Maringá (PR). The Bank also gave important support to agricultural expos in Ribeirão Preto (SP), Rio Verde (GO), Rondonópolis (MT), Luís Eduardo Magalhães (BA), as well as the Rural Coopavel Fair in Cascavel (PR) and the 2004 International Machinery Expo in São Paulo (SP).

Bradesco Seguros e Previdência sponsored the 2004 Christmas Tree Project, which was built in the middle of the Lagoa Rodrigo de Freitas lake in Rio de Janeiro, for the ninth year in a row. The lighting up ceremony is considered to be the third most important event in Rio de Janeiro's tourist agenda, after the Carnival and the New Year's Eve fireworks display.

In the educational area, the Bradesco Foundation, in partnership with Microsoft, Intel and Cisco, commenced installation of a number of Digital Inclusion Centers (CIDs). These are centers installed in the vicinity of schools and offer members of the local community courses in basic IT skills and online access to government services, as well as promoting citizenship values and the development of community actions through the use of technology resources. In all, 22 CIDs were opened in 2004

The Finasa Osasco senior women's volleyball team won the Ladies SuperLeague Championship for the second time in a row and their fourth consecutive title (sixth, since the team's foundation) as São Paulo State Ladies Volleyball Champion.

Social Activities: Finasa Sports Program

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The Bradesco Organization channels its support of sports activities through the FINASA Sports Program (FINASA ESPORTES), successor of the BCN Sports Program. This initiative which completed 17 years of activity in 2004, gained momentum in 1977, following its integration with Bradesco's other social projects. From that time on, the program has become a benchmark for assistance in the education of young people, using sports through the formation of women's basketball and volleyball teams as an instrument for social inclusion. At present, 3,882 girls from 10 to 16 years of age, matriculated at school and attending classes on a regular basis are included in the program. Some 70% of these girls come from deprived backgrounds and are considered to be at social risk.

FINASA ESPORTES maintains 78 training centers, 50 for volleyball and 28 for basketball, installed on the premises of state schools, at Osasco's city hall sports centers, at the Bradesco Foundation school, at a SESI unit and at three private schools, all located in the municipality of Osasco, in Greater São Paulo. Acting in partnership with the local City Hall, the Bradesco Organization offers a full support structure which includes the supply of sports and learning materials, as well as a team of 60 professional instructors, including municipal and state coordinators and teachers.

From its creation, community integration has been the outstanding feature of this important work. The PROGRAM is designed to transform sports practice into a powerful tool for strengthening the ties with citizenship values. At the FINASA ESPORTES training centers, 2 classes every week are dedicated to counseling on various topics such as notions of hygiene, teen pregnancy, stress, drug abuse and other teen-related issues, always emphasizing the importance of team spirit. The training centers are also used to disseminate values that favor healthy living in society, including respect for others, union, dedication, persistence and excellence. Classes also stress the importance of having a positive and participative attitude, emphasizing the need to foster activities related to the recycling of materials, the rational use of water and electricity and the promotion of campaigns related to social issues, such as collecting donations in food and clothing.

The FINASA ESPORTES program shows that sports practice is much more than a way to discover vocations or create athletes, it lays the basis for the formation of citizens, who are the essence of a better country for all.

Fundação Bradesco - The Bradesco Organization's Social Arm

Background

The Bradesco Foundation, a not-for-profit entity, headquartered at Cidade de Deus, Osasco, SP, was founded in 1956 and declared to be of Federal Public Utility by Decree 86,238, on July 30, 1981.

Convinced that education lies at the roots of equal opportunity and personal and collective fulfillment, the Bradesco Foundation currently maintains 40 schools installed as priority in the country's most underprivileged regions, in all of Brazil's states and in the Federal District.

Objectives and Goals

Through its pioneer action in private social investment, the Bradesco Foundation's chief mission is to provide formal, quality education to children, young people and adults, ensuring that they receive the qualifications required to achieve personal fulfillment through their work and the exercising of their rights and duties as citizens.

Accordingly, the Foundation has expanded its activities yearly, increasing the number of students matriculated in its schools from 13,080 to more than 107,699 over the last twenty-four years. The Bradesco Foundation schools offer education free-of-charge at pre, junior and high school levels, as well as basic professional and technical training in IT, electronics, industry, management and agriculture and livestock raising. Distance learning is also offered as part of its Youth and Adult Basic Education Equivalency programs via Tele-education and the Virtual Classroom portal.

Areas and Methods of Action

Basic Education

Students at pre, junior (kindergarten to K9) and high school levels comprise more than 43% of all students on courses provided by the Bradesco Foundation each year. In addition to a free education, these students also receive free school materials, uniforms, meals and medical/dental.

The Bradesco Foundation is continuously rethinking contemporary learning trends and introducing new challenges in its learning practices which are specially developed for use throughout all of its school units and to promote the ongoing interchange of experiences.

The Foundation schools are designed to provide a privileged environment for exercising citizenship values and in which the students are regarded as original and creative human beings, who learn constantly through life experiences in society and at school and understand that the need to interact and reflect on the diversity of knowledge is essential.

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Through their integrated curriculum, the Foundation schools provide students with access to practical and theoretical cognitive content, based on the principle that the development process is both dialectic and constructive and that their role in knowledge building is also that of a producer of culture.

To this intent, the Bradesco Foundation offers various continuing education opportunities, including distance learning.

These resources have resulted in the compilation of diverse learning materials, including text books used thru 5k and texts on philosophy and cultural diversity for high school, use as well as other important learning support materials.

Vocational/Technical Training

Based on its commitment to offer vocational/technical training capable of guaranteeing the student's right to continually develop skills for use in his/her productive and social life, the Bradesco Foundation, in conformity with the new model of vocational/technical training effective in Brazil, structured its course curricula, taking into consideration, most importantly, the demands of both the employment market and society from a totally new perspective.

Based on professional areas, such as agriculture and livestock raising, industry (electronics) and information technology, a number of courses were developed and are offered according to the specific needs of the regional communities in which the school units are located.

The content of these courses is designed to ensure a seamless integration between the worlds of work, knowledge and citizenship for purposes of forming creative, productive and business minded citizens, as well as showing students the importance of permanent education.

Offering opportunities to students who, as a rule, come from less privileged backgrounds, to attend courses whose content will facilitate their entry or re-entry into the employment market, the Bradesco Foundation provides access to the emerging and fast-changing business world.

Basic Vocational Training

The Bradesco Foundation also offers basic vocational courses designed to increase and update the professional capacity of workers with different levels of schooling. There are more than 130 vocational courses available, with flexible programs, designed to keep students abreast of employment market reality in the following professional areas: management, personal image, (fashion and personal beauty care), industry (electrical, electronics and printing and reproduction), information technology, leisure and social development, tourism and hospitality (tourism, hotel and catering). In the farming and livestock area, the Bradesco Foundation offers courses which include artificial insemination techniques.

Youth and Adult Basic Education Equivalency Certificate

These students come from different regions but often have similar life histories and comprise in their majority, workers and housewives who were unable to attend or remain at school when they were children. At the Bradesco Foundation, they can attend adult literacy courses and study for the basic education equivalency certificate, at both elementary and high school levels, in preparation for university entry, to improve their employment prospects and most importantly to increase their knowledge.

Youth and Adult education courses are given in two segments: Youth and Adult literacy and Tele-education for Elementary and High School Equivalency.

The Tele-education courses are offered in the Foundation's own schools or on the premises of the companies that have entered into operating agreements with the Bradesco Foundation, with flexible timetables to suit the different work shifts, avoiding the need for students to travel to the school units. Another motive for the good performance is related to the investments made by the Bradesco Foundation in learning technology resources.

Attending the parents of students at 35 Bradesco Foundation schools, the adult literacy course is structured around a socio-constructive concept, whereby the student becomes an active subject in the learning process. The topics addressed during classes awake the interests and motivate learners, guaranteeing the success of the course.

The main purpose of the Bradesco Foundation is to prepare students to improve their lives, based on the acquisition of organized knowledge, since according to Bradesco philosophy education alone is capable of forming citizens who are participative and aware of their role in society.

Significant Event

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The 40th Bradesco Foundation school unit, in Jardim Conceição in the town of Osasco, SP, opened its doors on March 16, 2004, with modern facilities, capable of attending some 2000 deprived students from the local community.

Combined Community Efforts

On March 7, all the Bradesco Foundation Schools took part in "National Voluntary Action Day". More than 300 thousand people benefited from activities promoted in the leisure and entertainment, education, culture, sports, healthcare, community development and citizenship action areas.

Seven thousand volunteers were involved, including students, parents, support staff, teachers and professionals from partner organizations, providing more than 600 quality services to community members residing in the vicinity of the Foundation schools.

Designed to offer basic IT skills and online access to public services, as well as promoting citizenship values through the development of community actions, the Bradesco Foundation entered into partnerships with other high-tech companies to create a number of Digital Inclusion Centers CIDs. This project is designed to combat digital exclusion and increase access to IT resources by people living in the school neighborhoods, at facilities managed by volunteers from the local community.

High school students monitor the activities carried out as well as playing a leading role as IT facilitators. In 2004, the Bradesco Foundation opened 22 CIDs throughout Brazil, the majority linked to our school units in the following towns and villages: Cacoal (RO), Maceió (AL), São João Del Rei (MG), Ceilândia (DF), Gravataí (RS), Jaboatão (PE), Paragominas (PA), Manaus (AM), João Pessoa (PB), São Luís (MA), Conceição do Araguaia (PA), Campinas (SP), Pinheiro (MA), Rosário do Sul (RS), Salvador (BA), Natal (RN), Itajubá (MG), Propriá (SE), Caucaia (CE), Cuiabá (MT), São Paulo (SP) and at the Osasco Computer Clubhouse (SP).

Opened on June 3, 2004, the Center for Educational Technology and Social Inclusion created by the Bradesco Foundation in Campinas, SP, boasts state-of-the-art hard and software technology such as the wireless communications network. The Center is designed to promote the skills of students and teachers at the Bradesco Foundation and from the public school network, as well as developing research which will be used to integrate information and communication technology with the educational process and for social inclusion.

On September 15, 2004, the Bradesco Foundation in conjunction with Intel Brazil, opened its first Computer Clubhouse, a high-tech area installed in the Social Center at Bairro Conceição, Osasco-SP, where young people from deprived backgrounds have access to technology, acquiring skills in digital arts, music CD production and digital films designed to be shown on internet websites.

Media Lab (Massachusetts Institute of Technology, Boston, Massachusetts, EUA): Bradesco sponsors the Digital Life and Digital Nations research consortium groups (of interest to the Bradesco Foundation) since 2001.

The Digital Nations is designed to address social challenges (improvements in education, health and community development) through innovative projects and the use of new technologies, empowering people to develop new opportunities and identify solutions for social problems affecting their communities. The "City We Want" and CID (Digital Inclusion Centers) projects were some of the initiatives implemented in schools and respective communities.

In 2004, the Digital Nations' annual meeting was held at the Bradesco Foundation in Campinas-SP, with the participation of more than 600 educators and technology specialists from Brasil, U.S.A. and Colombia.

Operating agreement with EMBRAPA: on October 29, 2004, an agreement was entered into for cooperation with the EMBRAPA research units covering areas relating to prospective technological developments in regional agribusiness. Educational projects are also in the pipeline designed to promote the qualification and learning of students at agricultural colleges and teachers in the technical and basic vocational training segments.

Adult Literacy program (Alfabetização Solidária): 16 towns and villages were included in this important program in 2004, all of them located in the Northeast regions of Brazil with high adult illiteracy rates. In 2004, some 9,800 Brazilians learned how to read and write in 196 classes maintained with resources provided by the Bradesco Foundation.

Accumulated investments total R\$ 9.017 million, since the partnership was formed in 1998.

TV Futura the learning channel: with 20 million viewers, 1.5 million of whom comprise directed audiences.

This partnership was entered into in 1997. Accumulated investments by the Bradesco Foundation: R\$ 11.696 million.

We highlight the programs produced in partnership with the Bradesco Foundation and which are designed to teach viewers how to earn income through skills acquired from watching TV programs, such as "Made by Hand" and "Family Corp."

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IT skills for the visually impaired: the Bradesco Foundation, as part of its strategy to facilitate IT access to all social sectors, developed a methodology to teach IT skills using Virtual Vision software, initially created to help visually impaired Bradesco customers carry out their banking business with self-sufficiency and security.

The courses are not restricted to Bradesco customers and from 1998, the program has trained more than 5 thousand visually impaired people at 32 Foundation Schools and through a number of partner entities.

Strengthening the Bradesco Foundation belief in the infinite nature of human capacity and its vast potential, this program promotes social inclusion and the development of fundamental skills required to meet everyday challenges, facilitating procedures and increasing opportunities for entering the employment market.

Prison projects - in partnership with the Roberto Marinho Foundation, the Ministry of Justice and Funap - Fundação Professor Manoel Pedro Pimentel, the Bradesco Foundation maintained its Prison Project in 2004, designed to offer formal education at 20 penitentiaries in the State of São Paulo. In 2003, more than 1000 prisoners had the opportunity of commencing or reassuming their elementary grade studies, a significant contribution to their rehabilitation and social integration.

Education for Social and Professional Inclusion: a partnership entered into with the State Foundation for Child and Youth Welfare (FEBEM) and the São Paulo State education authority. The Foundation supports this program offering a 140-hour IT course. Once qualified the young offenders receive a certificate from the Bradesco Foundation and are guaranteed employment by the education authority.

Of the 662 young people assisted by this program, 64 have already started work as IT lab monitors in the São Paulo public state school network.

Inclusion of hearing impaired children in the Basic Education System: in partnership with the Rotary Club of São Paulo. This project is designed to include hearing impaired children in the basic elementary grade education system. The project started in the Bradesco Foundation school at Jardim Conceição, in Osasco, São Paulo, attending 30 students, assisted by Brazilian sign language (LIBRIS) interpreters, ensuring that they are fully integrated with the school community. The course in LIBRIS is also offered to the parents of hearing impaired students.

Recognition in 2004

FEBRACE Brazilian Expo of Creative and Innovative Science and Engineering Projects
3rd place for the Project "Identity Recycling" at the Rio de Janeiro-RJ unit.

Prêmio Super Ecologia (Ecology Award)
Superinteressante magazine Abril Group
"Quelocan: Quelônios de Canuanã" Project in the Fauna category, as best project developed by an NGO - Escola de Canuanã-TO unit.

Concurso ao Ponto (Straight to the Point Awards)
Canal Futura and Schering do Brasil
TV Futura viewers voted for the best sexual education projects shown in programs broadcast in July and published in the Futura magazine. Out of five finalists from four states, the public voted for the project called "Self-knowledge for Self-care", submitted by the Pinheiro MA unit.

Professor Nota 10 (Best Teacher)
Fundação Victor Civita and Nova Escola magazine Abril Group
12 teachers were rated as "Nota 10", including Maria da Conceição Rodarte Paiva for the project: "How writers get their ideas" - São João del Rei unit.

Concurso de Redação para Professores (Best Teacher's Text)
Academia Brasileira de Letras (ABL) and Folha Dirigida
Maria da Conceição Rodarte Paiva's poem was ranked 9th out of 3 thousand poems submitted from all over Brazil - São João del Rei unit. Another two teachers from the Macapá and Vila Velha units were also classified among the 100 best and received their awards at the ceremony held in Rio de Janeiro. All the texts classified will be published in a special edition published by the ABL.

IV Prêmio Denatran de Educação para o Trânsito (Education on the Road)
DENATRAN National Traffic Department

1st and 3rd places in the student category for two students from the pre and junior schools at Ceilândia-DF.

3rd place in the student category for a junior-school girl from the unit at Cuiabá-MT.

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2nd and 3rd places in the student category for three students from the pre and junior schools at Maceió-AL.

The unit at Irecê-BA was also present in the Teacher category.

1st and 2nd places in the student category for two students from the junior school at Manaus-AM.

2nd and 3rd places in the student category for four students from the pre and junior school at Paragominas-PA.

3rd place in the student category for a high-school girl from the unit at Pinheiro-MA.

In the Educational Institute category the units at Ceilândia-DF and Manaus-AM were also winners.

Young Scientist of the Future Award
CNPQ, Gerdau, Eletrobrás and Fundação Roberto Marinho

3rd place for the project: "Food security and the combat against waste think global to act local" School unit at Caucaia-CE.

V Concurso Arte na Escola Cidadã (teachers)
Instituto Arte na Escola Fundação Iochpe
Project "As the world turns, so does the way we see things"
Teacher: Juliana C. Carnasciali
School unit at Osasco-SP.

47th Scientists of Tomorrow Awards
Brazilian Institute of Education, Science and Culture IBECC/ UNESCO, São Paulo Chapter.
3rd Year High School Students from the unit at João Pessoa-PB took 5 prize for the project "Physiological Quality of Bean Seeds".

National Science and Technology Fair in Peru
Peruvian Council of Science and Technology (CONCYTEC)
Participation by the school unit at Goiânia-GO with the project called "The Water We Drink".

School Locations

The majority of the Foundation's educational units are located on the outskirts of major cities or in rural areas where there is a significant lack of educational and welfare assistance. Thousands of students in all four corners of Brazil are given the opportunity to study at the Foundation schools.

Schools	Students
Aparecida de Goiânia - GO	2,071
Bagé RS	2,161
Boa Vista - RR	2,246
Bodoquena - MS	1,134
Cacoal - RO	2,285
Campinas - SP	4,614
Canuanã - TO	1,289
Caucaia - CE	2,386
Ceilândia - DF	3,279
Cidade de Deus - Osasco, SP	
Unit I	4,088
Unit II	2,808
Youth and Adult Equivalency Certificate learning centers	6,082
Professional Training Centers	6,365
Conceição do Araguaia - PA	2,280
Cuiabá - MT	2,175
Feira de Santana - BA	649

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Garanhuns - PE	708
Gravataí RS	3,597
Irecê BA	2,366
Itajubá MG	2,669
Jaboatão PE	2,563
Jardim Conceição SP	2,506
João Pessoa PB	2,204
Laguna SC	1,907
Macapá AP	1,993
Maceió AL	2,409
Manaus AM	3,071
Marília SP	3,719
Natal RN	2,185
Paragominas PA	2,008
Paranavaí PR	1,757
Pinheiro MA	2,264
Propriá SE	1,852
Registro SP	2,476
Rio Branco AC	2,029
Rio de Janeiro RJ	4,036
Rosário do Sul RS	1,040
Salvador BA	2,090
São João Del Rei MG	2,084
São Luis MA	2,353
Teresina PI	2,436
Vila Velha ES	2,057

**Basic Professional Education
Rural Area - Artificial Insemination**

Cáceres - MT	201
Campinas - SP	141
Campo Grande - MS	243
Goiânia - GO	170
Igarapé - MG	221
Ilhéus - BA	26
Uberaba - MG	406
Subtotal	1,408
Total (*)	107,699

(*) Numbers for 2004.

Financing

The Bradesco Foundation activities are funded exclusively by resources from its own income and donations made by the Bradesco Organization Companies.

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Investments in 2004

R\$ 156.6 million

Budget for 2005

R\$ 157.6 million

Courses - Grades Numbers for 2004

	Students	% of total
Infant	3,512	3.25
Junior and Middle	30,640	28.45
High School and Technical/Vocational Training	16,390	15.22
Youth and Adult Education	22,009	20.44
Basic Professional Training	35,148	32.64
Total	107,699	100.00

Student Profile - Base: December 2004

Increase in Student Numbers

Statement of Social Responsibility for the Years Ended 2004 and 2003

1) Calculation basis	2004 (in thousands of reais)	2003 (in thousands of reais)
Net revenue (RL) ⁽¹⁾	11,189,231	10,831,978
Operating income (RO)	4,118,111	3,553,108
Gross payroll (FPB)	4,969,007	4,779,491

2) Internal social indicators	In thousands of reais	% of FPB	% of RL	In thousands of reais	% of FPB	% of RL
Meals	479,336	9.6	4.3	396,441	8.3	3.7
Compulsory social charges	924,264	18.6	8.3	831,487	17.4	7.7
Private pension plans	217,755	4.4	1.9	302,013	6.3	2.8
Healthcare insurance	218,838	4.4	2.0	193,046	4.0	1.8
Safety and medical care in the workplace	-	-	-	-	-	-
Education	-	-	-	-	-	-
Culture	-	-	-	-	-	-
Professional qualification and training	52,681	1.1	0.5	61,168	1.3	0.5
On-site child care and child-care benefit	43,798	0.9	0.4	31,928	0.7	0.3
Employee profit sharing	182,386	3.7	1.6	170,579	3.6	1.6
Other	89,936	1.8	0.8	40,906	0.8	0.3
Total - Internal social indicators	2,208,994	44.5	19.8	2,027,568	42.4	18.7

3) External social indicators	In thousands of reais	% of RO	% of RL	In thousands of reais	% of RO	% of RL
Education	72,378	1.8	0.7	61,638	1.7	0.6
Culture	10,188	0.2	0.1	15,146	0.4	0.1
Health and basic sanitation	3,211	0.1	-	3,019	0.1	-
Sports	431	-	-	8,547	0.2	0.1
Prevention of hunger and food security	311	-	-	532	-	-
Other	12,595	0.3	0.1	11,041	0.4	0.1
Total contribution to society	99,114	2.4	0.9	99,923	2.8	0.9
Taxes (excluding social charges)	2,230,743	54.2	19.9	1,982,963	55.8	18.3
Total - External social indicators	2,329,857	56.6	20.8	2,082,886	58.6	19.2

4) Environmental indicators	In thousands of reais	% of RO	% of RL	In thousands of reais	% of RO	% of RL
Investments related to company production/operation	-	-	-	-	-	-
Investments in external programs/projects	-	-	-	-	-	-

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Total investments in environment protection

As regards the establishment of annual goals for minimizing waste, general production/operation consumption and the efficient use of natural resources, the company:	-	-	-
	() has no established goals	() has no established goals	() has no established goals
	() complies (0 to 50%)	() complies (0 to 50%)	() complies (0 to 50%)
	() complies (51 to 75%)	() complies (51 to 75%)	() complies (51 to 75%)
	() complies (76 to 100%)	() complies (76 to 100%)	() complies (76 to 100%)

5) Employee indicators

	2004	2003
Employees at the end of the period	73,644	75,781
Admissions during the period	5,976	8,436
Outsourced employees	6,477	7,103
Trainees/interns	391	363
Employees older than 45	5,567	5,288
Women employees	33,918	34,097
% of management positions held by women	40.4	37.0
Black employees ⁽²⁾	5,571	6,650
% of management positions held by blacks	7.1	7.4
Disabled employees or employees with special needs	706	686

6) Significant information regarding the level of corporate citizenship

	2004		2005	
Ratio between maximum and minimum salary	20,9		N/A	
Total number of accidents in the workplace	586		Increased employee awareness regarding how to avoid accidents in the workplace.	
The company's social and environmental projects were established by:	() directors	(x) directors and managers	() all employees	
Workplace safety and health standards were defined by:	() directors	() all employees	(x) all + Cipa ⁽³⁾	
As regards freedom of trade union activities, collective bargaining rights and internal employee representation, the company:	(x) does not interfere	() complies with OIT ⁽⁴⁾ rules	() encourages activities and complies with OIT rules	
Private pension plans are offered to:	() directors	() directors and managers	(x) all employees	
The company's profit sharing plan is distributed to:	() directors	() directors and managers	(x) all employees	
When selecting suppliers, the ethical, social and environmental responsibility standards adopted by the company:	() are not considered	() are suggested	(x) are required	
As regards the participation of employees in voluntary work programs, the company:	() does not interfere	(x) gives support	() organizes and encourages participation	
Total number of consumer complaints resolved:	at the company N/A	at Procon ⁽⁵⁾ N/A	at Court level N/A	
% of complaints resolved:	at the company N/A	at Procon N/A	at Court level N/A	
Total added value to be distributed (in thousands of reais)	2004 : R\$ 10,207,220		2003 : R\$ 9,007,625	
Distribution of added value (DVA):	30.9% government 39.1% employees 13.0% stockholders 17.0% retained		31.1% government 43.2% employees 15.0% stockholders 10.7% retained	

7) Other information

The information contained in the Statement of Social Responsibility was reviewed by KPMG Auditores Independentes.

- (1) Net revenue (RL) corresponds to Income from Financial Intermediation.
- (2) Percentage of management positions held by women in 2003 was rectified.
- (3) Internal Accident Prevention Committee.
- (4) International Labor Organization.
- (5) Consumer Protection Agency.
- (6) N/A: Not available/applicable.

7 Independent Auditors Report

Independent auditors' report on special review of supplementary account information included in the Report on Economic and Financial Analysis and in the Statement of Social Responsibility

To
The Board of Directors and Stockholders
Banco Bradesco S.A.
Osasco - SP

We have examined, in accordance with auditing standards applied in Brazil, the financial statements of Banco Bradesco S.A. and the consolidated financial statements of Banco Bradesco S.A. and its subsidiaries for the years ended December 31, 2004 and 2003, and have issued an unqualified opinion, dated January 28, 2005.

Our examinations were made for the purpose of forming an opinion on the financial statements of Banco Bradesco S.A., and on the consolidated financial statements of Bradesco S.A. and its subsidiaries taken as a whole. In connection with our examinations, we have performed a review of the supplementary account information included in the Report on Economic and Financial Analysis and in the Statement of Social Responsibility, that is presented exclusively for the purpose of additional analysis and is not a required part of the financial statements.

Based on our examinations, we are not aware of any significant modifications that should be made to the supplementary account information for it to be presented adequately, in all material respects, in relation to the financial statements taken as a whole.

January 28, 2005

KPMG Auditores Independentes
CRC 2SP014428/O-6

Original report in Portuguese signed by

Walter Iorio
Accountant
CRC 1SP084113/O-5

Cláudio Rogélio Sertório
Accountant
CRC 1SP212059/O-0

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

Banco Bradesco S.A.
Message to Stockholders

To our Stockholders,

In 2004, the Bradesco Organization continued to record important progress, strengthening its leadership positions, increasing its economies of scale, expanding its activity areas, identifying new opportunities and promoting technical improvements and the quality of service offered to its vast clientele. Not for one moment did we lose sight of our investors' legitimate expectation for results or the awareness of our role as an agent of Brazilian economic growth, our commitment to provide and expand accessible credit, without which no modern economy can thrive.

These objectives were and will continue to be met as a result of the dedicated efforts of our highly qualified and motivated staff structure, operating within a pioneer, cutting-edge technology framework, under a synergy based on market segmentation, a strategic tool which adjusts the combination of the Bank's activities to meet the specific demands of each customer.

Based on these concepts, Bradesco steers its immense Customer Service Network, present throughout Brazil. In addition to the 58 new Bradesco Branches inaugurated in 2004, the opening of 1,383 new Banco Postal post-office bank branches sets a new record in banking inclusion, facilitating access to financial products and services by innumerable individuals and companies, particularly those located in Brazil's farthest corners.

At the same time, the Bank intensified its participation in the retail loan area, in particular, microcredit and credit with installments discounted from payroll. On a wider plain, credit was used mainly for production and commerce, favoring the creation of jobs and income. As a result, the Bradesco Organization reaffirmed its strategic position in the consumer sales financing sector through the acquisition of the share control of Banco Zogbi and its subsidiaries, including Promovel.

Other events marked the year, such as the acquisition of the share control of Banco do Estado do Maranhão S.A. - BEM, whose branches were integrated with the Bradesco Network and also the authorization given to Bradesco by the Federal Reserve (FED) to operate as a financial holding company in the United States, carrying out activities in the highly competitive US market under the same conditions as local banks.

Out of the net income reported for the year, which reached the important mark of R\$ 3.060 billion, stockholders were paid interest attributed to own capital in the amount of R\$ 1.325 billion, 45.58% of adjusted net income, above the minimum dividend established in the by-laws. Total assets increased to R\$ 184.926 billion, a 5.01% increase as compared to the prior year. In addition to these good balance sheet results, we highlight the valuation of Bradesco shares in the stock exchange, with an increase of 25.76% in the Bank's market value, based on the BOVESPA index for the previous two years. This growth gains even more significance when we consider that 2/3 of the shares are owned by minority and non-voting stockholders.

The convergence of its stature and tradition places the Bradesco Organization on a level which requires impeccable ethical conduct and this requirement has prompted Management to constantly seek best corporate governance practices, improving its internal controls and establishing strict standards of professional conduct for managers and staff. The efforts made to build up our image of security, trust and dynamic action is reflected in the following results: R\$ 265.383 billion of funds obtained and managed, 15.700 million checking accounts, 34.668 million savings accounts, 46,380 million credit and debit cards, 12,766 service outlets, 21,822 ATMs, to name but the most significant. Emphasis should also be given to the important influence that the results of the Bradesco Insurance Group had on the Organization as whole.

By adhering to the Equator Principles, the Organization confirms its commitment to social and environmental responsibility, a key factor to be considered during the analysis of the larger financing projects. The need for sustainability is also included in its actions focused on the development of the communities in which it operates through its successful initiatives in the social area, especially in the educational area, witnessed in the Bradesco Foundation programs that maintain 40 Schools nationwide, installed as a priority in socially and economically deprived regions and providing education free-of-charge to more than 170 thousand students in 2005.

The Bradesco Organization will continue its line of strategic planning, consolidated over a period of 61 years of existence, with common sense and realistic and coherent goals. It will continue its project for growth based on a solid, clear and objective foundation: the securing of new

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customers with a diversified range of products and services, multiplying the number of products per customer and business, facilitating gains both in scale and synergy. Risks and costs will be constantly and strictly monitored, designed to prevent loss and maximize the efficiency with which the Bank's funds are used. The strength of the Bradesco mark will always be its greatest competitive advantage and market segmentation its path to excellent customer service.

Convinced that the future reserves even greater accomplishments, fruit of our constructive and long-lasting work, we would like to thank our stockholders and customers for their trust, support and preference and our directors, employees and other stakeholders for their efforts and dedication, factors which are inseparable from the success achieved.

Cidade de Deus, January 28, 2005

Lázaro de Mello Brandão
President of the Board of Directors

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Directors Report

We are pleased to present the financial statements for the year ended December 31, 2004 of Banco Bradesco S.A., as well as the consolidated financial statements, prepared in accordance with the requirements of Brazilian corporate legislation.

The economic environment in 2004 combined the return to growth of the Brazilian economy with the climate of increased uncertainty in the international scenario, especially regarding the price of oil and the worldwide consequences of the macroeconomic restraints in the U.S.A. Brazilian inflation was strongly impacted by a commodities price shock, requiring an immediate response by the monetary authority. Brazil's good foreign trade performance, resulting from increased growth worldwide, continued to prompt decreasing exchange volatility and as a result, growing economic activity.

Prospects for 2005 indicate that inflation will be maintained within the goals established by the Brazilian government, permitting a slow downturn in the basic interest rate for the second half of the year. GDP growth at a slightly lower level than in 2004, is expected to be pushed by domestic demand, following the projected increase in income. Even though exports are forecast to grow at more modest rates, a robust trade balance is expected. In turn, credit activity should register a good performance in 2005, as well as a gradual improvement in the quality of the loan portfolios, in line with decreasing unemployment, wage recovery and renewed business momentum.

Among the important events for the year at the Bradesco Organization, we highlight the following:

- Authorization from the Federal Reserve (FED) giving permission for Bradesco to operate as a Financial Holding Company in the United States, carrying out financial activities in the highly competitive U.S. market under the same conditions as local banks.
- Acquisition on February 10, of the share control of Banco do Estado do Maranhão - BEM, which had total assets of R\$766 million and a network of 76 Branches at December 31, 2003, incorporated by the Bradesco Network on October 25. As a result of this acquisition through an auction carried out at BOVESPA, the São Paulo stock exchange, the Bradesco Organization increased its presence in the northern state of Maranhão.
- Ratification by the Brazilian Central Bank of the acquisition, through Banco Finasa S.A., of the share control of Banco Zogbi S.A. and the companies Promosec Companhia Securitizadora de Créditos Financeiros, Promovel Empreendimentos e Serviços Ltda., Zogbi Leasing S.A. Arrendamento Mercantil and Zogbi Distribuidora de Títulos e Valores Mobiliários Ltda. An important strategic move by the Bradesco Organization in the consumer sales financing sector, complementing the activities carried out by Finasa and Banco Postal.
- Integration of BCN S.A. branches with the Bradesco network on February 25. This initiative optimized resources, combining the expertise and dedication of staff from both institutions, in the pursuit to offer customers maximum quality in products and services.
- Approval by the Bank's Board of Directors, on April 30, of the Internal Rules of the Audit Committee and appointment of its members, who took office on July 1, for a one-year term. The role of the Audit Committee is to advise the Board of Directors on the performance of their duties related to the monitoring of the accounting policies used to prepare the financial statements of the Bank and its subsidiaries and the indication and assessment of the effectiveness of the independent auditors.
- Opening, on June 7, of Latin America's first wireless Bank Branch. Bradesco's cutting-edge wireless technology enables the bank to transmit data with no direct physical link between equipment, at high-speed and with maximum security.
- Transformation process of the Zogbi-Promovel branches into Finasa outlets operating in the registration and forwarding of proposals for Consumer Sales Financing and Personal Loans.
- Adherence by Bradesco to the Equator Principles, assuming the commitment to consider a combination of environmental and social screening policies, developed by the International Finance Corporation (IFC), an arm of the World Bank, for purposes of financing projects of amounts in excess of US\$ 50 million.
- Strategic partnership entered into with Banco UFJ - União Financeira Japonesa, which will adapt its branch network in Japan to attend more than 300 thousand Brazilian residents (dekasseguis), ensuring that they are fully integrated with that country's economic activity through the access to all local bank services.
- Strategic agreement designed to finance, on an exclusive basis, via Banco Finasa, a subsidiary of Bradesco, consumer sales at Casas Bahia, the largest retail market consumer goods store in Brazil, with 400 outlets and more than 26 million customers. A similar agreement has been entered into with Lojas Salfer, one of the largest white goods and furniture retail networks in the states of Santa Catarina and Paraná, with 47 stores and more than 1.1 million customers.

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- Launching of CDC Bradesco Electron, a new personal credit product, which permits access by customers to pre-approved credit for financing purchases made with the Bradesco Visa Electron debit card. This innovation comprises the Bradesco Accessible Credit program and is also available to Banco Postal customers.
- Operating agreements with Banco BMC, Banco Cruzeiro do Sul, Banco Bonsucesso, Banco Paraná and Banco Panamericano, which establish, on an exclusive basis, personal credit assignment rights of the beneficiaries of the National Institute of Social Security - INSS (retirees and pensioners). Financing is repaid through installments which are discounted directly from the benefits paid by the INSS.

1. Results for the Year

In terms of shareholder returns and contributions to the public coffers, the results reported for 2004 are significant:

- R\$ 3.060 billion of net income for the year, or R\$ 6.45 per share, a return of 20.11% on closing stockholders' equity and 21.95% on average stockholders' equity. The annualized return on total assets was 1.65%, as compared to 1.31% for the prior year.
- R\$ 3.155 billion in taxes and contributions, including social security contributions, payable or accrued, on the main activities carried out by the Bradesco Organization during the year.
- R\$ 1.325 billion was distributed to stockholders as monthly, interim and complementary interest attributed to own capital, computed in the calculation of the compulsory dividend. This corresponds to R\$ 8.778861 (R\$ 7.462287 net of withholding tax), including the additional 10%, per preferred share, and to R\$ 7.980783 (R\$ 6.783665 net of withholding tax), per common share. Interest distributed corresponds to 45.58% of adjusted net income for the year, well above the 30% minimum payment established in the by-laws.

2. Operating Efficiency Ratio - IEO

The success of Bradesco's simultaneous efforts to increase net revenues and decrease costs is reflected in its operating efficiency ratio.

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

As regards cost control practices, Bradesco adopts ABM (Activity-Based Management) methodology, a pro-active approach designed to produce effective results and the identification of opportunities on a timely basis. Accordingly, at the same time as its processes are improved, operating performance is seamlessly integrated with strategic objectives.

The strict control over expenses, enhanced by the creation of the Expenditure Assessment Committee in March 2004, allied with the synergy process of the institutions acquired are reflected positively in the IEO movement.

55.47% was the ratio at December 31, 2004, against 56.59% in 2003 and 56.56% in 2002.

3. Capital and Reserves

- R\$ 7.000 billion of capital at the end of the year.
- R\$ 8.215 billion in reserves.
- R\$ 15.215 billion of stockholders' equity, an increase of 12.31% for the year, equivalent to 10.15% of assets, which totaled R\$ 149.951 billion. Managed stockholders' equity is equivalent to 8.23% of consolidated assets, which totaled R\$ 184.926 billion, and net equity per share was equivalent to R\$ 32.07.

The capital adequacy ratios were 18.27% on a consolidated financial basis and 16.08% on a consolidated economic and financial basis, above the 11% required minimum established by National Monetary Council Resolution 2099 of August 17, 1994, in conformity with the Basel Accord. As regards consolidated reference equity, the ratio of permanent assets to stockholders' equity (limited to a maximum of 50% in accordance with Brazilian Central Bank requirements) was 23.31% on a total consolidated basis and 37.98% on a consolidated financial basis.

The subordinated debt of the Bradesco Organization at the end of the year was R\$ 5.973 billion (foreign - R\$ 2.913 billion and local - R\$ 3.060 billion), included in stockholders' equity for purposes of determining the ratios described in the preceding paragraph.

In compliance with the provisions of Article 8 of Brazilian Central Bank Circular 3068, of November 8, 2001, Bradesco declares that it has both the financial capacity and the intention to hold to maturity the securities classified in the securities held to maturity category.

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4. Bradesco Shares

Highly liquid Bradesco Shares maintained their strong presence in all trading sessions at the São Paulo Stock Exchange - BOVESPA, with a 4.04% share of the Index for the preference stock. Stock is also traded in the Madrid Stock Exchange in Spain, as part of the Latibex Index, and through ADR-American Depositary Receipts - Level 2, in the New York Stock Exchange.

On December 9, designed to further increase share liquidity and adjust the price quoted in the market to a more attractive level for trading, approval was given at the Extraordinary General Meeting for a 2-for-1 stock split whereby stockholders received two new shares for each share of the same type held at that date.

Approval was also given at the same meeting to increase the Bank's capital by R\$ 700 million, with the issue of 17.5 million new shares at a unit price of R\$ 40,00, through a private subscription during the period from December 27, 2004 thru January 27, 2005, or 3.688612594% of the share position at the date of the meeting, considering the stock split. The amount will be paid up in cash on February 15, 2005, the date of payment of the supplementary interest attributed to own capital for the second half of 2004 and at an amount in excess of the subscription.

R\$ 7.553 billion was traded in Bradesco shares during the year at BOVESPA, corresponding to 8.273 million common shares and 122.832 million preferred shares.

R\$ 3.898 billion was traded as ADR in the US market, representing 79.323 billion of the Bank's preferred shares.

5. Operating Performance

5.1. Funding and Portfolio Administration

At the end of the year, overall funding obtained and managed by the Bradesco Organization totaled R\$ 265.383 billion. As a whole, the Bank manages 15.700 million checking accounts and has 19.46% of the Brazilian Savings and Loan System - SBPE. Funds obtained grew by 10.19%, as compared to the prior year:

R\$ 91.530 billion in demand, time and interbank deposits, other deposits, open market and savings accounts.

R\$ 99.640 billion in managed assets, comprising investment funds, managed portfolios and third-party fund quotas.

R\$ 33.292 billion in foreign exchange portfolio, borrowings and onlendings, own working capital funds, collection and tax and utility collections and similar, as well as funds from the issuance of securities and local subordinated debt.

R\$ 33.632 billion recorded in technical reserves for insurance, private pension plans and premium bonds, a growth rate of 27.35% compared to the prior year.

R\$ 7.289 billion in foreign resources through public and private issues, subordinated debt and securitization of future financial flows, corresponding to a total of US\$ 2.746 billion.

5.2. Credit Operations

Bradesco, as part of a specific effort to provide accessible credit to all customer income brackets, expanded and diversified its offer of financing through direct operations and partnerships with market agents and as result increased its leadership position among Brazil's private institutions. We highlight the microcredit and payroll consigned credit lines available throughout the Branch and Banco Postal Networks, which contributed towards extending the scope of operations.

R\$ 62.788 billion at the end of the year in consolidated credit operations, including advances on foreign exchange contracts and leasing operations, a growth rate of 15.55% for the year.

R\$ 4.145 billion comprised the consolidated balance of the allowance for loan loss, corresponding to 6.60% of the total volume of credit operations.

Housing Loans

With a positive repercussion in the creation of jobs and income, housing loans occupy an important position in the Bank's strategy. The substantial volume of funds and the significant number of end borrowers illustrate the scope of the activities and the support provided by Bradesco to the civil construction industry.

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R\$ 1.157 billion of funds released to this area for the construction and purchase of 9,653 properties.
Onlending Operations

As a result of its dynamic presence in the economic scenario, in 2004, the Bradesco Organization maintained its leadership ranking out of the institutions responsible for onlending funds from the National Bank for Economic and Social Development (BNDES), with a volume of R\$ 3.318 billion, in 17,155 contracts, corresponding to a 15.26% share of all transactions in this system, an increase of 20.88% compared to the prior year. In the micro, small and medium business segment, Bradesco achieved a record: first place in the volume of onlendings released, in the amount of R\$ 2.069 billion, corresponding to 17.18% of the total system.

R\$ 7.219 billion in onlendings at the end of the year, granted as a priority to small and medium businesses, with 70,790 contracts registered.
Agricultural Loans

Traditional partner of activities carried out in the agricultural and livestock raising sector, Bradesco maintained its important incentives given to crop production, processing and distribution cycles. Support is also provided for improving product quality and productivity, directly affecting Brazil's capacity to compete, especially on an international level.

R\$ 6.082 billion of investments in agricultural loans at the year-end, comprising 73,831 transactions.
Consumer Sales Financing

As part of its important actions in this segment over the years, Bradesco provides incentives to productive chain growth, injecting a substantial portion of funds into the economy, with an expressive role in operations designed to assist assembly plants, dealerships and consumers in the production and acquisition of new and used vehicles. Accordingly, the Organization contributes to making credit accessible to all, creating new jobs and income and with a positive impact on the generation and circulation of wealth.

R\$ 17.349 billion was the balance of operations directed to consumer sales financing.
5.3. Capital Market

Bradesco's distinguished position in the capital market is based on its offer of the best alternatives for corporate capitalization and expansion.

During the year, Bradesco coordinated 59.45% of the volume of all issues registered with the Brazilian Securities Commission (CVM), acting as an important intermediary in the public placement of shares, debentures and promissory notes as well as in other special transactions.

R\$ 12.488 billion of primary and secondary transactions with shares, debentures and promissory notes coordinated by Bradesco in 2003.

9 special transactions, including credit assignments, investment funds in mergers and acquisitions, project finance and corporate and financial restructurings, concluded with the support of advisory services provided by Bradesco in 2004.

6. Market Segmentation

The segmentation of activities implemented over the last 2 years proved to be an efficient strategy. Different sized individual and corporate customers receive differential treatment and products and services designed to attend specific demands. This strategy offers the Bank greater flexibility and competitiveness, with increasing productivity gains and business agility.

6.1. Bradesco Corporate Banking

With its own Platform structures distributed throughout Brazil's major cities, this service forms part of a specialized customer relationship model, the management of which incorporates the best customer services offered to economic groups with billings in excess of R\$ 180 million. The principle of this partnership is a solid differential and is reflected in the integration of the corporate, agribusiness, Asian and Euro desk areas.

R\$ 57.352 billion of total funds managed by this area, which comprises 1,304 economic groups.
6.2. Bradesco Empresas (middle market companies)

Operating in the strategic middle market segment and coordinating the Bank's commercial relationship with corporate customers whose annual billings range from R\$ 15 million to R\$ 180 million. In cooperation with the Bank's other sectors, this area is focused mainly on developing product packages which are compatible with each customer's potential.

6.3. Bradesco Private Banking

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This area's mission is to provide a personalized service to high-income individual customers with minimum available funds for investment of R\$ 1 million, providing financial advice as to the best local and foreign capital market investment alternatives.

6.4. Bradesco Prime

At December 31, 2004, there were 177 Bradesco Prime Branches and 69 exclusively reserved customer service areas in conventional branches. This area is designed to provide a personalized customer service to individuals with a monthly incomes in excess of R\$ 4 thousand or in excess of R\$ 50 thousand available for investment.

6.5. Retail Bradesco

Bradesco's retail activities form a meeting point for Bradesco and the Brazilians. In line with this vocation, nurtured from its very beginnings, the Bank offers a quality customer service to all income brackets of the population, regardless of social class or income. This is the segment which forms the Organization's central pillar and its most traditional field of activities and reflects the efforts made to ensure that its banking services and products are accessible to all.

6.6. Banco Postal

Result of the partnership entered into between Bradesco and the Post Office Network (Correios), in addition to its recognized importance for local populations, Banco Postal has also become an essential outlet for Bradesco customers who need to carry out their banking business from different locations within Brazil. It is also highly conducive to market expansion, providing an opportunity for including new financial service consumers from regions that still have no banking network.

7. International Area

The foreign trade and exchange areas offer expert advice and a complete range of banking services. The area comprises 12 specialized units and 7 service outlets in Brazil, branches in New York, Grand Cayman and Nassau, Bahamas, as well as subsidiaries in Buenos Aires, Nassau and Luxembourg and an extensive international correspondent network.

R\$ 4.797 billion in advances on foreign exchange contracts at the year-end, for a portfolio of US\$ 3.078 billion in export financing.

US\$ 525.693 million of import financing in foreign currency.

US\$ 20.031 billion in purchases of forward export contracts, 29.71% more than in 2003.

US\$ 1.456 billion in medium and long-term public and private placements in the international market.

8. Organizational Structure

8.1. Bradesco Customer Service Network

Based on a comprehensive and contemporary structure, which extends nationwide, the Bradesco Organization's Customer Service Network plays a decisive role in extending banking services to all income brackets.

The Bradesco Branches are both practical and efficient, offering modern self-service lobbies which operate over extended business hours and which are equipped with a different terminals designed to save time and facilitate customer transactions. Bradesco Prime Branches on their own premises, or operating in VIP lobbies installed in conventional branches, offer customers a differentiated treatment in an exclusively reserved environment. Similarly, middle market companies are served by Bradesco Empresas, another benchmark in terms of quality and expertise.

The Bradesco Day and Night ATM Network, located at strategic points throughout Brazil, comprised by 21,822 terminals, 19,239 of which also operate at weekends and on bank holidays, offer speedy and practical access to a wide range of products and services.

Bradesco Internet Banking, with its advanced technology and permanent expansion program, has more than 6.394 million registered users who can access the website directly from their offices, homes or anywhere they happen to be in the world. Launched in 1996, this pioneer service currently provides access to 445 (255 for consumer customers and 190 for corporate customers) types of transactions, with a total volume of 333.622 million transactions per year.

Bradesco Net Empresa, an exclusive service for corporate customers, ensures that their banking transactions are carried out in a completely secure environment through the use of digital certification and electronic signatures. Their online connection with the Bank, has given

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companies a new ally for optimizing the financial management of their businesses, facilitating the movement of checking and savings accounts, payments, collections and a number of other transactions. At December 31, there were more than 284,230 companies registered.

Also via Internet, Bradesco ShopInvest permits online stock exchange investments, with real time quotations and, among other functions, investments and redemptions, simulations, acquisition of savings bond certificates, supplementary pension plans and all the information investors need to monitor the financial markets.

At ShopCredit, Bradesco's Financing and Loan website, visitors can access a complete portfolio of credit lines offered by the Bank. The products are divided for consumer or corporate customers with full details on each option and a simulator can be used to calculate amounts and terms in different areas, such as personal credit, current-account overdraft facilities, consumer sales financing (CDC), leasing, housing loans, agricultural loans, FINAME (industrial machinery and equipment) lines and auto insurance.

Fone Fácil Bradesco (Bradesco Easy Phone Service), permanently focused on customer service excellence, offers information and banking services via telephone with ease, speed and security. During the year, 240.671 million calls were received and 1.875 million items sold in the pursuit to transform every contact into a business opportunity.

During the year, Bradesco launched its Government-centric website focused on attending the expectations of the executive, legislative and legal powers at federal, state and municipal level. As well as the institutional content covering the Bank's products and services, offering payment and receipt solutions in the Human Resources and Treasury areas, the website also offers access to Bradesco Net Empresa.

The magnitude of the Bradesco customer service structure is reflected by the average 11.643 million transactions carried out daily by customers and other users, 2.472 million of which through our teller windows and 9.171 million (78.77%) through the Bank's service channels, in particular, the Bradesco Day and Night Self-service Network, Internet and Fone Fácil.

In 2004, investments for expanding the Bradesco Organization's functional capacity and its IT and telecommunications infrastructure, totaled some R\$ 1.532 billion. At the same time, through the program implemented to dispose of non-operating assets, mainly at public auctions, the Bank raised approximately R\$ 349.306 million, generating both administrative gains and maintenance cost savings.

At December 31, the Bradesco Organization Network comprised 12,766 customer service outlets including:

3,004	Branches in Brazil (Bradesco - 3,003 and Banco Finasa - 1).
6	Branches abroad, 1 in New York (Bradesco), 4 in Grand Cayman (Bradesco, BCN, Mercantil and Banco Boavista) and 1 in Nassau, Bahamas (Boavista).
6	Subsidiaries abroad (Banco Bradesco Argentina S.A. in Buenos Aires, Banco Bradesco Luxembourg S.A. in Luxembourg, Boavista Banking Ltd. in Nassau, Bradesco Securities, Inc. in New York, Bradesco Services Co., Ltd. in Tokyo and Cidade Capital Markets Ltd. in Grand Cayman).
5,383	Banco Postal branches.
2,301	Banking service posts and outlets in companies.
1,945	Outplaced terminals in the BDN - Bradesco Day and Night Network.
166,767	Branches of Finasa Promotora de Vendas, present in 14,105 vehicle dealerships and in 18,582 stores selling furniture and home decor, tourism, auto parts and IT related equipment and software, DIY, clothing and footwear, among others.
8.2.	Alô Bradesco (Hello Bradesco)

Forming a direct and open channel with the public, this service facilitates the ongoing improvement of the Bank's customer relationships, based on the suggestions and complaints received in relation to the Organization's products and service. Since its creation, prior even to the introduction of the Brazilian Consumer Defense Code, this services has proved to be an instrument of important strategic value, capable of detecting trends and anticipating solutions compatible with the constantly changing market.

166,767 calls received from customers in 2004.

9. Products and Services

9.1. Bradesco Cards

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Associated with Visa International, Bradesco has increased its share of this segment, developing the most complete line of services of this kind in Brazil. Bradesco also offers cards under the MasterCard banner, renown for the wide range of benefits and facilities offered to holders. We highlight that the Bank consolidated its position as one the main commercial card issuers in Brazil and is sole leader in the Visa segment.

The network accredited by the Visa System in Brazil, comprising 737 thousand commercial establishments, is managed by Companhia Brasileira de Meios de Pagamentos - Visanet, in which Bradesco has a 39.71% stake. In 2004, Visanet processed R\$ 72.386 billion in transactions, including both credit and debit card bills, a 30.69% growth compared to the prior year.

In Brazil, Bradesco is abreast of the worldwide trend for issuing chip-embedded smart cards, using latest generation market technology and security. In addition, the Bank has launched a new generation of Credit Cards including the Bradesco Visa MiniCards, which are 43% smaller than the traditional credit card, the Cred Mais card for company employees whose salaries are paid via the Bradesco payroll service, offering more attractive interest rates for revolving credit and the Private Label cards for the exclusive use of customers of specific retail stores, designed to leverage business and build customer loyalty for the corresponding commercial establishments. Bradesco is also launching the Day-to-Day card for customers with incomes in excess of the minimum wage.

In the area of small, medium and large businesses, the Bank launched two more new products in 2004: Bradesco Centralized Account Card, for managing and controlling expenses with air tickets and the Business and Corporate Cards, both under the MasterCard banner, increasing the range of customer options.

Visa Vale, a company engaged in the benefits-voucher sector, and which is % owned by Bradesco, exceeded the important mark of one million cards for payment of food and meals under the Workers Food Program PAT.

Bradesco Credit Cards are also accepted in the International Visa and MasterCard Networks, which comprise more than 20 million commercial establishments and services worldwide in 130 countries.

R\$ 20.910 billion of total annual billings for the Bradesco Organization Cards, of which R\$ 11.477 billion comprised Credit Cards and R\$ 9.433 billion comprised Bradesco Visa Electron Debit Cards.

R\$ 46.380 million Credit and Debit Cards, a growth rate of 12.90% as compared to 2003, of which 7.622 million are Credit and 38.758 million are Debit cards, comprising respectively 14.75% and 46.35% of the market.

R\$ 3.095 billion in assets derived from card business, including installment purchases, financings and pre-paid receivables, an increase of 16.29% as compared to the balance in December 2003.

R\$ 1.069 billion in commissions and fees, including commercial establishment commission, annual fee and card protection services for members.

9.2 Receipt, Collection and Payment Solutions

Determined to offer best quality market products and services, Bradesco, combining state-of-the-art technology and its extensive Customer Service Network, offers its customers safe and simple online solutions for all their transactions involving receipts, payments and cash transfers.

Collection, account and payment products comprise a range of options designed to assist companies in the management of their accounts receivable and payable. Innovative processes for the settlement of taxes, duties and contributions are seamlessly integrated with the different Government Departments in the federal, state and municipal spheres and with public utility concessionaires, ensuring increased efficiency in the collection and paying over of funds. At the same time, the Bank offers retirees and pensioners the ease and convenience of receiving their benefits paid by the National Institute of Social Security through its advanced technology structure.

R\$ 812.566 billion transacted by the Bradesco online collection, check custody, identified deposit and OCT (tele-processed credit order) products, during the year, corresponding to 854.123 million documents processed.

R\$ 401.458 billion in payments made through 111.095 million transactions in 2004 via Pag-For Bradesco - Computer-Registered Supplier Payment and Net Empresa PTRB (online tax payment), facilitating the management of Accounts Payable for more than 288 thousand companies.

R\$ 98.756 billion collected during the year in federal, state and municipal taxes and other contributions, comprising 72.038 million documents processed.

R\$ 5.341 billion in consolidated CPMF collected, corresponding to 20.20% of the total amount of this contribution, evidencing the significant volume of financial resources handled by the Organization.

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R\$ 19.392 billion received in electricity, water, gas and telephone bills, comprising 131.677 million documents processed. Of this amount, 50.683 million were paid via Automatic Debit to Current Accounts and Savings Accounts, through a system which is both convenient and practical for customers.

R\$ 22.691 billion paid to more than 4.443 million Social Security retirees and pensioners, 19.52% of all those registered with the INSS (National Institute of Social Security), in 44.372 million transactions via the Instant Benefits Payment Card and account credits.

9.3. Stock, Custody and Controllership Services

High-quality services, including custody of securities, controllership, funds for receivables, DR-Depository Receipt and BDR-Brazilian Depository Receipt, as well as registrar services for stocks, debentures and investment fund quotas are offered to customers using an appropriate infrastructure and specialized personnel.

Registrar services

164 Companies comprise the Bradesco book-entry computer-registered share system, with 2.481 million shareholders

39 Companies comprise the Bradesco book-entry debentures system with a current total of R\$ 18.179 billion.

17 Investment funds comprise the Bradesco book-entry quota system with a current total of R\$ 1.081 billion.

2 Registered BDR Programs, with a market value of R\$ 247.697 million.

Custody and Controllership Services

R\$ 141.250 billion in assets under custody for ___ customers using the Bradesco Custody services (funds, portfolios, DR and funds for receivables).

R\$ 225.296 billion in total net assets of the 647 investment funds and managed portfolios using the Bradesco Controllership services.

9 Registered DR Programs, with a market value of R\$ 30.376 billion.

10. Bradesco Companies

10.1. Bradesco Insurance Group

Managed by Bradesco Seguros S.A., the Bradesco Insurance Group occupies the leadership position among all groups operating in this segment in Latin America. With an outstanding presence in the insurance, supplementary pension fund and savings bond areas and a vast track record in the launching of new and improved products, the Group's image is intrinsically associated with innovation.

R\$ 88.997 million of net income earned by the Bradesco Insurance Group for 2004, with a return of 29.20% and stockholders' equity of R\$ 3.041 billion.

R\$ 37.369 billion in unrestricted investments, and those used to cover technical reserves in the insurance, private pension plan and savings bond areas.

R\$ 14.031 billion of net revenues from insurance premiums and private pension fund contributions.

R\$ 1.358 billion in savings bond billings, with prizes distributed totaling R\$ 51.247 million for 1,952 winning bonds out of a year-end total of 31.848 million registered bonds.

R\$ 40.558 billion in total assets in the insurance, private pension plan and savings bond areas.

10. 2. BRAM - Bradesco Asset Management S. A. DTVM

Specialized in the management of third-party funds, BRAM attends a number of different market segments, including Bradesco Prime, Bradesco Empresas, Corporate and Private Banking, Retail and Institutional Investors.

2.684 million investors in 507 funds and 105 managed portfolios at December 31, 2004, corresponding to R\$ 98.107 billion.

10.3. Banco Finasa S.A.

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This is the Bradesco Organization's consumer sales financing arm, complementing Bradesco's Direct Consumer Credit and Personal Credit operations. Focusing on the direct relationship with vehicle dealerships and stores which sell other durables and semi-durables and services, the Bank operates through the intermediation of Finasa Promotora de Vendas Ltda., its wholly owned subsidiary.

R\$ 342.253 million of net income for the year

R\$ 10.300 billion in consolidated assets, up by 86.90% compared to December 2003.

R\$ 8.114 billion in credit operations, up by 56.90% compared to December 2003.

10.4. Bradesco Leasing

Specifically focused on vehicles, machinery and equipment, and experienced in the structuring of operating agreements with manufacturers and dealerships.

R\$ 1.660 billion was the balance of leasing transactions at December 31, 2004, with 11,504 transactions contracted during the year.

27,116 lease agreements in force at the year-end, evidencing the wide distribution of the business.

10.5. Bradesco S.A. Corretora de Títulos e Valores Mobiliários

Over the years, the Corretora has consolidated its important presence at the BOVESPA stock exchange trading sessions and expanded its online home-broker transactions. In the Mercantile and the Futures Exchange (BM&F), the Corretora was ranked among the best performing institutions.

In conjunction with the Bank's Economic Area, the Corretora offers an investment analysis service, as well as acting as a representative of non-resident investors in Brazil in transactions carried out in the financial and capital markets, in the management of investment clubs and in custody services for individuals and non-institutional legal entities.

Structured to facilitate the participation of small investors in the stock market, its exclusive Automatic Share Trading System (SANA) permits the purchase and sale of stock in small lots via computer terminals available throughout the Bradesco Customer Service Network. This system can also be used for the intermediation of public offerings of shares.

R\$ 16.462 billion traded by Bradesco Corretora at the BOVESPA corresponding to 461,258 buy and sell orders for 120,435 investors during the year.

2.856 million contracts traded at the BM&F, corresponding to a financial volume of R\$ 315.775 billion.

R\$ 1.375 billion traded via Home Broker, corresponding to 232,200 buy and sell orders;

27,781 registered investors at December 31, 2004.

11,426 registered customers in the Custody Portfolio at December 31, 2004.

10.6. Bradesco Consórcios Ltda. (consortium purchase plan system)

Designed to sell consortium quotas for the purchase of light and heavy vehicles and real estate, Bradesco Consórcios commenced its activities in January 2003, securing over this short period of time the confidence of a significant number of customers. The sale of quotas through the extensive Bradesco Customer Service Network, associated with the security and credibility of the Bradesco mark, is an important competitive differential, reflected in the preference of an increasing number of consortium plan members.

150,170 quotas sold up to December 31, securing first place for Bradesco in the real estate segment.

R\$ 4.322 billion in billings for the year.

11. Corporate Governance

The modern corporate governance practices adopted by the Bradesco Organization have contributed to improving its relationship and transparency with investors, as well as its performance in all of its activity segments. Various initiatives have been adopted to date, such as: tag-along rights in the proportion of 100% for common shares and 80% for preferred shares; codes for corporate ethics and business sector ethics in the areas of accounting and financial management; a disclosure policy instrument for significant acts or facts and securities trading; the

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presence of two independent members on the Board of Directors; the progress in the transparency of information reported to the market, published in three languages, Portuguese, English and Spanish; the disclosure, audit, internal controls/compliance and remuneration committees and more recently Bradesco's adherence to the Equator Principles.

As from June 2001, Bradesco shares are included in the BOVESPA's Level 1 Corporate Governance index. Moreover, since Bradesco's shares are traded in foreign stock exchanges, the Bank also prepares its financial statements in accordance with generally accepted US accounting principles (US-GAAP).

We stress that during the year, no non-audit services were contracted by the Bradesco Organization or provided by KPMG Auditores Independentes for an amount which exceeds 5% of the total external audit costs. This policy complies with the principles designed to maintain the independence of external auditors as follows: auditors should not audit their own work, nor exercise management functions for their clients, nor promote the interests of such clients. Each external audit is contracted for a maximum five-year period pursuant to Brazilian Central Bank regulations.

At the Ordinary General Meeting of March 10, 2004, approval was given to maintain the Fiscal Council comprising 3 full members and 3 alternates with terms through 2005, with one full member and his/her alternate elected from among the preferred stockholders.

11.1. Internal Controls and Compliance

The Internal Controls and Compliance system is subordinated to the guidance and supervision of the Board of Directors and is an important instrument in the management of all business activities, designed principally to ensure compliance with legal and regulatory standards, guidelines, plans, procedures and internal rules and to minimize risk of losses and damage to the Organization's institutional image. The Board is also responsible for analyzing and approving the Compliance Reports prepared by the Internal Controls and Compliance Committee.

In addition, measures are being taken to ensure that Bradesco complies with the rules established in Section 404 of the U.S. Sarbanes-Oxley Act, which addresses the certification of the financial statements and related internal controls.

11.2. Information Transparency and Disclosure Policies

During the year, as part of its investor relations strategy and market relationship in general, Bradesco organized 82 internal and external meetings with analysts, 5 conference calls and 9 presentations abroad. In addition, the Organization publishes as quarterly Report on Economic and Financial Analysis, a detailed compilation of the information most commonly requested by area specialists.

All significant related information concerning the Bradesco Organization is available in the Investor Relations Sections of the Bradesco website at www.bradesco.com.br including, for example, profile, background, share structure, management reports, earnings reports, latest acquisitions, market analyst meetings (APIMEC and ABAMEC), and other information on the financial market in Portuguese, English and Spanish.

The Bank distributes a monthly customer news bulletin called *Cliente Sempre em Dia* with a circulation of 1 million copies, as well as a quarterly bulletin called *Acionista Sempre em Dia* for stockholders, magazine called *Revista Bradesco Rural*, for readers in the agribusiness area, with a circulation of 20 thousand copies each, and the *Revista Bradesco* with a circulation of 70 thousand copies, which also focuses on Bradesco's external public.

12. Risk Management

Fully independent and directly subordinated to an Executive Officer and the Bank's President, the management of risks involves an integrated series of controls and processes, covering credit, market and liquidity, as well as operating risks. As a matter of principle, the Organization adopts a conservative policy in terms of exposure to risk, whereby policies and limits are defined by Senior Management, including risks directly affecting its minimum capital requirement.

12.1. Credit Risk

At Bradesco, the management of credit risk is based on best market practice and complies with the rules proposed in the New Basel Accord, which require a high level of discipline and control in the analysis of the transactions carried out, safeguarding process integrity and independence. Risk management involves a permanent and continuously developing process designed to map, check and diagnose the models, instruments, policies and procedures in place, based on studies and analyses compatible with the Organization's reality.

12.2. Market and Liquidity Risk

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The Organization's market risk management policy is conservative and limits (based on Value at Risk Methodology) are defined by Senior Management and monitored independently every day. On a complementary basis, the liquidity risk management policy is designed to ensure that the Organization is able to settle transactions in a timely and secure manner, through a series of controls, the establishment of technical limits and the ongoing assessment of the positions assumed and financial instruments used. Both market and liquidity risks are monitored, checked and managed using models aligned with best local and international market practices and with the recommendations and standards established by the regulatory agencies.

12.3. Operating Risk Management

The Organization operates in conformity with the principles of good management practices established by the Basel Committee for operating risk management, as well as the guidelines contained in the New Capital Accord (Basel II). The Organization's Operating Risk Management process is based on the dissemination of the Bank's culture, disclosure of policies, implementation of methodologies, models and own instruments designed to increase operating efficiency and its competitive edge, arising from the decrease in operating loss levels and the optimization of the economic and regulatory capital to be allocated.

It has its own accounting structure which is segregated to facilitate the exclusive recording of loss events and also a specific management system which supports the detailed, streamlined analyses of operating risk information.

12.4. Information System Security

The Corporate Information Security Policy and Guidelines are designed to protect the Bank's information assets, including its databases, IT environments, documents, files, system backups and system and information access controls, protection in generating and transmitting data, and other security management tools. Restricted data and information which is of exclusive interest to customers, as well as the Organization's strategic information, is treated internally with strict secrecy and fully protected by internal controls and IT systems. To ensure procedure compliance, ongoing staff training, awareness and policy review programs are maintained.

12.5. Credit Policy

In addition to its pursuit of security, quality and liquidity in the investment of assets, the Organization's credit policy is also designed to minimize risks and offer agile and profitable business, as well as guiding the setting of operating limits and granting of credit.

As part of this system, the Branches operate within varying limits based on their size and the type of guarantees, while the specialized credit scoring systems facilitate and support the approvals process, based on security standards. The credit committees located at the Bank's headquarters also play an important role, centralizing, analyzing and authorizing credit operations at amounts above the branch limits.

Operations are diversified, dispersed and focused on individuals and businesses with sound payment capacity and integrity and are secured by underlying guarantees which are deemed sufficient to cover the risks assumed.

12.6. Money Laundering Prevention

The Bradesco Organization maintains a policy for the prevention and combat of money laundering in compliance with the legislation and regulations in force. The Compliance structure has a specific area responsible for managing and monitoring all transactions and financial activity carried out in its business environment.

The Bank's know-your-customer policy, supported by constantly improved systems for monitoring and identifying unusual transactions, is specifically designed to prevent possible use of the Organization in money laundering practices.

These measures, in conjunction with specific analyses, guarantee full compliance with the policies established by Senior Management and ensure that the Institution, its directors, stockholders, customers and employees are protected.

13. Marketing

Bradesco commenced 2004 as the exclusive sponsor of the Picasso Exhibition, one of the main events in commemoration of the city of São Paulo's 450th anniversary, which brought 125 works of art from the Picasso Museum in Paris and attracted a visiting public of more than 900 thousand. During the period the exhibition was on show, Bradesco aired its commercials and advertisements, as well as organizing an open air exhibition reproducing some of the artist's most famous works displayed on gigantic panels. On an institutional level, the Bank continued its campaign called Debates, showing the facilities offered by Bradesco, with 3 films in addition to the previous trio produced in 2003. This proposal strengthened Bradesco's image as the best choice for customers.

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As one of the sponsors of the transmission of the Olympic Games by the Globo TV Network, Bradesco aired thematic commercials and spots associating the Bradesco mark with different types of sports.

During the year, a number of actions were put into place strengthening the Bank's segmentation strategy. For example, the slogan "Bradesco Prime matches you perfectly in every way" highlights Bradesco Prime's personalized customer service with a campaign using different ads for the female and male public. Another effort addressed Bradesco Empresas with advertising material focused on the concept of productive cycle relationships.

The Bank also launched a number of other product and service campaigns, among which we highlight promotional drives for Bradesco Credit and Debit cards, Internet Banking and Bradesco Vida e Previdência, supplementary pension plans. Another campaign focusing the Investment Account was launched and aired in cinemas nationwide. In the credit area, the Bank used humor in an unprecedented campaign designed to foment the demand for credit via Bradesco Multipurpose Credit.

836 regional, industry and/or professional events, including business fairs, seminars, conventions and cultural and community events throughout Brazil, received support from Bradesco.

14. Recognition

Ratings In 2004, Bradesco's ratings were the highest attributed to Brazilian Banks by the national and international rating agencies: Austin Rating, Fitch Atlantic Ratings, Moody's Investors Service, SR Rating and Standard & Poor's.

Ranking Bradesco's leadership was highlighted by important national and international publications, including the following:

- Leader in payment of dividends out of banks from 9 different countries, ranked 1st and 2nd place in the list 2003 prepared by the consulting firm Economática.
- Best fund manager according to the consulting firm Risk Office and Investidor Institucional magazine.
- Leader for the sixth consecutive year out of a list of Brazil's 100 largest private business groups, according to Exame magazine's biggest and best guide, Guia Melhores e Maiores.
- Only Non-Government Brazilian company listed in Fortune Global 500.
- Best fund manager in Brazil, title awarded to the Bank, for the third year running, by the Guia Exame Best Investment Fund Guide.
- Ranked leader out of Latin America's 100 Biggest Banks according to the Latin Trade magazine.
- Best investment fund manager according to the Invest Tracker Estadão Best Manager ranking.
- Brazil's best investment manager for the second year in a row, according to the personal investment guide Guia Você S/A.

Awards Bradesco received 38 awards in 2004 which confirm, based on independent opinions, Bradesco's market leadership and the quality of the products and services offered, among which we highlight the following:

- Best Bank in Foreign Exchange Transactions, according to Global Finance magazine.
- Brazil's 100 Most-Wired Companies, rated 1st place for Cutting-edge Information Technology.
- Global Finance Award, given by Global Finance magazine for Best Consumer Internet Bank - Brazil.
- e-finance 2003 Award given by Executivos Financeiros magazine, highlighting: Internet Banking - Best Website Group and Banco Postal - Best Correspondent Bank Project.
- Animec Seal Award given by the National Association of Capital Market Investors.
- Quality Bank Award from Banco Hoje magazine.
- Best Listed Company Presentation for 2003, awarded by APIMEC's Northeast, Federal District and Southern chapters.

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ISO 9001/2000 Certification The Bradesco Organization ended the year with 81 products and services certified by this important quality accreditation, evidencing its commitment to providing increasing ease and convenience for customers and users in all of its initiatives.

15. The Bradesco Organization's Social Action Program

The Bradesco Foundation (Fundação Bradesco), present in all of Brazil's states and the Federal District, with an educational network comprising 40 Schools installed as a priority in regions which are both socially and economically deprived, provides formal education for children, young people and adults. The most recently built unit, with capacity to attend 2 thousand students, was opened in 2004, in Osasco, the municipality in which the Bradesco Organization is headquartered.

During the year, more than 107 thousand students received education free of charge, including those enrolled on its youth and adult education and basic professional training courses. Another important aspect of the Foundation's work, on a national level, is the provision of free meals, uniforms, school materials and medical/dental care to its more than 50 thousand pre, junior, middle and high school and technical/vocational training students.

For the last seven years, the pass rate has matched the best international pass rates 96%.

Over time, the Foundation's ties with Brazil's regional labor markets have strengthened constantly, through its courses focused on basic level vocational training. The Foundation's main feature, determined by specific community interests, is the qualification of participants to open up their own businesses or pursue better jobs in the employment market. Courses include among others, Printing Technology, Agriculture and Livestock Raising, Business Management, Information Technology, Fashion, Leisure and Development.

This combination of achievements extends even further as a result of the multiple partnerships entered into by the Foundation and which facilitate the implementation of special programs designed to provide access to latest-state knowledge for all income brackets of the Brazilian population. On such example is the alliance formed with Aban Informatics Limited for the use of educational software, based on animations and illustrations, in its junior and high schools, in the areas of physics, chemistry, biology and math. Emphasis should also be given to the Digital Inclusion project carried out in partnership with Microsoft, which trained some 7 thousand students free-of-charge at the Digital Inclusion Centers - CID.

The Virtual Classroom, Bradesco Foundation's e-learning architecture, created in partnership with NIIT and ABAN from India, will provide some 250 IT courses. At the same time, the Cisco Networking Academy Project, developed in partnership with Cisco Systems, is also recording significant figures: during the year, some 1,230 students were qualified to install, design and administrate computer networks.

In partnership with the Media Lab, MIT's research center, the Foundation develops projects which are basically designed to integrate technology with social issues, such as the "The City We Want" project which joins students and teachers in debates surrounding urban issues, in regular classes and special workshops, sharing ideas with schools and communities from different countries via the Internet. The program involves 28 Bradesco Foundation schools, in 24 states and the federal district. In 2004, innovations included the integration of researchers from institutions in developing countries.

Launched as a pioneer project seven years ago, the basic computer skills course for the visually impaired has qualified 5,400 students at 32 Foundation units and 35 partner Institutions. Using Microsoft Windows and the Internet, the project is recognized internationally for its practical content, one of the symbols of Bradesco's vocation for social integration.

The range of partnerships can be seen from various different angles. In the case of technology, the framework is completed by two far-reaching projects. One is the "Intel Education for the Future" program. This program is part of a worldwide initiative organized by Intel Semiconductors, designed to eliminate barriers against the use of technology as a learning tool. The second is the "Education for Social and Professional Inclusion" program which is designed to offer educational and professional qualification, in the IT area, to more than 800 thousand youths in partnership with the São Paulo State education authorities and the State Foundation for Child and Youth Welfare (FEBEM). The courses are given inside the FEBEM's correctional units and once qualified the internees are apt to work as monitors in the public school network.

With the Globo Group's Roberto Marinho Foundation, the Bradesco Foundation maintains a partnership, as co-founder of the TV Channel Futura, the Knowledge Channel, which is Brazil's first educational channel to be financed and managed entirely by private-sector initiative. At present, the channel has some 20 million viewers, evidencing the scope of an educational project which uses TV as its main tool for providing services and fostering social advancement.

Also in partnership with the Roberto Marinho Foundation, the Ministry of Justice and Funap - Fundação Professor Manoel Pedro Pimentel, in 2004, the Bradesco Foundation offered formal education at elementary grade level to more than 1000 prisoners at 20 penitentiaries in the State of São Paulo.

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Along the same lines, we highlight the Youth and Adult Literacy program Alfabetização Solidária, created in 1997 by the Comunidade Solidária Committee, which, in the North and Northeast regions of Brazil, is responsible for extending access to formal Youth and Adult Education. The Foundation's participation in this program ensures that some 9 thousand Brazilians learn how to read and write each year.

Emphasis should also be given to the Finasa Sports Project, created by the Organization, which maintains basketball and volleyball training centers, which in 2004, were used by some 3,800 young girls from 10 to 16 years of age.

A number of awards and distinctions confirm the scope and depth of the Bradesco Foundation's social actions, including environmental conservation. For example, we highlight the 2004 Super Ecology Award, in the Fauna category, given by Superinteressante magazine, for the Quelocan project, developed by high-school teachers and students from the Canuanã school in the State of Tocantins, designed to preserve a particular species of turtle which is in danger of extinction.

The Bradesco Foundation investments and activities are funded exclusively by resources from its own income and donations made by the Bradesco Organization Companies.

R\$ 156.656 million of total investments in 2004 and a budget for 2005 of R\$ 157.647 million to attend more than 107 thousand students.

R\$ 27.814 million in other investments in 2004 by the Bradesco Organization, in social projects for the communities focusing education, arts, culture, sports, healthcare, sanitation, hunger combat and food security.

16. Human Resources

Bradesco's ongoing staff training program plays a key role in the Organization's strategy, attending a headcount of 73,644 employees, of whom 62,013 are employed by Bradesco and 11,631 by the subsidiary companies.

The training and qualification programs, aligned with Bradesco's Human Resource policy, are maintained constantly up to date. These programs are essential for enhancing productivity, service quality and achieving the required level of competitiveness. Concentrated mainly in the operational, technical and behavioral areas, all participants received courses with the same standard of excellence.

Market demands, topics relating to the new economic scenarios and the requirements of latest generation technology are addressed in depth by the specialized instructor teams, with support from an appropriate infrastructure. With more than 111 thousand employee participations during the year, Treinet, Bradesco's online internet training program, provides the opportunity for employees to acquire up-to-date professional knowledge via distance learning.

Bradesco's Management Development Programs provide extension courses and permanent learning through partnerships established with Consulting Firms, Universities and Business Schools in the areas of economics, business administration and law and also at post-graduate level.

Internal communication channels at Bradesco also play an important role in the dissemination of information, concepts, different market strategies, moral values and working environment enhancement and include among others, the Interação magazine, which is sent personally to each employee and the Sempre em Dia news bulletin which is published daily. As part of the same philosophy, TV Bradesco contributes at all levels to prepare, integrate and motivate the Organization's staff.

The welfare benefits designed to improve the quality of life, well being and safety of the Organization's employees and their dependents, covered 178,361 persons at the end of the year. Highlights include the following:

- Medical and Hospitalization Plan
- Dental Assistance Plan
- Supplementary retirement and pension plan
- Group life and group personal accident insurance policies
- Group automobile insurance policy

Based on a survey carried out among the Organization's staff, Bradesco was ranked for the 5th time in Guia Exame's Best Companies in which to Work guide and for the second year running among the 50 Best Companies for Women Employees, published in the special September 2004 edition of Exame magazine. Bradesco was also rated 1st place among companies with more than 15 thousand employees, as Best People Management Company, prepared by the newspaper Valor Econômico and the Hay Group, which interviewed more than 2000 employees. These awards confirm the motivation of our employees with their workplace, the efficiency of the leadership model used, the benefits offered and the opportunities for personal and professional development by all at the Organization. The following points were highlighted during the surveys.

R\$ 52.592 million invested in Training Programs with 467,215 employee participations.

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R\$ 475,119 million spent on the Meals Program, with 97,198 thousand light meals served and 74,102 meal vouchers supplied daily.

3.427 million medical and hospital consultations during the year.

725.049 dental consultations.

This year's achievements evidence our highly productive work and consolidate our leadership positions, sowing the seeds that will motivate us to surpass future goals in the pursuit to obtain increasingly consistent results. These results project a vision of the future which is perfectly tuned to addressing new and challenging demands. With these credentials, Bradesco reaffirms its ongoing commitment to contribute to the goals of progress and well-being for the Brazilian Nation.

Cidade de Deus, January 28, 2005

Board of Directors and
Board of Executive Officers

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Balance Sheet at December 31 - In thousands of reais

Assets	Bradesco		Consolidated Bradesco	
	2004	2003	2004	2003
Current assets	100,625,228	99,765,662	140,075,440	138,679,558
Funds available (Note 8)	2,582,410	2,191,480	2,639,260	2,448,426
Interbank investments (Notes 3b and 9)	28,952,636	37,345,577	21,587,093	31,374,994
Open market investments	16,526,159	27,894,620	15,667,078	26,753,660
Interbank deposits	12,428,460	9,450,957	5,921,998	4,621,334
Provision for losses	(1,983)	-	(1,983)	-
Securities and derivative financial instruments (Notes 3c, 3d, 10, 33b and 33c)	10,721,599	9,971,314	48,743,562	43,537,442
Own portfolio	1,632,668	3,800,342	39,728,754	36,052,706
Subject to repurchase agreements	3,409,541	1,823,897	3,409,541	2,492,111
Derivative financial instruments (Notes 3d and 33c)	449,901	361,489	314,834	196,013
Restricted deposits - Brazilian Central Bank	4,279,088	2,545,405	4,279,088	3,017,797
Privatization currencies	13,880	23,946	13,881	88,058
Subject to collateral provided	935,681	1,416,235	997,464	1,690,757
Unrestricted notes subject to purchase and sale commitments	840	-	-	-
Interbank accounts (Note 11)	15,728,621	12,743,720	15,792,017	13,670,080
Unsettled payments and receipts	22,145	12,182	22,075	20,237
Restricted deposits:				
- Brazilian Central Bank	15,682,386	12,716,803	15,696,154	13,580,425
- National Treasury - rural funding	578	578	578	578
- National Housing System - SFH	18,419	13,319	40,235	49,114
Correspondent banks	5,093	838	32,975	19,726
Interdepartmental accounts	145,123	495,279	147,537	514,779
Internal transfer of funds	145,123	495,279	147,537	514,779
Credit operations (Notes 3e, 12 and 33b)	30,270,420	21,608,969	35,406,880	27,948,952
Credit operations:				
- Public sector	335,765	5,802	335,765	21,213
- Private sector	32,465,921	23,786,049	37,765,766	30,579,732
Allowance for loan losses (Notes 3e, 12f and 12g)	(2,531,266)	(2,182,882)	(2,694,651)	(2,651,993)
Leasing operations (Notes 2, 3e, 12 and 33b)	-	-	996,535	749,970
Leasing receivables:				
- Private sector	-	-	1,912,150	1,650,450
Unearned lease income	-	-	(864,094)	(832,633)
Allowance for leasing losses (Notes 3e, 12f and 12g)	-	-	(51,521)	(67,847)
Other receivables	11,973,613	15,294,760	13,874,197	17,711,364
Receivables on guarantees honored (Note 12a-2)	811	589	811	624
Foreign exchange portfolio (Note 13a)	7,336,806	10,916,404	7,336,806	11,102,537
Income receivable	1,150,502	895,025	190,968	329,984
Negotiation and intermediation of securities	296,715	350,463	357,324	602,020
Insurance premiums receivable	-	-	988,029	889,276
Sundry (Note 13b)	3,326,327	3,224,517	5,143,296	4,898,310
Allowance for other losses (Notes 3e, 12f and 12g)	(137,548)	(92,238)	(143,037)	(111,387)
Other assets (Note 14)	250,806	114,563	888,359	723,551
Other assets	211,243	188,251	460,864	555,391
Allowance for losses	(120,296)	(103,711)	(224,144)	(244,146)

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Prepaid expenses (Note 14b)	159,859	30,023	651,639	412,306
Long-term receivables	31,787,143	21,204,714	39,904,516	32,461,790
Interbank investments (Notes 3b and 9)	3,642,474	603,457	759,628	349,009
Interbank deposits	3,643,456	603,457	760,610	349,009
Provision for losses	(982)	-	(982)	-
Securities and derivative financial instruments (Notes 3c, 3d, 10, 33b and 33c)	9,553,114	7,500,329	13,678,096	10,267,338
Own portfolio	5,546,888	1,933,286	11,526,991	6,886,337
Subject to repurchase agreements	3,290,366	5,307,714	1,398,228	3,190,741
Derivative financial instruments (Notes 3d and 33c)	115,191	167,492	83,122	36,298
Restricted deposits - Brazilian Central Bank	233,475	91,837	233,475	91,837
Privatization currencies	10,267	-	68,606	-
Subject to collateral provided	356,927	-	367,674	62,125
Interbank accounts (Note 11)	161,618	142,534	295,085	342,757
Restricted deposits:				
- National Housing System - SFH	161,618	142,534	295,085	342,757
Credit operations (Notes 3e, 12 and 33b)	13,565,376	9,812,720	16,484,007	14,213,766
Credit operations:				
- Public sector	201,210	51,263	201,210	165,051
- Private sector	14,459,756	10,625,483	17,476,582	15,189,238
Allowance for loan losses (Notes 3e, 12f and 12g)	(1,095,590)	(864,026)	(1,193,785)	(1,140,523)
Leasing operations (Notes 2, 3e, 12 and 33b)	-	-	559,786	556,463
Leasing receivables:				
- Private sector	-	-	1,325,076	1,209,083
Unearned lease income	-	-	(712,596)	(605,901)
Allowance for leasing losses (Notes 3e, 12f and 12g)	-	-	(52,694)	(46,719)
Other receivables	4,647,239	2,886,275	7,790,395	6,387,401
Income receivable	-	-	6,152	1,080
Negotiation and intermediation of securities	-	-	-	523
Insurance premiums receivable	-	-	-	82
Sundry (Note 13b)	4,652,201	2,893,737	7,794,112	6,426,547
Allowance for other losses (Notes 3e, 12f and 12g)	(4,962)	(7,462)	(9,869)	(40,831)
Other assets (Note 14)	217,322	259,399	337,519	345,056
Other assets	-	-	16,410	31,603
Allowance for losses	-	-	(6,190)	(13,039)
Prepaid expenses (Notes 14b)	217,322	259,399	327,299	326,492
Permanent assets	17,538,316	19,917,934	4,946,512	4,956,342
Investments (Notes 3h, 15 and 33b)	15,389,848	18,266,277	1,101,174	862,323
Investments in subsidiary and associated companies:				
- Local	14,701,056	17,659,304	496,054	369,935
- Foreign	723,470	656,768	-	-
Other investments	82,802	57,994	971,311	857,985
Allowance for losses	(117,480)	(107,789)	(366,191)	(365,597)
Property and equipment in use (Notes 3i and 16)	1,348,180	1,222,393	2,270,497	2,291,994
Buildings in use	513,669	426,490	1,357,063	1,398,735
Other fixed assets	2,770,072	2,546,769	3,604,741	3,480,636
Accumulated depreciation	(1,935,561)	(1,750,866)	(2,691,307)	(2,587,377)
Leased assets (Note 16)	-	-	18,951	34,362
Leased assets	-	-	58,463	63,812
Accumulated depreciation	-	-	(39,512)	(29,450)
Deferred charges (Notes 2, 3j and 17)	800,288	429,264	1,555,890	1,767,663
Organization and expansion costs	1,968,908	924,572	1,268,436	1,124,058
Accumulated amortization	(1,168,620)	(495,308)	(738,738)	(572,620)
Goodwill on acquisition of subsidiaries, net of amortization (Notes 2, 3j and 17a)	-	-	1,026,192	1,216,225

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Total	149,950,687	140,888,310	184,926,468	176,097,690
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Liabilities and Stockholders' Equity	Bradesco		Consolidated Bradesco	
	2004	2003	2004	2003
Current liabilities	98,227,692	99,557,495	121,457,684	120,393,234
Deposits (Notes 3k and 18a)	55,259,593	43,699,653	53,120,608	45,129,749
Demand deposits	15,161,742	11,974,072	15,297,825	12,909,168
Savings deposits	24,782,646	21,370,959	24,782,646	22,140,171
Interbank deposits	2,489,211	2,070,056	19,499	31,400
Time deposits (Note 33b)	12,741,759	8,284,566	12,936,403	10,049,010
Other deposits	84,235	-	84,235	-
Deposits received under security repurchase agreements (notes 3k and 18a)	20,983,678	32,557,847	20,876,980	31,096,780
Own portfolio	6,291,538	4,807,391	6,238,699	4,965,528
Third-party portfolio	14,483,896	18,355,121	14,430,876	17,558,740
Unrestricted portfolio	208,244	9,395,335	207,405	8,572,512
Funds from issuance of securities (Notes 18b and 33b)	2,366,538	3,932,903	2,012,706	4,191,807
Mortgage notes	663,600	858,180	670,290	971,682
Debentures	-	-	-	7,291
Securities issued abroad	1,702,938	3,074,723	1,342,416	3,212,834
Interbank accounts	174,068	543,826	174,066	529,332
Unsettled receipts and payments	2	-	-	-
Interbank onlendings	-	174,296	-	159,098
Correspondent banks	174,066	369,530	174,066	370,234
Interdepartmental accounts	1,743,464	1,709,525	1,745,721	1,782,068
Third-party funds in transit	1,743,464	1,709,525	1,745,721	1,782,068
Borrowings (Notes 19a and 33b)	6,875,197	6,392,589	6,873,310	6,446,261
Local borrowings - official institutions	-	-	1,376	2,070
Local borrowings - other institutions	-	-	11,756	4,010
Foreign currency borrowings	6,875,197	6,392,589	6,860,178	6,440,181
Local onlendings - official institutions (Notes 19b and 33b)	2,562,400	1,584,239	2,650,732	2,287,261
National Treasury	72,165	51,398	72,165	51,398
National Bank for Economic and Social Development (BNDES)	987,294	781,621	987,294	855,524
Federal Savings Bank (CEF)	32,426	1,443	35,164	55,240
Government Agency for Machinery and Equipment Financing (FINAME)	1,469,554	748,890	1,555,148	1,324,212
Other institutions	961	887	961	887
Foreign onlendings (Notes 19b and 33b)	8,189	14,053	42,579	14,406
Foreign onlendings	8,189	14,053	42,579	14,406
Derivative financial instruments (Notes 3d and 33)	167,494	20,335	165,430	30,715
Derivative financial instruments	167,494	20,335	165,430	30,715
Technical reserves for insurance, private pension plans and savings bonds (Notes 3g and 23)	-	-	22,815,849	16,863,995
Other liabilities	8,087,071	9,102,525	10,979,703	12,020,860
Collection of taxes and other contributions	152,999	85,526	204,403	130,893
Foreign exchange portfolio (Note 13a)	3,011,421	5,107,731	3,011,421	5,118,801
Social and statutory payables	879,550	832,311	900,266	844,424
Taxes and social security contributions	293,209	502,799	1,078,038	1,596,338
Negotiation and intermediation of securities	272,810	353,885	312,267	595,958
Subordinated debt (Notes 21 and 33b)	44,543	33,527	69,387	60,935
Sundry (note 22)	3,432,539	2,186,746	5,403,921	3,673,511
Long-term liabilities	36,503,508	27,776,315	48,138,948	42,013,073
Deposits (Notes 3k and 18a)	18,013,943	13,090,389	15,522,719	12,894,136

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Interbank deposits	2,488,195	2,142,315	-	-
Time deposits (Note 33b)	15,525,748	10,948,074	15,522,719	12,894,136
Deposits received under security repurchase agreements (Notes 3k and 18a)	2,008,978	1,693,406	2,009,423	1,695,945
Own portfolio	2,008,978	1,693,406	2,009,423	1,695,945
Funds from issuance of securities (Notes 18b and 33b)	3,231,488	2,527,162	3,044,786	2,655,089
Mortgage notes	10,832	57,420	10,832	59,174
Securities issued abroad	3,220,656	2,469,742	3,033,954	2,595,915
Borrowings (Notes 19a and 33b)	688,149	771,923	688,085	777,095
Foreign currency borrowings	688,149	771,923	688,085	777,095
Local onlendings - official institutions (Notes 19b and 33b)	5,588,602	3,985,604	5,704,666	5,267,005
BNDES	2,684,713	2,445,941	2,684,713	2,547,938
CEF	351,316	-	360,656	404,313
FINAME	2,549,890	1,539,663	2,656,614	2,314,754
Other institutions	2,683	-	2,683	-
Foreign onlendings (Notes 19b and 33b)	-	2,755	-	2,755
Foreign onlendings	-	2,755	-	2,755
Derivative financial instruments (Notes 3d and 33)	8,873	20,474	8,217	21,654
Derivative financial instruments	8,873	20,474	8,217	21,654
Technical reserves for insurance, private pension plans and savings bonds (Notes 3g and 23)	-	-	10,852,805	9,544,957
Other liabilities	6,963,475	5,684,602	10,308,247	9,154,437
Social and statutory payables	-	-	-	7,461
Taxes and social security contributions	1,055,434	850,006	3,417,349	3,185,120
Subordinated debt (Notes 21 and 33b)	5,303,358	4,333,875	5,903,358	4,933,875
Sundry (Note 22)	604,683	500,721	987,540	1,027,981
Deferred income	4,841	7,620	44,600	31,774
Deferred income	4,841	7,620	44,600	31,774
Minority interest in subsidiary companies (Note 24)	-	-	70,590	112,729
Stockholders' equity (Note 25)	15,214,646	13,546,880	15,214,646	13,546,880
Capital:				
- Local residents	6,959,015	6,343,955	6,959,015	6,343,955
- Foreign residents	740,985	656,045	740,985	656,045
Unpaid capital	(700,000)	-	(700,000)	-
Capital reserves	10,853	8,665	10,853	8,665
Revenue reserves	7,745,713	6,066,640	7,745,713	6,066,640
Mark-to-market adjustment - securities and derivatives	458,080	478,917	458,080	478,917
Treasury stock	-	(7,342)	-	(7,342)
Stockholders' equity managed by the parent company	-	-	15,285,236	13,659,609
Total	149,950,687	140,888,310	184,926,468	176,097,690

The accompanying notes are an integral part of these financial statements.

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Statement of Income - December 31 - In thousands of reais, except share data

	Bradesco		Consolidated Bradesco		
	Years Ended December 31				
	2 nd Half of 2004	2004	2003	2004	2003
Income from lending and trading activities	10,191,571	19,684,272	18,337,397	26,203,227	28,033,866
Credit operations (Notes 12i)	5,245,759	10,487,637	8,826,955	12,731,435	12,294,528
Leasing operations (Note 12i)	-	-	-	300,850	307,775
Securities transactions (Note 10e)	3,176,252	6,107,239	7,416,257	4,921,179	7,832,965
Financial income on insurance, private pension plans and savings bonds (Note 10e)	-	-	-	5,142,434	5,359,939
Derivative financial instruments (Note 33c v)	1,132,858	1,272,030	46,016	1,238,890	55,192
Foreign exchange transactions (Note 13a)	27,798	686,495	811,747	691,302	797,702
Compulsory deposits (Note 11b)	608,904	1,130,871	1,236,422	1,177,137	1,385,765
Expenses	6,000,928	12,985,817	13,977,123	15,013,996	17,201,888
Interest and charges on:					
Deposits (Note 18c)	4,878,064	9,839,145	10,673,277	8,486,003	10,535,497
Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds (Note 18c)	-	-	-	3,215,677	3,120,342
Borrowings and onlendings (Note 19c)	270,695	1,349,198	1,041,228	1,253,175	1,083,379
Leasing operations (Note 12i)	-	-	-	17,492	12,981
Provision for loan losses (Notes 3e, 12f and 12g)	852,169	1,797,474	2,262,618	2,041,649	2,449,689
Income from financial intermediation	4,190,643	6,698,455	4,360,274	11,189,231	10,831,978
Other operating income (expenses)	(2,135,076)	(3,672,532)	(2,703,518)	(7,071,120)	(7,278,870)
Commissions and fees (Notes 26)	2,227,340	4,170,936	3,177,995	5,824,368	4,556,861
Income on insurance premiums, private pension plans and savings bonds (Notes 3g, 4a and 23c)	-	-	-	13,283,677	11,726,088
Variation in technical reserves for insurance, private pension plans and savings bonds (Notes 3g and 4a)	-	-	-	(3,964,106)	(3,670,163)
Claims - insurance operations (Notes 3g and 4a)	-	-	-	(5,159,188)	(3,980,419)
Savings bond draws and redemptions (Notes 3g and 4a)	-	-	-	(1,223,287)	(1,099,554)
Insurance and pension plan selling expenses (Note 3g)	-	-	-	(867,094)	(762,010)
Expenses with pension plan benefits and redemptions (Notes 3g and 4a)	-	-	-	(2,130,647)	(2,362,771)
Personnel expenses (Note 27)	(2,253,958)	(4,203,207)	(3,622,225)	(4,969,007)	(4,779,491)
Other administrative expenses (Notes 4a and 28)	(2,005,950)	(3,929,830)	(3,343,773)	(4,937,143)	(4,814,204)
Tax expenses	(460,306)	(844,994)	(552,905)	(1,464,446)	(1,054,397)
Equity in the earnings of subsidiary and associated companies (Note 15c)	757,983	2,090,090	1,984,408	163,357	5,227
Other operating income (Notes 4a and 29)	289,796	460,370	754,218	1,198,532	1,697,242
Other operating expenses (Notes 4a and 30)	(689,981)	(1,415,897)	(1,101,236)	(2,826,136)	(2,741,279)

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Operating income	2,055,567	3,025,923	1,656,756	4,118,111	3,553,108
Non-operating income (expenses), net (Note 31)	(37,236)	(58,580)	174,187	(491,146)	(841,076)
Income before taxes and profit sharing	2,018,331				