

BANK BRADESCO
Form 6-K
August 10, 2004

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

FORM 6-K

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

For the month of August, 2004

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

June 2004

Financial Market Indicators (%)

| Index | 2003 | | | 2004 | | |
|------------------------------------|----------|----------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| CDI | 5.68 | 5.78 | 11.79 | 3.76 | 3.67 | 7.56 |
| IBOVESPA - Average | 0.04 | 15.07 | 15.12 | (0.42) | (4.49) | (4.89) |
| USD - Commercial rate | (5.10) | (14.35) | (18.72) | 0.67 | 6.84 | 7.56 |
| IGP-M | 6.26 | (0.35) | 5.89 | 2.72 | 3.95 | 6.78 |
| IPCA - IBGE | 5.13 | 1.43 | 6.64 | 1.85 | 1.60 | 3.48 |
| TJLP | 2.63 | 2.87 | 5.58 | 2.41 | 2.35 | 4.82 |
| TR | 1.28 | 1.31 | 2.61 | 0.35 | 0.42 | 0.77 |
| U.S. dollar (closing price - sell) | | | | | | |
| USD - Commercial rate (in reais) | 3.3531 | 2.8720 | 2.8720 | 2.9086 | 3.1075 | 3.1075 |

Compulsory Deposit Rates (%)

| Deposits | 2003 | | 2004 | |
|---------------------------------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Qtr. | 2nd Qtr. |
| Demand deposits ⁽¹⁾ | 60 | 60 | 45 | 45 |
| Additional ⁽²⁾ | 8 | 8 | 8 | 8 |
| Time deposits ⁽³⁾ | 15 | 15 | 15 | 15 |
| Additional ⁽²⁾ | 8 | 8 | 8 | 8 |
| 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.
(4) Cash deposit - Reference Rate (TR) + interest of 6.17% p.a.

Rates and Limits (%)

| Items | 2003 | | 2004 | |
|------------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Qtr. | 2nd Qtr. |
| Income tax | 25 | 25 | 25 | 25 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|--|------|------|------|------|
| Social contribution | 9 | 9 | 9 | 9 |
| PIS ⁽¹⁾ | 0.65 | 0.65 | 0.65 | 0.65 |
| COFINS ⁽²⁾ | 3 | 3 | 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.

1 - Analysis of Consolidated Results

- Profitability
- Comparative Statement of Income
- Analysis of the Statement of Income
- Results by Business Segment
- Increase in the Main Statement of Income Items
- Increase in Financial Margin Items plus Exchange Adjustment
- Analysis of the Adjusted Financial Margin and Average Rates
- Provision for Loan Losses
- Commissions and Fees
- Administrative and Personnel Expenses
- Human Resources
- Operating Efficiency
- Expenditure Appraisal Committee
- Activity-Based Costing

2 - Consolidated Equity Analysis

- Balance Sheet by Currency and Exchange Exposure
- Balance Sheet by Maturities
- Comparative Balance Sheet
- Equity Analysis
- Securities
- Credit Operations
- Funding
- Savings Accounts
- Asset Management

3 - Consolidated Information for the Period and Operating Structure

- Corporate Organization Chart
- Administrative Body
- Risk Ratings
- Ranking
- Balance Sheet
- Statement of Income for the Period
- Results per Share
- Net Book Value and Market Value
- Cash Generation
- Change in Number of Outstanding Shares
- Performance Ratios
- Historical Data
- Other Ratios
- Added Value
- Checking Accounts
- Market Segmentation
- Retail Bradesco
- Bradesco Corporate Banking
- Bradesco Empresas (middle market)
- Bradesco Private Banking
- Bradesco Prime
- Customer Service Network
- Banco Postal
- Investments in Infrastructure, Information Technology and Telecommunications

Edgar Filing: BANK BRADESCO - Form 6-K

- Risk Management
- Bradesco Day and Night Customer Service Channels
- Cards
- International Area
- Capital Market
- Collection and Tax and Utility Collections
- Bookkeeping of Assets and Qualified Custody Services
- Banco Finasa S.A.
- Bradesco Insurance Group
- Leasing Companies
- Bradesco Consórcios (consortium purchase plans)
- Bradesco S.A. - Corretora de Títulos e Valores Mobiliários
- Bradesco Securities, Inc.
- Awards
- Sociocultural Events
- Fundação Bradesco (The Bradesco Foundation)
- Statement of Social Responsibility
- Independent Auditors Report on Special Review of Supplementary Accounting Information

4 - Consolidated Balance Sheets and Statements of Income - 1999 to 2004

- Consolidated Balance Sheets
- Consolidated Statements of Income

5 - Financial Statements, Report of the Fiscal Council and Independent Auditors Report

- Directors Report
- Balance Sheet
- Statement of Income
- Statement of Changes in Stockholders Equity
- Statement of Changes in Financial Position
- Index of Notes to the Financial Statements
- Notes to the Financial Statements
- Board of Directors, Board of Executive Officers and Disclosure Committee
- Report of the Fiscal Council
- Independent Auditors Report

Cross Reference Index

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.

1 Analysis of Consolidated Results

Profitability

Bradesco reported first-half net income of R\$ 1,250 million, corresponding to R\$ 7.90 per share and an annualized return of 19.2% on closing stockholders' equity and 19.4% on average stockholders' equity.

During the period from January 1 through June 30, 2004, net income increased by 21.7%, compared to the same period in 2003.

The return on total assets was 1.4%, annualized.

Comparative Statement of Income - In millions of reais

| | 1st Half 2003 | 1st Half 2004 | % Variation | 1st Qtr. 2004 | 2nd Qtr. 2004 | % Variation |
|---|--------------------------|--------------------------|------------------------|--------------------------|--------------------------|------------------------|
| INCOME FROM LENDING AND TRADING ACTIVITIES | 12,175 | 14,476 | 18.9 | 6,756 | 7,720 | 14.3 |
| Credit operations | 5,621 | 6,759 | 20.2 | 3,100 | 3,659 | 18.0 |
| Leasing operations | 143 | 142 | (0.7) | 85 | 57 | (32.9) |
| Securities | 2,786 | 3,801 | 36.4 | 1,680 | 2,121 | 26.3 |
| Financial income on insurance, private pension plans and savings bonds | 2,613 | 2,426 | (7.2) | 1,245 | 1,181 | (5.1) |
| Derivative financial instruments | 13 | 127 | 876.9 | 196 | (69) | (135.2) |
| Foreign exchange transactions | 268 | 663 | 147.4 | 161 | 502 | 211.8 |
| Compulsory deposits | 731 | 558 | (23.7) | 289 | 269 | (6.9) |
| EXPENSES | 7,593 | 9,140 | 20.4 | 3,987 | 5,153 | 29.2 |
| Deposits | 4,496 | 5,484 | 22.0 | 2,454 | 3,030 | 23.5 |
| Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds | 1,658 | 1,351 | (18.5) | 652 | 699 | 7.2 |
| Borrowings and onlendings | 38 | 1,221 | 3,113.2 | 316 | 905 | 186.4 |
| Leasing operations | 6 | 9 | 50.0 | 4 | 5 | 25.0 |
| Provision for loan losses | 1,395 | 1,075 | (22.9) | 561 | 514 | (8.4) |
| INCOME FROM FINANCIAL INTERMEDIATION | 4,582 | 5,336 | 16.5 | 2,769 | 2,567 | (7.3) |
| OTHER OPERATING INCOME (EXPENSES) | (2,583) | (3,916) | 51.6 | (1,970) | (1,946) | (1.2) |
| Commissions and fees | 2,100 | 2,694 | 28.3 | 1,319 | 1,375 | 4.2 |
| Income from insurance premiums, private pension plans and savings bonds | 5,418 | 5,983 | 10.4 | 2,994 | 2,989 | (0.2) |
| Insurance premiums retained | 2,711 | 2,990 | 10.3 | 1,465 | 1,525 | 4.1 |
| Private pension plan contributions | 2,157 | 2,291 | 6.2 | 1,223 | 1,068 | (12.7) |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|---|----------------|----------------|---------------|--------------|--------------|----------------|
| Income on savings bonds | 550 | 702 | 27.6 | 306 | 396 | 29.4 |
| Variation in technical reserves for insurance, pension plans and savings bonds | (1,663) | (1,571) | (5.5) | (878) | (693) | (21.1) |
| Variation in technical reserves for insurance | (115) | (48) | (58.3) | 22 | (70) | (418.2) |
| Variation in technical reserves for pension plans | (1,535) | (1,467) | (4.4) | (850) | (617) | (27.4) |
| Variation in technical reserves for savings bonds | (13) | (56) | 330.8 | (50) | (6) | (88.0) |
| Claims - insurance operations | (1,994) | (2,514) | 26.1 | (1,232) | (1,282) | 4.1 |
| Savings bond draws and redemptions | (515) | (619) | 20.2 | (273) | (346) | 26.7 |
| Insurance and pension plan selling expenses | (363) | (417) | 14.9 | (212) | (205) | (3.3) |
| Insurance product selling expenses | (296) | (343) | 15.9 | (166) | (177) | 6.6 |
| Pension plan selling expenses | (67) | (74) | 10.4 | (46) | (28) | (39.1) |
| Expenses with pension plan benefits and redemptions | (851) | (1,123) | 32.0 | (533) | (590) | 10.7 |
| Personnel expenses | (2,201) | (2,411) | 9.5 | (1,177) | (1,234) | 4.8 |
| Other administrative expenses | (2,254) | (2,424) | 7.5 | (1,208) | (1,216) | 0.7 |
| Tax expenses | (506) | (679) | 34.2 | (336) | (343) | 2.1 |
| Equity in the earnings of associated companies | (33) | 122 | (469.7) | - | 122 | - |
| Other operating income | 1,532 | 537 | (64.9) | 257 | 280 | 8.9 |
| Other operating expenses | (1,253) | (1,494) | 19.2 | (691) | (803) | 16.2 |
| OPERATING INCOME | 1,999 | 1420 | (29.0) | 799 | 621 | (22.3) |
| NON-OPERATING INCOME | (777) | (213) | (72.6) | (11) | (202) | 1,736.4 |
| INCOME BEFORE TAXES AND PROFIT SHARING | 1,222 | 1,207 | (1.2) | 788 | 419 | (46.8) |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION | (190) | 46 | (124.2) | (179) | 225 | (225.7) |
| MINORITY INTEREST IN SUBSIDIARIES | (5) | (3) | (40.0) | - | (3) | - |
| NET INCOME | 1,027 | 1,250 | 21.7 | 609 | 641 | 5.3 |
| RETURN ON STOCKHOLDERS EQUITY (%) ANNUALIZED | 17.1 | 19.2 | - | 19.1 | 20.1 | - |

Analysis of the Statement of Income In millions of reais

Income from Credit and Leasing Operations

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 5,758 | 6,892 | 19.7 | 3,181 | 3,711 | 16.7 |

Income was up, despite falling interest rates, mainly as a result of: (i) the increase in the average volume of the credit portfolio, particularly in auto financings in the consumer segment, up by 46.1% and rural loans in the corporate segment, up by 33.6%, indicating improvements in the Brazilian economy for the period; (ii) positive exchange variation of 7.56% for 1H04 against negative exchange variation of 18.72% in 1H03, impacting foreign-currency indexed and/or denominated operations, which comprise 13.8% of total credit and leasing operations (excluding advances on foreign exchange contracts - ACC).

Income was up mostly as a result of: (i) positive exchange variation of 6.84% in 2Q04, against positive exchange variation of 0.67% in 1Q04, impacting foreign-currency indexed and/or denominated operations; and (ii) increase in average volume of the credit portfolio, particularly rural loans in the corporate and consumer segments, up by 35.2%, and auto financing in the consumer segment, up by 9.2%.

Edgar Filing: BANK BRADESCO - Form 6-K

Results of Securities (TVM) and Derivative Financial Instrument Operations

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 2,799 | 3,928 | 40.3 | 1,876 | 2,052 | 9.4 |

The variation for the period is mainly due to: (i) positive exchange variation of 7.56% for 1H04, against negative exchange variation of 18.72% in 1H03, impacting foreign-currency-indexed and or denominated securities, which comprise 16.3% of the total securities portfolio; (ii) increase in the average volume of the securities portfolio, particularly federal government securities; mitigated in part by (iii) decrease in average interest rates, particularly CDI, of 11.79% in 1H03 to 7.56% for 1H04.

This increase reflects mainly:(i) positive exchange variation of 6.84% in 2Q04, against positive exchange variation of 0.67% in 1Q04, impacting foreign currency-indexed and or denominated securities; and (ii) the increase in the average volume of the securities portfolio, particularly federal government securities for the quarter.

Financial Income on Insurance, Private Pension Plans and Savings Bonds

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 2,613 | 2,426 | (7.2) | 1,245 | 1,181 | (5.1) |

During the period, there was an increase in the average volume of the securities portfolio, comprising federal government securities, related to technical reserves, especially VGBL and PGBL products. However, overall results were down mainly due to: (i) the decrease in average interest rates, especially CDI, of 11.79% in 1H03 to 7.56% for 1H04; (ii) decrease in non-interest income following greater gains with variable income in 1H03; partially offset by (iii) variation in the IGP-M index, of 6.78% for 1H04, against 5.89% in 1H03, on which a portion of Federal Treasury Note (NTN) remuneration is based.

The variation for the quarter reflects, substantially: (i) decrease in non-interest income following greater gains with variable income in 1Q04; partially offset by (ii) the increase in the average volume of the securities portfolio, comprising federal government securities, related to technical reserves, especially VGBL and PGBL products; and by (iii) the variation in the IGP-M index, from 3.95% in 2Q04, against 2.72% in 1Q04, on which a portion of Federal Treasury Note (NTN) remuneration is based.

Results of Foreign Exchange Transactions

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 268 | 663 | 147.4 | 161 | 502 | 211.8 |

During the period, there was an increase in the average volume of foreign exchange transactions. Considering foreign funding expense adjustments (Note 13a to the financial statements), results would decrease to R\$ 134 for 1H03 and R\$ 98 for 1H04, affected by the decrease in average fx portfolio interest rates.

During the period, there was an increase in the average volume of foreign exchange transactions. Considering foreign funding expense adjustments (Note 13a to the financial statements), results would decrease to R\$ 63 for 1Q04 and R\$ 35 for 2Q04, affected by the decrease in average fx portfolio interest rates.

Results of Compulsory Deposits

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 731 | 558 | (23.7) | 289 | 269 | (6.9) |

Edgar Filing: BANK BRADESCO - Form 6-K

During the period, there was an increase in the average volume subject to compulsory deposit. However, the income derived from the remuneration of the additional compulsory deposits, as well as the compulsory deposit on savings decreased as a result of: (i) the drop in the SELIC rate from 11.81% in 1H03 to 7.60% for 1H04, for additional deposits; and (ii) the decrease in the TR reference rate used to remunerate compulsory savings account deposits, from 2.61% in 1H03 to 0.77% for 1H04.

During the period, the increase in the average volume subject to compulsory deposit and the increase in the TR reference rate (used to remunerate compulsory savings account deposits) from 0.35% in 1Q04 to 0.42% in 2Q04 offset partially the decrease in income, generated by the drop in the SELIC rate (used to remunerate the additional compulsory deposit on demand, time and savings deposits) from 3.78% in 1Q04 to 3.69% in 2Q04.

Interest and Charges on Deposits

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 4,496 | 5,484 | 22.0 | 2,454 | 3,030 | 23.5 |

The increase mainly reflects: (i) positive exchange variation of 7.56% for 1H04, against negative exchange variation of 18.72% in 1H03, impacting securities and other funds obtained abroad by Bradesco - R\$ 2,310; offset partially by less expense with: (ii) time deposits - R\$ 759; (iii) savings deposits - R\$ 286; (iv) purchase and sale commitments - R\$ 274; mainly as a result of lower average interest rates in 1H04.

The increase mainly reflects: (i) growth in positive exchange variation from 0.67% in 1Q04 to 6.84% in 2Q04, impacting securities and other funds obtained abroad by Bradesco - R\$ 795; (ii) time deposits - R\$ 77, which despite lower average interest rates, increased in average volume in 2Q04; partially offset by (iii) less expense for purchase and sale commitments - R\$ 315; mainly due to decreased average volumes and lower average interest rates in 2Q04.

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

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 1,658 | 1,351 | (18.5) | 652 | 699 | 7.2 |

The decrease reflects principally the fall in average interest rates despite the increase in the average volume of technical reserves, particularly for PGBL and VGBL products.

This was up following the increase in the IGP-M index and average volume of technical reserves, particularly for PGBL and VGBL products.

Expenses for Borrowings and Onlendings

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 38 | 1,221 | 3,113.2 | 316 | 905 | 186.4 |

The increase is directly related to negative exchange variation of 18.72% in 1H03, against positive exchange variation of 7.56% in 1H04, impacting borrowings and onlendings indexed or denominated in foreign currency, offset by the decrease in average interest rates for the period.

The increase is directly related to growth in positive exchange variation from 0.67% in 1Q04 to 6.84% in 2Q04, impacting borrowings and onlendings indexed or denominated in foreign currency for the quarter.

Financial Margin

Edgar Filing: BANK BRADESCO - Form 6-K

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 5,977 | 6,411 | 7.3 | 3,330 | 3,081 | (7.5) |

The variation for the period was due to: (i) increase in interest income R\$ 640, comprising growth in the average volume of business - R\$ 637 and the increase in spread (interest rate plus exchange variation) - R\$ 3; and (ii) the decrease in non-interest income - R\$ 206, generated mainly by less profit on securities and treasury transactions for 1H04.

The variation for the quarter was due to: (i) increase in interest income operations - R\$ 130, comprising the drop in the average volume of business - R\$ 92 and by the increase in spread R\$ 38; and (ii) the decrease in non-interest income - R\$ 379, generated mainly by less profit on securities and treasury transactions in 2Q04.

Expenses for Provision for Loan Losses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 1,395 | 1,075 | (22.9) | 561 | 514 | (8.4) |

Excluding: (i) additional provisions - R\$ 312 in 1H03 and R\$ 46 in 1H04; (ii) extraordinary provisions recorded in 1H04 and R\$ 61, as a result of improved determination criteria and (iii) the extraordinary increase in provisions recorded - R\$ 120 for 1H04, reflecting the reclassification of certain customer ratings, including the securitization of rural credit - R\$ 54, expenses decreased by R\$ 235, mainly as a result of our selective credit granting policy, improving our credit portfolio risk ratings.

Excluding: (i) additional provisions - R\$ 20 in 2Q04 and R\$ 26 in 1Q04 and (ii) extraordinary provisions recorded in 1Q04 and R\$ 120, as a result of improved determination criteria, expenses increased by R\$ 79, in line with the growth of the average volume of the credit portfolio in 2Q04.

Income on Commissions and Fees

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 2,100 | 2,694 | 28.3 | 1,319 | 1,375 | 4.2 |

Growth for the period is derived substantially from the increase in the average volume of transactions and number of customers, highlighting in particular: (i) fund management - R\$ 177; (ii) checking accounts - R\$ 120; (iii) cards - R\$ 88; and (iv) credit operations - R\$ 100; and (v) consortium purchase plan management fee R\$ 31.

Growth for the quarter was mainly due to an increase in revenues with: (i) credit operations - R\$ 39; (ii) fund management - R\$ 9; and (iii) consortium purchase plan management fee R\$ 5.

Income from Insurance Premiums, Private Pension Plans and Savings Bonds

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 5,418 | 5,983 | 10.4 | 2,994 | 2,989 | (0.2) |

The variation for the period is detailed below:

The variation for the quarter is detailed below:

a) Insurance Premiums Retained

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 2,711 | 2,990 | 10.3 | 1,465 | 1,525 | 4.1 |

During the period, the increase was derived from growth in sales of Auto and Health products in the amounts of R\$ 211 and R\$ 54, respectively.

The increase in 2Q04 was especially due to growing Auto line sales - R\$ 69.

b) Private Pension Plan Contributions

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 2,157 | 2,291 | 6.2 | 1,223 | 1,068 | (12.7) |

This increase was derived from growth in VGBL and PGBL product sales in the amount of R\$ 237 and R\$ 29, respectively, offset by the fall in sales of traditional pension plan products - R\$ 132.

The variation was substantially due to the decrease in VGBL product sales - R\$ 163.

c) Income on Savings Bonds

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 550 | 702 | 27.6 | 306 | 396 | 29.4 |

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

The variation reflects the increase in sales and re-investment of bonds matured in 2Q04.

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

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (1,663) | (1,571) | (5.5) | (878) | (693) | (21.1) |

The variation for the period is detailed below:

The variation for the quarter is detailed below:

a) Variation in Technical Reserves for Insurance

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (115) | (48) | (58.3) | 22 | (70) | (418.2) |

Variations in technical reserves for insurance are directly related to the production of premium in their respective effective periods. In 1H04, the majority of reserves were recorded in the Health line - R\$

Variations in technical reserves for insurance are directly related to the production of premium in their respective effective periods. In 2Q04, the majority of reserves were recorded in the Auto line - R\$

33.

30.

b) Variation in Technical Reserves for Pension Plans

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (1,535) | (1,467) | (4.4) | (850) | (617) | (27.4) |

Variations in technical reserves are directly related to the production of premium and contributions in diverse selling periods, against benefits and redemptions. The decrease for the period occurred in the VGBL product - R\$ 1,474, offset by the increase in reserves recorded in the PGBL and traditional products in the amounts of R\$ 836 and R\$ 570, respectively.

Variations in technical reserves are directly related to the production of premium and contributions in diverse selling periods, against benefits and redemptions. The decreases for the quarter occurred in the PGBL and traditional products in the amounts of R\$ 168 and R\$ 126, respectively, partially offset by the increase in reserves recorded in the VGBL product R\$ 61.

c) Variation in Technical Reserves for Savings Bonds

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (13) | (56) | 330.8 | (50) | (6) | (88.0) |

The variations in technical reserves are directly related to income on savings bonds against related draws.

The variations in technical reserves are directly related to income on savings bonds against related draws.

Insurance Claims

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (1,994) | (2,514) | 26.1 | (1,232) | (1,282) | 4.1 |

The increase in expense with claims was due mainly 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; and (ii) the increase in indemnities in Health, Auto and Life lines.

The increase in expense with claims for the quarter was due mainly to: (i) the increase in indemnities in Auto line products; and (ii) the effect of improved calculation of the provision for claims incurred but not reported (IBNR) for the quarter, 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\$ 145 in 2Q04 compared to R\$ 131 in 1Q04.

Savings Bond Draws and Redemptions

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (515) | (619) | 20.2 | (273) | (346) | 26.7 |

Growth for the period mainly reflects an increase in the amount recorded as a reserve for redemptions - R\$ 91, due to increased sales of premium bond certificates.

Growth for the quarter mainly reflects an increase in the amount recorded as a reserve for redemptions - R\$ 76, due to increased sales of premium bond certificates.

Insurance and Pension Plan Selling Expenses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (363) | (417) | 14.9 | (212) | (205) | (3.3) |

The variation for the period is detailed below:

The variation for the quarter is detailed below:

a) Insurance Product Selling Expenses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (296) | (343) | 15.9 | (166) | (177) | (6.6) |

The increase in these expenses for the period was generated mainly by growing Health and Auto-line products, of R\$ 19 and R\$ 16, respectively, even though the ratio of selling expenses to earned premium decreased for the period.

The increase in selling expenses was mainly generated by Life line products - R\$ 10.

b) Pension Plan Selling Expenses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (67) | (74) | 10.4 | (46) | (28) | (39.1) |

The increase for the period mainly reflects the growth in VGBL product sales.

The variation in selling expenses occurred in traditional products R\$ 16.

Expenses with Pension Plan Benefits and Redemptions

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (851) | (1,123) | 32.0 | (533) | (590) | 10.7 |

The variation for the period was mainly due to the increase in the payment of redemptions R\$ 200, of traditional private pension plans.

The variation for the quarter was mainly due to the increase in the payment of redemptions R\$ 44, of traditional private pension plans.

Personnel Expenses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (2,201) | (2,411) | 9.5 | (1,177) | (1,234) | 4.8 |

Edgar Filing: BANK BRADESCO - Form 6-K

The variation for the period reflects for the most part: (i) payroll decrease as a result of the synergy following the merger of banks acquired; fully offset by: (ii) salary increases (12.6%), pursuant to the collective-labor agreement in September/03; and (iii) consolidation of BBV Banco, Zogbi and BEM - R\$ 168.

The variation for the quarter reflects substantially: (i) payroll decrease as a result of the synergy following the merger of banks acquired; fully offset by: (ii) concentration of vacation pay in 1Q04; and (iii) increased expenses for labor claims - R\$ 40.

Other Administrative Expenses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (2,254) | (2,424) | 7.5 | (1,208) | (1,216) | 0.7 |

The variation was mainly due to increased expenses: (i) generated by consolidation of BBV Banco, Zogbi and BEM - R\$ 178; (ii) publicity and advertising - R\$ 36; (iii) leased assets - R\$ 30; partially offset by less expense for: (iv) depreciation and amortization - R\$ 46; and (v) data processing - R\$ 22.

The increase was mostly due to the additional impact of one month s consolidation of BEM and Zogbi R\$ 12.

Tax Expenses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (506) | (679) | 34.2 | (336) | (343) | 2.1 |

This variation was substantially generated by the increase in expenses for COFINS - R\$ 110, as a result of the rise in the calculation base rate from 3% to 4% in September/03; and the increase in expenses for ISS - R\$ 27, as a result of a change in legislation and CPMF - R\$ 18.

The increase for the quarter reflects substantially increase in expenses for ISS R\$ 12, as a result of a change in legislation; offset by the decrease in expenses for COFINS - R\$ 6.

Equity in the Earnings of Associated Companies

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (33) | 122 | (469.7) | - | 122 | - |

The variation was mainly derived from improved results in associated companies for 1H04 as compared to those determined in 1H03, which include R\$ 79 of non-recurring income in associated Insurance Group companies.

The variation was mainly derived from improved results in associated companies in 2Q04, which include R\$ 79 of non-recurring income in associated Insurance Group companies.

Other Operating Income

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 1,532 | 537 | (64.9) | 257 | 280 | 8.9 |

Edgar Filing: BANK BRADESCO - Form 6-K

The variation for the period was mainly generated by: (i) reversal of the provision for exchange variation - R\$ 504; and other operating provisions - R\$ 403, in 1H03; and (iii) a decrease following the non-consolidation of Latasa, sold in 2H03 - R\$ 97.

The variation for the quarter substantially reflects: (i) recognition of revenue from fiscal incentives in subsidiaries - R\$ 38; offset partially (ii) by the decrease in other financial revenue - R\$ 18.

Other Operating Expenses

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (1,253) | (1,494) | 19.2 | (691) | (803) | 16.2 |

The increase was generated in particular: (i) by expenses for amortization of goodwill, following the acquisition of BBV Banco, Zogbi and BEM R\$ 59; and (ii) the increase in operating provisions - R\$ 173, which include an addition to provisions for civil contingencies with insurance operations, in the amount of R\$ 109, following calculation criteria improvements.

The variation was mainly due to the addition to provisions for civil contingencies with insurance operations, in the amount of R\$ 109, following calculation criteria improvements.

Operating Income

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| 1,999 | 1,420 | (29.0) | 799 | 621 | (22.3) |

The variation for the period was due to: (i) increase in income on commissions and fees - R\$ 594; (ii) increase in financial margin - R\$ 434; (iii) less expenses for provision for loan losses - R\$ 320; (iv) increase in equity and earnings in associated companies - R\$ 155; (v) decrease in operating income (net of expenses) - R\$ 1,236; (vi) increase in the personnel and administrative expenses - R\$ 380; (vii) decrease in the margin of contribution of insurance, private pension plan and savings bond operations - R\$ 293; and (viii) increased tax expense - R\$ 173.

The variation for the quarter was due to: (i) increase in equity and earnings in associated companies - R\$ 122; (ii) increase in income on commissions and fees - R\$ 56; (iii) increase in the margin of contribution of insurance, private pension plan and savings bond operations - R\$ 7; (iv) decrease in financial margin - R\$ 249; (v) increase in the personnel and administrative expenses - R\$ 65; (vi) increase in operating expenses (net of revenue) - R\$ 89; (vii) increased tax expense - R\$ 7; and (viii) increase in expenses for provision for loan losses - R\$ 47.

Non-operating Income

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (777) | (213) | (72.6) | (11) | (202) | 1,736.4 |

The variation is mainly due to extraordinary amortization of goodwill of Banco Mercantil - R\$ 681 for 1H03; offset by extraordinary amortization of goodwill for 1H04 - R\$ 135.

The variation reflects substantially: (i) extraordinary amortization of goodwill for 2Q04 - R\$ 135; (ii) provisions recorded and income on sale of assets - R\$ 35; and (iii) provision for loss on fiscal incentive investments - R\$ 21.

Income Tax and Social Contribution

Edgar Filing: BANK BRADESCO - Form 6-K

| 1st Half/2003 | 1st Half /2004 | % Variation | 1st Qtr./2004 | 2nd Qtr./2004 | % Variation |
|---------------|----------------|-------------|---------------|---------------|-------------|
| (190) | 46 | (124.2) | (179) | 225 | (225.7) |

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

The variation in income tax and social contribution expense for the quarter reflects tax charges on pre-tax income, adjusted by additions and exclusions. In 2Q04, deferred tax assets were recorded, derived from subsidiaries - R\$ 89.

Results by Business Segment - In millions of reais

| | 1st Half 2004 | | | | | | Consolidated Bradesco |
|---|----------------|-------------|-----------------|------------|---------------------|----------------------|--------------------------|
| | Financial | | Insurance Group | | Other Activities | Amount Eliminated | |
| | Local | Foreign | Local | Foreign | | | |
| Income from financial intermediation | 3,988 | 258 | 1,080 | - | 9 | 1 | 5,336 |
| Other operating income (expenses) | (3,290) | (89) | (706) | - | - | (1) | (4,086) |
| Commissions and fees | 2,389 | 9 | 142 | - | 338 | (184) | 2,694 |
| Personnel expenses | (2,022) | (12) | (266) | (1) | (110) | - | (2,411) |
| Other administrative expenses | (2,261) | (51) | (260) | - | (86) | 234 | (2,424) |
| Other revenue (expenses) | (1,396) | (35) | (322) | 1 | (142) | (51) | (1,945) |
| Net income for 1H04 | 698 | 169 | 374 | - | 9 | - | 1,250 |
| Net income for 1H03 | 632 | 90 | 262 | (2) | 45 | - | 1,027 |

Increase in the Main Statement of Income Items

1H04 as compared to 1H03 - 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.

2Q04 in relation to 1Q04 - 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

1H04 as compared to 1H03- In millions of reais

Edgar Filing: BANK BRADESCO - Form 6-K

2Q04 in relation to 1Q04 - 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.
- Analysis of the Adjusted Financial Margin and Average Rates

Credit Operations x Income

| In millions of reais | 1st Half 2003 | 1st Half 2004 | 1st Qtr. 2004 | 2nd Qtr. 2004 |
|---|------------------|------------------|------------------|------------------|
| Credit operations | 43,297 | 47,625 | 46,358 | 48,460 |
| Leasing operations | 1,515 | 1,383 | 1,398 | 1,364 |
| Advances on foreign exchange contracts | 5,676 | 6,169 | 6,124 | 6,162 |
| 1 - Total - Average balance (quarterly) | 50,488 | 55,177 | 53,880 | 55,986 |
| 2 - Income (*) | 5,790 | 6,908 | 3,204 | 3,704 |
| 3 - Average return annualized exponentially (2/1) | 24.3% | 26.6% | 26.0% | 29.2% |

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

Securities x Income on Security Transactions

| In millions of reais | 1st Half 2003 | 1st Half 2004 | 1st Qtr. 2004 | 2nd Qtr. 2004 |
|---|------------------|------------------|------------------|------------------|
| Securities | 38,076 | 54,388 | 53,475 | 54,679 |
| Interbank investments | 21,960 | 23,828 | 25,478 | 19,881 |
| Subject to repurchase agreements | (16,308) | (21,541) | (23,938) | (15,915) |
| Derivative financial instruments | (409) | (392) | (196) | (562) |
| 4 - Total - Average balance (quarterly) | 43,319 | 56,283 | 54,819 | 58,083 |
| 5 - Income on security transactions (net of expenses for repurchase agreements) (*) | 3,577 | 4,758 | 2,176 | 2,582 |
| 6 - Average rate annualized exponentially (5/4) | 17.2% | 17.6% | 16.8% | 19.0% |

- (*) 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

Edgar Filing: BANK BRADESCO - Form 6-K

| In millions of reais | 1st Half 2003 | 1st Half 2004 | 1st Qtr. 2004 | 2nd Qtr. 2004 |
|---|------------------|------------------|------------------|------------------|
| 7 - Total assets - Average balance (quarterly) | 147,425 | 171,106 | 168,532 | 168,610 |
| 8 - Income from financial intermediation | 12,175 | 14,476 | 6,757 | 7,720 |
| 9 - Average rate annualized exponentially (8/7) | 17.2% | 17.6% | 17.0% | 19.6% |

Funding x Expenses

| In millions of reais | 1st Half 2003 | 1st Half 2004 | 1st Qtr. 2004 | 2nd Qtr. 2004 |
|--|------------------|------------------|------------------|------------------|
| Deposits | 56,019 | 60,448 | 58,605 | 61,660 |
| Funds from acceptance and issuance of securities | 4,615 | 6,830 | 6,704 | 6,821 |
| Interbank and interdepartmental accounts | 1,834 | 1,527 | 1,746 | 1,135 |
| Subordinated debt | 3,350 | 5,439 | 5,068 | 5,661 |
| 10 - Total funding - average balance (quarterly) | 65,818 | 74,244 | 72,123 | 75,277 |
| 11 - Expenses (*) | 1,932 | 3,366 | 1,228 | 2,138 |
| 12 - Average rate annualized exponentially (11/10) | 6.0% | 9.3% | 7.0% | 11.9% |

(*) 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 | 1st Half 2003 | 1st Half 2004 | 1st Qtr. 2004 | 2nd Qtr. 2004 |
|--|------------------|------------------|------------------|------------------|
| 13 Technical reserves for insurance, private pension plans and savings bonds - Average balance (quarterly) | 20,979 | 27,945 | 27,178 | 28,713 |
| 14 Expenses (*) | 1,658 | 1,351 | 652 | 699 |
| 15 Average rate annualized exponentially (14/13) | 16.4% | 9.9% | 10.0% | 10.1% |

(*) 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 | 1st Half 2003 | 1st Half 2004 | 1st Qtr. 2004 | 2nd Qtr. 2004 |
|----------------------|------------------|------------------|------------------|------------------|
|----------------------|------------------|------------------|------------------|------------------|

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|--|--------|--------|--------|--------|
| Borrowings | 8,844 | 7,971 | 7,510 | 8,345 |
| Onlendings | 6,903 | 7,838 | 7,795 | 7,971 |
| 16 - Total borrowings and onlendings - Average balance (quarterly) | 15,747 | 15,809 | 15,305 | 16,316 |
| 17 - Expenses for borrowings and onlendings (*) | (199) | 538 | 169 | 369 |
| 18 - Average rate annualized exponentially (17/16) | (2.5%) | 6.9% | 4.5% | 9.4% |

(*) Includes foreign exchange adjustments (Note 13a).

Total Assets x Financial Margin

| In millions of reais | 1st Half 2003 | 1st Half 2004 | 1st Qtr. 2004 | 2nd Qtr. 2004 |
|--|------------------|------------------|------------------|------------------|
| 19 - Total assets - Average balance (quarterly) | 147,425 | 171,106 | 168,532 | 168,610 |
| 20 - Financial margin (*) | 5,977 | 6,411 | 3,330 | 3,081 |
| 21 - Average rate annualized exponentially (20/19) | 8.3% | 7.6% | 8.1% | 7.5% |

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

Financial Market Indicators

Analysis of Financial Margin

Banco Bradesco's consolidated financial margin (before PDD) totaled R\$ 3,081 million for the second quarter of 2004 (2Q04), as compared to R\$ 3,330 million for the first quarter (1Q04), down by R\$ 249 million. However, financial margin for the first half of 2004 (1H04) totaled R\$ 6,411 million, compared to R\$ 5,977 million for the same period in 2003 (1H03), up by 7.3%.

In terms of quarterly comparison, certain macroeconomic factors had a direct impact on financial margin, particularly in 2Q04, which was affected by a highly volatile market with a negative repercussion on the price of Brazil's local and foreign debt securities, among others and spiking medium and long-term interest rates in the futures market.

At Bradesco, the impact of this volatile environment was cushioned by the Bank's strategic policy, ie, its efforts are focused on securing new transactions and business, mitigating market risk and offsetting decreases in interest rates and spread. This policy is more clearly evidenced when we compare results reported for the prior two quarters, which show that Bradesco's sustainable business volume growth is directly related to operations with customers.

The average volume of the credit portfolios increased by 3.7% between the first and second quarters of 2004, particularly individual consumer credit which grew some 7%, improving the portfolio mix and increasing the segment's share (largest spread) of total operations.

Emphasis should also be given to the performance of demand deposits from 1Q04 to 2Q04, which totaled average balances of R\$ 12,757 million and R\$ 13,073 million, respectively, a 2.5% increase for the second quarter. Comparing the growth of closing balances at March 30 and June 30, 2004, this increase was even higher, some 7.4%.

Insurance area transactions also contributed to improving the financial margin, as a result of the good performance by insurance, private pension plan and savings bond activities. Between the first and second quarters, the average volume of technical reserve grew by 5.6%, from R\$ 27,178 million in 1Q04 to R\$ 28,713 million in 2Q04.

In all, Bradesco's consolidated financial margin between the first and second quarters of 2004 was down slightly by R\$ 249 million. Business volume increases and growth in spread grew interest income by R\$ 130 million, offset by a decrease in non-interest income, generated by less profit on securities and treasury transactions in 2Q04, in the amount of R\$ 379 million.

Edgar Filing: BANK BRADESCO - Form 6-K

Accordingly, the average financial margin rate, which reflects financial margin (before PDD) compared to the average balance of total assets was down slightly, between the first and second quarters of 2004, of 8.1% to 7.5%, respectively.

The strategy adopted by Bradesco becomes clearer when comparing longer periods, for example, 1H03 to 1H04, which evidences that the good performance in operations has compensated for the loss of revenue on investments indexed to the basic interest rate (drop in CDI from 11.8% to 7.6%, respectively), following the growth in volume of business with customers, which in turn boosted financial margin between the six-month periods. We highlight below the main areas of business growth:

The average balance of the Consolidated Bradesco credit portfolio grew by some 9.2%, between the six-month periods, in particular, operations with individual consumers, the average volume of which grew from R\$ 13,816 million in 1H03 to R\$ 16,638 million in 1H04, an increase of 20.4%.

Similarly, the average balances of deposits for 1H04 was up by 7.9%, from R\$ 56,019 million in 1H03 to R\$ 60,448 million in 1H04, especially, demand and savings deposits which were up by 8.9% and 7.8%, respectively.

Income from financial intermediation on insurance, private pension plan and savings bond operations for 1H04 were 12.6% higher compared to income for the same six-month period of 2003, mainly as a result of the increase in sale of products, with technical reserves totaling an average balance of R\$ 27,945 million in 1H04, a growth rate of 33.2% between these periods.

Increased volumes and spreads were responsible for an increment in interest income, of R\$ 640 million in financial margin, offset the decrease in non-interest income as a result of less profit on securities and treasury transactions in 1H04, in the amount of R\$ 206 million. Net financial margin grew by R\$ 434 million between 1H03 and 1H04.

The sustained growth of Bradesco's financial margin is directly related to its policy for obtaining scale gains through the increase in business, accordingly, its efforts are centered on growing the number of customers, extending the scope of its sales outlets (Branches, PABs, Correspondent Banks, among others), market segmentation and continually improving products.

Provision for Loan Losses

Movement of Allowance for Loan Losses - In millions of reais

| | 2003 | | | 2004 | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Credit portfolio | 49,655 | 53,048 | 53,048 | 54,894 | 58,402 | 58,402 |
| Opening balance | 3,665 | 3,902 | 3,665 | 4,059 | 4,192 | 4,059 |
| Amount recorded for the period | 808 | 587 | 1,395 | 561 | 514 | 1,075 |
| Amount written off for the period | (571) | (551) | (1,122) | (505) | (493) | (998) |
| Balance derived from acquired institutions | - | 171 | 171 | 77 | - | 77 |
| Closing balance | 3,902 | 4,109 | 4,109 | 4,192 | 4,213 | 4,213 |
| Specific provision | 1,944 | 2,006 | 2,006 | 1,924 | 1,876 | 1,876 |
| Generic provision | 1,156 | 1,286 | 1,286 | 1,384 | 1,432 | 1,432 |
| Additional provision | 802 | 817 | 817 | 884 | 905 | 905 |
| Credit recoveries | 96 | 145 | 241 | 106 | 124 | 230 |

Allowance for Loan Losses (PDD) on Credit and Leasing Operations - In millions of reais

| | 2003 | | 2004 | |
|--|-------|------|-------|------|
| | March | June | March | June |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|---|--------|--------|--------|--------|
| Allowance for loan losses - PDD (A) | 3,902 | 4,109 | 4,192 | 4,213 |
| Credit operations (B) | 49,655 | 53,048 | 54,894 | 58,402 |
| PDD on credit operations (A/B) | 7.9% | 7.7% | 7.6% | 7.2% |
| Ratio of PDD Coverage to Abnormal Course Credits (D to H) | | | | |

| | In millions of reais | | | |
|--------------------------------------|----------------------|--------|--------|--------|
| | 2003 | | 2004 | |
| | March | June | March | June |
| Total provisions (1) | 3,902 | 4,109 | 4,192 | 4,213 |
| Abnormal course credits (D to H) (2) | 2,742 | 2,871 | 2,724 | 2,649 |
| PDD coverage ratio (1/2) | 142.3% | 143.1% | 153.9% | 159.0% |
| Commissions and Fees | | | | |

| | In millions of reais | | | | | |
|--|----------------------|--------------|--------------|--------------|--------------|--------------|
| | 2003 | | | 2004 | | |
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Checking account | 245 | 265 | 510 | 314 | 316 | 630 |
| Cards | 201 | 193 | 394 | 240 | 242 | 482 |
| Fund management | 110 | 136 | 246 | 207 | 216 | 423 |
| Collection | 139 | 146 | 285 | 150 | 151 | 301 |
| Credit operations | 129 | 142 | 271 | 166 | 205 | 371 |
| Interbank charges | 63 | 61 | 124 | 63 | 63 | 126 |
| Collection of taxes | 45 | 45 | 90 | 50 | 50 | 100 |
| Custody and brokerage services | 8 | 10 | 18 | 14 | 17 | 31 |
| Consortium purchase plan management fees | - | 4 | 4 | 15 | 20 | 35 |
| Other | 77 | 81 | 158 | 100 | 95 | 195 |
| Total | 1,017 | 1,083 | 2,100 | 1,319 | 1,375 | 2,694 |

Administrative and Personnel Expenses

| | In millions of reais | | | | | |
|-------------------------------|----------------------|----------|----------|----------|----------|----------|
| | 2003 | | | 2004 | | |
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Third-party services | 176 | 193 | 369 | 196 | 218 | 414 |
| Communications | 149 | 151 | 300 | 162 | 155 | 317 |
| Depreciation and amortization | 128 | 138 | 266 | 123 | 118 | 241 |
| Financial system services | 84 | 85 | 169 | 97 | 102 | 199 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Publicity and advertising | 69 | 81 | 150 | 110 | 86 | 196 |
| Transport | 80 | 87 | 167 | 94 | 88 | 182 |
| Leasing | 68 | 62 | 130 | 77 | 83 | 160 |
| Rents | 67 | 67 | 134 | 75 | 75 | 150 |
| Data processing | 60 | 65 | 125 | 58 | 71 | 129 |
| Maintenance and repairs | 53 | 61 | 114 | 60 | 68 | 128 |
| Materials | 40 | 43 | 83 | 38 | 35 | 73 |
| Water, electricity and gas | 28 | 28 | 56 | 34 | 31 | 65 |
| Travel | 14 | 15 | 29 | 14 | 13 | 27 |
| Other | 85 | 77 | 162 | 70 | 73 | 143 |
| Administrative expenses | 1,101 | 1,153 | 2,254 | 1,208 | 1,216 | 2,424 |
| Remuneration | 524 | 577 | 1,101 | 614 | 613 | 1,227 |
| Benefits | 201 | 240 | 441 | 236 | 243 | 479 |
| Social charges | 185 | 206 | 391 | 227 | 229 | 456 |
| Employee profit sharing | 42 | 38 | 80 | 45 | 39 | 84 |
| Training | 10 | 20 | 30 | 10 | 11 | 21 |
| Other | 91 | 67 | 158 | 45 | 99 | 144 |
| Personnel expenses | 1,053 | 1,148 | 2,201 | 1,177 | 1,234 | 2,411 |
| Total administrative and personnel expenses | 2,154 | 2,301 | 4,455 | 2,385 | 2,450 | 4,835 |

Human Resources

At June 30, 2004, Bradesco's employees, including staff at the subsidiaries, totaled 74,784. The following table presents the growth in the Bradesco headcount:

| | December | | | | | | 2004 | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | March | June |
| Banco Bradesco | 47,233 | 47,521 | 49,177 | 51,633 | 53,732 | 59,430 | 63,362 | 62,245 |
| Subsidiaries | 7,501 | 7,301 | 6,575 | 6,943 | 8,729 | 9,407 | 10,649 | 10,601 |
| Subtotal Bradesco | 54,734 | 54,822 | 55,752 | 58,576 | 62,461 | 68,837 | 74,011 | 72,846 |
| Banco BCN | 5,024 | 4,784 | 4,780 | 5,857 | 6,105 | 5,203 | - | - |
| Subsidiaries | 1,408 | 1,099 | 1,172 | 1,280 | 1,504 | 1,741 | - | - |
| Subtotal BCN | 6,432 | 5,883 | 5,952 | 7,137 | 7,609 | 6,944 | - | - |
| Banco Baneb | - | 2,756 | 2,514 | - | - | - | - | - |
| Subsidiaries | - | 50 | - | - | - | - | - | - |
| Subtotal Baneb | - | 2,806 | 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 | 61,166 | 63,511 | 65,804 | 65,713 | 74,393 | 75,781 | 74,011 | 72,846 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Banco BEM | - | - | - | - | - | - | 502 | 488 |
| Subsidiaries | - | - | - | - | - | - | 80 | 6 |
| Subtotal BEM | - | - | - | - | - | - | 582 | 494 |
| Banco Zogbi | - | - | - | - | - | - | 83 | 3 |
| Subsidiaries | - | - | - | - | - | - | 1,514 | 1,441 |
| Subtotal Zogbi | - | - | - | - | - | - | 1,597 | 1,444 |
| Total | 61,166 | 63,511 | 65,804 | 65,713 | 74,393 | 75,781 | 76,190 | 74,784 |

Employee benefits offered by Bradesco include, among others, health insurance and dental care, as well as a supplementary retirement pension plan.

Human Resources
June/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 | 32% | From 6 to 10 years | 11% | Non-managerial | 52% |
| From 41 to 50 | 16% | Women | 46% | University | 67% | From 11 to 20 years | 38% | Managerial | 48% |
| Older than 50 | 2% | | | Other | 1% | More than 20 years | 11% | | |

Personnel Expenses

Bradesco's accumulated personnel expenses totaled R\$ 2,411 million for the first half of 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
1st Half of 2004

Personnel Expenses by Business Segment
1st Half of 2004

Training

The Staff Training Department has created and deploys specific professional capacity building and enhancement programs providing employees with technical and behavioral skills, 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.

Edgar Filing: BANK BRADESCO - Form 6-K

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 27 courses with 331,838 employee participations. In 2004, 2 more technical and 10 behavioral programs were made available.

In May, the Human Resources and Marketing departments of the Bradesco Insurance Group launched, in partnership, the Insurance Universe - Universeg for brokers selling the companies products. Courses are offered in-class or online, via TreiNetSeg, TreiNetPrev and TreiNetCapi with specific courses for the Insurance, Private Pension Plan and Savings Bond areas.

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 a 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. During the period some 1,400 of our professionals successfully sat this exam.

From 1996, in partnership with educational institutions such as FIA, FIPE, FGV and Ibmecc, 829 of the Organization's employees obtained MBAs or other post-graduate degrees and specialization courses. In June 2004, two groups concluded their MBAs in banking business, designed for branch managers Organization-wide and developed in partnership with FGV - São Paulo and FGV - Rio de Janeiro, with 60 professionals qualified.

During the period from January to June 2004, 697 courses were given in 6,637 groups, with 215,463 employee participations and a total of 2,601,680 hours spent in training, as well as investments of R\$ 21.3 million.

Increase in Employee Training Participation Thousand Participations

Total Amount Invested in Training In millions of reais

Operating Efficiency

| | In millions of reais | | | | | 1H04(*) |
|--|----------------------|--------------|--------------|--------------|--------------|--------------|
| | Year | | | | | |
| | 1999 | 2000 | 2001 | 2002 | 2003 | |
| Personnel expenses | 2,784 | 3,221 | 3,549 | 4,076 | 4,780 | 4,990 |
| Employee profit sharing | (104) | (112) | (160) | (140) | (171) | (175) |
| Other administrative expenses | 2,567 | 2,978 | 3,436 | 4,028 | 4,814 | 4,984 |
| Total (1) | 5,247 | 6,087 | 6,825 | 7,964 | 9,423 | 9,799 |
| Financial margin = Gross income from financial intermediation less PDD | 7,494 | 7,839 | 10,109 | 11,472 | 12,778 | 13,212 |
| Commissions and fees | 2,100 | 3,043 | 3,473 | 3,712 | 4,557 | 5,151 |
| Income from insurance premiums, private pension plans and savings bonds | 5,975 | 6,920 | 8,959 | 10,135 | 11,726 | 12,291 |
| Variation in technical reserves for insurance, pension plans and savings bonds | (2,342) | (3,001) | (3,492) | (2,785) | (3,670) | (3,578) |
| Claims - insurance operations and savings bond draws and redemptions | (2,844) | (2,866) | (3,996) | (4,336) | (5,080) | (5,704) |
| Insurance and pension plan selling expenses | (635) | (645) | (689) | (667) | (762) | (816) |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|---------------|
| Expenses with pension plan benefits and redemptions | (558) | (913) | (1,370) | (1,689) | (2,363) | (2,635) |
| Equity in the earnings of associated companies | 127 | 156 | 71 | 65 | 5 | 160 |
| Other operating expenses | (1,296) | (1,376) | (1,831) | (3,148) | (2,704) | (2,945) |
| Other operating income | 1,070 | 903 | 1,326 | 1,321 | 2,164 | 1,169 |
| Total (2) | 9,091 | 10,060 | 12,560 | 14,080 | 16,651 | 16,305 |
| Efficiency ratio (%) = (1/2) | 57.7 | 60.5 | 54.3 | 56.6 | 56.6 | 60.1 |

(*) Amounts accumulated over prior 12-month period.

Operating Efficiency Ratio (%)

The variation in the operating efficiency ratio (accumulated for the 12-month period) from 56.6% (December 2003) to 60.1% (June 2004) reflects the increase in operating costs generated by the synergy process of the institutions acquired in prior periods, in particular, the integration of BCN by Bradesco on February 25, 2004.

We also stress, in 2Q04, the negative impact of extraordinary provisions recorded mainly for IBNR and labor and civil contingencies. Disregarding the extraordinary events, the operating efficiency ratio would be 58.7%.

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 and expenditure with capitalization and analyzing their origin with the related areas, seeking to obtain a maximum cost to 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.

Activity-Based Costing

As part of the Organization's ongoing pursuit to optimize its results and performance, our cost management model will be supported by Activity-Based Costing (ABC) methodology which has already provided, among others, support for studies relating to the formation and negotiation of banking charges, costing information for performance and decision-making support management and for customer profitability purposes, and for the formation of a database for analyses regarding the unification and rationalization of the Bank's different units.

The Organization is currently implementing ABM (Activity-Based Management) methodology which will rapidly lead to cost prevention practices and a pro-active approach as regards the identification of opportunities. Thus, at the same time as we improve our processes, we are also able to seamlessly integrate operating performance with strategic objectives, in the pursuit to create and/or sustain competitive advantages and value for both our customers and stockholders.

Accordingly, the future mission of the activity-based management model is to provide ongoing support for planning and controlling the Bank's business processes and to promote the permanent improvement of operating and tactical issues and to provide a firm basis for their strategic gearing.

2 Consolidated Equity Analysis

Edgar Filing: BANK BRADESCO - Form 6-K

Balance Sheet by Currency and Exchange Exposure at June 30, 2004 - In millions of reais

| | Balance Sheet | Currency | |
|---|----------------|----------------|---------------------------|
| | | Local | Foreign ⁽¹⁾⁽²⁾ |
| ASSETS | | | |
| Current and long-term receivables | 170,983 | 139,002 | 31,981 |
| Funds available | 2,222 | 1,954 | 268 |
| Interbank investments | 20,529 | 16,531 | 3,998 |
| Securities and derivative financial instruments | 56,212 | 47,062 | 9,150 |
| Interbank and interdepartmental accounts | 14,683 | 14,675 | 8 |
| Credit and leasing operations | 47,488 | 40,289 | 7,199 |
| Other receivables and assets | 29,849 | 18,491 | 11,358 |
| Permanent assets | 5,271 | 4,802 | 469 |
| Investments | 1,006 | 541 | 465 |
| Property and equipment in use and leased assets | 2,326 | 2,322 | 4 |
| Deferred charges | 1,939 | 1,939 | - |
| Total assets | 176,254 | 143,804 | 32,450 |
| LIABILITIES | | | |
| Current and long-term liabilities | 162,500 | 134,487 | 28,013 |
| Deposits | 64,133 | 60,347 | 3,786 |
| Deposits received under security repurchase agreements | 16,746 | 15,584 | 1,162 |
| Funds from issuance of securities | 7,080 | 1,880 | 5,200 |
| Interbank and interdepartmental accounts | 1,090 | 414 | 676 |
| Borrowings and onlendings | 16,817 | 7,312 | 9,505 |
| Derivative financial instruments | 785 | 785 | - |
| Technical reserves for insurance, private pension plans and savings bonds | 29,478 | 29,450 | 28 |
| Other liabilities | | | |
| - Subordinated debt | 6,181 | 2,874 | 3,307 |
| - Other | 20,190 | 15,841 | 4,349 |
| Deferred income | 38 | 38 | - |
| Minority interest in subsidiaries | 66 | 66 | - |
| Stockholders' equity | 13,650 | 13,650 | - |
| Total | 176,254 | 148,241 | 28,013 |
| Net position of assets and liabilities | | | |
| Net position of derivatives (2) | | | (4,477) |
| Other memorandum accounts, net (3) | | | (490) |
| Net exchange position (liability) | | | (530) |

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

Edgar Filing: BANK BRADESCO - Form 6-K

(2) Excluding operations maturing in D +1, to be settled in currency at June 30, 2004 price levels.

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

Balance Sheet by Maturity at June 30, 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 |
|--|------------------|------------------------|-------------------------|-----------------------|---------------|----------------|
| ASSETS | | | | | | |
| Current assets and long-term receivables | 103,022 | 17,557 | 13,299 | 37,105 | - | 170,983 |
| Funds available | 2,222 | - | - | - | - | 2,222 |
| Interbank investments | 18,958 | 630 | 324 | 617 | - | 20,529 |
| Securities and derivative financial instruments ⁽¹⁾ | 39,737 | 777 | 3,829 | 11,869 | - | 56,212 |
| Interbank and interdepartmental accounts | 14,392 | 7 | 8 | 276 | - | 14,683 |
| Credit and leasing operations | 8,288 | 15,482 | 7,784 | 15,934 | - | 47,488 |
| Other receivables and assets | 19,425 | 661 | 1,354 | 8,409 | - | 29,849 |
| Permanent assets | 58 | 292 | 351 | 2,960 | 1,610 | 5,271 |
| Investments | - | - | - | - | 1,006 | 1,006 |
| Property and equipment in use and leased assets | 20 | 102 | 123 | 1,477 | 604 | 2,326 |
| Deferred charges | 38 | 190 | 228 | 1,483 | - | 1,939 |
| Total | 103,080 | 17,849 | 13,650 | 40,065 | 1,610 | 176,254 |
| LIABILITIES | | | | | | |
| Current and long-term liabilities | 93,024 | 14,288 | 10,301 | 44,887 | - | 162,500 |
| Deposits ⁽²⁾ | 39,809 | 6,194 | 4,024 | 14,106 | - | 64,133 |
| Deposits received under security repurchase agreements | 14,851 | 75 | 473 | 1,347 | - | 16,746 |
| Funds from the acceptance and issuance of securities | 1,964 | 1,826 | 483 | 2,807 | - | 7,080 |
| Interbank and interdepartmental accounts | 1,090 | - | - | - | - | 1,090 |
| Borrowings and onlendings | 1,913 | 4,695 | 4,224 | 5,985 | - | 16,817 |
| Derivative financial instruments | 712 | 22 | 37 | 14 | - | 785 |
| Technical reserves for insurance, private pension plans and savings bonds ⁽²⁾ | 18,209 | 705 | 260 | 10,304 | - | 29,478 |
| Other liabilities: | | | | | | |
| - Subordinated debt | 51 | 23 | - | 6,107 | - | 6,181 |
| - Other | 14,425 | 748 | 800 | 4,217 | - | 20,190 |
| Deferred income | 38 | - | - | - | - | 38 |
| Minority interest in subsidiaries | - | - | - | - | 66 | 66 |
| Stockholders' equity | - | - | - | - | 13,650 | 13,650 |
| Total | 93,062 | 14,288 | 10,301 | 44,887 | 13,716 | 176,254 |
| Accumulated net assets in 2004 | 10,018 | 13,579 | 16,928 | 12,106 | - | - |
| Accumulated net assets in 2003 | 11,543 | 19,827 | 21,591 | 11,507 | - | - |

(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.

Comparative Balance Sheet - In millions of reais

| ASSETS | June 2003 | June 2004 | % Variation | March 2004 | June 2004 | % Variation |
|--------|--------------|--------------|----------------|---------------|--------------|----------------|
|--------|--------------|--------------|----------------|---------------|--------------|----------------|

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--|----------------|----------------|---------------|----------------|----------------|---------------|
| Current assets and long-term receivables | 149,316 | 170,983 | 14.5 | 155,590 | 170,983 | 9.9 |
| Funds available | 1,773 | 2,222 | 25.3 | 2,285 | 2,222 | (2.8) |
| Interbank investments | 20,996 | 20,529 | (2.2) | 19,232 | 20,529 | 6.7 |
| Securities and derivative financial instruments | 42,796 | 56,212 | 31.3 | 53,152 | 56,212 | 5.8 |
| Interbank and interdepartmental accounts | 15,024 | 14,683 | (2.3) | 12,883 | 14,683 | 14.0 |
| Restricted deposits: | | | | | | |
| Brazilian Central Bank | 13,792 | 13,637 | (1.1) | 12,422 | 13,637 | 9.8 |
| Other | 1,232 | 1,046 | (15.1) | 461 | 1,046 | 126.9 |
| Credit and leasing operations | 42,519 | 47,488 | 11.7 | 44,120 | 47,488 | 7.6 |
| Credit and leasing operations | 46,436 | 51,511 | 10.9 | 48,136 | 51,511 | 7.0 |
| Allowance for loan and leasing losses | (3,917) | (4,023) | 2.7 | (4,016) | (4,023) | 0.2 |
| Other receivables and assets | 26,208 | 29,849 | 13.9 | 23,918 | 29,849 | 24.8 |
| Foreign exchange portfolio | 13,131 | 15,126 | 15.2 | 9,542 | 15,126 | 58.5 |
| Other receivables and assets | 13,269 | 14,913 | 12.4 | 14,552 | 14,913 | 2.5 |
| Allowance for losses | (192) | (190) | (1.0) | (176) | (190) | 8.0 |
| Permanent assets | 5,173 | 5,271 | 1.9 | 5,381 | 5,271 | (2.0) |
| Investments | 494 | 1,006 | 103.6 | 847 | 1,006 | 18.8 |
| Property and equipment in use and leased assets | 2,666 | 2,326 | (12.8) | 2,377 | 2,326 | (2.1) |
| Deferred charges | 2,013 | 1,939 | (3.7) | 2,157 | 1,939 | (10.1) |
| Deferred charges | 562 | 540 | (3.9) | 534 | 540 | 1.1 |
| Goodwill on acquisition of subsidiaries, net of amortization | 1,451 | 1,399 | (3.6) | 1,623 | 1,399 | (13.8) |
| Total | 154,489 | 176,254 | 14.1 | 160,971 | 176,254 | 9.5 |

| LIABILITIES | June 2003 | June 2004 | % Variation | March 2004 | June 2004 | % Variation |
|--|------------------|------------------|--------------------|-------------------|------------------|--------------------|
| Current and long-term liabilities | 141,823 | 162,500 | 14.6 | 147,251 | 162,500 | 10.4 |
| Deposits | 56,822 | 64,133 | 12.9 | 59,186 | 64,133 | 8.4 |
| Demand deposits | 11,525 | 13,541 | 17.5 | 12,605 | 13,541 | 7.4 |
| Savings deposits | 20,736 | 22,457 | 8.3 | 21,929 | 22,457 | 2.4 |
| Interbank deposits | 40 | 47 | 17.5 | 63 | 47 | (25.4) |
| Time deposits | 24,521 | 28,088 | 14.5 | 24,589 | 28,088 | 14.2 |
| Deposits received under security repurchase agreements | 18,569 | 16,746 | (9.8) | 15,084 | 16,746 | 11.0 |
| Funds from acceptance and issuance of securities | 5,745 | 7,080 | 23.2 | 6,561 | 7,080 | 7.9 |
| Securities issued abroad | 5,038 | 5,989 | 18.9 | 5,472 | 5,989 | 9.4 |
| Other resources | 707 | 1,091 | 54.3 | 1,089 | 1,091 | 0.2 |
| Interbank and interdepartmental accounts | 1,735 | 1,090 | (37.2) | 1,180 | 1,090 | (7.6) |
| Borrowings and onlendings | 14,572 | 16,817 | 15.4 | 15,816 | 16,817 | 6.3 |
| Borrowings | 7,711 | 8,895 | 15.4 | 7,797 | 8,895 | 14.1 |
| Onlendings | 6,861 | 7,922 | 15.5 | 8,019 | 7,922 | (1.2) |
| Derivative financial instruments | 310 | 785 | 153.2 | 339 | 785 | 131.6 |
| Technical reserves for insurance, private pension plans and savings bonds | 22,732 | 29,478 | 29.7 | 27,947 | 29,478 | 5.5 |
| Other liabilities | 21,338 | 26,371 | 23.6 | 21,138 | 26,371 | 24.8 |
| Foreign exchange portfolio | 7,854 | 8,750 | 11.4 | 4,546 | 8,750 | 92.5 |
| Taxes and social security contributions, social and statutory payables | 4,642 | 4,771 | 2.8 | 4,633 | 4,771 | 3.0 |
| Subordinated debt | 3,338 | 6,181 | 85.2 | 5,141 | 6,181 | 20.2 |
| Sundry | 5,504 | 6,669 | 21.2 | 6,818 | 6,669 | (2.2) |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|-----------------------------------|----------------|----------------|-------------|----------------|----------------|------------|
| Deferred income | 37 | 38 | 2.7 | 27 | 38 | 40.7 |
| Minority interest in subsidiaries | 107 | 66 | (38.3) | 68 | 66 | (2.9) |
| Stockholders equity | 12,522 | 13,650 | 9.0 | 13,625 | 13,650 | 0.2 |
| Total | 154,489 | 176,254 | 14.1 | 160,971 | 176,254 | 9.5 |

Equity Analysis - In millions of reais

Funds Available

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 1,773 | 2,222 | 25.3 | 2,285 | 2,222 | (2.8) |

This increase reflects mainly the increase in the volume of local currency cash funds.

The volume of foreign currency cash funds decreased by R\$ 260, partially offset by the increase in the volume of local currency cash funds.

Interbank Investments

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 20,996 | 20,529 | (2.2) | 19,232 | 20,529 | 6.7 |

The variation in this account balance for the period reflects for the most part: (i) the decrease in the third-party portfolio position of open market investments, down by R\$ 3,156, partially offset by: (ii) the increase in interbank investments up by R\$ 2,010; and (iii) increase in the own portfolio position of open market investments up by R\$ 631.

This growth mainly reflects: (i) increase in the third-party portfolio position of open market investments, up by R\$ 1,052; and (ii) increase in the own portfolio position of open market investments, up by R\$ 134.

Securities (TVM) and Derivative Financial Instruments

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 42,796 | 56,212 | 31.3 | 53,152 | 56,212 | 5.8 |

The increase for the period is due substantially to: (i) additional funds derived from the increase in funding, particularly deposits and technical reserves, as well as issuance of securities (subordinated and securitized debt); (ii) by positive exchange variation of 8.20% for the period, impacting foreign-currency indexed and/or denominated securities; partially mitigated by: (iii) redemption/maturity of securities during the period.

Growth for the quarter is mainly derived from: (i) additional funds derived from the increase in funding, particularly deposits and technical reserves; (ii) issuance of subordinated debt; and (iii) by positive exchange variation of 6.84% for the quarter, impacting foreign-currency indexed and/or denominated securities; partially mitigated by redemption/maturity of securities during the quarter.

Interbank and Interdepartmental Accounts

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
|-----------|-----------|-------------|------------|-----------|-------------|

Edgar Filing: BANK BRADESCO - Form 6-K

| | | |
|---------------|---------------|--------------|
| 15,024 | 14,683 | (2.3) |
|---------------|---------------|--------------|

The decrease reflects mainly the reduction in compulsory Brazilian Central Bank (BACEN) deposits, as a result of the change in the compulsory deposit rate on demand deposits from 60% in June/03 to 45% in June/04, partially offset by the increase in the average volume of demand and savings deposits for the period.

| | | |
|---------------|---------------|-------------|
| 12,883 | 14,683 | 14.0 |
|---------------|---------------|-------------|

The variation reflects substantially the increase in compulsory BACEN deposits, as a result of the increase in the average volume of demand deposits for the quarter.

Credit and Leasing Operations

| June/2003 | June/2004 | % Variation |
|------------------|------------------|--------------------|
| 53,048 | 58,402 | 10.1 |

The growth was mainly derived from: (i) increase in the demand for credit, in particular, auto financing in the individual consumer segment and rural credit in the corporate segment; (ii) positive exchange variation of 8.20% for the period, affecting foreign-currency indexed and/or denominated contracts; (iii) consolidation of Banco Zogbi and Banco BEM; (iv) contract adjustments; and was partially offset by: (v) contract settlements.

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.

| March/2004 | June/2004 | % Variation |
|-------------------|------------------|--------------------|
| 54,894 | 58,402 | 6.4 |

The variation for the quarter reflects substantially: (i) increase in the demand for credit, in particular, rural credit both in the individual and corporate segments and auto financing in the consumer segment; (ii) positive exchange variation of 6.84% for 2Q04, affecting foreign-currency indexed and/or denominated contracts; (iii) contract adjustments; and was partially offset by: (iv) contract settlements.

N.B. Includes advances on foreign exchange contracts and other receivables and does not include the allowance for loan losses.

Allowance for Loan Losses (PDD)

| June/2003 | June/2004 | % Variation |
|------------------|------------------|--------------------|
| 4,109 | 4,213 | 2.5 |

During the period, the ratio of total PDD to the credit portfolio dropped from 7.7% in June/2003 to 7.2% in June/2004, and the ratio of allowance coverage to the abnormal course credit portfolio, rated from D to H, increased from 143.1% in June/03 to 159.0% in June/04. These ratios evidence the improvement in credit portfolio quality as a result of our safe, selective and consistent credit granting strategy. Amounts of R\$ 2,130 and R\$ 2,102 were recorded as allowance for loan losses and amounts written-off, respectively, during the period. Excess allowance in relation to minimum requirements increased from R\$ 817 in June/03 to R\$ 905 in June/04.

| March/2004 | June/2004 | % Variation |
|-------------------|------------------|--------------------|
| 4,192 | 4,213 | 0.5 |

The ratio of PDD to the credit portfolio dropped from 7.6% in 1Q04 to 7.2% in 2Q04 and the ratio of allowance to the abnormal course credit portfolio, rated from D to H, increased from 153.9% in 1Q04 to 159.0% in 2Q04, reflecting the quality of the portfolio. During the quarter, PDD was recorded in the amount of R\$ 514 and an amount of R\$ 493 was written off. Excess allowance in relation to minimum requirements increased from R\$ 884 in 1Q04 to R\$ 905 in 2Q04.

Other Receivables and Assets

| June/2003 | June/2004 | % Variation |
|------------------|------------------|--------------------|
| 25,602 | 29,407 | 14.9 |

| March/2004 | June/2004 | % Variation |
|-------------------|------------------|--------------------|
| 23,402 | 29,407 | 25.7 |

Edgar Filing: BANK BRADESCO - Form 6-K

This variation is mainly due to the increase in the volume of the fx portfolio and to positive exchange variation of 8.20% for the period, as well as the increase in credit card transactions.

N.B. This total is less (net of corresponding PDD) an amount of R\$ 606 in June/03 and R\$ 442 in June/04, allocated to the Credit and leasing operations and Allowance for loan losses accounts.

This fluctuation reflects substantially the increase in the volume of the fx portfolio and the positive exchange variation of 6.84% in 2Q04.

N.B. This total is less (net of corresponding PDD) an amount of R\$ 516 in March/04 and R\$ 442 in June/04, allocated to the Credit and leasing operations and Allowance for loan losses accounts.

Permanent Assets

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 5,173 | 5,271 | 1.9 | 5,381 | 5,271 | (2.0) |

The variation for the period was mainly due to: (i) increase as a result of the transfer of the investment in Banco Espírito Santo (BES) from current to permanent assets R\$ 380; partially offset by: (ii) non-consolidation of permanent assets of Latasa - R\$ 306, following its sale in December/03.

The decrease for the quarter reflects for the most part amortization of goodwill in subsidiaries - R\$ 227, of which R\$ 135 was amortized on an extraordinary basis, partially offset by increased equity in earnings determined in associated companies, in particular, the investment in IRB-Brasil Resseguros S.A.

Demand Deposits

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 11,525 | 13,541 | 17.5 | 12,605 | 13,541 | 7.4 |

This increase is mainly derived from the increase in the number of customers.

This increase reflects substantially the increase in the number of customers.

Savings Deposits

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 20,736 | 22,457 | 8.3 | 21,929 | 22,457 | 2.4 |

This increase reflects mainly: (i) remuneration of deposits (TR + 0.5% p.m.) - 9.12% for the period; (ii) increase in the number of customers; and was partially offset by (iii) withdrawals for the period.

This increase reflects substantially: (i) increase in the number of customers; (ii) remuneration of deposits (TR + 0.5% p.m.) - 1.93% for the quarter; and was partially offset by (iii) withdrawals in 2Q04.

Time Deposits

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 24,521 | 28,088 | 14.5 | 24,589 | 28,088 | 14.2 |

The increase was due to the volume of remuneration appropriated mainly by institutional investors, net of redemptions made during the period.

The increase reflects substantially the volume of remuneration appropriated by institutional investors, net of redemptions made during the period.

Interbank Deposits

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 40 | 47 | 17.5 | 63 | 47 | (25.4) |

This growth reflects the increase in interbank funding within the financial system.

This variation reflects the decrease in interbank funding within the financial system.

Deposits Received Under Security Repurchase Agreements

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 18,569 | 16,746 | (9.8) | 15,084 | 16,746 | 11.0 |

The variation in this account balance for the period was due mostly to: (i) decrease in the third-party portfolio R\$ 3,140; partially offset by: (ii) increase in own portfolio R\$ 1,217.

N.B. Includes investment fund and managed portfolio resources invested in purchase and sale commitments with Banco Bradesco, the investors in which are subsidiary companies included in the consolidated financial statements in the amounts of R\$ 9,452 (June/03) and R\$ 8,537 (June/04).

The increase in this account balance for the quarter was due mostly to: (i) increase in the third-party portfolio R\$ 1,068; and (ii) increase in own portfolio - R\$ 494.

N.B. Includes investment fund and managed portfolio resources invested in purchase and sale commitments with Banco Bradesco, the investors in which are subsidiary companies included in the consolidated financial statements in the amounts of R\$ 8,108 (March/04) and R\$ 8,537 (June/04).

Funds from Issuance of Securities

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 5,745 | 7,080 | 23.2 | 6,561 | 7,080 | 7.9 |

This increase mainly reflects: (i) positive exchange variation of 8.20% for the period, impacting securities issued abroad; (ii) new securities issued abroad (securitization of the future flows of payment orders and credit card bills); and partially offset by: (iii) settlement of eurobond issues.

This growth was mainly due to: (i) positive exchange variation of 6.84% for 2Q04, impacting securities issued abroad; and (ii) new securities issued abroad (commercial paper and eurobonds), net of payments.

Interbank and Interdepartmental Accounts

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 1,735 | 1,090 | (37.2) | 1,180 | 1,090 | (7.6) |

The variation was mainly generated by a lower volume of unsettled collection and money orders in June/04 as compared to June/03.

The variation was due mainly to the lower volume of unsettled collection and money orders in 2Q04.

Borrowings and Onlendings

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 14,572 | 16,817 | 15.4 | 15,816 | 16,817 | 6.3 |

The oscillation mainly reflects: (i) positive exchange variation of 8.20% for the period, affecting the foreign borrowings and onlendings account, indexed and or denominated in foreign currency; (ii) the increase in the volume of funds obtained in Brazil via onlendings from BNDES/FINAME; and (iii) new funding transactions abroad during the period.

The oscillation reflects the increase in the foreign loans account, in the amount of R\$ 1,091, derived from positive exchange variation of 6.84% in 2Q04 and new funding transactions.

Other Liabilities and Derivative Financial Instruments

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 27,462 | 33,415 | 21.7 | 27,543 | 33,415 | 21.3 |

The increase was due for the most part to: (i) new issuance of subordinated debt in foreign currency; (ii) increase in the volume of the fx portfolio; and (iii) positive exchange variation of 8.20% for the period.

N.B. Excludes advances on foreign exchange contracts of R\$ 5,814 and R\$ 6,259, allocated to the specific account in credit operations in June/03 and June/04, respectively.

The increase for the quarter was mainly due to: (i) increase in the volume of the fx portfolio - R\$ 4,204; (ii) new issuance of subordinated debt in foreign currency - R\$ 855; and (iii) positive exchange variation of 6.84% in 2Q04.

N.B. Excludes advances on foreign exchange contracts of R\$ 6,065 and R\$ 6,259, allocated to the specific account in credit operations in March/04 and June/04, respectively.

Technical Reserves for Insurance, Private Pension Plans and Savings Bonds

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 22,732 | 29,478 | 29.7 | 27,947 | 29,478 | 5.5 |

The variation for the period reflects mainly the increased sales of private supplementary pension plans and insurance policies, in particular, PGBL and VGBL products, for which reserves were accordingly recorded.

The variation for the quarter reflects mainly the increase in the sale of private supplementary pension plans and insurance policies, especially, PGBL and VGBL products, for which reserves were accordingly recorded.

Minority Interest in Subsidiaries

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 107 | 66 | (38.3) | 68 | 66 | (2.9) |

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

This decrease was mainly due to a lower amount of minority interest in results determined for 2Q04.

Stockholders Equity

| June/2003 | June/2004 | % Variation | March/2004 | June/2004 | % Variation |
|-----------|-----------|-------------|------------|-----------|-------------|
| 12,522 | 13,650 | 9.0 | 13,625 | 13,650 | 0.2 |

This variation reflects substantially: (i) appropriation of net income for the period - R\$ 2,529, mark-to-market adjustment of securities and derivatives - R\$ 15 and others - R\$ 2; and offset by interest attributed to own capital, paid and accrued - R\$ 1,365 and acquisition of own shares - R\$ 53.

The variation was due to the appropriation of net income for 2Q04 - R\$ 641, offset by interest attributed to own capital, paid and accrued - R\$ 326, and by the decrease in the reserve for mark-to-market adjustment of securities and derivatives - R\$ 290.

Securities - In millions of reais

Consolidated Portfolio Composition by Issuer at June 30, 2004 (1)

| Securities (1) | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Market/Book value (4), (5) and (6) | Restated cost value | Mark-to-market adjustment |
|--|---------------|---------------------|----------------------|--------------------|------------------------------------|---------------------|---------------------------|
| GOVERNMENT SECURITIES | 1,921 | 3,050 | 7,674 | 28,044 | 40,689 | 41,159 | (470) |
| Financial Treasury Notes | 1,023 | 2,432 | 1,501 | 13,379 | 18,335 | 18,344 | (9) |
| National Treasury Bonds | 301 | 90 | 5,921 | 370 | 6,682 | 6,710 | (28) |
| Federal Treasury Notes | 304 | 343 | 252 | 7,557 | 8,456 | 8,478 | (22) |
| Brazilian foreign debt notes | 206 | - | - | 6,358 | 6,564 | 6,947 | (383) |
| Central Bank Notes | 5 | 64 | - | 58 | 127 | 121 | 6 |
| Other | 82 | 121 | - | 322 | 525 | 559 | (34) |
| CORPORATE BONDS | 3,135 | 242 | 101 | 3,508 | 6,986 | 6,560 | 426 |
| Debentures | 108 | 3 | 11 | 1,147 | 1,269 | 1,326 | (57) |
| Shares | 1,827 | - | - | - | 1,827 | 1,338 | 489 |
| Certificates of Bank Deposit | 201 | 98 | 4 | 817 | 1,120 | 1,121 | (1) |
| Corporate bonds abroad | 26 | 27 | 62 | 1,385 | 1,500 | 1,503 | (3) |
| Derivative financial instruments | 718 | 73 | 11 | 16 | 818 | 807 | 11 |
| Other | 255 | 41 | 13 | 143 | 452 | 465 | (13) |
| PURCHASE AND SALE COMMITMENTS (3) | 241 | 3,004 | 33 | 5,259 | 8,537 | 8,537 | - |
| Total at June 30, 2004 | 5,297 | 6,296 | 7,808 | 36,811 | 56,212 | 56,256 | (44) |
| Total at June 30, 2003 | 8,840 | 4,276 | 7,177 | 22,502 | 42,795 | 42,609 | 186 |

Composition by Maturity at June 30, 2004

| Securities (1) | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Market/Book value (4), (5) and (6) | Restated cost value | Mark-to-market adjustment |
|------------------------|---------------|---------------------|----------------------|--------------------|------------------------------------|---------------------|---------------------------|
| Trading securities (2) | 2,854 | 5,802 | 7,453 | 25,365 | 41,474 | 41,596 | (122) |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | |
|---|--------------|--------------|--------------|---------------|---------------|---------------|-------------|
| Financial Treasury Notes | 1,008 | 2,124 | 1,411 | 13,117 | 17,660 | 17,663 | (3) |
| Purchase and Sale Commitments (3) | 241 | 3,004 | 33 | 5,259 | 8,537 | 8,537 | - |
| National Treasury Bonds | 301 | 90 | 5,915 | 365 | 6,671 | 6,699 | (28) |
| Federal Treasury Notes | 303 | 343 | 19 | 3,908 | 4,573 | 4,606 | (33) |
| Debentures | 106 | 3 | 11 | 772 | 892 | 920 | (28) |
| Certificates of Bank Deposit | 22 | 36 | 2 | 809 | 869 | 869 | - |
| Brazilian foreign debt notes | 27 | - | - | 714 | 741 | 754 | (13) |
| Shares | 533 | - | - | - | 533 | 533 | - |
| Other | 313 | 202 | 62 | 421 | 998 | 1,015 | (17) |
| Securities available for sale (2) | 1,669 | 422 | 254 | 7,061 | 9,406 | 9,338 | 68 |
| Brazilian foreign debt notes | 125 | - | - | 4,204 | 4,329 | 4,700 | (371) |
| Corporate bonds abroad | 26 | - | - | 1,315 | 1,341 | 1,351 | (10) |
| Shares | 1,293 | - | - | - | 1,293 | 804 | 489 |
| Federal Treasury Notes | - | - | 143 | 722 | 865 | 855 | 10 |
| National Treasury Bonds | 15 | 308 | 90 | 261 | 674 | 680 | (6) |
| Debentures | 2 | - | - | 375 | 377 | 406 | (29) |
| Brazilian foreign debt notes | 178 | 62 | 3 | 8 | 251 | 251 | - |
| Other | 30 | 52 | 18 | 176 | 276 | 291 | (15) |
| Securities held to maturity (7) | 55 | - | 90 | 4,370 | 4,515 | 4,515 | - |
| Federal Treasury Notes | - | - | 90 | 2,926 | 3,016 | 3,016 | - |
| Brazilian foreign debt notes | 54 | - | - | 1,441 | 1,495 | 1,495 | - |
| Central Bank Notes | 1 | - | - | - | 1 | 1 | - |
| Other | - | - | - | 3 | 3 | 3 | - |
| Derivative financial instruments | 718 | 73 | 11 | 16 | 818 | 807 | 11 |
| Total at June 30, 2004 | 5,296 | 6,297 | 7,808 | 36,812 | 56,213 | 56,256 | (43) |
| Total at June 30, 2003 | 8,840 | 4,276 | 7,177 | 22,503 | 42,796 | 42,610 | 186 |
| Derivative financial instruments (Liabilities) | | | | | | | |
| Total at June 30, 2004 | (712) | (22) | (37) | (13) | (784) | (774) | (10) |
| Total at June 30, 2003 | (226) | (29) | (27) | (28) | (310) | (286) | (24) |

- (1) Investments in fund quotas were distributed based on the securities comprising their portfolios maintaining the fund category classification.
- (2) Securities of Banco BEM, in the amount of R\$ 521 million, mainly financial treasury notes, classified as securities held to maturity, were reclassified at June 30, 2004, R\$ 499 million of which to trading securities, decreasing results by R\$ 7 million, net of tax effects and R\$ 22 million to securities available for sale, decreasing the specific stockholders' equity account by R\$ 4 million, net of tax effects. In Banco Zogbi, equity securities in the amount of R\$ 5 million, classified as trading securities, were transferred to securities available for sale, pursuant to BACEN Circular 3068/2001, in line with the portfolio profile of Banco Bradesco, the bank's new parent company.
- (3) Investment fund and managed portfolio resources invested in purchase and sale commitments with Banco Bradesco, the investors in which are subsidiary companies, included in the consolidated financial statements.
- (4) The number of days to maturity was based on the maturity of the securities, regardless of accounting classification.
- (5) This column reflects book value subsequent to mark-to-market adjustment, except for securities held to maturity, the market value of which is higher than purchase cost by R\$ 762 million (in June 2003 - R\$ 241 million).
- (6) The market value of securities is determined based on the market price practiced on the balance sheet date. In the event no market prices are available, amounts are estimated based on the prices quoted by dealers, on price definition models, quotation models or quotations for instruments with similar characteristics.
- (7)

Edgar Filing: BANK BRADESCO - Form 6-K

In compliance with the provisions of Article 8 of BACEN Circular 3068/2001, 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. This financial capacity is evidenced in Note 7, which presents the maturities of asset and liability operations at the base date of June 30, 2004. Summary of the Classification of Securities at June 30, 2004

| | Financial | Insurance/ Savings Bond | Private Pension Plan | Other Activities | Total | % |
|----------------------------------|---------------|----------------------------|-------------------------|---------------------|---------------|--------------|
| Trading securities | 14,857 | 4,236 | 22,296 | 85 | 41,474 | 73.8 |
| Securities available for sale | 6,899 | 1,229 | 1,257 | 21 | 9,406 | 16.7 |
| Securities held to maturity | 1,589 | - | 2,926 | - | 4,515 | 8.0 |
| Derivative financial instruments | 817 | - | - | 1 | 818 | 1.5 |
| Total at June 30, 2004 | 24,162 | 5,465 | 26,479 | 107 | 56,213 | 100.0 |
| Total at June 30, 2003 | 18,395 | 3,890 | 20,344 | 167 | 42,796 | 100.0 |

Credit Operations

We present below the composition of the credit portfolio by type of operation and economic activity sector.

By Type of Operation - In millions of reais

| | 2003 | | 2004 | |
|--|---------------|---------------|---------------|---------------|
| | March | June | March | June |
| Discount of trade receivables and other loans | 23,119 | 24,826 | 24,542 | 25,731 |
| Financings | 14,862 | 16,082 | 17,727 | 18,815 |
| Rural and agribusiness loans | 3,899 | 4,007 | 4,493 | 5,613 |
| Leasing operations | 1,442 | 1,521 | 1,375 | 1,352 |
| Advances on foreign exchange contracts | 5,733 | 5,814 | 6,065 | 6,259 |
| Credit operations - Subtotal | 49,055 | 52,250 | 54,202 | 57,770 |
| Other receivables | 600 | 798 | 692 | 632 |
| Total credit operations | 49,655 | 53,048 | 54,894 | 58,402 |
| Sureties and guarantees recorded in memorandum accounts | 4,308 | 5,581 | 6,480 | 6,751 |

By Economic Activity Sector - In millions of reais

| | 2004 | | | |
|---|---------------|-------------|---------------|-------------|
| | March | % | June | % |
| Public Sector | 473 | 0.8 | 608 | 1.0 |
| Private Sector | 54,421 | 99.2 | 57,794 | 99.0 |
| Manufacturing | 17,544 | 32.0 | 18,530 | 31.7 |
| Commerce | 7,942 | 14.5 | 8,698 | 14.9 |
| Financial intermediation | 844 | 1.5 | 846 | 1.5 |
| Services | 10,830 | 19.7 | 10,800 | 18.5 |
| Agriculture, livestock raising, fishing, forest | | | | |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|----------------------------|---------------|--------------|---------------|--------------|
| development and management | 808 | 1.5 | 1,092 | 1.9 |
| Consumers | 16,453 | 30.0 | 17,828 | 30.5 |
| <hr/> | | | | |
| Total | 54,894 | 100.0 | 58,402 | 100.0 |

By Segment

At the end of the first half of 2004, 99.0% of the credit portfolio was directed to the private sector, with no significant movement compared with the prior quarter. By economic activity sector, manufacturing maintained the majority of credit volume, with a 31.7% share of total operations, particularly food and beverage, steel, metal products and mechanics. Credits directed to the service sector, including financial intermediaries, comprised 20.0%, whereas commerce and farming/livestock activities recorded a 14.9% and 1.9% portfolio share, respectively. Loans to consumers comprised 30.5% of the portfolio.

Portfolio Performance

Performance of the credit portfolio for the second quarter of 2004 reflected, albeit timidly, the continuing expansion of economic activity, evidenced by the ongoing good export sector performance and gradual recovery of internal demand.

Specifically in the case of consumers, increased consumption is related to the recovery of employment levels and income, especially in regions outside of major urban centers, prompting a greater volume of financing of consumer durables and personal credit operations, in particular those discounted directly from payroll.

As a result, the balance of Bradesco's consolidated credit portfolio at June 30 totaled R\$ 58.4 billion, an increase of 6.4%, as compared to March 31, or 10.1%, annualized.

In the second half of 2004, economic growth is expected to gain rhythm, also considering seasonal factors, and the projected increase in consumption and private investment should have a positive effect on credit expansion and the country's GNP.

Composition of the Credit Portfolio by Risk Levels

The classification and quality of the credit portfolio by risk level, at the end of June 2004, remained stable in comparison with the first quarter of 2004. The operations concentrated from levels AA to C, classified by BACEN as normal course operations, totaled 91.3% of the accumulated balance. 2.8% of operations were classified at risk administration level D and will remain so until this risk is reduced or guarantees with greater liquidity are obtained. Only 5.9% were considered to be abnormal course operations, subject to partial loss after the application of customary recovery procedures. The maintenance of these rates reflects the Bank's permanent use of credit assessment and monitoring instruments.

By Rating In millions of reais

| Risk Level | Portfolio Balance | Accumulated Percentage (1) | Minimum Requirement | | | | Additional Allowance (4) | Existing Allowance |
|------------|-------------------|----------------------------|---------------------|-------------|-------------|-------|--------------------------|--------------------|
| | | | Specific (2) | | Generic (3) | Total | | |
| | | | Past Due | Falling Due | | | | |
| AA | 15,966 | 27.3 | - | - | - | - | - | - |
| A | 22,150 | 65.3 | - | - | 111 | 111 | 66 | 177 |
| B | 5,582 | 74.8 | 1 | 4 | 51 | 56 | 19 | 75 |
| C | 9,611 | 91.3 | 5 | 16 | 267 | 288 | 333 | 621 |
| D | 1,629 | 94.1 | 17 | 26 | 120 | 163 | 211 | 374 |
| E | 416 | 94.8 | 38 | 44 | 43 | 125 | 68 | 193 |
| F | 734 | 96.0 | 84 | 71 | 212 | 367 | 115 | 482 |
| G | 384 | 96.7 | 93 | 74 | 101 | 268 | 93 | 361 |
| H | 1,930 | 100.0 | 908 | 495 | 527 | 1,930 | - | 1,930 |

Total at June

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|------------------------------------|---------------|----------|--------------|------------|--------------|--------------|------------|--------------|
| 30, 2004 | 58,402 | - | 1,146 | 730 | 1,432 | 3,308 | 905 | 4,213 |
| Total at March 31, 2004 | 54,894 | - | 1,193 | 731 | 1,384 | 3,308 | 884 | 4,192 |

- (1) On total portfolio.
- (2) For operations with installments overdue by more than 14 days.
- (3) Recorded based on the customer/transaction classification.
- (4) The additional provision is recorded based on management's experience and expected collection of the credit portfolio to determine the total allowance deemed sufficient to cover specific and general portfolio risks, as well as the provision calculated based on risk level ratings and the corresponding minimum provision requirements established by CMN Resolution 2682. The additional provision per customer was classified in the above table according to the corresponding risk levels.

The volume of the allowance for loan losses in June 2004 totaled R\$ 4,213 million, corresponding to 7.2% of total credit operations. However, of this amount, only 44.5% effectively comprises overdue operations (past due and falling due), compared to 45.9% in March and the remaining portion is recorded as a precaution only, based on the customers' internal classification or to cover specific and general portfolio risks.

Movement of the Portfolio between June 2003 and June 2004

The performance of the consolidated credit portfolio over the prior twelve months up to June 2004, despite the low level of economic activity, evidences the maintenance of the quality of the assets, in particular as a result of new borrowers, corresponding to an increase of 17.1%, compared to the balance of the credit portfolio up to June 2003.

Portfolio Movement between June 2003 and June 2004

| Level | Borrowers remaining from June 2003 | | New borrowers between June 2003 and June 2004 | | Total credit at June 2004 | |
|--------------|---------------------------------------|--------------|---|--------------|------------------------------|--------------|
| | In millions of reais | % | In millions of reais | % | In millions of reais | % |
| AA to C | 44,695 | 90.6 | 8,615 | 94.8 | 53,309 | 91.3 |
| D | 1,509 | 3.1 | 120 | 1.3 | 1,629 | 2.8 |
| E to H | 3,105 | 6.3 | 358 | 3.9 | 3,464 | 5.9 |
| Total | 49,309 | 100.0 | 9,093 | 100.0 | 58,402 | 100.0 |

As a result, the quality of the credits granted to new borrowers during the year has proved satisfactory and accordingly the percentage of credit operations classified as normal course (from AA to C) maintained its customary high level, totaling 91.3% at the end of June 2004, compared to 90.4% at the end of March 2004.

Concentration of Credit Portfolio In millions of reais

| | 2003 | | | | 2004 | | | |
|----------------------|--------|------|--------|------|--------|------|--------|------|
| | March | % | June | % | March | % | June | % |
| Largest borrower | 800 | 1.6 | 784 | 1.5 | 781 | 1.4 | 779 | 1.3 |
| 10 largest borrowers | 4,409 | 8.9 | 4,871 | 9.2 | 5,352 | 9.7 | 5,536 | 9.5 |
| 20 largest borrowers | 6,959 | 14.0 | 7,926 | 14.9 | 8,137 | 14.8 | 8,497 | 14.5 |
| 50 largest borrowers | 12,052 | 24.3 | 13,265 | 25.0 | 13,073 | 23.8 | 14,028 | 24.0 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|-----------------------|--------|------|--------|------|--------|------|--------|------|
| 100 largest borrowers | 16,052 | 32.3 | 17,305 | 32.6 | 17,085 | 31.1 | 18,234 | 31.2 |
|-----------------------|--------|------|--------|------|--------|------|--------|------|

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.

In millions of reais

| Items | 2003 | | 2004 | |
|--|--------|--------|--------|--------|
| | March | June | March | June |
| Total Credit Operations | 49,655 | 53,048 | 54,894 | 58,402 |
| - Consumer | 13,422 | 14,406 | 16,453 | 17,828 |
| - Corporate | 36,233 | 38,642 | 38,441 | 40,574 |
| Existing Allowance | 3,902 | 4,109 | 4,192 | 4,213 |
| - Specific | 1,943 | 2,006 | 1,924 | 1,876 |
| - Generic | 1,156 | 1,286 | 1,384 | 1,432 |
| - Additional | 803 | 817 | 884 | 905 |
| Specific Allowance/Existing Allowance (%) | 49.8 | 48.8 | 45.9 | 44.5 |
| Existing Allowance/Total Credit Operations (%) | 7.9 | 7.7 | 7.6 | 7.2 |
| Normal Course Operations (from AA to C)/Total Credit Operations (%) | 90.8 | 90.2 | 90.4 | 91.3 |
| Operations under risk management (D)/Total Credit Operations (%) | 2.8 | 3.4 | 3.3 | 2.8 |
| Abnormal Course Operations (from E to H)/Total Credit Operations (%) | 6.4 | 6.4 | 6.3 | 5.9 |
| Credit Operations (D) | 1,370 | 1,841 | 1,837 | 1,629 |
| Existing Allowance (D) | 372 | 520 | 438 | 374 |
| Allowance/Credit Operations (D) (%) | 27.2 | 28.2 | 23.8 | 23.0 |
| Credit Operations (from E to H) | 3,223 | 3,375 | 3,439 | 3,464 |
| Existing Provision (from E to H) | 2,799 | 2,939 | 2,951 | 2,966 |
| Allowance/Credit Operations (from E to H) (%) | 86.8 | 87.1 | 85.8 | 85.6 |

The figures at the end of June 2004 continue to confirm the low credit risk of the Bradesco portfolio, as a result of its comfortable coverage levels and moreover that the Organization's credit granting strategy is being applied on a secure, selective and consistent basis.

Funding

Deposits by Maturity - In millions of reais

| Days to maturity | 2004 | | | | | |
|------------------|--------|---------------|---------------------|----------------------|--------------------|--------|
| | March | | | June | | |
| | Total | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Total |
| Demand | 12,605 | 13,541 | - | - | - | 13,541 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--------------|---------------|---------------|--------------|--------------|---------------|---------------|
| Savings | 21,929 | 22,456 | - | - | - | 22,456 |
| Interbank | 63 | 41 | 6 | - | - | 47 |
| Time | 24,589 | 3,771 | 6,188 | 4,024 | 14,106 | 28,089 |
| Total | 59,186 | 39,809 | 6,194 | 4,024 | 14,106 | 64,133 |

Demand Deposits - In billions of reais

Savings Accounts

The balance of Bradesco Organization Savings Accounts totaled R\$ 22.4 billion in deposits at the end of the first half of 2004, corresponding to a 18.9% market share of the Brazilian Savings and Loan System (SBPE).

Savings Account Deposits - In billions of reais

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

Savings Accounts - Million Accounts

Asset Management

BRAM - Bradesco Asset Management rated Aaa(MQ) by Moody's

Based on its detailed quality assessment methodology, Moody's rated BRAM as Aaa(MQ), the highest rating according to the scale defined by this agency. The score was based on Moody's evaluation that the company presents an excellent management and control environment, enjoys an outstanding and competitive position and has a clearly focused strategic vision, an efficient organizational structure, highly qualified management and work teams, rigorous investment policy and effective operating and risk controls.

This rating confirms Bradesco's commitment to quality and consistent results.

Net assets - In millions of reais

| | 2003 | | 2004 | |
|--------------------|---------------|---------------|---------------|---------------|
| | March | June | March | June |
| Investment funds | 54,388 | 60,949 | 75,217 | 78,059 |
| Managed portfolios | 9,388 | 9,279 | 8,828 | 8,757 |
| Total | 63,776 | 70,228 | 84,045 | 86,816 |

Distribution of Assets - In millions of reais

| | 2003 | | 2004 | |
|---------------------------------|--------|--------|--------|--------|
| | March | June | March | June |
| Investment funds - fixed return | 52,818 | 59,062 | 72,487 | 75,579 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Investment funds - floating rate | 1,570 | 1,887 | 2,730 | 2,480 |
| Total | 54,388 | 60,949 | 75,217 | 78,059 |
| Fixed return customer portfolios | 6,766 | 6,647 | 6,570 | 6,561 |
| Floating rate customer portfolios | 2,622 | 2,632 | 2,258 | 2,196 |
| Total | 9,388 | 9,279 | 8,828 | 8,757 |
| Total fixed-return funds | 59,584 | 65,709 | 79,057 | 82,140 |
| Total floating-rate funds | 4,192 | 4,519 | 4,988 | 4,676 |
| Total | 63,776 | 70,228 | 84,045 | 86,816 |

Total Volume of Managed Assets according to ANBID s Global Ranking - In millions of reais

Number of Funds, Portfolios and Quotaholders at June 30, 2004

| | Number | Quotaholders |
|---------------------|---------------|---------------------|
| Investment funds | 498 | 2,704,987 |
| Customer portfolios | 116 | 415 |
| Total | 614 | 2,705,402 |

3 Consolidated Information for the Period and Operating Structure

Corporate Organization Chart

MAJOR STOCKHOLDERS

- (1) No single stockholder holds more than 4% of capital.
- (2) Bradesco Management (Board of Executive Officers and Board of Directors) is a member of the Governing Board of the Bradesco Foundation, the Entity's most senior deliberative organ.

Base date: June 30, 2004

ON = COMMON STOCK

PN = PREFERRED STOCK

MAIN SUBSIDIARIES AND ASSOCIATED COMPANIES

ON = COMMON STOCK

PN = PREFERRED STOCK

Administrative Body

Risk Ratings Bank

| | | FITCH ATLANTIC RATINGS | | | | | | MOODY'S INVESTORS SERVICE | | | | | | AUSTIN RATING | | | |
|--------------------|---|------------------------|------------|----------------|------------|----------------|------------|---------------------------|------------|-----------------------|------------|------------------------|------------|----------------|------------|---------------------|-----|
| | | International Scale | | | | National Scale | | International Scale | | | | National Scale | | National Scale | | | |
| | | Foreign Currency | | Local Currency | | National | | Foreign Currency Deposit | | Foreign Currency Debt | | Local Currency Deposit | | Deposit | | Financial Quality | |
| Individual Support | | | | | | | | | | | | | | | | Financial Soundness | |
| | | Long-term | Short-term | 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 | Aaa.br | BR-1 | A | AAA |
| A/B | 2 | AA+ | F2 | AA+ | F2 | AA+(bra) | F1(bra) | Aa1 | P-2 | Aa1 | P-2 | Aa1 | P-2 | Aa1.br | BR-2 | A- | AA |
| B | 3 | AA | F3 | AA | F3 | AA(bra) | F2(bra) | Aa2 | P-3 | Aa2 | P-3 | Aa2 | P-3 | Aa2.br | BR-3 | B+ | A |
| B/C | 4 | AA- | B | AA- | B | AA-(bra) | F3(bra) | Aa3 | NP | Aa3 | NP | Aa3 | NP | Aa3.br | BR-4 | B | BBB |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | | | | | | |
|-----|---|-----------|---|-----------|---|-----------|--------|-----------|------------|-----------|---------|----|-----|
| C | 5 | A+ | C | A+ | C | A+(bra) | B(bra) | A1 | A1 | A1 | A1.br | B- | BB |
| C/D | | A | D | A | D | A(bra) | C(bra) | A2 | A2 | A2 | A2.br | C+ | B |
| D | | A- | | A- | | A-(bra) | D(bra) | A3 | A3 | A3 | A3.br | C | CCC |
| D/E | | BBB+ | | BBB+ | | BBB+(bra) | | Baa1 | Baa1 | Baa1 | Baa1.br | C- | CC |
| E | | BBB | | BBB | | BBB(bra) | | Baa2 | Baa2 | Baa2 | Baa2.br | D+ | C |
| | | BBB- | | BBB- | | BBB-(bra) | | Baa3 | Baa3 | Baa3 | Baa3.br | D | |
| | | BB+ | | BB+ | | BB+(bra) | | Ba1 | Ba1 | Ba1 | Ba1.br | D- | |
| | | BB | | BB | | BB(bra) | | Ba2 | Ba2 | Ba2 | Ba2.br | E+ | |
| | | BB- | | BB- | | BB-(bra) | | Ba3 | Ba3 | Ba3 | Ba3.br | E | |
| | | B+ | | B+ | | B+(bra) | | B1 | B1 | B1 | B1.br | | |
| | | B | | B | | B(bra) | | B2 | B2 | B2 | B2.br | | |
| | | B- | | B- | | B-(bra) | | B3 | B3 | B3 | B3.br | | |
| | | CCC | | CCC | | CCC(bra) | | Caa1 | Caa1 | Caa1 | Caa1.br | | |
| | | CC | | CC | | CC(bra) | | Caa2 | Caa2 | Caa2 | Caa2.br | | |
| | | C | | C | | C(bra) | | Caa3 | Caa3 | Caa3 | Caa3.br | | |
| | | DDD | | DDD | | DDD(bra) | | Ca | Ca | Ca | Ca.br | | |
| | | DD | | DD | | DD(bra) | | C | C | C | C.br | | |
| | | D | | D | | D(bra) | | | | | | | |

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

Risk Ratings - Insurance and Savings Bond Companies

| Insurance | | | | Savings Bonds | |
|------------------------|---------------------|-------------------|-----------------------|-------------------|----------------|
| FITCH ATLANTIC RATINGS | | STANDARD & POOR'S | | STANDARD & POOR'S | |
| National Scale | International Scale | National Scale | International Scale | National Scale | National Scale |
| AAA(bra) | AAA | brAAA | AAA ^{SR} | brAAA | brAAA |
| AA+(bra) | AA+ | brAA+ | AA+ ^{SR} | brAA+ | brAA+ |
| AA(bra) | AA | brAA | AA ^{SR} | brAA | brAA |
| AA-(bra) | AA- | brAA- | AA- ^{SR} | brAA- | brAA- |
| A+(bra) | A+ | brA+ | A+ ^{SR} | brA+ | brA+ |
| A(bra) | A | brA | A^{SR} | brA | brA |
| A-(bra) | A- | brA- | A- ^{SR} | brA- | brA- |
| BBB+(bra) | BBB+ | brBBB+ | BBB+ ^{SR} | brBBB+ | brBBB+ |
| BBB(bra) | BBB | brBBB | BBB ^{SR} | brBBB | brBBB |
| BBB-(bra) | BBB- | brBBB- | BBB- ^{SR} | brBBB- | brBBB- |
| BB+(bra) | BB+ | brBB+ | BB+ ^{SR} | brBB+ | brBB+ |
| BB(bra) | BB | brBB | BB ^{SR} | brBB | brBB |
| BB-(bra) | BB- | brBB- | BB- ^{SR} | brBB- | brBB- |
| B+(bra) | B+ | brB+ | B+ ^{SR} | brB+ | brB+ |
| B(bra) | B | brB | B ^{SR} | brB | brB |
| B-(bra) | B- | brB- | B- ^{SR} | brB- | brB- |
| CCC(bra) | CCC | brCCC | CCC ^{SR} | brCCC | brCCC |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | |
|---------|-----|------|------------------|------|------|
| CC(bra) | CC | brCC | CC ^{SR} | brCC | brCC |
| C(bra) | C | brC | C ^{SR} | brC | brC |
| | DDD | brD | D ^{SR} | brD | brD |
| | DD | | | | |
| | D | | | | |

Ranking

| Source | Criteria | Position | Base Date |
|--------------------------------------|-----------------|----------------------------------|-----------|
| Forbes International 500 | Overall/Revenue | 156th (Worldwide) | 2003 |
| Forbes International 500 | Banks/Revenue | 1st (Brazil) 20th (Worldwide) | 2003 |
| Forbes The World's Leading Companies | Overall/Revenue | 247th (Worldwide) | 2003 |
| Forbes The World's Leading Companies | Banks/Revenue | 2nd (Brazil) 46th (Worldwide) | 2003 |

Ranking - Bradesco Seguros

| | | | |
|----------------|--|---------------------|------|
| Global Finance | Best Insurance Companies - Property Insurer | 1st (Latin America) | 2003 |
|----------------|--|---------------------|------|

Balance Sheet - In millions of reais

| | 2003 | | 2004 | |
|---|---------|---------|---------|---------|
| | March | June | March | June |
| Total assets | 145,000 | 154,489 | 160,971 | 176,254 |
| Securities, derivative financial instruments and interbank investments | 57,841 | 63,792 | 72,384 | 76,741 |
| Credit and leasing operations | 49,655 | 53,048 | 54,894 | 58,402 |
| Total deposits | 54,871 | 56,822 | 59,186 | 64,133 |
| Demand deposits | 10,964 | 11,525 | 12,605 | 13,541 |
| Time deposits | 23,631 | 24,521 | 24,589 | 28,088 |
| Savings deposits | 20,236 | 20,736 | 21,929 | 22,457 |
| Interbank deposits | 40 | 40 | 63 | 47 |
| Subordinated debt | 3,391 | 3,338 | 5,141 | 6,181 |
| Technical reserves for insurance, private pension plans and savings bonds | 21,050 | 22,732 | 27,947 | 29,478 |
| Stockholders' equity | 11,708 | 12,522 | 13,625 | 13,650 |

Statement of Income for the Period - In millions of reais

| | 2003 | | | 2004 | | |
|------------|----------|----------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Net income | 508 | 519 | 1,027 | 609 | 641 | 1,250 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--|-------|-------|-------|-------|-------|-------|
| Financial margin | 3,362 | 2,615 | 5,977 | 3,330 | 3,081 | 6,411 |
| Gross profit from financial intermediation | 2,554 | 2,028 | 4,582 | 2,769 | 2,567 | 5,336 |
| Commissions and fees | 1,017 | 1,083 | 2,100 | 1,319 | 1,375 | 2,694 |
| Results per Share | | | | | | |

In reais

| | 2003 (*) | | | 2004 | | |
|--|------------|----------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| | Net income | 3.35 | 3.27 | 6.48 | 3.85 | 4.05 |
| JCP/dividends - ON (before income tax) | 1,847 | 2,035 | 3,882 | 1,960 | 1,957 | 3,917 |
| JCP/dividends - ON (net of income tax) | 1,570 | 1,730 | 3,300 | 1,666 | 1,664 | 3,330 |
| JCP/dividends - PN (before income tax) | 2,024 | 2,247 | 4,271 | 2,156 | 2,153 | 4,309 |
| JCP/dividends - PN (net of income tax) | 1,720 | 1,910 | 3,630 | 1,832 | 1,831 | 3,663 |

(*) For comparison purposes, shares were divided by 10,000.

N.B. JCP - Interest attributed to own capital/dividends (paid and accrued)

ON - Common stock

PN - Preferred stock

Net Book Value and Market Value

In reais

| | 2003 (*) | | 2004 | |
|--------------------------------|-------------------------------|-------------|-------------|-------------|
| | March | June | March | June |
| | Number of shares (ON/PN) (**) | 151,544,801 | 158,587,942 | 158,184,132 |
| Net book value (ON/PN) | 77.26 | 78.96 | 86.13 | 86.30 |
| Average last day price (ON/PN) | 105.65 | 99.55 | 128.35 | 129.00 |
| Average last day price (ON) | 95.60 | 91.20 | 117.74 | 115.36 |
| Average last day price (PN) | 115.70 | 107.90 | 138.96 | 142.63 |

(*) For comparison purposes, shares were divided by 10,000.

(**) On December 17, 2003, the Extraordinary General Meeting approved a 1-for-10,000 reverse stock split of Bradesco shares. This process was ratified by the Brazilian Central Bank (BACEN) on January 6, 2004.

Market Value (number of shares x average last-day price for the period) - In millions of reais

Cash Generation - In millions of reais

| | 2003 | | | 2004 | | |
|---|----------|----------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Net income | 508 | 519 | 1,027 | 609 | 641 | 1,250 |
| Equity in earnings of associated companies | 5 | 28 | 33 | - | (122) | (122) |
| Allowance for loan losses | 808 | 587 | 1,395 | 561 | 514 | 1,075 |
| Technical reserves for insurance, private pension plans and savings bonds | 1,856 | 1,465 | 3,321 | 1,530 | 1,392 | 2,922 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| (Reversal of) allowance for mark-to-market | 15 | 16 | 31 | (4) | - | (4) |
| Depreciation and amortization | 141 | 150 | 291 | 144 | 143 | 287 |
| Amortization of goodwill | 738 | 62 | 800 | 87 | 226 | 313 |
| Other | 5 | 12 | 17 | 6 | (43) | (37) |
| Total | 4,076 | 2,839 | 6,915 | 2,933 | 2,751 | 5,684 |

Change in Number of Outstanding Shares

| | 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 | (359,334) | (4) | (359,338) |
| Number of shares held at June 30, 2004 | 79,477,192 | 78,693,932 | 158,171,124 |

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

| | % | | | | | |
|--|----------|----------|----------|----------|----------|----------|
| | 2003 | | | 2004 | | |
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Return on stockholders' equity (total) | 18.5 | 17.6 | 17.1 | 19.1 | 20.1 | 19.2 |
| Return on stockholders' equity (average) | 20.0 | 18.8 | 18.7 | 19.3 | 20.5 | 19.4 |
| Return on assets (total) | 1.4 | 1.4 | 1.3 | 1.5 | 1.5 | 1.4 |

N.B. Return on stockholders' equity (total) = Net income/closing stockholders' equity annualized exponentially.
Return on stockholders' equity (average) = Net income/average (daily) stockholders' equity annualized exponentially.
Historical Data - In millions of reais (unless otherwise indicated)

Other Ratios - %

| | 2003 | | 2004 | |
|---|-------|------|-------|------|
| | March | June | March | June |
| Capital adequacy ratio - financial consolidated (1) | 19.7 | 16.4 | 18.9 | 18.1 |
| Capital adequacy ratio - total consolidated (1) | 17.1 | 14.5 | 16.4 | 15.7 |
| Permanent assets to stockholders' equity - financial consolidated (2) | 42.5 | 43.9 | 43.8 | 41.4 |
| Permanent assets to stockholders' equity - total consolidated (2) | 31.2 | 31.6 | 28.0 | 26.1 |

Edgar Filing: BANK BRADESCO - Form 6-K

- (1) Reference equity may not be lower than 11% of weighted assets.
 (2) The ratio of permanent assets to stockholders' equity is limited to 50% of reference equity.
 Other Indicators

Added Value - In millions of reais

| | 2003 | | | 2004 | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| ADDED VALUE (A+B+C) | 2,250 | 2,192 | 4,442 | 2,382 | 2,311 | 4,693 |
| A - Gross profit from financial intermediation | 2,554 | 2,028 | 4,582 | 2,769 | 2,567 | 5,336 |
| B - Commissions and fees | 1,017 | 1,083 | 2,100 | 1,319 | 1,375 | 2,694 |
| C - Other operating expenses | (1,321) | (919) | (2,240) | (1,706) | (1,631) | (3,337) |
| DISTRIBUTION OF ADDED VALUE (D+E+F+G) | 2,250 | 2,192 | 4,442 | 2,382 | 2,311 | 4,693 |
| D - Employees | 858 | 923 | 1,781 | 940 | 995 | 1,935 |
| E - Government | 884 | 750 | 1,634 | 833 | 675 | 1,508 |
| F - JCP/Dividends to stockholders (paid and accrued) | 290 | 343 | 633 | 326 | 325 | 651 |
| G - Reinvestment of profits | 218 | 176 | 394 | 283 | 316 | 599 |
| Checking Accounts - million | | | | | | |

Consumer and Corporate Customers June 2004

Increase in Checking Accounts - million

Increase in Savings Accounts - million

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.

Retail Bradesco

Focus: Individuals with a monthly income of up to R\$ 4 thousand and companies with annual billings of up to R\$ 15 million.

More than 15 million customers in this segment have access to the Bradesco Customer Service Network with its 2,700 Branches and more than 2,100 Service Outlets. In addition, the largest customers in this niche receive an exclusive service under the Managed Account concept.

Bradesco Corporate Banking

Bradesco Corporate Banking's specialized structures are designed to provide the best possible service to 1,362 Economic Groups comprising its target market, segmented as follows:

Corporate: The structure devised to conduct the Bank's relationship with Brazil's major corporations employs specialized professionals who have a thorough working knowledge of the corresponding economic sectors and companies and as a result are capable of offering complete solutions

Edgar Filing: BANK BRADESCO - Form 6-K

with real added value, resolving problems in areas ranging from cash management and private pension plans to asset management, overseas trade and risk management.

Infrastructure: This unit is responsible for corporate relationships in the power, sanitation, transport and large-scale construction sectors, focusing on the development of structured solutions designed to meet specific sector needs, including the structuring of long-term corporate finance and project finance, among other activities.

Agribusiness: This is a specialized structure formed to attend companies in this key economic segment, designed to provide product and service solutions in line with their specific corporate needs. As part of the Corporate Banking services, this area is able to operate throughout the production chain in the pursuit to implement feasible structured solutions.

Asian Desk: A partnership entered into with the UFJ Bank for the purpose of developing financial solutions, in the role of economic and financial advisor and main banker for companies interested in the commercial and financial flows between Brazil/Japan and Brazil/Asia.

Euro Desk: This unit 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.

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 14,691 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.

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.

In June 2004, Bradesco launched a nationwide marketing campaign for this middle-market segment in newspapers and magazines, positioning the Bradesco Empresas brand name and highlighting our managers' skills in offering bespoke customer solutions.

Bradesco Private Banking

Through its highly qualified and specialized staff, Bradesco Private Banking, focused primarily on personalized advisory services for maximizing results, offers its high-income consumer customers, with a minimum of R\$ 1 million in funds available for investment, an exclusive line of products and services, designed to increase their wealth, in line with their objectives and the security and confidentiality that this activity requires.

Bradesco Prime

Bradesco Prime's target public comprises consumer customers with a monthly income of more than R\$ 4,000.00 or with investments in excess of R\$ 50,000.00.

Bradesco branch customers who are compatible with this profile are invited to join the Bradesco Prime segment.

Bradesco Prime Customers have access to an exclusive network comprising 171 Branches throughout Brazil, as well as to the extensive Bradesco Customer Service Network, including its nationwide branches and self-service network.

The Bradesco Prime segment is designed to coordinate the Bank's commercial relationship with these segment customers, providing VIP facilities and personalized attendance by Relationship Managers, as well as differentiated products and services.

Edgar Filing: BANK BRADESCO - Form 6-K

The Bradesco Prime Relationship Managers continually enhance their professional qualifications to ensure that all the financial needs of their customers are taken care of. Since customer portfolios are kept small, managers are able to dedicate special attention to each one.

Customer Service Network

| | 2003 | | 2004 | | | | | | | |
|--|---------------|--------------|--------------|---------------|--------------|-----------|--------------|---------------|--------------|-----------|
| | June | | March | | | | June | | | |
| | Branches | PABs/PAEs | Branches | PABs | PAEs | PAAs | Branches | PABs | PAEs | PAAs |
| Consolidated | 3,362 | 1,936 | 3,058 | 765 | 1,390 | 19 | 3,054 | 782 | 1,427 | 19 |
| Bradesco | 2,700 | 1,678 | 2,981 | 749 | 1,380 | - | 2,977 | 765 | 1,417 | - |
| BCN | 222 | 193 | - | - | - | - | - | - | - | - |
| BBV Banco | 439 | 65 | - | - | - | - | - | - | - | - |
| BEM | - | - | 76 | 16 | 10 | 19 | 76 | 17 | 10 | 19 |
| Banco Finasa | 1 | - | 1 | - | - | - | 1 | - | - | - |
| Banco Postal | 2,830 | | | 4,085 | | | | 5,013 | | |
| ATMs | 22,865 | | | 22,513 | | | | 21,600 | | |
| Finasa Promotora de Vendas | 55 | | | 53 | | | | 53 | | |
| Promovel Empreendimentos e Serviços | - | | | 70 | | | | 68 | | |

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.

PABs (banking service post) PAAs (advanced banking post) and PAEs (electronic service outlet).

Customer Service Network - Branches

Customer to Branch Ratio - thousand

Bradesco and Market Share

| REGION/STATE | BRADESCO | BEM | BANCO FINASA | TOTAL CONSOLIDATED | TOTAL BANKS IN MARKET ⁽¹⁾ | MARKET SHARE(%) |
|--------------|----------|-----|--------------|--------------------|--------------------------------------|-----------------|
| North | | | | | | |
| Acre | 5 | - | - | 5 | 31 | 16.1 |
| Amazonas | 59 | - | - | 59 | 133 | 44.4 |
| Amapá | 4 | - | - | 4 | 19 | 21.1 |
| Pará | 50 | - | - | 50 | 267 | 18.7 |
| Rondônia | 18 | - | - | 18 | 88 | 20.5 |
| Roraima | 2 | - | - | 2 | 17 | 11.8 |
| Tocantins | 13 | - | - | 13 | 95 | 13.7 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|---------------------|--------------|-----------|----------|--------------|---------------|-------------|
| Total | 151 | - | - | 151 | 650 | 23.2 |
| Northeast | | | | | | |
| Alagoas | 12 | - | - | 12 | 122 | 9.8 |
| Bahia | 232 | - | - | 232 | 740 | 31.4 |
| Ceará | 29 | - | - | 29 | 358 | 8.1 |
| Maranhão | 26 | 76 | - | 102 | 254 | 40.2 |
| Paraíba | 17 | - | - | 17 | 168 | 10.1 |
| Pernambuco | 65 | - | - | 65 | 462 | 14.1 |
| Piauí | 10 | - | - | 10 | 113 | 8.8 |
| Rio Grande do Norte | 14 | - | - | 14 | 136 | 10.3 |
| Sergipe | 13 | - | - | 13 | 152 | 8.6 |
| Total | 418 | 76 | - | 494 | 2,505 | 19.7 |
| Central West | | | | | | |
| Federal District | 33 | - | - | 33 | 291 | 11.3 |
| Goiás | 107 | - | - | 107 | 549 | 19.5 |
| Mato Grosso | 61 | - | - | 61 | 234 | 26.1 |
| Mato Grosso do Sul | 56 | - | - | 56 | 222 | 25.2 |
| Total | 257 | - | - | 257 | 1,296 | 19.8 |
| Southeast | | | | | | |
| Espírito Santo | 40 | - | - | 40 | 315 | 12.7 |
| Minas Gerais | 286 | - | - | 286 | 1,889 | 15.1 |
| Rio de Janeiro | 271 | - | 1 | 272 | 1,668 | 16.3 |
| São Paulo | 1,106 | - | - | 1,106 | 5,508 | 20.1 |
| Total | 1,703 | - | 1 | 1,704 | 9,380 | 18.2 |
| South | | | | | | |
| Paraná | 178 | - | - | 178 | 1,248 | 14.3 |
| Rio Grande do Sul | 161 | - | - | 161 | 1,388 | 11.6 |
| Santa Catarina | 109 | - | - | 109 | 815 | 13.4 |
| Total | 448 | - | - | 448 | 3,451 | 13.0 |
| Total | 2,977 | 76 | 1 | 3,054 | 17,282 | 17.7 |

(1) Source: CADINF-DEORF/COPEC - June 2004.

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

Banco Postal

Edgar Filing: BANK BRADESCO - Form 6-K

Bradesco uses the post office bank, Banco Postal, created in partnership with the Brazilian Postal and Telegraph Company (Correios) to offer its banking products and services nationwide in the majority of Brazilian town and cities.

Banco Postal plays a significant role in offering Brazil's low-income bracket families access to the financial system and in nationwide socio-economic development, increasing the circulation of resources within local towns and villages and encouraging savings.

Today, 1,570 towns and villages, with no previous bank access, can rely on the services offered by Banco Postal, bringing benefits to a population of more than 14.1 million people.

In densely populated areas, Banco Postal also contributes by enhancing the customer service provided by the traditional Bradesco Branches, since a considerable number of the Bank's customers and other users are now able to use the post-office bank structure as an alternative service channel.

Number of accounts opened (accumulated)

Branches opened (accumulated)

Number of Transactions carried out Monthly - thousand

Investments in Infrastructure, Information Technology and Telecommunications

The investments for expanding operating capacity, 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 creating added value for its customers and users at home and abroad.

Investments

In millions of reais

| | 1999 | 2000 | 2001 | 2002 | 2003 | 1st Half 2004 |
|-----------------------|-------------|-------------|--------------|--------------|--------------|----------------------|
| Infrastructure | 215 | 227 | 509 | 613 | 469 | 144 |
| IT/Telecommunications | 553 | 617 | 743 | 947 | 1,225 | 665 |
| Total | 768 | 844 | 1,252 | 1,560 | 1,694 | 809 |

Risk Management

Activities and Structure

At Bradesco, risk management is seen as a competitive advantage, adding value to the Bradesco name, as well as providing essential support for the planning activities of the diverse business areas. At the same time, risk management facilitates the maintenance of a stable environment and ensures that resources yield maximum benefits and that capital is allocated to the benefit of stockholders and society as a whole.

Bradesco adopts an ongoing strategy designed to enhance its risk management activities, in the pursuit to keep abreast of the best market practices adopted worldwide. These activities have become increasingly important, not only as a result of the global economy, but also on account of the complex nature of the products and services offered to the community.

An independent risk management department, addressing market, liquidity, credit and operating risks, is essential for achieving successful monitoring and risk management activities. These risks, as well as others, including money-laundering prevention, internal controls and compliance are managed by the Risk Management and Compliance Department, under the direct supervision of the Statutory Department Director, who in turn is subordinated to an Executive Director, reporting directly to the Institution's President:

Edgar Filing: BANK BRADESCO - Form 6-K

This organizational structure is designed not only to guarantee area independence but also to place greater focus on these important value-added activities, confirming the Organization's commitment to the implementation of best corporate governance practices, using every available resource, whether human, technical or financial, to ensure that risk planning and management is carried out by this area using latest generation technology Groupwide. In particular, because Bradesco is now extending its risk analysis strategy to encompass not only its banking business but also its associated companies, including Bradesco Vida e Previdência (private pensions), Bradesco Saúde (healthcare insurance), Bradesco Seguros (insurance), BRAM (asset management) and Bradesco Capitalização (savings bonds) as regards actuarial and market risks, consolidating its 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 relating to the New Capital Accord (Basel II) published by the Basel Committee in June 2004.

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, develop new loss calculation models, enhance and prepare rating inventories used in the various sectors in which the Bank operates, oversee credit analysis, granting and settlement processes, monitor credit concentration and to define the dividing line between operating risks and credit risks.

As part of this ongoing enhancement process, additional efforts are being made to prepare the Bank for the introduction of more advanced risk management techniques, based on the recommendations of the New Capital Accord published by the Basel Committee, among which we highlight the following:

- Creation of an Executive Credit Risk Committee responsible for assuring the strategic management of the credit operation portfolio;
- Structuring of the expected loss and capital allocation calculation system in line with Basel II requirements;
- Identification of the reporting process changes required to improve decisions making and credit portfolio management;
- Restructuring of the management information system (MIS); and
- Mapping, measurement and identification of Credit Risk Management capacity gaps, as regards Basel II requirements, as well as best practices, embracing roles and responsibilities, professional qualification, review of the organizational structure and IT demands.

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 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 permanently 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 | |
| F | Bad | 50.0 | Abnormal course credit operations, classified based on expected loss as per percentage shown. |
| 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.

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.

The Organization adopts a conservative policy regarding market risk exposure; VaR (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 VaR 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 VaR of the Own Portfolio positions (Treasury):

In thousands of reais

| Risk Factors | 2003 | | | | | | 2004 | |
|---------------------|---------------|---------------|------------------|-----------------|------------------|---------------|-----------------|--|
| | March | | June | | September | | December | |
| | March | June | September | December | March | June | | |
| Prefixed | 6,293 | 6,541 | 12,658 | 5,888 | 2,832 | 7,267 | | |
| Exchange coupon | 9,662 | 14,717 | 19,000 | 17,999 | 15,245 | 51,719 | | |
| Foreign currency | 1,807 | 439 | 184 | 2,907 | 55 | 285 | | |
| Floating rate | 105 | 10 | 13 | 11 | - | - | | |
| Correlated effect | (3,804) | (3,243) | (3,395) | (5,858) | (1,322) | (1,902) | | |
| VaR | 14,063 | 18,464 | 28,460 | 20,947 | 16,810 | 57,369 | | |

Edgar Filing: BANK BRADESCO - Form 6-K

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.

Operating Risk Management

Operating risks are those inherent to activities which provide support for transactions in which the Organization participates and may occur as a result of the interruption of business, system failures, errors, omission, fraud or external events impacting the results of the Institution and of its customers.

The Organization is working to adapt its processes to comply with the future regulatory requirements introduced by the Brazilian Central Bank relating to operating risk management, in line with the recent guidelines issued in the New Capital Accord by the Basel Committee in June 2004.

Operating risk is managed at Bradesco based on the dissemination of its culture, disclosure of its policies and development of own methodologies, models and tools designed to permit, among other factors, the decrease in the allocation of regulatory capital to be subscribed, in the pursuit of increased operating efficiency.

Bradesco, through its Operating Risk Management area, prepared a plan designed to achieve full compliance with the 10 principles of good operating risk management practice determined by the Basel Committee.

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 Internal Management System for streamlining this information, designed to manage, enhance and increase the knowledge used to administrate operating loss events, facilitating an in-depth assessment, based on either management or accounting controls.

The cutting-edge nature of this internal operating risk management process can be regarded as a benchmark of Bradesco's important status within Brazil's financial scenario, increasing its competitive edge as a result of greater operating efficiency and adding stockholder value, as well as extending its relationship of trust with customers, the market and regulatory bodies.

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.

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.

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) - June 2004 - In millions of reais

Calculation

| Calculation Basis | Consolidated Financial ⁽¹⁾ | Total Consolidated ⁽²⁾ |
|--|--|--------------------------------------|
| Stockholders' equity | 13,650 | 13,650 |
| Minority interest | 18 | 66 |
| Decrease in deferred tax assets - BACEN Resolution 3.059 | (132) | (132) |
| Reference equity - Level I | 13,536 | 13,584 |
| Reference equity - Level II (subordinated debt) | 5,988 | 5,988 |
| Total reference equity (Level I + Level II) | 19,524 | 19,572 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | |
|---|----------------|----------------|
| Risk-weighted assets | 108,055 | 124,343 |
| Capital adequacy ratio (%) | 18.07% | 15.74% |
| Movement (%) | | |
| Ratio in June 2003 | 16.36% | 14.48% |
| Variation in stockholders' equity | | |
| Net income for the period | 2.69% | 2.33% |
| Interest attributed to own capital | (1.45%) | (1.25%) |
| Mark-to-market adjustment of securities and derivatives | 0.07% | 0.05% |
| Subordinated debt | 2.90% | 2.51% |
| Other | (0.20%) | (0.22%) |
| Variation in weighted assets: | | |
| Securities | (0.44%) | (0.89%) |
| Credit operations | (1.11%) | (0.85%) |
| Check clearing and other similar services | 0.06% | 0.09% |
| Deferred tax assets | (0.08%) | (0.08%) |
| Risk (swap, market, interest rate and foreign exchange) | 0.23% | 0.18% |
| Memorandum accounts | (0.09%) | (0.08%) |
| Other assets | (0.87%) | (0.53%) |
| Ratio in June 2004 | 18.07% | 15.74% |

(1) Financial companies only.

(2) Financial and non-financial companies.

Internal Controls

The Organization has developed a number of systems, policies and internal controls over the years to mitigate possible potential losses generated by its exposure to risk.

Aware of the importance of these controls, Bradesco has developed and implemented certain tools designed to optimize these processes and procedures, among which we highlight the following:

- Implementation of an internal controls system (Compliance), based on the pillars defined by Basel and the methodology of the Committee of Sponsoring Organizations (COSO), mainly as regards components in the following areas: control environment, risk assessment, control activities, information, communications and monitoring, ensuring that activities, policies and normative instructions are in constant compliance with legal and regulatory standards.
- Implementation of a Brazilian Payments System (SPB) management process for the specific purpose of monitoring the flow of messages transmitted between the Organization's banks and the external entities such as the Brazilian Central Bank, Special Clearance and Custody System (SELIC), clearing houses and other financial institutions. This monitoring process is based on Organization information system tools and intense staff training activities to facilitate the identification and rectification of events in environments and systems and also to ensure that online cash transfers (TEDs) processed via SPB are properly validated. Complementing these monitoring activities, the Bank also adopts a Systems Contingency Plan for SPB to cover the main departments handling critical transactions, addressing pre-established scenarios and actions and reducing the possibility of messages not being correctly processed. This area is also responsible for the external contingency process with the Brazilian Central Bank.
- Ongoing improvement of technology tools and employee training, focused on the process used to monitor the financial activity of customers and designed to prevent money laundering and utilization of the Organization for processing illegal transactions.
- Dissemination of processes and procedures to guarantee information security, based on Corporate Information Security Policy and Standards, the guidelines of which establish premises for protecting the confidentiality, integrity and availability of information.

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 21,600 terminals (Bradesco - 21,389 and Banco BEM - 211).

Edgar Filing: BANK BRADESCO - Form 6-K

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 - June 2004

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. |
| Banking service outlets (nationwide network) | 5,762 | 5,845 | 6,172 | 6,487 | 6,628 | 6,783 |
| Outplaced terminals (excluding branches, PABs and PAEs) | 1,755 | 1,772 | 1,842 | 1,794 | 1,752 | 1,822 |
| Cash withdrawal transactions (million) | 92.5 | 95.6 | 98.9 | 109.9 | 101.1 | 103.4 |
| Deposit transactions (million) | 47.0 | 47.6 | 48.4 | 50.5 | 47.9 | 48.7 |
| Inter-account transfers (million) | 4.5 | 4.6 | 4.8 | 5.2 | 5.0 | 5.1 |
| Express checkbooks issued (million) | 2.5 | 2.6 | 2.6 | 2.9 | 2.5 | 2.6 |
| Balance consultations (million) | 99.5 | 102.2 | 115.3 | 133.7 | 132.0 | 140.0 |
| Second-quarter Highlights for 2004 | | | | | | |

- 401 million transactions carried out, a 13.7% increase compared to 2Q03, comprising a daily average of 4.6 million.
- An 8.4% increase in movement of financial volume as compared to 2Q03.

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

Second-quarter highlights for 2004

- An increase of 7.2% in total calls compared to the same period in 2003.
- An increase of 4.6% in EVR calls compared to the same period in 2003.

Edgar Filing: BANK BRADESCO - Form 6-K

- An increase of 2.5% in Financial Movement compared to the same period in 2003.
- 95.2% of personalized service call queries were resolved during the first contact.
- 480 thousand products and services were sold during the period.

Bradesco Day and Night - Internet Banking

The Bradesco Portal contains links to 26 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 242 different services for consumer customers and 187 for corporate customers, which can be accessed around the clock, seven days a week anywhere on earth.

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

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.
Internet Banking Registered users - thousand

| Main Websites: | |
|--|--|
| Bradesco Internet Banking (www.bradesco.com.br) | Internet Banking is an important and profitable customer relationship channel, providing access to all transactions carried out in the branches and generating benefits for both customers and stockholders. |
| ShopInvest Bradesco (www.shopinvest.com.br) | Through ShopInvest, investors can access a variety of different information and trade shares in BOVESPA, even if they are not Bradesco account holders. ShopInvest stands out for its wide range of investment options, available in seven investment rooms: Shares; CDB; Funds; Real Estate; BM&F; Savings Accounts and Vida e Previdência (Private Pension Plans). |
| ShopCredit (www.shopcredit.com.br) | ShopCredit offers a complete portfolio of the Bank's credit lines and visitors can use a simulator to calculate amounts and terms in the Personal Credit, Consumer Financing (CDC), Leasing, Housing Loans and Finame (Moderfrota, Prefixado and Proleite) modes. |
| Bradesco Net Empresa (www.bradesco.com.br) | Companies can perform bank transactions online, optimizing the financial management of their businesses. |
| B2C (Business to Consumer) (www.bradesco.com.br) | In the wake of the success of Bradesco Electronic Trade, ShopFácil was launched in 2000, offering, among other services, Meios de Pagamento Eletrônico Bradesco (Bradesco Online Payment Methods) - the safest, most practical and economic way to shop online. |
| B2B (Business to Business) (www.bradesco.com.br) | Bradesco's solutions in the B2B area comprise management tools for buyers, sellers and Bank, with B2B payment methods and a financial reconciliation module for the seller. |

Other Bradesco Organization Websites:

- Bradesco - (www.bradesco.com.br)
- Investor Relations - (www.bradesco.com.br/ir)
- The Bradesco Card Website - (www.bradescocartoes.com.br)
- Bradesco Prime - (www.bradescoprime.com.br)
- Bradesco Foreign Exchange/Nikkei - (www.bradescocambio.com.br)
- Bradesco Consortium Purchase System - (www.consorciobradesco.com.br)

Edgar Filing: BANK BRADESCO - Form 6-K

- Bradesco Corporate Banking - www.corporatebradesco.com.br)
- Bradesco Private Banking - (www.bradescoprivate.com.br)
- Bradesco Empresas - (www.bradescoempresas.com.br)
- Bradesco Savings Bonds - (www.bradescocapitalizacao.com.br)
- Bradesco Custody - (www.bradescocustodia.com.br)
- Financial Channel - (www.canalfinanceiro.com.br)
- Bradesco for University Students - (www.bradescouniversitarios.com.br)
- Finasa - (www.finasa.com.br)
- The Bradesco Foundation - (www.fb.org.br)
- Bradesco Insurance - (www.bradescoseguros.com.br)
- Bradesco Healthcare - (www.bradescosaude.com.br)
- ShopFácil - (www.shopfacil.com.br)
- ShopFácil Corporate - (www.bradescoempresas.com.br)
- Bradespar - (www.bradespar.com.br)
- Bradesco Private Pension Plans - (www.bradescoprevidencia.com.br)
- Hospital Edmundo Vasconcelos - (www.hospitaledmundovasconcelos.com.br)
- The Bradesco Museum - (www.fb.org.br/museu/museu.asp)

Second-quarter highlights for 2004

- Exclusive investment room content in ShopInvest.
- New Finasa website.
- New Finasa Sports website.
- New Bradesco Card website.
- New Bradesco Custody website.
- Online courses on the Bradesco University Student website.
- Investor Relations website in Spanish.

| Services | Position at the end of the First Half |
|--|---|
| Bradesco Internet Banking | 6.3 million registered users. 142.2 million transactions carried out. |
| ShopInvest Bradesco | 1,021 thousand registered users. 528 thousand transactions carried out. |
| ShopCredit | 5.2 thousand transactions/operations carried out. |
| Bradesco Net Empresa | 244,614 registered companies. 9.0 million transactions/operations conducted. |
| B2C | 871 thousand transactions/sales posted. 2,202 stores registered with Bradesco Online Payment Methods. |
| Bradesco Cards | 8.5 million transactions carried out. |
| Bradesco Internet Banking for the Visually Impaired | 2,228 active registered users. |
| Web Point | 111 terminals installed. |
| Bradesco Net Express | 1,895 companies registered. 4.3 thousand transactions carried out. |
| Infoemail | 168 thousand registered users. |
| Infocelular | 4,933 registered customers. |
| Mobile Banking (WAP) | 298 thousand transactions carried out. |

| Processes and Portals | Details |
|---|--|
| Fale com o Bradesco (Talk to Bradesco) | The Bank offers an online communications channel through which customers can clarify doubts and send suggestions or complaints regarding Bradesco's many different products and services. |
| Online Payment Methods | Online payment methods include: Electronic wallet (Bradesco debit cards, PoupCard and Bradesco Visa and MasterCard Credit Cards), Pagamento Fácil (Easy Payment), Boletão Bancário (Online Dockets), Inter-account Transfers and Bradesco Online Credit. |

Edgar Filing: BANK BRADESCO - Form 6-K

| | |
|---|---|
| WebTA | Through this system data files can be transmitted over the Internet with maximum security. |
| Boleto Fácil (Easy Bill Payment) | Customers can use the Bradesco free Infoemail service to receive bills for payment via e-mail, as well as balance information, financial market news and other interesting information. |
| Donations | Aware of its social responsibility, Bradesco offers customers the opportunity to make online donations to a number of different charitable entities and institutions. |
| Online Shopping Portal - Consumers | Operating as a financial intermediary, the Bank offers secure payment methods for online commercial transactions facilitating the relationship between stores and consumers. |
| Online Shopping Portal - Corporate | A secure payment module permitting the effective financial settlement of transactions carried out between portal, marketplace and suppliers and purchasers via digital certification. |

Main Available Channel Services and Products

- Consultations
 - Checking/savings accounts
 - Account balances and statements: summarized, or in detail, by period
 - Credit card balances and statements
 - Investment balances and statements
 - Bank charges and credit limits
- Payments/Scheduling of payments
 - Dockets
 - Public utility bills
 - Taxes, fees and contributions
 - Mobile phone credits
 - Direct debit
- Transfers
 - Between Bradesco accounts
 - Other banks - DOC D; DOC E and TED
 - Donations
- Requests
 - Changes to credit card limit
 - Checkbook
 - Revolving credit
 - Change of address
- Withdrawals/Deposits
 - Checking/savings accounts
 - Salary/INSS account
 - Card
- Other services
 - Unblocking of cards
 - Travellers Cheques
 - Financial investments
 - Re-issue of payment receipts
 - Personal loans/instant credit

Edgar Filing: BANK BRADESCO - Form 6-K

- Advance receipt (Orpags)
- PIN substitution
- Sale of products and services

Cards

| | Million | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2003 | | | 2004 | | |
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Number of cards | 35.8 | 36.9 | 36.9 | 42.7 | 43.5 | 43.5 |
| Credit | 6.2 | 6.5 | 6.5 | 7.0 | 7.0 | 7.0 |
| Debit | 29.6 | 30.4 | 30.4 | 35.7 | 36.5 | 36.5 |
| Average amount billed - in reais | 3,650.3 | 3,698.7 | 7,349.0 | 4,658.6 | 4,869.9 | 9,528.5 |
| Credit | 2,350.9 | 2,330.1 | 4,681.0 | 2,704.9 | 2,745.8 | 5,450.7 |
| Debit | 1,299.4 | 1,368.6 | 2,668.0 | 1,953.7 | 2,124.1 | 4,077.8 |
| Number of transactions | 68.2 | 69.9 | 138.1 | 90.5 | 95.8 | 186.3 |
| Credit | 36.4 | 35.9 | 72.3 | 43.1 | 44.0 | 87.1 |
| Debit | 31.8 | 34.0 | 65.8 | 47.4 | 51.8 | 99.2 |
| Credit Cards | | | | | | |

The number of Bradesco credit cards increased to 7.0 million in the first half of 2004, an increase of 7.7% as compared to 1H03 (Visa and MasterCard banners).

The number of transactions grew by 20.5% compared to the same period in 2003, against market growth of 19.6%. Moreover, first-half billings reached the mark of R\$ 5.5 billion, a growth rate of 16.4% as compared to 1H03.

Our 14.1% share of market billings (cards under the Visa and MasterCard banners) was maintained. Comparing the 7 largest credit card issuers, in the Brazilian banner card market, responsible for 80% of market billings, Bradesco achieved the best performance in comparison with the prior period (1H04 versus 1H03).

The success of its strategy is also confirmed by Bradesco's significant share of the Visa banner in Brazil. More than 90% of Bradesco credit cards are issued under the Visa banner and Bradesco increased its share of this market by 21.8% for the period, against market growth of 19.5%, achieving the best performance out of all the largest issuers.

Debit Cards

In the first half of 2004, the debit card base increased by 20.1%, compared to the same period in 2003, confirming Bradesco's leadership as largest issuer in the Visa Electron market.

In terms of billings, there was a significant 52.8% increase in comparison with 2003. These two indicators demonstrate clearly that Brazilians are changing their payment habits, substituting checks and cash for the use of cards, especially debit cards.

The number of Bradesco card transactions grew by 50.8% in 1H04 compared to 1H03, against a growth rate of 43.7% by the Visa Electron market for the same period.

Income on Credit Cards

Recurring income derived from this business grew by 34.3% in the first half of 2004, compared to the same period in 2003 and total income by 28.8%, results which evidence the strength of our strategy.

Credit Card Base - million

Edgar Filing: BANK BRADESCO - Form 6-K

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

International Area

The International Area operates under the following framework:

12 Operational Units in Brazil

Belo Horizonte, Blumenau, Campinas, Curitiba, Fortaleza, Manaus, Porto Alegre, Recife, Rio de Janeiro, Salvador, São Paulo and Vitória.

4 Support Outlets

Belém, Brasília, Franca and Santos.

12 Units Abroad (Branches and Subsidiaries)

1 Branch in New York - Bradesco

4 Branches in Grand Cayman - Bradesco, BCN, Boavista and Mercantil

2 Branches in Nassau - Boavista and Banco Alvorada (formerly BBV Banco)

1 Subsidiary in Buenos Aires - Banco Bradesco Argentina S.A.

1 Subsidiary in Nassau - Boavista Banking Limited

1 Subsidiary in Luxembourg - Banco Bradesco Luxembourg S.A.

1 Subsidiary in Tokyo - Bradesco Services Co., Ltd.

1 Subsidiary in Grand Cayman - Cidade Capital Markets Ltd.

Over recent years, the Bradesco Organization has provided important incentives designed to increase Brazil's foreign trade activities.

In similar manner, we highlight the substantial amount of US\$ 9.6 billion, recorded at the end of the first half in foreign exchange trading for exports. This corresponds to a 48% increase as compared to the same period in 2003.

Based on data available for January through May 2004, Bradesco's share of the exchange market for exports totaled some 20.7%, an increase in performance of some 9% compared to the 19% share obtained during the same period in 2003.

The financial volume of imports at the end of the first half of 2004 totaled US\$ 3 billion, some 11% more than the total of US\$ 2.7 billion obtained for the same period in 2003. Market share at the end of the period from January through May 2004 was 11.9%.

As a result of these increases, the International Area ended the first half with a balance of US\$ 7.2 billion in export and import financing, foreign collateral provided and onlending to local customers.

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

Export Market

Import Market

Edgar Filing: BANK BRADESCO - Form 6-K

We present below the foreign trade portfolio balances at the end of the first half of 2004:

| | In millions of U.S. dollars | In millions of reais |
|--|-----------------------------|----------------------|
| Export financing | | |
| Advance on foreign exchange contracts - undelivered bills | 1,732.6 | 5,382.6 |
| Advance on export contracts - delivered bills | 496.5 | 1,542.5 |
| Prepayments | 904.2 | 2,809.9 |
| Onlending of funds borrowed from BNDES/EXIM | 236.9 | 736.1 |
| Documentary drafts and bills of exchange in foreign currency | 9.4 | 29.1 |
| Indirect exports | 6.2 | 19.2 |
| Loans according to export incentive program (Proex) | 0.02 | 0.06 |
| Total export financing | 3,385.8 | 10,519.5 |
| Import financing | | |
| Foreign currency import loans | 268.7 | 834.8 |
| Exchange discounted in advance | 74.3 | 231.0 |
| Open import credit | 56.3 | 174.9 |
| Total import financing | 399.3 | 1,240.7 |
| Guarantees | | |
| International guarantees | 123.9 | 384.9 |
| Total international guarantees | 123.9 | 384.9 |
| Total export and import financing | 3,909.0 | 12,145.1 |

The foreign exchange portfolio is financed by credit lines obtained from correspondent banks:

At the end of June 2004, approximately 90 U.S., European and Asian Banks had extended credit lines to Bradesco.

The Bank also has a Commercial Paper program in the United States in the amount of US\$ 190 million, which was renewed in June 2004 for the amount of US\$ 300 million.

| | At June 30, 2004 - In millions of U.S. dollars | |
|---|--|----------------------|
| | Assets | Stockholders' equity |
| Foreign Branches and Subsidiaries | | |
| Bradesco New York | 812.2 | 140.0 |
| Bradesco Grand Cayman | 5,455.9 | 358.9 |
| BCN Grand Cayman | 378.1 | 141.2 |
| Boavista Grand Cayman, Nassau and Banking Ltd. - Nassau | 489.1 | 84.9 |
| Cidade Capital Markets Ltd. - Grand Cayman | 30.1 | 30.1 |
| Bradesco Services Co. Ltd. - Tokyo | 0.2 | 0.1 |
| Mercantil Grand Cayman | 281.1 | 105.6 |
| Banco Bradesco Argentina S.A. | 18.8 | 16.9 |
| Banco Bradesco Luxembourg S.A. | 275.8 | 128.3 |
| Banco Alvorada (formerly BBV Banco) - Nassau | 268.9 | 268.9 |

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.

Edgar Filing: BANK BRADESCO - Form 6-K

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.

At the end of the first half of 2004, as well as short-term funds obtained from correspondent banks for foreign trade financing, loans of US\$ 914.4 million on a consolidated basis were raised by the Bradesco Organization through public and private placements in the international capital market, earmarked for foreign trade financing and working capital loans.

Profile of Public and Private Placements Abroad - Consolidated Bradesco

Funds Obtained Abroad

| ISSUES | CURRENCY | MILLION | DATE ISSUED | MATURITY |
|--|----------|---------|-------------|------------|
| 2002 - Public Issues - US\$ 708.2 million | | | | |
| FxRN | US\$ | 150.0 | 5.3.2002 | 5.3.2004 |
| Subordinated Debt | US\$ | 133.2 | 25.4.2002 | 17.4.2012 |
| USCP | US\$ | 150.0 | 17.6.2002 | 16.6.2003 |
| FxRN | US\$ | 100.0 | 18.9.2002 | 19.12.2002 |
| FxRN | US\$ | 175.0 | 17.12.2002 | 17.6.2003 |
| Private Issues - US\$ 247.4 million | | | | |
| 2003 - Public Issues - US\$ 2,347.3 million | | | | |
| FxRN | US\$ | 250.0 | 14.1.2003 | 14.10.2003 |
| FxRN (EUR 70 million) | US\$ | 75.5 | 12.2.2003 | 12.8.2003 |
| FxRN | US\$ | 150.0 | 19.2.2003 | 19.12.2003 |
| FxRN | US\$ | 250.0 | 15.4.2003 | 2.7.2004 |
| FxRN (EUR 100 million) | US\$ | 106.8 | 16.4.2003 | 16.12.2003 |
| FxRN | US\$ | 75.0 | 15.5.2003 | 16.11.2004 |
| USCP | US\$ | 190.0 | 16.6.2003 | 15.6.2004 |
| FxRN | US\$ | 150.0 | 17.6.2003 | 20.12.2004 |
| Securitization MT 100 - Fixed | US\$ | 200.0 | 20.8.2003 | 20.8.2010 |
| Securitization MT 100 - Floating | US\$ | 200.0 | 20.8.2003 | 20.8.2010 |
| Subordinated Debt | US\$ | 500.0 | 24.10.2003 | 24.10.2013 |
| FxRN | US\$ | 100.0 | 2.12.2003 | 3.1.2005 |
| FxRN | US\$ | 100.0 | 26.12.2003 | 26.12.2006 |
| Private Issues - US\$ 474,3 million | | | | |
| 2004 Public Issues US\$ 675,9 million | | | | |
| FxRN | US\$ | 100.0 | 3.2.2004 | 3.1.2007 |
| Subordinated Debt (EUR 225 million) | US\$ | 275.9 | 15.4.2004 | 15.4.2014 |
| USCP | US\$ | 300.0 | 14.6.2004 | 13.6.2005 |

Private Issues US\$ 238,5 million

The Bradesco Organization had the following programs in June 2004:

| Type | Currency | Million |
|--------------------------------|-------------|--------------|
| Euro CP Program (Grand Cayman) | US\$ | 300 |
| Euro CD Program (Grand Cayman) | US\$ | 1,000 |
| MTN Program | US\$ | 2,500 |
| USCP | US\$ | 300 |
| Total | US\$ | 4,100 |

Capital Market

Edgar Filing: BANK BRADESCO - Form 6-K

Underwriting Transactions

Up to June 2004, Bradesco coordinated important transactions with shares, debentures and promissory notes which totaled R\$ 2,510 billion, comprising 50.99% of all issues registered at the Brazilian Securities Commission (CVM).

Among these transactions we highlight the following: issuance of debentures of Braskem S.A. in the amount of R\$ 1.2 billion and Initial Public Offer of Shares of Gol Linhas Aéreas Inteligentes S.A., in the total amount of R\$ 1.0 billion.

% Share of Transactions

(*) Primary and secondary issues.

Of the total number of floating and fixed-return transactions registered at CVM up to June 2004, Bradesco participated in 25% of primary and secondary issues, in 36% of debenture issues and in 50% of promissory notes issues.

Origination and Distribution Ranking ANBID June 2004

Origination/Distribution

| Shares | Fixed Income |
|--------------------------|---------------------------------|
| 1 st UBS | 1st Bradesco |
| 2 nd Pactual | 2 nd Itaú BBA |
| 3 rd Itaú BBA | 3 rd Unibanco |
| | 4 th Banco do Brasil |

Mergers, Acquisitions, Project Finance, Corporate Reorganization and Privatizations

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

ANBID Mergers & Acquisitions Ranking December 2003

| Ranking Number of Operations | | |
|------------------------------|-----------------------|------------|
| Consultants | Ranking | Operations |
| Bradesco | 1st | 8 |
| JP Morgan | 1 st | 8 |
| Unibanco | 1 st | 8 |
| Citigroup | 4 th | 6 |

Continuing this trend, during the first half of 2004, Bradesco signed 3 new powers of attorney, increasing its activity in the Mergers and Acquisitions segment.

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 infra-structure.

Bradesco's presence is also notable in Project Finance operations, where it 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, will be responsible for the following:

Edgar Filing: BANK BRADESCO - Form 6-K

- Development of structures used to segregate credit risks, through 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: less working capital requirements, increased liquidity, optimization of financial and tax costs, compliance with legal technical limits/financial covenants, sale of permanent assets and off-balance-sheet 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 standards (ISO 9001:2000) and security (electronic certification and sound cryptography).

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. We highlight, in particular, the following products:

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.

During the first six-month period, an amount of R\$ 182.2 billion was recorded for 50.9 million payment transactions, facilitating the management of Trade Accounts Payable for more than 251 thousand companies.

In billions of reais

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2003 | | | 2004 | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Receipt solutions (1) | 160.2 | 167.0 | 327.2 | 183.1 | 190.0 | 373.1 |
| Payment solutions | 64.8 | 68.9 | 133.7 | 85.2 | 97.0 | 182.2 |
| Total | 225.0 | 235.9 | 460.9 | 268.3 | 287.0 | 555.3 |
| Taxes | 19.1 | 19.0 | 38.1 | 24.0 | 23.7 | 47.7 |
| Water, electricity, telephone and gas | 3.5 | 3.8 | 7.3 | 4.5 | 4.7 | 9.2 |
| Social security payments | 3.3 | 3.7 | 7.0 | 5.0 | 5.1 | 10.1 |
| Total Public Sector | 25.9 | 26.5 | 52.4 | 33.5 | 33.5 | 67.0 |

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

Number of transactions - million

| | 2003 | | | 2004 | | |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Receipt solutions (1) | 165.6 | 175.4 | 341.0 | 203.9 | 204.0 | 407.9 |
| Payment solutions | 17.2 | 18.0 | 35.2 | 24.1 | 26.8 | 50.9 |
| Total | 182.8 | 193.4 | 376.2 | 228.0 | 230.8 | 458.8 |
| Taxes | 14.7 | 15.5 | 30.2 | 19.9 | 17.0 | 36.9 |
| Water, electricity, telephone and gas | 27.4 | 28.5 | 55.9 | 31.7 | 31.6 | 63.3 |
| Social security payments (2) | 9.3 | 10.7 | 20.0 | 11.3 | 11.0 | 22.3 |
| Total Public Sector | 51.4 | 54.7 | 106.1 | 62.9 | 59.6 | 122.5 |

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

(2) Total beneficiaries: more than 3.950 million retirees and pensioners (corresponding to 18.2% of all those registered with the Brazilian Institute of Social Security - INSS).

N.B. Payment via direct debit

24.696 million - January to June 2003

25.552 million - January to June 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, DR-Depository Receipt, BDR-Brazilian Depository Receipt, as well as bookkeeping services for stocks, debentures and investment fund quotas.

A number of achievements and innovations were accomplished during the first half of 2004, evidencing the quality of our services.

Our custody and controllership services were contracted by Brazil's second largest pension fund, Fundação Petrobrás de Seguridade Social - Petros (91 thousand participants) and will increase the current volume of assets under custody by R\$ 22 billion.

The Bradesco Custody website (www.bradescocustodia.com.br), as well as presenting all the conceptual aspects of our services and operations, now also provides the stockholders/investors of companies using the Bradesco Computer-registered Assets System, with access to their related positions and movement and yield, not only those recorded in the Depository Financial Institution - IFD Bradesco, but also those in the Brazilian Clearance and Custody Company - CBLC.

Edgar Filing: BANK BRADESCO - Form 6-K

We present below the main indicators for the first half of 2004:

Bookkeeping of Assets

165 Companies comprise the Bradesco computer-registered share system, with 4.6 million shareholders.

Companies comprise the Bradesco computer-registered debenture system with a market value of R\$ 13.6 billion.

16 Investment funds comprise the Bradesco computer-registered quota system, with a market value of R\$ 1.2 billion.

2 Registered BDR Programs, with a market value of R\$ 272.3 million.

Custody and Controllership

R\$ 102.3 billion In assets under custody for customers who use the Bradesco Custody services (Funds, Portfolios and DR).

R\$ 129.9 billion Comprises the total equity of the 626 investment funds and managed portfolios using the Bradesco Controllership services.

9 Registered DR Programs, with a market value of R\$ 18.9 billion.

Assets under Custody - In billions of reais

Banco Finasa S.A.

Consolidated Balance Sheet - In millions of reais

| | 2003 | | 2004 | |
|--|--------------|--------------|--------------|--------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 4,123 | 4,260 | 6,508 | 7,037 |
| Funds available | 1 | - | 15 | 5 |
| Interbank investments | 4 | 28 | 35 | 111 |
| Securities and derivative financial instruments | 15 | 14 | 91 | 68 |
| Interbank accounts | 17 | 42 | 27 | 29 |
| Credit and leasing operations | 3,813 | 3,908 | 5,761 | 6,255 |
| Other receivables and other assets | 273 | 268 | 579 | 569 |
| Permanent assets | 8 | 11 | 383 | 361 |
| Total | 4,131 | 4,271 | 6,891 | 7,398 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 3,873 | 3,988 | 6,608 | 7,023 |
| Demand, time and interbank deposits | 3,523 | 3,624 | 5,976 | 6,479 |
| Deposits received under security repurchase agreements and funds from the issuance of securities | 3 | 3 | - | - |
| Interbank accounts | 2 | 2 | 24 | 3 |
| Borrowings and onlendings | 83 | 101 | 55 | 55 |
| Derivative financial instruments | 72 | 81 | 319 | 241 |
| Other liabilities | 190 | 177 | 234 | 245 |
| Deferred income | 16 | 22 | 19 | 30 |
| Stockholders' equity | 242 | 261 | 264 | 345 |
| Total | 4,131 | 4,271 | 6,891 | 7,398 |

Consolidated Statement of Income - In millions of reais

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2003 | | | 2004 | | |
|---|------------|------------|------------|------------|------------|------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Income from lending and trading activities | 362 | 395 | 757 | 483 | 594 | 1,077 |
| Expenses for lending and trading activities | (213) | (237) | (450) | (262) | (300) | (562) |
| Gross profit from financial intermediation | 149 | 158 | 307 | 221 | 294 | 515 |
| Other operating income (expenses), net | (108) | (115) | (223) | (129) | (160) | (289) |
| Operating income | 41 | 43 | 84 | 92 | 134 | 226 |
| Non-operating income (expenses), net | (1) | (3) | (4) | - | (6) | (6) |
| Income before taxes and contributions | 40 | 40 | 80 | 92 | 128 | 220 |
| Taxes and contributions on income | (13) | (14) | (27) | (32) | (6) | (38) |
| Net income | 27 | 26 | 53 | 60 | 122 | 182 |

Profile

Banco Finasa S.A., a wholly owned subsidiary of Banco Bradesco S.A., operates in the retail sector, granting personal loans and financing new and used vehicles, consumer durables, services, clothing and footwear, among others, through Finasa Promotora de Vendas Ltda. and from February 16, 2004, also through Promovel Empreendimentos e Serviços Ltda., which is Banco Zogbi S.A.'s sales promotion company.

We stress that Banco Zogbi S.A. was acquired by the Bradesco Organization, through Banco Finasa S.A. on November 6, 2003, in addition to Promovel Empreendimentos e Serviços Ltda. its subsidiaries Zogbi Leasing S.A. Arrendamento Mercantil and Zogbi Distribuidora de Títulos e Valores Mobiliários Ltda., which are also included in the consolidated balance sheet of Banco Finasa S.A.

At the end of June, Banco Finasa operated through 121 Branches distributed nationwide (Finasa Promotora de Vendas 53 and Zogbi Promovel 68), com 28,679 registered service outlets, including 12,303 new and used vehicle dealerships and 16,376 stores selling different types of goods and services.

Customers served at the end of the half-year totaled some 1,782 thousand (Banco Finasa - 1,018 thousand and Banco Zogbi - 764 thousand).

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

Operating Performance

At the end of the first half of 2004, consolidated assets totaled R\$ 7,397.8 million, a growth rate of 7.4% compared to March 2004 and 73.2% compared to June 2003. Concentrated in new and used auto financing, the balance of this portfolio, before allowance for loan losses, totaled R\$ 6,032.5 million at June 30, increases of 10.2% and 52.8%, respectively.

Auto-financing production for 2Q04 totaled R\$ 1,350.1 million and R\$ 2,586.1 million for 1H04, growth rates of 9.2% and 59.4%, respectively, compared to R\$ 1,236.0 million for 1Q04 and R\$ 1,622.3 million for 1H03.

Designed to increase the volume of business, a number of agreements and operating partnerships were entered into by the Bank for credit granting purposes, such as those with Ford Credit, Microsoft and ABRAPAR, subsequent to approval by the Brazilian Association of Fiat Automobile Dealerships.

Consolidated Finasa reported second-quarter net income of R\$ 122.1 million and first-half net income of R\$ 181.8 million. Stockholders' equity at June 30, increased to R\$ 345.1 million.

In addition, income in the amount of R\$ 56.9 million was recorded for 2Q04, derived from the mark-to-market adjustment of swap transactions, in compliance with Central Bank Circular 3082, which totaled R\$ 79.9 million for the half-year. 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.

Edgar Filing: BANK BRADESCO - Form 6-K

Net income for the period is comprised as follows:

| | In millions of reais | | |
|------------------------------|----------------------|--------------|--------------|
| | 2004 | | |
| | 1st Qtr. | 2nd Qtr. | 1st Half |
| Net income before events | 36.7 | 65.2 | 101.9 |
| Mark-to-market effect - SWAP | 23.0 | 56.9 | 79.9 |
| Net income | 59.7 | 122.1 | 181.8 |

Moreover, we stress that expenses for amortization and provision for goodwill on investments made in 2004 totaled R\$ 14.8 million for the second quarter and R\$ 22.6 million for the half-year.

Social Action

The Bradesco Organization maintains its support of sports activities through the FINASA Sports Program (PROGRAMA FINASA ESPORTES), which completed 17 years of activity in 2004. Over this period, the program has become a benchmark for youth education, using the formation of womens' basketball and volleyball teams as an instrument for social inclusion and citizenship. At present, 3,889 girls from 10 to 16 years of age, participate in these sports at 78 training centers, 50 for volleyball and 28 for basketball, which are installed on the premises of state schools, at Osasco's city hall sports centers, at the Bradesco Foundation school, at the SESI units and at three private schools, all located in the municipality of Osasco, in Greater São Paulo.

As well as these training centers, the Program also maintains competitive teams in all base categories with 135 girls between 16 and 19 years of age, training to obtain a place in the main senior volleyball team, FINASA OSASCO, which is currently the Brazilian national league champion for the second time.

The Program's social aspects are also strongly focused, since the majority of these young girls live in socially deprived communities on the outskirts of Osasco. For example, the girls must attend school on a regular basis to be accepted in the Program.

At the same time, a number of educational and cultural activities are carried out, designed to develop the concept of citizenship in all participant, including students, teachers and very often parents too.

The annual schedule of the FINASA SPORTS PROGRAM also includes counseling on the prevention of drug abuse, sexuality, solidarity and violence.

Bradesco Insurance Group

Insurance

Consolidated Balance Sheet (*) - In millions of reais

| | 2003 | | 2004 | |
|--|--------------|--------------|--------------|--------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 3,572 | 3,789 | 4,299 | 4,943 |
| Securities | 1,814 | 1,935 | 2,453 | 2,911 |
| Insurance transactions and other accounts receivable | 1,758 | 1,854 | 1,846 | 2,032 |
| Permanent assets | 2,054 | 2,304 | 2,855 | 2,876 |
| Total | 5,626 | 6,093 | 7,154 | 7,819 |

LIABILITIES

| | | | | |
|---|--------------|--------------|--------------|--------------|
| Current and long-term liabilities | 2,854 | 3,154 | 3,456 | 3,926 |
| Tax and social security contributions | 591 | 573 | 601 | 717 |
| Insurance-related payables | 185 | 338 | 346 | 407 |
| Other liabilities | 352 | 378 | 425 | 467 |
| Technical reserves | 1,726 | 1,865 | 2,084 | 2,335 |
| Minority interest | 51 | 51 | 41 | 33 |
| Stockholders' equity of the parent company | 2,721 | 2,888 | 3,657 | 3,860 |
| Total | 5,626 | 6,093 | 7,154 | 7,819 |

Consolidated Statement of Income (*) - In millions of reais

| | 2003 | | | 2004 | | |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Earned premiums (**) | 1,253 | 1,285 | 2,538 | 1,500 | 1,481 | 2,981 |
| Retained claims | (947) | (1,046) | (1,993) | (1,237) | (1,291) | (2,528) |
| Selling expenses | (157) | (160) | (317) | (190) | (183) | (373) |
| Other operating income (expenses) | 17 | 17 | 34 | 33 | (67) | (34) |
| Contribution margin | 166 | 96 | 262 | 106 | (60) | 46 |
| Administrative costs | (169) | (181) | (350) | (187) | (214) | (401) |
| Taxes | (24) | (17) | (41) | (31) | (28) | (59) |
| Financial results | 117 | 106 | 223 | 162 | 114 | 276 |
| Operating income | 90 | 4 | 94 | 50 | (188) | (138) |
| Non-operating income | (7) | (14) | (21) | (1) | (5) | (6) |
| Results on investments in subsidiary and associated companies | 79 | 87 | 166 | 110 | 320 | 430 |
| Minority interest | - | - | - | 2 | 2 | 4 |
| Income before taxes and contributions | 162 | 77 | 239 | 161 | 129 | 290 |
| Taxes and contributions on income | (9) | 17 | 8 | 3 | 82 | 85 |
| Net income | 153 | 94 | 247 | 164 | 211 | 375 |

N.B. Includes insurance premiums issued by Bradesco Vida e Previdência S.A. (with VGBL).

(*) Includes: Bradesco Seguros, Indiana Seguros, Bradesco Saúde, União Novo Hamburgo de Seguros, Finasa Seguradora S.A., Áurea, SBCE and Bradesco Argentina.

(**) Individual life insurance and VGBL redemptions were reclassified to this account in accordance with SUSEP/DECON Circular Letter 02/2004.

Performance Ratios - %

| | 2003 | | | 2004 | | |
|--------------------|----------|----------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Claims ratio (1) | 75.6 | 81.4 | 78.5 | 82.5 | 87.2 | 84.8 |
| Selling ratio (2) | 12.5 | 12.5 | 12.5 | 12.7 | 12.4 | 12.5 |
| Combined ratio (3) | 101.8 | 107.6 | 104.8 | 107.2 | 120.0 | 113.7 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|----------------------------------|------|------|------|------|-------|-------|
| Expanded combined ratio (4) | 93.1 | 99.4 | 96.3 | 96.8 | 111.4 | 104.1 |
| Administrative expense ratio (5) | 13.2 | 13.8 | 13.5 | 12.2 | 14.0 | 13.3 |

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

Insurance Premiums - Market Share (%)

Bradesco Seguros secured R\$ 4.3 billion in premiums and maintained its industry leadership with a 24.6% market share. The insurance sector obtained a total of R\$ 17.547 billion in premiums through May 2004.

Growth in Technical Reserves
In millions of reais

Growth in Guaranteeing Assets of Technical Reserves
In millions of reais

Earned Premiums by Insurance Line - In millions of reais

| Line | 2003 | | | 2004 | | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Health | 618 | 630 | 1,248 | 729 | 710 | 1,439 |
| Auto/RCF(a) | 327 | 346 | 673 | 392 | 393 | 785 |
| Life/AP(b)/VGBL(c) | 188 | 196 | 384 | 252 | 258 | 510 |
| Basic Lines | 83 | 88 | 171 | 93 | 92 | 185 |
| DPVAT(d) | 37 | 25 | 62 | 34 | 28 | 62 |
| Total | 1,253 | 1,285 | 2,538 | 1,500 | 1,481 | 2,981 |

- (a) Optional third-party liability.
(b) Personal accident.
(c) Long-term life products.
(d) Compulsory vehicle insurance.

In the first half of 2004, the Company's earned premiums grew by 17.5% compared to the same period in 2003.

Earned Premiums by Line - %

Retained Claims by Insurance Line - In millions of reais

| Line | 2003 | | | 2004 | | |
|----------|----------|----------|----------|----------|----------|----------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Health | 522 | 588 | 1,110 | 662 | 660 | 1,322 |
| Auto/RCF | 249 | 270 | 519 | 329 | 381 | 710 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--------------|------------|--------------|--------------|--------------|--------------|--------------|
| Life/AP | 111 | 110 | 221 | 170 | 173 | 343 |
| Basic Lines | 37 | 57 | 94 | 48 | 56 | 104 |
| DPVAT | 28 | 21 | 49 | 28 | 21 | 49 |
| Total | 947 | 1,046 | 1,993 | 1,237 | 1,291 | 2,528 |

Retained Claims by Insurance Line (%)

N.B. Retained claims/earned premiums.

Selling Expenses by Insurance Line - In millions of reais

| Line | 2003 | | | 2004 | | |
|--------------|------------|------------|------------|------------|------------|------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Health | 19 | 19 | 38 | 23 | 23 | 46 |
| Auto/RCF | 61 | 64 | 125 | 71 | 71 | 142 |
| Life/AP | 62 | 61 | 123 | 79 | 69 | 148 |
| Basic Lines | 15 | 16 | 31 | 17 | 20 | 37 |
| Total | 157 | 160 | 317 | 190 | 183 | 373 |

Selling Expenses by Insurance Line (%)

N.B. Expenses for selling/earned premiums

Number of Policyholders - Thousand

Up to June 2004, the average number of customers grew by 9.8% compared to the same period in 2003.

In the first half of 2004, compared to the same period in 2003, Bradesco Saúde maintained its outstanding market position, especially in the corporate health insurance segment (source: ANS). Brazilian consumers are increasingly convinced that Health and Dental Insurance are the best alternatives for meeting their medical, hospital and dental care needs. At present, Bradesco Saúde has more than 2.4 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.

More than 12 thousand companies in Brazil have acquired Bradesco Health Insurance. Out of Brazil's 100 largest companies in terms of billings, 33 are Bradesco clients in the Health and Dental Health lines and out of the country's 50 largest companies, 34% 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 May 2004, the Bradesco Insurance Group maintained its position as one of the main players in the Brazilian Basic Line Insurance market, with a significant 11.1% share of total market billings in this area.

In the Corporate Risk area, Bradesco maintained its position as one of the sector's most important insurance companies with a considerable share of the main lines. In particular, emphasis should be given to the launching of Bradesco FLIGHT INSURANCE, specifically focusing the executive aircraft area and which after only 3 months of activity has already achieved excellent results.

Edgar Filing: BANK BRADESCO - Form 6-K

In the mass market insurance segment, focusing on consumer and small and medium corporate customers, product line sales registered an important growth, in particular, Bradesco Bilhete Residencial, which achieved a record of 588,901 homes insured, an increase of 15.0% compared to the same period in 2003.

The launching of new products and the reformulation of others, in the pursuit to offer our customers best quality products on a permanent basis, made a significant contribution to the results achieved during the period.

In the Auto/RCF line, the first half of the year witnessed intense competition in a market reduced by slacking vehicle local market 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 May, 2004 was 15.6%.

Awards/Recognition

Bradesco Seguros

1. Bradesco Seguros rated Top of Preference in Rio Grande do Sul. Bradesco Seguros was the brand name preferred by consumers in the southern state of Rio Grande do Sul in March 2004. This preference was revealed in the sixth edition of the poll "Decision-makers' 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.
2. In May 2004, the Bradesco Seguros website is 3-time champion award winner at the iBEST awards, considered Brazil's equivalent to the Internet Oscar. The Company was voted winner by popular jury in the Insurance category.
3. Bradesco Seguros won the Prêmio Segurador Brasil award in the Best Institutional Campaign and Arts and Culture Support Highlight categories. These awards are given by Brasil/Notícias Editora e Comunicação Empresarial, publishers of the Planeta Seguros magazine and will be announced in its August 2004 edition.
4. In June 2004, Bradesco Seguros was rated best company in the vehicle insurance line according to the Financial Report published by Gazeta Mercantil newspaper prepared in partnership with the consultancy Austin Rating.
5. In June 2004, it was announced that Bradesco Seguros had won the Insurance Market Award (Prêmio Mercado de Seguros), given by the Seguro Total magazine in the Excellence in Total Premiums category.

Bradesco Saúde

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.

Vida e Previdência (Private Pension Plans)(1)

Bradesco Vida e Previdência is specialized in the preparation, implementation and administration of individual and corporate retirement, pension and savings plans, as well as life insurance. As a result of its solid structure, innovative product policy and trusted market standing, Bradesco maintained its leadership of all segments in which it operates and presented excellent first-half results in this economic sector, which is among the most dynamic in Brazil.

Balance Sheet - In millions of reais

| | 2003 | | 2004 | |
|--|--------|--------|--------|--------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 19,055 | 20,783 | 26,364 | 27,008 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|--|------------|------------|------------|--------------|
| Funds available | 16 | 24 | 24 | 29 |
| Interbank investments | 18 | 19 | - | - |
| Securities | 18,661 | 20,355 | 25,781 | 26,489 |
| Insurance operations and other accounts receivable | 360 | 385 | 559 | 490 |
| Permanent assets | 252 | 256 | 248 | 1,063 |

| | | | | |
|--------------|---------------|---------------|---------------|---------------|
| Total | 19,307 | 21,039 | 26,612 | 28,071 |
|--------------|---------------|---------------|---------------|---------------|

LIABILITIES

| | | | | |
|---|---------------|---------------|---------------|---------------|
| Current and long-term liabilities | 18,126 | 19,695 | 24,805 | 26,017 |
| Tax and social security contributions | 349 | 402 | 655 | 554 |
| Operating liabilities for insurance and private pension plans | 72 | 91 | 200 | 256 |
| Other liabilities | 36 | 32 | 43 | 73 |
| Technical reserves | 17,669 | 19,170 | 23,907 | 25,134 |
| Stockholders' equity | 1,181 | 1,344 | 1,807 | 2,054 |

| | | | | |
|--------------|---------------|---------------|---------------|---------------|
| Total | 19,307 | 21,039 | 26,612 | 28,071 |
|--------------|---------------|---------------|---------------|---------------|

On April 30, 2004, Bradesco Vida e Previdência increased its permanent assets through the acquisition of 99.6% of the share control of Bradesco Capitalização in the amount of R\$ 360 million and 21.2% of the share control of Instituto de Resseguros do Brasil - IRB in the amount of R\$ 291 million.

Statement of Income - In millions of reais

| | 2003 | | | 2004 | | |
|---|------------|------------|------------|------------|------------|------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Retained premiums (except VGBL) | 196 | 187 | 383 | 227 | 224 | 451 |
| Variations in premium reserves | (24) | (19) | (43) | (10) | (4) | (14) |
| Earned premiums (except VGBL) | 172 | 168 | 340 | 217 | 220 | 437 |
| Earned premiums - VGBL | 10 | 12 | 22 | 16 | 23 | 39 |
| Total earned premiums | 182 | 180 | 362 | 233 | 243 | 476 |
| Retained claims | (109) | (103) | (212) | (161) | (125) | (286) |
| Expenses with benefits and redemptions - VGBL | - | - | - | (5) | (10) | (15) |
| Selling expenses - insurance | (56) | (54) | (110) | (72) | (62) | (134) |
| Other operating income (expenses) | 35 | 35 | 70 | 64 | 49 | 113 |
| Income from net contributions | 151 | 387 | 538 | 359 | 426 | 785 |
| Expenses with benefits/matured plans | (399) | (463) | (862) | (527) | (581) | (1,108) |
| Selling expenses - pension plans | (25) | (24) | (49) | (24) | (24) | (48) |
| Administrative expenses | (50) | (47) | (97) | (56) | (50) | (106) |
| Tax expenses | (3) | (5) | (8) | (7) | (13) | (20) |
| Financial income | 1,242 | 973 | 2,215 | 1,007 | 988 | 1,995 |
| Financial expenses | (825) | (736) | (1,561) | (634) | (691) | (1,325) |
| Equity income and expenses | 2 | 2 | 4 | 2 | 167 | 169 |
| Non-operating income (expense) | 1 | (1) | - | 2 | - | 2 |
| Income before taxes and contributions | 146 | 144 | 290 | 181 | 317 | 498 |
| Taxes and contributions on income | (48) | (42) | (90) | (60) | (49) | (109) |
| Net income | 98 | 102 | 200 | 121 | 268 | 389 |

(1)

Edgar Filing: BANK BRADESCO - Form 6-K

Includes Bradesco Vida e Previdência S.A. and from June 2003, Alvorada Vida S.A. (formerly BBV Previdência e Seguradora Brasil S.A.).

Bradesco Vida e Previdência adopted a number of measures during the first half designed to decrease expenses. As a result of these efforts, the percentage of administrative expenses for income on premiums and contributions decreased from 3.3%, in the first half of the prior year, to 3.0% in the first six months of 2004.

Furthermore, we highlight the decrease in selling expenses comprising 5.3% of income on premiums and contributions for the first half of the year compared to 5.5% for the same period in 2003.

The following investments had a significant effect on the composition of first-half results:

| | In thousands of reais |
|-----------------------------|-----------------------|
| Bradesco Capitalização S.A. | 89,924 |
| IRB Brasil Resseguros S.A. | 28,165 |
| Other investments | 47,209 |
| Total | 165,298 |

Market Share

Income from Plans - Market Share (%)

Bradesco Vida e Previdência is Brazil's sole leader in complementary pension plans and VGBL, with a 33.7% share of the market, more than double that held by its nearest rival. First-half plan income totaled R\$ 2.861 billion, an 18.3% growth rate compared to the same period in 2003.

Income on Insurance Premiums - Market Share (%)

Income on premiums retained of R\$ 451 million for the first six-months guaranteed Bradesco's leadership of the market with a 15.1% share. We highlight during the half-year the Vida Segura Bradesco and Vida Máxima Mulher Bradesco, products which strengthen the strategy designed to offer products to different market segments and facilitate access to life insurance for all income brackets.

Increase in Technical Reserves - In millions of reais

The growing strength of its technical reserves guarantees the company's capacity to meet its commitments and, at the same time, confirms its position as Brazil's largest open complementary private pension company with a 48.2% share of the market. (Source: ANAPP - May 2004).

Growth in Guaranteeing Assets of Technical Reserves - In millions of reais

The continuing increase in revenues and appropriate investment policy adjustments prompted a significant growth in the investment portfolio of Bradesco Vida e Previdência, thereby guaranteeing full coverage of technical reserves.

Pension Plan and VGBL Investment Portfolios - Market Share (%)

Bradesco Vida e Previdência is the market's outright leader as regards the size of its investment portfolios, since this company accounts for almost half of total market resources.

Participants

Increase in Number of Participants - thousand

Edgar Filing: BANK BRADESCO - Form 6-K

N.B. Includes VGBL long-term life products

The strength of the Bradesco brand, its commitment to innovation and the adoption of appropriate pricing and management policies, prompted a continuing growth in the number of customers, which have now attained the 1.4 million mark.

Policyholders

Increase in Life Insurance Policyholders thousand

As well as launching the Vida Segura Bradesco and Vida Máxima Mulher Bradesco products, during the first half, Bradesco Vida e Previdência also launched its campaign designed to extend the popularity of life insurance policies.

Savings Bonds (1)

Balance Sheet - In millions of reais

| | 2003 | | 2004 | |
|--|--------------|--------------|--------------|--------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 1,863 | 1,946 | 2,639 | 2,683 |
| Securities | 1,787 | 1,871 | 2,547 | 2,596 |
| Accounts receivable and other accounts receivable | 76 | 75 | 92 | 87 |
| Permanent assets | 342 | 294 | 20 | 201 |
| Total | 2,205 | 2,240 | 2,659 | 2,884 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 1,930 | 1,906 | 2,286 | 2,416 |
| Tax, social security contributions and contingencies | 178 | 195 | 257 | 286 |
| Other liabilities | 96 | 13 | 73 | 121 |
| Technical reserves | 1,656 | 1,698 | 1,956 | 2,009 |
| Stockholders' equity | 275 | 334 | 373 | 468 |
| Total | 2,205 | 2,240 | 2,659 | 2,884 |

Statement of Income - In millions of reais

| | 2003 | | | 2004 | | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Income from savings bonds | 249 | 301 | 550 | 306 | 396 | 702 |
| Variation in technical reserves | (1) | (12) | (13) | (50) | (7) | (57) |
| Redemption of bonds | (231) | (284) | (515) | (273) | (346) | (619) |
| Bonds redeemed | (225) | (281) | (506) | (261) | (336) | (597) |
| Winning bonds | (6) | (3) | (9) | (12) | (10) | (22) |
| Financial income, net | 58 | 81 | 139 | 107 | 71 | 178 |
| Administrative expenses/taxes | (17) | (20) | (37) | (19) | (28) | (47) |
| Equity results | 2 | 6 | 8 | 3 | 26 | 29 |
| Non-operating income | - | - | - | (1) | - | (1) |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--|-----------|-----------|------------|-----------|------------|------------|
| Income before taxes and contributions | 60 | 72 | 132 | 73 | 112 | 185 |
| Taxes and contributions on income | (19) | (21) | (40) | (24) | (27) | (51) |
| Net income | 41 | 51 | 92 | 49 | 85 | 134 |

(1) Includes: Bradesco Capitalização and Atlântica Capitalização (formerly BCN 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 is consolidating its outstanding position in diverse regions and holds a leadership position in two Brazilian states, according to the latest figures for May published by SUSEP. The company's market share in these states was as follows: 34.4% in Amazonas and 25% in São Paulo.

In pursuit of a bond which is suited to its customers' different profiles and budgets, the company developed a number of products 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 company closer to the general public and consolidated the success of its popular Pé Quente (Lucky Bond) savings bond series.

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 Plans - 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 June 2004, a growth rate of 18.3% compared to the same period in 2003. According to data for May 2004 published by SUSEP, the company has 23.1% 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.

Growth in Assets Guaranteeing Technical Reserves - In millions of reais

Number of Customers - Thousand

In line with its customer loyalty building policy focused on quality customer service and the offer of innovative products, the number of Bradesco Capitalização customers in June 2004 had grown by 2.4% in comparison with the same period in 2003, totaling 2.8 million.

Outstanding Savings Bonds - Thousand

Outstanding Savings Bonds with transfer of draw participation rights - thousands

Total Outstanding Savings Bonds - thousands

Edgar Filing: BANK BRADESCO - Form 6-K

The outstanding savings bond portfolio also presented a significant increase of 692.3% compared to the same period in 2003, with more than 60 million outstanding bonds. Of this amount, 92.5% are certificates with Transfer of Draw Participation Rights, which were sold via partnership agreements with companies in different market segments, 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 sold with reduced terms and grace periods and at a lower unit purchase price.

The number of traditional bonds comprising 7.5% of the total portfolio, dropped slightly, as a result of the offer of single and monthly payment bonds at higher sales prices.

Awards

1. In June 2004, Bradesco Capitalização was announced winner of the Insurance Market Award in the Best Savings Bond Company category organized by Seguro Total magazine.

Leasing Companies

At June 30, 2004, the Bradesco Organization had the following leasing companies: Bradesco BCN Leasing S.A. Arrendamento Mercantil, Bradesco Leasing S.A. Arrendamento Mercantil, formerly Potenza Leasing S.A. Arrendamento Mercantil, Bancocidade Leasing Arrendamento Mercantil S.A., 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 | |
|---|--------------|--------------|--------------|--------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 4,818 | 4,950 | 5,217 | 5,259 |
| Funds available | 6 | 6 | 4 | 1 |
| Interbank investments | 3,023 | 3,081 | 2,273 | 2,325 |
| Securities and derivative financial instruments | 21 | 12 | 1,254 | 1,273 |
| Leasing operations | 1,396 | 1,477 | 1,305 | 1,271 |
| Allowance for leasing losses | (127) | (127) | (119) | (107) |
| Other receivables and other assets | 499 | 501 | 500 | 496 |
| Permanent assets | 37 | 40 | 39 | 37 |
| Total | 4,855 | 4,990 | 5,256 | 5,296 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 2,964 | 3,012 | 3,056 | 3,060 |
| Interbank deposits | 144 | 117 | - | - |
| Securities received under security repurchase agreements and funds received from issuance of securities | 1,454 | 1,523 | 1,703 | 1,766 |
| Borrowings and onlendings | 242 | 256 | 233 | 203 |
| Derivative financial instruments | 11 | 10 | 20 | 15 |
| Subordinated debt | 633 | 635 | 625 | 623 |
| Other liabilities | 480 | 471 | 475 | 453 |
| Stockholders' equity | 1,891 | 1,978 | 2,200 | 2,236 |
| Total | 4,855 | 4,990 | 5,256 | 5,296 |

Statement of Income - In millions of reais

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2003 | | | 2004 | | |
|---|------------|------------|------------|------------|------------|------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Income from lending and trading activities | 195 | 242 | 437 | 415 | 426 | 841 |
| Expenses for lending and trading activities | (84) | (132) | (216) | (304) | (324) | (628) |
| Gross profit from financial intermediation | 111 | 110 | 221 | 111 | 102 | 213 |
| Other operating income (expenses), net | (25) | (12) | (37) | (14) | (25) | (39) |
| Operating income | 86 | 98 | 184 | 97 | 77 | 174 |
| Non-operating income | 3 | - | 3 | 1 | - | 1 |
| Income before taxes and contributions | 89 | 98 | 187 | 98 | 77 | 175 |
| Tax and contributions on income | 102 | (34) | 68 | (37) | (24) | (61) |
| Net income | 191 | 64 | 255 | 61 | 53 | 114 |

Leasing Performance - Consolidated Bradesco

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

At June 30, leasing operations brought to present value totaled R\$ 1.352 billion, with a balance of R\$ 24.8 million receivable in operating leases.

According to the Brazilian Association of Leasing Companies (ABEL), the Bradesco Organization leasing companies are sector leaders, with a 13.7% share of this market (base date: April 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 June 30, 2004

Bradesco Consórcios (Consortium Purchase System)

Administradora (management company)

Balance Sheet - In thousands of reais

| | 2003 | | 2004 | |
|---|---------------|---------------|---------------|---------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 21,907 | 22,521 | 36,744 | 47,501 |
| Securities | 18,118 | 18,853 | 35,788 | 45,765 |
| Other receivables | 3,789 | 3,668 | 956 | 1,736 |
| Permanent assets | 694 | 726 | 747 | 800 |
| Total | 22,601 | 23,247 | 37,491 | 48,301 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 11,688 | 11,446 | 8,859 | 14,336 |
| Amounts receivable from former groups now | 4,889 | 5,090 | 5,560 | 5,650 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|----------------------------|---------------|---------------|---------------|---------------|
| closed | | | | |
| Other liabilities | 6,799 | 6,356 | 3,299 | 8,686 |
| Stockholders equity | 10,913 | 11,801 | 28,632 | 33,965 |
| Total | 22,601 | 23,247 | 37,491 | 48,301 |

Statement of Income - In thousands of reais

| | 2003 | | | 2004 | | |
|--|----------------|--------------|----------------|---------------|---------------|---------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Income on commission and fees | 194 | 3,820 | 4,014 | 15,335 | 20,023 | 35,358 |
| Taxes payable | (32) | (280) | (312) | (903) | (1,183) | 2,086 |
| Financial income | 368 | 510 | 878 | 919 | 1,263 | 2,182 |
| Administrative expenses (including personnel expenses) | (1,661) | (1,461) | (3,122) | (1,933) | (2,559) | (4,492) |
| Selling expenses | (3,902) | (1,231) | (5,133) | (2,088) | (5,078) | (7,166) |
| Other operating (expenses) income | 17 | 50 | 67 | 47 | 120 | 167 |
| Income before taxes and contributions | (5,016) | 1,408 | (3,608) | 11,377 | 12,586 | 23,963 |
| Taxes and contributions on income | 1,637 | (521) | 1,116 | (1,950) | (2,657) | (4,607) |
| Net income (loss) | (3,379) | 887 | (2,492) | 9,427 | 9,929 | 19,356 |

Quarterly Results 2003 and 2004

Consortium Groups

Balance Sheet - In thousands of reais

| | 2003 | | 2004 | |
|--|----------------|------------------|------------------|------------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 1,566 | 19,342 | 124,366 | 164,330 |
| Amount offset | 123,557 | 1,465,378 | 4,436,832 | 5,499,952 |
| Total | 125,123 | 1,484,720 | 4,561,198 | 5,664,282 |
| LIABILITIES | | | | |
| Current and long-term liabilities | - | 233 | 12,260 | 21,626 |
| Stockholders equity | 1,566 | 19,109 | 112,106 | 142,704 |
| Amount offset | 123,557 | 1,465,378 | 4,436,832 | 5,499,952 |
| Total | 125,123 | 1,484,720 | 4,561,198 | 5,664,282 |

Operations

Edgar Filing: BANK BRADESCO - Form 6-K

At June 30, 2004, a total of 91 thousand consortium quotas had been sold, with billings in excess of R\$ 2.9 billion, 12,347 participants had been selected by bid or draw and 6,937 items had been delivered to members comprising 486 groups. 175 new groups were formed during the first half of 2004.

The company uses all the facilities offered by the Bradesco Organization customer service network to commercialize the products offered, a unique market advantage and responsible in great part for the fast-growing results. The extensive nature and security associated with the Bradesco brand name are important advantages for expanding 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.

From January to June 2004, Bradesco Consórcios sold a total of 42,739 quotas, with billings of R\$ 1.219 billion. Of this total, 21,312 are vehicle quotas, followed by 20,823 in real estate quotas sold during the period.

Market leadership

Bradesco Consórcios assumed the leadership of the real-estate segment, according to information published by the Brazilian Central Bank, with 31,063 quotas sold in May, following the 41.68% increase over company results for April.

This leadership position is the result of the efforts and motivation of our sales teams and the distribution force of our customer service network.

Quotas Sold
during the first half of 2004

Quotas sold and accumulated up to June 30, 2004

Total Outstanding Real-estate Quotas in 2004

Number of active participants in the 10 largest real-estate consortium administrators (thousand) (*)

(*) Brazilian Central Bank Data for May 2004
Bradesco S.A. - Corretora de Títulos e Valores Mobiliários

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2003 | | 2004 | |
|---|----------------|----------------|----------------|----------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 145,320 | 153,910 | 320,961 | 128,999 |
| Funds available | 14 | 10 | 15 | 38 |
| Interbank investments and securities | 85,763 | 88,530 | 62,397 | 69,514 |
| Other receivables and other assets | 59,543 | 65,370 | 258,549 | 59,447 |
| Permanent assets | 18,287 | 18,908 | 21,084 | 22,154 |
| Total | 163,607 | 172,818 | 342,045 | 151,153 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 73,865 | 79,006 | 271,781 | 77,818 |
| Other liabilities | 73,865 | 79,006 | 271,781 | 77,818 |
| Stockholders' equity | 89,742 | 93,812 | 70,264 | 73,335 |
| Total | 163,607 | 172,818 | 342,045 | 151,153 |

Statement of Income - In thousands of reais

| | 2003 | | | 2004 | | |
|---|--------------|--------------|---------------|--------------|--------------|---------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Income from lending and trading activities | 4,453 | 4,583 | 9,036 | 2,498 | 2,557 | 5,055 |
| Gross profit from financial intermediation | 4,453 | 4,583 | 9,036 | 2,498 | 2,557 | 5,055 |
| Other operating income (expenses), net | 313 | 1,142 | 1,455 | 5,113 | 1,162 | 6,275 |
| Operating income | 4,766 | 5,725 | 10,491 | 7,611 | 3,719 | 11,330 |
| Non-operating income (expense) | - | (1) | (1) | - | 2 | 2 |
| Income before taxes and contributions | 4,766 | 5,724 | 10,490 | 7,611 | 3,721 | 11,332 |
| Taxes and contributions on income | (1,620) | (1,898) | (3,518) | (2,561) | (1,234) | (3,795) |
| Net income | 3,146 | 3,826 | 6,972 | 5,050 | 2,487 | 7,537 |

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

We present below a summary of the main activities carried out during the second quarter of 2004.

Bradesco Corretora ended the year ranked 13th among the more than 80 brokerage firms operating in the São Paulo Stock Exchange (BOVESPA). During the period, services were provided to 40,071 investors and 114,019 buy and sell orders were carried out for a total financial volume of R\$ 2.7 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 666.3 thousand contracts in the Mercantile and Futures Exchange (BM&F) for a financial volume of R\$ 76.1 billion, ranking the Corretora 28th out of more than 80 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.

Edgar Filing: BANK BRADESCO - Form 6-K

Online web trading for the quarter totaled 49,229 orders with a financial volume of R\$ 285.5 million, comprising 3.0% of all Home-Broker operations carried out in BOVESPA and placing the Corretora fifth in the overall ranking. The customer base increased by 7.9% with more than 1,721 new customers registered during the quarter and more than 10,708 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\$ 1.7 million for the quarter.

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 quarter totaled R\$ 2.5 million.

Stockholders' equity at the end of the quarter increased to R\$ 73 million, corresponding to 48.34% of total assets of R\$ 151 million.

Information - Trading at BM&F and BOVESPA

| | 2003 | | | 2004 | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| BM&F | | | | | | |
| Ranking | 26 th | 19 th | 20 th | 26 th | 28 th | 27 th |
| Contracts traded (million) | 0.4 | 0.6 | 1.0 | 0.7 | 0.7 | 1.4 |
| Financial volume (in billions of reais) | 53.9 | 73.7 | 127.6 | 80.0 | 76.1 | 156.1 |
| Stock Exchange | | | | | | |
| Ranking | 9 th | 13 th | 10 th | 9 th | 13 th | 10 th |
| Number of investors | 14,781 | 12,264 | 27,045 | 57,813 | 40,071 | 97,884 |
| Number of orders executed | 50,792 | 66,380 | 117,172 | 101,820 | 114,019 | 215,839 |
| Volume traded (in billions of reais) | 1.9 | 2.5 | 4.4 | 4.7 | 2.7 | 7.4 |
| Home Broker | | | | | | |
| Ranking | 4 th | 4 th | 4 th | 5 th | 5 th | 5 th |
| Registered customers | 15,127 | 16,025 | 16,025 | 21,787 | 23,508 | 23,508 |
| Orders executed | 30,454 | 40,311 | 70,765 | 59,785 | 49,229 | 109,014 |
| Volume traded (in millions of reais) | 167.6 | 224.0 | 391.6 | 355.7 | 285.5 | 641.2 |

Bradesco Securities, Inc.

Balance Sheet - In thousands of reais

| | 2003 | | 2004 | |
|---|--------------|---------------|---------------|---------------|
| | March | June | March | June |
| ASSETS | | | | |
| Current assets and long-term receivables | 2,825 | 59,207 | 64,255 | 66,047 |
| Funds available | 414 | 344 | 424 | 322 |
| Interbank investments | 2,354 | 17,739 | 2,912 | 7,091 |
| Securities and derivative financial instruments | - | 41,086 | 60,894 | 58,611 |
| Other receivables and other assets | 57 | 38 | 25 | 23 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|--|--------------|---------------|---------------|---------------|
| Permanent assets | 127 | 96 | 56 | 46 |
| Total | 2,952 | 59,303 | 64,311 | 66,093 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 216 | 110 | 433 | 203 |
| Other liabilities | 216 | 110 | 433 | 203 |
| Stockholders' equity | 2,736 | 59,193 | 63,878 | 65,890 |
| Total | 2,952 | 59,303 | 64,311 | 66,093 |

Statement of Income - In thousands of reais

| | 2003 | | | 2004 | | |
|---|--------------|--------------|----------------|----------------|----------------|----------------|
| | 1st Qtr. | 2nd Qtr. | 1st Half | 1st Qtr. | 2nd Qtr. | 1st Half |
| Gross profit from financial intermediation | 9 | (196) | (187) | 720 | (1,899) | (1,179) |
| Other operating income (expenses), net | (530) | (319) | (849) | (1,767) | (452) | (2,219) |
| Operating income (expense) | (521) | (515) | (1,036) | (1,047) | (2,351) | (3,398) |
| Loss | (521) | (515) | (1,036) | (1,047) | (2,351) | (3,398) |

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.

Designed to provide leverage to its brokerage transactions abroad, Bradesco Securities, Inc. increased company capital in the amount of US\$ 20 million in May 2003.

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.

Acknowledgements

Bradesco led the ranking in disbursements from the National Bank for Economic and Social Development - BNDES, with R\$ 1.2 billion distributed in 6,300 transactions. The Bank also played an outstanding role in the onlending of BNDES funds for micro, small and medium size

Edgar Filing: BANK BRADESCO - Form 6-K

companies in the total amount of more than R\$ 687 million.

Bradesco pays the largest dividends out of all institutions in the Brazilian banking sector and the third largest out of all companies in Brazil for the last 10 years, according to a study prepared by the consultancy Lafis. Moreover, Bradesco was also ranked leader, in the banking sector of 8 Latin American countries and the U.S.A., in dividend yield, based on an analysis carried out by the consultants, Economática.

Bradesco received triple recognition in the poll carried out by Gazeta Mercantil/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. The study also revealed Bradesco as Brazil's largest financial institution by shareholders' equity and the largest among private Brazilian institutions in assets, deposits, income on credit operations, income on securities transactions, income from lending and trading activities and credit operations.

The areas responsible for fund management, BRAM - Bradesco Asset Management, received the maximum rating from Moody's, one of the world's most important risk rating agencies, with Aaa (MQ) in Management Quality. The agency's report highlighted Bradesco for its excellent administration, strong financial principles, efficient operating and risk controls, as well as for its clearly focused strategic vision.

Bradesco is the Bank with the largest number of funds included in the list of best fixed-income funds according to the ranking prepared by Quantum Consultoria and published in Jornal do Brasil newspaper, in April. The publication listed the Bank's eight Investment Funds among those which ended the first quarter of 2004 with the highest yields.

The Institution also has the largest number of five-star funds listed in the Ranking Invest Tracker, prepared by Thomson Financial Brasil and published in April by O Estado de S. Paulo newspaper. With 16 Investment Funds classified amount the best in their segments, the Bank appears as the main highlight for the second consecutive year.

Bradesco is the institution which grew most in terms of total assets, presenting a growth rate of 776.1% between December 1994 and 2003, from R\$ 20.1 billion to R\$ 176.1 billion. This information was published in the May edition of the Conjuntura Econômica magazine with presented the financial conglomerate ranking prepared by the Brazilian Institute of Economics (Ibre) and Fundação Getulio Vargas (FGV).

The Organization received two prizes at the 2004 iBest awards. For the eighth consecutive year, Bradesco came first in the Banks category by popular jury. Bradesco Seguros also won the award for best voted Insurance website by popular jury.

Sociocultural Events

During the first half of 2004, Bradesco gave support to a number of different social projects throughout Brazil. 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 sponsored an exhibition of Picasso (Picasso na Oca - uma retrospectiva). This was the largest exhibition of the art of the Spanish genius Pablo Picasso ever to be shown in Latin America, with 124 works from the Picasso Museum in Paris on show and was visited by more than 900 thousand people. Bradesco was this important event's exclusive sponsor.

During the first half of the year, Bradesco was present once again at the Summer Festival and Carnival in Salvador - BA and at the Saint John's fiesta in Caruaru - PE. The Organization also gave support to the Agrishow in Ribeirão Preto - SP, Rio Verde - GO, Rondonópolis - MT, and Luís Eduardo Magalhães - BA, as well as the Expo Zebu cattle show, in Uberaba - MG, the Show Rural Coopavel, in Cascavel - PR, and the 2004 International Machinery Expo in São Paulo - SP.

Bradesco Seguros continued its important support of the Série Dell Arte International Concerts. During the first half, presentations were given by the Concerto Italiano, the Akademie Für Alte Musik and Emma Kirkby & The Romantic Chamber Group of London.

In the educational area, the Bradesco Foundation, in partnership with Microsoft and Cisco, commenced implementation of a number of Digital Inclusion Centers (CIDs). These are centers installed in the vicinity of schools and offer the general public basic IT courses and online access to public services, as well as promoting citizenship values and the development of community actions. In all 20 CIDs will be installed in 2004.

At the end of April, the Finasa Osasco senior women's volleyball team won the Ladies SuperLeague Championship for the second time in a row (2003/2004).

Fundação Bradesco - The Bradesco Organization's Social Arm

Background

Edgar Filing: BANK BRADESCO - Form 6-K

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 105,000 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 Education programs.

Important Events

The 40th Bradesco Foundation School, in Jardim Conceição, Osasco, SP, opened its doors on March 16 this year, with modern facilities and the capacity to attend some 2,000 students from the local community.

On March 7, all the Foundation Schools took part in Brazil's 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 the general public 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 partnership with other high-tech companies to create a number of Digital Inclusion Centers - CIDs. This project was designed to combat digital exclusion and increase IT access by people living near the schools, at specific locations managed by volunteers from the local community. High school students will monitor the activities carried out as well as playing a leading role as IT instructors.

The Center for Educational Technology and Social Inclusion created by the Bradesco Foundation in Campinas, SP, and opened on June 3, 2004, boasts state-of-the-art hard and software technology and a 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.

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 | 2,163 |
| Bagé - RS | 2,129 |
| Boa Vista - RR | 1,940 |
| Bodoquena - MS | 1,136 |
| Cacoal - RO | 2,152 |
| Campinas - SP | 4,707 |
| Canuanã - TO | 1,311 |
| Caucaia - CE | 2,140 |
| Ceilândia - DF | 3,163 |
| Cidade de Deus - Osasco, SP | |

Edgar Filing: BANK BRADESCO - Form 6-K

| | |
|--|-------|
| Unit I | 4,009 |
| Unit II | 2,816 |
| Basic Supplementary Education Telecenters in Companies | 7,004 |
| Professional Training Centers | 6,068 |
| Conceição do Araguaia - PA | 2,264 |
| Cuiabá - MT | 2,358 |
| Feira de Santana - BA | 539 |
| Garanhuns - PE | 584 |
| Gravataí - RS | 3,273 |
| Irecê - BA | 2,447 |
| Itajubá - MG | 2,386 |
| Jaboatão - PE | 2,498 |
| Jardim Conceição - SP | 2,375 |
| João Pessoa - PB | 2,058 |
| Laguna - SC | 2,143 |
| Macapá - AP | 2,051 |
| Maceió - AL | 2,489 |
| Manaus - AM | 2,883 |
| Marília - SP | 3,710 |
| Natal - RN | 2,215 |
| Paragominas - PA | 2,323 |
| Paranavaí - PR | 1,869 |
| Pinheiro - MA | 2,220 |
| Propriá - SE | 2,031 |
| Registro - SP | 2,344 |
| Rio Branco - AC | 2,224 |
| Rio de Janeiro - RJ | 4,108 |
| Rosário do Sul - RS | 840 |
| Salvador - BA | 2,070 |
| São João Del Rei - MG | 2,043 |
| São Luís - MA | 2,444 |
| Teresina - PI | 2,220 |
| Vila Velha - ES | 1,992 |

**Basic Professional Education
Rural Area - Artificial Insemination**

| | |
|-------------------|-------|
| Cáceres - MT | 200 |
| Campinas - SP | 400 |
| Campo Grande - MS | 200 |
| Goiânia - GO | 200 |
| Igarapé - MG | 200 |
| Ilhéus - BA | 100 |
| Uberaba - MG | 440 |
| Subtotal | 1,740 |

Total (*) 107,479

(*) Projected for 2004.

The Bradesco Foundation - An Educational Project of the Size of Brazil

Financing

The Bradesco Foundation activities are funded exclusively by resources from its own income and donations made by the Bradesco Organization Companies.

Investments in 2003 R\$ 138.3 million

Budget for 2004 R\$ 148.3 million

Courses - Grades - Forecast for 2004

| | Students | % of total |
|---|----------------|--------------|
| Infant | 3,536 | 3.30 |
| Junior and Middle | 30,653 | 28.52 |
| High School and Technical/Vocational Training | 16,631 | 15.47 |
| Youth and Adult Education | 21,705 | 20.19 |
| Basic Professional Training | 34,954 | 32.52 |
| Total | 107,479 | 100.0 |

Student Profile - Base: December 2003

Increase in Student Numbers

Statement of Social Responsibility for the First Half - 2004 and 2003

| 1) Calculation basis | 1st Half 2004 (in thousands of reais) | 1st Half 2003 (in thousands of reais) |
|-----------------------|---------------------------------------|---------------------------------------|
| Net revenue (RL) (1) | 5,336,282 | 4,581,642 |
| Operating income (RO) | 1,420,448 | 1,999,071 |
| Gross payroll (FPB) | 2,410,603 | 2,201,013 |

| 2) Internal social indicators | In thousands of reais | % of PFB | % of RL | In thousands of reais | % of FPB | % of RL |
|---|-----------------------|-------------|-------------|-----------------------|-------------|-------------|
| Meals | 215,655 | 8.9 | 4.0 | 185,741 | 8.4 | 4.0 |
| Compulsory social charges | 455,470 | 18.8 | 8.5 | 391,281 | 17.8 | 8.5 |
| Private pension plans | 104,351 | 4.3 | 2.0 | 135,415 | 6.2 | 3.0 |
| Healthcare insurance | 109,105 | 4.5 | 2.0 | 86,687 | 3.9 | 1.9 |
| Safety and medical care in the workplace | - | - | - | - | - | - |
| Education | - | - | - | - | - | - |
| Culture | - | - | - | - | - | - |
| Professional qualification and training | 21,329 | 0.9 | 0.4 | 29,993 | 1.4 | 0.7 |
| On-site child care and child-care benefit | 20,718 | 0.9 | 0.4 | 13,968 | 0.6 | 0.3 |
| Employee profit sharing | 83,497 | 3.5 | 1.6 | 79,573 | 3.6 | 1.7 |
| Other | 28,874 | 1.2 | 0.4 | 19,584 | 0.9 | 0.4 |
| Total - Internal social indicators | 1,038,999 | 43.0 | 19.3 | 972,242 | 42.8 | 20.5 |

| 3) External social indicators | In thousands of reais | % of RO | % of RL | In thousands of reais | % of RO | % of RL |
|-------------------------------|-----------------------|---------|---------|-----------------------|---------|---------|
| Education | 36,038 | 2.5 | 0.7 | 32,440 | 1.6 | 0.7 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|---|------------------|-------------|-------------|------------------|-------------|-------------|
| Culture | 6,347 | 0.4 | 0.1 | 6,898 | 0.4 | 0.2 |
| Health and basic sanitation | 1,401 | 0.1 | - | 2,296 | 0.1 | - |
| Sports | 1,470 | 0.1 | - | 4,569 | 0.2 | 0.1 |
| Prevention of hunger and food security | 261 | - | - | 532 | - | - |
| Other | 1,561 | 0.2 | - | 3,367 | 0.2 | 0.1 |
| Total contribution to society | 47,078 | 3.3 | 0.8 | 50,102 | 2.5 | 1.1 |
| Taxes (excluding social charges) | 1,055,838 | 74.3 | 19.8 | 1,242,748 | 62.2 | 27.1 |
| Total - External social indicators | 1,102,916 | 77.6 | 20.6 | 1,292,850 | 64.7 | 28.2 |

| 4) Environmental indicators | In thousands | | | In thousands | | |
|---|--------------|---------|---------|--------------|---------|---------|
| | of reais | % of RO | % of RL | of reais | % of RO | % of RL |
| Investments related to company production/operation | - | - | - | - | - | - |
| Investments in external programs/projects | - | - | - | - | - | - |
| 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 |
| () complies (0% to 50%) | () complies (0% to 50%) |
| () complies (51% to 75%) | () complies (51% to 75%) |
| () complies (76% to 100%) | () complies (76% to 100%) |

| 5) Employee indicators | 1st Half 2004 | 1st Half 2005 |
|--|---------------|---------------|
| Employees at the end of the period | 74,784 | 78,148 |
| Admissions during the period | 1,700 | 6,797 |
| Outsourced employees | 6,782 | 7,809 |
| Trainees/interns | 368 | 514 |
| Employees older than 45 | 5,548 | 5,423 |
| Women employees | 34,237 | 34,814 |
| % of management positions held by women | 19.2% | 17.9% |
| Black employees (2) | N/D | N/D |
| % of management positions held by blacks | N/D | N/D |
| Disabled employees or employees with special needs | 695 | 629 |

| 6) Significant information regarding the level of corporate citizenship | 1st Half 2004 | 1st Half 2005 |
|---|---|---|
| Ratio between maximum and minimum salary | N/A | N/A |
| Total number of accidents in the workplace | 97 | N/A |
| The company's social and environmental projects were established by: | ()directors and managers ()all employees | ()directors and managers ()all employees |
| Workplace safety and health standards were defined by: | ()directors employees | ()directors employees ()all + Cipa encourages activities and complies with OIT rules |
| As regards freedom of trade union activities, collective bargaining rights and internal employee representation, the company: | ()does not interfere ()directors and managers employees | ()does not interfere ()directors and managers employees |
| Private pension plans are offered to: | ()directors and managers employees | ()directors and managers employees |
| The company's profit sharing plan is distributed to: | ()directors and managers employees | ()directors and managers employees |
| When selecting suppliers, the ethical, social and environmental responsibility standards adopted by the company: | ()are not considered suggested | ()are not considered suggested ()are required |
| As regards the participation of employees in voluntary work programs, the company: | ()does not interfere at the company ()gives support at Procon (5) at Court level | ()does not interfere at the company ()gives support at Procon N/A at Court level |
| Total number of consumer complaints resolved: | N/A at the company | N/A at the company |
| % of complaints resolved: | N/A at Procon N/A | N/A at Procon N/A |
| Total Added Value to be Distributed (in thousands of reais) | 1st Half 2004: R\$ 4,695,161 | 1st Half 2003: R\$ 4,441,079 |
| Distribution of Added Value (DVA): | 32.1% government 41.2% employees 13.9% stockholders 12.8% retained | 36.8% government 40.0% employees 14.3% stockholders 8.9% retained |

7) Other information

- (1) Net revenue (RL) corresponds to Income from Financial Intermediation.
- (2) N/A: not available.
- (3) Internal Accident Prevention Committee.
- (4) International Labor Organization.
- (5) Consumer Protection Agency.

Edgar Filing: BANK BRADESCO - Form 6-K

Independent auditors' report on special review of supplementary account information

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 as of and for the semesters ended June 31, 2004 and 2003 and have issued our unqualified opinion, dated July 30, 2004.

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 Banco 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 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.

July 30, 2004

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

Edgar Filing: BANK BRADESCO - Form 6-K

For further information, please contact:

Board of Executive Officers

José Luiz Acar Pedro - Executive Vice-President
and Investor Relations Director

Phone: (# 55 11) 3681 - 4011

e-mail: 4000.acar@bradesco.com.br

General Secretariat - Investor Relations

Jean Philippe Leroy
Investor Relations Executive General Manager

Phone: (#55 11) 3684-9229 and 3684-9231

Fax: (#55 11) 3684-4570 and 3684-4630

e-mail: 4260.jean@bradesco.com.br

Cidade de Deus - Prédio Novo
Osasco - SP - 06029-900
BRAZIL

www.bradesco.com.br/ir

4 Consolidated Balance Sheets and Statements of Income 1999 to 2004

Edgar Filing: BANK BRADESCO - Form 6-K

Consolidated Balance Sheet - In thousands of reais

| ASSETS | JUNE | | DECEMBER | | | |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| CURRENT ASSETS AND LONG-TERM RECEIVABLES | 170,982,811 | 171,141,348 | 137,301,711 | 105,767,892 | 90,693,025 | 75,136,910 |
| FUNDS AVAILABLE | 2,221,970 | 2,448,426 | 2,785,707 | 3,085,787 | 1,341,653 | 827,329 |
| INTERBANK INVESTMENTS | 20,528,547 | 31,724,003 | 21,472,756 | 3,867,319 | 2,308,273 | 2,590,599 |
| Open market investments | 15,039,080 | 26,753,660 | 19,111,652 | 2,110,573 | 1,453,461 | 1,890,828 |
| Interbank deposits | 5,493,136 | 4,970,343 | 2,370,345 | 1,760,850 | 854,815 | 699,771 |
| Provision for losses | (3,669) | - | (9,241) | (4,104) | (3) | - |
| SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS | 56,212,512 | 53,804,780 | 37,003,454 | 40,512,688 | 33,119,843 | 29,196,857 |
| Own portfolio | 48,096,564 | 42,939,043 | 29,817,033 | 27,493,936 | 21,743,924 | 20,950,342 |
| Subject to repurchase agreements | 1,619,037 | 5,682,852 | 1,497,383 | 9,922,036 | 10,822,637 | 5,987,713 |
| Subject to negotiation and intermediation of securities | - | - | - | 526,219 | 9,394 | 157 |
| Restricted deposits - Brazilian Central Bank | 4,001,517 | 3,109,634 | 3,536,659 | 1,988,799 | 421,727 | 2,359,466 |
| Privatization currencies | 89,896 | 88,058 | 77,371 | 25,104 | 9,526 | 7,241 |
| Subject to collateral provided | 1,587,500 | 1,752,882 | 1,836,169 | 715,858 | 783,501 | 449,536 |
| Derivative financial instruments | 817,998 | 232,311 | 238,839 | 581,169 | - | - |
| Allowance for mark-to-market | - | - | - | (740,433) | (670,866) | (557,598) |
| INTERBANK ACCOUNTS | 14,527,349 | 14,012,837 | 12,943,432 | 5,141,940 | 5,060,628 | 6,454,553 |
| Unsettled payments and receipts | 540,029 | 20,237 | 16,902 | 10,118 | 6,920 | 7,635 |
| Restricted deposits: | | | | | | |
| - Brazilian Central Bank | 13,637,429 | 13,580,425 | 12,519,635 | 4,906,502 | 4,848,668 | 6,184,959 |
| - National Treasury - Rural funding | 578 | 578 | 578 | 712 | 660 | 599 |
| - National Housing System - SFH | 318,770 | 391,871 | 374,177 | 217,518 | 197,191 | 142,653 |
| Interbank onlendings | - | - | - | - | 2,024 | 116,733 |
| Correspondent banks | 30,543 | 19,726 | 32,140 | 7,090 | 5,165 | 1,974 |
| INTERDEPARTMENTAL ACCOUNTS | 155,816 | 514,779 | 191,739 | 176,073 | 111,636 | 49,018 |
| Internal transfer of funds | 155,816 | 514,779 | 191,739 | 176,073 | 111,636 | 49,018 |
| CREDIT OPERATIONS | 46,246,720 | 42,162,718 | 39,705,279 | 35,131,359 | 30,236,106 | 21,535,633 |
| Credit operations: | | | | | | |
| - Public sector | 608,542 | 186,264 | 254,622 | 199,182 | 275,479 | 154,266 |
| - Private sector | 49,550,590 | 45,768,970 | 42,842,693 | 37,689,671 | 32,244,482 | 22,848,128 |
| Allowance for loan losses | (3,912,412) | (3,792,516) | (3,392,036) | (2,757,494) | (2,283,855) | (1,466,761) |
| LEASING OPERATIONS | 1,240,969 | 1,306,433 | 1,431,166 | 1,567,927 | 1,914,081 | 1,712,343 |
| Leasing receivables: | | | | | | |
| - Public sector | - | - | 45 | 138 | 160 | 800 |
| - Private sector | 2,718,495 | 2,859,533 | 3,141,724 | 3,248,050 | 3,813,369 | 3,515,396 |
| Unearned lease income | (1,366,519) | (1,438,534) | (1,560,278) | (1,557,642) | (1,760,305) | (1,490,803) |
| Allowance for leasing losses | (111,007) | (114,566) | (150,325) | (122,619) | (139,143) | (313,050) |
| OTHER RECEIVABLES | 28,790,320 | 24,098,765 | 20,690,054 | 15,685,433 | 16,226,725 | 12,420,787 |
| Receivables on guarantees honored | 940 | 624 | 1,577 | 1,131 | 2,020 | - |
| Foreign exchange portfolio | 15,126,391 | 11,102,537 | 10,026,298 | 5,545,527 | 6,417,431 | 3,375,563 |
| Income receivable | 252,942 | 331,064 | 249,849 | 187,910 | 191,873 | 109,734 |
| Negotiation and intermediation of securities | 232,563 | 602,543 | 175,185 | 761,754 | 497,655 | 839,758 |
| Specific credits | - | - | - | 146,919 | 124,776 | 206,952 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| Insurance premiums receivable | 969,794 | 889,358 | 718,909 | 995,662 | 818,773 | 994,718 |
| Sundry | 12,397,490 | 11,324,857 | 9,640,966 | 8,107,714 | 8,258,402 | 7,021,988 |
| Allowance for other losses | (189,800) | (152,218) | (122,730) | (61,184) | (84,205) | (127,926) |
| OTHER ASSETS | 1,058,608 | 1,068,607 | 1,078,124 | 599,366 | 374,080 | 349,791 |
| Other assets | 501,461 | 575,182 | 679,515 | 415,484 | 409,771 | 406,910 |
| Allowance for losses | (244,063) | (245,373) | (243,953) | (164,290) | (171,876) | (166,447) |
| Prepaid expenses | 801,210 | 738,798 | 642,562 | 348,172 | 136,185 | 109,328 |
| PERMANENT ASSETS | 5,271,001 | 4,956,342 | 5,483,319 | 4,348,014 | 4,185,458 | 5,186,682 |
| INVESTMENTS | 1,006,024 | 862,323 | 512,720 | 884,773 | 830,930 | 2,453,425 |
| Investments in associated companies: | | | | | | |
| - Local | 480,115 | 369,935 | 395,006 | 742,586 | 689,002 | 2,044,120 |
| Other investments | 889,362 | 857,985 | 439,342 | 452,871 | 525,316 | 753,901 |
| Allowance for losses | (363,453) | (365,597) | (321,628) | (310,684) | (383,388) | (344,596) |
| PROPERTY AND EQUIPMENT IN USE | 2,296,477 | 2,291,994 | 2,523,949 | 2,152,680 | 2,017,093 | 1,683,069 |
| Buildings in use | 1,378,677 | 1,398,735 | 1,748,409 | 1,475,581 | 1,491,847 | 1,415,720 |
| Other fixed assets | 3,549,161 | 3,480,636 | 3,459,950 | 2,988,008 | 2,705,577 | 2,285,918 |
| Accumulated depreciation | (2,631,361) | (2,587,377) | (2,684,410) | (2,310,909) | (2,180,331) | (2,018,569) |
| LEASED ASSETS | 29,626 | 34,362 | 34,323 | 46,047 | 10,688 | 17,026 |
| Leased assets | 67,283 | 63,812 | 51,198 | 51,214 | 19,421 | 18,451 |
| Accumulated depreciation | (37,657) | (29,450) | (16,875) | (5,167) | (8,733) | (1,425) |
| DEFERRED CHARGES | 1,938,874 | 1,767,663 | 2,412,327 | 1,264,514 | 1,326,747 | 1,033,162 |
| Organization and expansion costs | 1,187,592 | 1,124,058 | 1,037,559 | 874,970 | 731,717 | 477,058 |
| Accumulated amortization | (647,517) | (572,620) | (568,525) | (481,127) | (391,417) | (190,510) |
| Goodwill on acquisition of subsidiaries, net of amortization | 1,398,799 | 1,216,225 | 1,943,293 | 870,671 | 986,447 | 746,614 |
| T O T A L | 176,253,812 | 176,097,690 | 142,785,030 | 110,115,906 | 94,878,483 | 80,323,592 |

Edgar Filing: BANK BRADESCO - Form 6-K

Consolidated Balance Sheet - In thousands of reais

| LIABILITIES AND STOCKHOLDERS' EQUITY | JUNE | | DECEMBER | | | |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| | 2004 | 2003 | 2002 | 2001 | 2000 | 1999 |
| CURRENT AND LONG-TERM LIABILITIES | 162,499,580 | 162,406,307 | 131,652,394 | 100,199,709 | 86,654,746 | 73,249,480 |
| DEPOSITS | 64,133,482 | 58,023,885 | 56,363,163 | 41,083,979 | 36,468,659 | 34,723,630 |
| Demand deposits | 13,541,311 | 12,909,168 | 13,369,917 | 8,057,627 | 7,500,518 | 6,803,429 |
| Savings deposits | 22,456,494 | 22,140,171 | 20,730,683 | 18,310,948 | 17,835,745 | 17,244,520 |
| Interbank deposits | 47,250 | 31,400 | 23,848 | 40,446 | 568,416 | 468,950 |
| Time deposits | 28,088,427 | 22,943,146 | 22,238,715 | 14,674,958 | 10,563,980 | 10,206,731 |
| DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS | 16,746,067 | 32,792,725 | 16,012,965 | 14,057,327 | 12,108,350 | 7,814,288 |
| Own portfolio | 3,100,373 | 6,661,473 | 915,946 | 12,178,855 | 10,696,199 | 5,973,260 |
| Third-party portfolio | 13,545,400 | 17,558,740 | 12,188,054 | 1,878,472 | 1,412,151 | 1,841,028 |
| Unrestricted portfolio | 100,294 | 8,572,512 | 2,908,965 | - | - | - |
| FUNDS FROM ISSUANCE OF SECURITIES | 7,080,310 | 6,846,896 | 3,136,842 | 4,801,410 | 4,111,171 | 4,628,344 |
| Exchange acceptances | - | - | 1,214 | - | - | - |
| Mortgage notes | 1,090,909 | 1,030,856 | 384,727 | 780,425 | 741,248 | 452,379 |
| Debentures | - | 7,291 | 100,369 | 48,921 | 1,039 | 1,043,125 |
| Securities issued abroad | 5,989,401 | 5,808,749 | 2,650,532 | 3,972,064 | 3,368,884 | 3,132,840 |
| INTERBANK ACCOUNTS | 128,261 | 529,332 | 606,696 | 192,027 | 107,129 | 59,607 |
| Interbank onlendings | 4,201 | 159,098 | 35,686 | 4,519 | 1,059 | 10,016 |
| Correspondent banks | 124,060 | 370,234 | 571,010 | 187,508 | 106,070 | 49,591 |
| INTERDEPARTMENTAL ACCOUNTS | 961,661 | 1,782,068 | 1,337,729 | 762,505 | 904,188 | 879,592 |
| Third-party funds in transit | 961,661 | 1,782,068 | 1,337,729 | 762,505 | 904,188 | 879,592 |
| BORROWINGS | 8,894,396 | 7,223,356 | 9,390,630 | 7,887,154 | 6,463,555 | 4,864,414 |
| Local borrowings - official institutions | 1,732 | 2,070 | 3,368 | 2,979 | 9,737 | 10,178 |
| Local borrowings - other institutions | 11,155 | 4,010 | 216,812 | 230,468 | 170,775 | 138,279 |
| Foreign borrowings | 8,881,509 | 7,217,276 | 9,170,450 | 7,653,707 | 6,283,043 | 4,715,957 |
| LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS | 7,868,013 | 7,554,266 | 7,000,046 | 5,830,633 | 5,096,604 | 4,123,486 |
| National Treasury | 18,710 | 51,398 | 62,187 | - | - | - |
| National Bank for Economic and Social Development (BNDES) | 3,695,926 | 3,403,462 | 3,437,319 | 3,067,220 | 2,589,284 | 1,650,243 |
| Federal Savings Bank (CEF) | 451,267 | 459,553 | 453,803 | 433,381 | 405,264 | 388,109 |
| Government Agency for Machinery and Equipment Financing (FINAME) | 3,697,913 | 3,638,966 | 3,045,176 | 2,321,508 | 2,090,374 | 2,064,153 |
| Other institutions | 4,197 | 887 | 1,561 | 8,524 | 11,682 | 20,981 |
| FOREIGN ONLENDINGS | 53,988 | 17,161 | 47,677 | 316,283 | 108,178 | 185,774 |
| Foreign onlendings | 53,988 | 17,161 | 47,677 | 316,283 | 108,178 | 185,774 |
| DERIVATIVE FINANCIAL INSTRUMENTS | 784,356 | 52,369 | 576,697 | 111,600 | - | - |
| TECHNICAL RESERVES FOR INSURANCE, PRIVATE PENSION PLANS AND SAVINGS BONDS | 29,478,345 | 26,408,952 | 19,155,479 | 13,853,426 | 10,338,065 | 7,563,919 |
| OTHER LIABILITIES | 26,370,701 | 21,175,297 | 18,024,470 | 11,303,365 | 10,948,847 | 8,406,426 |
| Collection of taxes and other contributions | 1,189,650 | 130,893 | 108,388 | 181,453 | 128,785 | 113,693 |
| Foreign exchange portfolio | 8,749,851 | 5,118,801 | 5,002,132 | 1,343,769 | 2,439,657 | 1,029,963 |
| Social and statutory payables | 617,690 | 851,885 | 666,409 | 572,265 | 560,533 | 603,405 |
| Taxes and social security contributions | 4,152,995 | 4,781,458 | 4,376,031 | 3,371,127 | 3,094,628 | 2,665,681 |
| Negotiation and intermediation of securities | 186,416 | 595,958 | 109,474 | 1,307,385 | 592,395 | 914,127 |
| Subordinated debt | 6,181,255 | 4,994,810 | 3,321,597 | 969,842 | - | - |
| Sundry | 5,292,844 | 4,701,492 | 4,440,439 | 3,557,524 | 4,132,849 | 3,079,557 |
| DEFERRED INCOME | 37,889 | 31,774 | 15,843 | 9,020 | 34,632 | 17,543 |
| Deferred income | 37,889 | 31,774 | 15,843 | 9,020 | 34,632 | 17,543 |
| MINORITY INTEREST IN SUBSIDIARY COMPANIES | 65,971 | 112,729 | 271,064 | 139,231 | 96,903 | 287,350 |
| STOCKHOLDERS' EQUITY | 13,650,372 | 13,546,880 | 10,845,729 | 9,767,946 | 8,092,202 | 6,769,219 |
| Capital: | | | | | | |
| - Local residents | 6,343,955 | 6,343,955 | 4,960,425 | 4,940,004 | 5,072,071 | 4,206,644 |
| - Foreign residents | 656,045 | 656,045 | 239,575 | 259,996 | 74,429 | 58,856 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|-------------------|-------------------|
| Unpaid capital | - | - | - | - | (400,500) | (465,500) |
| Capital reserves | 10,270 | 8,665 | 7,435 | 7,435 | 19,002 | 5,643 |
| Revenue reserves | 6,665,288 | 6,066,640 | 5,715,317 | 4,614,110 | 3,403,020 | 2,963,576 |
| Mark-to-market adjustment - securities and derivatives | 27,703 | 478,917 | 9,152 | - | - | - |
| Treasury stock | (52,889) | (7,342) | (86,175) | (53,599) | (75,820) | - |
| STOCKHOLDERS' EQUITY MANAGED BY THE PARENT COMPANY | 13,716,343 | 13,659,609 | 11,116,793 | 9,907,177 | 8,189,105 | 7,056,569 |
| T O T A L | 176,253,812 | 176,097,690 | 142,785,030 | 110,115,906 | 94,878,483 | 80,323,592 |

Edgar Filing: BANK BRADESCO - Form 6-K

Consolidated Statement of Income - In thousands of reais

| | 2003 | 2002 | 2001 | 2000 | 1999 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| INCOME FROM LENDING AND TRADING ACTIVITIES | 27,529,706 | 31,913,379 | 21,411,673 | 15,519,008 | 18,286,815 |
| Credit operations | 12,294,528 | 15,726,929 | 11,611,236 | 7,787,745 | 9,602,701 |
| Leasing operations | 307,775 | 408,563 | 420,365 | 512,962 | 730,929 |
| Security transactions | 7,328,805 | 9,527,663 | 7,367,600 | 6,122,486 | 5,875,823 |
| Financial income on insurance, private pension plans and savings bonds | 5,359,939 | 3,271,913 | - | - | - |
| Derivative financial instruments | 55,192 | (2,073,247) | (270,572) | - | - |
| Foreign exchange transactions | 797,702 | 4,456,594 | 2,045,092 | 872,234 | 1,776,925 |
| Compulsory deposits | 1,385,765 | 594,964 | 237,952 | 223,581 | 300,437 |
| EXPENSES | 17,201,888 | 23,259,783 | 13,312,726 | 9,132,137 | 12,821,198 |
| Interest and charges on: | | | | | |
| Deposits | 10,535,497 | 10,993,327 | 6,986,027 | 5,521,407 | 4,954,854 |
| Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds | (3,120,342) | 2,241,283 | - | - | - |
| Borrowings and onlendings | 1,083,379 | 7,194,161 | 4,316,682 | 2,158,725 | 5,819,063 |
| Leasing operations | 12,981 | 12,486 | - | 93 | 18,852 |
| Provision for loan losses | 2,449,689 | 2,818,526 | 2,010,017 | 1,451,912 | 2,028,429 |
| INCOME FROM FINANCIAL INTERMEDIATION | 10,327,818 | 8,653,596 | 8,098,947 | 6,386,871 | 5,465,617 |
| OTHER OPERATING INCOME (EXPENSES) | (6,774,710) | (6,343,850) | (5,324,166) | (4,647,041) | (4,404,370) |
| Commissions and fees | 4,556,861 | 3,711,736 | 3,472,560 | 3,042,699 | 2,099,937 |
| Income on insurance premiums, private pension plans and savings bonds | 11,726,088 | 10,134,873 | 8,959,259 | 6,919,942 | 5,975,488 |
| Change in technical reserves for insurance, private pension plans and savings bonds | (3,670,163) | (2,784,647) | (3,492,217) | (3,001,118) | (2,341,648) |
| Claims - insurance operations and savings bond redemptions | (5,079,973) | (4,335,895) | (3,996,108) | (2,866,389) | (2,844,171) |
| Insurance and pension plan selling expenses | (762,010) | (667,527) | (689,352) | (645,020) | (635,351) |
| Expenses with pension plan benefits and redemptions | (2,362,771) | (1,688,639) | (1,369,424) | (912,784) | (557,608) |
| Personnel expenses | (4,779,491) | (4,075,613) | (3,548,805) | (3,220,607) | (2,783,627) |
| Other administrative expenses | (4,814,230) | (4,028,377) | (3,435,759) | (2,977,665) | (2,566,657) |
| Tax expenses | (1,054,397) | (847,739) | (790,179) | (670,138) | (651,801) |
| Equity in the earnings of associated companies | 5,227 | 64,619 | 70,764 | 156,300 | 127,100 |
| Other operating income | 2,163,639 | 1,320,986 | 1,326,459 | 902,807 | 1,069,562 |
| Other operating expenses | (2,703,490) | (3,147,627) | (1,831,364) | (1,375,068) | (1,295,594) |
| OPERATING INCOME | 3,553,108 | 2,309,746 | 2,774,781 | 1,739,830 | 1,061,247 |
| NON-OPERATING INCOME (EXPENSES), NET | (841,076) | 186,342 | (83,720) | (123,720) | (224,874) |
| INCOME BEFORE TAXES AND PROFIT SHARING | 2,712,032 | 2,496,088 | 2,691,061 | 1,616,110 | 836,373 |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION | (396,648) | (460,263) | (502,257) | (258,776) | 307,186 |
| NON-RECURRING/EXTRAORDINARY INCOME | - | - | - | 400,813 | - |
| MINORITY INTEREST IN SUBSIDIARIES | (9,045) | (13,237) | (18,674) | (17,982) | (38,753) |
| NET INCOME | 2,306,339 | 2,022,588 | 2,170,130 | 1,740,165 | 1,104,806 |

| | | | | | |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|
| RETURN ON STOCKHOLDERS' EQUITY | 17.02% | 18.65% | 22.22% | 21.50% | 16.32% |
|---------------------------------------|---------------|---------------|---------------|---------------|---------------|

Edgar Filing: BANK BRADESCO - Form 6-K

Consolidated Statement of Income - In thousands of reais

| | 2004 | | | | 2003 | | | 2002 |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2nd Qtr. | 1st Qtr. | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. | 4th Qtr. | 3rd Qtr. |
| INCOME FROM LENDING AND TRADING ACTIVITIES | 7,719,563 | 6,756,620 | 7,443,322 | 7,911,617 | 5,096,140 | 7,078,627 | 3,083,730 | 15,811,393 |
| Credit operations | 3,659,023 | 3,099,790 | 3,169,261 | 3,504,644 | 2,685,193 | 2,935,430 | 1,519,950 | 7,344,652 |
| Leasing operations | 56,715 | 85,112 | 78,660 | 85,952 | 65,777 | 77,386 | 74,886 | 127,240 |
| Securities transactions | 2,120,909 | 1,680,538 | 2,230,775 | 2,312,036 | 995,040 | 1,790,954 | (712,805) | 6,319,688 |
| Financial income on insurance, private pension plans and savings bonds | 1,181,151 | 1,245,029 | 1,411,927 | 1,334,756 | 1,172,214 | 1,441,042 | 1,398,046 | 770,981 |
| Derivative financial instruments | (68,697) | 195,557 | 8,877 | 33,158 | (360,489) | 373,646 | 307,885 | (1,585,879) |
| Foreign exchange transactions | 502,246 | 161,157 | 254,543 | 275,508 | 168,153 | 99,498 | 169,630 | 2,706,668 |
| Compulsory deposits | 268,216 | 289,437 | 289,279 | 365,563 | 370,252 | 360,671 | 326,138 | 128,043 |
| EXPENSES | 5,152,601 | 3,987,300 | 4,251,574 | 5,357,189 | 3,068,353 | 4,524,772 | 721,442 | 12,877,250 |
| Interest and charges on: | | | | | | | | |
| Deposits | 3,029,988 | 2,454,373 | 2,605,171 | 3,434,326 | 1,826,314 | 2,669,686 | (5,216) | 6,049,300 |
| Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds | 698,695 | 652,313 | 701,184 | 761,148 | 755,950 | 902,060 | 978,809 | 519,325 |
| Borrowings and onlendings | 905,617 | 315,760 | 490,305 | 555,389 | (103,670) | 141,355 | (834,266) | 5,409,418 |
| Leasing operations | 4,747 | 3,860 | 3,398 | 3,187 | 3,194 | 3,202 | 3,204 | 3,097 |
| Provision for loan losses | 513,554 | 560,994 | 451,516 | 603,139 | 586,565 | 808,469 | 578,911 | 896,110 |
| INCOME FROM FINANCIAL INTERMEDIATION | 2,566,962 | 2,769,320 | 3,191,748 | 2,554,428 | 2,027,787 | 2,553,855 | 2,362,288 | 2,934,143 |
| OTHER OPERATING INCOME (EXPENSES) | (1,945,378) | (1,970,456) | (2,305,000) | (1,887,139) | (1,168,690) | (1,413,881) | (1,703,272) | (2,439,061) |
| Commissions and fees | 1,375,202 | 1,318,936 | 1,274,590 | 1,182,359 | 1,082,637 | 1,017,275 | 991,101 | 934,418 |
| Income on insurance premiums, private pension plans and savings bonds | 2,989,637 | 2,993,333 | 3,434,634 | 2,873,832 | 2,728,022 | 2,689,600 | 3,243,557 | 2,678,997 |
| Change in technical reserves for insurance, private pension plans and savings bonds | (693,433) | (877,511) | (1,143,458) | (863,897) | (708,447) | (954,361) | (1,484,011) | (874,013) |
| Claims - insurance operations and savings bond redemptions | (1,627,879) | (1,505,505) | (1,221,906) | (1,349,775) | (1,338,042) | (1,170,250) | (1,106,755) | (1,098,887) |
| Insurance and pension plan selling expenses | (205,157) | (212,316) | (208,229) | (190,761) | (182,499) | (180,521) | (179,671) | (167,297) |
| Expenses with pension plan benefits and redemptions | (590,492) | (532,648) | (955,812) | (555,691) | (461,256) | (390,012) | (508,501) | (419,728) |
| Personnel expenses | (1,233,345) | (1,177,258) | (1,272,063) | (1,306,415) | (1,147,838) | (1,053,175) | (1,047,093) | (1,144,413) |
| Other administrative expenses | (1,215,747) | (1,207,853) | (1,328,021) | (1,232,599) | (1,152,697) | (1,100,913) | (1,111,005) | (1,062,951) |
| Tax expenses | (343,100) | (335,887) | (293,466) | (254,650) | (238,429) | (267,852) | (257,997) | (185,527) |
| Equity in the earnings of associated companies | 122,309 | (41) | 30,723 | 7,218 | (27,989) | (4,725) | 32,855 | 8,660 |
| Other operating income | 279,688 | 257,521 | 246,948 | 384,841 | 855,810 | 676,040 | (70,632) | 731,764 |
| Other operating expenses | (803,061) | (691,227) | (868,940) | (581,601) | (577,962) | (674,987) | (205,120) | (1,840,084) |
| OPERATING INCOME | 621,584 | 798,864 | 886,748 | 667,289 | 859,097 | 1,139,974 | 659,016 | 495,082 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|---|------------------|------------------|-----------------|------------------|------------------|------------------|-----------------|------------------|
| NON-OPERATING INCOME (EXPENSES), NET | (202,568) | (11,146) | (73,495) | 9,854 | (95,872) | (681,563) | 54,804 | 140,964 |
| INCOME BEFORE TAXES AND PROFIT SHARING | 419,016 | 787,718 | 813,253 | 677,143 | 763,225 | 458,411 | 713,820 | 636,046 |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION | 224,907 | (178,637) | (95,620) | (111,614) | (242,190) | 52,776 | 5,271 | (231,215) |
| MINORITY INTEREST IN SUBSIDIARIES | (2,587) | (368) | (2,496) | (1,638) | (1,325) | (3,586) | (21,058) | 15,486 |
| NET INCOME | 641,336 | 608,713 | 715,137 | 563,891 | 519,710 | 507,601 | 698,033 | 420,317 |

Edgar Filing: BANK BRADESCO - Form 6-K

Banco Bradesco S.A.

Directors Report

To Our Stockholders,

We are pleased to present the financial statements for the six-month period ended June 30, 2004, of Banco Bradesco S.A., as well as the consolidated financial statements, prepared in accordance with the requirements of Brazilian corporate legislation.

From a macroeconomic viewpoint, the first half of 2004 was marked by the recovery of economic activity within a scenario of uncertainty prompted by the start of a new international squeeze on liquidity. The good trade balance performance softened the impact of global dynamics on the Brazilian economy. Conditions are still being created for improving the perception of Brazil's sovereign risk by overseas investors and, accordingly, for the continuing downturn in basic interest rates, as soon as inflationary pressure dissipates.

Credit area activity has also maintained a good performance, albeit slightly below the results projected at the end of last year. All told, the quality of bank credit in Brazil is gradually improving on a steady basis.

Among the important events for the half year at the Bradesco Organization, we highlight the following:

- Authorization from the Federal Reserve Bank (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 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. As a result of this acquisition through an auction carried out at BOVESPA, the São Paulo stock exchange, on February 10, 2004, the Bradesco Organization has extended 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 financing sector, complementing the activities carried out by Finasa and Banco Postal.
- Integration of Banco BCN S.A. with Bradesco on February 25, with the transformation of the BCN Branches into Bradesco Branches. This initiative has optimized resources, combining the expertise and dedication of staff from both institutions, in the pursuit to offer customers maximum quality in products and services.
- Conclusion on March 19 of the 1-for-10,000 reverse stock split, designed to adjust the par value of Bradesco shares to a more appropriate level for stock exchange trading purposes, align its local and foreign market quotations, decrease trading costs and increase the efficiency of the shareholder information and registration system.
- Approval by the Bank's Board of Directors, on April 30, of the Internal Rules of the Audit Committee, established subsequent to the Extraordinary General Meeting, held on December 17, 2003 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 in the performance of their duties relating to the monitoring of the accounting policies used to prepare the financial statements of the Bank and its subsidiaries and to the verification and appraisal of the effectiveness of the independent audit.
- 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 connection between equipment. Operating at the Prime Branch installed at Bradesco's headquarters in Cidade de Deus, the new system permits customer access via notebook at high-speed and with maximum security. This initiative highlights once again Bradesco's pioneer philosophy focused on increasing customer service quality and the Bank competitive market position.

1 Results for the Period

Bradesco reported first-half net income of R\$ 1.250 billion, corresponding to R\$ 7.90 per share and a return of 19.15% on closing stockholders equity and 19.42% on average stockholders' equity, annualized.

Taxes and contributions, including social security contributions, paid or accrued, on the main activities carried out by the Bradesco Organization for the period, amounted to R\$ 1.508 billion, or 120.64% of net income.

Edgar Filing: BANK BRADESCO - Form 6-K

Monthly and interim interest attributed to own capital distributed to stockholders totaled R\$ 281.345 million. This represents R\$ 1.863576 (R\$1.584040, net of withholding tax), including the additional 10%, for preferred shares and R\$ 1.694160 (R\$ 1.440036, net of withholding tax) for common shares.

2 - Capital and Reserves

At the end of the first half, paid-up capital totaled R\$ 7 billion, comprising 158,171,124 nominative-registered shares, with no par value, of which 79,477,192 are common and 78,693,932 are preferred shares. Paid-up capital plus reserves of R\$ 6.650 billion comprised the total stockholders' equity of R\$ 13.650 billion, a growth rate of 9.01% compared to the same period in 2003 and corresponding to net equity per share of R\$ 86.30.

Managed stockholders' equity of R\$ 176.254 billion, corresponds to 7.78% of consolidated assets, a 14.09% increase as compared to June 2003. As a result, the capital adequacy ratios were 18.07% on a consolidated financial basis and 15.74% on a consolidated economic and financial basis and accordingly, above the 11% required minimum established by National Monetary Council Resolution 2099 of August 17, 1994, in conformity with the Basel Accord. At the end of the six-month period, the ratio of permanent assets to stockholders' equity, in relation to consolidated reference equity was 41.42% on a consolidated financial basis and 26.09% on a consolidated economic and financial basis, accordingly, within the maximum 50% limit.

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.

3 Funding and Portfolio Administration

With a growth rate of 18% compared to the same period in 2003, overall funding obtained by the Bradesco Organization amounted to R\$ 245.637 billion, at June 30, 2004 and comprised the following :

- R\$ 80.880 billion in demand, time and interbank deposits, open market and savings accounts.
- R\$ 86.816 billion in managed assets, comprising investment funds and customer portfolios.
- R\$ 39.166 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\$ 29.478 billion recorded in technical reserves for insurance, private pension plans and savings bonds, a growth rate of 29.68% compared to the same period in 2003.
- R\$ 9.297 billion in foreign resources through public and private issues, subordinated debt and securitization of future financial flows, corresponding to a total of US\$ 2.992 billion.

4 Credit Operations

At the end of the first half, the balance of consolidated credit operations totaled R\$ 58.402 billion, a 10.09% increase over the balance for the same period in 2003 and includes the following:

- R\$ 6.259 billion in advances on foreign exchange contracts for a portfolio of US\$ 3.386 billion in export financing;
- US\$ 399.347 million in foreign currency import financing;
- R\$ 1.352 billion in leasing;
- R\$ 5.613 billion in agricultural loans;
- R\$ 7.472 billion in foreign and domestic onlendings, mainly comprising funds from the National Bank for Economic and Social Development (BNDES);
- R\$ 8.124 billion in auto financing.

Edgar Filing: BANK BRADESCO - Form 6-K

In the housing loan area, the Organization provided funds during the first six months of the year for the construction and purchase of residential housing in the amount of R\$ 227.080 million, comprising 3,218 properties.

5 Capital Market Transactions

As part of its role in supporting the capitalization of companies, Bradesco was an important intermediary in the public placement of shares, debentures and promissory notes, with a total volume of R\$ 2.510 billion recorded for the period, corresponding to 50.99% of all issues registered with the Brazilian Securities Commission (CVM). The Bank was also an important advisor for corporate and financial restructuring processes, in mergers, acquisitions and project finance operations.

6 - Corporate Governance

The modern corporate governance practices adopted by the Bradesco Organization have contributed to improving the performance of all of its activity segments. A number of initiatives have been implemented to date, such as: tag-along rights, codes of corporate and business sector ethics in the accounting and financial management areas, disclosure policy for significant acts or facts and securities trading, as well specific committees for disclosure, audit, compliance and internal controls and remuneration.

Bradesco shares are listed in BOVESPA's Level 1 Corporate Governance index since June 2001. Moreover, since Bradesco's shares are traded in foreign stock exchanges, the Bank also prepares its financial statements in internationally accepted US-GAAP.

We stress that during the half-year, no non-audit services were contracted by the Bradesco Organization or rendered 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 the independence of external auditors which determine that these auditors should not audit their own work, nor exercise management functions for their clients, nor promote the interests of such clients. As recommended by the Brazilian Central Bank, each external audit is contracted for a maximum five-year period.

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

6.1 Internal Controls and Compliance

The internal controls and compliance system is subordinated to guidance and supervision by the Board of Directors and is an important instrument in the management of business activities, designed principally to ensure compliance with legal and regulatory standards, guidelines, plans, procedures and internal rules and to minimize risk of equity losses and damage to the Organization's institutional image. The Board is also responsible for analyzing and approving the compliance reports prepared by the compliance and internal controls committee.

6.2 - Information Transparency and Dissemination Policies

During the first half year, as part of its investor relations strategy, Bradesco organized 43 internal and external meetings with analysts, 4 conference calls and 6 presentations abroad. In addition, Bradesco publishes yearly and half yearly financial statements, as well as a quarterly Report on Economic and Financial Analysis.

In the Investor Relations area of its website at www.bradesco.com.br/ir, the Bank provides information on, for example, profile, background, share structure, directors' reports, earnings reports, latest acquisitions, meetings with market analyst associations (Apimec and Abamec), as well as other financial market information, 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 magazine called *Revista Bradesco*, also focusing its external public, with a circulation of 70 thousand copies.

7 Risk Management

The management of risks involves an integrated series of controls and processes, covering credit, market and liquidity, as well as operating risks. Risk management is fully independent and directly subordinated to an Executive Officer and the Bank's President. 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.

7.1 Credit Risk

Edgar Filing: BANK BRADESCO - Form 6-K

At Bradesco, the management of credit risk is based on existing 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. These procedures are designed to provide a greater understanding of portfolio credit risks, identifying concentrations and opportunities for diversification and ensuring that capital is efficiently allocated.

7.2 Market and Liquidity Risk

The Organization's market risk management policy is conservative and VaR (Value at Risk) limits 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, timely and securely, 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.

7.3 Operating Risk

The operating risk management process, based on the recommendations established in the New Basel Accord and instructions from regulatory agencies, is designed to implement the methodology and models which best meet the Bank's business characteristics and, at the same time, decrease the amount of regulatory capital to be allocated. The structure established to meet this objective includes dissemination of the Bank's culture, disclosure of policies, development of own systems, the construction of databases and quantitative and qualitative performance indicators, to ensure that the Organization is able to identify its level of exposure to operating risks and implement measures to decrease loss. The combination of these processes will enhance competitive advantage, increasing the Institution's operating efficiency.

7.4 Information 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 access controls, especially when generating and transmitting data, among other security management tools. Restricted data and information which are of exclusive interest to customers, as well as strategic Organization information, are treated internally with strict secrecy and fully protected by internal controls and IT systems. To ensure procedure compliance, the Bank maintains ongoing staff training, awareness and policy review programs.

7.5 Credit Policy

As well as seeking security, quality and liquidity in the investment of assets, minimizing risks inherent to this type of operation, the Organization's credit policy is also designed to offer agile and profitable business and to guide the setting of operating limits and granting of credit.

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, in line with specific 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, non-selective and intended for individuals and businesses with sound payment capacity and integrity and are secured by underlying guarantees which are deemed sufficient to cover the risks assumed.

7.6 Money Laundering Prevention

The internal structure of the Bradesco Organization maintains a specific area responsible for managing and monitoring its customers' transactions and financial activity, designed to avoid any involvement by the Institution in money laundering. The basic premise used to provide related guidance to the Operating Areas and Branch Network is rooted in the Bank's Know Your Customer policy, whereby customer transactions, including the source and destination of funds, are monitored by computerized systems which, together with specific analyses, ensure that possible money laundering activities are prevented or suppressed. The Organization has developed and put into place employee training and awareness programs, designed to maintain compliance with this policy, as well as permanently enhancing its technology tools for control and monitoring.

8 The Bradesco Insurance Group

The Bradesco Insurance Group, with an important role in the insurance, private pension plan and savings bond areas, reported net income of R\$ 374.714 million and stockholders' equity of R\$ 3.860 billion at June 30, 2004. The overall premium income attained R\$ 6.267 billion, a growth

Edgar Filing: BANK BRADESCO - Form 6-K

rate of 8.13% in comparison with the same period in 2003.

9 The Bradesco Customer Service Network

At the end of the first six-month period, the Bradesco Organization Network offered its customers and other users access to 12,251 service outlets, with 21,389 ATMs in the BDN Bradesco Day and Night Self-service Network, 17,606 of which also operate at weekends and on bank holidays and more than 211 ATMs in the Banco BEM S.A. customer service network:

- 3,054 Branches in Brazil (Bradesco 2,977, Banco BEM 76 and Banco Finasa 1).
- 7 Branches abroad, 1 in New York (Bradesco), 4 in Grand Cayman (Bradesco, BCN, Mercantil and Banco Boavista) and 2 in Nassau, Bahamas (Banco Boavista and Banco Alvorada, formerly BBV Banco).
- 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).
- 5,013 Banco Postal post-office bank branches.
- 2,209 Banking service posts and outlets in companies (Bradesco 2,182 and Banco BEM - 27).
- 19 Advanced Banco BEM banking posts.
- 1,822 Outplaced terminals in the BDN Bradesco Day and Night Network.
- 121 Branches of Finasa Promotora de Vendas and Zogbi - Promovel Empreendimentos e Serviços Ltda, present in 12,303 vehicle dealerships and 16,376 stores selling furniture and decor, tourism, auto parts, IT-related equipment and software, DIY materials, clothing and footwear, among others.

10 The Bradesco Organization's Social Action Program

In the social area, the Organization plays an important role through its educational and welfare programs developed by Fundação Bradesco (the Bradesco Foundation), which maintains 40 schools installed as a priority in regions which are both socially and economically deprived, across all of Brazil's states and in the Federal District. More than 107 thousand students receive education, completely free-of-charge, at the Foundation schools, including youth and adult education and basic professional training courses. 50,820 of its infant, junior, middle and technical school students, also receive free meals, uniforms, school materials and medical/dental care.

11 Human Resources

The professional enhancement of our employees continued through the staff training program, which is designed to ensure that Bradesco customers are offered top-quality service. During the first six months of the year, 697 courses were given with 215,463 employee participations. Special attention is given to the Bradesco benefit plans focused on providing a better life quality, well being and security to our employees and their dependents and which covered 183,654 people at June 30, 2004.

12 Acknowledgements

With renewed enthusiasm, triggered by the conquests and ongoing progress recorded, we thank our stockholders and customers for their support and trust and our employees and other stakeholders for their hard work and dedication.

Cidade de Deus, July 30, 2004

Board of Directors
and Board of Executive Officers

Edgar Filing: BANK BRADESCO - Form 6-K

Balance Sheet at June 30 - In thousands of reais

| ASSETS | BRADESCO | | CONSOLIDATED BRADESCO | |
|---|-------------------|-------------------|-----------------------|--------------------|
| | 2004 | 2003 | 2004 | 2003 |
| CURRENT ASSETS | 97,332,067 | 89,214,917 | 133,877,506 | 124,921,688 |
| FUNDS AVAILABLE (Note 8) | 2,096,838 | 1,536,475 | 2,221,970 | 1,772,881 |
| INTERBANK INVESTMENTS (Notes 3b and 9) | 26,292,628 | 29,507,264 | 19,911,978 | 20,801,911 |
| Open market investments | 15,903,565 | 18,765,316 | 15,039,080 | 17,514,259 |
| Interbank deposits | 10,389,454 | 10,742,948 | 4,873,289 | 3,288,751 |
| Provision for losses | (391) | (1,000) | (391) | (1,099) |
| SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3c, 10, 33b and 33c) | 7,340,244 | 6,149,006 | 44,343,183 | 37,522,845 |
| Own portfolio | 1,353,122 | 1,666,938 | 37,977,686 | 30,729,851 |
| Subject to repurchase agreements | 85,144 | 290,123 | 518,034 | 866,784 |
| Restricted deposits - Brazilian Central Bank | 3,759,576 | 2,545,907 | 3,775,958 | 3,549,190 |
| Privatization currencies | 26,730 | - | 82,582 | 61,002 |
| Subject to collateral provided | 1,137,397 | 1,268,743 | 1,186,474 | 1,786,110 |
| Derivative financial instruments (Notes 3d and 33c) | 978,275 | 377,295 | 802,449 | 529,908 |
| INTERBANK ACCOUNTS (Note 11) | 15,332,902 | 15,054,849 | 14,250,988 | 14,495,271 |
| Unsettled payments and receipts | 1,713,413 | 2,467,990 | 540,029 | 591,809 |
| Restricted deposits: | | | | |
| - Brazilian Central Bank | 13,600,144 | 12,572,534 | 13,637,429 | 13,791,640 |
| - National Treasury - Rural funding | 578 | 578 | 578 | 578 |
| - National Housing System - SFH | 17,369 | 13,433 | 42,409 | 70,433 |
| Correspondent banks | 1,398 | 314 | 30,543 | 40,811 |
| INTERDEPARTMENTAL ACCOUNTS | 155,580 | 194,738 | 155,816 | 215,081 |
| Internal transfer of funds | 155,580 | 194,738 | 155,816 | 215,081 |
| CREDIT OPERATIONS (Notes 3e, 12 and 33b) | 27,161,859 | 20,455,113 | 30,793,228 | 29,391,052 |
| Credit operations: | | | | |
| - Public sector | 319,258 | 6,094 | 320,000 | 21,707 |
| - Private sector | 29,383,547 | 22,572,518 | 33,169,331 | 32,100,330 |
| Allowance for loan losses (Notes 3e, 12f and 12g) | (2,540,946) | (2,123,499) | (2,696,103) | (2,730,985) |
| LEASING OPERATIONS (Notes 2, 3e, 12 and 33b) | - | - | 760,310 | 800,363 |
| Leasing receivables: | | | | |
| - Private sector | - | - | 1,606,325 | 1,758,456 |
| Unearned lease income | - | - | (787,552) | (881,841) |
| Allowance for leasing losses (Notes 3e, 12f and 12g) | - | - | (58,463) | (76,252) |
| OTHER RECEIVABLES | 18,772,878 | 16,092,225 | 20,707,195 | 19,064,757 |
| Receivables on guarantees honored (Note 12a-2) | 940 | 1,357 | 940 | 1,363 |
| Foreign exchange portfolio (Note 13a) | 15,126,391 | 12,645,702 | 15,126,391 | 13,116,764 |
| Income receivable | 562,774 | 521,248 | 248,667 | 256,693 |
| Negotiation and intermediation of securities | 187,918 | 110,533 | 232,049 | 164,452 |
| Insurance premiums receivable (Note 4a) | - | - | 969,370 | 927,830 |
| Sundry (Note 13b) | 3,018,002 | 2,911,475 | 4,261,902 | 4,741,239 |
| Allowance for other losses (Notes 3e, 12f and 12g) | (123,147) | (98,090) | (132,124) | (143,584) |
| OTHER ASSETS (Note 14) | 179,138 | 225,247 | 732,838 | 857,527 |
| Other assets | 214,994 | 263,089 | 469,977 | 601,055 |
| Allowance for losses | (115,774) | (142,895) | (231,159) | (211,504) |
| Prepaid expenses (Notes 4a and 14b) | 79,918 | 105,053 | 494,020 | 467,976 |
| LONG-TERM RECEIVABLES | 29,766,003 | 12,948,866 | 37,105,305 | 24,394,127 |
| INTERBANK INVESTMENTS (Notes 3b and 9) | 2,370,769 | 479,540 | 616,569 | 193,877 |
| Interbank deposits | 2,374,047 | 479,628 | 619,847 | 194,005 |
| Provision for losses | (3,278) | (88) | (3,278) | (128) |
| SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3c, 10, 33b and 33c) | 9,990,869 | 2,667,987 | 11,869,329 | 5,272,687 |
| Own portfolio | 6,138,574 | 1,501,804 | 10,118,878 | 4,923,715 |
| Subject to repurchase agreements | 3,128,320 | 1,002,895 | 1,101,003 | 8,081 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| Restricted deposits - Brazilian Central Bank | 225,559 | - | 225,559 | 19,498 |
| Privatization currencies | 7,204 | 21,996 | 7,314 | 22,006 |
| Subject to collateral provided | 397,494 | - | 401,026 | 60,553 |
| Derivative financial instruments (Notes 3d and 33c) | 93,718 | 141,292 | 15,549 | 238,834 |
| INTERBANK ACCOUNTS (Note 11) | 152,239 | 142,637 | 276,361 | 314,103 |
| Restricted deposits: | | | | |
| - National Housing System - SFH | 152,239 | 142,637 | 276,361 | 314,103 |
| CREDIT OPERATIONS (Notes 3e, 12 and 33b) | 12,339,758 | 7,136,349 | 15,453,492 | 11,735,320 |
| Credit operations: | | | | |
| - Public sector | 286,625 | 53,956 | 288,542 | 174,607 |
| - Private sector | 13,179,629 | 7,801,866 | 16,381,259 | 12,618,483 |
| Allowance for loan losses (Notes 3e, 12f and 12g) | (1,126,496) | (719,473) | (1,216,309) | (1,057,770) |
| LEASING OPERATIONS (Notes 2, 3e, 12 and 33b) | - | - | 480,659 | 592,412 |
| Leasing receivables: | | | | |
| - Private sector | - | - | 1,112,170 | 1,319,109 |
| Unearned lease income | - | - | (578,967) | (674,687) |
| Allowance for leasing losses (Notes 3e, 12f and 12g) | - | - | (52,544) | (52,010) |
| OTHER RECEIVABLES | 4,688,200 | 2,302,106 | 8,083,125 | 5,942,328 |
| Foreign exchange portfolio (Note 13a) | - | - | - | 13,749 |
| Income receivable | 1,727 | 536 | 4,275 | 3,026 |
| Negotiation and intermediation of securities | - | - | 514 | 190 |
| Insurance premiums receivable (Note 4a) | - | - | 424 | 4,786 |
| Sundry (Note 13b) | 4,692,923 | 2,306,472 | 8,135,588 | 5,968,741 |
| Allowance for other losses (Notes 3e, 12f and 12g) | (6,450) | (4,902) | (57,676) | (48,164) |
| OTHER ASSETS (Note 14) | 224,168 | 220,247 | 325,770 | 343,400 |
| Other assets | - | - | 31,484 | 123,734 |
| Allowance for losses | - | - | (12,904) | (44,031) |
| Prepaid expenses (Notes 4a and 14b) | 224,168 | 220,247 | 307,190 | 263,697 |
| PERMANENT ASSETS | 19,474,174 | 18,414,493 | 5,271,001 | 5,173,459 |
| INVESTMENTS (Notes 3h, 15 and 33b) | 17,208,794 | 16,858,835 | 1,006,024 | 494,593 |
| Investments in subsidiary and associated companies: | | | | |
| - Local | 16,461,601 | 16,635,329 | 480,115 | 349,332 |
| - Foreign | 782,751 | 242,739 | - | - |
| Other investments | 81,613 | 56,477 | 889,362 | 506,058 |
| Allowance for losses | (117,171) | (75,710) | (363,453) | (360,797) |
| PROPERTY AND EQUIPMENT IN USE (Notes 3i and 16) | 1,384,669 | 1,122,742 | 2,296,477 | 2,638,583 |
| Buildings in use | 518,795 | 517,664 | 1,378,677 | 1,707,658 |
| Other fixed assets | 2,750,485 | 2,326,213 | 3,549,161 | 3,847,718 |
| Accumulated depreciation | (1,884,611) | (1,721,135) | (2,631,361) | (2,916,793) |
| LEASED ASSETS (Note 16) | - | - | 29,626 | 27,471 |
| Leased assets | - | - | 67,283 | 50,458 |
| Accumulated depreciation | - | - | (37,657) | (22,987) |
| DEFERRED CHARGES (Notes 2, 3j and 17) | 880,711 | 432,916 | 1,938,874 | 2,012,812 |
| Organization and expansion costs | 1,903,064 | 866,655 | 1,187,592 | 1,242,459 |
| Accumulated amortization | (1,022,353) | (433,739) | (647,517) | (681,030) |
| Goodwill on acquisition of subsidiaries, net of amortization (Notes 2, 3j and 17a) | - | - | 1,398,799 | 1,451,383 |
| T O T A L | 146,572,244 | 120,578,276 | 176,253,812 | 154,489,274 |

Edgar Filing: BANK BRADESCO - Form 6-K

| LIABILITIES AND STOCKHOLDERS' EQUITY | BRADESCO | | CONSOLIDATED BRADESCO | |
|---|-------------------|-------------------|-----------------------|--------------------|
| | 2004 | 2003 | 2004 | 2003 |
| CURRENT LIABILITIES | 99,202,533 | 84,582,126 | 117,612,267 | 103,918,959 |
| DEPOSITS (Notes 3k and 18a) | 50,842,609 | 40,156,329 | 50,027,315 | 43,122,453 |
| Demand deposits | 13,275,054 | 10,164,061 | 13,541,311 | 11,524,911 |
| Savings deposits | 22,411,110 | 19,404,887 | 22,456,494 | 20,736,387 |
| Interbank deposits | 1,463,686 | 3,310,852 | 47,250 | 39,524 |
| Time deposits (Note 33b) | 13,692,759 | 7,276,529 | 13,982,260 | 10,821,631 |
| DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS (Notes 3k and 18a) | 15,987,556 | 18,368,864 | 15,398,767 | 17,605,239 |
| Own portfolio | 1,628,913 | 351,154 | 1,753,073 | 919,493 |
| Third-party portfolio | 13,862,715 | 16,937,617 | 13,545,400 | 16,685,746 |
| Unrestricted portfolio | 495,928 | 1,080,093 | 100,294 | - |
| FUNDS FROM ISSUANCE OF SECURITIES (Notes 18b and 33b) | 4,809,608 | 3,535,449 | 4,272,916 | 4,001,492 |
| Mortgage notes | 1,057,870 | 442,667 | 1,066,807 | 521,503 |
| Debentures | - | - | - | 29,253 |
| Securities issued abroad | 3,751,738 | 3,092,782 | 3,206,109 | 3,450,736 |
| INTERBANK ACCOUNTS | 1,308,909 | 2,340,952 | 128,261 | 523,626 |
| Unsettled receipts and payments | 1,163,207 | 1,791,110 | - | - |
| Interbank onlendings | 21,642 | 28,211 | 4,201 | 60 |
| Correspondent banks | 124,060 | 521,631 | 124,060 | 523,566 |
| INTERDEPARTMENTAL ACCOUNTS | 960,336 | 1,161,271 | 961,661 | 1,210,963 |
| Third-party funds in transit | 960,336 | 1,161,271 | 961,661 | 1,210,963 |
| BORROWINGS (Notes 19a and 33b) | 8,124,053 | 6,017,831 | 8,114,985 | 6,659,971 |
| Local borrowings - official institutions | - | - | 1,732 | 1,882 |
| Local borrowings - other institutions | - | - | 11,155 | 89,348 |
| Foreign currency borrowings | 8,124,053 | 6,017,831 | 8,102,098 | 6,568,741 |
| LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Notes 19b and 33b) | 2,553,831 | 1,344,356 | 2,664,206 | 2,144,759 |
| National Treasury | 18,710 | 53,650 | 18,710 | 53,650 |
| National Bank for Economic and Social Development (BNDES) | 1,165,488 | 744,917 | 1,165,488 | 866,865 |
| Federal Savings Bank (CEF) | 34,728 | 1,553 | 38,245 | 64,877 |
| Government Agency for Machinery and Equipment Financing (FINAME) | 1,333,904 | 542,540 | 1,439,526 | 1,157,671 |
| Other institutions | 1,001 | 1,696 | 2,237 | 1,696 |
| FOREIGN ONLENDINGS (Notes 19b and 33b) | 12,343 | 23,092 | 52,603 | 23,497 |
| Foreign onlendings | 12,343 | 23,092 | 52,603 | 23,497 |
| DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3d and 33) | 770,781 | 239,549 | 770,936 | 281,516 |
| TECHNICAL RESERVES FOR INSURANCE, PRIVATE PENSION PLANS AND SAVINGS BONDS (Notes 3g, 4a and 23) | - | - | 19,173,779 | 14,067,666 |
| OTHER LIABILITIES | 13,832,507 | 11,394,433 | 16,046,838 | 14,277,777 |
| Collection of taxes and other contributions | 1,168,336 | 723,131 | 1,189,650 | 852,992 |
| Foreign exchange portfolio (Note 13a) | 8,749,407 | 7,821,766 | 8,749,851 | 7,853,047 |
| Social and statutory payables | 601,577 | 566,038 | 602,361 | 581,099 |
| Taxes and social security contributions | 505,652 | 603,001 | 1,043,445 | 1,405,956 |
| Negotiation and intermediation of securities | 141,534 | 74,521 | 186,416 | 133,722 |
| Subordinated debt (Notes 21 and 33b) | 50,447 | 9,820 | 73,912 | 44,734 |
| Sundry (Note 22) | 2,615,554 | 1,596,156 | 4,201,203 | 3,406,227 |
| LONG-TERM LIABILITIES | 33,713,931 | 23,470,632 | 44,887,313 | 37,903,967 |
| DEPOSITS (Notes 3k and 18a) | 16,439,334 | 13,657,636 | 14,106,167 | 13,699,753 |
| Interbank deposits | 2,260,510 | 3,127,055 | - | 13 |
| Time deposits (Note 33b) | 14,178,824 | 10,530,581 | 14,106,167 | 13,699,740 |
| DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS (Notes 3k and 18a) | 1,345,508 | 963,437 | 1,347,300 | 963,437 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Own portfolio | 1,345,508 | 963,437 | 1,347,300 | 963,437 |
| FUNDS FROM ISSUANCE OF SECURITIES (Notes 18b and 33b) | 3,194,598 | 1,273,981 | 2,807,394 | 1,743,463 |
| Mortgage notes | 24,102 | 148,501 | 24,102 | 155,215 |
| Debentures | - | - | - | 1,271 |
| Securities issued abroad | 3,170,496 | 1,125,480 | 2,783,292 | 1,586,977 |
| BORROWINGS (Notes 19a and 33b) | 779,411 | 691,308 | 779,411 | 1,051,531 |
| Local borrowings - Other institutions | - | - | - | 118,228 |
| Foreign currency borrowings | 779,411 | 691,308 | 779,411 | 933,303 |
| LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Notes 19b and 33b) | 5,091,002 | 3,076,009 | 5,203,807 | 4,687,568 |
| BNDES | 2,530,438 | 1,864,391 | 2,530,438 | 2,166,833 |
| CEF | 402,860 | - | 413,022 | 400,196 |
| FINAME | 2,157,704 | 1,211,618 | 2,258,387 | 2,120,539 |
| Other institutions | - | - | 1,960 | - |
| FOREIGN ONLENDINGS (Notes 19b and 33b) | 1,385 | 5,044 | 1,385 | 5,044 |
| Foreign onlendings | 1,385 | 5,044 | 1,385 | 5,044 |
| DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3d and 33) | 16,266 | 5,803 | 13,420 | 28,273 |
| TECHNICAL RESERVES FOR INSURANCE, PRIVATE PENSION PLANS AND SAVINGS BONDS (Notes 3g, 4a and 23) | - | - | 10,304,566 | 8,664,610 |
| OTHER LIABILITIES | 6,846,427 | 3,797,414 | 10,323,863 | 7,060,288 |
| Foreign exchange portfolio (Note 13a) | - | - | - | 493 |
| Social and statutory payables | - | - | 15,329 | - |
| Taxes and social security contributions | 727,211 | 685,354 | 3,109,550 | 2,654,976 |
| Subordinated debt (Notes 21 and 33b) | 5,507,343 | 2,696,961 | 6,107,343 | 3,293,011 |
| Sundry (Note 22) | 611,873 | 415,099 | 1,091,641 | 1,111,808 |
| DEFERRED INCOME | 5,408 | 3,414 | 37,889 | 36,987 |
| Deferred income | 5,408 | 3,414 | 37,889 | 36,987 |
| MINORITY INTEREST IN SUBSIDIARY COMPANIES (Note 24) | - | - | 65,971 | 107,257 |
| STOCKHOLDERS' EQUITY (Note 25) | 13,650,372 | 12,522,104 | 13,650,372 | 12,522,104 |
| Capital: | | | | |
| - Local residents | 6,343,955 | 6,693,955 | 6,343,955 | 6,693,955 |
| - Foreign residents | 656,045 | 306,045 | 656,045 | 306,045 |
| Capital reserves | 10,270 | 7,890 | 10,270 | 7,890 |
| Revenue reserves | 6,665,288 | 5,520,297 | 6,665,288 | 5,520,297 |
| Mark-to-market adjustment - securities and derivatives | 27,703 | (6,083) | 27,703 | (6,083) |
| Treasury stock | (52,889) | - | (52,889) | - |
| STOCKHOLDERS' EQUITY MANAGED BY THE PARENT COMPANY | - | - | 13,716,343 | 12,629,361 |
| T O T A L | 146,572,244 | 120,578,276 | 176,253,812 | 154,489,274 |

Edgar Filing: BANK BRADESCO - Form 6-K

Statement of Income for the Six-month
ended June 30 - In thousand of reais

| | BRADESCO | | CONSOLIDATED BRADESCO | |
|--|--------------------|--------------------|-----------------------|--------------------|
| | 2004 | 2003 | 2004 | 2003 |
| INCOME FROM LENDING AND TRADING ACTIVITIES | 9,492,701 | 8,402,308 | 14,476,183 | 12,174,767 |
| Credit operations (Notes 4a and 12i) | 5,241,878 | 4,083,563 | 6,758,813 | 5,620,623 |
| Leasing operations (Note 12i) | - | - | 141,827 | 143,163 |
| Securities transactions (Note 10e) | 2,930,987 | 3,589,931 | 3,801,447 | 2,785,994 |
| Financial income on insurance, private pension plans and savings bonds (Notes 4a and 10e) | - | - | 2,426,180 | 2,613,256 |
| Derivative financial instruments (Note 33c V) | 139,172 | (245,716) | 126,860 | 13,157 |
| Foreign exchange transactions (Note 13a) | 658,697 | 327,413 | 663,403 | 267,651 |
| Compulsory deposits (Note 11b) | 521,967 | 647,117 | 557,653 | 730,923 |
| EXPENSES | 6,984,889 | 6,337,825 | 9,139,901 | 7,593,125 |
| Interest and charges on: | | | | |
| Deposits (Note 18c) | 4,961,081 | 4,884,963 | 5,484,361 | 4,496,000 |
| Price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds (Note 18c) | - | - | 1,351,008 | 1,658,010 |
| Borrowings and onlendings (Note 19c) | 1,078,503 | 221,551 | 1,221,377 | 37,685 |
| Leasing operations (Note 12i) | - | - | 8,607 | 6,396 |
| Provision for loan losses (Notes 3e, 12f and 12g) | 945,305 | 1,231,311 | 1,074,548 | 1,395,034 |
| INCOME FROM FINANCIAL INTERMEDIATION | 2,507,812 | 2,064,483 | 5,336,282 | 4,581,642 |
| OTHER OPERATING INCOME (EXPENSES) | (1,537,456) | (1,078,000) | (3,915,834) | (2,582,571) |
| Commissions and fees (Notes 4a and 26) | 1,943,596 | 1,467,364 | 2,694,138 | 2,099,912 |
| Income on insurance premiums, private pension plans and savings bonds (Notes 3g, 4a and 23c) | - | - | 5,982,970 | 5,417,622 |
| Change in technical reserves for insurance, private pension plans and savings bonds (Notes 3g and 4a) | - | - | (1,570,944) | (1,662,808) |
| Claims - insurance operations (Notes 3g and 4a) | - | - | (2,513,910) | (1,993,585) |
| Savings bond draws and redemption (Notes 3g and 4a) | - | - | (619,474) | (514,707) |
| Insurance and pension plan selling expenses (Note 3g) | - | - | (417,473) | (363,020) |
| Expenses with pension plan benefits and redemptions (Note 3g) | - | - | (1,123,140) | (851,268) |
| Personnel expenses (Note 27) | (1,949,249) | (1,550,727) | (2,410,603) | (2,201,013) |
| Other administrative expenses (Note 28) | (1,923,880) | (1,513,049) | (2,423,600) | (2,253,610) |
| Tax expenses | (384,688) | (268,804) | (678,987) | (506,281) |
| Equity in the earnings of associated and associated companies (Note 15c) | 1,332,107 | 681,099 | 122,268 | (32,714) |
| Other operating income (Notes 4a and 29) | 170,574 | 501,885 | 537,209 | 1,531,850 |
| Other operating expenses (Notes 4a and 30) | (725,916) | (395,768) | (1,494,288) | (1,252,949) |
| OPERATING INCOME | 970,356 | 986,483 | 1,420,448 | 1,999,071 |
| NON-OPERATING INCOME (EXPENSES), NET (Note 31) | (21,344) | (26,277) | (213,714) | (777,435) |
| INCOME BEFORE TAXES AND PROFIT SHARING | 949,012 | 960,206 | 1,206,734 | 1,221,636 |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION (Notes 35a and 35b) | 301,037 | 67,105 | 46,270 | (189,414) |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|--|------------------|------------------|------------------|------------------|
| MINORITY INTEREST IN SUBSIDIARIES | - | - | (2,955) | (4,911) |
| NET INCOME | 1,250,049 | 1,027,311 | 1,250,049 | 1,027,311 |
| INTEREST ATTRIBUTED TO OWN CAPITAL (Note 25c) | (651,401) | (633,326) | | |
| Number of outstanding shares (Notes 25a and 25b) | 158,171,124 | 158,587,941 | | |
| Net income per thousand shares - In reais | 7.90 | 6.48 | | |

Edgar Filing: BANK BRADESCO - Form 6-K

Statement of Changes in Stockholders' Equity - In thousands of reais

| Events | Paid-up capital | | Capital reserves | | Revenue reserves | | Mark-to-market adjustment - Securities and Derivatives | | Treasury stock | Retained Earnings | Total |
|--|------------------|-----------------------|------------------|----------------|------------------|-----------------|--|-----------------|----------------|-------------------|-------|
| | Capital | Income tax incentives | Other | Legal | Statutory | Own | Associated and subsidiary companies | | | | |
| At December 31, 2002 | 5,200,000 | - | 7,435 | 799,312 | 4,916,005 | 100,871 | (91,719) | (86,175) | - | 10,845,729 | |
| Capital increase through subscription | 501,000 | - | - | - | - | - | - | - | - | 501,000 | |
| Capital increase through incorporation of shares | 788,735 | - | - | - | - | - | - | - | - | 788,735 | |
| Capital increase with reserves | 510,265 | - | (7,435) | - | (502,830) | - | - | - | - | - | |
| Share premium | - | - | 7,046 | - | - | - | - | - | - | 7,046 | |
| Cancellation of treasury stock | - | - | - | - | (86,175) | - | - | 86,175 | - | - | |
| Fiscal incentives | - | 844 | - | - | - | - | - | - | - | 844 | |
| Mark-to-market adjustment - Securities and derivatives | - | - | - | - | - | (26,699) | 11,464 | - | - | (15,235) | |
| Net income | - | - | - | - | - | - | - | - | 1,027,311 | 1,027,311 | |
| Appropriation of net income | - | - | - | - | - | - | - | - | - | - | |
| - Reserves | - | - | - | 51,366 | 342,619 | - | - | - | (393,985) | - | |
| - Interest attributed to own capital | - | - | - | - | - | - | - | - | (633,326) | (633,326) | |
| At June 30, 2003 | 7,000,000 | 844 | 7,046 | 850,678 | 4,669,619 | 74,172 | (80,255) | - | - | 12,522,104 | |
| At December 31, 2003 | 7,000,000 | 844 | 7,821 | 914,629 | 5,152,011 | (43,019) | 521,936 | (7,342) | - | 13,546,880 | |
| Adjustment of Exchange Membership Certificates | - | - | 346 | - | - | - | - | - | - | 346 | |
| Treasury stocks | - | - | - | - | - | - | - | (45,547) | - | (45,547) | |
| Fiscal incentives | - | 1,259 | - | - | - | - | - | - | - | 1,259 | |
| Mark-to-market adjustment - Securities and derivatives | - | - | - | - | - | (6,874) | (444,340) | - | - | (451,214) | |
| Net income | - | - | - | - | - | - | - | - | 1,250,049 | 1,250,049 | |
| Appropriation of net income | - | - | - | - | - | - | - | - | - | - | |
| - Reserves | - | - | - | 62,503 | 536,145 | - | - | - | (598,648) | - | |
| - Interest attributed to own capital | - | - | - | - | - | - | - | - | (651,401) | (651,401) | |
| At June 30, 2004 | 7,000,000 | 2,103 | 8,167 | 977,132 | 5,688,156 | (49,893) | 77,596 | (52,889) | - | 13,650,372 | |

Edgar Filing: BANK BRADESCO - Form 6-K

Statement of Changes in Financial Position for the
Six-month Period ended June 30 - In thousand of reais

| | BRADESCO | | CONSOLIDATED BRADESCO | |
|--|-------------------|-------------------|-----------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| FINANCIAL RESOURCES WERE PROVIDED BY : | 37,376,862 | 18,963,987 | 30,440,701 | 16,583,822 |
| NET INCOME | 1,250,049 | 1,027,311 | 1,250,049 | 1,027,311 |
| ADJUSTMENTS TO NET INCOME | (850,714) | (767,214) | 432,861 | 1,179,556 |
| Depreciation and amortization | 191,703 | 173,355 | 286,681 | 291,166 |
| Amortization of goodwill | 120,990 | 57,956 | 313,547 | 799,889 |
| Change in provision for investments | (555) | (9,879) | (8,037) | 39,167 |
| Equity in the earnings of subsidiary and associated companies | (1,332,107) | (681,099) | (122,268) | 32,714 |
| Other | 169,255 | (307,547) | (37,062) | 16,620 |
| CHANGE IN DEFERRED INCOME | (2,212) | (3,311) | 6,115 | 21,144 |
| CHANGE IN MINORITY INTEREST | - | - | (46,758) | (163,807) |
| MARK-TO-MARKET ADJUSTMENT - SECURITIES AVAILABLE FOR SALE | (451,214) | (15,235) | (451,214) | (15,235) |
| STOCKHOLDERS | - | 1,296,781 | - | 1,296,781 |
| Capital increase through subscription | - | 501,000 | - | 501,000 |
| Capital increase through incorporation of shares | - | 788,735 | - | 788,735 |
| Share premium | - | 7,046 | - | 7,046 |
| FISCAL INCENTIVE INVESTMENTS | 1,259 | 844 | 1,259 | 844 |
| THIRD PARTIES: | | | | |
| - Increase in liabilities | 23,204,474 | 16,802,639 | 17,354,898 | 12,503,494 |
| Deposits | 10,491,901 | 4,867,662 | 6,109,597 | 459,043 |
| Deposits received under security repurchase agreements | - | 4,566,548 | - | 2,555,711 |
| Funds from issuance of securities | 1,544,141 | 2,164,091 | 233,414 | 2,608,113 |
| Interbank accounts | 765,083 | 1,757,944 | - | - |
| Borrowings and onlendings | 3,810,862 | - | 2,021,614 | - |
| Derivative financial instruments | 746,238 | 51,413 | 731,987 | - |
| Technical reserves for insurance, private pension plans and savings bonds | - | - | 3,069,393 | 3,576,797 |
| Other liabilities | 5,846,249 | 3,394,981 | 5,188,893 | 3,303,830 |
| - Decrease in assets | 9,765,866 | 2,145 | 11,619,883 | 515,359 |
| Interbank investments | 9,285,637 | - | 11,195,456 | 476,968 |
| Securities and derivative financial instruments | 140,530 | - | - | - |
| Interdepartmental accounts | 339,699 | - | 358,963 | - |
| Leasing operations | - | - | 65,464 | 38,391 |
| Other assets | - | 2,145 | - | - |
| - Sale (write-off) of assets and investments | 4,298,838 | 348,833 | 257,828 | 196,501 |
| Non-operating assets | 46,013 | 57,137 | 139,259 | 88,888 |
| Property and equipment in use and leased assets | 22,168 | 6,966 | 50,365 | 62,493 |
| Investments | 4,230,128 | 280,036 | 41,545 | 18,430 |
| Sale (write-off) of deferred charges | 529 | 4,694 | 26,659 | 26,690 |
| - Interest attributed to own capital and dividends received from subsidiary and associated companies | 160,516 | 271,194 | 15,780 | 21,874 |
| TOTAL FUNDS PROVIDED | 37,471,504 | 19,207,633 | 30,667,157 | 17,596,648 |
| INTEREST ATTRIBUTED TO OWN CAPITAL AND DIVIDENDS PAID AND/OR DECLARED | 651,401 | 633,326 | 651,401 | 633,326 |
| ACQUISITION OF OWN SHARES | 45,547 | - | 45,547 | - |
| INVESTMENTS IN: | 2,585,532 | 3,497,517 | 372,136 | 670,913 |
| Non-operating assets | 43,379 | 39,313 | 41,575 | 125,274 |
| Property and equipment in use and leased assets | 343,880 | 187,308 | 287,535 | 460,298 |
| Investments | 2,198,273 | 3,270,896 | 43,026 | 85,341 |
| DEFERRED CHARGES | 548,055 | 191,123 | 571,041 | 503,558 |
| INCREASE IN ASSETS | 15,973,591 | 13,041,151 | 11,758,896 | 13,446,124 |
| Interbank investments | - | 2,086,512 | - | - |
| Securities and derivative financial instruments | - | 1,869,449 | 2,407,732 | 5,792,078 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | |
|--|--------------------------------|-------------------|------------------|-------------------|--------------------|
| Interbank accounts | | 2,598,887 | 3,807,398 | 514,512 | 1,865,942 |
| Interdepartmental accounts | | - | 17,699 | - | 23,342 |
| Credit operations | | 8,079,928 | 1,197,258 | 4,084,002 | 1,421,093 |
| Other receivables | | 5,280,043 | 4,062,835 | 4,611,119 | 4,103,324 |
| Insurance premiums receivable | | - | - | 80,436 | 213,707 |
| Other assets | | 14,733 | - | 61,095 | 26,638 |
| DECREASE IN LIABILITIES | | 17,667,378 | 1,844,516 | 17,268,136 | 2,342,727 |
| Deposits received under security repurchase agreements | | 16,918,189 | - | 16,046,658 | - |
| Interbank accounts | | - | - | 401,071 | 83,070 |
| Interdepartmental accounts | | 749,189 | 23,935 | 820,407 | 126,766 |
| Borrowings and onlendings | | - | 1,820,581 | - | 1,865,983 |
| Derivative financial instruments | | - | - | - | 266,908 |
| (DECREASE) INCREASE IN FUNDS AVAILABLE | | (94,642) | (243,646) | (226,456) | (1,012,826) |
| <hr/> | | | | | |
| CHANGES IN | At the beginning of the period | 2,191,480 | 1,780,121 | 2,448,426 | 2,785,707 |
| FINANCIAL | At the end of the period | 2,096,838 | 1,536,475 | 2,221,970 | 1,772,881 |
| POSITION | Decrease in funds available | (94,642) | (243,646) | (226,456) | (1,012,826) |
| <hr/> | | | | | |

Edgar Filing: BANK BRADESCO - Form 6-K

BANCO BRADESCO S.A.

Notes to the Financial Statements

We present below the notes to the Financial Statements of Banco Bradesco S.A. subdivided as follows:

- 1) OPERATIONS
- 2) PRESENTATION OF THE FINANCIAL STATEMENTS
- 3) SIGNIFICANT ACCOUNTING POLICIES
- 4) INFORMATION FOR COMPARISON PURPOSES
- 5) ADJUSTED BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT
- 6) BALANCE SHEET BY CURRENCY AND EXCHANGE EXPOSURE
- 7) BALANCE SHEET BY MATURITY
- 8) FUNDS AVAILABLE
- 9) INTERBANK INVESTMENTS
- 10) SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS
- 11) INTERBANK ACCOUNTS - RESTRICTED DEPOSITS
- 12) CREDIT OPERATIONS
- 13) OTHER RECEIVABLES
- 14) OTHER ASSETS
- 15) INVESTMENTS
- 16) PROPERTY AND EQUIPMENT IN USE AND LEASED ASSETS
- 17) DEFERRED CHARGES
- 18) DEPOSITS, DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS AND FUNDS FROM ISSUANCE OF SECURITIES
- 19) BORROWINGS AND ONLENDINGS
- 20) CONTINGENT LIABILITIES
- 21) SUBORDINATED DEBT
- 22) OTHER LIABILITIES - SUNDRY
- 23) INSURANCE OPERATIONS, PRIVATE PENSION PLANS AND SAVINGS BONDS
- 24) MINORITY INTEREST IN SUBSIDIARIES
- 25) STOCKHOLDERS EQUITY (PARENT COMPANY)

Edgar Filing: BANK BRADESCO - Form 6-K

26) COMMISSIONS AND FEES

27) PERSONNEL EXPENSES

28) ADMINISTRATIVE EXPENSES

29) OTHER OPERATING INCOME

30) OTHER OPERATING EXPENSES

31) NON-OPERATING INCOME (EXPENSE)

32) TRANSACTIONS WITH SUBSIDIARY AND ASSOCIATED COMPANIES (DIRECT AND INDIRECT)

33) FINANCIAL INSTRUMENTS

34) EMPLOYEE BENEFITS

35) PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

36) OTHER INFORMATION

Edgar Filing: BANK BRADESCO - Form 6-K

1) OPERATIONS

Banco Bradesco S.A. is a private-sector open-capital company which, operating as a multiple bank, carries out all types of authorized banking activities through its commercial, foreign exchange transaction, investment, consumer financing, housing loan and credit card portfolios. The Bank also operates in a number of other activities through its direct and indirect subsidiary companies, particularly in leasing, consortium management, insurance, savings bond and private pension plan activities. Operations are conducted within the context of the companies comprising the Bradesco Group, which are jointly active in the market.

2) PRESENTATION OF THE FINANCIAL STATEMENTS

The financial statements of Banco Bradesco S.A. include the financial statements of Banco Bradesco S.A., its foreign branches and its direct and indirect subsidiaries and jointly controlled investments, in Brazil and abroad, and were prepared based on accounting policies determined by Brazilian Corporation Law for the recording of operations, as well as the rules and instructions of the National Monetary Council (CMN), Brazilian Central Bank (BACEN), Brazilian Securities Commission (CVM) and Superintendency of Private Insurance (SUSEP) and the National Agency for Supplementary Health (ANS), and comprise the financial statements of the leasing companies based on the capital leasing method of accounting, whereby leased assets are reclassified to the leasing operations account.

Accordingly, upon consolidation, intercompany investments, account balances, revenue, expenses and unrealized income were eliminated from the financial statements and, in the case of investments which are jointly controlled with other stockholders, asset, liability and income components are included in the consolidated financial statements in proportion to the parent company's percentage capital ownership of each investee. Goodwill on the acquisition of investments in subsidiaries and in the jointly controlled investments is presented in deferred assets and minority interests in net income and stockholders' equity are separately disclosed. Exchange variation arising from permanent investments in subsidiaries and foreign branches was allocated to the statement of income accounts in accordance with the corresponding assets and liabilities from which it originated.

The financial statements include estimates and assumptions, such as the calculation of the allowance for loan losses, the estimation of the fair value of certain financial instruments, provision for contingencies, other provisions, the quantification of technical reserves for insurance, pension plans and savings bonds and the determination of the useful economic life of specific assets. Actual results could differ from these estimates and assumptions.

The following main companies are included in the consolidation in June 30:

| | Activity Area | % Ownership | |
|--|-----------------------|-------------|---------|
| | | 2004 | 2003 |
| Financial area - Local | | | |
| Banco Alvorada S.A. (1) | Banking | 100.00% | 100.00% |
| Banco Baneb S.A. (2) | Banking | 99.94% | 99.97% |
| Banco BEM S.A. (3) | Banking | 90.14% | - |
| Banco BCN S.A. (4) | Banking | - | 100.00% |
| Banco Boavista Interatlântico S.A. | Banking | 100.00% | 100.00% |
| Banco de Crédito Real de Minas Gerais S.A. (5) | Banking | 99.99% | 99.99% |
| Banco Finasa de Investimento S.A. (6) | Investment Bank | 98.65% | 97.40% |
| Banco Finasa S.A. (5) | Banking | 100.00% | 100.00% |
| Banco Mercantil de São Paulo S.A. | Banking | 100.00% | 100.00% |
| Banco Zogbi S.A. (7) | Banking | 100.00% | - |
| Bradesco BCN Leasing S.A. Arrendamento Mercantil (5) | Leasing | 99.97% | 99.97% |
| Bradesco Consórcios Ltda. | Consortium Management | 99.99% | 99.99% |
| Bradesco S.A. Corretora de Títulos e Valores Mobiliários | Brokerage | 99.99% | 99.99% |
| BRAM - Bradesco Asset Management Ltda. | Asset Management | 99.99% | 99.99% |
| Companhia Brasileira de Meios de Pagamento - VISANET (8) (9) (10) (11) (12) | Services | 39.71% | 39.49% |
| Financial area - Foreign | | | |
| Alvorada Nassau (1) | Banking | 100.00% | 100.00% |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | |
|--|-----------|---------|---------|
| Banco Bradesco Argentina S.A. (9) (10) | Banking | 99.99% | 99.99% |
| Banco Bradesco Luxembourg S.A. (13) | Banking | 100.00% | 99.99% |
| Banco Mercantil de São Paulo International S.A. (13) | Banking | - | 100.00% |
| BCN Grand Cayman (5) | Banking | 100.00% | 100.00% |
| Boavista Grand Cayman | Banking | 100.00% | 100.00% |
| Boavista Nassau | Banking | 100.00% | 100.00% |
| Bradesco Grand Cayman (14) | Banking | 100.00% | 100.00% |
| Bradesco New York | Banking | 100.00% | 100.00% |
| Bradesco Securities, Inc. | Brokerage | 100.00% | 100.00% |
| Mercantil Grand Cayman (15) | Banking | 100.00% | 100.00% |

Insurance, pension plan and savings bond area

| | | | |
|--|-------------------------|--------|--------|
| ABS Empreendimentos Imobiliários, Participações e Serviços S.A. (16) | Real Estate | - | 99.12% |
| Atlântica Capitalização S.A. (17) | Savings Bonds | 99.46% | 99.70% |
| Áurea Seguros S.A. (8) (9) (10) (17) | Insurance | 27.35% | 27.42% |
| Bradesco Argentina de Seguros S.A. (10) (17) | Insurance | 99.24% | 99.47% |
| Bradesco Capitalização S.A. (17) (18) | Savings Bonds | 99.09% | 99.69% |
| Bradesco Saúde S.A. (17) | Insurance | 99.46% | 99.70% |
| Bradesco Seguros S.A. (17) | Insurance | 99.46% | 99.70% |
| Bradesco Vida e Previdência S.A. (17) | Pension Plans/Insurance | 99.46% | 99.69% |
| Finasa Seguradora S.A. (17) | Insurance | 99.22% | 99.46% |
| Indiana Seguros S.A. (17) (19) | Insurance | 39.79% | 39.88% |
| Seguradora Brasileira de Crédito à Exportação S.A. (8) (9) (10) (17) | Insurance | 12.02% | 12.05% |
| Bradesco Auto/RE Companhia de Seguros (20) (21) | Insurance | 99.46% | 91.41% |

Other activities

| | | | |
|--|------------------------|--------|--------|
| Átria Participações S.A. (17) | Holding Company | 99.46% | 99.68% |
| Bradescor Corretora de Seguros Ltda. | Insurance Brokerage | 99.99% | 99.99% |
| Cia. Securitizadora de Crédito Financeiro Boavista (22) | Credit acquisition | 99.34% | - |
| Cia. Securitizadora de Crédito Financeiro Interatlântico (22) | Credit acquisition | 99.46% | - |
| Cibrasec - Companhia Brasileira de Securitização (8) (9) (10) (23) | Credit acquisition | 10.00% | 12.50% |
| CPM Holdings Limited (8) (9) (10) | Holding Company | 49.00% | 49.00% |
| Latasa S.A. (24) | Metal Products | - | 39.74% |
| Nova Paiol Participações S.A. (17) | Holding Company | 99.46% | 99.70% |
| Scopus Tecnologia S.A. | Information Technology | 99.99% | 99.99% |
| Serasa S.A. (6) (8) (9) (10) | Services | 26.37% | 26.31% |
| Smart Club do Brasil Ltda. (8) | Services | 36.36% | 36.36% |
| União de Comércio e Participações Ltda. | Holding Company | 99.99% | 99.99% |

- (1) New names of Banco Bilbao Vizcaya Argentaria Brasil S.A. BBV Banco and its branch BBV Banco Nassau.
- (2) Percentage ownership decreased following the merger of Banco BEA S.A. in April 2003.
- (3) Acquired on February 10, 2004.
- (4) Partially spun-off on March 10, 2004 with spun-off portion merged into Banco Bradesco S.A. On March 12, 2004, the remaining portion of the assets and liabilities of Banco BCN were merged into Banco Alvorada. S.A.
- (5) Became a direct subsidiary of Banco Bradesco S.A. as a result of the partial spin-off of Banco BCN S.A. on March 10, 2004, with the spun-off portion merged into Banco Bradesco S.A. (item 4).
- (6) Percentage ownership increased through acquisition of shares.
- (7) Acquired on February 16, 2004.
- (8) Proportionally consolidated in accordance with CMN Resolution 2723 and CVM Instruction 247.
- (9) Companies audited by other independent auditors in 2003.
- (10) Companies audited by other independent auditors in 2004.
- (11) Percentage ownership increased through acquisition of BBV Banco in June 2003.
- (12) The joint venture partnership called Brazilian Merchant Voucher Receivables Limited operating in the securitization of the future flow of credit card bill receivables from foreign cardholders is being consolidated (Note 18b).
- (13)

Edgar Filing: BANK BRADESCO - Form 6-K

In September 2003, Banco Mercantil de São Paulo International S.A. and Banco Bradesco Luxembourg S.A. were merged and the latter's name maintained.

- (14) The joint venture partnership called International Diversified Payment Rights Company, operating in the securitization of the future flow of payment orders received from abroad is being consolidated (Note 18b).
- (15) Became a direct subsidiary of Banco Bradesco S.A. following the partial spin-off of Banco Mercantil de São Paulo S.A. in March 2004.
- (16) Merged into Bradesco Capitalização S.A. in December 2003.
- (17) Percentage ownership decreased through the incorporation of the minority stockholders' shares of União Novo Hamburgo de Seguros S.A.
- (18) Percentage ownership decreased through the incorporation of ABS-Empreendimentos Imobiliários, Participações e Serviços S.A. in December 2003.
- (19) A subsidiary since percentage ownership totals 51% of voting capital.
- (20) Percentage ownership increased through acquisition and incorporation of the minority stockholders' shares of União Novo Hamburgo de Seguros S.A.
- (21) Formerly União Novo Hamburgo de Seguros S.A.
- (22) Acquired on June 25, 2004.
- (23) Percentage ownership decreased through sale of shares to third parties.
- (24) Sold in October 2003.

3) SIGNIFICANT ACCOUNTING POLICIES

a) Determination of net income

Income and expenses are recorded on the accrual basis. Transactions with prefixed rates are recorded at their redemption amounts and income and expenses for the future period are recorded as a discount to the corresponding asset and liability accounts. Post-fixed or foreign-currency-indexed transactions are adjusted to the balance sheet date. Income and expenses of a financial nature are prorated daily and calculated based on the exponential method, except when relating to discounted notes or to cross-border transactions which are calculated on the straight-line method.

The insurance and coinsurance premiums and income on commissions, net of premiums assigned in coinsurance and reinsurance and corresponding expenses for commission, are appropriated to results upon issuance of the corresponding insurance policies and are deferred for appropriation on a straight-line basis over the terms of the policies, through the recording and reversal of a provision for unearned premiums and deferred selling expenses. The accepted coinsurance and retrocession operations are recorded based on the information received from other companies and the Brazilian Institute of Reinsurers (IRB), respectively.

The revenue from savings bond plans is recognized at the time it is effectively received. The expenses for placement of bonds, classified as Selling Expenses, are recorded as they are incurred. Brokerage expenses are recorded at the time the savings bond plan contributions are effectively received.

The private pension plan contributions are recorded in income at the time they are effectively received.

The corresponding expenses for technical reserves for private pension plans and savings bonds are recorded at the same time as revenue therefrom is recognized.

b) Interbank investments

Purchase and sale commitments subject to unrestricted movement agreements are adjusted to market value. Other assets are recorded at purchase cost, including accrued income up to the balance sheet date, net of loss accrual, where applicable.

c) Securities

Securities are classified and recorded as presented below:

- Trading securities - securities which are acquired for the purpose of being actively and frequently traded are adjusted to market value as a counter-entry to results for the period.
- Securities available for sale - securities which are not specifically intended for trading purposes or as held to maturity, are adjusted to market value as a counter-entry to a specific account in stockholders' equity, at amounts net of tax effects.
- Securities held to maturity - securities for which there exists intention and financial capacity for maintenance through to maturity are recorded at cost, plus accrued earnings, as a counter-entry to results for the period.

Edgar Filing: BANK BRADESCO - Form 6-K

d) Derivative financial instruments (assets and liabilities)

These are classified based on management's intended use thereof on the date of the operation and whether it was carried out for hedging purposes or not.

The derivative financial instruments which do not comply with the hedging criteria established by BACEN, particularly derivatives used to manage general exposure to risk, are recorded at market values, with the corresponding mark-to-market adjustments taken directly to income for the period.

The derivative financial instruments used for protection against exposure to risk or for changing the characteristics of financial assets and liabilities and which are: (i) significantly co-related in relation to the adjustment of their market value to the market value of the hedged item, at both the start and over the duration of the contract; and (ii) considered to be effective in mitigating the risk associated with the exposure which is to be protected, are classified as hedges in accordance with their specific nature:

- Market risk hedge - the hedged financial assets and liabilities and the corresponding derivative financial instruments are recorded at market value, with corresponding mark-to-market adjustments recorded directly in income for the period.
- Cash flow hedge - hedged financial assets and liabilities and the corresponding derivative financial instruments are recorded at market value, with corresponding mark-to-market adjustments, net of tax effects, recorded in the stockholders' equity account. The non-hedged portion is recorded directly in results for the period.

e) Credit and leasing operations, advances on foreign exchange contracts, other receivables and allowance for loan and leasing losses.

Credit and leasing operations, advances on foreign exchange contracts and other receivables are classified in compliance with: (i) the parameters established by CMN Resolution 2.682 at nine levels from AA (minimum risk) to H (maximum risk); and (ii) management's risk level assessment. This assessment, which is carried out on a periodic basis, considers current economic conditions, and past loan loss experience, as well as specific and general risks relating to operations, borrowers and guarantors. The length of the delay in payment defined in CMN Resolution 2.682 is also taken into account for customer risk classification purposes, as follows:

| Length of delay | Customer classification |
|----------------------|-------------------------|
| No delay | AA |
| Up to 14 days | A |
| From 15 to 30 days | B |
| From 31 to 60 days | C |
| From 61 to 90 days | D |
| From 91 to 120 days | E |
| From 121 to 150 days | F |
| From 151 to 180 days | G |
| More than 180 days | H |

The accrual of credit operations past due up to 60 days is recorded in income on credit operations and subsequent to the 61st day, in unearned income.

Past-due operations classified at H level remain at this level for six months, subsequent to which time they are written off against the existing allowance and controlled over a five-year period in memorandum accounts and no longer presented in the balance sheet.

Renegotiated operations are maintained with a classification equal to their prior classification. Renegotiated operations, already written off against the allowance and which are recorded in memorandum accounts are classified at H level and any gains derived from their renegotiation are recognized as revenue only when they are effectively received.

In the case of mortgage loans, the contractual capitalization period (monthly or quarterly) for income appropriation purposes complies with applicable legislation and end-borrower financings are adjusted to the present value of the installments receivable.

The allowance for loan losses is recorded at an amount considered sufficient to cover estimated losses and considers BACEN requirements and instructions, as well as Management's appraisal of the related credit risks.

f) Income tax and social contribution (asset and liability)

Deferred income tax and social contribution, calculated on tax losses, negative basis of social contribution and temporary additions are recorded in Other receivables - sundry, and the provision for deferred tax liabilities on excess depreciation and mark-to-market adjustments of securities is

Edgar Filing: BANK BRADESCO - Form 6-K

recorded in Other liabilities - taxes and social security contributions . Only deferred tax assets which have already acquired, or are about to acquire, tax deductibility rights are recorded on amortization of goodwill.

Deferred tax assets on temporary additions are realized upon use and/or reversal of the corresponding provisions on which they were recorded. Deferred tax assets on tax losses and negative basis of social contribution will be realized as taxable income is generated.

The provision for federal income tax is calculated at the standard rate of 15% of taxable income, plus an additional rate of 10% for income over established limits. The provision for social contribution is recorded at the rate of 9% of pre-tax income. Provisions were recorded for other taxes and social contributions in accordance with specific applicable legislation.

g) Technical reserves relating to insurance, pension plan and savings bond activities

Provision for unearned premiums

These are recorded at the amount of that portion of the insurance premiums issued retained, corresponding to the unexpired risk periods of the insurance contracts, in accordance with the criteria determined by SUSEP and ANS standards.

Benefits to be granted and benefits granted

Mathematical provisions comprise the amount of the liabilities assumed under the form of income, pension and savings plans and are calculated based on the financial method determined in the contract under the responsibility of a legally qualified actuary registered with the Brazilian Institute of Actuaries (IBA). The mathematical provisions comprise the present value of future benefits estimated based on actuarial methods and assumptions. The provision for benefits to be granted comprises participants whose receipt of benefits has not yet commenced and the provision for benefits granted comprises participants who are currently receiving benefits.

Savings Bonds - mathematical provisions for redemptions and draws

These were recorded in conformity with the technical notes approved by SUSEP, based on a variable percentage applicable to the amounts of the savings bond certificates effectively received and are adjusted for price-level restatement.

Unsettled claims and IBNR

The provision for payment of unsettled claims is recorded based on estimated probable payments, net of recoveries and adjusted for price-level restatement up to the balance sheet date. The reserve for claims incurred but not reported (IBNR) is calculated on an actuarial basis to quantify the volume and amount of the claims incurred, but which have not yet been reported to the insurance companies by the policyholders/beneficiaries.

h) Investments

Significant investments in subsidiaries, associated companies and jointly controlled investments are recorded on the equity method. The financial statements of the foreign branches and subsidiaries are adjusted to comply with the accounting practices adopted in Brazil, translated into reais and their related effects recognized in income for the year.

The exchange membership certificates of Stock Exchanges, the Center for the Financial Clearance and Custody of Private Securities (CETIP) and the Mercantile and Futures Exchange (BM&F) were recorded at the net book value, unaudited, informed by the corresponding exchanges and fiscal incentives and other investments were recorded at cost, net of the provision for loss, where applicable.

i) Property and equipment in use

This is stated at cost, net of the corresponding accumulated depreciation, calculated on the straight-line method at annual rates which take into consideration the economic useful lives of the assets as follows: buildings in use - 4%; furniture and fixtures and machinery and equipment - 10%; data processing systems - 20% to 50%; and transport systems - 20%.

j) Deferred charges

Deferred charges are recorded at cost of acquisition or formation, net of the corresponding accumulated amortization of 20% to 50% per annum, calculated on the straight-line method.

Edgar Filing: BANK BRADESCO - Form 6-K

Goodwill on the acquisition of investments in subsidiary companies, based on expected future results, is amortized at rates of 10% to 20% per annum and is presented on a consolidated basis in deferred charges.

k) Deposits and deposits received under security repurchase agreements

These are stated at the amount of the liabilities and include related charges up to the balance sheet date, on a daily pro rata basis.

l) Other assets and liabilities

The assets were stated at their realizable amounts, including, where applicable, related income and monetary and exchange variations (on a daily pro rata basis), less a provision for loss, when deemed appropriate. The liabilities include known or estimated amounts, plus related charges and monetary and exchange variations (on a daily pro rata basis).

4) INFORMATION FOR COMPARISON PURPOSES

a) Reclassifications

In order to facilitate comparison of the financial statements, certain June 30, 2003 account balances were reclassified.

| | At June 30, 2003 In thousands of reais | | |
|--|---|--------------------------|-----------------------------|
| BALANCE SHEET | CONSOLIDATED BRADESCO | | |
| | Prior Disclosure | Reclassifications | Reclassified Balance |
| ASSETS | | | |
| Current assets and long-term receivables | 149,315,815 | - | 149,315,815 |
| Other receivables | 25,217,163 | (210,078) | 25,007,085 |
| Insurance premiums receivable (1) | 1,142,694 | (210,078) | 932,616 |
| Other assets | 990,849 | 210,078 | 1,200,927 |
| Prepaid expenses (1) | 521,595 | 210,078 | 731,673 |
| Total assets | 154,489,274 | - | 154,489,274 |
| LIABILITIES | | | |
| Current and long-term liabilities | 121,965,411 | 19,857,515 | 141,822,926 |
| Technical reserves for insurance, private pension plans and savings bonds (2) | - | 22,732,276 | 22,732,276 |
| Other liabilities | 24,212,826 | (2,874,761) | 21,338,065 |
| Technical reserves for insurance, private pension plans and savings bonds (2) | 2,874,761 | (2,874,761) | - |
| Technical reserves for insurance, private pension plans and savings bonds (2) | 19,857,515 | (19,857,515) | - |
| Total liabilities | 154,489,274 | - | 154,489,274 |

Six-month period ended June 30, 2003 In thousands of reais

| | CONSOLIDATED BRADESCO | | |
|---|-------------------------|--------------------------|-----------------------------|
| STATEMENT OF INCOME | Prior Disclosure | Reclassifications | Reclassified Balance |
| Income from lending and trading activities | 12,181,690 | (6,923) | 12,174,767 |
| Credit operations (3) | 5,627,546 | (6,923) | 5,620,623 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | |
|---|--------------------|----------------|--------------------|
| Income from financial intermediation | 4,588,565 | (6,923) | 4,581,642 |
| Other operating income (expenses) | (2,589,494) | 6,923 | (2,582,571) |
| Commissions and fees (3) | 2,092,989 | 6,923 | 2,099,912 |
| Premiums retained for insurance, private pension plans and savings bonds (4) | 5,679,414 | (261,792) | 5,417,622 |
| Change in technical reserves for insurance, private pension plans and savings bonds (5) | (1,725,366) | 62,558 | (1,662,808) |
| Claims - insurance operations (4) | (2,255,377) | 261,792 | (1,993,585) |
| Savings bond draws and redemptions (5) | (452,149) | (62,558) | (514,707) |
| Other operating income (6) | 1,494,061 | 37,789 | 1,531,850 |
| Other operating expenses (6) | (1,215,160) | (37,789) | (1,252,949) |
| Net income | 1,027,311 | - | 1,027,311 |

- (1) Transfer of other receivables - insurance premiums receivable, to other assets - prepaid expenses, related to the deferral of insurance brokerage commission.
 - (2) Reclassified in compliance with SUSEP's new plan of accounts.
 - (3) Reclassification of the initial credit opening fee of Banco Finasa and BCN, from credit operations to income on commissions and fees.
 - (4) Pursuant to SUSEP requirements, VGBL plan redemptions were reclassified from claims to premium refunds.
 - (5) Reclassification of variation in technical reserves for insurance, private pension plans and savings bonds to savings bond draws and redemptions.
 - (6) Reclassification of services rendered by Scopus Tecnologia.
- b) In the first half of 2004, Bradesco acquired the share control of Banco Zogbi S.A. and other companies and of Banco BEM S.A. and subsidiaries.

Adjusted balance sheet and statement of income accounts:

| | At June 30, 2004 | In thousands of reais |
|--|--|---|
| BALANCE SHEET | Banco Zogbi and other companies (1) | BEM and subsidiaries (2) |
| ASSETS | | |
| Current assets and long-term receivables | 523,558 | 961,491 |
| Funds available | 1,719 | 44,954 |
| Interbank investments | 104,194 | 168,870 |
| Securities and derivative financial instruments | 75,296 | 507,181 |
| Interbank and interdepartmental accounts | 2,772 | 29,699 |
| Credit and leasing operations | 285,185 | 105,597 |
| Other receivables and other assets | 54,392 | 105,190 |
| Permanent assets | 30,026 | 10,146 |
| - Investments | 1,401 | 95 |
| - Property and equipment in use | 26,540 | 9,971 |
| - Deferred charges | 2,085 | 80 |
| Total | 553,584 | 971,637 |
| LIABILITIES | | |
| Current and long-term liabilities | 207,394 | 1,022,178 |
| Demand, time and interbank deposits | 89,305 | 282,151 |
| Savings deposits | - | 45,383 |
| Deposits received under security repurchase agreements and funds from issuance of securities | - | 497,902 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | |
|--|----------------|-----------------|
| Interbank and interdepartmental accounts | 2,389 | 8,517 |
| Borrowings and onlendings | 40,260 | 3,196 |
| Other liabilities | 75,440 | 185,029 |
| Minority interest in subsidiaries | 5,847 | - |
| Stockholders equity | 340,343 | (50,541) |
| Total | 553,584 | 971,637 |

In thousands of reais

STATEMENT OF INCOME

| | Banco Zogbi and other companies (1) | BEM and subsidiaries (2) |
|---|--|---|
| Period from February 1 to June 30, 2004 | | |
| Income from lending and trading activities | 111,633 | 57,297 |
| Expenses | (43,906) | (35,544) |
| Income from financial intermediation | 67,727 | 21,753 |
| Other operating income (expenses) | (41,588) | (3,706) |
| Operating income (expenses) | 26,139 | 18,047 |
| Non-operating income (expenses), net | 65 | (6,947) |
| Income before income tax and social contribution | 26,204 | 11,100 |
| Provision for income tax and social contribution | (8,600) | (9,315) |
| Minority interest in subsidiaries | (175) | - |
| Adjusted net income | 17,429 | 1,785 |

- (1) Includes Promosec Cia. Securitizadora de Créditos Financeiros, Zogbi Leasing S.A. Arrendamento Mercantil, Zogbi Distribuidora de Títulos e Valores Mobiliários Ltda. and Promovel Empreendimentos e Serviços Ltda.
- (2) Under management of Banco Bradesco S.A., provisions were recorded in Banco BEM S.A. (formerly Banco do Estado do Maranhão S.A.) to cover certain contingencies and were responsible for its present stockholders' deficit. An auction for shares was held on July 27, 2004, according to the Public Share Offer (OPA) filed at the CVM on March 12, 2004, through which 35,499,857 common shares were acquired, comprising 99.92% of minority interest, in compliance with the requirements for cancellation of its listing as a publicly held company. As soon as this operation is concluded, the capital necessary for the bank to comply with legal minimum capital and stockholders' equity requirements will be transferred to Banco BEM S.A.

5) ADJUSTED BALANCE SHEET AND STATEMENT OF INCOME BY BUSINESS SEGMENT

The information is presented in conformity with the definitions set forth in the Chart of Accounts for National Financial System Institutions (COSIF).

a) Balance sheet

At June 30 In thousands of reais

| | Financial (1) (2) | | Insurance Group (2) (3) | | Other Activities (2) | Amount Eliminated (4) | CONSOLIDATED BRADESCO |
|---|------------------------------|-------------------|------------------------------------|----------------|-------------------------------------|--------------------------------------|----------------------------------|
| | Local | Foreign | Local | Foreign | | | |
| ASSETS | | | | | | | |
| Current assets and long-term receivables | 120,727,126 | 21,128,257 | 35,044,570 | 45,733 | 384,213 | (6,347,088) | 170,982,811 |
| Funds available | 2,126,491 | 77,243 | 56,557 | 2,914 | 15,054 | (56,289) | 2,221,970 |
| Interbank investments | 17,966,653 | 3,855,379 | - | - | - | (1,293,485) | 20,528,547 |
| Securities and derivative financial instruments | 15,429,083 | 9,700,443 | 32,371,291 | 38,607 | 135,738 | (1,462,650) | 56,212,512 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | |
|---|--------------------|-------------------|-------------------|---------------|------------------|---------------------|--------------------|
| Interbank and interdepartmental accounts | 14,675,512 | 7,653 | - | - | - | - | 14,683,165 |
| Credit and leasing operations | 43,683,827 | 7,143,402 | - | - | - | (3,339,540) | 47,487,689 |
| Other receivables and other assets | 26,845,560 | 344,137 | 2,616,722 | 4,212 | 233,421 | (195,124) | 29,848,928 |
| Permanent assets | 12,334,491 | 383,649 | 974,327 | 325 | 228,602 | (8,650,393) | 5,271,001 |
| Investments (5) | 8,757,361 | 379,932 | 487,407 | - | 31,717 | (8,650,393) | 1,006,024 |
| Property and equipment in use and leased assets | 1,912,553 | 3,252 | 300,418 | 325 | 109,555 | - | 2,326,103 |
| Deferred charges | 1,664,577 | 465 | 186,502 | - | 87,330 | - | 1,938,874 |
| Total in 2004 | 133,061,617 | 21,511,906 | 36,018,897 | 46,058 | 612,815 | (14,997,481) | 176,253,812 |
| Total in 2003 | 125,373,419 | 12,381,638 | 27,633,945 | 46,801 | 1,176,744 | (12,123,273) | 154,489,274 |

LIABILITIES

| | | | | | | | |
|---|--------------------|-------------------|-------------------|---------------|------------------|---------------------|--------------------|
| Current and long-term liabilities | 119,368,044 | 16,979,857 | 32,176,060 | 31,428 | 291,279 | (6,347,088) | 162,499,580 |
| Deposits | 60,496,601 | 5,094,134 | - | - | - | (1,457,253) | 64,133,482 |
| Deposits received under security repurchase agreements | 15,584,049 | 1,162,018 | - | - | - | - | 16,746,067 |
| Funds from issuance of securities | 6,062,653 | 3,639,415 | - | - | - | (2,621,758) | 7,080,310 |
| Interbank and interdepartmental accounts | 1,089,449 | 473 | - | - | - | - | 1,089,922 |
| Borrowings and onlendings | 15,177,144 | 3,701,818 | - | - | - | (2,062,565) | 16,816,397 |
| Derivative financial instruments | 782,703 | 222 | - | - | 1,431 | - | 784,356 |
| Technical reserves for insurance, private pension plans and savings bonds | - | - | 29,450,596 | 27,749 | - | - | 29,478,345 |
| Other liabilities: | | | | | | | |
| Subordinated debt | 2,874,345 | 3,306,910 | - | - | - | - | 6,181,255 |
| Other | 17,301,100 | 74,867 | 2,725,464 | 3,679 | 289,848 | (205,512) | 20,189,446 |
| Deferred income | 35,894 | - | 1,986 | - | 9 | - | 37,889 |
| Minority interest and stockholders equity in subsidiaries | 7,307 | 4,532,049 | 3,840,851 | 14,630 | 321,527 | (8,650,393) | 65,971 |
| Stockholders' equity of the parent company | 13,650,372 | - | - | - | - | - | 13,650,372 |
| Total in 2004 | 133,061,617 | 21,511,906 | 36,018,897 | 46,058 | 612,815 | (14,997,481) | 176,253,812 |
| Total in 2003 | 125,373,419 | 12,381,638 | 27,633,945 | 46,801 | 1,176,744 | (12,123,273) | 154,489,274 |

b) Statement of Income

Six-month period ended June 30 In thousands of reais

| | Financial (1) (2) | | Insurance Group (2) (3) | | Other Activities (2) | Amount Eliminated (4) | CONSOLIDATED BRADESCO |
|--|----------------------|----------------|----------------------------|----------------|----------------------------|-----------------------------|--------------------------|
| | Local | Foreign | Local | Foreign | | | |
| Income from lending and trading activities | 11,561,454 | 580,732 | 2,430,731 | 382 | 7,628 | (104,744) | 14,476,183 |
| Expenses | 7,573,567 | 322,467 | 1,351,168 | - | (1,770) | (105,531) | 9,139,901 |
| Income from financial intermediation | 3,987,887 | 258,265 | 1,079,563 | 382 | 9,398 | 787 | 5,336,282 |
| Other operating income (expenses) (5) | (3,161,178) | (92,369) | (672,808) | (804) | 12,112 | (787) | (3,915,834) |
| Operating income (expenses) | 826,709 | 165,896 | 406,755 | (422) | 21,510 | - | 1,420,448 |
| Non-operating income (expenses), net | (172,142) | 3,211 | (45,095) | (19) | 331 | - | (213,714) |
| Income before taxes and profit sharing | 654,567 | 169,107 | 361,660 | (441) | 21,841 | - | 1,206,734 |
| Provision for income tax and social contribution | 47,256 | - | 11,460 | (39) | (12,407) | - | 46,270 |
| Minority interest in subsidiaries | (3,834) | - | 1,421 | - | (542) | - | (2,955) |
| Net income (loss) in 2004 | 697,989 | 169,107 | 374,541 | (480) | 8,892 | - | 1,250,049 |
| Net income (loss) in 2003 | 632,200 | 90,217 | 261,428 | (1,661) | 45,127 | - | 1,027,311 |

- (1) The financial segment comprises financial institutions and holding companies which are mainly responsible for managing financial resources, as well as credit card administration and asset management companies.
- (2) Asset and liability and income and expense account balances are eliminated between companies from the same segment.
- (3) The Insurance Group segment comprises insurance, private pension plan and savings bonds companies.
- (4) Amounts eliminated between companies from different segments.

Edgar Filing: BANK BRADESCO - Form 6-K

(5) Investments and equity in earnings of associated companies are allocated to the segment to which the companies pertain.

6) BALANCE SHEET BY CURRENCY AND EXCHANGE EXPOSURE

| | At June 30, 2004 In thousands of reais | | |
|---|--|--------------------|--------------------|
| | Currency | | |
| | Balance Sheet | Local | Foreign (1) (2) |
| ASSETS | | | |
| Current assets and long-term receivables | 170,982,811 | 139,001,724 | 31,981,087 |
| Funds available | 2,221,970 | 1,954,448 | 267,522 |
| Interbank investments | 20,528,547 | 16,530,538 | 3,998,009 |
| Securities and derivative financial instruments | 56,212,512 | 47,062,164 | 9,150,348 |
| Interbank and interdepartmental accounts | 14,683,165 | 14,675,512 | 7,653 |
| Credit and leasing operations | 47,487,689 | 40,288,452 | 7,199,237 |
| Other receivables and other assets | 29,848,928 | 18,490,610 | 11,358,318 |
| Permanent assets | 5,271,001 | 4,802,365 | 468,636 |
| Investments | 1,006,024 | 541,430 | 464,594 |
| Property and equipment in use and leased assets | 2,326,103 | 2,322,526 | 3,577 |
| Deferred charges | 1,938,874 | 1,938,409 | 465 |
| Total | 176,253,812 | 143,804,089 | 32,449,723 |
| LIABILITIES | | | |
| Current and long-term liabilities | 162,499,580 | 134,486,535 | 28,013,045 |
| Deposits | 64,133,482 | 60,347,853 | 3,785,629 |
| Deposits received under security repurchase agreements | 16,746,067 | 15,584,049 | 1,162,018 |
| Funds from issuance of securities | 7,080,310 | 1,879,984 | 5,200,326 |
| Interbank and interdepartmental accounts | 1,089,922 | 413,676 | 676,246 |
| Borrowings and onlendings | 16,816,397 | 7,311,946 | 9,504,451 |
| Derivative financial instruments | 784,356 | 784,134 | 222 |
| Technical reserves for insurance, private pension plans and savings bonds | 29,478,345 | 29,450,596 | 27,749 |
| Other liabilities | | | |
| - Subordinated debt | 6,181,255 | 2,874,345 | 3,306,910 |
| - Other | 20,189,446 | 15,839,952 | 4,349,494 |
| Deferred income | 37,889 | 37,889 | - |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | |
|---|--------------------|--------------------|-------------------|
| Minority interest in subsidiaries | 65,971 | 65,971 | - |
| Stockholders equity | 13,650,372 | 13,650,372 | - |
| Total | 176,253,812 | 148,240,767 | 28,013,045 |
| Net position of assets and liabilities | | | 4,436,678 |
| Net position of derivatives (2) | | | (4,476,040) |
| Other memorandum accounts, net (3) | | | (490,464) |
| Net exchange position (liability) | | | (529,826) |

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

(2) Excluding derivative operations maturing in D +1, to be settled in currency at June 30, 2004 price levels.

(3) Leasing commitments and others recorded in memorandum accounts.

7) BALANCE SHEET BY MATURITY

At June 30 In thousands of reais

| | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Indeterminate | TOTAL |
|---|--------------------|------------------------|----------------------------|-----------------------|-------------------|--------------------|
| ASSETS | | | | | | |
| Current assets and long-term receivables | 103,021,068 | 17,556,607 | 13,299,831 | 37,105,305 | - | 170,982,811 |
| Funds available | 2,221,970 | - | - | - | - | 2,221,970 |
| Interbank investments | 18,957,517 | 630,032 | 324,429 | 616,569 | - | 20,528,547 |
| Securities and derivative financial instruments (1) | 39,737,023 | 777,327 | 3,828,833 | 11,869,329 | - | 56,212,512 |
| Interbank and interdepartmental accounts | 14,391,744 | 7,061 | 7,999 | 276,361 | - | 14,683,165 |
| Credit and leasing operations | 8,287,639 | 15,481,474 | 7,784,425 | 15,934,151 | - | 47,487,689 |
| Other receivables and other assets | 19,425,175 | 660,713 | 1,354,145 | 8,408,895 | - | 29,848,928 |
| Permanent assets | 58,420 | 292,110 | 350,533 | 2,959,761 | 1,610,177 | 5,271,001 |
| - Investments | - | - | - | - | 1,006,024 | 1,006,024 |
| - Property and equipment in use and leased assets | 20,453 | 102,267 | 122,720 | 1,476,510 | 604,153 | 2,326,103 |
| - Deferred charges | 37,967 | 189,843 | 227,813 | 1,483,251 | - | 1,938,874 |
| Total in 2004 | 103,079,488 | 17,848,717 | 13,650,364 | 40,065,066 | 1,610,177 | 176,253,812 |
| LIABILITIES | | | | | | |
| Current and long-term liabilities | 93,023,464 | 14,288,080 | 10,300,723 | 44,887,313 | - | 162,499,580 |
| Deposits (2) | 39,809,160 | 6,194,375 | 4,023,780 | 14,106,167 | - | 64,133,482 |
| Deposits received under security repurchase agreements | 14,851,491 | 74,561 | 472,715 | 1,347,300 | - | 16,746,067 |
| Funds from issuance of securities | 1,964,150 | 1,825,561 | 483,205 | 2,807,394 | - | 7,080,310 |
| Interbank and interdepartmental accounts | 1,089,922 | - | - | - | - | 1,089,922 |
| Borrowings and onlendings | 1,912,682 | 4,695,142 | 4,223,970 | 5,984,603 | - | 16,816,397 |
| Derivative financial instruments | 711,647 | 22,093 | 37,196 | 13,420 | - | 784,356 |
| Technical reserves for insurance, private pension plans and savings bonds | 18,209,085 | 704,674 | 260,020 | 10,304,566 | - | 29,478,345 |
| Other liabilities | | | | | | |
| - Subordinated debt | 50,447 | 23,465 | - | 6,107,343 | - | 6,181,255 |
| - Other | 14,424,880 | 748,209 | 799,837 | 4,216,520 | - | 20,189,446 |
| Deferred income | 37,889 | - | - | - | - | 37,889 |
| Minority interest in subsidiaries | - | - | - | - | 65,971 | 65,971 |
| Stockholders equity | - | - | - | - | 13,650,372 | 13,650,372 |
| Total in 2004 | 93,061,353 | 14,288,080 | 10,300,723 | 44,887,313 | 13,716,343 | 176,253,812 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|--------------------------------|------------|------------|------------|------------|---|---|
| Accumulated net assets in 2004 | 10,018,135 | 13,578,772 | 16,928,413 | 12,106,166 | - | - |
| Accumulated net assets in 2003 | 11,543,190 | 19,826,807 | 21,591,251 | 11,506,830 | - | - |

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

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

8) FUNDS AVAILABLE

a) Funds available

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---------------------|--------------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Local currency | 1,954,381 | 1,528,608 | 1,877,310 | 1,381,095 |
| Foreign currency | 267,522 | 243,558 | 219,486 | 155,344 |
| Investments in gold | 67 | 715 | 42 | 36 |
| Total | 2,221,970 | 1,772,881 | 2,096,838 | 1,536,475 |

b) Statement of cash flows

As additional information for readers, we present below the statement of cash flows prepared based on the indirect method.

The information is presented in conformity with the definitions set forth in the Chart of Accounts for National Financial System Institutions (COSIF).

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|--|--------------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| OPERATING ACTIVITIES | | | | |
| NET INCOME | 1,250,049 | 1,027,311 | 1,250,049 | 1,027,311 |
| ADJUSTMENTS TO RECONCILE NET INCOME TO CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES | | | | |
| Provision for loan losses | 1,074,548 | 1,395,034 | 945,305 | 1,231,311 |
| (Reversal of) Provision for losses on interbank investments, securities and investments | (4,367) | 31,153 | 3,112 | (17,398) |
| Change in technical reserves for insurance, private pension plans and savings bonds | 2,921,952 | 3,320,818 | - | - |
| Depreciation and amortization | 286,681 | 291,166 | 191,703 | 173,355 |
| Amortization of goodwill (Notes 30 and 31) | 313,547 | 799,889 | 120,990 | 57,956 |
| Equity in the earnings of subsidiary and associated companies | (122,268) | 32,714 | (1,332,107) | (681,099) |
| Other | (37,062) | 16,620 | 169,255 | (307,547) |
| CHANGE IN ASSETS AND LIABILITIES: | | | | |
| Decrease (increase) in interbank investments | 11,191,787 | 484,982 | 9,281,969 | (2,078,993) |
| Decrease (increase) in securities and derivative financial instruments | (1,675,745) | (6,058,986) | 886,768 | (1,818,036) |
| Decrease (increase) in interbank accounts | (858,579) | (677,007) | (950,462) | 1,757,199 |
| Decrease (increase) in interdepartmental accounts | (461,444) | (150,108) | (409,490) | (41,634) |
| Decrease (increase) in credit operations | (4,130,297) | (1,690,750) | (8,153,704) | (1,486,151) |
| Decrease (increase) in leasing operations | 69,677 | 64,112 | - | - |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|---|--------------------|--------------------|--------------------|--------------------|
| Decrease (increase) in insurance premiums receivable | (80,436) | (213,707) | - | - |
| Decrease (increase) in other receivables | (4,646,000) | (4,132,325) | (5,296,339) | (4,082,474) |
| Decrease (increase) in other assets | (61,095) | (26,638) | (14,733) | 2,145 |
| Amounts written off against the allowance for loan losses | (997,585) | (1,122,097) | (855,233) | (922,779) |
| Increase in technical reserves for insurance, private pension plans and savings bonds | 147,441 | 255,979 | - | - |
| Increase in other liabilities | 5,188,893 | 3,303,830 | 5,846,249 | 3,394,981 |
| Increase (decrease) in deferred income | 6,115 | 21,144 | (2,212) | (3,311) |
| NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | 9,375,812 | (3,026,866) | 1,681,120 | (3,795,164) |
| INVESTMENT ACTIVITIES | | | | |
| Increase in compulsory deposits - Brazilian Central Bank | (57,004) | (1,272,005) | (883,341) | (3,806,653) |
| Sale of non-operating assets | 139,259 | 88,888 | 46,013 | 57,137 |
| Sale of investments | 41,544 | 18,430 | 4,230,128 | 280,036 |
| Sale of property and equipment in use and leased assets | 50,366 | 62,493 | 22,168 | 6,966 |
| Decrease in deferred charges | 26,659 | 26,690 | 529 | 4,694 |
| Acquisition of non-operating assets | (41,575) | (125,274) | (43,379) | (39,313) |
| Acquisition of investments | (43,027) | (85,341) | (2,198,273) | (3,270,896) |
| Acquisition of property and equipment in use and leased assets | (287,535) | (460,298) | (343,880) | (187,308) |
| Deferred charges | (571,041) | (503,558) | (548,055) | (191,123) |
| Interest attributed to own capital/dividends received | 15,780 | 21,874 | 160,516 | 271,194 |
| NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES | (726,574) | (2,228,101) | 442,426 | (6,875,266) |
| FINANCING ACTIVITIES | | | | |
| Increase in deposits | 6,109,597 | 459,043 | 10,491,901 | 4,867,662 |
| Increase (decrease) in deposits received from security repurchase agreements | (16,046,658) | 2,555,711 | (16,918,189) | 4,566,548 |
| Increase in funds from acceptance and issuance of securities | 233,414 | 2,608,113 | 1,544,141 | 2,164,091 |
| Increase (decrease) in borrowings and onlendings | 2,021,614 | (1,865,983) | 3,810,862 | (1,820,581) |
| Capital increase through subscription | - | 501,000 | - | 501,000 |
| Capital increase through incorporation of shares | - | 788,735 | - | 788,735 |
| Share premium | - | 7,046 | - | 7,046 |
| Fiscal incentive investments | 1,259 | 844 | 1,259 | 844 |
| Interest attributed to own capital/dividends paid and/or accrued | (651,401) | (633,326) | (651,401) | (633,326) |
| Acquisition of own shares | (45,547) | - | (45,547) | - |
| Prior-year adjustments to market value | (451,214) | (15,235) | (451,214) | (15,235) |
| Variation in minority interest | (46,758) | (163,807) | - | - |
| NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES | (8,875,694) | 4,242,141 | (2,218,188) | 10,426,784 |
| DECREASE IN FUNDS AVAILABLE, NET | (226,456) | (1,012,826) | (94,642) | (243,646) |

| | | | | | |
|---------------------------------------|----------------------------------|-----------|-------------|-----------|-----------|
| CHANGE IN FUNDS AVAILABLE, NET | At the beginning of the period | 2,448,426 | 2,785,707 | 2,191,480 | 1,780,121 |
| | At the end of the period | 2,221,970 | 1,772,881 | 2,096,838 | 1,536,475 |
| | Decrease in funds available, net | (226,456) | (1,012,826) | (94,642) | (243,646) |

9) INTERBANK INVESTMENTS

a) Maturities:

At June 30 In thousands of reais

| | | | | TOTAL |
|--|--------------------------|--------------------------------|---------------------------------|-------------------------------|
| | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | CONSOLIDATED BRADESCO | BRADESCO |
|--|-------------------|----------------|----------------|----------------|--------------------------|-------------------|
| Securities purchased under resale agreements: | | | | | | |
| Own portfolio position | 1,391,421 | 67,904 | - | - | 1,459,325 | 1,984,323 |
| National Treasury Bonds | 421,395 | 50,000 | - | - | 471,395 | 471,395 |
| Financial Treasury Notes | 901,576 | 17,904 | - | - | 919,480 | 1,444,478 |
| Federal Treasury Notes | 68,450 | - | - | - | 68,450 | 68,450 |
| Third-party portfolio position | 13,405,413 | 124,048 | - | - | 13,529,461 | 13,867,942 |
| National Treasury Bonds | 539,639 | - | - | - | 539,639 | 539,639 |
| Financial Treasury Notes | 12,865,774 | 124,048 | - | - | 12,989,822 | 13,328,303 |
| Unrestricted notes | - | 50,294 | - | - | 50,294 | 51,300 |
| National Treasury Bonds | - | 50,294 | - | - | 50,294 | 51,300 |
| Subtotal | 14,796,834 | 242,246 | - | - | 15,039,080 | 15,903,565 |
| Interbank deposits: | | | | | | |
| Interbank deposits | 4,160,697 | 387,799 | 324,793 | 619,847 | 5,493,136 | 12,763,501 |
| Provision for Loss | (14) | (13) | (364) | (3,278) | (3,669) | (3,669) |
| Subtotal | 4,160,683 | 387,786 | 324,429 | 616,569 | 5,489,467 | 12,759,832 |
| Total in 2004 | 18,957,517 | 630,032 | 324,429 | 616,569 | 20,528,547 | 28,663,397 |
| % | 92.3 | 3.1 | 1.6 | 3.0 | 100.0 | |
| Total in 2003 | 19,977,338 | 408,254 | 416,319 | 193,877 | 20,995,788 | 29,986,804 |
| % | 95.2 | 1.9 | 2.0 | 0.9 | 100.0 | |

b) Income from interbank investments

The following is classified in the statement of income as income on securities transactions:

Six-month periods ended June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|--|--------------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Income on investments in purchase and sale commitments: | | | | |
| Own portfolio position | 178,005 | 239,477 | 199,117 | 323,599 |
| Third-party portfolio position | 1,167,595 | 1,862,954 | 1,220,052 | 2,011,375 |
| Subtotal | 1,345,600 | 2,102,431 | 1,419,169 | 2,334,974 |
| Interbank deposits | 121,053 | 156,171 | 562,553 | 933,918 |
| Total (Note 10e) | 1,466,653 | 2,258,602 | 1,981,722 | 3,268,892 |

10) SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS

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

At June 30 In thousands of reais

| Financial | Insurance/ Savings Bonds | Private Pension Plans | Other activities | 2004 | % | 2003 | % |
|-----------|-----------------------------|--------------------------|---------------------|------|---|------|---|
| | | | | | | | |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|---|-------------------|------------------|-------------------|----------------|-------------------|--------------|-------------------|--------------|
| Trading Securities | 14,856,832 | 4,236,036 | 22,295,694 | 84,854 | 41,473,416 | 73.8 | 33,150,783 | 77.5 |
| - Government securities | 8,514,122 | 2,938,114 | 18,690,545 | 57,110 | 30,199,891 | 53.7 | 21,182,017 | 49.6 |
| - Corporate bonds | 1,974,650 | 353,664 | 380,077 | 27,744 | 2,736,135 | 4.9 | 2,517,015 | 5.9 |
| - Purchase and sale commitments (3) | 4,368,060 | 944,258 | 3,225,072 | - | 8,537,390 | 15.2 | 9,451,751 | 22.0 |
| Securities available for sale | 6,899,961 | 1,228,607 | 1,256,800 | 21,074 | 9,406,442 | 16.7 | 4,178,497 | 9.7 |
| - Government securities | 5,198,021 | 777,645 | - | - | 5,975,666 | 10.6 | 1,189,645 | 2.7 |
| - Corporate bonds | 1,701,940 | 450,962 | 1,256,800 | 21,074 | 3,430,776 | 6.1 | 2,988,852 | 7.0 |
| Securities held to maturity | 1,587,710 | - | 2,926,946 | - | 4,514,656 | 8.0 | 4,697,510 | 11.0 |
| - Government securities | 1,586,123 | - | 2,926,946 | - | 4,513,069 | 8.0 | 4,697,510 | 11.0 |
| - Corporate bonds | 1,587 | - | - | - | 1,587 | - | - | - |
| Derivative financial instruments | 816,897 | - | - | 1,101 | 817,998 | 1.5 | 768,742 | 1.8 |
| - Corporate bonds | 816,897 | - | - | 1,101 | 817,998 | 1.5 | 768,742 | 1.8 |
| Total | 24,161,400 | 5,464,643 | 26,479,440 | 107,029 | 56,212,512 | 100.0 | 42,795,532 | 100.0 |
| - Government securities | 15,298,266 | 3,715,759 | 21,617,491 | 57,110 | 40,688,626 | 72.4 | 27,099,172 | 63.3 |
| - Corporate bonds | 4,495,074 | 804,626 | 1,636,877 | 49,919 | 6,986,496 | 12.4 | 6,274,609 | 14.7 |
| - Purchase and sale commitments (3) | 4,368,060 | 944,258 | 3,225,072 | - | 8,537,390 | 15.2 | 9,421,751 | 22.0 |

b) Consolidated portfolio composition by issuer:

At June 30 In thousands of reais

| SECURITIES (1) | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Market/ book value (4) (5) (6) | Restated Cost | Mark-to-market |
|-----------------------------------|------------------|---------------------|----------------------|--------------------|---|-------------------|------------------|
| GOVERNMENT SECURITIES | 1,920,509 | 3,050,091 | 7,674,074 | 28,043,952 | 40,688,626 | 41,159,467 | (470,841) |
| Financial Treasury Notes | 1,022,769 | 2,432,135 | 1,501,086 | 13,378,741 | 18,334,731 | 18,343,996 | (9,265) |
| Federal Treasury Notes | 303,330 | 343,494 | 251,709 | 7,557,316 | 8,455,849 | 8,477,694 | (21,845) |
| Brazilian Foreign Debt Notes | 206,300 | - | - | 6,358,225 | 6,564,525 | 6,947,466 | (382,941) |
| National Treasury Bonds | 300,748 | 90,062 | 5,921,199 | 369,996 | 6,682,005 | 6,710,468 | (28,463) |
| Central Bank Notes | 5,134 | 64,090 | - | 57,657 | 126,881 | 121,443 | 5,438 |
| Other | 82,228 | 120,310 | 80 | 322,017 | 524,635 | 558,400 | (33,765) |
| CORPORATE BONDS | 3,134,985 | 242,403 | 100,983 | 3,508,125 | 6,986,496 | 6,559,410 | 427,086 |
| Debentures | 108,334 | 3,280 | 10,719 | 1,147,225 | 1,269,558 | 1,325,971 | (56,413) |
| Shares | 1,826,902 | - | - | - | 1,826,902 | 1,337,689 | 489,213 |
| Certificates of Bank Deposit | 200,539 | 98,386 | 4,359 | 817,033 | 1,120,317 | 1,120,558 | (241) |
| Foreign securities | 26,110 | 27,205 | 62,258 | 1,385,449 | 1,501,022 | 1,503,178 | (2,156) |
| Derivative financial instruments | 717,832 | 73,199 | 11,418 | 15,549 | 817,998 | 806,888 | 11,110 |
| Other | 255,268 | 40,333 | 12,229 | 142,869 | 450,699 | 465,126 | (14,427) |
| Purchase and sale commitments (3) | 240,843 | 3,004,293 | 32,951 | 5,259,303 | 8,537,390 | 8,537,390 | - |
| TOTAL IN 2004 | 5,296,337 | 6,296,787 | 7,808,008 | 36,811,380 | 56,212,512 | 56,256,267 | (43,755) |

Edgar Filing: BANK BRADESCO - Form 6-K

TOTAL IN 2003 8,840,080 4,276,295 7,177,181 22,501,976 42,795,532 42,609,319 186,213

c) Consolidated classification by category, days to maturity and business segment:

| | At June 30 In thousands of reais | | | | | | |
|-------------------------------------|-------------------------------------|---------------------|----------------------|--------------------|---|------------------------|------------------|
| SECURITIES (1) | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Market/ book value (4) (5) (6) | Restated Cost value | Mark-to-market |
| I. TRADING | | | | | | | |
| SECURITIES | 2,854,005 | 5,802,040 | 7,452,527 | 25,364,844 | 41,473,416 | 41,596,118 | (122,702) |
| - FINANCIAL (2) | 2,139,803 | 680,457 | 3,561,437 | 8,475,135 | 14,856,832 | 14,962,083 | (105,251) |
| Purchase and sale commitments (3) | 240,843 | - | - | 4,127,217 | 4,368,060 | 4,368,060 | - |
| National Treasury Bonds | 234,608 | 31,257 | 3,434,761 | 362,434 | 4,063,060 | 4,091,428 | (28,368) |
| Brazilian Foreign Debt Notes | 27,419 | - | - | 713,724 | 741,143 | 753,805 | (12,662) |
| Financial Treasury Notes | 983,009 | 116,787 | 35,055 | 1,510,336 | 2,645,187 | 2,659,985 | (14,798) |
| Debentures | 12,550 | 463 | 10,167 | 745,689 | 768,869 | 768,869 | - |
| Certificates of Bank Deposit | 9,342 | 1,551 | 106 | 787,419 | 798,418 | 798,418 | - |
| Federal Treasury Notes | 303,330 | 343,494 | 19,010 | 43,413 | 709,247 | 741,013 | (31,766) |
| Foreign securities | 82,456 | 120,735 | 62,338 | 125,828 | 391,357 | 383,046 | 8,311 |
| Other | 246,246 | 66,170 | - | 59,075 | 371,491 | 397,459 | (25,968) |
| - INSURANCE AND SAVINGS BOND | 361,419 | 775,160 | 1,052,334 | 2,047,123 | 4,236,036 | 4,264,050 | (28,014) |
| Purchase and sale commitments (3) | - | 363,562 | 8,577 | 572,119 | 944,258 | 944,258 | - |
| Financial Treasury Notes | 6,715 | 396,276 | 186,082 | 1,366,886 | 1,955,959 | 1,955,883 | 76 |
| National Treasury Bonds | 57,787 | - | 856,974 | 14 | 914,775 | 914,775 | - |
| Shares | 158,999 | - | - | - | 158,999 | 158,999 | - |
| Other | 137,918 | 15,322 | 701 | 108,104 | 262,045 | 290,135 | (28,090) |
| - PRIVATE PENSION PLAN | 311,282 | 4,342,846 | 2,836,403 | 14,805,163 | 22,295,694 | 22,285,131 | 10,563 |
| Purchase and sale commitments (3) | - | 2,640,731 | 24,374 | 559,967 | 3,225,072 | 3,225,072 | - |
| Financial Treasury Notes | 25 | 1,607,208 | 1,189,652 | 10,213,695 | 13,010,580 | 13,000,017 | 10,563 |
| Federal Treasury Notes | - | - | - | 3,797,137 | 3,797,137 | 3,797,137 | - |
| Other | 3,467 | 58,805 | 1,620,978 | 74 | 1,683,324 | 1,683,324 | - |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | |
|---|------------------|----------------|----------------|------------------|------------------|------------------|------------------|
| National Treasury Bonds | | | | | | | |
| Other | 307,790 | 36,102 | 1,399 | 234,290 | 579,581 | 579,581 | - |
| - OTHER ACTIVITIES | 41,501 | 3,577 | 2,353 | 37,423 | 84,854 | 84,854 | - |
| Financial Treasury Notes | 18,091 | 3,567 | 46 | 25,613 | 47,317 | 47,317 | - |
| Funds | 16,079 | - | - | - | 16,079 | 16,079 | - |
| Other | 7,331 | 10 | 2,307 | 11,810 | 21,458 | 21,458 | - |
| II. SECURITIES AVAILABLE FOR SALE | 1,669,227 | 421,548 | 253,943 | 7,061,724 | 9,406,442 | 9,338,605 | 67,837 |
| - FINANCIAL (2) | 275,580 | 93,944 | 161,024 | 6,369,413 | 6,899,961 | 7,374,664 | (474,703) |
| Brazilian Foreign Debt Notes | 125,135 | - | - | 4,204,297 | 4,329,432 | 4,699,711 | (370,279) |
| Foreign securities | 25,881 | - | - | 1,314,962 | 1,340,843 | 1,351,276 | (10,433) |
| Federal Treasury Notes | - | - | 142,579 | 604,163 | 746,742 | 743,047 | 3,695 |
| Certificates of Bank Deposit | 41,173 | 53,007 | - | 4,771 | 98,951 | 99,193 | (242) |
| Shares | 64,263 | - | - | - | 64,263 | 107,620 | (43,357) |
| Other | 19,128 | 40,937 | 18,445 | 241,220 | 319,730 | 373,817 | (54,087) |
| - INSURANCE AND SAVINGS BOND | 457,876 | 312,106 | 92,885 | 365,740 | 1,228,607 | 1,054,022 | 174,585 |
| Financial Treasury Notes | 13,357 | 308,297 | 90,251 | 247,885 | 659,790 | 656,012 | 3,778 |
| Shares | 444,519 | - | - | - | 444,519 | 279,949 | 164,570 |
| Other | - | 3,809 | 2,634 | 117,855 | 124,298 | 118,061 | 6,237 |
| - PRIVATE PENSION PLAN | 923,414 | 10,208 | - | 323,178 | 1,256,800 | 889,452 | 367,348 |
| Shares | 783,813 | - | - | - | 783,813 | 416,357 | 367,456 |
| Debentures | 7 | - | - | 323,178 | 323,185 | 323,293 | (108) |
| Other | 139,594 | 10,208 | - | - | 149,802 | 149,802 | - |
| OTHER ACTIVITIES | 12,357 | 5,290 | 34 | 3,393 | 21,074 | 20,467 | 607 |
| Certificates of Bank Deposit | 11,234 | 5,290 | 34 | 3,393 | 19,951 | 19,951 | - |
| Other | 1,123 | - | - | - | 1,123 | 516 | 607 |
| III. SECURITIES HELD TO MATURITY (7) | 55,273 | - | 90,120 | 4,369,263 | 4,514,656 | 4,514,656 | - |
| - FINANCIAL | 55,273 | - | 90,120 | 1,442,317 | 1,587,710 | 1,587,710 | - |
| | 53,746 | - | - | 1,440,204 | 1,493,950 | 1,493,950 | - |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | |
|---|------------------|------------------|------------------|-------------------|-------------------|-------------------|-----------------|
| Brazilian Foreign Debt Notes | | | | | | | |
| Federal Treasury Notes | - | - | 90,120 | - | 90,120 | 90,120 | - |
| Central Bank Notes | 1,017 | - | - | - | 1,017 | 1,017 | - |
| Financial Treasury Notes | - | - | - | 1,036 | 1,036 | 1,036 | - |
| Other | 510 | - | - | 1,077 | 1,587 | 1,587 | - |
| - PRIVATE PENSION PLAN | | | | | | | |
| Federal Treasury Notes | - | - | - | 2,926,946 | 2,926,946 | 2,926,946 | - |
| IV. DERIVATIVE FINANCIAL INSTRUMENTS (ASSETS) | 717,832 | 73,199 | 11,418 | 15,549 | 817,998 | 806,888 | 11,110 |
| - FINANCIAL | 716,731 | 73,199 | 11,418 | 15,549 | 816,897 | 805,787 | 11,110 |
| Derivative financial instruments | 716,731 | 73,199 | 11,418 | 15,549 | 816,897 | 805,787 | 11,110 |
| OTHER ACTIVITIES | 1,101 | - | - | - | 1,101 | 1,101 | - |
| Derivative financial instruments | 1,101 | - | - | - | 1,101 | 1,101 | - |
| TOTAL IN 2004 | 5,296,337 | 6,296,787 | 7,808,008 | 36,811,380 | 56,212,512 | 56,256,267 | (43,755) |
| TOTAL IN 2003 | 8,840,080 | 4,276,295 | 7,177,181 | 22,501,976 | 42,795,532 | 42,609,319 | 186,213 |
| DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES) | | | | | | | |
| TOTAL IN 2004 | (711,648) | (22,093) | (37,196) | (13,419) | (784,356) | (773,700) | (10,656) |
| TOTAL IN 2003 | (225,629) | (29,086) | (26,801) | (28,273) | (309,789) | (285,515) | (24,274) |

- (1) Investment in fund quotas were distributed based on the securities comprising their portfolios, maintaining the fund category classification.
- (2) Securities of Banco BEM, in the amount of R\$ 521,065 thousand, comprising mainly financial treasury notes, which were classified in securities held to maturity, were reclassified at June 30, 2004, of which an amount of R\$ 499,461 thousand was reclassified to trading securities, decreasing results by R\$ 6,648 thousand, net of tax effects and R\$ 21,604 thousand to securities available for sale, decreasing the specific stockholders' equity account in the amount of R\$ 3,667 thousand, net of tax effects, and in Banco Zogbi, equity securities in the amount of R\$ 5,033 thousand, classified as trading securities, were transferred to securities available for sale, with no effect on results, pursuant to BACEN Circular 3068, in line with the portfolio profile of Banco Bradesco, the banks' new parent company.
- (3) Investment fund and managed portfolio resources invested in purchase and sale commitments with Banco Bradesco, the investors in which are subsidiary companies, included in the consolidated financial statements.
- (4) The number of days to maturity was based on the maturity of the securities, regardless of accounting classification.
- (5) This column reflects book value subsequent to mark-to-market, except for securities held to maturity, whose market value is higher than book value by R\$ 761,775 thousand (June 30, 2003 - R\$ 240,991 thousand).
- (6)

Edgar Filing: BANK BRADESCO - Form 6-K

The market value of securities is determined based on the market price practiced on the balance sheet date. In the event no market prices are available, amounts are estimated based on the prices quoted by dealers, on price definition models, quotation models or quotations for instruments with similar characteristics.

- (7) In compliance with the provisions of Article 8 of BACEN Circular 3068, 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. This financial capacity is evidenced in Note 7, which presents the maturities of asset and liability operations at the base date of June 30, 2004.

d) Composition of the portfolios by account:

At June 30 In thousands of reais

| | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | CONSOLIDATED BRADESCO | BRADESCO |
|---|------------------|---------------------|----------------------|--------------------|-----------------------|------------------|
| Own portfolio | 4,538,650 | 5,715,438 | 4,230,362 | 33,612,114 | 48,096,564 | 7,491,696 |
| Fixed income securities | 2,711,748 | 5,715,438 | 4,230,362 | 33,612,114 | 46,269,662 | 7,421,612 |
| Financial Treasury Notes | 1,010,631 | 2,379,030 | 1,471,569 | 12,493,972 | 17,355,202 | 23,711 |
| Purchase and sale commitments (1) | 240,843 | 3,004,293 | 32,951 | 5,259,303 | 8,537,390 | - |
| Federal Treasury Notes | 303,330 | 7,079 | 75,678 | 7,044,113 | 7,430,200 | 180,266 |
| Brazilian Foreign Debt Notes | 179,601 | - | - | 4,984,637 | 5,164,238 | 5,069,228 |
| National Treasury Bonds | 300,748 | 61,763 | 2,560,518 | 75,693 | 2,998,722 | 276,312 |
| Foreign securities | 26,110 | 27,205 | 62,258 | 1,384,768 | 1,500,341 | 1,365,194 |
| Debentures | 108,334 | 3,280 | 10,720 | 1,147,226 | 1,269,560 | 82,172 |
| Certificates of Bank Deposit | 200,539 | 98,387 | 4,360 | 817,033 | 1,120,319 | 79,622 |
| Other | 341,612 | 134,401 | 12,308 | 405,369 | 893,690 | 345,107 |
| Equity securities | 1,826,902 | - | - | - | 1,826,902 | 70,084 |
| Shares and quotas (other) | 1,826,902 | - | - | - | 1,826,902 | 70,084 |
| Subject to commitments | 757,687 | 581,349 | 3,577,646 | 3,199,266 | 8,115,948 | 9,839,417 |
| Repurchase agreements | 32,322 | 2,945 | 8,040 | 1,575,730 | 1,619,037 | 3,213,464 |
| Brazilian Foreign Debt Notes | 26,699 | - | - | 1,373,587 | 1,400,286 | 1,400,286 |
| Financial Treasury Notes | 4,606 | 1,795 | 824 | 177,691 | 184,916 | 38,809 |
| National Treasury Bonds | - | - | 3,614 | 10,254 | 13,868 | 13,868 |
| Federal Treasury Notes | - | 1,150 | 3,602 | 8,476 | 13,228 | 13,228 |
| Central Bank Notes | 1,017 | - | - | 5,722 | 6,739 | 6,739 |
| Debentures | - | - | - | - | - | 1,740,534 |
| Central Bank Notes | 572 | 336,225 | 2,806,642 | 858,078 | 4,001,517 | 3,985,135 |
| National Treasury Bonds | - | 18,886 | 2,672,073 | 279,959 | 2,970,918 | 2,962,263 |
| Federal Treasury Notes | - | 238,863 | 131,919 | 110,025 | 480,807 | 480,807 |
| Financial Treasury Notes | 572 | 14,915 | 2,650 | 422,561 | 440,698 | 432,971 |
| Central Bank Notes | - | 63,561 | - | 45,533 | 109,094 | 109,094 |
| Privatization currencies | 1 | 26,770 | - | 63,125 | 89,896 | 33,934 |
| Collateral provided | 6,960 | 142,210 | 751,546 | 686,784 | 1,587,500 | 1,534,891 |
| National Treasury Bonds | - | 9,413 | 684,993 | 4,090 | 698,496 | 697,279 |
| Federal Treasury Notes | - | 96,402 | 40,509 | 394,701 | 531,612 | 531,612 |
| Financial Treasury Notes | 6,960 | 36,395 | 26,044 | 284,518 | 353,917 | 303,207 |
| Central Bank Notes | - | - | - | 2,793 | 2,793 | 2,793 |
| Equity securities | - | - | - | 682 | 682 | - |
| Derivative financial instruments | 717,832 | 73,199 | 11,418 | 15,549 | 817,998 | 1,071,993 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|----------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| Total in 2004 | 5,296,337 | 6,296,787 | 7,808,008 | 36,811,380 | 56,212,512 | 17,331,113 |
| % | 9.4 | 11.2 | 13.9 | 65.5 | 100.0 | 100.0 |
| Total in 2003 | 8,840,080 | 4,276,295 | 7,177,181 | 22,501,976 | 42,795,532 | 8,816,993 |
| % | 20.7 | 10.0 | 16.8 | 52.5 | 100.0 | 100.0 |

(1) Investment fund and managed portfolio resources invested in purchase and sale commitments with Banco Bradesco, the investors in which are subsidiary companies, included in the consolidated financial statements.

Other investment in fund quotas were distributed based on the securities comprising their portfolios.

The number of days to maturity was based on the maturity of the securities, regardless of accounting classification.

e) Income on securities transactions, financial income on insurance, private pension plans and savings bonds and derivative financial instruments:

| Revenue | Six-month period ended June 30 In thousands of reais | | | |
|--|--|------------------|------------------|------------------|
| | CONSOLIDATED BRADESCO | | BRADESCO | |
| | 2004 | 2003 | 2004 | 2003 |
| Fixed income securities (1) | 1,535,194 | 1,147,867 | 949,157 | 307,361 |
| Interbank investments (Note 9b) | 1,466,653 | 2,258,602 | 1,981,722 | 3,268,892 |
| Allocation of exchange variation of foreign branches | 797,573 | (782,429) | - | - |
| Equity securities | 2,044 | 162,061 | 108 | 13,685 |
| Other | (17) | (107) | - | (7) |
| Subtotal | 3,801,447 | 2,785,994 | 2,930,987 | 3,589,931 |
| Financial income on insurance, private pension plans and savings bonds | 2,426,180 | 2,613,256 | - | - |
| Transactions with derivatives (Note 33c - V) | 126,860 | 13,157 | 139,172 | (245,716) |
| Total | 6,354,487 | 5,412,407 | 3,070,159 | 3,344,215 |

(1) Includes foreign securities.

11) INTERBANK ACCOUNTS - RESTRICTED DEPOSITS

a) Restricted deposits

| Remuneration | At June 30 - In thousands of reais | | | | |
|---|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | CONSOLIDATED BRADESCO | | BRADESCO | | |
| | 2004 | 2003 | 2004 | 2003 | |
| Compulsory deposits - demand deposits | 1 | 4,168,403 | 5,280,237 | 4,140,561 | 4,848,395 |
| Compulsory deposits - savings account deposits | 2 | 4,462,917 | 4,130,582 | 4,453,474 | 3,864,038 |
| Additional compulsory deposits | 3 | 5,006,109 | 4,380,821 | 5,006,109 | 3,860,101 |
| Restricted deposits - National Housing System (SFH) | 4 | 318,770 | 384,536 | 169,608 | 156,070 |
| Funds from agricultural loans | 4 | 578 | 578 | 578 | 578 |
| Total | | 13,956,777 | 14,176,754 | 13,770,330 | 12,729,182 |

(1) Without remuneration.

(2) Remunerated at the same rate as savings account deposits.

(3) Remunerated based on the variation in the Brazilian Central Bank reference rate (SELIC).

(4) Remunerated based on the reference rate (TR)

b) Compulsory deposits income on restricted deposits

At June 30 In thousands of reais

Edgar Filing: BANK BRADESCO - Form 6-K

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---|-----------------------|----------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Restricted deposits - BACEN (compulsory deposits) | 536,598 | 708,109 | 509,978 | 639,069 |
| Restricted deposits - National Housing System (SFH) | 21,055 | 22,814 | 11,989 | 8,048 |
| Total | 557,653 | 730,923 | 521,967 | 647,117 |

12) CREDIT OPERATIONS

The information relating to credit operations including advances on foreign exchange contracts, leasing operations and other receivables is presented as follows:

- a) Credit operations by type and maturity.
- b) Credit operations arising from new acquisitions.
- c) Credit operations by type and risk levels.
- d) Concentration of credit operations.
- e) Credit operations by activity sector.
- f) Composition of credit operations and allowance for loan losses.
- g) Movement of the allowance for loan losses.
- h) Recovery and renegotiation of credit operations.
- i) Income on credit operations.

- a) Credit operations by type and maturity

At June 30 In thousand of reais

| CONSOLIDATED BRADESCO | | | | | | | | | | |
|---|-------------------|--------------------|--------------------|---------------------|----------------------|--------------------|-------------------|--------------|-------------------|--------------|
| Normal course | | | | | | | | | | |
| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | More than 360 days | Total in 2004 (A) | % | Total in 2003 (A) | % |
| Discount of trade receivables and other loans | 5,967,826 | 3,675,635 | 2,744,327 | 3,251,193 | 2,965,575 | 5,008,289 | 23,612,845 | 38.6 | 22,381,565 | 41.1 |
| Financings | 1,632,067 | 1,149,337 | 1,190,279 | 2,110,354 | 3,421,306 | 7,791,575 | 17,294,918 | 28.2 | 14,679,205 | 27.0 |
| Rural and agribusiness loans | 266,492 | 149,759 | 267,959 | 787,832 | 1,019,274 | 3,066,872 | 5,558,188 | 9.1 | 3,968,686 | 7.3 |
| Subtotal | 7,866,385 | 4,974,731 | 4,202,565 | 6,149,379 | 7,406,155 | 15,866,736 | 46,465,951 | 75.9 | 41,029,456 | 75.4 |
| Leasing operations | 95,684 | 74,386 | 73,168 | 194,918 | 302,823 | 506,854 | 1,247,833 | 2.0 | 1,393,283 | 2.5 |
| Advances on foreign exchange contracts (1) | 1,875,459 | 889,424 | 844,021 | 1,741,220 | 873,166 | - | 6,223,290 | 10.2 | 5,764,290 | 10.6 |
| Subtotal | 9,837,528 | 5,938,541 | 5,119,754 | 8,085,517 | 8,582,144 | 16,373,590 | 53,937,074 | 88.1 | 48,187,029 | 88.5 |
| Other receivables (2) | 96,997 | 24,198 | 15,076 | 103,367 | 72,162 | 244,609 | 556,409 | 0.9 | 709,337 | 1.3 |
| Total credit operations (3) | 9,934,525 | 5,962,739 | 5,134,830 | 8,188,884 | 8,654,306 | 16,618,199 | 54,493,483 | 89.0 | 48,896,366 | 89.8 |
| Sureties and guarantees (4) | 191,504 | 108,434 | 112,051 | 516,259 | 668,793 | 5,153,592 | 6,750,633 | 11.0 | 5,581,331 | 10.2 |
| Total in 2004 | 10,126,029 | 6,071,173 | 5,246,881 | 8,705,143 | 9,323,099 | 21,771,791 | 61,244,116 | 100.0 | | |
| Total in 2003 | 10,691,420 | 7,674,496 | 4,759,592 | 7,499,657 | 8,091,035 | 15,761,497 | | | 54,477,697 | 100.0 |

At June 30 In thousands of reais

CONSOLIDATED BRADESCO

Abnormal course

Past Due Installments

Edgar Filing: BANK BRADESCO - Form 6-K

| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 720 days | Total in 2004 (B) | % | Total in 2003 (B) | % |
|---|------------------|-----------------------|-----------------------|------------------------|-------------------------|----------------------|--------------|----------------------|--------------|
| Discount of trade receivables and other loans | 215,876 | 181,070 | 202,506 | 331,601 | 384,762 | 1,315,815 | 73.7 | 1,382,491 | 75.6 |
| Financings | 77,237 | 55,228 | 31,554 | 64,376 | 72,684 | 301,079 | 16.9 | 287,041 | 15.7 |
| Rural and agribusiness loans | 2,968 | 3,965 | 1,002 | 5,793 | 25,477 | 39,205 | 2.2 | 29,575 | 1.6 |
| Subtotal | 296,081 | 240,263 | 235,062 | 401,770 | 482,923 | 1,656,099 | 92.8 | 1,699,107 | 92.9 |
| Leasing operations | 5,501 | 4,411 | 3,453 | 8,107 | 11,555 | 33,027 | 1.8 | 30,488 | 1.7 |
| Advances on foreign exchange contracts (1) | 14,972 | 5,618 | 9,920 | 4,623 | 265 | 35,398 | 2.0 | 44,868 | 2.5 |
| Subtotal | 316,554 | 250,292 | 248,435 | 414,500 | 494,743 | 1,724,524 | 96.6 | 1,774,463 | 97.1 |
| Other receivables (2) | 10,763 | 1,545 | 513 | 464 | 47,739 | 61,024 | 3.4 | 53,022 | 2.9 |
| Total credit operations (3) | 327,317 | 251,837 | 248,948 | 414,964 | 542,482 | 1,785,548 | 100.0 | 1,827,485 | 100.0 |
| Sureties and guarantees (4) | - | - | - | - | - | - | - | - | - |
| Total in 2004 | 327,317 | 251,837 | 248,948 | 414,964 | 542,482 | 1,785,548 | 100.0 | | |
| Total in 2003 | 371,564 | 279,408 | 217,853 | 430,040 | 528,620 | | | 1,827,485 | 100.0 |

At June 30 In thousands of reais

CONSOLIDATED BRADESCO

Abnormal course

Installments Falling Due

Total

| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | More than 360 days | Total in 2004 (C) | % | Total in 2003 (C) | % | 2004 (A+B+C) | % | 2003 (A+B+C) | % |
|---|------------------|--------------------------|--------------------------|---------------------------|----------------------------|--------------------------|----------------------|--------------|----------------------|--------------|-------------------|--------------|-------------------|--------------|
| Discount of trade receivables and other loans | 98,114 | 75,920 | 72,910 | 161,445 | 181,063 | 212,953 | 802,405 | 37.8 | 1,061,670 | 45.7 | 25,731,065 | 39.5 | 24,825,726 | 42.3 |
| Financings | 83,954 | 61,637 | 60,685 | 165,149 | 266,093 | 581,727 | 1,219,245 | 57.5 | 1,115,619 | 48.0 | 18,815,242 | 28.8 | 16,081,865 | 27.4 |
| Rural and agribusiness loans | 742 | 639 | 678 | 1,629 | 3,359 | 8,385 | 15,432 | 0.7 | 9,275 | 0.4 | 5,612,825 | 8.6 | 4,007,536 | 6.9 |
| Subtotal | 182,810 | 138,196 | 134,273 | 328,223 | 450,515 | 803,065 | 2,037,082 | 96.0 | 2,186,564 | 94.1 | 50,159,132 | 76.9 | 44,915,127 | 76.6 |
| Leasing operations | 5,510 | 4,531 | 4,501 | 12,176 | 18,049 | 26,349 | 71,116 | 3.3 | 97,266 | 4.2 | 1,351,976 | 2.1 | 1,521,037 | 2.6 |
| Advances on foreign exchange contracts (1) | - | - | - | - | - | - | - | - | 4,895 | 0.2 | 6,258,688 | 9.6 | 5,814,053 | 9.9 |
| Subtotal | 188,320 | 142,727 | 138,774 | 340,399 | 468,564 | 829,414 | 2,108,198 | 99.3 | 2,288,725 | 98.5 | 57,769,796 | 88.6 | 52,250,217 | 89.1 |
| Other receivables (2) | 12,488 | 170 | 218 | 552 | 1,807 | - | 15,235 | 0.7 | 35,918 | 1.5 | 632,668 | 1.0 | 798,277 | 1.4 |
| Total credit operations (3) | 200,808 | 142,897 | 138,992 | 340,951 | 470,371 | 829,414 | 2,123,433 | 100.0 | 2,324,643 | 100.0 | 58,402,464 | 89.6 | 53,048,494 | 90.5 |
| Sureties and guarantees (4) | - | - | - | - | - | - | - | - | - | - | 6,750,633 | 10.4 | 5,581,331 | 9.5 |
| Total in 2004 | 200,808 | 142,897 | 138,992 | 340,951 | 470,371 | 829,414 | 2,123,433 | 100.0 | | | 65,153,097 | 100.0 | | |
| Total in 2003 | 247,964 | 170,260 | 135,972 | 374,392 | 501,420 | 894,635 | | | 2,324,643 | 100.0 | | | 58,629,825 | 100.0 |

On an unconsolidated basis, normal course operations determined on the same bases as in the above exhibit total R\$ 53,751,544 thousand (June 30, 2003 - R\$ 37,030,748 thousand), past-due installments total R\$ 1,515,063 thousand (June 30, 2003 - R\$ 1,420,121 thousand) and installments falling due total R\$ 1,388,195 thousand (June 30, 2003 - R\$ 1,454,680 thousand).

- (1) Advances on foreign exchange contracts and advances in foreign currency granted are recorded as a reduction of Other Liabilities.
 - (2) Other Receivables comprise receivables on guarantees honored, receivables on purchase of assets, credit instruments receivable; income receivable on foreign exchange contracts and receivables arising from export contracts.
 - (3) Includes credit operation financings in the amount of R\$ 775,222 thousand (June 30, 2003 - R\$ 750,682 thousand). Other receivables relating to credit cards in the amount of R\$ 1,303,072 thousand (June 30, 2003 - R\$ 854,348 thousand) are presented in Note 13b.
 - (4) Recorded in memorandum accounts.
- b) Credit operations arising from new acquisitions

Banco BEM S.A. and Banco Zogbi S.A.

Edgar Filing: BANK BRADESCO - Form 6-K

At March 31, 2004 In thousands of reais

| | |
|------------------------|----------------|
| Credit operations | 535,385 |
| Leasing operations | 31 |
| Other receivables | 5,724 |
| Total | 541,140 |
| Normal course | 428,027 |
| Abnormal course | 113,113 |

c) Credit operations by type and risk level

At June 30 In thousands of reais

| CONSOLIDATED BRADESCO | | | | | | | | | | | | | |
|---|-------------------|-------------------|------------------|------------------|------------------|----------------|----------------|----------------|------------------|-------------------|--------------|-------------------|--------------|
| RISK LEVELS | | | | | | | | | | | | | |
| CREDIT OPERATIONS | AA | A | B | C | D | E | F | G | H | TOTAL IN 2004 | % | TOTAL IN 2003 | % |
| Discount of trade receivables and other loans | 7,410,808 | 10,136,170 | 1,947,934 | 3,363,765 | 741,185 | 235,508 | 313,237 | 192,934 | 1,389,524 | 25,731,065 | 44.1 | 24,825,726 | 46.8 |
| Financings | 4,092,653 | 8,477,834 | 1,607,329 | 3,632,797 | 294,068 | 102,705 | 140,754 | 72,298 | 394,804 | 18,815,242 | 32.2 | 16,081,865 | 30.3 |
| Rural and agribusiness loans | 612,684 | 1,919,064 | 879,230 | 1,322,494 | 516,198 | 53,803 | 171,855 | 104,393 | 33,104 | 5,612,825 | 9.6 | 4,007,536 | 7.5 |
| Subtotal | 12,116,145 | 20,533,068 | 4,434,493 | 8,319,056 | 1,551,451 | 392,016 | 625,846 | 369,625 | 1,817,432 | 50,159,132 | 85.9 | 44,915,127 | 84.6 |
| Leasing operations | 19,022 | 163,508 | 205,729 | 801,365 | 47,887 | 20,469 | 37,209 | 8,118 | 48,669 | 1,351,976 | 2.3 | 1,521,037 | 2.9 |
| Advances on foreign exchange contracts | 3,634,313 | 1,292,947 | 868,983 | 368,975 | 23,731 | 2,384 | 61,242 | - | 6,113 | 6,258,688 | 10.7 | 5,814,053 | 11.0 |
| Subtotal | 15,769,480 | 21,989,523 | 5,509,205 | 9,489,396 | 1,623,069 | 414,869 | 724,297 | 377,743 | 1,872,214 | 57,769,796 | 98.9 | 52,250,217 | 98.5 |
| Other receivables | 196,455 | 160,973 | 72,606 | 121,847 | 6,526 | 1,009 | 9,635 | 5,885 | 57,732 | 632,668 | 1.1 | 798,277 | 1.5 |
| Total credit operations in 2004 | 15,965,935 | 22,150,496 | 5,581,811 | 9,611,243 | 1,629,595 | 415,878 | 733,932 | 383,628 | 1,929,946 | 58,402,464 | 100.0 | | |
| % | 27.3 | 37.9 | 9.6 | 16.5 | 2.8 | 0.7 | 1.2 | 0.7 | 3.3 | 100.0 | | | |
| Total credit operations in 2003 | 15,503,675 | 19,406,975 | 3,950,017 | 8,971,757 | 1,840,682 | 479,029 | 432,473 | 405,811 | 2,058,075 | | | 53,048,494 | 100.0 |
| % | 29.2 | 36.6 | 7.4 | 16.9 | 3.5 | 0.9 | 0.8 | 0.8 | 3.9 | | | 100.0 | |

At June 30 In thousands of reais

| BRADESCO | | | | | | | | | | | | | |
|---|-------------------|-------------------|------------------|------------------|------------------|----------------|----------------|----------------|------------------|-------------------|-------------|-------------------|-------------|
| RISK LEVELS | | | | | | | | | | | | | |
| CREDIT OPERATIONS | AA | A | B | C | D | E | F | G | H | TOTAL IN 2004 | % | TOTAL IN 2003 | % |
| Discount of trade receivables and other loans | 7,063,950 | 9,894,689 | 1,912,707 | 3,358,893 | 736,822 | 230,996 | 309,433 | 190,549 | 1,356,867 | 25,054,906 | 50.2 | 18,576,931 | 51.3 |
| Financings | 4,092,383 | 3,054,580 | 1,227,164 | 3,349,160 | 247,813 | 74,229 | 113,875 | 48,776 | 293,415 | 12,501,395 | 25.0 | 8,189,267 | 22.6 |
| Rural and agribusiness loans | 612,684 | 1,918,998 | 879,229 | 1,322,494 | 516,198 | 53,803 | 171,855 | 104,393 | 33,104 | 5,612,758 | 11.3 | 3,668,236 | 10.1 |
| Subtotal | 11,769,017 | 14,868,267 | 4,019,100 | 8,030,547 | 1,500,833 | 359,028 | 595,163 | 343,718 | 1,683,386 | 43,169,059 | 86.5 | 30,434,434 | 84.0 |
| Advances on foreign exchange contracts | 3,634,313 | 1,292,947 | 868,983 | 368,975 | 23,731 | 2,384 | 61,242 | - | 6,113 | 6,258,688 | 12.5 | 5,324,201 | 14.7 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | | | | | | |
|--|-------------------|-------------------|------------------|------------------|------------------|----------------|----------------|----------------|------------------|-------------------|--------------|-------------------|--------------|
| Subtotal | 15,403,330 | 16,161,214 | 4,888,083 | 8,399,522 | 1,524,564 | 361,412 | 656,405 | 343,718 | 1,689,499 | 49,427,747 | 99.0 | 35,758,635 | 98.7 |
| Other receivables | 159,732 | 160,008 | 57,613 | 113,206 | 6,163 | 761 | 4,778 | 103 | 6,119 | 508,483 | 1.0 | 458,223 | 1.3 |
| Total credit operations in 2004 | 15,563,062 | 16,321,222 | 4,945,696 | 8,512,728 | 1,530,727 | 362,173 | 661,183 | 343,821 | 1,695,618 | 49,936,230 | 100.0 | | |
| % | 31.2 | 32.7 | 9.9 | 17.0 | 3.1 | 0.7 | 1.3 | 0.7 | 3.4 | 100.0 | | | |
| Total credit operations in 2003 | 12,250,557 | 11,127,447 | 2,488,028 | 6,642,137 | 1,350,852 | 331,885 | 276,319 | 321,125 | 1,428,508 | | | 36,216,858 | 100.0 |
| % | 33.8 | 30.7 | 6.9 | 18.4 | 3.7 | 0.9 | 0.8 | 0.9 | 3.9 | | | 100.0 | |

d) Concentration of credit operations

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|--|-----------------------|------------|------------|------------|
| | 2004 | 2003 | 2004 | 2003 |
| Largest borrower | 778,744 | 783,795 | 774,967 | 783,735 |
| Percentage of total credit operation portfolio | 1.3% | 1.5% | 1.6% | 2.2% |
| 10 largest borrowers | 5,536,330 | 4,871,243 | 5,517,797 | 4,223,658 |
| Percentage of total credit operation portfolio | 9.5% | 9.2% | 11.0% | 11.7% |
| 20 largest borrowers | 8,496,504 | 7,926,324 | 8,343,237 | 6,605,547 |
| Percentage of total credit operation portfolio | 14.5% | 14.9% | 16.7% | 18.2% |
| 50 largest borrowers | 14,028,458 | 13,264,813 | 13,631,129 | 11,066,170 |
| Percentage of total credit operation portfolio | 24.0% | 25.0% | 27.3% | 30.6% |
| 100 largest borrowers | 18,234,385 | 17,305,236 | 17,814,725 | 14,299,583 |
| Percentage of total credit operation portfolio | 31.2% | 32.6% | 35.7% | 39.5% |

e) Credit operations by activity sector

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | | | BRADESCO | | | |
|---|-----------------------|------------|----------------|------------|----------------|------------|---------------|------------|
| | 2004 | % | 2003 | % | 2004 | % | 2003 | % |
| PUBLIC SECTOR | 608,542 | 1.0 | 196,511 | 0.4 | 605,883 | 1.2 | 60,248 | 0.2 |
| FEDERAL GOVERNMENT | 397,155 | 0.6 | 196,007 | 0.4 | 397,155 | 0.8 | 60,050 | 0.2 |
| Petrochemical | 188,497 | 0.3 | 196,007 | 0.4 | 188,497 | 0.4 | 60,050 | 0.2 |
| Generation and distribution of electric power | 208,658 | 0.3 | - | - | 208,658 | 0.4 | - | - |
| STATE GOVERNMENT | 208,728 | 0.4 | - | - | 208,728 | 0.4 | - | - |
| Generation and distribution of electric power | 208,728 | 0.4 | - | - | 208,728 | 0.4 | - | - |
| MUNICIPAL GOVERNMENT | 2,659 | - | 504 | - | - | - | 198 | - |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|--|-------------------|-------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|
| Direct administration | 2,659 | - | 504 | - | - | - | 198 | - |
| PRIVATE SECTOR | 57,793,922 | 99.0 | 52,851,983 | 99.6 | 49,330,347 | 98.8 | 36,156,610 | 99.8 |
| MANUFACTURING | 18,530,341 | 31.7 | 17,149,578 | 32.4 | 17,714,970 | 35.5 | 13,675,444 | 37.7 |
| Food and beverage | 4,707,304 | 8.1 | 3,237,103 | 6.1 | 4,591,980 | 9.2 | 2,741,296 | 7.6 |
| Steel, metallurgical and mechanical | 3,376,818 | 5.8 | 3,823,635 | 7.2 | 3,056,781 | 6.1 | 3,134,073 | 8.7 |
| Light and heavy vehicles | 1,967,547 | 3.4 | 1,331,878 | 2.5 | 1,961,279 | 3.9 | 1,088,054 | 3.0 |
| Chemical | 1,237,359 | 2.1 | 1,628,059 | 3.1 | 1,159,299 | 2.3 | 1,087,992 | 3.0 |
| Paper and pulp | 1,235,963 | 2.1 | 1,067,455 | 2.0 | 1,193,934 | 2.4 | 846,783 | 2.3 |
| Electro-electronics | 844,933 | 1.4 | 624,883 | 1.2 | 831,327 | 1.7 | 490,470 | 1.3 |
| Textiles and clothing | 807,717 | 1.4 | 852,902 | 1.6 | 790,461 | 1.6 | 708,857 | 2.0 |
| Rubber and plastic articles | 687,693 | 1.2 | 728,187 | 1.4 | 652,613 | 1.3 | 660,584 | 1.8 |
| Oil refining and production of alcohol | 536,043 | 0.9 | 378,215 | 0.7 | 476,889 | 1.0 | 292,862 | 0.8 |
| Furniture and wood products | 514,889 | 0.9 | 507,662 | 1.0 | 489,844 | 1.0 | 415,622 | 1.1 |
| Publishing, printing and reproduction | 508,111 | 0.9 | 600,257 | 1.1 | 472,677 | 0.9 | 515,279 | 1.4 |
| Automotive parts and accessories | 409,268 | 0.7 | 418,307 | 0.8 | 397,757 | 0.8 | 387,219 | 1.1 |
| Extraction of metallic and non-metallic ores | 360,517 | 0.6 | 391,357 | 0.7 | 347,657 | 0.7 | 348,134 | 1.0 |
| Leather articles | 316,696 | 0.5 | 318,749 | 0.6 | 307,410 | 0.6 | 235,634 | 0.6 |
| Non-metallic materials | 284,434 | 0.5 | 242,401 | 0.5 | 268,046 | 0.5 | 237,851 | 0.7 |
| Other industries | 735,049 | 1.2 | 998,528 | 1.9 | 717,016 | 1.5 | 484,734 | 1.3 |
| COMMERCE | 8,697,696 | 14.9 | 8,616,974 | 16.3 | 8,243,174 | 16.5 | 6,023,980 | 16.7 |
| Speciality store products | 1,884,640 | 3.2 | 1,459,880 | 2.8 | 1,749,491 | 3.5 | 1,148,388 | 3.2 |
| Food, beverage and tobacco products | 1,109,734 | 1.9 | 1,120,330 | 2.1 | 1,046,057 | 2.1 | 567,832 | 1.6 |
| Non-specialized retailers | 1,092,860 | 1.9 | 495,491 | 0.9 | 1,050,499 | 2.1 | 458,872 | 1.3 |
| Articles for personal use and for use in the home | 722,474 | 1.2 | 350,187 | 0.7 | 691,992 | 1.4 | 311,120 | 0.9 |
| Waste material and scrap | 591,313 | 1.0 | 608,770 | 1.1 | 561,861 | 1.1 | 592,522 | 1.6 |
| General merchandise wholesalers | 574,348 | 1.0 | 1,549,816 | 2.9 | 548,066 | 1.1 | 1,144,375 | 3.2 |
| Agricultural products | 553,304 | 0.9 | 246,821 | 0.5 | 551,402 | 1.1 | 184,729 | 0.5 |
| Vehicles | 506,407 | 0.9 | 533,561 | 1.0 | 484,832 | 1.0 | 314,357 | 0.9 |
| Clothing and footwear | 405,112 | 0.7 | 426,761 | 0.8 | 393,233 | 0.8 | 328,180 | 0.9 |
| Fuel | 393,777 | 0.7 | 271,896 | 0.5 | 362,856 | 0.7 | 227,459 | 0.6 |
| Repairs, parts and accessories for vehicles | 386,529 | 0.7 | 287,715 | 0.5 | 353,873 | 0.7 | 268,931 | 0.7 |
| Commercial intermediary | 337,599 | 0.6 | 361,580 | 0.7 | 325,339 | 0.7 | 335,102 | 0.9 |
| Other commerce | 139,599 | 0.2 | 904,166 | 1.8 | 123,673 | 0.2 | 142,113 | 0.4 |
| FINANCIAL INTERMEDIATION | 846,188 | 1.5 | 605,216 | 1.1 | 825,515 | 1.7 | 580,049 | 1.6 |
| SERVICES | 10,799,624 | 18.5 | 11,247,762 | 21.0 | 9,725,842 | 19.5 | 6,617,760 | 18.3 |
| Telecommunications | 2,313,480 | 4.0 | 2,113,635 | 3.9 | 2,302,298 | 4.6 | 1,552,242 | 4.3 |
| Transport and storage | 2,291,611 | 3.9 | 1,863,992 | 3.5 | 1,884,874 | 3.8 | 816,982 | 2.2 |
| Real estate activities, rents and corporate services | 1,752,785 | 3.0 | 1,503,732 | 2.8 | 1,557,247 | 3.1 | 1,018,953 | 2.8 |
| Production and distribution of electric power, gas and water | 1,241,509 | 2.1 | 1,293,451 | 2.4 | 1,236,315 | 2.4 | 1,014,588 | 2.8 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|---|-----------|-----|-----------|-----|-----------|-----|-----------|-----|
| Civil construction | 1,340,778 | 2.3 | 1,614,316 | 3.0 | 1,231,970 | 2.5 | 1,044,898 | 2.9 |
| Social services, education, health, defense and social security | 625,329 | 1.1 | 565,026 | 1.1 | 546,671 | 1.1 | 319,897 | 0.9 |
| Clubs, leisure, cultural and sports activities | 455,811 | 0.8 | 375,753 | 0.7 | 450,478 | 0.9 | 176,346 | 0.5 |
| Hotel and catering | 221,436 | 0.4 | 210,487 | 0.4 | 202,487 | 0.4 | 180,156 | 0.5 |
| Holdings, legal, accounting and business advisory services | 195,977 | 0.3 | 501,911 | 0.9 | 145,257 | 0.3 | 364,188 | 1.0 |
| Other services | 360,908 | 0.6 | 1,205,459 | 2.3 | 168,245 | 0.4 | 129,510 | 0.4 |

**AGRICULTURE,
LIVESTOCK RAISING,
FISHING, FOREST
DEVELOPMENT AND
MANAGEMENT**

| | | | | | | | | |
|--|------------------|------------|----------------|------------|------------------|------------|----------------|------------|
| | 1,091,944 | 1.9 | 826,171 | 1.6 | 1,065,222 | 2.1 | 704,598 | 1.9 |
|--|------------------|------------|----------------|------------|------------------|------------|----------------|------------|

| | | | | | | | | |
|--------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|------------------|-------------|
| INDIVIDUALS | 17,828,129 | 30.5 | 14,406,282 | 27.2 | 11,755,624 | 23.5 | 8,554,779 | 23.6 |
|--------------------|-------------------|-------------|-------------------|-------------|-------------------|-------------|------------------|-------------|

| | | | | | | | | |
|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|
| Total | 58,402,464 | 100.0 | 53,048,494 | 100.0 | 49,936,230 | 100.0 | 36,216,858 | 100.0 |
|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|-------------------|--------------|

f) Composition of credit operations and allowance for loan losses

At June 30 In thousands of reais

CONSOLIDATED BRADESCO

Portfolio Balance

Abnormal Course

| Risk Level | Past Due | Falling Due | Total abnormal course | Normal course | TOTAL | % | % Accumulated in 2004 | % Accumulated in 2003 |
|----------------------|------------------|------------------|-----------------------|-------------------|-------------------|--------------|-----------------------|-----------------------|
| AA | - | - | - | 15,965,935 | 15,965,935 | 27.3 | 27.3 | 29.2 |
| A | - | - | - | 22,150,496 | 22,150,496 | 37.9 | 65.2 | 65.8 |
| B | 107,631 | 451,818 | 559,449 | 5,022,362 | 5,581,811 | 9.6 | 74.8 | 73.2 |
| C | 174,831 | 525,311 | 700,142 | 8,911,101 | 9,611,243 | 16.5 | 91.3 | 90.1 |
| Subtotal | 282,462 | 977,129 | 1,259,591 | 52,049,894 | 53,309,485 | 91.3 | | |
| D | 168,353 | 257,544 | 425,897 | 1,203,698 | 1,629,595 | 2.8 | 94.1 | 93.6 |
| E | 124,564 | 146,785 | 271,349 | 144,529 | 415,878 | 0.7 | 94.8 | 94.5 |
| F | 169,080 | 141,141 | 310,221 | 423,711 | 733,932 | 1.2 | 96.0 | 95.3 |
| G | 133,101 | 105,661 | 238,762 | 144,866 | 383,628 | 0.7 | 96.7 | 96.1 |
| H | 907,988 | 495,173 | 1,403,161 | 526,785 | 1,929,946 | 3.3 | 100.0 | 100.0 |
| Subtotal | 1,503,086 | 1,146,304 | 2,649,390 | 2,443,589 | 5,092,979 | 8.7 | | |
| Total in 2004 | 1,785,548 | 2,123,433 | 3,908,981 | 54,493,483 | 58,402,464 | 100.0 | | |
| % | 3.1 | 3.6 | 6.7 | 93.3 | 100.00 | | | |
| Total in 2003 | 1,827,485 | 2,324,643 | 4,152,128 | 48,896,366 | 53,048,494 | | | |
| % | 3.4 | 4.4 | 7.8 | 92.2 | 100.0 | | | |

At June 30 In thousands of reais

CONSOLIDATED BRADESCO

Allowance

Edgar Filing: BANK BRADESCO - Form 6-K

| | | Minimum Requirement | | | Additional | Existing | % 2004 (1) | % 2003 (1) | | |
|----------------------|------------------------------|---------------------|----------------|------------------|------------------|------------------|----------------|------------------|-------------|-------------|
| Risk Level | % Minimum Required Provision | Specific | | | Generic | Total | | | | |
| | | Past Due | Falling Due | Total Specific | | | | | | |
| AA | 0.0 | - | - | - | - | - | - | - | | |
| A | 0.5 | - | - | - | 110,749 | 110,749 | 66,226 | 176,975 | 0.8 | 0.8 |
| B | 1.0 | 1,144 | 4,435 | 5,579 | 50,302 | 55,881 | 19,160 | 75,041 | 1.3 | 1.4 |
| C | 3.0 | 5,245 | 15,759 | 21,004 | 267,333 | 288,337 | 332,633 | 620,970 | 6.5 | 4.9 |
| Subtotal | | 6,389 | 20,194 | 26,583 | 428,384 | 454,967 | 418,019 | 872,986 | 1.6 | 1.4 |
| D | 10.0 | 16,835 | 25,755 | 42,590 | 120,370 | 162,960 | 210,694 | 373,654 | 22.9 | 28.3 |
| E | 30.0 | 37,369 | 44,035 | 81,404 | 43,359 | 124,763 | 68,678 | 193,441 | 46.5 | 45.7 |
| F | 50.0 | 84,540 | 70,571 | 155,111 | 211,855 | 366,966 | 115,256 | 482,222 | 65.7 | 67.3 |
| G | 70.0 | 93,171 | 73,962 | 167,133 | 101,406 | 268,539 | 92,431 | 360,970 | 94.1 | 91.4 |
| H | 100.0 | 907,988 | 495,173 | 1,403,161 | 526,785 | 1,929,946 | - | 1,929,946 | 100.0 | 100.0 |
| Subtotal | | 1,139,903 | 709,496 | 1,849,399 | 1,003,775 | 2,853,174 | 487,059 | 3,340,233 | 65.6 | 66.3 |
| Total in 2004 | | 1,146,292 | 729,690 | 1,875,982 | 1,432,159 | 3,308,141 | 905,078 | 4,213,219 | 7.2 | |
| % | | 27.2 | 17.3 | 44.5 | 34.0 | 78.5 | 21.5 | 100.0 | | |
| Total in 2003 | | 1,177,331 | 828,109 | 2,005,440 | 1,286,274 | 3,291,714 | 817,051 | 4,108,765 | | 7.7 |
| % | | 28.6 | 20.2 | 48.8 | 31.3 | 80.1 | 19.9 | 100.0 | | |

At June 30 In thousands of reais

BRADESCO

Portfolio Balance

Abnormal course

| Risk Level | Past Due | Falling Due | Total abnormal course | Normal Course | TOTAL | % | % | % |
|----------------------|------------------|------------------|-----------------------|-------------------|-------------------|--------------|---------------------|---------------------|
| | | | | | | | Accumulated in 2004 | Accumulated in 2003 |
| AA | - | - | - | 15,563,062 | 15,563,062 | 31.2 | 31.2 | 33.8 |
| A | - | - | - | 16,321,222 | 16,321,222 | 32.7 | 63.9 | 64.5 |
| B | 76,565 | 155,568 | 232,133 | 4,713,563 | 4,945,696 | 9.9 | 73.8 | 71.4 |
| C | 136,918 | 265,413 | 402,331 | 8,110,397 | 8,512,728 | 17.0 | 90.8 | 89.8 |
| Subtotal | 213,483 | 420,981 | 634,464 | 44,708,244 | 45,342,708 | 90.8 | | |
| D | 152,518 | 215,166 | 367,684 | 1,163,043 | 1,530,727 | 3.1 | 93.9 | 93.5 |
| E | 109,331 | 117,060 | 226,391 | 135,782 | 362,173 | 0.7 | 94.6 | 94.4 |
| F | 153,717 | 112,587 | 266,304 | 394,879 | 661,183 | 1.3 | 95.9 | 95.2 |
| G | 114,485 | 89,323 | 203,808 | 140,013 | 343,821 | 0.7 | 96.6 | 96.1 |
| H | 771,529 | 433,078 | 1,204,607 | 491,011 | 1,695,618 | 3.4 | 100.0 | 100.0 |
| Subtotal | 1,301,580 | 967,214 | 2,268,794 | 2,324,728 | 4,593,522 | 9.2 | | |
| Total in 2004 | 1,515,063 | 1,388,195 | 2,903,258 | 47,032,972 | 49,936,230 | 100.0 | | |
| % | 3.0 | 2.8 | 5.8 | 94.2 | 100.0 | | | |
| Total in 2003 | 1,420,121 | 1,309,189 | 2,729,310 | 33,487,548 | 36,216,858 | | | |
| % | 3.9 | 3.6 | 7.5 | 92.5 | 100.0 | | | |

Edgar Filing: BANK BRADESCO - Form 6-K

At June 30 In thousands of reais

| BRADESCO | | | | | | | | | | |
|----------------------------|---|-----------------|--------------------|---------------------------|-------------------|------------------|-------------------|-------------------|-------------|------------|
| Allowance | | | | | | | | | | |
| Minimum Requirement | | | | | Additional | Existing | % 2004 (1) | % 2003 (1) | | |
| Risk Level | % Minimum Required Provision | Specific | | | Generic | TOTAL | | | | |
| | | Past Due | Falling Due | Total Specific | | | | | | |
| AA | 0.0 | - | - | - | - | - | - | - | - | - |
| A | 0.5 | - | - | - | 81,606 | 81,606 | 65,106 | 146,712 | 0.9 | 0.9 |
| B | 1.0 | 766 | 1,556 | 2,322 | 47,136 | 49,458 | 18,572 | 68,030 | 1.4 | 1.4 |
| C | 3.0 | 4,108 | 7,962 | 12,070 | 243,312 | 255,382 | 330,973 | 586,355 | 6.9 | 5.3 |
| Subtotal | | 4,874 | 9,518 | 14,392 | 372,054 | 386,446 | 414,651 | 801,097 | 1.8 | 1.5 |
| D | 10.0 | 15,252 | 21,517 | 36,769 | 116,304 | 153,073 | 208,279 | 361,352 | 23.6 | 29.3 |
| E | 30.0 | 32,799 | 35,118 | 67,917 | 40,735 | 108,652 | 66,077 | 174,729 | 48.2 | 46.5 |
| F | 50.0 | 76,858 | 56,294 | 133,152 | 197,440 | 330,592 | 109,175 | 439,767 | 66.5 | 69.6 |
| G | 70.0 | 80,139 | 62,526 | 142,665 | 98,009 | 240,674 | 83,802 | 324,476 | 94.4 | 89.9 |
| H | 100.0 | 771,529 | 433,078 | 1,204,607 | 491,011 | 1,695,618 | - | 1,695,618 | 100.0 | 100.0 |
| Subtotal | | 976,577 | 608,533 | 1,585,110 | 943,499 | 2,528,609 | 467,333 | 2,995,942 | 65.2 | |
| Total in 2004 | | 981,451 | 618,051 | 1,599,502 | 1,315,553 | 2,915,055 | 881,984 | 3,797,039 | 7.6 | |
| % | | 25.9 | 16.3 | 42.2 | 34.6 | 76.8 | 23.2 | 100.0 | | |
| Total in 2003 | | 928,756 | 528,337 | 1,457,093 | 848,728 | 2,305,821 | 640,143 | 2,945,964 | | 8.1 |
| % | | 31.5 | 18.0 | 49.5 | 28.8 | 78.3 | 21.7 | 100.0 | | |

(1) Existing provision in relation to portfolio, by risk level.

g) Movement of allowance for loan losses

| | | | In thousands of reais | |
|---|--|--|----------------------------------|------------------|
| | | | CONSOLIDATED BRADESCO | BRADESCO |
| At December 31, 2002 | | | 3,665,091 | 2,637,432 |
| Amount recorded | | | 1,395,034 | 1,231,311 |
| Amount written off | | | (1,122,097) | (922,779) |
| Balance derived from acquired institutions (1) | | | 170,737 | - |
| At June 30, 2003 | | | 4,108,765 | 2,945,964 |
| - Specific provision (2) | | | 2,005,440 | 1,457,093 |
| - Generic provision (3) | | | 1,286,274 | 848,728 |
| - Additional provision (4) | | | 817,051 | 640,143 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | |
|---|------------------|------------------|
| At December 31, 2003 | 4,059,300 | 3,146,608 |
| - Specific provision (2) | 1,816,523 | 1,416,740 |
| - Generic provision (3) | 1,383,691 | 1,045,140 |
| - Additional provision (4) | 859,086 | 684,728 |
| Amount recorded | 1,074,548 | 945,305 |
| Amount written off | (997,585) | (855,233) |
| Balance derived from acquired institutions (5) | 76,956 | - |
| Balance derived from merger of Banco BCN (6) | - | 560,359 |
| At June 30, 2004 | 4,213,219 | 3,797,039 |
| - Specific provision (2) | 1,875,982 | 1,599,502 |
| - Generic provision (3) | 1,432,159 | 1,315,553 |
| - Additional provision (4) | 905,078 | 881,984 |

(1) BBV Banco (now Banco Alvorada S.A.).

(2) For operations with installments overdue by more than 14 days.

(3) Recorded based on the customer/transaction classification and accordingly not included in the preceding item.

(4) The additional provision is recorded based on management's experience and expected collection of the credit portfolio, to determine the total allowance deemed sufficient to cover specific and general portfolio risks, as well as the provision calculated based on risk level ratings and the corresponding minimum provision requirements established by CMN Resolution 2682. The additional provision per customer was classified according to the corresponding risk levels (Note 12f).

(5) Banco BEM S.A. and Banco Zogbi S.A.

(6) Balance derived from merger of Banco BCN in the first quarter of 2004.

h) Recovery and renegotiation of credit operations

Expense for provision for loan losses, net of recoveries of written-off credits.

Six-month period ended June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|----------------------------------|-----------------------|------------------|----------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Amount recorded for the period | 1,074,548 | 1,395,034 | 945,305 | 1,231,311 |
| Amount recovered (1) | (229,592) | (212,645) | (183,282) | (159,611) |
| Expense net of recoveries | 844,956 | 1,182,389 | 762,023 | 1,071,700 |

(1) These recoveries are classified in income on credit operations.

The total renegotiated operations for the period are presented below:

Six-month period ended June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---------------------------------|-----------------------|-----------------|----------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Amount renegotiated | 726,372 | 741,144 | 1,013,857 | 557,294 |
| Amount received and written off | (991,847) | (788,109) | (904,547) | (671,819) |
| Total net renegotiations | (265,475) | (46,965) | 109,310 | (114,525) |

i) Income on credit operations

Six-month period ended June 30 In thousands of reais

CONSOLIDATED BRADESCO

BRADESCO

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2004 | 2003 | 2004 | 2003 |
|---|------------------|------------------|------------------|------------------|
| Discount of trade receivables and other loans | 3,825,529 | 3,875,921 | 3,662,109 | 2,933,717 |
| Financings | 2,118,916 | 1,713,753 | 1,097,970 | 759,396 |
| Rural and agribusiness loans | 301,516 | 253,515 | 298,517 | 230,839 |
| Subtotal | 6,245,961 | 5,843,189 | 5,058,596 | 3,923,952 |
| Recovery of credits written off as loss | 229,592 | 212,645 | 183,282 | 159,611 |
| Allocation of exchange variation of foreign branches and subsidiaries | 283,260 | (435,211) | - | - |
| Subtotal | 6,758,813 | 5,620,623 | 5,241,878 | 4,083,563 |
| Leasing, net of expenses | 133,220 | 136,767 | - | - |
| TOTAL | 6,892,033 | 5,757,390 | 5,241,878 | 4,083,563 |

13) OTHER RECEIVABLES

a) Foreign exchange portfolio

Balance sheet accounts:

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---|-----------------------|-------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Assets - Other receivables | | | | |
| Exchange purchases pending settlement | 11,007,742 | 9,246,594 | 11,007,742 | 8,778,917 |
| Foreign exchange acceptances and term documents in foreign currencies | 29,073 | 25,339 | 29,073 | 21,554 |
| Exchange sale receivables | 4,208,654 | 3,941,820 | 4,208,654 | 3,927,411 |
| Less - advances in local currency received | (179,049) | (185,651) | (179,049) | (173,590) |
| Income receivable on advances granted | 59,971 | 102,411 | 59,971 | 91,410 |
| Total | 15,126,391 | 13,130,513 | 15,126,391 | 12,645,702 |
| Liabilities - Other liabilities | | | | |
| Exchange sales pending settlement | 4,221,729 | 3,595,364 | 4,221,285 | 3,579,357 |
| Exchange purchase payables | 10,767,925 | 10,062,135 | 10,767,925 | 9,561,867 |
| Less - Advances on foreign exchange contracts | (6,258,688) | (5,814,053) | (6,258,688) | (5,324,201) |
| Other | 18,885 | 10,094 | 18,885 | 4,743 |
| Total | 8,749,851 | 7,853,540 | 8,749,407 | 7,821,766 |
| Net foreign exchange portfolio | 6,376,540 | 5,276,973 | 6,376,984 | 4,823,936 |
| Memorandum accounts. | | | | |
| Open import credits | 174,892 | 156,085 | 174,892 | 133,548 |
| Foreign exchange transactions: | | | | |

We present below the composition of foreign exchange transactions adjusted to improve the presentation of the effective results:

At June 30 In thousands of reais

CONSOLIDATED BRADESCO BRADESCO

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2004 | 2003 | 2004 | 2003 |
|--|------------------|------------------|------------------|------------------|
| Income on exchange transactions | 1,514,342 | 7,247,518 | 1,506,011 | 6,834,739 |
| Expenses for exchange transactions | (850,939) | (6,979,867) | (847,314) | (6,507,326) |
| Foreign exchange transactions | 663,403 | 267,651 | 658,697 | 327,413 |
| Adjustments: | | | | |
| - Income on export financing (1) | 7,665 | 9,449 | 7,648 | 1,698 |
| - Income on foreign currency financing (1) | 73,995 | 91,378 | 73,434 | 86,292 |
| - Income on foreign investments (2) | 41,585 | 6,313 | 41,282 | 4,763 |
| - Expenses for foreign securities (3) | (5,415) | (4,068) | (5,415) | (4,068) |
| - Expenses for payables to foreign bankers (4) | (683,415) | (236,942) | (678,702) | (319,513) |
| Total adjustments | (565,585) | (133,870) | (561,753) | (230,828) |
| Adjusted foreign exchange transactions | 97,818 | 133,781 | 96,944 | 96,585 |

- (1) Classified in income on credit operations.
(2) Stated in income on securities transactions.
(3) Presented in expenses for interest and charges on deposits.
(4) Funds for financing advances on foreign exchange contracts and import financing, recorded in expenses for borrowings and onlendings.
b) Sundry

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|-----------------------------------|-----------------------|-------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Deferred tax assets (Note 35c) | 6,391,711 | 5,865,058 | 4,015,929 | 2,782,798 |
| Deposits in guarantee | 1,949,494 | 1,603,998 | 986,547 | 569,184 |
| Sundry receivables | 545,259 | 448,090 | 205,440 | 243,505 |
| Credit card operations | 1,303,072 | 594,225 | 1,303,072 | 594,225 |
| Prepaid taxes | 931,271 | 921,481 | 525,555 | 478,394 |
| Receivables on purchase of assets | 401,470 | 447,285 | 349,023 | 345,648 |
| Payments to be reimbursed | 407,552 | 384,705 | 149,373 | 129,184 |
| Credit instruments receivable | 327,509 | 340,532 | 107,218 | 19,808 |
| Other | 140,152 | 104,606 | 68,768 | 55,201 |
| Total | 12,397,490 | 10,709,980 | 7,710,925 | 5,217,947 |

14) OTHER ASSETS

- a) Non-operating assets/other

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | | BRADESCO | | |
|----------|-----------------------|--------------------|----------------|----------|--------------------|----------------|
| | Cost | Provision for loss | Residual value | Cost | Provision for loss | Residual value |
| Property | 323,439 | (159,120) | 164,319 | 140,712 | (62,584) | 78,128 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|-------------------------------------|----------------|------------------|----------------|----------------|------------------|----------------|
| Vehicles and similar | 96,027 | (35,849) | 60,178 | 29,472 | (19,536) | 9,936 |
| Machinery and equipment | 12,452 | (6,841) | 5,611 | 1,976 | (806) | 1,170 |
| Goods subject to special conditions | 43,584 | (39,580) | 4,004 | 32,186 | (32,186) | - |
| Inventories/stores | 18,659 | - | 18,659 | 9,941 | - | 9,941 |
| Other | 7,300 | (2,673) | 4,627 | 707 | (662) | 45 |
| Total in 2004 | 501,461 | (244,063) | 257,398 | 214,994 | (115,774) | 99,220 |
| Total in 2003 (1) | 724,789 | (255,535) | 469,254 | 263,089 | (142,895) | 120,194 |

(1) In 2003, includes inventories of Latasa S.A. sold in October 2003.

b) Prepaid expenses

These comprise mainly expenses for insurance, prepaid financial expenses, expenses for commission on placement of auto sales financing, deferred selling expenses and expenses for the contract to provide banking services at Correios network post-office bank branches, which are amortized on a straight-line basis according to the contract terms.

15) INVESTMENTS

a) We present below the movement of investments in foreign branches and direct and indirect subsidiaries, which were fully eliminated upon consolidation of the financial statements:

In thousands of reais

| Investments in foreign branches and subsidiaries | Balance at December 31, 2003 | Movement for the six-month period (1) | Balance at June 30, | Balance at June 30, |
|--|---------------------------------|---|---------------------|---------------------|
| | | | 2004 | 2003 |
| Bradesco Grand Cayman | 1,305,442 | (111,254) | 1,194,188 | 1,018,219 |
| Alvorada Nassau | 772,693 | 62,832 | 835,525 | 758,028 |
| Banco Bradesco Luxembourg S.A. | 407,024 | (8,049) | 398,975 | 401,993 |
| BCN Grand Cayman | 399,593 | 39,308 | 438,901 | 382,106 |
| Bradesco New York | 402,752 | 32,538 | 435,290 | 398,082 |
| Mercantil - Grand Cayman | 413,887 | (32,258) | 381,629 | 366,435 |
| Bradport SGPS, Sociedade Unipessoal Lda. (2) | 365,453 | 25,751 | 391,204 | - |
| Boavista (Nassau, Grand Cayman and Banking) | 196,615 | 46,810 | 243,425 | 159,907 |
| Cidade Capital Markets Limited | 86,287 | 7,209 | 93,496 | 85,233 |
| Bradesco Securities, Inc. | 64,499 | 1,391 | 65,890 | 59,194 |
| Banco Bradesco Argentina S.A. | 54,985 | (2,277) | 52,708 | 46,882 |
| Bradesco Argentina de Seguros S.A. | 13,369 | 861 | 14,230 | 11,389 |
| Bradesco International Health Service, Inc. | 717 | (349) | 368 | 868 |
| Total | 4,483,316 | 62,513 | 4,545,829 | 3,688,336 |

(1) Includes exchange variation in the amount of R\$ 314,670 thousand, equity accounting in the amount of R\$ 172,564 thousand and mark-to-market adjustment of securities available for sale in the amount of R\$ (424,721) thousand.

(2) Formed in December 2003, through a capital subscription with shares comprising capital stock of Banco Espirito Santo S.A. BES.

b) Composition of investments in the consolidated financial statements:

At June 30 In thousands of reais

| Associated Companies (total percentage ownership) | 2004 | 2003 |
|---|---------------------------------------|---------|
| | IRB Brasil Resseguros S.A. - (21.24%) | 319,302 |
| CP Cimento e Participações S.A. - (12.52%) | 62,679 | 48,578 |
| Marlim Participações S.A. - (11.84%) | 25,450 | 21,820 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | |
|--|------------------|----------------|
| NovaMarlim Participações S.A. - (17.17%) | 22,798 | 22,100 |
| American Bank Note Ltda. - (22.50%) | 27,118 | 16,449 |
| BES Investimentos do Brasil S.A. - BI (19.99%) | 15,634 | 16,456 |
| Other associated companies | 7,134 | 14,769 |
| Total in associated companies | 480,115 | 349,332 |
| Other investments (1) | 525,266 | 166,099 |
| Fiscal incentives | 364,096 | 339,959 |
| Provision for loss: | | |
| - Fiscal incentives | (298,212) | (283,183) |
| - Other investments | (65,241) | (77,614) |
| Total consolidated investments | 1,006,024 | 494,593 |

(1) Includes in 2004, the transfer of the investment in Banco Espirito Santo S.A. BES, from current to permanent assets in the amount of R\$ 379,932 thousand.

c) Equity accounting was recorded in income under equity in the earnings of subsidiary and associated companies and totals R\$ 122,268 thousand (June 30, 2003 - R\$ (32,714) thousand) and R\$ 1,332,107 thousand (June 30, 2003 - R\$ 681,099 thousand) on an unconsolidated basis:

| | | | | | | | | | | In thousands of reais | |
|---|-----------|---------------------|---|---------------|---------------|----------------------|----------------------------|---------------|-------------------------------|-----------------------|------------------|
| Companies | Capital | Adjusted net equity | Number of shares/quotas held (thousand) | | | Percentage ownership | Adjusted net income (loss) | Book value | Equity accounting adjustments | | |
| | | | Bradesco (unconsolidated) | | (26) | | | | | | |
| | | | June 30, 2004 | June 30, 2004 | June 30, 2003 | | | June 30, 2003 | | | |
| CONSOLIDATED SUBSIDIARIES | | | | | | | | | | | |
| A) Financial area | | | | | | | | | | 944,837 | (109,788) |
| Alvorada Leasing Brasil S.A. Arrendamento Mercantil(1)(2) | | | | | | | | | (1,298) | (997) | |
| Banco Alvorada S.A. (1) (3) | 2,739,442 | 2,812,232 | 6,339,047 | - | - | 100.000% | 129,506 | 2,990,150 | 84,377 | 34,988 | |
| Banco Baneb S.A. (1) | 1,475,556 | 1,748,102 | 50,996,253 | 77,366,599 | - | 99.941% | 45,719 | 1,747,070 | 45,444 | 127,414 | |
| Banco BCN S.A. (4) | - | - | - | - | - | - | - | - | (6,483) | (149,577) | |
| Banco BEA S.A. (5) | - | - | - | - | - | - | - | - | - | 4,910 | |
| Banco BEM S.A. (1) (6) | 79,852 | (50,541) | 324,843 | - | - | 90.141% | 1,785 | 90,280 | 1,593 | - | |
| Banco Boavista Interatlântico S.A. and subsidiaries(1) | 115,100 | 144,594 | 321,571 | - | - | 100.000% | 58,856 | 193,833 | 41,382 | 435,165 | |
| Banco Bradesco Argentina S.A.(1) | 69,490 | 52,708 | 29,999 | - | - | 99.999% | (6,131) | 52,708 | (6,131) | (10,240) | |
| Banco Bradesco Luxembourg S.A.(1)(18) | 212,398 | 398,976 | 1 | - | - | 31.632% | 10,811 | 126,204 | 10,811 | 10,074 | |
| Banco de Crédito Real de Minas Gerais S.A.(1)(7) | 115,000 | 237,985 | 12,430,962 | 4,882,164 | - | 99.986% | 13,549 | 237,952 | 12,076 | 155,708 | |
| Banco Finasa de Investimento S.A.(1)(8) | 319,100 | 371,869 | 1,772,050 | - | - | 98.646% | 17,281 | 366,834 | 16,677 | 9,787 | |
| Banco Finasa S.A.(1)(7) | 112,576 | 345,060 | 1,279,505 | - | - | 100.000% | 183,905 | 346,114 | 162,502 | 58,393 | |
| Banco Mercantil de São Paulo S.A.(1) | 3,863,941 | 4,209,569 | 24,827,212 | - | - | 100.000% | 148,346 | 4,322,245 | 99,269 | 40,186 | |
| Banco Zogbi S.A.(1)(22) | - | - | - | - | - | - | - | - | 12,941 | - | |
| Bancocidade - Corretora de Valores Mobiliários e de Câmbio Ltda.(9) | - | - | - | - | - | - | - | - | - | 3,713 | |
| Bancocidade Leasing Arrendamento Mercantil S.A.(1)(10) | - | - | - | - | - | - | - | - | 30,945 | 1,833 | |
| | 20,007 | 35,834 | 20,006 | - | - | 100.000% | (526) | 35,834 | (526) | (2,004) | |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | | | |
|---|-----------|-----------|---------|---|--------|----------|---------|-----------|----------------|----------------|
| BCN Cons., Adm. de Bens, Serv. e Publ. Ltda.(1)(7) | | | | | | | | | | |
| Boavista S.A. Arrendamento Mercantil(11) | - | - | - | - | - | - | - | - | - | 13,643 |
| Boavista S.A. D.T.V.M.(12)(13) | - | - | - | - | - | - | - | - | - | (471,845) |
| Bradesco BCN Leasing S.A. Arrendamento Mercantil(1)(7) | 700,000 | 1,086,622 | 499 | - | - | 99.970% | 74,712 | 1,129,211 | 56,297 | 66,097 |
| Bradesco Consórcios Ltda.(1) | 14,795 | 33,965 | - | - | 14,795 | 99.999% | 19,356 | 33,965 | 19,356 | (2,482) |
| Bradesco S.A. Corretora de Títulos e Valores Mobiliários(1) | 45,000 | 73,335 | 376,000 | - | - | 99.999% | 8,856 | 73,335 | 8,856 | 8,591 |
| Bradesco Securities, Inc.(1) | 68,365 | 65,890 | 11 | - | - | 100.000% | (3,398) | 65,890 | (3,398) | (1,036) |
| Bradport SGPS, Sociedade Unipessoal Lda.(1)(15) | 379,932 | 391,203 | - | - | - | 100.000% | 11,272 | 391,203 | 11,272 | - |
| BRAM Bradesco Asset Management Ltda. and subsidiary company(1) | 51,911 | 61,326 | - | - | 51,910 | 99.999% | 3,649 | 61,325 | 263 | 63 |
| Cia. Brasileira de Meios de Pagamento VISANET(16) | - | - | - | - | - | - | - | - | 949 | 20,660 |
| Cidade Capital Markets Limited(1)(7) | 100,062 | 93,496 | 32,200 | - | - | 100.000% | 689 | 93,496 | 689 | 563 |
| Finasa Leasing Arrendamento Mercantil S.A.(17) | - | - | - | - | - | - | - | - | - | 3,733 |
| Finasa Promotora de Vendas Ltda.(1) | - | - | - | - | - | - | - | - | 3,794 | (329) |
| Bradesco Leasing S.A. Arrendamento Mercantil(1)(7)(14) | 797,805 | 773,673 | 540,303 | - | - | 100.000% | 28,456 | 773,673 | 28,456 | 167,918 |
| Foreign branches - Exchange gains (loss)(1) | - | - | - | - | - | - | - | - | 313,632 | (654,548) |
| Other financial companies | - | - | - | - | - | - | - | - | 1,092 | 19,831 |
| B) Insurance and Pension Plan area | | | | | | | | | 155,196 | 285,399 |
| Bradesco Seguros S.A.(1) | 1,545,799 | 3,820,378 | 625 | - | - | 99.463% | 375,802 | 3,799,863 | (87,386) | (22,779) |
| ABS Empreendimentos Imobiliários, Participações e Serviços S.A.(19) | | | | | | | | | - | 13,531 |
| Atlântica Capitalização S.A.(1) | | | | | | | | | 547 | 643 |
| Bradesco Argentina de Seguros S.A.(1) | | | | | | | | | (79) | (1,392) |
| Bradesco Capitalização S.A.(1) | | | | | | | | | 108,253 | 81,514 |
| Bradesco Saúde S.A.(1) | | | | | | | | | (14,770) | 2,788 |
| Bradesco Vida e Previdência S.A.(1) | | | | | | | | | 229,532 | 207,876 |
| Finasa Seguradora S.A.(1) | | | | | | | | | 174 | 9,981 |
| Bradesco Auto/RE Companhia de Seguros S.A.(1)(25) | | | | | | | | | (82,837) | (7,195) |
| Foreign subsidiaries - Exchange gains (loss)(1) | | | | | | | | | 1,001 | (390) |
| Other subsidiaries | | | | | | | | | 761 | 822 |
| C) Other activities | | | | | | | | | 109,806 | 34,042 |
| União de Comércio e Participações Ltda.(1) | 102,926 | 182,925 | - | - | 1,029 | 99.999% | 6,187 | 182,925 | 5,488 | (17,260) |
| Átria Participações S.A.(1) | | | | | | | | | 286 | 1,259 |
| Latasa S.A.(20) | | | | | | | | | - | 28,612 |
| Nova Paiol Participações S.A.(1) | | | | | | | | | 134 | (1,850) |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | |
|--|-------------------|------------------|-----------------|
| Cia. Securitizadora de Crédito Financeiro Boavista(23) | | 88,934 | - |
| Other subsidiaries | | 14,964 | 23,281 |
| TOTAL CONSOLIDATED SUBSIDIARIES | | 1,209,839 | 209,653 |
| II UNCONSOLIDATED | | | |
| BES Investimentos do Brasil S.A. Banco de Investimento(16) | | (606) | 3,491 |
| IRB Brasil Resseguros S.A.(16) | | 83,449 | (27,796) |
| UGB Participações S.A. (21) | | (5,677) | (13,121) |
| American BankNote Ltda. - (24) | | 10,612 | - |
| CP Cimento e Participações S.A. (24) | | 16,656 | - |
| Marlim Participações S.A. (24) | | 9,760 | - |
| NovaMarlim Participações S.A. (24) | | 2,916 | - |
| Other associated companies | 130,242 | 5,158 | 4,712 |
| TOTAL UNCONSOLIDATED | | 122,268 | (32,714) |
| SUBTOTAL | 17,244,352 | 1,332,107 | 176,939 |
| REVERSAL OF (PROVISION) FOR EXCHANGE VARIATION | | - | - 504,160 |
| TOTAL | 17,244,352 | 1,332,107 | 681,099 |

- (1) Information at June 30, 2004.
- (2) Formerly BBV Leasing Brasil S.A. Arrendamento Mercantil.
- (3) Formerly Banco Bilbao Vizcaya Argentaria Brasil S.A. BBV Banco.
- (4) Partially spun off on March 10, 2004, with spun-off portion merged into Banco Bradesco S.A. On March 12, 2004, the remaining portion of the assets and liabilities of Banco BCN was merged into Banco Alvorada. S.A.
- (5) Merged into Banco Baneb S.A. in April 2003.
- (6) Formerly Banco do Estado do Maranhão S.A., acquired on February 10, 2004.
- (7) Became a direct subsidiary of Banco Bradesco S.A. as a result of the partial spin-off of Banco BCN S.A. on March 10, 2004, with the spun-off portion merged into Banco Bradesco S.A. (item 4).
- (8) Became a direct subsidiary of Banco Bradesco in May 2003.
- (9) Merged into BCN Corretora de Títulos e Valores Mobiliários S.A. in September 2003.
- (10) Sold by Banco BCN S.A. to Banco Mercantil de São Paulo S.A. in January 2004.
- (11) Merged into Banco Boavista Interatlântico S.A. in December 2003.
- (12) Merged into Banco Mercantil de São Paulo S.A. in February 2003.
- (13) Includes extraordinary amortization of goodwill of Mercantil, net of taxes (Note 31).
- (14) Formerly Potenza Leasing S.A. Arrendamento Mercantil.
- (15) Formed in December 2003.
- (16) Information at May 31, 2004.
- (17) Merged into Bradesco BCN Leasing S.A. Arrendamento Mercantil, in April 2003.
- (18) In September 2003, Banco Mercantil de São Paulo Internacional S.A. and Banco Bradesco Luxembourg S.A. were merged and the latter's name maintained.
- (19) Merged into Bradesco Capitalização S.A. in December 2003.
- (20) Sold in October 2003.
- (21) Information at April 30, 2004.
- (22) Acquired on February 16, 2004.
- (23) Acquired on June 25, 2004.

Edgar Filing: BANK BRADESCO - Form 6-K

- (24) Accounted for on the equity method since April 2004.
 (25) Formerly União Novo Hamburgo de Seguros S.A.
 (26) Equity accounting considers results determined by the companies subsequent to acquisition and includes equity variations in the investees not derived from results, as well as adjustments arising from the equalization of accounting principles, where applicable.

16) PROPERTY AND EQUIPMENT IN USE AND LEASED ASSETS

Property, plant and equipment is stated at purchase cost, plus restatement. Depreciation is calculated on the straight-line method at annual rates which take into consideration the economic useful lives of the assets.

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | | BRADESCO | | | |
|--|-----------------------|------------------|--------------------|------------------|------------------|--------------------|------------------|
| | Annual rate | Cost | Depreciation | Residual value | Cost | Depreciation | Residual value |
| Land and buildings in use: | | | | | | | |
| - Buildings | 4% | 865,871 | (466,274) | 399,597 | 388,634 | (226,391) | 162,243 |
| - Land | - | 512,806 | - | 512,806 | 130,161 | - | 130,161 |
| Facilities, furniture and equipment in use | 10% | 1,732,203 | (896,032) | 836,171 | 1,382,109 | (681,357) | 700,752 |
| Security and communications systems | 10% | 127,906 | (68,503) | 59,403 | 115,793 | (64,887) | 50,906 |
| Data processing systems | 20 to 50% | 1,627,709 | (1,190,773) | 436,936 | 1,235,359 | (903,975) | 331,384 |
| Transport systems | 20% | 20,599 | (9,779) | 10,820 | 17,224 | (8,001) | 9,223 |
| Construction in progress | - | 40,744 | - | 40,744 | - | - | - |
| Subtotal (1) | - | 4,927,838 | (2,631,361) | 2,296,477 | 3,269,280 | (1,884,611) | 1,384,669 |
| Property and equipment in use | - | 67,283 | (37,657) | 29,626 | - | - | - |
| Total in 2004 | - | 4,995,121 | (2,669,018) | 2,326,103 | 3,269,280 | (1,884,611) | 1,384,669 |
| Total in 2003 | - | 5,605,834 | (2,939,780) | 2,666,054 | 2,843,877 | (1,721,135) | 1,122,742 |

Land and buildings in use of the Bradesco Organization present an unrecorded increment of R\$ 748,504 thousand, based on appraisal reports prepared by independent experts in 2004, 2003 and 2002.

The permanent assets to stockholders equity ratio in relation to consolidated reference equity is 26.09% on a consolidated basis and 41.42% on a consolidated financial basis, within the maximum 50% limit.

17) DEFERRED CHARGES

a) Goodwill

I) Goodwill on the acquisition of investments, based on future profitability, mainly results from goodwill on the acquisition of Banco BCN - R\$ 322,829 thousand (1) (June 30, 2003 - R\$ 150,124 thousand); Banco Boavista Interatlântico - R\$ 49,239 thousand (1) (June 30, 2003 - R\$ 330,951 thousand); Banco Mercantil de São Paulo - R\$ 112,676 thousand (June 30, 2003 - R\$ 90,535 thousand); Banco Cidade - R\$ 113,647 thousand (June 30, 2003 - R\$ 152,612 thousand); Banco Alvorada (formerly BBV Banco) - R\$ 177,918 thousand (June 30, 2003 - R\$ 197,871 thousand); in Bradesco BCN Leasing - R\$ 42,915 thousand (June 30, 2003 - R\$ 50,117 thousand); Banco BEM - R\$ 90,280 thousand; Banco Zogbi - R\$ 258,765 thousand and in Promovel Empreendimentos e Serviços - R\$ 61,267 thousand. Amortization of goodwill for the half year totaled R\$ 313,547 thousand (June 30, 2003 - R\$ 799,889 thousand, of which R\$ 680,759 thousand comprises extraordinary amortization of goodwill in Banco Mercantil de São Paulo S.A. - Note 31). Goodwill was also amortized on an extraordinary basis during the first half in the amount of R\$ 135,132 thousand, relating to the acquisition of investments in Banco BEA, Cia. Finasa Securitizadora, Bradesco Templeton, Banco Bradesco Luxembourg, Banco Mercantil International, Zogbi DTVM, Zogbi Leasing, Promosec Cia. Securitizadora, Scopus Tecnologia and Cia. Brasileira de Meios de Pagamento - Visanet (Note 31).

(1) The variation in this balance comprises the transfer of goodwill from Banco Boavista Interatlântico to Banco BCN, in the amount of R\$ 227,365 thousand, following the partial spin off of Banco Boavista Interatlântico in January 2004, with the spun-off portion merged into by Banco BCN.

Edgar Filing: BANK BRADESCO - Form 6-K

II) Unamortized goodwill in the amount of R\$ 1,398,799 thousand has the following amortization flow:

| | | | | | | | | | |
|-------------|---------|-------------|---------|-------------|---------|--|---------|-------------|---------|
| | | | | | | At June 30, 2004 - In thousands of reais | | | |
| 2004 | 173,880 | 2005 | 347,601 | 2006 | 339,647 | 2007 | 201,708 | 2008 | 126,385 |
| 2009 | 58,929 | 2010 | 49,400 | 2011 | 45,936 | 2012 | 35,001 | 2013 | 20,312 |

b) Other deferred charges

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | | BRADESCO | | |
|------------------------|-----------------------|------------------|----------------|------------------|--------------------|----------------|
| | Cost | Amortization | Residual Value | Cost | Amortization | Residual Value |
| Systems development | 1,034,158 | (583,765) | 450,393 | 882,507 | (513,637) | 368,870 |
| Other deferred charges | 153,434 | (63,752) | 89,682 | 1,020,557 | (508,716) | 511,841 |
| Total in 2004 | 1,187,592 | (647,517) | 540,075 | 1,903,064 | (1,022,353) | 880,711 |
| Total in 2003 | 1,242,459 | (681,030) | 561,429 | 866,655 | (433,739) | 432,916 |

18) DEPOSITS, DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS AND FUNDS FROM ISSUANCE OF SECURITIES

a) Deposits and deposits received under security repurchase agreements

At June 30 In thousands of reais

| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | From 1 to 3 years | More than 3 years | CONSOLIDATED BRADESCO | BRADESCO |
|---|-------------------|--------------------|--------------------|---------------------|----------------------|-------------------|-------------------|-----------------------|-------------------|
| Demand deposits | 13,541,311 | - | - | - | - | - | - | 13,541,311 | 13,275,054 |
| Savings deposits(1) | 22,456,494 | - | - | - | - | - | - | 22,456,494 | 22,411,110 |
| Interbank deposits | 40,822 | 6,271 | - | 157 | - | - | - | 47,250 | 3,724,196 |
| Time deposits | 3,770,534 | 615,939 | 588,085 | 4,983,923 | 4,023,779 | 13,836,964 | 269,203 | 28,088,427 | 27,871,583 |
| Deposits received under security repurchase agreements(2) | 14,851,491 | 10,304 | 1,120 | 63,137 | 472,715 | 1,266,137 | 81,163 | 16,746,067 | 17,333,064 |
| Total in 2004 | 54,660,652 | 632,514 | 589,205 | 5,047,217 | 4,496,494 | 15,103,101 | 350,366 | 80,879,549 | 84,615,007 |
| Total in 2003 | 52,454,490 | 962,193 | 765,311 | 2,215,492 | 4,330,206 | 14,372,631 | 290,559 | 75,390,882 | 73,146,266 |

(1) Demand and savings account deposits are classified as up to 30 days without considering average historical turnover.

(2) Includes R\$ 8,537,390 thousand in investment fund resources invested in purchase and sale commitments with Banco Bradesco, the investors in which are subsidiary companies, comprising the consolidated financial statements.

b) Funds from issuance of securities

At June 30 In thousands of reais

| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | From 1 to 3 years | More than 3 days | CONSOLIDATED BRADESCO | BRADESCO |
|-------------------------------|----------------|--------------------|--------------------|---------------------|----------------------|-------------------|------------------|-----------------------|------------------|
| Securities Local: | | | | | | | | | |
| Mortgage notes | 119,018 | 130,218 | 207,914 | 441,263 | 168,394 | 24,102 | - | 1,090,909 | 1,081,972 |
| Subtotal | 119,018 | 130,218 | 207,914 | 441,263 | 168,394 | 24,102 | - | 1,090,909 | 1,081,972 |
| Securities Foreign (1) | | | | | | | | | |
| Commercial paper | 320,814 | - | - | 928 | 300,713 | 310,526 | - | 932,981 | 932,980 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | | |
|--|------------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Eurobonds | 671,404 | - | - | 915,600 | - | 513,210 | - | 2,100,214 | 2,106,584 |
| Euronotes | 1,277 | - | - | 125,823 | 14,098 | 99,210 | - | 240,408 | 1,166,750 |
| MTN Program Issues | 189 | - | - | - | - | 310,750 | - | 310,939 | 310,939 |
| Promissory notes | 1,135 | - | - | - | - | 93,225 | - | 94,360 | 94,360 |
| Euro CD issued | 219,096 | 3,815 | - | - | - | - | - | 222,911 | 222,911 |
| Securitization of future flow of payment orders received from abroad | 7,847 | - | - | - | - | 194,309 | 1,022,891 | 1,225,047 | 1,237,356 |
| Securitization of future flow of credit card bill receivables from foreign cardholders | 623,370 | - | - | - | - | 239,171 | - | 862,541 | 850,354 |
| Subtotal | 1,845,132 | 3,815 | - | 1,042,351 | 314,811 | 1,760,401 | 1,022,891 | 5,989,401 | 6,922,234 |
| Total in 2004 | 1,964,150 | 134,033 | 207,914 | 1,483,614 | 483,205 | 1,784,503 | 1,022,891 | 7,080,310 | 8,004,206 |
| % | 27.7 | 1.9 | 2.9 | 21.0 | 6.8 | 25.2 | 14.5 | 100.0 | |
| Total in 2003 | 796,160 | 294,516 | 41,831 | 1,796,732 | 1,072,253 | 1,743,463 | - | 5,744,955 | 4,809,430 |
| % | 13.9 | 5.1 | 0.7 | 31.3 | 18.7 | 30.3 | - | 100.0 | |

- (1) These consist of funds obtained from banks abroad and official institutions from the issuance of notes in the international market (Eurobonds) and under National Monetary Council (CMN) Resolution 2770 for:
- onlending to local customers, repayable monthly through 2007, with interest payable semiannually at LIBOR or prime rate, plus a spread, and
 - for financing exchange operations for customers, through purchase and sale of foreign currencies, discounts of export bills, pre-financing of exports and financing of imports, mainly on a short-term basis.

c) Expenses with funding and price-level restatement and interest on technical reserves for insurance, private pension plans and savings bonds.

Six-month period ended June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---|--------------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Savings deposits | 779,457 | 1,065,918 | 773,918 | 1,005,489 |
| Time deposits | 1,649,360 | 2,407,532 | 1,610,332 | 1,832,114 |
| Deposits received under security repurchase agreements | 1,555,389 | 1,828,904 | 1,595,554 | 2,130,429 |
| Funds from issuance of securities | 710,779 | (443,650) | 674,877 | (543,846) |
| Allocation of exchange variation of foreign branches and subsidiaries | 677,066 | (489,744) | - | - |
| Expenses for price-level restatement of technical reserves for insurance, private pension plans and savings bonds | 1,351,008 | 1,658,010 | - | - |
| Other funding expenses | 112,310 | 127,040 | 306,400 | 460,777 |
| Total | 6,835,369 | 6,154,010 | 4,961,081 | 4,884,963 |

19) BORROWINGS AND ONLENDINGS

a) Borrowings

At June 30 In thousands of reais

| Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | From 1 to 3 years | More than 3 years | CONSOLIDATED BRADESCO | BRADESCO |
|---------------|--------------------|--------------------|---------------------|----------------------|-------------------|-------------------|--------------------------|----------|
| | | | | | | | | |

Local:

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | | |
|-----------------------|------------------|----------------|----------------|------------------|------------------|------------------|---------------|------------------|------------------|
| Official institutions | 1,732 | - | - | - | - | - | - | 1,732 | - |
| Other institutions | 10,975 | - | 180 | - | - | - | - | 11,155 | - |
| Foreign: | 1,503,171 | 761,057 | 942,444 | 2,101,165 | 2,794,262 | 759,988 | 19,422 | 8,881,509 | 8,903,464 |
| Total in 2004 | 1,515,878 | 761,057 | 942,624 | 2,101,165 | 2,794,262 | 759,988 | 19,422 | 8,894,396 | 8,903,464 |
| % | 17.0 | 8.6 | 10.6 | 23.6 | 31.4 | 8.5 | 0.3 | 100.0 | |
| Total in 2003 | 1,180,691 | 799,260 | 417,303 | 1,778,294 | 2,484,423 | 1,040,995 | 10,536 | 7,711,502 | 6,709,139 |
| % | 15.3 | 10.4 | 5.4 | 23.1 | 32.2 | 13.5 | 0.1 | 100.0 | - |

b) Onlendings:

At June 30 In thousands of reais

| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 360 days | From 1 to 3 years | More than 3 years | CONSOLIDATED BRADESCO | BRADESCO |
|--|----------------|--------------------|--------------------|---------------------|----------------------|-------------------|-------------------|-----------------------|------------------|
| Local: | | | | | | | | | |
| National Treasury | - | 18,710 | - | - | - | - | - | 18,710 | 18,710 |
| National Bank for Economic and Social Development - BNDES | 105,402 | 54,023 | 66,298 | 219,603 | 720,162 | 1,781,002 | 749,436 | 3,695,926 | 3,695,926 |
| Federal Savings Bank - CEF | 1,705 | 393 | 391 | 5,673 | 30,083 | 122,508 | 290,514 | 451,267 | 437,588 |
| Government Agency for Machinery and Equipment Financing - FINAME | 279,066 | 99,622 | 108,616 | 314,962 | 637,260 | 1,635,881 | 622,506 | 3,697,913 | 3,491,608 |
| Other institutions | 1,008 | 300 | 130 | 190 | 609 | 1,939 | 21 | 4,197 | 1,001 |
| Foreign: | | | | | | | | | |
| Subject to onlendings to housing-loan borrowers | 9,621 | - | - | 1,385 | 41,597 | 1,385 | - | 53,988 | 13,728 |
| Total in 2004 | 396,802 | 173,048 | 175,435 | 541,813 | 1,429,711 | 3,542,715 | 1,662,477 | 7,922,001 | 7,658,561 |
| % | 5.0 | 2.2 | 2.2 | 6.8 | 18.0 | 44.7 | 21.1 | 100.0 | |
| Total in 2003 | 384,391 | 165,286 | 214,257 | 471,860 | 932,462 | 2,467,985 | 2,224,627 | 6,860,868 | 4,448,501 |
| % | 5.6 | 2.4 | 3.1 | 6.9 | 13.6 | 36.0 | 32.4 | 100.0 | - |

c) Expenses for borrowings and onlendings

Six-month period ended June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---------------------------------------|-----------------------|---------------|---------------|---------------|
| | 2004 | 2003 | 2004 | 2003 |
| Loans: | | | | |
| Local: | | 1,281 | 1,371 | - |
| Foreign: | | 35,144 | 46,282 | 34,660 |
| Subtotal | | 36,425 | 47,653 | 34,660 |
| Local onlendings | | | | |
| National Treasury | | 1,071 | 1,305 | 1,071 |
| BNDES | | 243,144 | 42,200 | 240,800 |
| Federal Savings Bank - CEF | | 2,015 | 19,094 | - |
| FINAME | | 188,828 | 132,989 | 163,721 |
| Other institutions | | 226 | - | 389 |
| Foreign onlendings | | | | |
| Payables to foreign bankers | | 632,775 | (29,886) | 629,096 |
| Other expenses for foreign onlendings | | 14,093 | (76,684) | 8,766 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|---|------------------|---------------|------------------|----------------|
| Subtotal | 1,082,152 | 89,018 | 1,043,843 | 177,732 |
| Allocation of exchange variation of foreign branches and subsidiaries | 102,800 | (98,986) | - | - |
| Total | 1,221,377 | 37,685 | 1,078,503 | 221,551 |

20) CONTINGENT LIABILITIES

The Bradesco Organization is currently a defendant in a number of legal suits in the labor, civil and tax spheres, arising from the normal course of its business activities.

The provisions were recorded based on the opinion of the Organization's legal advisors, the types of lawsuit, similarity with previous suits and complexity, available jurisprudence and court sentences, whenever loss is deemed probable.

The Organization's Management considers that the provision recorded for contingencies is sufficient to cover probable losses generated by the corresponding legal proceedings.

Labor Claims

These are claims brought by former employees seeking indemnity, especially, the payment of unpaid overtime. Following the effective control over working hours implemented in 1992, via electronic time cards, overtime is paid regularly during the employment contract and accordingly, claims on an individual basis subsequent to 1977 are no longer significant.

The provision for labor contingencies is recorded based on the average amount of the indemnities paid.

Civil Suits

These arise during the normal course of work routines and comprise claims for pain and suffering and pecuniary damages, mainly protests, bounced checks and the inclusion of names in the restricted credit registry.

In general, the amounts under dispute are unlikely to affect financial results since more than 30% of new suits were brought at the small claims court, i.e., for amounts less than the maximum limit of 40 minimum wages.

Moreover, some 60% of these suits are judged unfounded and the average cost of each indemnity is some 5% of the total amount claimed.

At present, there are no significant administrative suits in course, moved as a result of the lack of compliance with National Financial System regulations or payment of fines which could jeopardize the Bank's financial results.

Tax Proceedings

The Bradesco Organization is disputing the legality of certain taxes and contributions, for which provisions have been recorded in full, despite the likelihood of a successful medium and long-term outcome based on the opinion of their legal advisors.

The provisions recorded, segregated by legal sphere are as follows:

| | At June 30 In thousands of reais | | | |
|------------------------|----------------------------------|------------------|------------------|------------------|
| | CONSOLIDATED BRADESCO | | BRADESCO | |
| | 2004 | 2003 | 2004(1) | 2003 |
| Labor Claims | 882,442 | 874,705 | 619,984 | 402,262 |
| Civil Suits | 562,978 | 378,712 | 290,692 | 192,250 |
| Total (Note 22) | 1,445,420 | 1,253,417 | 910,676 | 594,512 |
| Tax proceedings (2) | 3,002,329 | 2,614,392 | 994,216 | 835,500 |
| Total | 4,447,749 | 3,867,809 | 1,904,892 | 1,430,012 |

Edgar Filing: BANK BRADESCO - Form 6-K

- (1) In 2004, includes amounts of R\$ 159,478 thousand and R\$ 44,447 thousand in the Labor suits and Civil suits accounts, respectively, following the merger of Banco BCN S.A.
 (2) Recorded under Other Liabilities - Taxes and Social Security Contributions .
 21) SUBORDINATED DEBT

At June 30 - In thousands of reais

| Note | Issuance | Transaction Amount | Maturity | Remuneration | Book value | |
|---------------------------|----------------|--------------------|----------|---------------------------------|------------------|------------------|
| | | | | | 2004 | 2003 |
| LOCAL: | | | | | | |
| Subordinated CDB | March/2002 | 549,000 | 2012 | 100.0% of DI - CETIP | 802,608 | 676,520 |
| Subordinated CDB | July/2002 | 41,201 | 2012 | 100,0% of CDI rate + 0.75% p.a. | 61,444 | 51,399 |
| Subordinated CDB | October/2002 | 200,000 | 2012 | 102,5% of CDI rate | 277,363 | 232,794 |
| Subordinated CDB | October/2002 | 500,000 | 2012 | 100,0% of CDI rate + 0.87% p.a. | 697,634 | 582,881 |
| Subordinated CDB | October/2002 | 33,500 | 2012 | 101.5% of CDI rate | 46,240 | 38,876 |
| Subordinated CDB | October/2002 | 65,150 | 2012 | 101,0% of CDI rate | 89,563 | 75,364 |
| Subordinated CDB | November/2002 | 66,550 | 2012 | 101,0% of CDI rate | 91,271 | 76,801 |
| Subordinated CDB | November/2002 | 134,800 | 2012 | 101.5% of CDI rate | 184,757 | 155,334 |
| Subordinated debentures | September/2001 | 300,000 | 2008 | 100,0% of CDI rate + 0.75% p.a. | 315,879 | 319,338 |
| Subordinated debentures | November/2001 | 300,000 | 2008 | 100,0% of CDI rate + 0.75% p.a. | 307,586 | 311,625 |
| Subtotal in Brazil | | 2,190,201 | | | 2,874,345 | 2,520,932 |
| FOREIGN: | | | | | | |
| Subordinated debt | December/2001 | 353,700 | 2011 | 10,25% rate p.a. | 462,236 | 426,336 |
| Subordinated debt (1) | April/2002 | 315,186 | 2012 | 4.05% rate p.a. | 422,495 | 390,477 |
| Subordinated debt | October/2003 | 1,434,750 | 2013 | 8,75% rate p.a. | 1,567,230 | - |
| Subordinated debt | April/2004 | 801,927 | 2014 | 8,00% rate p.a. | 854,949 | - |
| Subtotal abroad | | 2,905,563 | | | 3,306,910 | 816,813 |
| Total | | 5,095,764 | | | 6,181,255 | 3,337,745 |

- (1) This rate increases to 10.15% p.a. when swap to U.S. dollar cost is included.

22) OTHER LIABILITIES - SUNDRY

At June 30 - In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---|-----------------------|------------------|------------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Sundry creditors | 579,439 | 543,394 | 186,920 | 61,822 |
| Provision for contingent liabilities (civil and labor)(Note 20) | 1,445,420 | 1,253,417 | 910,676 | 594,512 |
| Provision for accrued liabilities | 1,723,604 | 1,561,239 | 621,872 | 478,957 |
| Credit card operations | 1,253,587 | 564,026 | 1,253,587 | 564,026 |
| Acquisition of assets and rights | 64,420 | 242,624 | 66,953 | 47,976 |
| Official operating agreements | 11,066 | 161,846 | 10,258 | 133,605 |
| Other | 215,308 | 191,489 | 177,161 | 130,357 |
| Total | 5,292,844 | 4,518,035 | 3,227,427 | 2,011,255 |

23) INSURANCE OPERATIONS, PRIVATE PENSION PLANS AND SAVINGS BONDS

- a) Technical reserves

At June 30 - In thousands of reais

Edgar Filing: BANK BRADESCO - Form 6-K

| | Insurance | | Private Pension Plans | | Savings Bonds | | TOTAL | |
|--|------------------|------------------|-----------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Current: | | | | | | | | |
| Reserve for unearned premiums | 1,045,272 | 936,544 | 26,689 | 22,697 | - | - | 1,071,961 | 959,241 |
| Loss reserve IBNR | 798,160 | 585,337 | 186,113 | 134,064 | - | - | 984,273 | 719,401 |
| Reserve for unsettled claims | 436,252 | 322,863 | 203,642 | 114,659 | - | - | 639,894 | 437,522 |
| Mathematical reserve for benefits granted | - | - | 234,485 | 201,396 | - | - | 234,485 | 201,396 |
| Mathematical reserve of benefits to be granted | 21 | - | 15,012,131 | 10,701,540 | - | - | 15,012,152 | 10,701,540 |
| Mathematical reserve for redemptions | - | - | - | - | 117,070 | 163,566 | 117,070 | 163,566 |
| Reserve for draws and redemptions | - | - | - | - | 240,320 | 155,663 | 240,320 | 155,663 |
| Reserve for financial fluctuation | - | - | 501,348 | 583,461 | - | - | 501,348 | 583,461 |
| Other reserves | 55,686 | 19,771 | 175,312 | 97,208 | 141,278 | 28,897 | 372,276 | 145,876 |
| Subtotal | 2,335,391 | 1,864,515 | 16,339,720 | 11,855,025 | 498,668 | 348,126 | 19,173,779 | 14,067,666 |
| Long-term liabilities | | | | | | | | |
| Mathematical reserve of benefits to be granted | 16 | - | 4,604,762 | 3,825,376 | - | - | 4,604,778 | 3,825,376 |
| Mathematical reserve for benefits granted | - | - | 1,969,419 | 1,715,146 | - | - | 1,969,419 | 1,715,146 |
| Reserve for insufficient contributions | - | - | 1,740,956 | 1,372,427 | - | - | 1,740,956 | 1,372,427 |
| Mathematical reserve for redemptions | - | - | - | - | 1,510,124 | 1,349,633 | 1,510,124 | 1,349,633 |
| Reserve for financial fluctuation | - | - | 241,927 | 225,428 | - | - | 241,927 | 225,428 |
| Reserve for financial excess | - | - | 215,950 | 156,691 | - | - | 215,950 | 156,691 |
| Other reserves | - | - | 21,412 | 19,909 | - | - | 21,412 | 19,909 |
| Subtotal | 16 | - | 8,794,426 | 7,314,977 | 1,510,124 | 1,349,633 | 10,304,566 | 8,664,610 |
| Total | 2,335,407 | 1,864,515 | 25,134,146 | 19,170,002 | 2,008,792 | 1,697,759 | 29,478,345 | 22,732,276 |

b) Guarantee of technical reserves for insurance, private pension plans and savings bonds

We present below the amounts of the assets and rights offered as coverage of technical reserves for insurance, private pension plans and savings bonds:

At June 30 - In thousands of reais

| | Insurance | | Private Pension Plans | | Savings Bonds | | TOTAL | |
|---|------------------|------------------|-----------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 | 2004 | 2003 |
| Shares of listed companies | 69,367 | 129,364 | 774,215 | 797,274 | 356,173 | 195,834 | 1,199,755 | 1,122,472 |
| Government securities and corporate bonds | 1,990,507 | 1,536,589 | 25,307,796 | 19,258,279 | 1,840,886 | 1,642,676 | 29,139,189 | 22,437,544 |
| Credit assignments | 355,398 | 338,123 | - | - | - | - | 355,398 | 338,123 |
| Property | 123,653 | 58,754 | 1,487 | 30,476 | 12,331 | 8,087 | 137,471 | 97,317 |
| Total | 2,538,925 | 2,062,830 | 26,083,498 | 20,086,029 | 2,209,390 | 1,846,597 | 30,831,813 | 23,995,456 |

c) Income on premiums retained for insurance, private pension plans and savings bonds

Six-month period ended June 30 In thousands of reais

| | 2004 | 2003 |
|---|------------------|------------------|
| Premiums issued | 3,581,806 | 3,360,729 |
| Private pension plan contributions (*) | 2,291,002 | 2,156,838 |
| Income on savings bond certificates | 702,445 | 549,632 |
| Coinsurance premiums assigned | (199,006) | (188,109) |
| Premiums reimbursed | (109,011) | (82,905) |
| Overall net revenue | 6,267,236 | 5,796,185 |
| Reinsurance premiums assigned | (284,266) | (378,563) |
| Premiums retained for insurance, private pension plans and savings bonds | 5,982,970 | 5,417,622 |

(*) Includes long-term life VGBL insurance (Vida Gerador de Benefícios Livres).

24) MINORITY INTEREST IN SUBSIDIARIES

| | At June 30 | In thousands of reais |
|--|----------------------------------|-----------------------|
| | CONSOLIDATED BRADESCO | |
| | 2004 | 2003 |
| Financial area: | | |
| Banco Finasa de Investimento S.A. | 5,035 | 7,911 |
| Bradesco Templeton Asset Management Ltda | 5,860 | 1,691 |
| Banco BEM S.A. (1) | (4,983) | - |
| Other minority interest | 1,396 | 1,102 |
| Subtotal | 7,308 | 10,704 |
| Insurance and Pension Plan area: | | |
| Indiana Seguros S.A. | 33,347 | 31,842 |
| Bradesco Seguros S.A. | 20,515 | 8,314 |
| Bradesco Auto/RE Companhia de Seguros (2) (3) | - | 11,116 |
| Other minority interest | 1,757 | 2,271 |
| Subtotal | 55,619 | 53,543 |
| Other activities: | | |
| Sete Quedas Empreendimentos Imobiliários e Participações Ltda. (4) | - | 40,721 |
| Baneb Corretora de Seguros S.A. | 2,536 | 2,258 |
| Other minority interest | 508 | 31 |
| Subtotal | 3,044 | 43,010 |
| Total | 65,971 | 107,257 |

(1) Acquired on February 10, 2004.

(2) Percentage ownership increased through acquisition and incorporation of the minority stockholders shares of União Novo Hamburgo de Seguros S.A.

(3) New name of União Novo Hamburgo de Seguros S.A.; and

(4) Sold in January 2004.

25) STOCKHOLDERS EQUITY (PARENT COMPANY)

a) Composition of capital stock

Fully subscribed and paid-up capital comprises nominative-registered shares, with no par value, as follows:

At June 30, 2004

Edgar Filing: BANK BRADESCO - Form 6-K

| | Total | Treasury Stock | Outstanding Shares |
|-----------------|--------------------|------------------|--------------------|
| Common stock | 79,894,005 | (416,813) | 79,477,192 |
| Preferred stock | 78,693,936 | (4) | 78,693,932 |
| Total | 158,587,941 | (416,817) | 158,171,124 |

At June 30, 2003

| | Total | Treasury Stock | Outstanding Shares |
|-----------------|--------------------------|----------------|--------------------------|
| Common stock | 798,940,057,872 | - | 798,940,057,872 |
| Preferred stock | 786,939,365,428 | - | 786,939,365,428 |
| Total | 1,585,879,423,300 | - | 1,585,879,423,300 |

b) We present below the movement of capital stock

| | Volume | | |
|--|------------------------|------------------------|--------------------------|
| | Common | Preferred | Total |
| Total shares at December 31, 2003 | 798,940,057,872 | 786,939,365,428 | 1,585,879,423,300 |
| Reverse stock split | (798,860,163,867) | (786,860,671,492) | (1,585,720,835,359) |
| Total shares at June 30, 2004 | 79,894,005 | 78,693,936 | 158,587,941 |
| Shares acquired and not canceled | (416,813) | (4) | (416,817) |
| Outstanding shares at June 30, 2004 | 79,477,192 | 78,693,932 | 158,171,124 |

At the Extraordinary General Meeting of December 17, 2003, approval was given for a 1-for-10,000 reverse split of Bradesco's stock. This process was ratified by BACEN on January 6, 2004.

c) Interest attributed to own capital

Non-voting preferred shares are entitled to all rights and benefits attributed to common shares and in conformity with the Bank's statutes have priority to repayment of capital and 10% additional interest attributed to own capital and/or dividends, in accordance with the provisions of paragraph 1, item II of Article 17 of Law 6404, as amended by Law 10,303.

In conformity with the Bank's statutes, stockholders are entitled to interest attributed to own capital and/or dividends which total at least 30% of net income for the year, adjusted in accordance with Brazilian corporate legislation.

Interest attributed to own capital is calculated based on the stockholders' equity accounts and limited to the variation in the long-term interest rate (TJLP), subject to the existence of profits, computed prior to the deduction thereof, or of retained earnings and revenue reserves in amounts that are equivalent to or exceed twice the amount of such interest.

It is the Bank's policy to distribute, during the year, all the interest attributed to own capital, determined in conformity with the above criteria and to compute this interest for the minimum compulsory dividend, net of withholding tax (IRRF).

Interest attributed to own capital - January 1 to June 30, 2004

In thousands of reais

| Details | Per share (gross) (1) | | Withholding tax (15%) | Amount paid/accrued net |
|---------|-----------------------|-----------|-----------------------|-------------------------|
| | Common | Preferred | | |
| | | | | |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | |
|--------------|-----------------|-----------------|----------------|---------------|----------------|
| Monthly | 0.847080 | 0.931788 | 140,701 | 21,105 | 119,596 |
| Interim (2) | 0.847080 | 0.931788 | 140,644 | 21,097 | 119,547 |
| Accrued | 2.223126 | 2.445439 | 370,056 | 55,508 | 314,548 |
| Total | 3.917286 | 4.309015 | 651,401 | 97,710 | 553,691 |

(1) Adjusted to share base, subsequent to the reverse stock split.

(2) Declared on June 30, 2004, payable on July 30, 2004.

d) Treasury Stock

Up to June 30, 2004, a total of 416,817 shares, of which 416,813 are common and 4 are preferred shares, in the amount of R\$ 52,889 thousand had been acquired and remained in treasury. The minimum, average weighted and maximum cost, per thousand shares, is respectively R\$ 112.10553, R\$ 126.88998 and R\$ 138.92418 and the market value of these shares at June 30, 2004 was R\$ 115.36 per share.

26) COMMISSIONS AND FEES

| | Six-month period ended | | | | In thousands of reais |
|---|--------------------------|------------------|------------------|------------------|-----------------------|
| | CONSOLIDATED BRADESCO | | BRADESCO | | |
| | 2004 | 2003 | 2004 | 2003 | |
| Checking account | 629,894 | 509,495 | 609,103 | 464,284 | |
| Collection | 300,508 | 284,950 | 296,342 | 248,040 | |
| Fund management services | 423,338 | 245,999 | 252,184 | 155,157 | |
| Income on exchange transactions | 481,794 | 394,171 | 221,569 | 168,886 | |
| Credit operations | 371,480 | 270,808 | 291,972 | 214,368 | |
| Interbank charges | 125,742 | 124,207 | 123,773 | 105,242 | |
| Receipt of taxes | 99,565 | 90,373 | 97,945 | 79,234 | |
| Revenue from custody and brokerage services | 30,974 | 17,521 | 8,438 | 5,332 | |
| Consortium Management | 35,358 | 4,014 | - | - | |
| Other | 195,485 | 158,374 | 42,270 | 26,821 | |
| Total | 2,694,138 | 2,099,912 | 1,943,596 | 1,467,364 | |

27) PERSONNEL EXPENSES

| | Six-month period ended June 30 | | | | In thousands of reais |
|-------------------------|--------------------------------|------------------|------------------|------------------|-----------------------|
| | CONSOLIDATED BRADESCO | | BRADESCO | | |
| | 2004 | 2003 | 2004 | 2003 | |
| Remuneration | 1,227,343 | 1,101,279 | 1,002,081 | 753,730 | |
| Benefits | 478,703 | 441,395 | 401,171 | 342,311 | |
| Social charges | 455,470 | 391,281 | 376,107 | 269,650 | |
| Training | 21,329 | 29,993 | 18,142 | 23,027 | |
| Employee profit sharing | 83,497 | 79,573 | 69,000 | 51,366 | |
| Other | 144,261 | 157,492 | 82,748 | 110,643 | |
| Total | 2,410,603 | 2,201,013 | 1,949,249 | 1,550,727 | |

28) ADMINISTRATIVE EXPENSES

| | Six-month period ended June 30 | | | | In thousands of reais |
|--|--------------------------------|------|----------|------|-----------------------|
| | CONSOLIDATED | | BRADESCO | | |
| | 2004 | 2003 | 2004 | 2003 | |

BRADESCO

| | 2004 | 2003 | 2004 | 2003 |
|-------------------------------|------------------|------------------|------------------|------------------|
| Third-party services | 414,408 | 368,681 | 301,810 | 213,202 |
| Communications | 317,336 | 299,879 | 258,668 | 201,313 |
| Depreciation and amortization | 241,533 | 266,500 | 191,703 | 173,355 |
| Financial system services | 198,760 | 168,793 | 189,862 | 147,114 |
| Advertising and publicity | 195,804 | 150,279 | 91,872 | 61,433 |
| Transport | 182,039 | 166,688 | 165,112 | 127,340 |
| Leasing | 160,132 | 129,773 | 158,766 | 117,425 |
| Rents | 149,757 | 134,139 | 158,427 | 115,053 |
| Data processing | 128,876 | 125,263 | 95,866 | 72,271 |
| Maintenance and repairs | 127,977 | 114,176 | 137,071 | 118,761 |
| Materials | 72,661 | 82,453 | 53,380 | 55,284 |
| Water, electricity and gas | 65,243 | 55,844 | 56,422 | 42,841 |
| Travel | 26,799 | 29,469 | 11,574 | 8,421 |
| Other | 142,275 | 161,673 | 53,347 | 59,236 |
| Total | 2,423,600 | 2,253,610 | 1,923,880 | 1,513,049 |

29) OTHER OPERATING INCOME

Six-month period ended In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|--|--------------------------|------------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Other financial revenue | 207,517 | 218,052 | 80,648 | 91,940 |
| Reversal of other operating provisions (1) | 52,697 | 907,491 | 7,123 | 357,779 |
| Recovery of charges and expenses | 52,581 | 53,480 | 30,277 | 20,640 |
| Income on sale of goods | 30,126 | 137,575 | - | - |
| Other | 194,288 | 215,252 | 52,526 | 31,526 |
| Total | 537,209 | 1,531,850 | 170,574 | 501,885 |

(1) In 2003, includes reversal of provision for exchange variation.

30) OTHER OPERATING EXPENSES

Six-month period ended June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|--------------------------------|--------------------------|------------------|----------------|----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Other financial expenses | 413,416 | 584,903 | 82,382 | 75,053 |
| Sundry losses | 237,348 | 156,226 | 237,237 | 151,999 |
| Amortization of goodwill | 178,415 | 119,130 | 119,373 | 57,956 |
| Cost of sales and services (1) | 277,693 | 222,756 | - | - |
| Other operating provisions | 200,235 | 28,275 | 112,693 | 25,598 |
| Other | 187,181 | 141,659 | 174,231 | 85,162 |
| Total | 1,494,288 | 1,252,949 | 725,916 | 395,768 |

Edgar Filing: BANK BRADESCO - Form 6-K

(1) Includes depreciation of R\$ 45,148 thousand (June 30, 2003 R\$ 24,666 thousand).

31) NON-OPERATING INCOME (EXPENSES), NET

| Six-month period ended June 30 In thousands of reais | | | | |
|--|--------------------------|------------------|-----------------|-----------------|
| | CONSOLIDATED BRADESCO | | BRADESCO | |
| | 2004 | 2003 | 2004 | 2003 |
| Extraordinary amortization of goodwill (1) (2) | (135,132) | (680,759) | (1,617) | - |
| Loss on sale and write-off of assets and investments | (42,151) | (51,954) | (47,112) | (59,508) |
| Non-operating provisions recorded(reversed) | (5,083) | (55,017) | 7,123 | 8,881 |
| Other | (31,348) | 10,295 | 20,262 | 24,350 |
| Total | (213,714) | (777,435) | (21,344) | (26,277) |

(1) 2003 - Although maintained in its essence, goodwill held by Boavista DTVM, which was merged into the subsidiary Banco Mercantil de São Paulo S.A as a result of the decision taken on March 31, 2003, was written off pursuant to BACEN Circular 3017.

(2) 2004 As a result of the change in projected realization.

32) TRANSACTIONS WITH SUBSIDIARY AND ASSOCIATED COMPANIES (DIRECT AND INDIRECT)

The transactions with subsidiary and associated companies, carried out at average market terms and prices on the dates thereof, were eliminated from the consolidated financial statements and summarized below:

| Six-month period ended June 30 In thousands of reais | | | | |
|--|-------------------------|---------------------|-------------------------|---------------------|
| | 2004 | | 2003 | |
| | Assets (liabilities) | Income (expense) | Assets (liabilities) | Income (expense) |
| Interest attributed to own capital and dividends: | | | | |
| Bradesco Seguros S.A. | 146,591 | - | 86,883 | - |
| Banco BCN S.A. | - | - | 80,380 | - |
| Banco Baneb S.A. | 76,552 | - | 70,650 | - |
| Banco Boavista Interatlântico S.A. | 12,089 | - | 126,852 | - |
| Banco Mercantil de São Paulo S.A. | 34,643 | - | 4,225 | - |
| Banco Alvorada S.A. | 22,607 | - | - | - |
| Banco Finasa S.A. | 124,170 | - | - | - |
| Other subsidiary and associated companies | 32,646 | - | 12,263 | - |
| Exchange purchases pending settlement (a): | | | | |
| Banco BCN S.A. | - | - | 58,535 | 1,864 |
| Banco Mercantil de São Paulo S.A. | - | - | - | 2,145 |
| Pre-export operations (b): | | | | |
| Banco BCN S.A. abroad: | - | - | 71,634 | 3,006 |
| Other subsidiary and associated companies | - | 1,952 | - | 301 |
| Exchange purchase payables (c): | | | | |
| Banco BCN S.A. | - | - | (58,927) | (948) |
| Demand deposits | | | | |
| Banco BCN S.A. abroad: | - | - | (22,732) | - |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|---|----------|---|----------|---|
| Bradesco Vida e Previdência S.A. | (28,674) | - | (19,839) | - |
| Bradesco Saúde S.A. | (55) | - | (12,284) | - |
| Bradesco Seguros S.A. | (127) | - | (4,978) | - |
| Other subsidiary and associated companies | (15,966) | - | (12,802) | - |

Time deposits

| | | | | |
|--|----------|---------|----------|---------|
| ABS-Empreend. Imob., Partic. e Serviços S.A. | - | - | (57,533) | (2,960) |
| Cidade Capital Markets Limited | - | - | (84,738) | (287) |
| Bradesco Capitalização S.A. | (75,567) | (5,259) | - | - |
| União de Comércio e Participações Ltda. | (21,522) | (966) | - | - |
| Other subsidiary and associated companies | (10,250) | (4,668) | (37,223) | (6,844) |

Deposits/Interbank deposits (d):

Deposits:

| | | | | |
|--|-------------|-----------|-------------|-----------|
| Banco BCN S.A. abroad: | - | - | (327,107) | (6,207) |
| Banco Baneb S.A. | (2,036) | (438) | (189,568) | (9,555) |
| Banco Boavista Interatlântico S.A. | - | (107) | (530,745) | (36,026) |
| Banco Boavista Interatlântico S.A. abroad | - | (107) | (34,923) | (253) |
| Boavista Banking Limited | (170,029) | (903) | (98,528) | (694) |
| Boavista S.A. Arrendamento Mercantil | - | - | (208,213) | (22,141) |
| Bradesco BCN Leasing S.A. Arrendamento Mercantil | (2,196,244) | (160,519) | (2,259,471) | (204,274) |
| Banco Alvorada S.A. | (17,258) | (2,999) | (1,549,932) | (15,241) |
| Banco Alvorada S.A. - abroad | (835,296) | (4,359) | (269,968) | (33) |
| Banco Mercantil de São Paulo S.A. abroad: | - | - | (221,324) | (2,944) |
| Banco Finasa de Investimento S.A. | (81,608) | (6,196) | (170,728) | (4,627) |
| Cidade Capital Markets Limited | (91,924) | (656) | - | (330) |
| Banco Zogbi S.A. | (80,305) | (2,502) | - | - |
| Banco Mercantil de São Paulo S.A. | (116,039) | (9,702) | - | - |
| Bradesco Leasing S.A. Arrendamento Mercantil | (23,861) | (2,370) | (528,445) | (56,056) |
| Other subsidiary and associated companies | (85,923) | (6,626) | (30,113) | (10,319) |

Interbank deposits:

| | | | | |
|---|-----------|---------|-----------|---------|
| Banco BCN S.A. | - | - | 2,904,568 | 308,067 |
| Banco Boavista Interatlântico S.A. | 1,234,510 | 32,983 | 742,178 | 22,280 |
| Banco Finasa S.A. | 6,416,847 | 417,608 | 3,623,431 | 393,760 |
| Banco Mercantil de São Paulo S.A. | - | - | 999,348 | 61,038 |
| Other subsidiary and associated companies | 174 | 15 | - | 87 |

Deposits received under security repurchase agreements/open market investments (e):

Deposits received under security repurchase agreements:

| | | | | |
|--|-----------|---------|-----------|-----------|
| Bradesco S.A. CTVM | (31,020) | (2,181) | (32,530) | (4,889) |
| Banco Baneb S.A. | (365,767) | (915) | (376,971) | (54,113) |
| Banco BCN S.A. | - | - | (358,080) | (47,626) |
| Banco Boavista Interatlântico S.A. | (11,290) | (1,277) | (472,062) | (169,467) |
| Banco de Crédito Real de Minas Gerais S.A. | (1,414) | (197) | - | (92,456) |
| Banco Mercantil de São Paulo S.A. | (62,714) | (5,027) | (247,959) | (35,648) |
| Banco BEM S.A. | (107,884) | (1,628) | - | - |
| Other subsidiary and associated companies | (22,887) | (5,920) | (59,804) | (6,257) |

Open market investments:

| | | | | |
|------------------------------------|---------|--------|---------|---------|
| Banco Baneb S.A. | 379,764 | 27,403 | 386,019 | 23,590 |
| Banco Boavista Interatlântico S.A. | - | 2,732 | 453,122 | 153,583 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|---|---------|--------|---------|--------|
| Banco Mercantil de São Paulo S.A. | - | 6,975 | 366,974 | 7,146 |
| Banco BEM S.A. | 483,715 | 23,940 | - | - |
| Other subsidiary and associated companies | 1,006 | 3 | 52,000 | 15,016 |

Derivative financial instruments - swap (f):

| | | | | |
|--|---------|---------|-----|----------|
| Banco BCN S.A. | - | - | - | 90,000 |
| Bradesco BCN Leasing S.A. Arrendamento Mercantil | 14,850 | 625 | 268 | 185 |
| Banco Mercantil de São Paulo S.A. | - | 1,999 | - | (46,476) |
| Banco Finasa S.A. | 237,245 | (2,551) | - | - |

Foreign borrowings and onlendings (g):

| | | | | |
|---|----------|-------|----------|---------|
| Banco BCN S.A. | - | - | (34,920) | (2,094) |
| Banco Bradesco Luxembourg S.A. | (75,874) | (557) | (28,839) | (595) |
| Banco Boavista Interatlântico S.A. | (24,900) | (188) | (22,747) | (269) |
| Banco Mercantil de São Paulo International S.A. | - | - | (37,700) | (379) |
| Other subsidiary and associated companies | (5,299) | (44) | (4,653) | (309) |

Reimbursement of costs (h):

| | | | | |
|--|---|-----|-----|-----|
| Bradesco BCN Leasing S.A. Arrendamento Mercantil | - | 653 | 141 | 605 |
|--|---|-----|-----|-----|

Services rendered (i):

| | | | | |
|---|---------|----------|---------|----------|
| Scopus Tecnologia S.A. | (329) | (64,172) | (4,960) | (43,554) |
| CPM S.A. | (3,879) | (24,933) | (47) | (12,113) |
| Other subsidiary and associated companies | (17) | 1,456 | (12) | 57 |

Branch rents:

| | | | | |
|--|---|----------|---|----------|
| ABS-Empreend. Imob., Partic. e Serviços S.A. | - | - | - | (19,984) |
| Bradesco Vida e Previdência S.A. | - | (3,178) | - | (3,158) |
| Bradesco Seguros S.A. | - | (14,995) | - | (1,269) |
| Banco Mercantil de São Paulo S.A. | - | (7,901) | - | - |
| Other subsidiary and associated companies | - | (7,121) | - | (6,481) |

Foreign securities (j):

| | | | | |
|----------------|---|---|--------|---|
| Banco BCN S.A. | - | - | 45,546 | - |
|----------------|---|---|--------|---|

Securities:

| | | | | |
|--|-----------|---------|-----------|---------|
| Bradesco BCN Leasing S.A. Arrendamento Mercantil | 1,764,159 | 124,077 | 1,492,628 | 113,162 |
| Cibrasec - Companhia Brasileira de Securitização | 3,830 | - | 606 | - |

Securities Abroad

| | | | | |
|---|-----------|----------|---------|-------|
| Banco Boavista Interatlântico S.A. | (910,606) | (51,004) | (121) | (3) |
| Bradesco Securities, Inc. | (22,105) | (507) | (5,897) | (2) |
| Other subsidiary and associated companies | - | - | (2,037) | (100) |

Interbank onlendings (k):

| | | | | |
|---|----------|-------|----------|-------|
| Banco BEM S.A. | (13,648) | (148) | - | - |
| Banco Mercantil de São Paulo S.A. | - | - | (28,151) | (151) |
| Other subsidiary and associated companies | (3,793) | (77) | - | - |

Foreign currency deposits abroad:

| | | | | |
|--------------------------------|-----|---|---|---|
| Banco Bradesco Luxembourg S.A. | 636 | - | - | - |
| Banco Bradesco Argentina S.A. | 22 | - | - | - |

Securitization transactions (I):

| | | | | |
|--|-------------|----------|---|---|
| International Diversified Payment Rights Company | (1,237,356) | (42,715) | - | - |
| Brasilian Merchant Voucher Receivables Limited | (850,355) | (26,827) | - | - |

Foreign currency investments:

| | | | | |
|--------------------------------|--------|---|---|---|
| Banco Bradesco Luxembourg S.A. | 33,496 | - | - | - |
|--------------------------------|--------|---|---|---|

- a) Foreign exchange portfolio transactions in the interbank market for ready settlement.
- b) Foreign credit lines for export financing in Brazil, subject to exchange variations and interest at rates practiced in the international market.
- c) These local currency payables on exchange purchases are recorded as a counter-entry to exchange purchases pending settlement.
- d) Interbank investments - interbank deposits of related companies at CDI rate (Certificate of Interbank Deposit).
- e) Repurchase and/or resale commitments pending settlement, guaranteed by government securities at normal market rates.
- f) Differences between amounts receivable and payable on swaps.
- g) Foreign currency loans for financing of exports subject to exchange variation and bearing interest at international market rates.
- h) Reimbursement of costs by Bradesco BCN Leasing S.A. Arrendamento Mercantil to Banco Bradesco S.A. on account of the use of its Branch network facilities for contracting lease operations.
- i) Contracts with Scopus Tecnologia S.A. for IT equipment maintenance services and the contract with CPM S.A. for data processing systems maintenance services.
- j) Investments in foreign securities, fixed rate notes and eurobonds subject to exchange variations and carrying interest at rates used for securities placed in the international market.
- k) Funds obtained for onlending in rural loans bearing interest and charges corresponding to normal rates practiced for this type of transaction.
- l) Transactions for securitization of the future flow of payment orders received from abroad and securitization of the future flow of credit card bill receivables from foreign cardholders.

33) FINANCIAL INSTRUMENTS

a) Risk and risk management

The main risks related to financial instruments, arising from the business carried out by the Bank and its subsidiaries are as follows: credit risk; market risk; liquidity risk; and capital risk. Risk management involves an integrated series of controls and processes, embracing a range of different policies and strategies. These risk management policies are designed to limit possible loss for the Organization.

Credit risk

As part of its credit risk management enhancement process, Bradesco is working uninterruptedly to improve the procedures for gathering and controlling portfolio information, develop new loss calculation models, enhance and prepare rating inventories used in the various sectors in which the Bank operates, oversee credit analysis, granting and settlement processes, monitor credit concentration and to define the dividing line between operating risks and credit risks.

As part of this ongoing enhancement process, additional efforts are being made to prepare the Bank for the introduction of more advanced risk management techniques, based on the recommendations of the New Capital Accord published by the Basel Committee, among which we highlight the following:

- Creation of an Executive Credit Risk Committee responsible for assuring the strategic management of the credit operation portfolio.
- Structuring of the expected loss and capital allocation calculation system in line with Basel II requirements.
- Identification of the reporting process changes required to improve decision making and credit portfolio management.
- Restructuring of the management information system (MIS).
- Mapping, measurement and identification of credit risk management capacity gaps, as regards Basel II requirements, as well as best practices, embracing roles and responsibilities, professional qualification, review of the organizational structure and IT demands.

Market risk

Market risk is related to the possibility of the loss of income from fluctuating rates caused by the unhedged terms, currencies and indices of the Institution's asset and liability portfolios. This risk is closely monitored by the financial market to avoid loss for the institutions.

Edgar Filing: BANK BRADESCO - Form 6-K

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

The Organization adopts a conservative policy regarding market risk exposure and VaR (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 VaR has a reliability level of 97.5%. The fluctuations and correlations used by the models are calculated on statistical bases and future prospects are calculated based on economic studies. The methodology applied and current statistical models are validated daily using backtesting techniques.

We present below the VaR of the Consolidated Own Portfolio positions (Treasury):

| Risk Factors | At June 30 In thousands of reais | |
|---------------------|-------------------------------------|---------------|
| | 2004 | 2003 |
| Prefixed | 7,267 | 6,541 |
| Exchange coupon | 51,719 | 14,717 |
| Foreign currency | 285 | 439 |
| Floating rate | - | 10 |
| Correlated effect | (1,902) | (3,243) |
| | 57,369 | 18,464 |

VaR (Value at Risk)

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

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

Knowledge and monitoring of this risk is critical since it enables 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.

Capital risk

The Organization's capital is managed to optimize the risk-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).

| Calculation basis - capital adequacy ratio (Basel) | In thousands of reais | |
|---|--------------------------|-----------------------------------|
| | CONSOLIDATED | BRADESCO |
| | Financial (1) | Economic-financial (2) |
| Stockholders' equity | 13,650,372 | 13,650,372 |
| Decrease in deferred tax assets - BACEN Res. 3059 | (131,737) | (131,737) |
| Minority interest/other | 17,648 | 65,942 |
| Reference equity -level I | 13,536,283 | 13,584,577 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | |
|--|--------------------|--------------------|
| Reference equity -level II (subordinated debt) | 5,987,367 | 5,987,372 |
| Total reference equity (level I + level II) | 19,523,650 | 19,571,949 |
| Risk weighted assets | 108,054,637 | 124,342,754 |
| Capital adequacy ratio at June 30, 2004 | 18.07% | 15.74% |
| Capital adequacy ratio at June 30, 2003 | 16.36% | 14.48% |
| Variation in the Capital adequacy ratio (Basel) - % | | |
| Ratio at June 30, 2003 | 16.36% | 14.48% |
| Movement in stockholders equity: | | |
| Net income for the period | 2.69% | 2.33% |
| Interest attributed to own capital | (1.45%) | (1.25%) |
| Mark-to-market adjustment securities and derivatives | 0.07% | 0.05% |
| Subordinated debt | 2.90% | 2.51% |
| Other | (0.20%) | (0.22%) |
| Variation in weighted assets: | | |
| Securities | (0.44%) | (0.89%) |
| Credit operations | (1.11%) | (0.85%) |
| Clearing of checks and similar | 0.06% | 0.09% |
| Deferred tax assets | (0.08%) | (0.08%) |
| Risk (swap, market, interest and exchange rates) | 0.23% | 0.18% |
| Memorandum accounts | (0.09%) | (0.08%) |
| Other assets | (0.87%) | (0.53%) |
| Ratio at June 30, 2004 | 18.07% | 15.74% |

- (1) Financial companies only.
(2) Financial and non-financial companies.
b) Market Value

The book values, net of allowances for mark-to-market, of the main financial instruments and their corresponding market values are summarized as follows:

| | At June 30 In thousands of reais | | | |
|---|----------------------------------|--------------|-----------------------|-----------------------|
| | CONSOLIDATED BRADESCO | | | |
| | 2004 | | 2003 | |
| | Book value | Market value | Potential gain (loss) | Potential gain (loss) |
| Assets: | | | | |
| Securities and derivative financial instruments | 56,212,512 | 56,932,269 | 719,757 | 95,314 |
| Credit operations (1) | 58,402,464 | 58,613,805 | 211,341 | 53,954 |
| Investments (2) | 1,006,024 | 1,092,493 | 86,469 | 2,347 |
| Liabilities: | | | | |
| Time deposits | 28,088,427 | 28,094,963 | (6,536) | 1,846 |
| Funds from issuance of securities | 7,080,310 | 7,093,466 | (13,156) | (16,213) |
| Borrowings and onlendings | 16,816,397 | 16,878,282 | (61,885) | (38,996) |
| Subordinated debt | 6,181,255 | 6,177,210 | 4,045 | 7,808 |
| Treasury Stock | (52,889) | (48,083) | (4,806) | - |

Edgar Filing: BANK BRADESCO - Form 6-K

Total **935,229** **106,060**

(1) Includes advances on foreign exchange contracts, leasing operations and other receivables.

(2) Not including increment in investments in associated companies.

Determination of market value of financial instruments:

- The market value of securities, investments, subordinated debt and treasury stock is determined based on the market price practiced on the balance sheet date. In the event no market prices are available, amounts are estimated based on the prices quoted by dealers, on price definition models, quotation models or quotations for instruments with similar characteristics.
- Prefixed credit operations were determined by discounting estimated cash flows, using interest rates applied by the Organization for new contracts with similar features. These rates are compatible with market rates practiced on the balance sheet date.
- Time deposits, funds for issuance of securities and borrowings and onlendings were calculated by discounting the difference between the cash flows under the contract terms and the rates practiced in the market on the balance sheet date.

c) Derivatives

Bradesco carries out transactions involving derivative financial instruments, which are recorded in balance sheet or memorandum accounts, for its own account and for customers. The derivative financial instruments are used by the Bank to hedge its asset and liability positions against the effect of exchange variations. The derivatives generally represent future commitments for exchanging currencies or indices, or purchasing and selling other financial instruments according to the terms and dates set forth in the contracts. Under the option contracts, the purchaser is entitled, but not obliged, to purchase or sell a financial instrument at a specific strike price in the future.

D) The amounts of the instruments recorded in balance sheet and memorandum accounts are summarized below:

At June 30, 2004 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|------------------------------|-----------------------|------------|-------------------|------------|
| | Overall amount | Net amount | Overall amount | Net amount |
| Futures contracts | | | | |
| Purchase commitments: | 12,157,310 | | 12,156,558 | |
| - Interbank market | 1,795,225 | - | 1,794,473 | - |
| - Foreign currency | 10,362,085 | - | 10,362,085 | - |
| Sale commitments: | 23,020,777 | | 23,001,145 | |
| - Interbank market | 8,413,771 | 6,618,546 | 8,394,139 | 6,599,666 |
| - Foreign currency | 14,607,006 | 4,244,921 | 14,607,006 | 4,244,921 |
| Option contracts | | | | |
| Purchase commitments: | 21,353 | | 21,353 | |
| - Foreign currency | 21,353 | 2,249 | 21,353 | 2,249 |
| Sale commitments: | 19,104 | | 19,104 | |
| - Foreign currency | 19,104 | - | 19,104 | - |
| Forward contracts | | | | |
| Purchase commitments: | 351,008 | | 351,008 | |
| - Foreign currency | 351,008 | - | 351,008 | - |
| Sale commitments: | 814,707 | | 814,707 | |
| - Foreign currency | 814,707 | 463,699 | 814,707 | 463,699 |
| Swap contracts | | | | |
| Asset position: | 8,493,840 | | 11,293,996 | |
| - Interbank market | 3,243,320 | 309,757 | 3,243,320 | - |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | |
|--------------------------------------|-----------|---------|-----------|-----------|
| - Prefixed | 478,040 | - | 3,319,292 | 2,455,275 |
| - Foreign currency | 2,549,336 | - | 2,510,393 | - |
| -Reference rate (TR) | 996,544 | 995,739 | 996,544 | 995,739 |
| - SELIC | 1,041,420 | 997,947 | 1,041,420 | 997,947 |
| - General Market Price Index (IGP-M) | 143,027 | - | 143,027 | - |
| - Other | 42,153 | 39,539 | 40,000 | 39,540 |

| | | | | |
|----------------------------|------------------|-----------|-------------------|-----------|
| Liability position: | 8,462,844 | | 11,011,696 | |
| - Interbank market | 2,933,563 | - | 5,484,621 | 2,241,301 |
| - Prefixed | 864,069 | 386,029 | 864,017 | - |
| - Foreign currency | 4,364,953 | 1,815,617 | 4,364,953 | 1,854,560 |
| - TR | 805 | - | 805 | - |
| - SELIC | 43,473 | - | 43,473 | - |
| - IGP-M | 253,367 | 110,340 | 253,367 | 110,340 |
| - Other | 2,614 | - | 460 | - |

Derivatives include operations maturing in D +1, to be settled in currency at June 30, 2004 price levels.

Amounts receivable relating to swap contracts, recorded in securities - derivative financial instruments total R\$ 121,073 thousand on a consolidated and R\$ 375,067 thousand on an unconsolidated basis and amounts payable, classified in liabilities - derivative financial instruments, total R\$ 90,077 thousand on a consolidated and R\$ 92,767 thousand on an unconsolidated basis.

II) We present below the composition of derivative financial instruments (assets and liabilities) stated at restated cost and market value:

At June 30, 2004 In thousands of reais

| CONSOLIDATED BRADESCO | | | |
|-------------------------------------|----------------------|-----------------------------------|---------------------|
| | Restated cost | Adjustment to market value | Market Value |
| Derivatives - adjustment receivable | 806,888 | 11,110 | 817,998 |
| Derivatives - adjustment payable | (773,700) | (10,656) | (784,356) |
| Total | 33,188 | 454 | 33,642 |

At June 30, 2004 In thousands of reais

| BRADESCO | | | |
|-------------------------------------|----------------------|-----------------------------------|---------------------|
| | Restated cost | Adjustment to market value | Market Value |
| Derivatives - adjustment receivable | 963,925 | 108,068 | 1,071,993 |
| Derivatives - adjustment payable | (772,871) | (14,176) | (787,047) |
| Total | 191,054 | 93,892 | 284,946 |

III) Futures, option, forward and swap contracts fall due as follows:

At June 30 In thousands of reais

| CONSOLIDATED BRADESCO | | | | | |
|------------------------------|----------------------------|-----------------------------|---------------------------|-------------|-------------|
| | From 91 to 180 days | From 181 to 360 days | More than 360 days | 2004 | 2003 |
| Up to 90 days | | | | | |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | |
|----------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| Futures contracts | 14,852,912 | 2,458,262 | 11,353,498 | 6,513,415 | 35,178,087 | 13,341,193 |
| Option contracts | 11,025 | 20,823 | 8,609 | - | 40,457 | 23,987 |
| Forward contracts | 933,028 | 81,614 | 150,188 | 885 | 1,165,715 | 311,465 |
| Swap contracts | 601,755 | 852,299 | 2,594,241 | 4,324,472 | 8,372,767 | 10,418,027 |
| Total in 2004 | 16,398,720 | 3,412,998 | 14,106,536 | 10,838,772 | 44,757,026 | |
| Total in 2003 | 7,133,942 | 3,101,034 | 6,403,537 | 7,456,159 | | 24,094,672 |

At June 30 In thousands of reais

BRADESCO

| | Up to 90 days | From 91 to 180 days | From 181 to 360 days | More than 360 days | 2004 | 2003 |
|----------------------|----------------------|----------------------------|-----------------------------|---------------------------|-------------------|-------------------|
| Futures contracts | 14,852,912 | 2,438,629 | 11,353,499 | 6,512,663 | 35,157,703 | 8,517,175 |
| Option contracts | 11,025 | 20,823 | 8,609 | - | 40,457 | - |
| Forward contracts | 933,028 | 81,614 | 150,188 | 885 | 1,165,715 | 284,046 |
| Swap contracts | 1,121,271 | 1,306,046 | 3,247,984 | 5,243,628 | 10,918,929 | 7,836,758 |
| Total in 2004 | 16,918,236 | 3,847,112 | 14,760,280 | 11,757,176 | 47,282,804 | |
| Total in 2003 | 5,736,576 | 1,655,073 | 4,177,195 | 5,069,135 | | 16,637,979 |

IV) We present below the type of margin given as collateral for derivative financial instruments, comprising mainly futures contracts:

At June 30, 2004 In thousands of reais

| | CONSOLIDATED BRADESCO | BRADESCO |
|-------------------------------|------------------------------|------------------|
| Government securities: | | |
| National Treasury Bonds | 614,449 | 613,968 |
| Central Bank Notes | 735 | 735 |
| Financial Treasury Notes | 223 | 223 |
| Federal Treasury Notes | 399,537 | 399,537 |
| Total | 1,014,944 | 1,014,463 |

V) We present below the amounts of net revenue and expense recorded in income for the six-month periods ended June 30:

At June 30 In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|-------------------|------------------------------|---------------|-----------------|------------------|
| | 2004 | 2003 | 2004 | 2003 |
| Swap contracts | (60,100) | 535,840 | (50,126) | 122,710 |
| Forward contracts | 44,748 | 31,503 | 44,745 | 32,423 |
| Option contracts | 22,075 | 17,982 | 22,074 | 19 |
| Futures contracts | 120,137 | (572,168) | 122,479 | (400,868) |
| Total | 126,860 | 13,157 | 139,172 | (245,716) |

VI) We present below the overall amounts of the derivative financial instruments, separated by place of trading:

At June 30 - In thousands of reais

CONSOLIDATED BRADESCO **BRADESCO**

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2004 | 2003 | 2004 | 2003 |
|-----------------|-------------------|-------------------|-------------------|-------------------|
| CETIP (counter) | 7,215,986 | 7,222,043 | 9,762,148 | 4,991,022 |
| BM&F (floor) | 37,541,040 | 16,872,629 | 37,520,656 | 11,646,957 |
| Total | 44,757,026 | 24,094,672 | 47,282,804 | 16,637,979 |

34) EMPLOYEE BENEFITS

Banco Bradesco and its subsidiaries sponsor a supplementary retirement pension plan for employees and directors. The unrestricted benefits generating plan PGBL is of the defined contribution type, which permits the accumulation of savings by participants over their professional careers through contributions paid by themselves and the sponsoring company. The related resources are invested in an Exclusive Financial Investment Fund - FIFE.

The plan is managed by Bradesco Vida e Previdência S.A. and BRAM - Bradesco Asset Management Ltda. is responsible for the financial administration of the FIFE funds.

The contributions paid by employees and by Bradesco and its subsidiaries total 4% of salary, except for participants who in 2001 opted to migrate to the PGBL plan from the defined benefits plan and whose contributions to the PGBL plan were maintained at the levels in force for the defined benefits plan at the time of migration, respecting nevertheless the 4% minimum.

The actuarial liabilities of the defined contribution plan PGBL are fully covered by the net equity of the corresponding FIFE fund.

As well as the aforementioned defined contribution plan (PGBL), former participants of the defined benefits plan are guaranteed a proportional deferred benefit, corresponding to their accumulated rights in the latter plan. For participants of the defined benefits plan, transferred or not to the PGBL plan, retired participants and pensioners, the present value of the plan's actuarial liabilities is fully covered by guaranteeing assets.

Banco Baneb S.A. (into which Banco BEA S.A. was merged - Note 2) maintains a supplementary pension plan managed by Caixa de Previdência dos Funcionários do BEA - CABEA, which is currently undergoing a sponsorship withdrawal process, with base date established at November 30, 2002 and whose sponsor's contributions ceased from December 1, 2002. The participants ceased to contribute as from the same date. The plan's actuarial liabilities are fully covered by the plan's net assets.

Banco Baneb S.A. and its subsidiaries are sponsors of supplementary pension plans of the defined contribution (PGBL) and defined benefits type, through Fundação Baneb de Seguridade Social - BASES (for former Baneb employees). The actuarial liabilities of the defined contribution and defined benefit plans are fully covered by the net assets of the plans.

Banco BEM S.A. sponsors supplementary pension plans of the defined benefit and defined contribution type, through Caixa de Assistência e Aposentadoria dos Funcionários do Banco do Estado do Maranhão - CAPOF. The actuarial liabilities of the defined benefit and defined contribution plans are fully covered by the net assets of the plans.

The funds guaranteeing the private pension plans are invested in compliance with applicable legislation (government securities and corporate bonds, listed company stock and real estate).

Expenses with contributions made during the half year totaled R\$ 100,595 thousand (June 30, 2003 -R\$ 132,347 thousand), BRADESCO - R\$ 86,047 thousand (June 30, 2003 - R\$103,786 thousand).

In addition, Bradesco and its subsidiaries offer their employees and directors a number of other benefits including: healthcare insurance, dental care, group life and personal accident insurance, as well as professional training, the expenses for which, including the aforementioned contributions, totaled R\$ 500,726 thousand (June 30, 2003 -R\$ 471,388 thousand) and R\$ 419,313 thousand on an unconsolidated basis (June 30, 2003 -R\$ 365,338 thousand) for the year.

35) PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION

a) Calculation of tax and social contribution charges

At June 30 - In thousands of reais

| CONSOLIDATED BRADESCO | BRADESCO |
|-----------------------|----------|
|-----------------------|----------|

Edgar Filing: BANK BRADESCO - Form 6-K

| | 2004 | 2003 | 2004 | 2003 |
|---|---------------|------------------|----------------|---------------|
| Income before income tax and social contribution | 1,206,734 | 1,221,636 | 949,012 | 960,206 |
| Composite income tax and social contribution at the statutory rates of 25% and 9%, respectively | (410,290) | (415,356) | (322,664) | (326,470) |
| Effect of additions and exclusions on tax calculation: | | | | |
| Equity in the earnings of subsidiary and associated companies | 41,571 | (11,123) | 382,972 | 349,983 |
| Exchange gains (loss) | 106,972 | (50,827) | 69,944 | (118,409) |
| Non-deductible expenses, net of non-taxable income | (55,304) | (59,560) | (52,072) | (50,778) |
| Deferred tax assets recorded in prior-years | 102,504 | 137,978 | - | - |
| Interest attributed to own capital (paid and accrued) | 221,476 | 215,331 | 221,476 | 215,331 |
| Other amounts | 39,341 | (5,857) | 1,381 | (2,552) |
| Provision for income tax and social contribution | 46,270 | (189,414) | 301,037 | 67,105 |

b) Statement of income tax and social contribution benefit (expense)

At June 30 - In thousands of reais

| | CONSOLIDATED BRADESCO | | BRADESCO | |
|---|-----------------------|------------------|----------------|-----------------|
| | 2004 | 2003 | 2004 | 2003 |
| Deferred tax assets | | | | |
| Amount recorded/realized for the half year on temporary additions | 312,230 | 399,628 | 209,310 | 153,295 |
| Amount recorded/offset on opening balances: | | | | |
| Negative basis of social contribution | (8,165) | (4,885) | - | - |
| Tax loss | (30,874) | (115,036) | - | - |
| Prior-year deferred tax assets were recorded on: | | | | |
| Negative basis of social contribution | 1,211 | 12,793 | - | - |
| Tax loss | 3,365 | 119,696 | - | - |
| Temporary additions | 97,928 | 5,489 | - | - |
| Recorded for the half year on: | | | | |
| Negative basis of social contribution | 8,023 | 33,890 | - | - |
| Tax loss | 17,655 | 86,581 | - | - |
| Subtotal | 401,373 | 538,156 | 209,310 | 153,295 |
| Current taxes | | | | |
| Income tax and social contribution payable | (355,103) | (727,570) | 91,727 | (86,190) |
| Provision for income tax and social contribution | 46,270 | (189,414) | 301,037 | 67,105 |

c) Statement of deferred income tax and social contribution assets

In thousands of reais

| | CONSOLIDATED BRADESCO | | | | |
|-----------------------------------|------------------------------|----------------------------|-----------------|-----------------|--------------------------|
| | Balance at December 31, 2003 | Balances acquired/assigned | Amount recorded | Amount realized | Balance at June 30, 2004 |
| Provision for loan losses | 2,548,151 | 11,268 | 530,808 | 465,968 | 2,624,259 |
| Provision for civil contingencies | 119,717 | - | 74,839 | 19,025 | 175,531 |
| Provision for tax contingencies | 526,525 | - | 64,210 | 8,865 | 581,870 |
| Provision for labor claims | 277,635 | - | 82,973 | 63,698 | 296,910 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | |
|--|------------------|---------------|------------------|----------------|------------------|
| Allowance for mark-to-market of securities and investments | 148,560 | 61 | 48,838 | 37,946 | 159,513 |
| Provision for loss on non-operating assets | 81,458 | 633 | 11,074 | 11,380 | 81,785 |
| Mark-to-market adjustment of trading securities | 71,222 | 1,086 | 95,615 | 59,207 | 108,716 |
| Amortization of goodwill | 381,543 | - | 50,382 | 39,179 | 392,746 |
| Provision for interest attributed to own capital | - | - | 125,783 | - | 125,783 |
| Other | 216,982 | - | 118,702 | 87,798 | 247,886 |
| Total deferred tax assets on temporary differences | 4,371,793 | 13,048 | 1,203,224 | 793,066 | 4,794,999 |
| Tax losses and negative basis of social contribution | 514,890 | 6,635 | 30,254 | 39,039 | 512,740 |
| Subtotal | 4,886,683 | 19,683 | 1,233,478 | 832,105 | 5,307,739 |
| Mark-to-market adjustment of securities available for sale | 40,463 | - | 137,749 | 1,459 | 176,753 |
| Social contribution - Provisional Measure 2158-35 of August 24, 2001 (1) | 913,423 | - | - | 6,204 | 907,219 |
| Total deferred tax assets (Note 13b) | 5,840,569 | 19,683 | 1,371,227 | 839,768 | 6,391,711 |
| Deferred tax liabilities | 621,968 | 12 | 61,163 | 292,255 | 390,888 |
| Deferred tax assets net of deferred tax liabilities | 5,218,601 | 19,671 | 1,310,064 | 547,513 | 6,000,823 |
| -Percentage of net deferred tax assets on total reference equity (Note 33a) | 28.2% | | | | 30.7% |
| -Percentage of net deferred tax assets on total assets | 3.0% | | | | 3.4% |

(1) Amount payable on net income at June 30, 2004, for companies recording this credit, totals R\$ 57,315 thousand, of which R\$ 17,194 thousand may be offset on payment and recorded upon effective realization.

In thousands of reais

| BRADESCO | | | | | |
|--|-------------------------------------|------------------------------------|------------------------|------------------------|---------------------------------|
| | Balance at December 31, 2003 | Balances acquired/ assigned | Amount recorded | Amount realized | Balance at June 30, 2004 |
| Provision for loan losses | 1,926,145 | 293,883 | 378,040 | 414,955 | 2,183,113 |
| Provision for civil contingencies | 55,959 | 23,801 | 21,784 | 6,595 | 94,949 |
| Provision for tax contingencies | 256,404 | - | 40,027 | 1,322 | 295,109 |
| Provision for labor claims | 178,071 | 54,079 | 33,778 | 55,277 | 210,651 |
| Allowance for mark-to-market of securities and investments | 17,026 | 1,565 | 8,922 | 7,714 | 19,799 |
| Provision for loss on non-operating assets | 35,262 | 7,528 | 6,148 | 9,765 | 39,173 |
| Mark-to-market adjustment of trading securities | - | 1,175 | 71,578 | - | 72,753 |
| Amortization of goodwill | 132,495 | 25,448 | 6,537 | 6,909 | 157,571 |
| Interest attributed to own capital | - | - | 125,783 | - | 125,783 |
| Other | 52,091 | 92,701 | 92,023 | 72,773 | 164,042 |
| Total deferred tax assets on temporary differences | 2,653,453 | 500,180 | 784,620 | 575,310 | 3,362,943 |
| Mark-to-market adjustment of securities available for sale | 13,336 | 24,079 | 110,498 | - | 147,913 |
| Social contribution - Provisional Measure 2158-35 of August 24, 2001 (1) | 505,072 | - | - | - | 505,072 |
| Total deferred tax assets (Note 13b) | 3,171,861 | 524,259 | 895,118 | 575,310 | 4,015,928 |
| Deferred tax liabilities | 150,959 | 17,196 | 8,984 | 121,594 | 55,545 |
| Deferred tax assets net of deferred tax liabilities | 3,020,902 | 507,063 | 886,134 | 453,716 | 3,960,383 |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | |
|--|--------------|--------------|
| -Percentage of net deferred tax assets on total reference equity (Note 33a) | 16.9% | 20.6% |
| -Percentage of net deferred tax assets on total assets | 2.1% | 2.7% |

(1) Amount payable on net income at June 30, 2004, for companies recording this credit, totals R\$ 8,240 thousand, of which R\$ 2,472 thousand may be offset on payment and recorded upon effective realization.

d) Expected realization of deferred tax assets on temporary differences, tax losses and negative basis of social contribution

At June 30, 2004 In thousands of reais

| CONSOLIDATED BRADESCO | | | | | |
|------------------------------|-----------------------------|----------------------------|------------------------------------|----------------------------|------------------|
| | Temporary difference | | Tax loss and negative basis | | TOTAL |
| | Income tax | Social contribution | Income tax | Social contribution | |
| 2004 | 679,275 | 235,610 | 53,168 | 18,353 | 986,406 |
| 2005 | 1,171,261 | 401,725 | 92,489 | 29,426 | 1,694,901 |
| 2006 | 1,375,902 | 433,394 | 71,977 | 17,630 | 1,898,903 |
| 2007 | 293,184 | 100,141 | 80,940 | 25,540 | 499,805 |
| 2008 | 72,774 | 17,215 | 113,374 | 9,843 | 213,206 |
| 2009 (1st Half) | 11,538 | 2,980 | - | - | 14,518 |
| Total | 3,603,934 | 1,191,065 | 411,948 | 100,792 | 5,307,739 |

At June 30, 2004 In thousands of reais

| BRADESCO | | | | | |
|-----------------|-----------------------------|----------------------------|------------------------------------|----------------------------|------------------|
| | Temporary difference | | Tax loss and negative basis | | TOTAL |
| | Income tax | Social contribution | Income tax | Social contribution | |
| 2004 | 482,983 | 169,307 | - | - | 652,290 |
| 2005 | 852,248 | 298,342 | - | - | 1,150,590 |
| 2006 | 982,799 | 327,175 | - | - | 1,309,974 |
| 2007 | 161,014 | 52,981 | - | - | 213,995 |
| 2008 | 28,817 | 4,079 | - | - | 32,896 |
| 2009 (1st Half) | 2,606 | 592 | - | - | 3,198 |
| Total | 2,510,467 | 852,476 | - | - | 3,362,943 |

At June 30, 2004 In thousands of reais

| CONSOLIDATED BRADESCO | | | | | | | |
|--|-------------|-------------|-------------|-------------|---------------------|---------------------|--------------|
| Deferred tax assets on social contribution MP no. 2158-35 | | | | | | | |
| 2004 | 2005 | 2006 | 2007 | 2008 | 2009 to 2012 | 2013 to 2014 | Total |
| | | | | | | | |

Edgar Filing: BANK BRADESCO - Form 6-K

| | | | | | | | | |
|---------------|--------|--------|--------|--------|--------|---------|---|----------------|
| Amount | 32,251 | 43,207 | 35,025 | 54,201 | 83,852 | 658,683 | - | 907,219 |
|---------------|--------|--------|--------|--------|--------|---------|---|----------------|

At June 30, 2004 In thousands of reais

BRADESCO

Deferred tax assets on social contribution MP no. 2158-35

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 to 2012 | 2013 to 2014 | Total |
|---------------|-------------|-------------|-------------|-------------|-------------|---------------------|---------------------|----------------|
| Amount | 2,536 | 7,522 | 10,767 | 15,404 | 27,710 | 441,133 | - | 505,072 |

Projected realization of deferred tax assets is estimated and not directly related to expected book income.

The present value of deferred tax assets, calculated based on the average funding rate, net of tax effects totals R\$ 5,550,371 thousand (R\$ 3,469,358 thousand on an unconsolidated basis), of which R\$ 4,399,993 thousand (R\$ 3,095,221 thousand on an unconsolidated basis), comprises temporary differences, R\$ 453,951 thousand comprises tax losses and negative basis of social contribution and R\$ 696,427 thousand (R\$ 374,137 thousand on an unconsolidated basis), comprises deferred social contribution assets - MP 2158-35.

e) Unrecorded deferred tax assets

Deferred tax assets were not recorded in the amount of R\$ 305,487 thousand.

f) Deferred tax liabilities

The Bradesco Organization has deferred tax liabilities in the amount of R\$ 390,888 thousand (R\$ 55,545 thousand on an unconsolidated basis) relating to: income tax and social contribution, PIS and COFINS on mark-to-market adjustments of securities and derivative financial instruments -R\$ 212,963 thousand (R\$ 13,744 thousand on an unconsolidated basis); excess depreciation -R\$ 101,097 thousand; and others - R\$ 76,828 thousand (R\$ 41,801 thousand on an unconsolidated basis).

36) OTHER INFORMATION

The net assets of the investment funds and portfolios managed by the Bradesco Organization at June 30, 2004 totaled R\$ 86,815,987 thousand (June 30, 2003 - R\$ 70,227,700 thousand).

Edgar Filing: BANK BRADESCO - Form 6-K

Banco Bradesco S.A.

Cidade de Deus, Osasco, SP, July 30, 2004

Board of Directors

Chairman

Lázaro de Mello Brandão

Vice Chairman

Antônio Bornia

Members

Dorival Antônio Bianchi
Mário da Silveira Teixeira Júnior
Márcio Artur Laurelli Cypriano
João Aguiar Alvarez
Denise Aguiar Alvarez Valente
José Fonollosa García
Ricardo Espírito Santo Silva Salgado

Board of Executive Officers

Executive Officers

President

Márcio Artur Laurelli Cypriano

Executive Vice-Presidents

Décio Tenerello
Laércio Albino Cezar
Arnaldo Alves Vieira
Luiz Carlos Trabuço Cappi
Sérgio Socha
Julio de Siqueira Carvalho de Araujo
Milton Almicar Silva Vargas
José Luiz Acar Pedro
Norberto Pinto Barbedo

Managing Directors

Armando Trivelato Filho
Carlos Alberto Rodrigues Guilherme
José Alcides Munhoz
José Guilherme Lembi de Faria
Luiz Pasteur Vasconcellos Machado
Milton Matsumoto
Cristiano Queiroz Belfort
Sérgio de Oliveira
Odair Afonso Rebelato
Aurélio Conrado Boni
Domingos Figueiredo de Abreu
Paulo Eduardo D'Avila Isola
Ademir Cossello

Department Directors

Adineu Santesso
Airton Celso Exel Andreolli
Alfredo Antônio Lima de Menezes
André Rodrigues Cano
Antônio Carlos Del Cielo
Candido Leonelli
Carlos Laurindo Barbosa
Denise Pauli Pavarina de Moura
Douglas Tevis Francisco
Fernando Jorge Buso Gomes
Jair Delgado Scalco
João Batistela Biazon
João Cariello de Moraes Filho
José Carlos Perri
José Luiz Rodrigues Bueno
José Maria Soares Nunes
José Roberto Aparecido Nunciaroni
Josué Augusto Pancini
Karl Heinz Kern
Laércio Carlos de Araújo Filho
Luiz Alves dos Santos
Luiz Carlos Angelotti
Luiz Fernando Peres
Marcelo de Araújo Noronha
Marcos Bader
Maria Eliza Sganserla
Mauro Roberto Vasconcellos Gouvêa
Milton Clemente Juvenal
Nilton Pelegrino Nogueira
Ricardo Dias
Robert John van Dijk
Roberto Elias Abud Squeff
Roberto Sobral Hollander
Romulo Nagib Lasmar
Sérgio Alexandre Figueiredo Clemente
Sergio Sztajn
Toshifumi Murata
Valter Crescente

Regional Directors

Ademar Monteiro de Moraes
Alexandre da Silva Glüher
Altair Antônio de Souza
Aurélio Guido Pagani
Cláudio Fernando Manzato
Idevalter Borba
Luiz Carlos de Carvalho
Marcos Daré
Paulo de Tarso Monzani
Roberto José Barbarini
Tácito Naves Sanglard

Disclosure Committee

José Luiz Acar Pedro
Julio de Siqueira Carvalho de Araujo
Milton Almicar Silva Vargas
Carlos Alberto Rodrigues Guilherme
José Guilherme Lembi de Faria
Domingos Figueiredo de Abreu
Luiz Carlos Angelotti
Denise Pauli Pavarina de Moura
Romulo Nagib Lasmar
Jean Philippe Leroy

Departamento de Contadoria Geral (Accounting Department)

Moacir Nachbar Junior

Accountant-CRC 1SP198208/O-5

Edgar Filing: BANK BRADESCO - Form 6-K

Report of the Fiscal Council (Conselho Fiscal)

Banco Bradesco S.A.

The undersigned members of the Fiscal Council (Conselho Fiscal) of Banco Bradesco S.A., in the performance of their legal and statutory duties, having reviewed the Directors Report and the Financial Statements for the first half of 2004, and based on the unqualified audit opinion of KPMG Auditores Independentes, declare that said documents, pursuant to Brazilian corporate legislation in force, present fairly the financial position of the Institution.

Cidade de Deus, Osasco, SP, July 30, 2004

Ricardo Abecassis E. Santo Silva

Sócrates Fonseca Guimarães

Oswaldo de Moura Silveira

Edgar Filing: BANK BRADESCO - Form 6-K

Independent auditors' report

To
The Board of Directors and Stockholders
Banco Bradesco S.A.
Osasco - SP

We have examined the balance sheets of Banco Bradesco S.A. and the consolidated balance sheets of Banco Bradesco S.A. and its subsidiaries as of June 30, 2004 and 2003 and the related statements of income, changes in stockholders' equity and changes in financial position for the semesters then ended, which are the responsibility of its management. Our responsibility is to express an opinion on these financial statements.

Our examinations were conducted in accordance with auditing standards applied in Brazil and included: (a) planning of the audit work, considering the materiality of the balances, the volume of transactions and the accounting systems and internal accounting controls of the Bank and its subsidiaries; (b) verification, on a test basis, of the evidence and records which support the amounts and accounting information disclosed; and (c) evaluation of the most significant accounting policies and estimates adopted by management of the Bank and its subsidiaries, as well as the presentation of the financial statements taken as a whole.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of Banco Bradesco S.A. and the consolidated financial position of Banco Bradesco S.A. and its subsidiaries as of June 30, 2004 and 2003 and the results of its operations, changes in its stockholders' equity and changes in its financial position for the semesters then ended, in conformity with accounting practices adopted in Brazil.

July 30, 2004

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

