

BANK BRADESCO
Form 6-K
May 20, 2003

**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 May, 2003

Commission File Number 1-15250

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

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

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

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

Form 20-F Form 40-F

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

Yes No

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1. Analysis of Consolidated Results

Financial Market Indicators (%)

| Index | 2001 | | 2002 | | 2003 |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| CDI | 3.56 | 4.37 | 4.20 | 4.98 | 5.68 |
| IBOVESPA - Average | (7.15) | 28.12 | (2.38) | 30.69 | 0.04 |
| USD - Commercial rate | 10.55 | (13.14) | 0.14 | (9.28) | (5.10) |
| IPCA - IBGE | 1.42 | 2.21 | 1.49 | 6.56 | 5.13 |
| TJLP | 2.22 | 2.41 | 2.41 | 2.41 | 2.63 |

Compulsory Deposit Rates (%)

| Index | 2001 | | 2002 | | 2003 |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| Demand Deposits (1) | 45 | 45 | 45 | 45 | 60 |
| Additional (2) | - | - | - | 8 | 8 |
| Time Deposits (3) | - | 10 | 10 | 15 | 15 |
| Additional (2) | - | - | - | 8 | 8 |
| Savings Deposits (4) | 15 | 15 | 15 | 20 | 20 |
| Additional (2) | - | - | - | 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 (%)

| Index | 2001 | | 2002 | | 2003 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| Income tax | 25 | 25 | 25 | 25 | 25 |
| Social contribution | 9 | 9 | 9 | 9 | 9 |
| PIS | 0.65 | 0.65 | 0.65 | 0.65 | 0.65 |
| COFINS | 3 | 3 | 3 | 3 | 3 |
| Legal reserve on net income | 5 | 5 | 5 | 5 | 5 |
| Maximum fixed assets (*) | 70 | 70 | 70 | 50 | 50 |
| Minimum capital - Basel (**) | 11 | 11 | 11 | 11 | 11 |

(*) On adjusted reference equity

(**) 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

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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 , guidelines , should and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks and uncertainties which are difficult to predict and which could be beyond our control. Furthermore, certain forward-looking statements are based on assumptions which future events may prove to be inaccurate. Therefore, actual results may differ materially from the plans, objectives, expectations, projections and intentions expressed or implied in such forward-looking statements.

Factors which could cause actual results to differ materially include, among others, changes in regional, national and international commercial and economic conditions; inflation rates, increases in customer default and any other delays in 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 any case, these forward-looking statements are valid only as of 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 Activity

Increase in the Main Statement of Income Items compared to Prior Year

Increase in Financial Margin Items plus Exchange Adjustment compared to Prior Year

Analysis of the Adjusted Financial Margin and Average Rates

Provision for Loan Losses

Commissions and Fees

Administrative and Personnel Expenses

Human Resources

Operating Efficiency

Activity-Based Costing

2 - Consolidated Equity Analysis

Balance Sheet by Currency

Balance Sheet by Maturity

Comparative Balance Sheet

Equity Analysis

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Securities
Consolidated Portfolio Composition by issuer
Credit Operations
Funding
Savings Accounts
Asset Management and Own Working Capital

3 - Consolidated Information for the Period and Operating Structure

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Results per Thousand Shares
Net Book Value and Market Value
Cash Generation
Change in Number of Shares
Performance Ratios
Historical Data
Other Ratios
Risk Management
Added Value
Customers
Customer Service Network
Banco Postal
Internet and Web-based Products
Bradesco Day and Night (BDN)
Telebanco
Cards
Corporate Banking
Private Banking
Capital Market
Foreign Exchange
Collection and Tax and Utility Collections
Stock, Custody and Controllership Services
Investments in Infrastructure, Information Technology and Telecommunications
BCN
Banco Finasa
Banco Mercantil de São Paulo
Bradesco S.A. CTVM
Bradesco Securities Inc.
Leasing
Bradesco Consórcios Ltda.
Insurance
Private Pension Plans
Savings Bonds
Risk Ratings
Ranking
Awards
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Corporate Organization Chart
Fundação Bradesco (The Bradesco Foundation)

Independent Auditors Report on Supplementary Information

4 - Consolidated Balance Sheets and Statement of Income - 1998 to 2003

5 - Financial Statements and Independent Auditors Report

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.

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1. Analysis of Consolidated Results

Profitability

The return on annualized stockholders' equity for the first quarter of 2003 (1Q03) was 18.5% and annualized return on Total Assets was 1.4%

Net Income for the period from January 1st to March 31, 2003 increased by 19.5%, as compared to the same period in 2002. Net income for 1Q03 was R\$ 508 million, a decrease of 27.2% in comparison with the fourth quarter of 2002.

Comparative Statement of Income (In millions of reais)

| | 1 st Qtr. 2002 | 1 st Qtr. 2003 | Var. % | 4 th Qtr. 2002 | 1 st Qtr. 2003 | Var. % |
|--|---------------------------------|---------------------------------|-----------|---------------------------------|---------------------------------|-----------|
| INCOME FROM LENDING AND TRADING ACTIVITIES | 4,474 | 7,004 | 56.5 | 2,888 | 7,004 | 142.5 |
| Credit operations | 2,436 | 2,954 | 21.3 | 1,520 | 2,954 | 94.3 |
| Leasing operations | 90 | 77 | (14.4) | 75 | 77 | 2.7 |
| Securities (1) | 1,578 | 3,513 | 122.6 | 797 | 3,513 | 340.8 |
| Foreign exchange transactions | 309 | 99 | (68.0) | 170 | 99 | (41.8) |
| Compulsory deposits | 61 | 361 | 491.8 | 326 | 361 | 10.7 |
| EXPENSES | 2,743 | 4,376 | 59.5 | 526 | 4,376 | 731.9 |
| INTERESTS AND CHARGES ON: | | | | | | |
| Deposits | 1,777 | 3,424 | 92.7 | 778 | 3,424 | 340.1 |
| Borrowings and onlendings | 330 | 141 | (57.3) | (834) | 141 | (116.9) |
| Leasing operations | 3 | 3 | - | 3 | 3 | - |
| Allowance for loan losses | 633 | 808 | 27.6 | 579 | 808 | 39.6 |
| INCOME FROM FINANCIAL INTERMEDIATION | 1,731 | 2,628 | 51.8 | 2,362 | 2,628 | 11.3 |
| OTHER OPERATING INCOME (EXPENSES) | (1,114) | 1,488 | 33.6 | (1,703) | (1,488) | (12.6) |
| Commissions and fees | 861 | 998 | 15.9 | 991 | 998 | 0.7 |
| Retained insurance premiums, private pension plans and savings bonds | 1,949 | 2,770 | 42.1 | 3,244 | 2,770 | (14.6) |
| Variation in technical reserves for insurance, private pension plans and savings bonds | (255) | (1,043) | 309.0 | (1,484) | (1,043) | (29.7) |
| Claims - Insurance operations | (862) | (1,019) | 18.2 | (937) | (1,019) | 8.8 |
| Savings bond redemptions | (182) | (198) | 8.8 | (169) | (198) | 17.2 |
| Insurance and pension plan selling expenses | (160) | (180) | 12.5 | (180) | (180) | - |
| Expenses with pension plan benefits and redemptions | (349) | (390) | 11.7 | (509) | (390) | (23.4) |
| Personnel expenses | (888) | (1,053) | 18.6 | (1,047) | (1,053) | 0.6 |
| Other administrative expenses | (844) | (1,101) | 30.5 | (1,111) | (1,101) | (0.9) |
| Tax expenses | (204) | (268) | 31.4 | (258) | (268) | 3.9 |
| Equity in the earnings of subsidiary and associated | | | | | | |

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| | | | | | | |
|--|-------|-------|---------|-------|-------|-----------|
| companies | 2 | (5) | (350.0) | 33 | (5) | (115.2) |
| Other operating income | 274 | 657 | 139.8 | (71) | 657 | (1.025.4) |
| Other operating expenses | (456) | (656) | 43.9 | (205) | (656) | 220.0 |
| OPERATING INCOME | 617 | 1,140 | 84.8 | 659 | 1,140 | 73.0 |
| NON-OPERATING INCOME | (29) | (682) | 2,251.7 | 55 | (682) | (1.340.0) |
| INCOME BEFORE TAXES AND PROFIT SHARING | 588 | 458 | (22.1) | 714 | 458 | (35.9) |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION | (166) | 53 | (131.9) | 5 | 53 | 960.0 |
| MINORITY INTEREST | 3 | (3) | (200.0) | (21) | (3) | (85.7) |
| NET INCOME | 425 | 508 | 19.5 | 698 | 508 | (27.2) |
| RETURN ON ANNUALIZED STOCKHOLDERS EQUITY (%) | 18.3 | 18.5 | - | 28.3 | 18.5 | - |

(1) Including derivative financial instruments for analysis purposes

Analysis of the Statement of Income (in millions of reais)

Income from Credit and Leasing Operations

| QUARTER | | | | | |
|---|--------------------------|-------------|--|--------------------------|-------------|
| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| 2,526 | 3,031 | 20.0 | 1,595 | 3,031 | 90.0 |
| This growth mainly reflects: (i) the increase in average interest rates for 1Q03; and (ii) the increase in the average volume of the credit portfolio for the period, as a result of acquisitions in 1H02, partially offset by negative exchange variation of 5.1% in 1Q03. | | | This growth mainly reflects: (i) the increase in average interest rates for 1Q03; partially offset by: (ii) negative exchange variation of 5.1% in 1Q03. This account should be analyzed in conjunction with expense for borrowings and onlendings and interest and charges on deposits. | | |

Results of Securities and Financial Derivative Instrument Operations

| QUARTER | | | | | |
|---|--------------------------|-------------|--|--------------------------|-------------|
| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| 1,578 | 3,513 | 122.6 | 797 | 3,513 | 340.8 |
| The variation was mainly due to: (i) additional resources from increased funding in 1Q03, especially technical reserves; and (ii) increase in average interest rates in 1Q03. | | | The variation was mainly due to: (i) additional resources from increased funding in 1Q03, especially technical reserves; and (ii) increase in average interest rates in 1Q03. This account should be analyzed in conjunction with expenses for borrowings and onlendings and interest and charges on deposits. | | |

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Results of Foreign Exchange Transactions

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 309 | 99 | (68.0) | 170 | 99 | (41.8) |

This account should be analyzed net of foreign funding expenses used to finance import/export operations, as described in Note 14 to the financial statements. Net of these deductions, results would total R\$59 in 1Q02 and R\$72 in 1Q03.

This account should be analyzed net of foreign funding expenses used to finance import/export operations. Net of these deductions, results would be R\$74 in 4Q02 and R\$72 in 1Q03.

Results of Compulsory Deposits

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 61 | 361 | 491.8 | 326 | 361 | 10.7 |

This variation was mainly due to: (i) the increase in the TR reference rate used to remunerate savings account deposits, from 0.55% in 1Q02 to 1.28% in 1Q03; (ii) SELIC based remuneration of the additional compulsory deposit on demand, time and savings account deposits introduced in 3Q02; and (iii) the increase in the average volume of deposits.

This variation was mainly due to: (i) the increase in the TR reference rate used to remunerate savings account deposits, from 0.90% in 4Q02 to 1.28% in 1Q03; and (ii) the increase in the SELIC rate used to remunerate the additional compulsory deposit on demand, time and savings account deposits from 4.98% in 4Q02 to 5.68% in 1Q03.

Interest and Charges on Deposits

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 1,777 | 3,424 | 92.7 | 778 | 3,424 | 340.1 |

This growth mainly reflects: (i) the increase in average interest rates for 1Q03; and (ii) the increase in the average volume of funds obtained for the period, partially offset by: (iii) negative exchange variation of 5.1% in 1Q03, particularly impacting securities issued abroad.

This growth mainly reflects: (i) the increase in average interest rates for 1Q03; and (ii) the increase in the average volume of funds obtained for the period, affected mainly by new issuances of securities abroad in 1Q03, partially offset by: (iii) negative exchange variation of 5.1% in 1Q03. This account should be analyzed in conjunction with income on credit and leasing operations and results of securities and derivative financial

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instrument operations .

Expenses for Borrowings and Onlendings

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 330 | 141 | (57.3) | (834) | 141 | (116.9) |

The variation was mainly due to: (i) negative exchange variation of 5.1% in 1Q03; (ii) increase in average interest rates for the period; and to a lesser extent; (iii) increase in the average volume of borrowings and onlendings.

The variation mainly reflects: (i) average interest rate increases in 1Q03; partially offset by: (ii) less decrease in negative exchange variation compared to 4Q02. This account should be analyzed in conjunction with income on credit and leasing operations and results of securities and derivative financial instrument operations .

Financial Margin

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 2,364 | 3,436 | 45.3 | 2,941 | 3,436 | 16.8 |

The increased margin mainly reflects: (i) average interest rate increases for the period, partially offset by: (ii) negative exchange variation in 1Q03, on permanent investments abroad. The annualized financial margin on total average assets increased from 8.8% in 1Q02 to 9.9% in 1Q03. Adjusting the additional provision for market risk fluctuation recorded/reversed for these periods, annualized financial margin would be 8.9% and 10.4%, respectively.

The oscillation in margin was mainly due to: (i) less decrease in exchange variation compared to 4Q02, relating to permanent investments abroad; and (ii) average interest rate increases for 1Q03. The annualized financial margin on total average assets increased from 8.6% in 4Q02 to 9.9% in 1Q03. Adjusting the additional provision for market risk fluctuation recorded/reversed for these periods, annualized financial margin would be 9.9% and 10.4%, respectively.

Expenses for Provision for Loan Losses

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 633 | 808 | 27.6 | 579 | 808 | 39.6 |

Excluding the additional provisions of R\$11 and R\$298, recorded in 1Q02 and 1Q03, respectively, the decrease of R\$112 in this expense reflects the Bank s selective credit granting policy

Excluding the additional provisions of R\$81 and R\$298, recorded in 4Q02 and 1Q03, respectively, the slight increase of R\$12 reflects typical first-quarter seasonal effects.

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and increased economic activity during the period.

Income on Commissions and Fees

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 861 | 998 | 15.9 | 991 | 998 | 0.7 |

This growth reflects increased revenue from: (i) cards - R\$ 55; (ii) checking accounts - R\$ 39, mainly maintenance charges; (iii) credit operations - R\$ 23, mainly from contracting and opening of credit; (iv) collection - R\$ 11; offset by decreased revenue from managed funds - R\$ 14.

Income on commissions and fees remained practically stable, with a slight increase in the card revenue component.

Income on Insurance Premiums, Private Pension Plans and Savings Bonds

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 1,949 | 2,770 | 42.1 | 3,244 | 2,770 | (14.6) |

This growth was mainly derived from (i) an increase in revenue from VGBL life insurance premiums introduced in March 2002; and (ii) an increase in premiums from the Auto and Health portfolios.

This decrease was generated by greater sales of supplementary pension plan products in 4Q02, following the introduction of rules which permit the deduction by participants of plan contributions for income tax calculation purposes.

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

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| (255) | (1,043) | 309.0 | (1,484) | (1,043) | (29.7) |

This variation was due to growth in technical reserves as a result of increased revenue from premiums, mainly VGBL.

This variation was generated by a decrease in technical reserves, following a lower sales volume of supplementary pension plan products in 1Q03, compared with 4Q02.

Insurance Claims

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|

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(862) (1,019) 18.2
 This variation was mainly generated by: (i) a growth in the volume of insurance sales; and (ii) an increase in Life insurance premium redemptions.

(937) (1,019) (8.8)
 This variation was due to: (i) the increase in claims payments; (ii) insurance premium redemptions in the Life line; and (iii) Auto line claims.

Savings Bond Redemptions

QUARTER

| | | |
|--------------------------|--------------------------|-------------|
| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (182) | (198) | 8.8 |

This growth is a direct reflection of the increase in the volume of single payment bonds falling due in 1Q03, which were redeemed.

| | | |
|--------------------------|--------------------------|-------------|
| 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (169) | (198) | 17.2 |

This growth is a direct reflection of the increase in the volume of single payment bonds falling due in 1Q03, which were redeemed.

Insurance and Pension Plan Selling Expenses

QUARTER

| | | |
|--------------------------|--------------------------|-------------|
| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (160) | (180) | 12.5 |

The increase in this expense was generated by: (i) increased Auto line sales and (ii) VGBL product introduction in March 2002.

| | | |
|--------------------------|--------------------------|-------------|
| 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (180) | (180) | - |

Selling expenses remained practically stable for the quarter.

Expenses with Pension Plan Benefits and Redemptions

QUARTER

| | | |
|--------------------------|--------------------------|-------------|
| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (349) | (390) | 11.7 |

The variation in this account was mainly due to the increase in the payment of pension plan redemptions as a result of specific PGBL plan features which permit withdrawals at any time.

| | | |
|--------------------------|--------------------------|-------------|
| 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (509) | (390) | (23.4) |

In 1Q03, private pension plan redemption requests decreased as compared to 4Q02. Increases or decreases in this account are generated by specific PGBL plan features which permit withdrawals at any time.

Personnel Expenses

QUARTER

| | | |
|--------------------------|--------------------------|-------------|
| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (888) | (1,053) | 18.6 |

This increase was mainly due to: (i) salary increases (7%), pursuant to

| | | |
|--------------------------|--------------------------|-------------|
| 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
| (1,047) | (1,053) | (0.6) |

Personnel expenses, despite the concentration of vacation pay,

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trade-union agreements (September/02); (ii) the increase in the number of employees, subsequent to acquisitions in 1H02 - R\$54; and (iii) increase in expenses for benefits and to a lesser extent, strengthening of provisions for labor claims - R\$13.

remained almost stable for the quarter, as a result of the increase in expenses for benefits and the strengthening of provisions for labor claims.

Other Administrative Expenses

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| (844) | (1,101) | 30.5 | (1,111) | (1,101) | (0.9) |

The increase in this expense reflects expansion in the customer service network, in particular: (i) third-party services - R\$ 38; (ii) depreciation and amortization - R\$ 38; (iii) communications - R\$ 28; (iv) rents - R\$ 29, mainly relating to branches which were auctioned from June 2002; (v) leasing - R\$26; and (vi) the effects of acquisitions in 1H02.

Administrative expenses remained practically stable for the quarter with a slight reduction following the decrease in expenses for advertising and publicity in 1Q03.

Tax Expenses

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| (204) | (268) | 31.4 | (258) | (268) | (3.9) |

The growth rate mainly reflects increases in expenses for: (i) PIS/COFINS, consistent with taxable income growth for the period and (ii) CPMF (*).

The variation in 1Q03 mainly reflects the increase in expenses for CPMF.

(*Provisional tax on movement or transmission of amounts, credits and rights of a financial nature

Equity in the Earnings of Subsidiary and Associated Companies

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 2 | (5) | (350.0) | 33 | (5) | (115.2) |

This variation reflects the results obtained in associated companies accounted for under the equity method

This decrease mainly reflects the improved results obtained in 4Q02 compared to 1Q03 by IRB S.A. and BUS

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as described in Note 16b to the Holding S.A. financial statements.

Other Operating Income

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 274 | 657 | 139.8 | (71) | 657 | (1,025.4) |

The increase for the period is mainly due to reversal of provision for exchange variation - R\$166; and reversal of other operating provisions - R\$ 222 in 1Q03.

The increase for the quarter is mainly due to: (i) reversal of provision for exchange variation - R\$166 and reversal of other operating provisions - R\$ 222 in 1Q03 and (ii) financial revenue - R\$ 101 in 1Q03.

Other Operating Expenses

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| (456) | (656) | 43.9 | (205) | (656) | 220.0 |

The variation is mainly due to: (i) other financial expenses - R\$320 in 1Q03 compared to R\$ 173 in 1Q02; and (ii) increase in expenses for amortization of goodwill - R\$ 20.

The variation is mainly due to the reversal of the provision for exchange variation - R\$ 444 in 4Q02.

Operating Income

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 617 | 1,140 | 84.8 | 659 | 1,140 | 73.0 |

The increase mainly reflects: (i) positive variation in financial margin; (ii) increase in income from commissions and fees; (iii) increase in other operating income, net of other operating expenses, offset by: (a) increase in expense for provision for loan losses, and (b) increase in personnel and administrative expenses.

The increase mainly reflects: (i) positive variation in financial margin; and (ii) increase in other operating income, net of other operating expenses, offset by increase in expense for additional provision for loan losses.

Non-operating Income

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| (29) | (682) | 2,251.7 | 55 | (682) | (1,340.0) |

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The variation for the period is mainly due to extraordinary amortization of goodwill of Banco Mercantil - R\$681. N.B. Goodwill held by Boavista DTVM in Banco Mercantil S.A., following the merger approved on March 15, 2003 was amortized on an extraordinary basis pursuant to BACEN Circular 3017/2000.

The variation for the quarter mainly reflects: (i) profit determined from the auction of bank branches in 4Q02 - R\$ 147; (ii) less expense with non-operating provisions, offset by amortization of goodwill of Banco Mercantil - R\$681. N.B. Goodwill held by Boavista DTVM in Banco Mercantil S.A., following the merger approved on March 15, 2003 was amortized on an extraordinary basis pursuant to BACEN Circular 3017/2000.

Income Tax and Social Contribution

QUARTER

| 1 st Qtr/2002 (166) | 1 st Qtr/2003 53 | % VARIATION (131.9) | 4 th Qtr/2002 5 | 1 st Qtr/2003 53 | % VARIATION 960.0 |
|-----------------------------------|--------------------------------|------------------------|-------------------------------|--------------------------------|----------------------|
|-----------------------------------|--------------------------------|------------------------|-------------------------------|--------------------------------|----------------------|

The variation in income tax and social contribution expense reflects tax charges on pre-tax income adjusted by permanent additions and exclusions, as described in Note 36 to the financial statements.

The variation in income tax and social contribution expense reflects tax charges on pre-tax income adjusted by permanent additions and exclusions.

Results by Activity (in millions of reais)

| | March/2003 | | | | | | | Amount Eliminated | Total Consolidated |
|--------------------------------------|------------|---------|-----------|---------|----------------|------|---------------------|----------------------|-----------------------|
| | Financial | | Insurance | | Pension Saving | | Other Activities | | |
| | Local | Foreign | Local | Foreign | Plan | Bond | | | |
| Income from financial intermediation | 1,965 | 62 | 115 | 1 | 410 | 71 | 3 | - | 2,627 |
| Other operating income (expenses) | (1,668) | (27) | (98) | 1 | (312) | (32) | 17 | - | (2,119) |
| Commissions and fees | 903 | 2 | - | - | 35 | - | 115 | (57) | 998 |
| Personnel expenses | (909) | (7) | (73) | - | (20) | (4) | (40) | - | (1,053) |
| Other administrative expenses | (982) | (14) | (85) | (1) | (31) | (15) | (42) | 69 | (1,101) |
| Other revenue (expenses) | (680) | (8) | 60 | 2 | (296) | (13) | (16) | (12) | (963) |
| Net income | 297 | 35 | 17 | 2 | 98 | 39 | 20 | - | 508 |

Increase in the Main Statement of Income Items compared to Prior Year (in millions of reais)

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Increase in Financial Margin Items plus Exchange Adjustment compared to Prior Year (in millions of reais)

Analysis of the Adjusted Financial Margin and Average Rates

Credit Operations x Income

| | 1 st Qtr. 2002 | 4 th Qtr. 2002 | 1 st Qtr. 2003 |
|--|------------------------------|------------------------------|------------------------------|
| Credit operations | 38,135 | 44,407 | 42,489 |
| Leasing operations | 1,642 | 1,661 | 1,511 |
| Advances on foreign exchange contracts | 4,726 | 5,429 | 5,594 |
| 1 - Total - Average balance | 44,503 | 51,497 | 49,594 |
| 2 - Income (credit, leasing and foreign exchange transactions) (*) | 2,832 | 1,761 | 3,128 |
| 3 - Average return annualized exponentially (2/1) | 28.0% | 14.4% | 27.7% |

(*) Includes Income from Credit Operations, Net Result of Leasing Operations and Results on Foreign Exchange Transactions.

Securities x Income on Security Transactions

| | 1 st Qtr. 2002 | 4 th Qtr. 2002 | 1 st Qtr. 2003 |
|---|------------------------------|------------------------------|------------------------------|
| Securities | 39,110 | 37,297 | 35,717 |
| Interbank investments | 4,241 | 16,926 | 22,442 |
| Subject to repurchase agreements | (13,275) | (11,621) | (15,178) |
| Derivative financial instruments | (108) | (1,109) | (458) |
| 4 - Total - Average balance | 29,968 | 41,492 | 42,523 |
| 5 - Profit on security transactions (net of expenses for repurchase agreements) | 1,031 | 79 | 2,498 |
| 6 - Average rate annualized exponentially (5/4) | 14.5% | 0.8% | 25.6% |

Total Assets x Income from Financial Intermediation

| | 1 st Qtr. 2002 | 4 th Qtr. 2002 | 1 st Qtr. 2003 |
|---|------------------------------|------------------------------|------------------------------|
| 7 - Total assets - Average balance | 110,817 | 141,468 | 143,892 |
| 8 - Income from financial intermediation | 4,474 | 2,888 | 7,004 |
| 9 - Average rate annualized exponentially (8/7) | 17.2% | 8.4% | 20.9% |

Funding x Expenses

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| | 1 st Qtr. 2002 | 4 th Qtr. 2002 | 1 st Qtr. 2003 |
|--|------------------------------|------------------------------|------------------------------|
| Deposits | 41,397 | 56,117 | 55,617 |
| Funds from acceptance and issuance of securities | 4,433 | 4,488 | 4,050 |
| Interbank and interdepartmental accounts | 704 | 1,665 | 1,884 |
| Subordinated Debt | 1,240 | 2,854 | 3,356 |
| 10 - Total funding - Average balance | 47,774 | 65,124 | 64,907 |
| 11 - Expenses (*) | 1,170 | (266) | 2,048 |
| 12 - Average rate annualized exponentially (11/10) | 10.2% | (1.6%) | 13.2% |

(*) Expenses = Funding expenses excluding repurchase agreements less compulsory deposits.

Borrowings and Onlendings (Local and Foreign) x Expenses

| | 1 st Qtr. 2002 | 4 th Qtr. 2002 | 1 st Qtr. 2003 |
|--|------------------------------|------------------------------|------------------------------|
| Borrowings | 7,975 | 10,910 | 9,410 |
| Onlendings | 6,051 | 6,986 | 6,924 |
| 13 - Total Borrowings and Onlendings | 14,026 | 17,896 | 16,334 |
| 14 - Expenses | 329 | (834) | 141 |
| 15 - Average rate annualized exponentially (14/13) | 9.7% | (17.4%) | 3.5% |

Total Assets x Financial Margin

| | 1 st Qtr. 2002 | 4 th Qtr. 2002 | 1 st Qtr. 2003 |
|--|------------------------------|------------------------------|------------------------------|
| 16 - Total assets - Average balance | 110,817 | 141,468 | 143,892 |
| 17 - Financial Margin (*) | 2,364 | 2,941 | 3,436 |
| 18 - Average rate annualized exponentially (17/16) | 8.8% | 8.6% | 9.9% |

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

Financial Market Indicators

Analysis of the Adjusted Financial Margin and Average Rates

Bradesco's consolidated financial margin (before PDD) totaled R\$ 3,436 million for the first quarter, a 16.8% increase compared with R\$ 2,941 million for 4Q02.

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Despite economic improvements in Brazil, the world scenario remained unsettled, prompting Bradesco to adopt a more selective credit granting strategy.

During the first three months of the year, activity levels slowed in comparison to the fourth quarter of 2002 mainly as a result of the lower volume of payments for the period. Accordingly, the volume of credit operations directed to consumers and to the sales and service sectors dropped slightly.

Foreign trade activity remained competitive during the quarter, despite a downturn in the U.S dollar rate of 5.1% for the period. Export financing volumes, particularly advances on foreign exchange contracts, grew by some 5% as compared to the 2002 year-end balance. This increase is a direct reflection of Bradesco's efforts to secure commercial credit lines for foreign onlendings and financings.

Exchange variation also impacted the balance of deposits and funding (when translated into reais) of the foreign Branches and associated companies, as did the negative result of exchange variation on foreign investments.

As a result of the issues mentioned in the preceding paragraphs, at the end of March 2003, the total credit portfolio balance presented a slight downturn of 2.3% in comparison to the 2002 year-end balance.

As regards funding, the average balance of deposits for 1Q03 remained stable in relation to the prior quarter, while presenting an increase of 34.4% in comparison to 1Q02.

Working to stabilize the international lines for financing Brazil's foreign trade, Bradesco presented an increase in its foreign funding balance of 14.8% compared with December 2002, totaling R\$ 13.6 billion (1) at the end of March 2003.

The average balance of the technical reserves for insurance, savings bonds and private pension plans totaled R\$ 20.1 billion for 1Q03, a growth rate of 12.4% as compared to the prior quarter and 41.7% in comparison to 1Q02. We stress that these are mainly long-term funds providing improved investment conditions.

Bradesco securities, including interbank investments, net of committed operations and derivative financial instruments, totaled R\$ 43.2 billion at the end of March 2003, an increase of 3.0% compared to December 2002 and of 38.9% in comparison with the balance at the end of March 2002.

(1) Includes foreign securities, borrowings and onlendings.

If, on the one hand, financial margin was depressed by the decrease in volume (credit operations), on the other, it gained from interest rate increases and improved deposits and funding. Overall performance improved, ie, the average annualized financial margin (2) totaled 9.9% for the quarter compared to 8.6% in 4Q02 and 8.8% in 1Q02.

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Adjusting the additional provision for market risk fluctuation recorded/reversed for the periods, annualized financial margin would be 10.4% for the quarter compared with 9.9% in 4Q02 and 8.9% in 1Q02.

Expense for the provision for loan losses increased by 27.8% compared to the same period in 2002, however, net of the additional provision (recorded to cover specific and overall credit risks), this expense presents a downturn of 17.9%. Financial margin adjusted for this expense (with no additions) totaled 26.3% in 1Q02, and decreased to 14.9% in 1Q03, confirming the efficiency of Bradesco's risk analysis and credit granting policy.

(2) Financial margin on total average assets

Allowance for Loan Losses

Movement of allowance for loan losses

| | In millions of reais | | | | | |
|---|----------------------|----------------------|----------------------|-----------------------------------|-------------------|---|
| | 2002 | | 2003 | | % Variation | |
| | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | Qtr.03/ 1 st Qtr.02 | Qtr.03/ Qtr.02 | 1 st Qtr.03/ 4 th Qtr.02 |
| Credit portfolio | 49,546 | 50,801 | 49,655 | 0.2 | | (2.3) |
| Opening balance | 2,941 | 3,818 | 3,665 | 24.6 | | (4.0) |
| Amount recorded | 633 | 579 | 808 | 27.6 | | 39.6 |
| Amount written off | (424) | (732) | (571) | 34.7 | | (22.0) |
| Balance derived from acquired institutions | 330 | - | - | - | | - |
| Closing Balance | 3,480 | 3,665 | 3,902 | 12.1 | | 6.5 |
| Specific provision | 2,113 | 1,943 | 1,944 | (8.0) | | 0.1 |
| Generic provision | 1,124 | 1,217 | 1,156 | 2.8 | | (5.0) |
| Additional provision | 243 | 505 | 802 | 230.0 | | 58.8 |
| Credit recoveries | 88 | 136 | 112 | 27.3 | | (17.6) |

Allowance for Loan Losses (PDD) on Credit and Leasing Operations

| | In millions of reais | | | | | |
|--|----------------------|--------|--------|--------|--------|--------|
| | December | | | | | March |
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 |
| Allowance for Loan Losses - PDD (A) | 1,215 | 1,908 | 2,507 | 2,941 | 3,665 | 3,902 |
| Credit Operations (B) | 25,095 | 27,559 | 38,872 | 44,444 | 50,801 | 49,655 |
| PDD on Credit Operations (A/B) | 4.8% | 6.9% | 6.5% | 6.6% | 7.2% | 7.9% |

Ratio of coverage of PDD to abnormal credits (D to H)

| Year | In millions of reais 2002 |
|------|------------------------------|
|------|------------------------------|

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| | 2001 | | | 3 rd . 2003 | | |
|------------------------------|----------------------|----------------------|----------------------|---------------------------|----------------------|----------------------|
| | 1 st Qtr. | 2 nd Qtr. | 3 rd Qtr. | 4 th Qtr. | 1 st Qtr. | 2 nd Qtr. |
| (1) - Total Provisions | 2,941 | 3,480 | 3,529 | 3,818 | 3,665 | 3,902 |
| (2) - Abnormal Credits (D-H) | 2,629 | 3,095 | 3,088 | 2,944 | 2,676 | 2,742 |
| Coverage ratio (1/2) | 111.9% | 112.4% | 114.3% | 129.7% | 137.0% | 142.3% |

Commissions and Fees

| | In millions of reais | | | | |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2001 | | 2002 | | 2003 |
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 1 st Qtr. |
| Checking account | 214 | 206 | 237 | | 245 |
| Collection | 137 | 127 | 147 | | 139 |
| Fund management | 128 | 124 | 102 | | 110 |
| Credit card | 145 | 146 | 180 | | 201 |
| Credit operations | 85 | 87 | 113 | | 110 |
| Interbank charges | 59 | 56 | 67 | | 63 |
| Collection of taxes | 35 | 38 | 43 | | 45 |
| Custody and brokerage services | 13 | 10 | 9 | | 8 |
| Other | 58 | 67 | 93 | | 77 |
| Total | 874 | 861 | 991 | | 998 |

Administrative and Personnel Expenses

| | In millions of reais | | | | |
|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2001 | | 2002 | | 2003 |
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 1 st Qtr. |
| Third-party services | 141 | 141 | 186 | | 179 |
| Communications | 120 | 118 | 150 | | 146 |
| Depreciation and amortization | 93 | 90 | 115 | | 128 |
| Financial system services | 75 | 74 | 86 | | 84 |
| Leasing | 57 | 42 | 69 | | 68 |
| Transport | 70 | 71 | 73 | | 80 |
| Data processing | 51 | 53 | 56 | | 57 |
| Publicity and advertising | 77 | 64 | 87 | | 69 |
| Rents | 41 | 39 | 61 | | 68 |
| Maintenance and repairs | 49 | 49 | 55 | | 53 |
| Materials | 34 | 32 | 39 | | 40 |
| Water, Electricity and Gas | 17 | 19 | 25 | | 28 |
| Travel | 14 | 12 | 16 | | 16 |
| Other | 57 | 40 | 93 | | 85 |
| Administrative expenses | 896 | 844 | 1,111 | | 1,101 |
| Remuneration | 472 | 441 | 540 | | 524 |
| Benefits | 173 | 170 | 186 | | 201 |
| Social charges | 174 | 159 | 195 | | 185 |
| Training | 12 | 8 | 14 | | 10 |
| Employee profit sharing | 40 | 31 | 40 | | 42 |
| Other | 66 | 79 | 72 | | 91 |
| Personnel expenses | 937 | 888 | 1,047 | | 1,053 |

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Total 1,833 1,732 2,158 2,154

Human Resources

At March 31, 2003, Bradesco's headcount, including its subsidiaries, totaled 74,172 employees. This increase compared with the headcount at December 2001 was a result of the acquisition of Banco BEA, Banco Mercantil de São Paulo, Scopus Tecnologia and Banco Cidade, whose activities were transferred to BCN, the creation of new call centers and the opening of new Bradesco Branches. The following table presents the evolution of Bradesco's headcount.

| | Year | | | | | |
|--------------------|--------|--------|--------|--------|--------|------------------------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 1 st Qtr. |
| Banco Bradesco | 47,233 | 47,521 | 49,177 | 51,633 | 53,732 | 53,731 |
| Subsidiaries | 7,501 | 7,301 | 6,575 | 6,943 | 8,729 | 9,228 |
| Subtotal Bradesco | 54,734 | 54,822 | 55,752 | 58,576 | 62,461 | 62,959 |
| Banco BCN | 5,024 | 4,784 | 4,780 | 5,857 | 6,105 | 5,893 |
| Subsidiaries | 1,408 | 1,099 | 1,172 | 1,280 | 1,504 | 1,529 |
| Subtotal BCN | 6,432 | 5,883 | 5,952 | 7,137 | 7,609 | 7,422 |
| 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 | 3,759 |
| Subsidiaries | - | - | - | - | 353 | 32 |
| Subtotal Mercantil | - | - | - | - | 4,323 | 3,791 |
| Total | 61,166 | 63,511 | 65,804 | 65,713 | 74,393 | 74,172 |

Human Resources March/2003

| BY AGE | BY GENDER | BY EDUCATIONAL BACKGROUND | BY YEARS OF SERVICE WITH BRADESCO | BY MANAGERIAL POSITIONS |
|------------------------|-----------|------------------------------|---|----------------------------|
| Younger than 30 47% | | High School 34% | Less than 5 years 42% | |
| From 31 to 40 38% | Men 56% | University 65% | From 6 to 10 years 9% | Non-managerial 51% |
| From 41 to 50 13% | Women 44% | Other 1% | From 11 to 20 years 39% | Managerial 49% |
| Older than 50 2% | | | More than 20 years 10% | |

Personnel Expenses

At March 31, 2003, Bradesco's personnel expenses totaled R\$ 1,053 million, including expenses for salaries, social charges, benefits, training, employee profit sharing and others.

Benefits offered by Bradesco to its employees include health insurance and dental care, as well as a supplementary retirement pension plan. At March 31, 2003, Bradesco's accumulated expenditure for these benefits totaled R\$ 201 million.

The following pie graph presents the percentage share of each item in relation to total Bradesco personnel expenditure:

Composition of Personnel Expenses in March 2003

Personnel Expenses by Types of Company in March 2003

Training

Bradesco's staff training activities are tuned to its organizational strategies, to the ongoing improvement of its customer service quality and to its capacity to produce results.

Accordingly, the Training Program uses tailor-made methodologies, offering in-class or self-training courses to all its staff, designed to meet both their professional and personal development needs.

The most innovative of these training methodologies, permitting the rapid inclusion of a considerable number of employees, is the TreiNet, online training program which was used in the first quarter of 2003 by 48,509 participants for courses in Integration and Basic Banking, Financial Mathematics, Business Accounting and Balance Sheet Analysis, Financial Market and Investments, Loans and Financing, Business Support Platforms, Convenience Services, Internal Control Systems, Savings Bonds, Vida e Previdência pension plans and Cashier Training.

Through the important partnerships entered into with Consulting Firms, Universities and Business Schools, such as USP, FGV and IBMEC, the Bank qualifies its professional staff to operate in the Organization's diverse specialist segments, such as Bradesco Empresas (Middle Market), Corporate and Private Banking and Bradesco Consortiums.

Particular emphasis should also be given to the specialization courses offered at post-graduate level. Three groups have been formed for courses such as: Business Process Management, Foreign Trade and International Operations and Banking Business, given at the following institutions FIA, FIPE and FGV.

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Bradesco's compliance culture was also strengthened through distance learning courses, via manuals and TreiNet programs available to all the Organization's employees.

During the period from January to March 2003, 343 courses were given, in 2,992 groups, with 101,053 participations and a total of 1,701,959 hours spent in training, as well as investments to the order of R\$ 10.0 million.

Increase in Employee Training Participation

Total Amount Invested in Training

Operating Efficiency

| | In millions of reais | | | | | March 2003 (*) |
|---|----------------------|---------|---------|---------|---------|----------------------|
| | Year | | | | | |
| | 1998 | 1999 | 2000 | 2001 | 2002 | |
| Personnel expenses | 2,642 | 2,784 | 3,221 | 3,549 | 4,076 | 4,241 |
| (-) Employee profit sharing | 87 | 104 | 112 | 160 | 140 | 151 |
| (+) Other administrative expenses | 2,159 | 2,567 | 2,978 | 3,436 | 4,028 | 4,285 |
| (=) Total (1) | 4,714 | 5,247 | 6,087 | 6,825 | 7,964 | 8,375 |
| Financial margin = Gross income from | | | | | | |
| financial intermediation (-) | | | | | | |
| PDD | 6,087 | 7,494 | 7,839 | 10,109 | 11,472 | 12,544 |
| Commissions and fees | 1,775 | 2,100 | 3,043 | 3,473 | 3,712 | 3,849 |
| Income from retained insurance premiums, | | | | | | |
| private pension plans and savings bonds | 5,015 | 5,975 | 6,920 | 8,959 | 10,135 | 10,956 |
| Variation in technical reserves for | | | | | | |
| insurance, private pension plans and savings bonds | (1,392) | (2,342) | (3,001) | (3,492) | (2,785) | (3,573) |
| Claims - insurance operations and savings bond redemptions | (2,631) | (2,844) | (2,866) | (3,996) | (4,336) | (4,509) |
| Insurance and pension plan selling expenses | (518) | (635) | (645) | (689) | (667) | (687) |
| Expenses with pension plan benefits and redemptions | (423) | (558) | (913) | (1,370) | (1,689) | (1,730) |
| Equity in the earnings of subsidiary and associated companies | 157 | 127 | 156 | 71 | 65 | 58 |

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| | | | | | | |
|--|-------|---------|---------|---------|---------|---------|
| Other operating expenses | (813) | (1,296) | (1,376) | (1,831) | (3,148) | (3,348) |
| Other operating income | 560 | 1,070 | 903 | 1,326 | 1,321 | 1,704 |
| Adjustment of provision for exchange variation | - | - | - | - | 504 | 338 |
| Total (2) | 7,817 | 9,092 | 10,060 | 12,560 | 14,584 | 15,602 |
| Efficiency ratio (%) = (1/ 2) | 60.3 | 57.7 | 60.5 | 54.3 | 54.6 | 53.7 |

Despite acquisitions during the year, the efficiency ratio remained stable, adjusting the additional provision for market risk fluctuation on permanent investments abroad based on a US dollar rate of R\$ 3.00.

Operating Efficiency (%)

(*) For comparison purposes, March 2003 amounts are accumulated over the prior 12 month period.

Activity-Based Costing

As part of the Organization's ongoing pursuit to optimize its results and performance, Bradesco commenced a process in 2000 designed to introduce a cost control culture through the implementation of Activity-Based Costing (ABC) methodology which 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

Balance Sheet by Currency - (in millions of reais)

| | Balance Sheet | Currency | |
|--|---------------|----------|-------------|
| | | Local | Foreign (1) |
| ASSETS | | | |
| Current assets and long-term receivables | 140,132 | 115,489 | 24,643 |

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| | | | |
|---|---------|---------|--------|
| Funds available | 3,718 | 1,448 | 2,270 |
| Interbank investments | 23,411 | 20,484 | 2,927 |
| Securities and derivative financial instruments | 34,430 | 30,933 | 3,497 |
| Interbank and interdepartmental accounts | 15,059 | 15,048 | 11 |
| Credit and leasing operations | 39,582 | 32,446 | 7,136 |
| Other assets | 23,932 | 15,130 | 8,802 |
| Permanent assets | 4,868 | 4,852 | 16 |
| Investments | 483 | 483 | - |
| Property and equipment in use and leased assets | 2,538 | 2,524 | 14 |
| Deferred charges | 1,847 | 1,845 | 2 |
| Total | 145,000 | 120,341 | 24,659 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | |
| Current and long-term liabilities | 114,648 | 89,444 | 25,204 |
| Deposits | 54,871 | 50,885 | 3,986 |
| Deposits received under security repurchase agreements | 14,342 | 14,159 | 183 |
| Funds from acceptance and issuance of securities | 4,963 | 598 | 4,365 |
| Interbank and interdepartmental accounts | 1,823 | 1,052 | 771 |
| Borrowings and onlendings | 16,229 | 5,719 | 10,510 |
| Derivative financial instruments | 340 | 339 | 1 |
| Other liabilities: | | | |
| Subordinated debt | 3,391 | 2,413 | 978 |
| Other | 18,689 | 14,279 | 4,410 |
| Technical reserves for insurance, savings bonds and private pension plans | 18,505 | 18,505 | - |
| Deferred income | 26 | 26 | - |
| Minority interest in subsidiaries | 113 | 113 | - |
| Stockholders' equity | 11,708 | 11,708 | - |
| Total liabilities and stockholders equity | 145,000 | 119,796 | 25,204 |
| Net position of assets and liabilities | | | (545) |
| Net position of derivatives (2) | | | 3,298 |
| Other memorandum accounts, net (3) | | | 582 |
| Net exchange position (asset) (4) | | | 2,171 |

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

(2) Excluding derivative operations maturing in D +1, to be settled in currency at March 31, 2003 price levels.

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

(4) Excluding investments in foreign branches and subsidiaries (Note 16a), the net exchange position would be negative in the amount of R\$ 821 million (liability).

Balance Sheet by Maturity - (in millions of reais)

| | At March 31, 2003 | | | | Indeterminate | TOTAL |
|-----------------------------|-------------------|---------------------|----------------------|--------------------|---------------|-------|
| | From 1 to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | | |
| ASSETS | | | | | | |
| CURRENT ASSETS AND LOG TERM | | | | | | |

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| | | | | | | |
|---|------------------------------------|--------|--------|--------|--------|----------|
| RECEIVABLES | 93,821 | 15,750 | 8,788 | 21,773 | - | 140,132 |
| Funds available | 3,718 | - | - | - | - | 3,718 |
| Interbank investments | 22,459 | 452 | 344 | 156 | - | 23,411 |
| Securities and derivative financial instruments | 26,198 | 1,478 | 1,055 | 5,700 | - | 34,431 |
| Interbank and interdepartmental accounts | 14,741 | 5 | 6 | 307 | - | 15,059 |
| | Other receivables and other assets | 9,006 | 12,967 | 6,147 | 11,461 | - 39,581 |
| Credit and leasing operations | 17,699 | 848 | 1,236 | 4,149 | - | 23,932 |
| Permanent Assets | 48 | 239 | 287 | 3,185 | 1,109 | 4,868 |
| Investments | - | - | - | - | 483 | 483 |
| Property and equipment in use and leased Assets | 21 | 102 | 123 | 1,667 | 626 | 2,539 |
| Deferred charges | 27 | 137 | 164 | 1,518 | - | 1,846 |
| Total | 93,869 | 15,989 | 9,075 | 24,958 | 1,109 | 145,000 |
| LIABILITIES | | | | | | |
| Current and long-term liabilities | 67,250 | 11,580 | 9,052 | 26,765 | - | 114,647 |
| Deposits | 34,635 | 3,149 | 3,410 | 13,677 | - | 54,871 |
| Deposits received under security repurchase agreements | 13,863 | 2 | 12 | 465 | - | 14,342 |
| Funds from the acceptance and issuance of securities | 188 | 2,127 | 2,261 | 386 | - | 4,962 |
| Interbank and interdepartmental accounts | 1,823 | - | - | - | - | 1,823 |
| Borrowings and onlendings | 4,208 | 4,270 | 2,234 | 5,517 | - | 16,229 |
| Derivative financial instruments | 24 | 127 | 67 | 122 | - | 340 |
| Other liabilities: | | | | | | |
| - Subordinated debt | 35 | 33 | - | 3,323 | - | 3,391 |
| - Other | 12,474 | 1,872 | 1,068 | 3,275 | - | 18,689 |
| Technical reserves for insurance, private pension plans and savings bonds | - | - | - | 18,505 | - | 18,505 |
| Deferred income | 26 | 1 | - | - | - | 27 |
| Minority interest in subsidiaries | - | - | - | - | 113 | 113 |
| Stockholders' equity | - | - | - | - | 11,708 | 11,708 |

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| | | | | | | |
|------------------------|--------|--------|--------|--------|--------|---------|
| Total | 67,276 | 11,581 | 9,052 | 45,270 | 11,821 | 145,000 |
| Accumulated net assets | 26,593 | 31,001 | 31,024 | 10,712 | - | - |

Comparative Balance Sheet (in millions of reais)

| | March 2002 | March 2003 | % Variation | December 2002 | March 2003 | % Variation |
|--|----------------|----------------|----------------|------------------|----------------|----------------|
| ASSETS | | | | | | |
| Current assets and long-term receivables | 113,330 | 140,132 | 23.6 | 137,302 | 140,132 | 2.1 |
| Funds available | 1,938 | 3,718 | 91.8 | 2,786 | 3,718 | 33.5 |
| Short-term interbank investments | 5,444 | 23,411 | 330.0 | 21,473 | 23,411 | 9.0 |
| Securities and derivative financial instruments | 38,953 | 34,430 | (11.6) | 37,004 | 34,430 | (7.0) |
| Interbank and interdepartmental accounts | 6,145 | 15,059 | 145.1 | 13,135 | 15,059 | 14.6 |
| Restricted deposits: | | | | | | |
| Brazilian Central Bank | 4,984 | 13,620 | 173.3 | 12,520 | 13,620 | 8.8 |
| Other | 1,161 | 1,439 | 23.9 | 615 | 1,439 | 134.0 |
| Credit and leasing operations | 40,129 | 39,582 | (1.4) | 41,136 | 39,582 | (3.8) |
| Credit and leasing operations | 43,416 | 43,322 | (0.2) | 44,678 | 43,322 | (3.0) |
| Allowance for loan and leasing losses | (3,287) | (3,740) | 13.8 | (3,542) | (3,740) | 5.6 |
| Other receivables and assets | 20,721 | 23,932 | 15.5 | 21,768 | 23,932 | 9.9 |
| Foreign exchange portfolio | 9,521 | 12,127 | 27.4 | 10,026 | 12,127 | 21.0 |
| Other receivables and assets | 11,393 | 11,967 | 5.0 | 11,864 | 11,967 | 0.9 |
| Allowance for losses | (193) | (162) | (16.1) | (122) | (162) | 31.8 |
| Permanent assets | 5,894 | 4,868 | (17.4) | 5,483 | 4,868 | (11.2) |
| - Investments | 906 | 483 | (46.7) | 513 | 483 | (5.8) |
| - Property and equipment in use and leased assets | 2,689 | 2,538 | (5.6) | 2,558 | 2,538 | (0.8) |
| Deferred charges | 2,299 | 1,847 | (19.7) | 2,412 | 1,847 | (23.4) |
| Deferred charges | 435 | 561 | 29.0 | 469 | 561 | 19.6 |
| Goodwill on acquisition of subsidiaries, net of amortization | 1,864 | 1,286 | (31.0) | 1,943 | 1,286 | (33.8) |
| T O T A L | 119,224 | 145,000 | 21.6 | 142,785 | 145,000 | 1.6 |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | | | | |
| Current and long-term liabilities | 96,474 | 114,648 | 18.8 | 114,860 | 114,648 | (0.2) |
| Deposits | 45,934 | 54,871 | 19.5 | 56,363 | 54,871 | (2.6) |
| Demand deposits | 8,126 | 10,964 | 34.9 | 13,370 | 10,964 | (18.0) |
| Savings deposits | 18,337 | 20,236 | 10.4 | 20,731 | 20,236 | (2.4) |
| Interbank deposits | 86 | 40 | (53.5) | 24 | 40 | 66.7 |
| Time deposits | 19,385 | 23,631 | 21.9 | 22,238 | 23,631 | 6.3 |

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| | | | | | | |
|---|---------|---------|--------|---------|---------|--------|
| Deposits received under security repurchase agreements | 13,216 | 14,342 | 8.5 | 16,013 | 14,342 | (10.4) |
| Funds from acceptance and issuance of securities | 4,842 | 4,963 | 2.5 | 3,137 | 4,963 | 58.2 |
| Securities issued abroad | 3,800 | 4,365 | 14.9 | 2,650 | 4,365 | 64.7 |
| Other resources | 1,042 | 598 | (42.6) | 487 | 598 | 22.8 |
| Interbank and interdepartmental accounts | 673 | 1,823 | 170.9 | 1,944 | 1,823 | (6.2) |
| Borrowings and onlendings | 14,715 | 16,229 | 10.3 | 16,438 | 16,229 | (1.3) |
| Borrowings | 8,676 | 9,429 | 8.7 | 9,391 | 9,429 | 0.4 |
| Onlendings | 6,039 | 6,800 | 12.6 | 7,047 | 6,800 | (3.5) |
| Derivative financial instruments | 105 | 340 | 223.8 | 577 | 340 | (41.1) |
| Other liabilities | 16,989 | 22,080 | 30.0 | 20,388 | 22,080 | 8.3 |
| Foreign exchange portfolio | 4,215 | 6,558 | 55.6 | 5,002 | 6,558 | 31.1 |
| Taxes and social security contributions, social and statutory payables | 3,703 | 4,200 | 13.4 | 5,042 | 4,200 | (16.7) |
| Technical reserves for insurance, private pension plans and savings bonds | 2,056 | 2,545 | 23.8 | 2,363 | 2,545 | 7.7 |
| Subordinated debt | 1,509 | 3,391 | 124.7 | 3,322 | 3,391 | 2.1 |
| Sundry | 5,506 | 5,386 | (2.2) | 4,659 | 5,386 | 15.6 |
| Technical reserves for insurance, private pension plans and savings bonds | 12,468 | 18,505 | 48.4 | 16,792 | 18,505 | 10.2 |
| Deferred income | 9 | 26 | 188.9 | 16 | 26 | 62.5 |
| Minority interest in subsidiaries | 347 | 113 | (67.4) | 271 | 113 | (58.3) |
| Stockholders equity | 9,926 | 11,708 | 18.0 | 10,846 | 11,708 | 7.9 |
| Total | 119,224 | 145,000 | 21.6 | 142,785 | 145,000 | 1.6 |

Equity Analysis (in millions of reais)

Funds Available

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 1,938 | 3,718 | 91.8 | 2,786 | 3,718 | 33.5 |

The variation for the period is mainly derived from the increase in the volume of foreign currency cash funds.

The variation for the quarter is mainly derived from the increase in the volume of foreign currency cash funds.

Interbank Investments

QUARTER

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| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 5,444 | 23,411 | 330.0 | 21,473 | 23,411 | 9.0 |

The variation in the balance of this account reflects: (i) migration of resources from securities; and (ii) increase in deposits received under security repurchase agreements, principally in the third-party portfolio, which grew from R\$ 2,529 in 1Q02 to R\$ 12,975 in 1Q03.

The variation is derived mainly from: (i) migration of resources from securities; and (ii) the increase in deposits received under security repurchase agreements, principally in the third-party portfolio.

Securities and Derivative Financial Instruments

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 38,953 | 34,430 | (11.6) | 37,004 | 34,430 | (7.0) |

The variation in this account balance reflects the migration of funds to interbank investments. This variation was mitigated by: (i) additional funds derived from the increase in funding, particularly technical reserves; and (ii) impact of exchange variation in 1Q03. The implementation of the new mark-to-market methodology pursuant to Brazilian Central Bank (BACEN) Circulars 3068 and 3082 had no significant impact on this portfolio balance.

In 1Q03, the variation in the securities portfolio was mainly generated by migration of additional funds to interbank investments: (a) negative exchange variation of 5.10%; and (b) the variation was mitigated by additional funds derived from increased funding, particularly technical reserves.

Interbank and Interdepartmental Accounts

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 6,145 | 15,059 | 145.1 | 13,135 | 15,059 | 14.6 |

The variation mainly reflects the increase in compulsory Brazilian Central Bank deposits as a result of: (i) the increase in the compulsory deposit rate by 5% on savings account deposits and by 15% for demand deposits; (ii) creation of an additional compulsory rate of 8% on demand and time deposits and of 10% on savings account deposits; and (iii) the increase in the average volume of deposits for the period.

The variation mainly reflects the increase in compulsory Brazilian Central Bank deposits arising from the 15% increase in the compulsory deposit rate for demand deposits.

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Credit and Leasing Operations

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 49,546 | 49,655 | 0.2 | 50,801 | 49,655 | (2.3) |

The variation in the credit portfolio for the period is mainly due to positive exchange variation of 44.31% for the period from March 31, 2002 to March 31, 2003, affecting dollar-denominated credit operations, offset by: (a) contract settlements; and (b) less credit demand for the period

NB: Includes advances on foreign exchange contracts, other receivables and does not consider the allowance for loan losses, as described in Note 13 to the financial statements.

The variation in the credit portfolio for the quarter was mainly due to negative exchange variation of 5.10%, affecting dollar-denominated credit operations.

NB: Includes advances on foreign exchange contracts, other receivables and does not consider the allowance for loan losses, as described in Note 13 to the financial statements.

Allowance for Loan Losses (PDD)

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 3,480 | 3,902 | 12.1 | 3,665 | 3,902 | 6.5 |

The nominal increase in PDD for the period was 12.1%, however, if we disregard the additional provisions of R\$243 recorded in 1Q02 and of R\$803 recorded in 1Q03, the allowance would present a decrease of 4.3%. Total PDD on credit operations increased from 7% to 7.9% for the period. The total allowance on the abnormal course credit portfolio, rated from D to H, increased from 112.4% in 1Q02 to 142.3% in 1Q03.

The nominal increase in PDD for the quarter was 6.5%, however, if we disregard the additional provisions of R\$505 recorded in 4Q02 and of R\$803 recorded in 1Q03, the allowance would present a decrease of 1.9%. Total PDD on credit operations increased from 7.2% to 7.9% for the quarter. The total allowance on the abnormal course credit portfolio, rated from D to H, increased from 137.0% in 4Q02 to 142.3% in 1Q03.

Other Receivables and Assets

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 20,366 | 23,494 | 15.4 | 21,250 | 23,494 | 10.6 |

The increase is mainly derived from: (i) growth in the average volume of the foreign exchange portfolio; and (ii) exchange variance increases for

The variation is mainly derived from growth in the average volume of the foreign exchange portfolio.

NB: This total is net of R\$ 518 (net

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the period.

NB: This total is net of R\$ 355 in 1Q02 and of R\$ 438 in 1Q03, allocated to the Credit and Leasing Operations and allowance for doubtful accounts.

of corresponding PDD) in 4Q02 and of R\$ 438 in 1Q03, allocated to the Credit and Leasing Operations and allowance for doubtful accounts.

Permanent Assets

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 5,894 | 4,868 | (17.4) | 5,483 | 4,868 | (11.2) |

The decrease for the period was mainly generated by (i) transfer of permanent investments to current assets; (ii) sale of branches by auction; and (iii) amortization of goodwill in subsidiary companies.

The decrease for the quarter was mainly generated by amortization of goodwill in subsidiary companies, particularly goodwill on the acquisition of Banco Mercantil de São Paulo S.A.

NB: Goodwill held by Boavista DTVM in Banco Mercantil S.A., following the merger approved on March 15, 2003 was amortized on an extraordinary basis pursuant to BACEN Circular 3017/2000.

Deposits

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 45,934 | 54,871 | 19.5 | 56,363 | 54,871 | (2.6) |

The increase in this account balance for the period reflects: (i) the increase in the number of customers; and (ii) the migration of resources from managed funds.

The variation was generated mainly by migration of resources from deposits to managed funds.

Deposits Received Under Security Repurchase Agreements

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 13,216 | 14,342 | 8.5 | 16,013 | 14,342 | (10.4) |

The increase in this account balance was due to the intensification of this type of funding.

The fall in the volume of this account balance for the quarter was due to the migration of resources to other funding sources.

Funds from Acceptance and Issuance of Securities

QUARTER

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| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 4,842 | 4,963 | 2.5 | 3,137 | 4,963 | 58.2 |

The slight growth is derived mainly from the redemption of securities issued abroad and which fell due in 2002, offset by: (i) exchange variance for the period; and (ii) new securities issued abroad in 1Q03.

The increase is mainly derived from new issues of foreign securities, as a result of growing economy in 1Q03.

Interbank and Interdepartmental Accounts

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 673 | 1,823 | 170.9 | 1,944 | 1,823 | (6.2) |

This growth is mainly derived from the increase in the volume of collections and money orders, following the increase in the number of customers and in the customer service network.

The variation reflects the greater volume of collections and money orders in 4Q02, as a result of increased economic activity in the quarter.

Borrowings and Onlendings

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 14,715 | 16,229 | 10.3 | 16,438 | 16,229 | (1.3) |

This growth mainly reflects the increase in the volume of local onlendings and foreign borrowings, affected in part by exchange variance for the period on dollar-indexed transactions.

The slight variation is mainly due to negative exchange variance of 5.10% for the quarter, affecting principally foreign borrowings and local onlendings, in dollar-indexed transactions.

Other Liabilities and Derivative Financial Instruments

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| 20,593 | 25,608 | 24.4 | 24,083 | 25,608 | 6.3 |

Growth for the period mainly reflects: (i) the increase in the average volume of the foreign exchange portfolio, as a result of the increase in our market share; (ii) issuance of subordinated debt, both in local and foreign currency and; (iii) increase in exchange variation. NB: Excluding advances on foreign exchange contracts of R\$ 5,555 and R\$ 5,733, allocated to

This oscillation mainly reflects the increase in the average volume of the foreign exchange portfolio. NB: Excluding advances on foreign exchange contracts of R\$ 5,481 and R\$ 5,733, allocated to credit operations and technical reserves of R\$ 2,363 and R\$ 2,545 in 4Q02 and 1Q03, respectively.

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credit operations and technical reserves of R\$ 2,056 and R\$ 2,545 in 2002 and 2003, respectively.

Technical Reserves for Insurance, Private Pension Plans and Savings Bonds

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--|--------------------------|-------------|--|--------------------------|-------------|
| 14,524 | 21,050 | 44.9 | 19,155 | 21,050 | 9.9 |
| This variation was derived principally from an ongoing strengthening of reserves arising from the increased sales of private pension plans, insurance policies and, in particular, VGBL. NB: Includes technical reserves of R\$ 2,056 and R\$ 2,545 in 1Q02 and 1Q03, respectively, classified in other liabilities. | | | This variation mainly reflects an ongoing strengthening of reserves arising from the increased sales of private pension plans and insurance policies, in particular, VGBL. NB: Includes technical reserves of R\$ 2,363 and R\$ 2,545 in 4Q02 and 1Q03, respectively, classified in other liabilities. | | |

Minority Interest in Subsidiaries

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|--|--------------------------|-------------|---|--------------------------|-------------|
| 347 | 113 | (67.4) | 271 | 113 | (58.3) |
| This decrease was due to: (i) incorporation of all of the minority stockholders of Banco Mercantil de São Paulo S.A.; and (ii) the withdrawal of the minority stockholders of Prudential Bradesco Seguros. | | | This decrease followed the incorporation of all of the minority stockholders of Banco Mercantil de São Paulo S.A. | | |

Stockholders Equity

QUARTER

| 1 st Qtr/2002 | 1 st Qtr/2003 | % VARIATION | 4 th Qtr/2002 | 1 st Qtr/2003 | % VARIATION |
|---|--------------------------|-------------|--|--------------------------|-------------|
| 9,926 | 11,708 | 18.0 | 10,846 | 11,708 | 7.9 |
| The variation reflects: (i) the capital increase of R\$ 660; (ii) appropriation of net income for the period - R\$ 2,104; (iii) share premium - R\$ 7; (iv) mark-to-market adjustments of securities and derivatives - R\$ 99; offset by: (a) acquisition of treasury stock - R\$ 86; and (b) J.C.P. (interest attributed to own capital), paid and accrued - R\$ 1,002 | | | The variation reflects: (i) the capital increase through subscription and incorporation of the minority stockholders of Banco Mercantil - R\$ 660; (ii) appropriation of net income for the quarter of R\$ 508; (iii) share premium - R\$ 7; offset by: (a) reduction of the reserve for mark-to-market adjustments of securities and derivatives - R\$ 23; and (b) J.C.P. (interest attributed to | | |

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own capital), paid and accrued - R\$ 290.

Securities (in millions of reais)

Summary of the Classification of Securities at March 31, 2003

| | Financial | Insurance/ Savings bonds | Private Pension Plan | Other Activities | Total | % |
|----------------------------------|-----------|--------------------------------|----------------------------|---------------------|--------|-------|
| Trading securities | 7,973 | 2,026 | 13,349 | 59 | 23,407 | 68.0 |
| Securities available for sale | 1,177 | 1,633 | 2,672 | 100 | 5,582 | 16.2 |
| Securities held to maturity | 2,531 | - | 2,629 | - | 5,160 | 15.0 |
| Derivative financial instruments | 257 | - | - | 24 | 281 | 0.8 |
| Total in 2003 | 11,938 | 3,659 | 18,650 | 183 | 34,430 | 100.0 |

Composition by Maturity

| | March - 2003 | | | | | | |
|-------------------------------|---------------------|------------------------------|-------------------------------|-----------------------------|--------------------------|---------------|------------------------------|
| | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Market/ Book Value | Cost Value | Unrealized gain (loss) |
| TRADING SECURITIES | 601 | 4,542 | 2,821 | 15,443 | 23,407 | 23,417 | (10) |
| Financial Treasury Notes | 95 | 4,373 | 2,751 | 11,805 | 19,024 | 18,996 | 29 |
| National Treasury Bonds | 90 | - | - | 7 | 97 | 97 | - |
| Federal Treasury Notes | 1 | 14 | - | 1,436 | 1,451 | 1,450 | 1 |
| Debentures | 6 | - | 1 | 899 | 906 | 905 | 1 |
| Certificates of Bank Deposit | 5 | 8 | 4 | 745 | 762 | 763 | (1) |
| Shares | 293 | - | - | - | 293 | 294 | (1) |
| Securitization Notes | - | - | - | 175 | 175 | 175 | - |
| Brazilian Foreign Debt Notes | 35 | 1 | 15 | 212 | 263 | 263 | - |
| Foreign Securities | 40 | 77 | 39 | 60 | 216 | 218 | (2) |
| Other | 36 | 69 | 11 | 104 | 220 | 257 | (37) |
| SECURITIES AVAILABLE FOR SALE | 1,965 | 609 | 148 | 2,861 | 5,583 | 5,607 | (24) |
| Shares | 1,778 | - | - | - | 1,778 | 1,720 | 58 |
| Federal Treasury Notes | - | - | - | 1,651 | 1,651 | 1,654 | (3) |
| Financial Treasury Notes | 4 | 505 | 86 | 384 | 979 | 1,015 | (36) |
| Debentures | 2 | 33 | 20 | 641 | 696 | 728 | (32) |
| Certificates of Bank Deposit | 35 | 60 | 30 | 76 | 201 | 201 | - |
| Promissory Notes | 113 | - | - | - | 113 | 113 | - |
| Other | 33 | 11 | 12 | 109 | 165 | 176 | (11) |
| SECURITIES HELD TO | 13 | 30 | 912 | 4,204 | 5,159 | 5,159 | - |

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| | | | | | | | |
|------------------------|-------|-------|-------|--------|--------|--------|------|
| MATURITY | | | | | | | |
| Federal Treasury Notes | 4 | - | - | 2,844 | 2,848 | 2,848 | - |
| Brazilian Foreign Debt | | | | | | | |
| Notes | 9 | 23 | - | 1,236 | 1,268 | 1,268 | - |
| Central Bank Notes | - | 7 | 912 | 124 | 1,043 | 1,043 | - |
| DERIVATIVE FINANCIAL | | | | | | | |
| INSTRUMENTS | 62 | 73 | 45 | 101 | 281 | 270 | 11 |
| Derivative Financial | | | | | | | |
| Instruments | 62 | 73 | 45 | 101 | 281 | 270 | 11 |
| Total | 2,641 | 5,254 | 3,926 | 22,609 | 34,430 | 34,453 | (23) |

Consolidated portfolio composition by issuer

| March - 2003 | | | | | | | | |
|----------------|---------------------|------------------------------|-------------------------------|-----------------------------|--------------------------|------------------|------------------------------|---|
| Securities | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Market/ Book Value | Restated Cost | Unrealized Gain (loss) | Unrealized Gain (loss), net of tax |
| GOVERNMENT | | | | | | | | |
| SECURITIES | 271 | 4,954 | 3,768 | 19,822 | 28,815 | 28,862 | (47) | (31) |
| Financial | | | | | | | | |
| Treasury Notes | 99 | 4,878 | 2,837 | 12,189 | 20,003 | 20,010 | (7) | (5) |
| Federal | | | | | | | | |
| Treasury Notes | 5 | 14 | - | 5,931 | 5,950 | 5,952 | (2) | (1) |
| Brazilian | | | | | | | | |
| Foreign Debt | | | | | | | | |
| Notes | 43 | 24 | 15 | 1,448 | 1,530 | 1,530 | - | - |
| Central Bank | | | | | | | | |
| Notes | - | 11 | 914 | 163 | 1,088 | 1,088 | - | - |
| National | | | | | | | | |
| Treasury Bonds | 90 | - | - | 7 | 97 | 97 | - | - |
| Other | 34 | 27 | 2 | 84 | 147 | 185 | (38) | (25) |
| CORPORATE | | | | | | | | |
| BONDS | 2,370 | 300 | 158 | 2,787 | 5,615 | 5,591 | 24 | 16 |
| Shares | 2,072 | - | - | - | 2,072 | 2,013 | 59 | 39 |
| Debentures | 8 | 33 | 20 | 1,539 | 1,600 | 1,634 | (34) | (22) |
| Certificates | | | | | | | | |
| of Bank | | | | | | | | |
| Deposit | 40 | 68 | 34 | 821 | 963 | 964 | (1) | (1) |
| Derivative | | | | | | | | |
| financial | | | | | | | | |
| instruments | 62 | 73 | 45 | 101 | 281 | 270 | 11 | 7 |
| Securitization | | | | | | | | |
| Notes | - | - | 2 | 219 | 221 | 221 | - | - |
| | 6 | 50 | 39 | 60 | 155 | 157 | (2) | (1) |

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Foreign
Securities

Promissory

| | | | | | | | | |
|-------|-------|-------|-------|--------|--------|--------|------|------|
| Notes | 114 | 65 | - | - | 179 | 178 | 1 | 1 |
| Other | 68 | 11 | 18 | 47 | 144 | 154 | (10) | (7) |
| Total | 2,641 | 5,254 | 3,926 | 22,609 | 34,430 | 34,453 | (23) | (15) |

Credit Operations (in millions of reais)

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

| | In millions of reais | | | | | |
|---|----------------------|--------|----------|--------|----------|-------|
| | 2001 | | 2002 | | 2003 | |
| | December | March | December | March | December | March |
| Discount of trade receivables and other loans | 20,745 | 22,676 | 23,571 | 23,119 | | |
| Financings | 14,139 | 16,027 | 15,573 | 14,862 | | |
| Rural and agribusiness loans | 3,005 | 2,948 | 3,954 | 3,899 | | |
| Leasing operations | 1,720 | 1,792 | 1,581 | 1,442 | | |
| Advances on foreign exchange contracts | | | | | | |
| contracts (2) | 4,406 | 5,439 | 5,455 | 5,733 | | |
| Advances in foreign currency granted | - | 116 | 26 | - | | |
| Total credit operations | 44,015 | 48,998 | 50,160 | 49,055 | | |
| Other receivables | 429 | 548 | 641 | 600 | | |
| Total for the period | 44,444 | 49,546 | 50,801 | 49,655 | | |
| Sureties and guarantees recorded in memorandum accounts | 3,068 | 3,037 | 4,326 | 4,308 | | |

Credit Portfolio by Activity Sector (in millions of reais)

| | 2002 | | 2003 | |
|---|----------|-------|--------|-------|
| | December | % | March | % |
| Public Sector | 255 | 0.5 | 245 | 0.5 |
| Private Sector | 50,546 | 99.5 | 49,410 | 99.5 |
| Manufacturing | 15,730 | 31.0 | 15,755 | 31.7 |
| Commerce | 8,198 | 16.1 | 7,914 | 16.0 |
| Financial intermediation | 731 | 1.4 | 758 | 1.5 |
| Services | 11,274 | 22.2 | 10,731 | 21.6 |
| Agriculture, Livestock Raising, Fishing, Forest | | | | |
| Development and Management | 994 | 2.0 | 830 | 1.7 |
| Consumers | 13,619 | 26.8 | 13,422 | 27.0 |
| TOTAL | 50,801 | 100.0 | 49,655 | 100.0 |

At the end of March 2003, some 99.5% of the credit portfolio was directed to the private sector, with no significant movement compared to 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 beverages, steel, metal products and mechanics. Credits directed to the service sector, including financial intermediaries, comprised 23.1%, whereas commerce

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and farming/livestock activities recorded a 16.0% and 1.7% portfolio share, respectively. Loans to consumers comprised 27% of the portfolio.

Portfolio Performance

The balance of credit operations was down slightly for the first quarter, reflecting not only the weak seasonal performance, but also the impact of exchange rate decreases.

Accordingly, maintaining the trend evidenced in the prior quarter, on the one hand, financial institutions continued to adopt a selective credit granting approach and on the other, the production sector adopted a cautious approach as regards increasing indebtedness. In the corporate area, except for exports, foreign onlending settlement activity continued, together with exchange rate appreciation.

As a result, on a consolidated basis, credit operations totaled R\$ 49.6 billion, at March 31, a decrease of 2.3% for the quarter. In relation to the prior twelve months, reflecting the low level of economic activity which prevailed during the period and the integration process of the banks acquired, the balance of credit operations remained practically stable.

Composition of the Credit Portfolio by risk levels

Analyzing the distribution of the Bradesco portfolio by risk level, the quality of the credit assets for the first quarter remained stable as compared to 4Q02. The operations concentrated between levels AA and C, classified by BACEN as normal course operations, totaled 90.8% 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 6.4% 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.

Consolidated (in millions of reais)

| Risk Level | In millions of reais | | | | | | | | |
|------------|----------------------|---------------------------|-------------------------------------|------------------------|-------|--------------------------|-----------|-----|---|
| | | | At March 31, Minimum requirement | | | | | | |
| | Portfolio | Accumulated | Specified ⁽²⁾ | Generic ⁽³⁾ | Total | Additional | Existing | | |
| | Balance | Percentage ⁽¹⁾ | Past Due | Falling Due | | Allowance ⁽⁴⁾ | Allowance | | |
| AA | 14,446 | 29.1 | - | - | - | - | - | - | - |
| A | 17,568 | 64.5 | - | - | 88 | 88 | 42 | 130 | |
| B | 3,842 | 72.2 | 1 | 4 | 34 | 39 | 10 | 49 | |
| C | 9,206 | 90.8 | 7 | 18 | 251 | 276 | 276 | 552 | |
| D | 1,370 | 93.6 | 19 | 29 | 89 | 137 | 235 | 372 | |
| E | 372 | 94.3 | 35 | 40 | 36 | 111 | 60 | 171 | |
| F | 572 | 95.4 | 87 | 71 | 128 | 286 | 100 | 386 | |
| G | 387 | 96.2 | 81 | 72 | 117 | 270 | 80 | 350 | |

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| | | | | | | | | |
|----------------------------|--------|-------|---------|-----|-------|-------|-----|-------|
| H | 1,892 | 100.0 | 868 | 611 | 413 | 1,892 | - | 1,892 |
| Total at March 31, 2003 | 49,655 | | - 1,098 | 845 | 1,156 | 3,099 | 803 | 3,902 |
| Total at December 31, 2002 | 50,801 | | - 1,149 | 794 | 1,217 | 3,160 | 505 | 3,665 |

(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 at March 31, 2003, totaled R\$ 3,902 million, corresponding to 7.9% of total credit operations. However, of this amount, only 49.8% effectively comprises overdue operations (past due and falling due) compared to 53.0% at December 31, 2002 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 March 2002 and March 2003

The performance of the consolidated credit portfolio for the prior twelve months ended March 31, 2003, despite the low level of economic activity, evidences the maintenance of the quality of the assets, mainly as a result of new borrowers, representing a 19.1% increase in total loans for the period.

Portfolio Movement between March 2002 and March 2003

| LEVEL | Remaining borrowers of March 2002 | | New borrowers Between March 2002 and March 2003 | | Total assets at March 2003 | |
|--------|-----------------------------------|-------|---|-------|----------------------------|-------|
| | In millions of reais | % | In millions of reais | % | In millions of reais | % |
| AA - C | 35,982 | 89.5 | 9,080 | 96.1 | 45,062 | 90.8 |
| D - H | 4,222 | 10.5 | 371 | 3.9 | 4,593 | 9.2 |
| Total | 40,204 | 100.0 | 9,451 | 100.0 | 49,655 | 100.0 |

As a result, the quality of the credits granted to new borrowers in annual terms is proving to be increasingly solid and accordingly the percentage of credit operations classified as normal course (from AA to C) maintained its upward trend, totaling 90.8% at the end of the quarter

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Concentration of Credit Portfolio

| Specification | 2001 | | March | | 2002 | | 2003 | |
|--------------------------|----------------------------|------|----------------------------|------|----------------------------|------|----------------------------|------|
| | December | | In | | December | | March | |
| | In millions of reais | % | In millions of reais | % | In millions of reais | % | In millions of reais | % |
| Largest borrower | 464 | 1.0 | 799 | 1.6 | 857 | 1.7 | 800 | 1.6 |
| 10 largest borrowers | 3,319 | 7.5 | 4,304 | 8.7 | 4,877 | 9.6 | 4,409 | 8.9 |
| 20 largest borrowers | 5,218 | 11.7 | 6,733 | 13.6 | 7,785 | 15.3 | 6,959 | 14.0 |
| 50 largest borrowers | 8,951 | 20.1 | 10,888 | 22.0 | 13,350 | 26.3 | 12,052 | 24.3 |
| 100 largest borrowers | 12,227 | 27.5 | 14,085 | 28.4 | 17,434 | 34.3 | 16,052 | 32.3 |

Credit Portfolio Indicators

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

| Items | In millions of reais | | |
|--|----------------------|------------------|---------------|
| | March | 2002 December | 2003 March |
| Total Credit Operations | 49,546 | 50,801 | 49,655 |
| - Consumer | 14,274 | 13,619 | 13,422 |
| - Corporate | 35,272 | 37,182 | 36,233 |
| Existing Allowance | 3,480 | 3,665 | 3,902 |
| - Specific | 2,113 | 1,943 | 1,943 |
| - Generic | 1,124 | 1,217 | 1,156 |
| - Additional | 243 | 505 | 803 |
| Existing Allowance/Specific Allowance (%) | 164.7 | 188.6 | 200.8 |
| Existing Allowance/Total Credit Operations (%) | 7.0 | 7.2 | 7.9 |
| Normal Course Operations (from AA to C)/Total Credit Operations (%) | 90.2 | 90.9 | 90.8 |
| Operations under risk management (D)/Total Credit Operations (%) | 2.8 | 2.7 | 2.8 |
| Abnormal Course Operations (from E to H)/Total Credit Operations (%) | 7.0 | 6.4 | 6.4 |
| Credit Operations (D) | 1,366 | 1,354 | 1,370 |
| Existing Allowance (D) | 237 | 302 | 372 |
| Allowance/Credit Operations (D) (%) | 17.4 | 22.4 | 27.2 |
| Credit Operations (from E to H) | 3,485 | 3,283 | 3,223 |
| Existing Provision (from E to H) | 2,868 | 2,838 | 2,799 |
| Allowance/Credit Operations (from E to H) (%) | 82.3 | 86.5 | 86.8 |

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The first quarter figures confirm the low credit risk of the Bradesco portfolio, as a result of its comfortable coverage levels and moreover that the Organization's credit asset expansion strategy is being applied on a secure and consistent basis.

Funding

Deposits by Maturity (In millions of reais)

| Days to maturity | 2002 | | 2003 | | | Total |
|------------------|---------------|---------------|---------------------|----------------------|-------------------|---------------|
| | March | Up to 30days | From 31 to 180 days | From 181 to 360 days | More than 360days | |
| Demand | 13,370 | 10,964 | - | - | - | 10,964 |
| Savings | 20,731 | 20,236 | - | - | - | 20,236 |
| Interbank | 24 | 31 | 4 | 5 | - | 40 |
| Time | 22,238 | 3,404 | 3,145 | 3,405 | 13,677 | 23,631 |
| TOTAL | 56,363 | 34,635 | 3,149 | 3,410 | 13,677 | 54,871 |

Demand Deposits

Savings Accounts

The balance of Bradesco Organization Savings Accounts for 1Q03 totaled R\$ 20.2 billion in deposits, comprising an 18.2% market share of the Brazilian Savings and Loan System (SBPE).

Savings Account Deposits

Savings Accounts Share of SBPE (%)

Savings Accounts

Asset Management and Own Working Capital

| | In millions of reais | | | |
|--|----------------------|---------------|------------------|---------------|
| | 2001 December | 2002 March | 2002 December | 2003 March |
| Asset Management | 59,042 | 64,452 | 64,269 | 75,931 |
| Investment Funds | 41,905 | 47,361 | 45,416 | 54,862 |
| Customer Portfolios | 17,137 | 17,091 | 18,853 | 21,069 |
| Working Capital (Stockholders' equity (-) Permanent Assets) | 5,559 | 4,379 | 5,634 | 6,953 |

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Bradesco acquires JP Morgan Fleming Asset Management

On January 27, 2003, Bradesco signed with Banco J.P. Morgan S.A., an Agreement for the Transfer of Rights and Obligations and Other Accords regarding the acquisition of the activities of Administration and Management of the Investment Fund and Securities Portfolios managed by JPMorgan Fleming Asset Management.

Under Bradesco administration, these assets which total some R\$ 7 billion will be managed by BRAM -Bradesco Asset Management Ltda. as from March 24, 2003.

Bradesco is rated Brazil s largest retail fund manager by Top Asset

Bradesco is rated Largest Retail Investment Fund Manager with net assets of R\$ 22 billion, by the 11th Top Asset ranking published by the Investidor Institucional magazine on March 15, 2003.

Best Brazilian Bank in which to invest

Bradesco was rated Best Brazilian Bank for investment by the 2002 Personal Investment Guide published by Você S/A. magazine.

This rating organized in partnership with Fundação Getúlio Vargas in São Paulo, was based on the results of an analysis of criteria such as the diversity and performance of the Investment Funds offered.

Bradesco is ranked second Bank with the largest number of Excellent Funds for Institutional Investors.

Bradesco, through BRAM s Fund management, was ranked second Bank with the largest number of Funds classified as excellent in the ranking published in January 2003 by the Investidor Institucional magazine.

This ranking prepared by Risk Office was based on a study of 544 open funds exclusively focused on Institutional Investors. The funds were analyzed over a period of 12 months, between January 2 and December 30, 2002.

| | Net Assets - in millions of reais | | | |
|-----------------------------------|-----------------------------------|---------------|------------------|---------------|
| | 2001 December | 2002 March | 2002 December | 2003 March |
| Fixed return funds | 40,536 | 45,659 | 43,744 | 53,311 |
| Floating rate funds | 1,369 | 1,702 | 1,672 | 1,551 |
| Total net assets of funds | 41,905 | 47,361 | 45,416 | 54,862 |
| Fixed return customer portfolios | 12,544 | 13,450 | 13,309 | 15,897 |
| Floating rate customer portfolios | 4,593 | 3,641 | 5,544 | 5,172 |
| Total net assets of portfolios | 17,137 | 17,091 | 18,853 | 21,069 |
| Total | 59,042 | 64,452 | 64,269 | 75,931 |

Funds under Management

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Funds

| Institution | Number of Funds | | | Number of Quotaholders | | |
|-------------|-----------------|---------------|--------------------------------------|------------------------|---------------|--------------------------------------|
| | Fixed return | Floating rate | Total (fixed return + floating rate) | Fixed return | Floating rate | Total (fixed return + floating rate) |
| Bradesco | 278 | 64 | 342 | 992,546 | 1,194,782 | 2,187,328 |

Portfolio

| Institution | Number of Portfolios | Number of Portfolio Customers |
|-------------|----------------------|-------------------------------|
| | Total | Total |
| Bradesco | 184 | 182 |

3 - Consolidated Information for the Period and Operating Structure

Balance Sheet

| | In millions of reais | | | |
|---|----------------------|---------------|------------------|---------------|
| | 2001 December | 2002 March | 2003 December | 2003 March |
| Total assets | 110,116 | 119,224 | 142,785 | 145,000 |
| Securities, derivative financial instruments and interbank investments | 44,380 | 44,397 | 58,477 | 57,841 |
| Credit and leasing operations | 44,444 | 49,546 | 50,801 | 49,655 |
| Total deposits | 41,084 | 45,934 | 56,363 | 54,871 |
| Demand deposits | 8,058 | 8,126 | 13,370 | 10,964 |
| Time deposits | 14,675 | 19,385 | 22,238 | 23,631 |
| Savings deposits | 18,311 | 18,337 | 20,731 | 20,236 |
| Interbank deposits | 40 | 86 | 24 | 40 |
| Subordinated debt | 970 | 1,509 | 3,322 | 3,391 |
| Technical reserves for insurance, private pension plans and savings bonds | 13,854 | 14,524 | 19,155 | 21,050 |
| Stockholders' equity | 9,768 | 9,926 | 10,846 | 11,708 |

Statement of Income for the Period

| | In million of reais | | | | |
|--|------------------------------|------------------------------|------------------------------|------------------------------|--------------|
| | 2001 4 th Qtr. | 2002 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. | 2003 Qtr. |
| Net income | 610 | 425 | 698 | 508 | |
| Financial margin | 3,042 | 2,364 | 2,941 | 3,436 | |
| Gross profit from financial intermediation | 2,422 | 1,731 | 2,362 | 2,628 | |
| Commissions and fees | 874 | 861 | 991 | 998 | |

Results per Thousand Shares

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| | 2001 4 th Qtr.1 st | In reais | | 2003 Qtr. |
|--|--|---------------------|---------------------|--------------|
| | | 2002 | | |
| | | Qtr.4 th | Qtr.1 st | |
| Net Income | 0.42 | 0.30 | 0.49 | 0.33 |
| JCP/dividends - ON (before income tax) | 0.176 | 0.155 | 0.421 | 0.184 |
| JCP/dividends - ON (net of income tax) | 0.155 | 0.132 | 0.358 | 0.157 |
| JCP/dividends - PN (before income tax) | 0.194 | 0.171 | 0.464 | 0.203 |
| JCP/dividends - PN (net of income tax) | 0.170 | 0.145 | 0.394 | 0.172 |

JCP - Interest attributed to own capital (paid and accrued).

ON - Common stock.

PN - Preferred stock.

Net Book Value and Market Value (per thousand shares)

| | 2001 December | In reais | | 2003 March |
|------------------------------------|------------------|-----------|-----------|---------------|
| | | 2002 | | |
| | | March | December | |
| Number of shares (million) (ON/PN) | 1,440,546 | 1,437,678 | 1,427,880 | 1,515,448 |
| Net book value (ON/PN) | 6.78 | 6.90 | 7.60 | 7.73 |
| Average last day price (ON/PN) | 11.28 | 12.69 | 10.55 | 10.57 |
| Average last day price (ON) | 10.20 | 11.34 | 10.03 | 9.56 |
| Average last day price (PN) | 12.36 | 14.04 | 11.06 | 11.57 |

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

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Cash Generation

| | In millions of reais | | | | |
|---|----------------------|----------------------|----------------------|----------------------|------|
| | 2001 | 2002 | 2003 | | |
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | Qtr. |
| Net Income | 610 | 425 | 698 | 508 | |
| (-) Equity in earnings of subsidiary and associated companies | | (55) | (2) | (33) | 5 |
| (-) Exchange gain (loss) | 222 | 65 | (189) | (1) | |
| (+) Allowance for loan losses | 620 | 633 | 579 | 808 | |
| (+) Technical reserves for insurance, private pension plans and savings bonds | 1,310 | 255 | 1,484 | 1,043 | |
| (+) Allowance for/reversal of mark-to-market | (392) | 10 | (833) | 15 | |
| (+) Depreciation and amortization | 97 | 93 | 136 | 141 | |
| (+) Amortization of goodwill | 37 | 38 | 67 | 738 | |
| TOTAL | 2,449 | 1,517 | 1,909 | 3,257 | |

Change in Number of Shares (million)

| | Common stock | Preferred stock | Total |
|--|--------------|-----------------|-----------|
| Number of shares held at December 31, 2002 | 719,343 | 708,537 | 1,427,880 |
| Shares subscribed and allocated for the period | 44,115 | 43,453 | 87,568 |
| Number of shares held at March 31, 2003 | 763,458 | 751,990 | 1,515,448 |

Performance Ratios (annualized)

| | % | | | |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | 2001 | 2002 | 2003 | |
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| Return on stockholders equity (total) | 27.4 | 18.3 | 28.3 | 18.5 |
| Return on average stockholders equity | 28.0 | 18.5 | 29.4 | 20.0 |
| Return on assets (total) | 2.2 | 1.4 | 2.0 | 1.4 |

NB: Return on stockholders equity = Net income/final stockholders' equity annualized exponentially.

Return on average stockholders equity = Net income/average (daily) stockholders' equity annualized exponentially.

Historical Data - In millions of reais (unless otherwise indicated)

Historical Data - In millions of reais (unless otherwise indicated)

Historical Data - In millions of reais (unless otherwise indicated)

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Other Ratios

| | % | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2001 4 th Qtr. | 2002 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
| Capital adequacy ratio - financial consolidated (1) | 15.4 | 15.2 | 17.9 | 19.7 |
| Capital adequacy ratio - total consolidated (1) | 13.8 | 13.6 | 15.8 | 17.1 |
| Permanent assets to stockholders' equity - financial consolidated (2) | 53.9 | 64.2 | 48.3 | 42.5 |
| Permanent assets to stockholders' equity - total consolidated (2) | 48.4 | 50.8 | 37.2 | 31.2 |

(1) Reference equity may not be lower than 11% of weighted assets.

(2) At March 31, 2003, permanent assets to stockholders equity are limited to 50% of reference equity.

Other Indicators

Risk Management

Structure

The economic stability brought by the Real Plan prompted the Brazilian financial sector to develop sophisticated risk management policies. An increasingly high-powered market, globalization and advanced technology motivated the creation of specific procedures for monitoring and controlling risks.

Bradesco, permanently alert to these changes, has developed a number of mechanisms in recent years designed to plan, control and manage the risks inherent to its banking activities and which include the following: credit, market, operating and liquidity risks, as well as the management of risk capital and internal controls.

A culture focusing Risk Management and Compliance, allied with a thorough knowledge of latest-generation risk management processes, provides a decisive competitive edge. It facilitates the maintenance of stability, continuity and supports profit growth, adding value to the Bradesco brand name. This culture facilitates transparency and ensures that intelligent decisions are made, controlling risks in proportion to yield and optimizing the allocation of capital in benefit of stockholders and investors.

In addition to its banking activity, Bradesco has extended its risk analysis culture to encompass its equity related companies such as Bradesco Vida e Previdência, Bradesco Saúde, Bradesco Seguros and Bradesco Capitalização, as regards actuarial and market risks.

In the 1st quarter of 2002, the Risk Management area incorporated the activities carried out by other areas of the Institution responsible for

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compliance, including internal controls, operating risks, information security and money laundering prevention and is now known as the Risk Management and Compliance Department.

The Risk Management and Compliance area is independent from other operating areas, reporting directly to the president:

An independent process for monitoring, controlling and managing risks is critical to effective management. The area's activities are governed by a standing committee, which evaluates positions and ratifies decisions involving control and limit policies.

A financial institution complies when all its transactions are carried out in accordance with the laws and rules in force in an ethical manner and avoiding conflict of interests. The Compliance department is designed to prevent damage and to manage legal, regulatory and reputation risks, supporting the Branches and Departments in their daily activities.

Particular emphasis is given to personnel and technology resources, ensuring that the Bradesco Group has permanent access to the cutting-edge technology required for managing the Organization's risks.

The new organizational structure is designed to facilitate a greater focus on these critical activities and confirms the Organization's adherence to best corporate governance practices.

Credit Risk Management

Credit risk is the risk arising from the possibility of loss due to the non-receipt of amounts contracted with counterparties and related creditors. Credit risk management requires a strictly disciplined control over all analyses and transactions carried out, safeguarding process integrity and independence.

Credit Policy

The Organization's Credit Policy is designed to ensure maximum security, quality and liquidity in the investment of assets and speedy profitable business, minimizing risks inherent to all types of credit operation, 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.

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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 underlying guarantees are sufficient to cover the risks assumed, considering the purpose and terms of the credit granted.

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.

While Bradesco Corporate Banking serves major companies with billings in excess of R\$ 180 million, high-income consumer customers with funds for investment of more than R\$ 1 million are served by Bradesco Private Banking. Other customers are classified on a retail basis as companies or consumers.

Bradesco is now implementing another phase of its segmentation process, this time focusing on middle-market companies. Bradesco Empresas (Bradesco Companies) is designed to offer a quality service tailored to the specific financial needs of this segment, in the same way as major corporations are attended by Bradesco Corporate Banking.

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 | % Provis | 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. |

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| | | | |
|---|---------------|-------|--|
| 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 |
| G | Critical | 70.0 | percentage shown. |
| 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, whereas 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 Own Portfolio positions (Treasury):

| Risk Factors | In thousands of reais | | | | | |
|------------------|-----------------------|--------|--------|-----------|----------|-------|
| | 2001 | | 2002 | | | 2003 |
| | December | March | June | September | December | March |
| Prefixed | 4,185 | 3,548 | 4,881 | 7,108 | 5,407 | 6,293 |
| Exchange Coupon | 21,616 | 10,488 | 48,259 | 23,041 | 33,142 | 9,662 |
| Foreign Currency | 9,733 | 3,197 | 8,422 | 1,988 | 2,876 | 1,807 |

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| | | | | | | |
|-------------------|----------|---------|----------|---------|---------|---------|
| Floating Rate | 104 | 183 | 14 | 75 | 11 | 105 |
| Correlated Effect | (13,554) | (6,665) | (15,809) | (8,008) | (4,014) | (3,804) |
| VaR | 22,084 | 10,751 | 45,767 | 24,204 | 37,422 | 14,064 |

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 prefixed 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 institution s results.

Following recent guidelines issued by the Basel Committee regarding the measurement of operating risks and in anticipation of future capital requirements, the Organization has commenced a process designed to adapt the Bank to possible Brazilian Central Bank demands. This process, parallel to compliance with future regulations, will be supplementary to present capital management policies, focusing on the analysis of operating losses.

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, decreases in the cost of regulatory capital to be subscribed and increases in operating efficiency.

Bradesco s adherence to the 10 principles of good operating-risk-management practice determined by the Basel Committee was appraised by the Operating Risk Management area. As a result, a specific area activity plan and schedule was put into place, considering all related project stages. Initially, certain Bank areas were selected for the purpose of identifying and mapping the current processes used to record operating losses and their related accounts.

As a result of the need to compile and maintain consistent historical data on operating losses for a 5-year period, the information relating to losses managed at present was analyzed for the period from 2000 to 2002. At the same time, a number of performance indicators were selected to serve as a basis for analyzing and projecting the relevance of these operating losses in relation to the Organization s overall activities.

In line with the definition and development of the methodology and accounting and management criteria used for managing operating risk, the area is now implementing a specific Internal Management System for streamlining all historical operating risk data from 2000, designed to manage, enhance and increase the knowledge used to administrate operating loss events. The

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implementation of this system and the accounting changes required will facilitate an in-depth knowledge of all losses currently recorded by 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-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) - March 2003 - In millions of reais

Calculation

| Calculation Basis | Consolidated | Total |
|---|---------------|---------------------|
| | Financial (1) | Consolidated (2) |
| Stockholders equity | 11,708 | 11,708 |
| Minority interest | 9 | 113 |
| Reference equity - Level I | 11,717 | 11,820 |
| Reference equity - Level II (subordinated debt) | 3,323 | 3,323 |
| Total reference equity (Level I + Level II) | 15,040 | 15,143 |
| Weighted risk assets | 76,434 | 88,572 |
| Capital adequacy ratio (%) | 19.68% | 17.10% |

(1) Financial companies only.

(2) Financial and non-financial companies.

Movement (%)

| | | |
|-------------------------|-------|-------|
| Ratio at March 31, 2002 | 15.20 | 13.56 |
|-------------------------|-------|-------|

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| | | |
|---|-------|-------|
| Subordinated Debt | | |
| Local | 1.38 | 1.23 |
| Foreign | 0.88 | 0.80 |
| Increase in assets | 1.33 | 0.61 |
| Other (results and acquisition of treasury stock, J.C.P., minority interest and risks) | 0.89 | 0.90 |
| Ratio at March, 2003 | 19.68 | 17.10 |

Internal Controls

Complementing its operating risk control and management activities, the Organization has developed a number of systems, policies and internal controls over the years to mitigate possible potential losses generated by this type of risk.

Aware of the importance of these controls, Bradesco has developed and implemented a number of 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) risk 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 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.

- 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.

Added Value

| | | |
|----------------------|------|------|
| In millions of reais | | |
| 2001 | 2002 | 2003 |

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| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
|--|----------------------|----------------------|----------------------|----------------------|
| ADDED VALUE (A+B+C) | 2,006 | 1,675 | 1,984 | 1,766 |
| A - Gross profit from financial intermediation | 2,422 | 1,731 | 2,362 | 2,628 |
| B - Commissions and fees | 874 | 861 | 991 | 998 |
| C - Other operating expenses | (1,290) | (917) | (1,369) | (1,860) |
| DISTRIBUTION OF ADDED VALUE (D+E+F+G) | 2,006 | 1,675 | 1,984 | 1,766 |
| D - Employees | 798 | 768 | 895 | 914 |
| E - Government | 598 | 482 | 391 | 344 |
| F - JCP/Dividends to stockholders (paid and accrued) | 267 | 235 | 631 | 290 |
| G - Reinvestment of profits | 343 | 190 | 67 | 218 |

Customers - Checking Accounts (million)

Consumer and Corporate Customers March/2003

Increase in Checking Accounts (million)

Savings Accounts (million)

Customer Service Network

| | 2002 | | 2003 | |
|---|----------|---------------|----------|---------------|
| | March | December | March | March |
| | Branches | PABs/PAEs (1) | Branches | PABs/PAEs (1) |
| Consolidated | 2,884 | 1,654 | 2,954 | 1,846 |
| Bradesco | 2,419 | 1,299 | 2,507 | 1,469 |
| BCN (2) | 208 | 153 | 227 | 179 |
| BEA (3) | 36 | 29 | - | - |
| Banco Finasa (formerly Continental Banco) | 1 | - | 1 | - |
| Mercantil de São Paulo | 220 | 173 | 219 | 198 |
| PAPs Collection and Payment Outlets (Mercantil) | 3 | | 3 | |
| Banco Postal | 37 | | 2,500 | |
| ATMs - Bradesco Day and Night (BDN) | 20,429 | | 21,210 | |
| Finasa Promotora de Vendas (formerly Continental Promotora de Vendas) | 39 | | 51 | |
| Mercantil credit outlets (4) | 9 | | - | |

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(1) PABs (banking service post) and PAEs (electronic service outlet) are installed exclusively in companies. PABs have at least one on-site bank clerk.

(2) This increase is a result of the incorporation of the Banco Cidade branch network in June 2002.

(3) BEA Branches were transferred to Bradesco in June 2002.

(4) Mercantil credit outlets were incorporated by Finasa Promotora de Vendas in August 2002.

Customer Service Network (Branches)

Bradesco and Financial System

| REGION | BRADESCO | BCN | MERCANTIL | CONSOLIDATED | TOTAL BRANCHES IN SYSTEM (1) | BRADESCO PERCENTAGE MARKET SHARE |
|--|----------|-----|-----------|--------------|---------------------------------------|--|
| North | | | | | | |
| Acre | 3 | - | 1 | 4 | 25 | 16.0 |
| Amazonas | 54 | 2 | 1 | 57 | 128 | 44.5 |
| Amapá | 3 | - | - | 3 | 16 | 18.8 |
| Pará | 44 | 1 | 1 | 46 | 251 | 18.3 |
| Rondonia | 17 | - | 1 | 18 | 74 | 24.3 |
| Roraima | 1 | - | - | 1 | 14 | 7.1 |
| Tocantins | 11 | 1 | 2 | 14 | 71 | 19.7 |
| Total | 133 | 4 | 6 | 143 | 579 | 24.7 |
| Northeast | | | | | | |
| Alagoas | 7 | 2 | 1 | 10 | 112 | 8.9 |
| Bahia | 226 | 3 | 2 | 231 | 727 | 31.8 |
| Ceará | 24 | 2 | 2 | 28 | 340 | 8.2 |
| Maranhão | 23 | 1 | 2 | 26 | 248 | 10.5 |
| Paraíba | 15 | - | 2 | 17 | 151 | 11.3 |
| Pernambuco | 51 | 3 | 2 | 56 | 434 | 12.9 |
| Piauí | 7 | - | 1 | 8 | 105 | 7.6 |
| Rio Grande do Norte | 11 | 1 | 1 | 13 | 130 | 10.0 |
| Sergipe | 10 | 1 | 1 | 12 | 148 | 8.1 |
| Total | 374 | 13 | 14 | 401 | 2,395 | 16.7 |
| Central West Federal District | 25 | 4 | 1 | 30 | 289 | 10.4 |
| Goiás | 93 | 5 | 5 | 103 | 546 | 18.9 |
| Mato Grosso | 58 | 1 | 1 | 60 | 213 | 28.2 |
| Mato Grosso do Sul | 50 | 3 | 4 | 57 | 218 | 26.1 |
| Total | 226 | 13 | 11 | 250 | 1.266 | 19.7 |
| Southeast | | | | | | |

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| | | | | | | |
|-------------------|-------|-------|-----|-------|--------|------|
| Espírito Santo | 35 | 2 | 1 | 38 | 305 | 12.5 |
| Minas Gerais | 261 | 15 | 7 | 283 | 1,857 | 15.2 |
| Rio de Janeiro | 220 | 36(2) | 18 | 274 | 1,665 | 16.5 |
| São Paulo | 895 | 117 | 129 | 1,141 | 5,563 | 20.5 |
| Total | 1,411 | 170 | 155 | 1,736 | 9,390 | 18.5 |
| South | | | | | | |
| Paraná | 149 | 10 | 15 | 174 | 1,273 | 13.7 |
| Rio Grande do Sul | 135 | 10 | 14 | 159 | 1,377 | 11.5 |
| Santa Catarina | 93 | 5 | 4 | 102 | 805 | 12.7 |
| Total | 377 | 25 | 33 | 435 | 3,455 | 12.6 |
| TOTAL | 2,521 | 225 | 219 | 2,965 | 17,085 | 17.4 |

(1) Source: CADINF-DEORF/COPEC - March 2003.

(2) Includes 1 Banco Finasa Branch.

Customer Service Network (Branches) - Market Share - March/2003

Customer to Branch Ratio - Thousand

Banco Postal

It has now been a year since the first Banco Postal post-office bank branch was opened on March 25, 2002 in São Francisco de Paula, Minas Gerais, a town which had no banks despite its population of 6,533.

During the first quarter of 2003, more than 245 units were opened, amounting to a total of 2,745 post-office bank branches.

A total of 888 municipalities with no previous access to bank services can now rely on Banco Postal to provide their communities with basic services such as account openings, bill payments, loans and others.

This partnership with the Brazilian Postal and Telegraph Company (Correios) confirms Bradesco's firm commitment to attend all social classes, particularly the lower income brackets, since through the universal access to financial services, Brazil's regional economies are strengthened.

Bradesco's actions stand out in comparison with other market Correspondents as a result of the wide range of services offered and the fact that Banco Postal customers have access to Brazil's largest private Bank Branch and ATM network. The same facilities are offered to Bradesco checking-account holders who can now use the Post-Office Bank Branches for cash withdrawals, deposits, payments, etc.

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The results achieved to date from the units already in operation evidence Banco Postal s success, confirming Bradesco s best expectations at the start of the bidding process and permitting an optimistic analysis and prognosis in relation to the opening of future units.

Increase in Number of Accounts Opened (accumulated)

Transactions Carried Out (monthly)

Units Installed (accumulated)

Map of Branches - Bradesco and Correios

The project will provide important business opportunities for the Organization considering that 100% of Brazil s municipalities will be served via post-office bank branches.

Internet and Web-based Products

Internet Banking Thousand users

Internet Banking Thousand transactions

Bradesco Internet Banking

Online since May 31, 1996, Bradesco Internet Banking (www.bradesco.com.br) soon became a worldwide reference for Home Banking.

Bradesco online services were created to facilitate the day-to-day life of its customers, offering access to the transactions available through the branch network from any point on the globe.

The internet is an important and profitable customer relationship channel, adding value to both customers and stockholders.

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 more than 210 different services, which can be accessed 24 hours a day, seven days a week.

Main Available Services

Balances and statements

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| | |
|------------------------|---|
| | <ul style="list-style-type: none">- Current account/savings account- Statements: summarized or in detail by period- Credit card: consultations, statements and revolving credit- Investments |
| Payments/Scheduling of | <ul style="list-style-type: none">- Dockets- Public utility bills- Taxes, fees and contributions- Mobile phone credits - Micropayments- Direct debit |
| Tranfers | <ul style="list-style-type: none">- Between Bradesco accounts- Other banks - DOC D and DOC E- Donations |
| Requests | <ul style="list-style-type: none">- Checkbooks- Documents copies |
| | <ul style="list-style-type: none">- Information on earnings- Financial planning- Financial investments- Re-issue of payment receipts- Travelers Checks- Highway toll cards (chip-card credits) |
| Other Services | <ul style="list-style-type: none">- Personal loans |

Bradesco Internet Banking - Consumer Customers reported the following results at March 31, 2003:

4.9 million registered customers;

79.3 million transactions; and

32% increase in the number of transactions compared to the first quarter of 2002.

ShopInvest Bradesco

In March 1999, Bradesco launched ShopInvest (www.shopinvest.com.br), the first Brazilian retail bank broker to operate in BOVESPA's online Home Broker.

Through ShopInvest, investors can access pertinent information and trade shares in BOVESPA, even if they are not Bradesco account holders. All of these services are provided free-of-charge and comply with the same rules applicable to bricks-and-mortar trading.

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As a result of customer demands for new financial market options, following the launching of Banco Bradesco's Investment site, all of the Bank's products were integrated into this new business channel.

ShopInvest is characterized by its diversity of investments. Today there are nine Investment Rooms: Shares; Savings Bonds; CDB; Funds; Real Estate; BM&F; Savings Accounts; Vida e Previdência pension plans and Insurance.

As a result of these strategic investment options, ShopInvest recorded the following significant results at the end of the first quarter of 2003:

640 thousand registered users; and

77 thousand transactions carried out corresponding to a 22% increase over results for the first quarter of 2002.

ShopCredit

In May 2001, Bradesco launched ShopCredit (www.shopcredit.com.br), the Bank's Financing and Loan website which offers a complete portfolio of Bradesco's credit lines. The products are grouped together for purchase by consumer or corporate customers with full details on each option 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. ShopCredit visitors can also request personal loans quickly and securely.

At the end of March 2003, ShopCredit posted 131 thousand transactions/operations.

Bradesco Net Empresa

On September 18, 2001, Bradesco launched its new corporate banking website.

With Bradesco Net Empresa, companies gained a new ally for optimizing the financial management of their businesses. Through this website, companies can operate bank accounts, make payments and collections and perform other transactions without having to visit a bricks-and-mortar branch. The transactions are conducted on-line via Internet.

At the end of March 2003, Net Empresa posted the following results:

72,912 registered companies with 50,722 in operation; and

82 thousand transactions/operations conducted, a 447% growth rate in comparison with the first quarter of 2002.

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B2C (Business to Consumer)

Bradesco Electronic Trade was created in 1998 and soon became a successful hallmark. In the wake of this success, ShopFácil was launched in 2000, offering, among other services, Meios de Pagamento Eletrônico Bradesco (Bradesco Online Payment Methods) - the safest, most practical and economic online shopping method.

Bradesco is currently the only Bank in the world to date to receive ISO 9000 accreditation for its Online Commercial Payment Methods.

Bradesco Electronic Payment Methods comprise: Electronic Wallet (Bradesco debit cards, PoupCard and Bradesco Visa and MasterCard Credit Cards), Pagamento Fácil (Easy Payment), Boletão Bancário (Online Dockets), Interaccount Transfers and Bradesco Online Credit.

There are currently 1,600 stores operating with Bradesco Online Payment Methods.

At the end of March 2003, B2C posted 181 thousand transactions/sales.

B2B (Business to Business)

In the B2B area, emphasis should be given to the business solutions offered by Bradesco comprising the following: a security and limits module, B2B payment methods, management tools (buyer, seller and bank) and a financial reconciliation module for the seller.

At present, the Bank offers the following B2B Payment Methods:

Online Docket;
Electronic Wallet (Credit Cards); and
Financing lines.

Events that marked the first quarter of 2003

Launching of the Bradesco Consórcios website.

Online transmission of Bradesco Consortium Member Meetings.

New layout of the Bradesco website index page.

Implementation of the Bradesco Pocket Banking transaction area.

Launching of Personal Online Credit.

Other Services:

Bradesco Internet Banking for the Visually Impaired

At the end of March 2003, Internet Banking for the Visually Impaired had 2,550 registered users.

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| | |
|--|---|
| Web Point | At present, there are 100 web point terminals installed. |
| Bradesco Net Express | At the end of March 2003, Bradesco Net Express posted the following results: 2.9 million transactions and 1,900 companies connected. |
| Infoemail | At the end of March 2003, this service had 134,200 registered users. |
| Infocelular | At the end of March 2003, this service had 3,225 registered users. |
| Fale com o Bradesco (Talk to Bradesco) | The Bradesco website offers an online communications channel through which customers can clarify doubts and send suggestions or complaints relating to all Bradesco s products and services. This channel covers all matters related to the Bank s diverse products and services. |
| Donations | With the social area in mind, Bradesco's Internet Banking site offers customers the opportunity to make donations to a number of different philanthropic entities and institutions. |
| WebTA | Through this system launched on September 15, 2000, data files can be transmitted over the internet with maximum security. |
| Boleto Fácil (Easy Payment System) | 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. |
| WAP Mobile Banking | This service registered 350 thousand transactions at the end of March 2003. |
| Micropayments | At the end of March 2003, this service had 4,700 registered customers |

Other Bradesco Organization Websites:

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Investor Relations - (<http://ri.bradesco.com.br/>)

Bradesco Foreign Exchange - (www.bradescocambio.com.br)

Bradesco Corporate Banking - www.corporatebradesco.com.br)

The Bradesco Foundation - (www.fb.org.br)

Bradesco Insurance - (www.bradescoseguros.com.br)

Bradesco Vida e Previdência - (www.bradescoprevidencia.com.br)

Financial Channel - (www.canal.bradesco.com.br)

The Bradesco Card Website - (www.bradescocartoes.com.br)

Personal Finance Portal - (www.bradesco.com.br/indexpf.html)

Corporate Finance Portal - (www.bradesco.com.br/indexpj.html)

Portal for the Visually Impaired - (www.bradesco.com.br/indexdvisual.html)

Online Shopping Portal - Consumers -
(www.bradesco.com.br/index_comerciopf.html)

Online Shopping Portal - Corporate -
(www.bradesco.com.br/index_comerciopj.html)

University Student Portal -
(www.bradesco.com.br/index_conta_universitaria.html)

Websites, Products and Services under Construction and Development

Corporate Banking website (new version).

Private Banking (new version).

Bradesco Empresas Website.

University Student Portal (new version).

MultiChannel CRM.

B2B Buyer and Vendor Financing.

B2B Payments Method System

Bradesco Day and Night (BDN)

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BDN ATM Network Growth:

| | 2001 4 th Qtr. | 2002 1 st Qtr. | 2003 4 th Qtr. | 2003 1 st Qtr. |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Accumulated volume of transactions (million) | 349 | 364 | 355 | 344 |
| Number of BDN network terminals | 20,078 | 20,429 | 21,210 | 21,285 |
| Number of banking service outlets in the BDN nationwide network | 4,921 | 5,104 | 5,640 | 5,762 |
| Number of outplaced terminals (excluding branches, PABs and PAEs) | 1,267 | 1,386 | 1,662 | 1,755 |
| Number of BDN network cash withdrawal transactions (million) | 89.5 | 83.3 | 96.1 | 92.5 |
| Number of deposit transactions (million) | 53.1 | 48.5 | 51.0 | 47.0 |
| Number of inter-account transfers (million) | 4.8 | 4.4 | 4.8 | 4.5 |
| Number of express checkbooks issued (million) | 2.9 | 2.6 | 2.8 | 2.5 |
| Number of balance consultations (million) | 94.4 | 89.3 | 102.0 | 99.5 |
| Financial volume of BDN network transactions (in billion of reais) | 19.3 | 18.3 | 49.9 | 45.3 |

The BDN's Competitive Edge

The Bradesco Day and Night ATM Network is Brazil's largest private-sector self-service network with 22,862 terminals (Bradesco - 21,285, BCN - 926 and Mercantil de São Paulo - 651).

The Bradesco Day and Night ATM Network is accredited by the NBR ISO 9001/2000 Quality Management System.

Strategically present in areas of important economic agglomeration including shopping malls, hypermarkets, supermarkets, airports, service stations, etc.

TheDBradesco Day and Night ATM Network terminals were responsible for more than 344 million transactions during the first quarter of 2003, a daily average of 4.2 million transactions. During the first quarter of 2003, via BDN Network transactions:

- The number of personal loans grew by 44.9% and financial volume by 33.2% compared to the same period in 2002.
- The financial volume transacted by the Bradesco BDN ATM Network terminals totaled R\$ 45.3 billion (an increase of 147.5% compared with the same period in 2002).

The Bradesco Day and Night ATM Network can also be used by the customers of BCN and Mercantil de São Paulo.

Volume of Transactions/Quarter (million)

Number of BDN Network ATMs

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BDN Network Distribution - Monthly Productivity - March/2003

Telebanco

Integrated Call Centers: Bank, Cards, Pension Plans, Alô Bradesco, BCN, Finasa and Mercantil

Increase in Number of Calls (million)

* As from 2Q02, Banco Mercantil transactions are computed in the Telebanco environment.

Growth in Financial Volume (in millions of reais)

(*) As from 2Q02, Banco Mercantil transactions are computed in the Telebanco environment.

Highlights:

13.5 million electronic voice-response calls per month.

4.1 million personalized service calls per month.

95% of personalized service call queries are resolved during the first contact.

R\$ 444 million in financial volume from transactions per month.

648 thousand products and services sold in 1Q03.

85 call-center representatives were trained and designated to other areas of the Organization in 2003, particularly the sales areas, totaling 1,285 representatives transferred from January 2001 through March 2003.

Cards (million)

| | 2001 | | 2002 | | 2003 | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| Number of Cards | 29.0 | 30.6 | 34.5 | 35.8 | | |
| Credit | 4.7 | 5.0 | 6.1 | 6.2 | | |
| Debit | 24.3 | 25.6 | 28.4 | 29.6 | | |
| Avg. transaction amount - In reais | 2,682.7 | 2,609.8 | 3,746.2 | 3,650.3 | | |
| Credit | 1,827.0 | 1,814.6 | 2,363.1 | 2,350.9 | | |
| Debit | 855.7 | 795.2 | 1,383.1 | 1,299.4 | | |
| Number of transactions | 52.0 | 51.3 | 70.4 | 68.2 | | |

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| | | | | |
|--------|------|------|------|------|
| Credit | 30.3 | 30.4 | 37.3 | 36.4 |
| Debit | 21.7 | 20.9 | 33.1 | 31.8 |

Credit Cards

In 1Q03, despite the negative scenario arising from the valuation of the U.S. dollar and the war in Iraq, the number of Bradesco credit cards increased by 24%, compared with the same period in 2002 while the Visa and Mastercard market increased in conjunction by some 18% (Feb 2002 to Feb 2003). This growth rate expanded our market share from 14% in 2002 to 15% in 2003.

During the same period, billings totaled R\$ 2 billion, a growth rate of 30% as compared to the same period in 2002 and the volume of our transactions grew by 20%.

Debit Cards (Electron)

From January to March 2003, the number of debit cards increased by 16% compared to the same period in the prior year. In terms of billings this increase totaled 63%. These figures demonstrate clearly that Brazilians are changing their payment habits, substituting checks and cash for the use of debit cards. The commercial establishments are our allies in this market, since debit cards are preferred for their guaranteed liquidity, security and easy operation.

Acquiring Market

The network of commercial establishments in Brazil, accredited by the Visa system, is administered by Companhia Brasileira de Meios de Pagamentos - Visanet, in which Bradesco has a direct capital holding of 39%. In the first quarter of 2003, sales of Visanet totaled R\$ 12 billion in transactions, including both credit and debit card billings, a 36% increase over the same period in 2002. Visanet expanded its network by 17%, and at present has 767 thousand associated establishments nationwide. The Visa network is preferred by customers precisely because of the card s wide market acceptance.

Growth

Credit Card Base - Million

Credit Card Billings - In billions of reais

Market Share

Debit Card Base (Electron) - Million

Debit Card Billings - In millions of reais

Corporate

The launching of Bradesco Corporate Banking in 1999 was the first step taken to organize Bradesco's commercial areas by market, through the development of specialized structures designed to meet and develop specific solutions for each segment.

The structure devised to conduct the Bank's relationship with Brazil's major corporations, 1,159 economic groups, comprising Bradesco Corporate Banking's target market, is growing and improving year by year. Every effort is made to ensure that the related-area professionals have a thorough working knowledge of the related economic sectors and companies and as a result are able to offer complete solutions and genuine added value.

Accordingly, 2002 and the first quarter of 2003 now mark the consolidation of the main management areas for developing business with major corporations. The following activities are now under the same command:

Relationship and origination of operations;

Capital market;

Structured operations, including the development of solutions to attend the specific needs of major corporations, through differentiated financial instruments;

Project financing;

Mergers and acquisitions and financial advisory services.

This decision has led to greater strategic alignment and agile decision making increasing Bradesco Corporate Banking's capacity to develop complete relationships with major economic groups and offer appropriate solutions for their cash management, private pension plan, asset management, overseas trade and risk management.

In the international area, Bradesco is extending its partnerships with the creation of the Asian Desk through an agreement entered into with UFJ Bank, designed to develop financial solutions for fomenting the commercial and financial flow with countries in eastern Asia where UFJ has an important presence such as China, Hong Kong, Taiwan, Korea, Singapore, Malaysia, Thailand, Indonesia, Philippines, India and Vietnam.

Following the conclusion of the acquisition process of Banco BBVA Brasil S.A., a Spanish Desk will be formed, for the same purpose as the Asian Desk, to develop financial solutions designed to provide leverage to the Bank's relationship with companies in Brazil that do business with Iberian and Latam countries in which BBVA has a strong presence.

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As a result of this segmentation strategy, the most important third-party studies used as management instruments by Bradesco Corporate Banking, such as the PaineL da Indústria Financeira (PIF), applied by the São Paulo University (USP), attribute a significant share of the major corporations segment to Bradesco which is ranked leader in penetration, revealing that 78.8% of the company s analyzed have forged relationships to Bradesco Corporate Banking.

Private Banking

Bradesco Private Banking, through the deployment of tailor-made ISO 9001-accredited products and services, in both local and international markets, advises its customers on how to form the best possible investment portfolio and implement an appropriate strategy for achieving their objectives.

Capital Market

Underwriting Transactions

Up to March 2003, Bradesco coordinated transactions with stock, debentures and promissory notes which totaled R\$ 1.184 billion, comprising 70.27% of all issues registered at the Brazilian Securities Commission (CVM).

Of the total number of floating and fixed-return transactions registered at CVM up to March 31, 2003, Bradesco participated in 50% of the primary and secondary stock issues, and in 33% of promissory notes issues.

Bradesco's Share of the Issues Market (in billions of reais)

Origination and Distribution Ranking - ANBID - March/2003

Origination

| Stock Ranking (1) | | Fixed Income Ranking (2) | | General Ranking (1+2) | |
|----------------------|------------|--------------------------|------------|--------------------------|------------|
| 2002 | March/2003 | 2002 | March/2003 | 2002 | March/2003 |
| 1 st BBA | Santander | 1 st Unibanco | Bradesco | 1 st Unibanco | Bradesco |
| 2 nd CEF | - | 2 nd Itaú | Unibanco | 2 nd Itaú | Santander |
| 3 rd UBS | - | 3 rd Bradesco | Santander | 3 rd Bradesco | Unibanco |
| 4 th Itaú | - | 4 th BBA | BBV | 4 th BBA | BBV |

Distribution

| Stock Ranking (1) | | Fixed Income Ranking (2) | | General Ranking (1+2) | |
|----------------------------------|------------|--------------------------|------------|------------------------------------|------------|
| 2002 | March/2003 | 2002 | March/2003 | 2002 | March/2003 |
| 1 st BBA | Santander | 1 st Unibanco | Bradesco | 1 st Unibanco | Bradesco |
| 2 nd CEF | - | 2 nd Itaú | Unibanco | 2 nd Bradesco | Santander |
| 3 rd UBS | - | 3 rd Bradesco | Santander | 3 rd Banco do Brasil | Unibanco |
| 4 th Merrill Lynch | - | 4 th BBA | BBV | 4 th Itaú | BBV |

Mergers, Acquisitions, Project Finance, Corporate Reorganization and Privatizations

Confirming its dynamic approach in the prospecting of new business, Bradesco ended 2002 as leader in the intermediation of Mergers and Acquisitions published by the National Association of Investment Banks (ANBID), totaling 7 operations in the amount of R\$ 2.7 billion.

ANBID Mergers & Acquisitions

Ranking - Number of Operations

| | Ranking | N° of Operations |
|---------------------------------|------------------------|------------------|
| Consultants | | |
| Bradesco | 1 st | 7 |
| JP Morgan | 2 nd | 6 |
| Salomon Smith Barney | 2 rd | 6 |
| Unibanco | 4 th | 5 |
| Deutsche | 5 th | 4 |
| Credit Suisse First Boston | 6 th | 3 |
| Goldman Sachs | 6 th | 3 |
| Other | Up to 12 th | 14 |
| Total Mergers & Acquisitions(*) | | 28 |

(*) The total number of mergers and acquisitions does not correspond to the total number of operations attributed to the institutions since each operation generates at least one mention for each participating consultant.

ANBID Mergers & Acquisitions

Ranking - Amount

| | Ranking | Amount (in thousands of reais) |
|---|------------------------|--------------------------------------|
| Consultants | | |
| Salomon Smith Barney | 1 st | 18,458,199 |
| Goldman Sachs | 2 nd | 13,055,554 |
| Credit Lyonnais | 3 rd | 10,129,600 |
| Jp Morgan | 4 th | 8,384,443 |
| Merril Lynch | 5 th | 6,534,603 |
| Credit Suisse First Boston | 6 th | 6,500,168 |
| Bradesco | 7 th | 2,710,700 |
| Other | Up to 15 th | 4,408,750 |
| Total amount of Mergers & Acquisitions(*) | | 37,216,077 |

(*) The total amount of mergers and acquisitions does not correspond to the total amount attributed to the institutions since, in certain operations, the same amount may be attributed at the same time to the consultants of both the

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selling and purchasing company.

In addition to the operations registered at ANBID, another 5 operations were successfully concluded with the assistance of Bradesco advisors, amounting to a total of 12 operations in 2002.

Bradesco's presence is also notable in Project Finance operations, acting as a financial advisor to major corporations operating in electric power generation and co-related projects such as the construction of gas pipelines. These projects currently amount to some R\$ 5.5 billion.

Foreign Exchange

Structure

The Organization has 18 specialized units operating in Brazil (Bradesco - 12, BCN - 5 and Mercantil - 1), 1 Branch in New York (Bradesco), 4 Branches in Grand Cayman (Bradesco, BCN, Boavista and Mercantil), 1 Branch in Nassau (Boavista), 1 subsidiary in Buenos Aires, Banco Bradesco Argentina S.A., 1 subsidiary in Nassau, Boavista Banking Limited and 2 subsidiaries in Luxembourg, Banco Bradesco Luxembourg S.A and Banco Mercantil de São Paulo International S.A. and 1 subsidiary in Tokyo, (Bradesco Services Co.), Ltd. and 1 subsidiary in Grand Cayman (Cidade Capital Markets Ltda.).

In the Exchange area, emphasis should be given to the traditionally important support offered by the Bradesco Organization to foreign trade, with a balance of US\$ 5 billion recorded in the foreign exchange trading portfolio for financing imports and exports, as well as for onlending to customers.

Foreign exchange trading for exports from January to March 2003 totaled US\$ 2.8 billion, an 11% increase compared to the same period in 2002. We also highlight the 43% increase in foreign exchange trading for imports which totaled US\$ 1.4 billion, as compared to the first quarter of 2002.

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

Export Market

Import Market

We present below the composition of the foreign trade portfolio at March 31, 2003:

| | In millions of U.S.dollars | In millions of reais |
|---|-------------------------------|-------------------------|
| Export financing | | |
| Advance on Foreign Exchange Contracts (ACC) | 1,366 | 4,579 |

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| | | |
|---|---------|---------|
| Advance on Export Contracts (ACE) | 470 | 1,575 |
| Prepayments | 368 | 1,234 |
| Loans according to Export Incentive Program (Proex) | 0.1 | 0.3 |
| Onlending of funds borrowed from BNDES/EXIM | 61 | 205 |
| Documentary drafts and bills of exchange | 13 | 44 |
| Indirect exports | 6 | 20 |
| Total export financing | 2,284.1 | 7,657.3 |
| Import financing | | |
| Foreign currency import loans | 307 | 1,029 |
| Open import credit | 35 | 117 |
| Total import financing | 342 | 1,146 |
| Total export and import financing | 2,626.1 | 8,803.3 |

As well as the funds obtained through the Commercial Paper program in the United States, the portfolio is financed mainly by credit lines obtained from Correspondent Banks. At the end of the first quarter, approximately 100 American, Asian and European Banks had extended credit lines to Bradesco.

| | March 31, 2003 | |
|---|-----------------------------|-----------------------------|
| | Assets | Stockholders' equity |
| | In millions of U.S. dollars | In millions of U.S. dollars |
| Foreign Branches and Subsidiaries | | |
| Bradesco New York | 958 | 138 |
| Bradesco Grand Cayman | 2,991 | 346 |
| BCN Grand Cayman | 498 | 130 |
| Boavista Grand Cayman, Nassau and Banking Ltd. - Nassau | 594 | 49 |
| Cidade Capital Markets Ltd. - Grand Cayman | 30 | 30 |
| Bradesco Services Co. Ltd - Tokyo, Japan | 0.3 | 0.3 |
| Mercantil Grand Cayman | 257 | 144 |
| Banco Bradesco Argentina | 22 | 16 |
| Banco Bradesco Luxembourg S.A. | 40 | 38 |
| Banco Mercantil S.P. International S.A. | 241 | 83 |

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

The main activity of the subsidiaries Banco Bradesco Luxembourg S.A. and Banco Mercantil de São Paulo International S.A. is to provide additional services to private banking customers and to increase foreign trade operations.

In the first quarter of 2003, as well as loans obtained from international banks, earmarked for foreign trade financing, loans of US\$ 543 million were raised 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 - Bradesco

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Funds Obtained Abroad

| ISSUES | CURRENCY | AMOUNT | DATE ISSUED | MATURITY |
|-------------------------------------|----------|----------------|-------------|------------|
| 2000 - PUBLIC ISSUES - US\$ 950m | | | | |
| FxRN | US\$ | 200,000,000.00 | 2/8/2000 | 2/8/2002 |
| FxRN | US\$ | 100,000,000.00 | 5/12/2000 | 5/13/2002 |
| USCP | US\$ | 300,000,000.00 | 6/19/2000 | 6/18/2001 |
| FxRN | US\$ | 200,000,000.00 | 7/10/2000 | 7/10/2001 |
| FxRN | US\$ | 150,000,000.00 | 11/17/2000 | 11/18/2002 |
| - PRIVATE ISSUES - US\$ 250m | | | | |
| 2001 - PUBLIC ISSUES - US\$ 1.075bn | | | | |
| FxRN | US\$ | 175,000,000.00 | 2/22/2001 | 2/22/2002 |
| FxRN | US\$ | 100,000,000.00 | 4/25/2001 | 10/25/2002 |
| FxRN | US\$ | 100,000,000.00 | 6/18/2001 | 6/18/2003 |
| USCP | US\$ | 250,000,000.00 | 6/18/2001 | 6/17/2002 |
| FxRN | US\$ | 100,000,000.00 | 7/24/2001 | 7/24/2002 |
| FxRN | US\$ | 200,000,000.00 | 10/24/2001 | 10/18/2002 |
| SUBORDINATED DEBT | US\$ | 150,000,000.00 | 12/17/2001 | 12/15/2011 |
| - PRIVATE ISSUES - US\$ 150m | | | | |
| 2002 - PUBLIC ISSUES - US\$ 708m | | | | |
| FxRN | US\$ | 150,000,000.00 | 3/5/2002 | 3/5/2004 |
| SUBORDINATED DEBT | US\$ | 133,181,126.13 | 4/25/2002 | 4/17/2012 |
| USCP | US\$ | 150,000,000.00 | 6/17/2002 | 6/16/2003 |
| FxRN | US\$ | 100,000,000.00 | 9/18/2002 | 12/19/2002 |
| FxRN | US\$ | 175,000,000.00 | 12/17/2002 | 6/17/2003 |
| - PRIVATE ISSUES - US\$ 160m | | | | |
| 2003 - PUBLIC ISSUES -US\$ 475m | | | | |
| FxRN | US\$ | 250,000,000.00 | 1/14/2003 | 10/14/2003 |
| FxRN (EUR 70m) | US\$ | 75,456,500.00 | 2/12/2003 | 8/12/2003 |
| FxRN | US\$ | 150,000,000.00 | 2/19/2003 | 12/19/2003 |
| 2003 - PRIVATE ISSUES - US\$ 40m | | | | |

SPREAD OVER TBILL

Bradesco has the following programs:

| Type | Currency | Amount |
|--------------------------------|----------|---------------|
| EURO CP PROGRAM (Grand Cayman) | US\$ | 300,000,000 |
| EURO CD PROGRAM (Grand Cayman) | US\$ | 100,000,000 |
| EURO CD PROGRAM (Grand Cayman) | US\$ | 1,000,000,000 |
| MTN PROGRAM | US\$ | 1,500,000,000 |
| USCP | US\$ | 150,000,000 |
| TERM LOAN FACILITY | US\$ | 100,000,000 |
| Total | US\$ | 3,150,000,000 |

Collection and Tax and Utility Collections

Collection

Bradesco Collection strengthens its position yearly as an authentic partner in the management of corporate business. Combining high standards of efficiency with latest-generation IT resources, Bradesco collection services are an efficient and secure tool for use by a universe of corporate entities.

Bradesco's computer-recorded Collection services, transmitting and receiving data on a direct computer-to-computer basis, rely on one of the most advanced banking technology systems available, offering important productivity gains to companies by permitting the streamlining of services. The available services include electronic collection (computer-recorded) which permits user companies to consult information online. This system processes approximately 97% of all documents recorded in the Bradesco collection portfolio.

Pag-For Bradesco facilitates the management of Trade Accounts Payable for more than 37 thousand companies.

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.

| | In billions of reais | | | |
|---------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 2001 4 th Qtr. | 2001 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
| Corporate collections (*) | 149.7 | 144.4 | 161.7 | 160.2 |
| Pag-For | 45.4 | 42.2 | 65.8 | 64.8 |
| Corporate collections + Pag-For | 195.1 | 186.6 | 227.5 | 225.0 |
| Taxes | 18.0 | 17.3 | 19.0 | 19.1 |
| Water, Electricity, Telephone, Gas | 2.7 | 2.8 | 3.4 | 3.5 |
| Social security payments | 3.8 | 2.9 | 4.4 | 3.3 |
| Tax + utility collections | 24.5 | 23.0 | 26.8 | 25.9 |

| Number of transactions (millions) | | |
|-----------------------------------|------|------|
| 2001 | 2002 | 2003 |

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| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Corporate collections (*) | 166.2 | 158.6 | 171.1 | 165.6 |
| Pag-For | 14.3 | 14.1 | 18.0 | 17.2 |
| Corporate collections + Pag-For | 180.5 | 172.7 | 189.1 | 182.8 |
| Taxes | 14.0 | 13.7 | 12.9 | 14.7 |
| Water, Electricity, Telephone, Gas | 25.8 | 25.6 | 27.1 | 27.4 |
| Social Security (a) | 11.4 | 11.7 | 12.7 | 9.3 |
| Tax + utility collections | 51.2 | 51.0 | 52.7 | 51.4 |

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

Payment via direct debit

12.467 million - January to March/2002

12.413 million - January to March/2003

(a) Total beneficiaries: more than 3,605 thousand retirees and pensioners (corresponding to 17.58% of all those registered with the Brazilian Institute of Social Security (INSS)).

Growth in Collections and Pag-For

Growth in Tax and Utility Collections/Payments

Stock, Custody and Controllership Services

With an appropriate infrastructure and specialized personnel, Bradesco offers its customers the following services: custody of securities, controllership, DR-Depositary Receipt and BDR-Brazilian Depositary Receipt, as well as bookkeeping services for stocks, debentures and investment fund quotas. All accredited by ISO 9001/2000.

- 179 companies comprise the Bradesco Computer-registered Share System, with 5.6 million shareholders;
- 29 companies with Computer-registered Debentures, issued in a total of R\$ 11.4 billion;
- 322 customers use the Bradesco Custody services, with total assets of R\$ 67.9 billion;
- 546 Investment Funds and Managed Portfolios, with Controllership services and equity of R\$ 81.9 billion;
- 13 Computer-registered Investment Funds, with a market value of R\$ 865 million;
- 09 Registered DR Programs, with a market value of R\$ 12.7 billion;
- 02 Registered BDR Programs, with a market value of R\$ 237.6 million.

Customers using custody services x assets under custody

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

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its customers and users at home and abroad.

Investment Growth

| | In millions of reais | | | | | |
|-----------------------|----------------------|------|------|-------|-------|------------|
| | 1998 | 1999 | 2000 | 2001 | 2002 | March/2003 |
| Infrastructure (*) | 205 | 215 | 227 | 509 | 613 | 69 |
| IT/Telecommunications | 317 | 553 | 617 | 743 | 947 | 223 |
| Total | 522 | 768 | 844 | 1,252 | 1,560 | 292 |

(*) In 2001, includes contract for Banco Postal services (R\$ 200 million)

BCN

Consolidated Balance Sheet - In millions of reais

| | 2001 | | 2002 | | 2003 | |
|--|----------|--------|----------|--------|----------|--------|
| | December | March | December | March | December | March |
| ASSETS | | | | | | |
| Current assets and long-term receivables | 17,444 | 19,063 | 23,273 | 25,932 | 25,932 | 25,932 |
| Funds available | 589 | 588 | 933 | 2,155 | 2,155 | 2,155 |
| Interbank investments | 137 | 245 | 3,777 | 5,380 | 5,380 | 5,380 |
| Securities and derivative financial instruments | 6,212 | 6,104 | 3,469 | 3,612 | 3,612 | 3,612 |
| Interbank and interdepartmental accounts | 370 | 487 | 1,001 | 1,001 | 1,001 | 1,001 |
| Credit and leasing operations | 8,336 | 9,470 | 11,790 | 11,477 | 11,477 | 11,477 |
| Other receivables and Other assets | 1,800 | 2,169 | 2,303 | 2,307 | 2,307 | 2,307 |
| Permanent assets | 342 | 337 | 530 | 535 | 535 | 535 |
| Total | 17,786 | 19,400 | 23,803 | 26,467 | 26,467 | 26,467 |
| LIABILITIES | | | | | | |
| Current and long-term liabilities | 16,520 | 18,084 | 22,270 | 24,409 | 24,409 | 24,409 |
| Demand, time and interbank deposits | 8,043 | 8,952 | 12,918 | 12,250 | 12,250 | 12,250 |
| Savings account deposits | 656 | 678 | 775 | 767 | 767 | 767 |
| Deposits received under security repurchase agreements and funds from the issuance of securities | 3,631 | 3,722 | 3,266 | 4,317 | 4,317 | 4,317 |
| Interbank and interdepartmental accounts | 64 | 21 | 108 | 133 | 133 | 133 |
| Borrowings and onlendings | 2,619 | 2,690 | 3,161 | 4,183 | 4,183 | 4,183 |
| Derivative financial instruments | 143 | 46 | 375 | 185 | 185 | 185 |
| Other liabilities | 1,364 | 1,975 | 1,667 | 2,574 | 2,574 | 2,574 |
| Deferred income | 2 | 2 | 6 | 18 | 18 | 18 |
| Minority interest in Subsidiaries | - | - | - | 363 | 363 | 363 |
| Stockholders' equity | 1,264 | 1,314 | 1,527 | 1,677 | 1,677 | 1,677 |
| Total | 17,786 | 19,400 | 23,803 | 26,467 | 26,467 | 26,467 |

Statement of Income - In millions of reais

| | 2001 | | 2002 | | 2003 | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| Income from lending and trading activities | 816 | 996 | 985 | 1,502 | 1,502 | 1,502 |

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| | | | | |
|--|-------|-------|-------|-------|
| Expenses | (379) | (609) | (440) | (991) |
| Gross profit from financial intermediation | 437 | 387 | 545 | 511 |
| Other operating income (expenses), net | (305) | (277) | (411) | (376) |
| Operating income | 132 | 110 | 134 | 135 |
| Non-operating income (expenses), net | - | 5 | (2) | (1) |
| Income before taxes on income and profit sharing | 132 | 115 | 132 | 134 |
| Income tax and social contribution | (56) | (43) | (49) | 84 |
| Minority interest in subsidiaries | - | - | - | (8) |
| Net income | 76 | 72 | 83 | 210 |

Net Income and Stockholders Equity

First quarter net income of Banco BCN S.A., a wholly owned subsidiary of Banco Bradesco S.A., was R\$ 209.613 million, an increase of 189.6% as compared to the same period in 2002. The annualized return on stockholders equity of R\$ 1.677 billion, adjusted for proportional dividends for the quarter - R\$ 59.870 million was 60.2%. In 1Q03, non-recurring income was recorded in the amount of some R\$ 132.400 million as result of deferred tax assets recorded on prior-year tax losses and negative bases of social contribution in Potenza Leasing S.A. Arrendamento Mercantil, a wholly owned subsidiary of BCN. Disregarding this effect, results for the quarter totaled R\$ 77.213 million, a 6.5% increase over results for the same period in 2002 and an annualized return of 21% on stockholders equity.

Assets and Liabilities

Total assets for the quarter grew to R\$ 26.467 billion, an 11.2% increase as compared to the amount at December 31, 2002, highlighting the incorporation of R\$ 1.462 billion of Bradesco Leasing S.A. Arrendamento Mercantil, on February 28, 2003, based on the book balances at January 31, by BCN Leasing Arrendamento Mercantil S.A., whose name was changed to Bradesco BCN Leasing S.A. Arrendamento Mercantil. Emphasis should also be given to the amount of R\$ 1.216 billion from the placement of debentures in February

Credit operations, including leasing operations and advances on foreign exchange contracts (ACC), before the allowance for loan losses, totaled R\$ 12.799 billion, or 48.4% of assets and interbank investments and securities and derivative financial instruments totaled 34%.

Overall funds obtained and managed at March 31, 2003 totaled R\$ 26.627 billion and include an amount of R\$ 2.734 billion in Investment Funds, sold by BCN Branches, managed by BRAM - Bradesco Asset Management Ltda. and administrated by Banco Bradesco. Deposits, including savings accounts totaled 48.9% of this total, with a balance of R\$ 13.017 billion.

BCN - The Relationship Bank

One of the Bradesco Organization s companies, BANCO BCN S.A. is known as the RELATIONSHIP BANK maintaining a constantly high standard of customer service

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offering differentiated products and services.

At the end of the first quarter, the BCN Customer Service Branch Network comprised 463 outlets, including 225 Branches in Brazil, 1 Branch of Banco Finasa S.A., 1 Branch abroad in Grand Cayman and 186 traditional and online Banking Service Posts, as well as 51 Branches of Finasa Promotora de Vendas Ltda. Through the Self-service Network BCN customers have access to 926 ATMs installed in the BCN Branches and Banking Service Posts and to 10,102 ATMs comprising the BDN - Bradesco Day and Night Network which can be used by BCN customers for cash withdrawals and on-screen balance consultations, as well as to the 2,247 ATMs comprising the 24-Bank Network.

Customers also have access to the efficient remote service structure which consists of the call centers Linha Viva (Live Line) and Alô BCN (Hello BCN), BCNNET Internet Banking, at the url: www.bcn.com.br and two BCN DIGITAL Branches (in São Paulo and Rio de Janeiro), offering an advanced concept in telephone services whereby bank products and services are sold by management teams and delivered by courier service with no need for customers to leave their homes or the office.

At March 31, 2003, Banco BCN had some 658 thousand checking account customers and 133 thousand non-checking account customers. Banco Finasa S.A. had some 860 thousand customers. Credit card holders totaled more than 203 thousand and Savings accounts reached a record 730 thousand.

Banco Finasa S.A.

Consolidated Balance Sheet - In millions of reais

| | 2001 | 2002 | | 2003 |
|--|--------------|--------------|--------------|--------------|
| | December | March | December | March |
| ASSETS | | | | |
| Current assets and long-term receivables | 2,030 | 2,876 | 4,051 | 4,123 |
| Funds available | 1 | 1 | - | 1 |
| Interbank investments | 3 | 3 | 38 | 4 |
| Securities and derivative financial instruments | 11 | 12 | 16 | 15 |
| Interbank and interdepartmental accounts | 8 | 9 | 19 | 17 |
| Credit and leasing operations | 1,798 | 2,615 | 3,745 | 3,813 |
| Other receivables and Other assets | 209 | 236 | 233 | 273 |
| Permanent assets | 6 | 6 | 7 | 8 |
| Total | 2,036 | 2,882 | 4,058 | 4,131 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 1,885 | 2,719 | 3,839 | 3,873 |
| Demand, time and interbank deposits | 1,671 | 2,490 | 3,502 | 3,523 |
| Deposits received under security repurchase agreements and funds from the issuance of securities | 4 | 3 | 6 | 3 |
| Interbank accounts | - | 25 | - | 2 |
| Borrowings and onlendings | - | - | 75 | 83 |
| Derivative financial instruments | 33 | - | 66 | 72 |

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| | | | | |
|---------------------|-------|-------|-------|-------|
| Other liabilities | 177 | 201 | 190 | 190 |
| Deferred income | - | - | 3 | 16 |
| Stockholders equity | 151 | 163 | 216 | 242 |
| Total | 2,036 | 2,882 | 4,058 | 4,131 |

Statement of Income - In millions of reais

| | 2001 4 th Qtr. | 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
|--|------------------------------|----------------------|------------------------------|------------------------------|
| Income from lending and trading activities | 174 | 257 | 350 | 362 |
| Expenses | (104) | (158) | (211) | (213) |
| Gross profit from financial intermediation | 70 | 99 | 139 | 149 |
| Other operating income (expenses), net | (53) | (81) | (93) | (108) |
| Operating income | 17 | 18 | 46 | 41 |
| Non-operating income (expenses), net | (1) | (1) | - | (1) |
| Income before taxes on income | 16 | 17 | 46 | 40 |
| Income tax and social contribution | (5) | (6) | (14) | (13) |
| Net income | 11 | 11 | 32 | 27 |

BANCO FINASA S.A., a wholly owned subsidiary of Banco BCN S.A., a Bradesco Organization company, operates in the auto, goods and services financing segment, through the intermediation of Finasa Promotora de Vendas Ltda., which is responsible for prospecting new customers and preparing credit proposals.

At March 31, 2003, Finasa Promotora had 51 Branches and was present in 13,342 new and used vehicle dealership outlets and 1,182 stores selling furniture and home decor, mobile telephony and IT related equipment.

Customers served by Banco Finasa totaled 860 thousand.

Performance of Banco Finasa S.A.

Net Income and Stockholders Equity

First quarter net income was R\$ 26.550 millions, an annualized return of 51.6% on stockholders equity of R\$ 242.221 million.

Assets

Consolidated assets at March 31, 2003 totaled R\$ 4.131 billion, with R\$ 3.813 billion in credit and leasing operations, at present value, of which R\$ 3.734 billion comprised auto financings.

Auto financing (CDC) sales for the quarter totaled R\$ 750.690 million, a 92.4% increase over the first quarter of the prior year and 31% over the amount recorded for the fourth quarter of 2002. Market share increased from 7.6% in 1Q02 to 15.8% in 1Q03.

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The excellent auto financing sales performance maintained the portfolio above the levels attained following the acquisition of Banco Ford S.A. s operations and the incorporation of the financing portfolio of Finasa S.A. Crédito Financiamento e Investimento, in 2002.

Banco Mercantil de São Paulo S.A.

Consolidated Balance Sheet - In millions of reais

| | 2002 | | 2003 |
|--|-------|----------|-------|
| | March | December | March |
| ASSETS | | | |
| Current assets and long-term receivables | 6,958 | 6,362 | 6,141 |
| Funds available | 72 | 78 | 65 |
| Interbank investments | 830 | 990 | 1,035 |
| Securities | 873 | 923 | 938 |
| Interbank and interdepartmental accounts | 566 | 574 | 720 |
| Credit and leasing operations | 3,252 | 2,466 | 1,946 |
| Other receivables and other assets | 1,365 | 1,331 | 1,437 |
| Permanent assets | 805 | 513 | 497 |
| Total | 7,763 | 6,875 | 6,638 |
| LIABILITIES | | | |
| Current and long-term liabilities | 6,974 | 6,129 | 5,683 |
| Demand, time and interbank deposits | 3,690 | 3,397 | 3,452 |
| Savings account deposits | 535 | 571 | 554 |
| Deposits received under security repurchase agreements | | | |
| and funds from the issuance of securities | 1,286 | 627 | 794 |
| Interbank and interdepartmental accounts | 220 | 67 | 201 |
| Borrowings and onlendings | 697 | 1,009 | 244 |
| Other liabilities | 546 | 458 | 438 |
| Deferred income | 1 | 2 | 1 |
| Minority interest | 53 | 39 | 7 |
| Stockholders equity | 735 | 705 | 947 |
| Total | 7,763 | 6,875 | 6,638 |

Statement of Income - In millions of reais

| | 2002 | 2003 |
|---|----------------------|----------------------|
| | 4 th Qtr. | 1 st Qtr. |
| Income from lending and trading activities | 168 | 299 |
| Expenses | 24 | (209) |
| Gross profit from financial intermediation | 192 | 90 |
| Other operating income (expenses), net | (167) | (78) |
| Operating income (loss) | 25 | 12 |
| Non-operating income, net | (10) | 2 |
| Income (loss) before taxes on income and profit sharing | 15 | 14 |
| Income tax and social contribution | (12) | 10 |
| Minority interest and employee profit sharing | - | - |

We are pleased to present the consolidated financial statements of Banco Mercantil de São Paulo S.A., prepared in conformity with Brazilian corporate legislation for the first quarter of 2003.

Performance/Achievements for the Period

Capital

Banco Mercantil de São Paulo S.A., increased its capital by R\$ 25.1 million during the quarter, through the issue of 272,388,534 nominative-registered shares, with no par value, of which 136,194,287 are common and 136,194,247 are preferred shares, as a result of the incorporation of Pevê Finasa Participações e Prédios S.A and Pevê Prédios S.A., at the Extraordinary General Meeting held on January 30, 2003. At the Extraordinary General Meeting of March 31, 2003, approval was given to reduce the capital of Mercantil de São Paulo S.A. by R\$ 41.7 million, with the cancellation of 375,409,307 nominative-registered shares of which 49,057,547 are common and 326,351,760 are preferred and to incorporate Boavista S.A. Distribuidora de Títulos e Valores Mobiliários, the Bank's parent company.

Stockholders' equity totaled R\$ 947.2 million. Net equity per thousand shares totaled R\$ 156.98.

Economic Results

Assets totaled R\$ 6.6 billion. The amount of income, including stockholdings, totaled R\$ 364 million. Expenses totaled R\$ 348 million and administrative expenses totaled R\$ 109 million. As a result of the migration of transactions to Bradesco, which will occur on May 19, there has already been a decrease of 6% as compared to the fourth quarter of 2002. Net income for the period was R\$ 23.5 million.

Investment and Obtaining of Funds

Credit operations totaled R\$ 2.4 billion, while deposits and other funding totaled R\$ 5.1 billion.

Branches and Services

At the end of the first quarter, the Bank's nationwide network was formed by 219 strategically distributed branches. Our 456,951 consumer and corporate checking account holders can use 199 Banking Service Outlets (PABs, PAEs and PAPs). The Self-service Network operates with 774 terminals installed in the Bank's own Branches and Banking Service Posts and also through the 24Hour Bank Network with its 2,247 Service Outlets, 21,000 Shared Network units and some 9,860 Bradesco Day and Night BDN Network terminals.

The Bank's overseas branch in Grand Cayman and an affiliated Bank in Luxembourg maintained their typical international financial market activities, focusing

particularly on foreign trade financing.

Products

Finasa Credit Cards

The special treatment given by Banco Mercantil de São Paulo S.A. to this product produced first-quarter sales of 19,056 cards in a total portfolio of 284,891 units, corresponding to an increase of 7.2%, compared with the same period in 2002. Billings also increased by 5.2% compared to results for the same quarter in the prior year and totaled R\$ 94.6 million.

New management approach regarding branch revenue

New sales actions and tools are also being developed to stimulate and facilitate increases in the Bank's customer base and average consumption of products and services per customer by the branches. Accordingly, the Bank's network offers cutting-edge banking technology facilitating the opening of accounts at banking posts (PABs), as well as appropriate support for mass account openings, facilitating the day-to-day activities of the branches and in turn customer service quality.

Self-service Channels

Telefinasa: seeking excellence in customer service, the Finasa call center received 904,299 interactive voice-response calls (URA) with a total 1,031,177 transactions and consultations during the first quarter of 2003.

Finasa Internet Banking: in the Online Product segment, Finasa Internet Banking for Consumer Customers has 33,744 registered accounts, corresponding to an 8.6% share of the account base for the quarter.

Relationship Accounts: at March 31, 2003, Banco Mercantil de São Paulo S.A. has 380,854 consumer checking account holders, corresponding to 392,628 accounts. 28.6% of all consumer customer checking accounts are Special Check accounts with authorized overdraft facilities. 7,893 accounts were opened during the first quarter of 2003.

At March 31, 2003, the corporate customer portfolio had 76,097 checking account customers, corresponding to 93,888 accounts. Of these, 1,701 accounts were opened during the first quarter. The Savings Account Portfolio has 498,595 registered accounts.

The Finasa Easy Account service package (Conta Fácil Finasa) giving priority to customer relationships and offering a range of differentiated and competitive products had 205,582 registered customers at March 31, 2003.

Bradesco Products: in aggregate to increase customer benefits

Banco Mercantil de São Paulo S.A. is aggregating its personalized products and customer service with the facilities and other services offered by Banco

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Bradesco. As a result, customers now have access to the market's most complete self-service network. In addition to the Mercantil Self-service Network and the 24-Hour Bank kiosks, customers also have access to the extensive BDN Bradesco Day and Night ATM network.

The Mercantil Branch Network sells the very successful Verde Amarelo Pé Quente series savings bond, which has a 60-month term. Other available products and services include Pé Quente savings bonds, Disque Fácil, Clique Fácil, Voe Fácil, 10, Milênio and Reserva Especial.

In the health insurance area, Mercantil Customers have access to all products from the Bradesco Saúde e Vida range.

The options available to customers in the private pension plan area were extended to include Bradesco Vida e Previdência products, which cover the Bank's diverse customer profiles. These include the PGBL (PGBL Proteção Familiar and Prev Jovem PGBL) and VGBL (VGBL Proteção Familiar) plans, a conventional plan with special features (Conta Vip de Rendas Programadas) and a Redeemable Family Coverage (Cobertura Familiar Resgatável) plan.

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

Balance Sheet - In millions of reais

| | 2001 December | 2002 March | 2002 December | 2003 March |
|---|------------------|---------------|------------------|---------------|
| ASSETS | | | | |
| Current assets and long-term receivables | 242 | 119 | 156 | 146 |
| Short-Term interbank investments and securities | 69 | 68 | 82 | 86 |
| Other receivables and other assets | 173 | 51 | 74 | 60 |
| Permanent assets | 18 | 18 | 18 | 18 |
| Total | 260 | 137 | 174 | 164 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 186 | 60 | 88 | 74 |
| Other liabilities | 186 | 60 | 88 | 74 |
| Stockholders' equity | 74 | 77 | 86 | 90 |
| Total | 260 | 137 | 174 | 164 |

Statement of Income - In millions of reais

| | 2001 4 th Qtr. | 2002 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Income from lending and trading activities | 5 | 3 | 4 | 4 |
| Gross profit from financial intermediation | 5 | 3 | 4 | 4 |
| Other operating income (expenses), net | 4 | 2 | 1 | 1 |
| Operating income | 9 | 5 | 5 | 5 |
| Income before taxes on income and profit sharing | 9 | 5 | 5 | 5 |

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| | | | | |
|------------------------------------|-----|-----|-----|-----|
| Income tax and social contribution | (3) | (2) | (1) | (2) |
| Net income | 6 | 3 | 4 | 3 |

Bradesco Corretora ended the first quarter of 2003 maintaining its outstanding position in the Capital Market.

We present below a summary of the company's main activities for the quarter:

Bradesco Corretora ended the 1st quarter among the 10 most important brokerage firms, out of more than 90 operating in the São Paulo Stock Exchange (BOVESPA). During the quarter, services were provided to 14,781 investors and 50,792 buy and sell orders were carried out for a total financial volume of R\$ 1.9 billion.

Bradesco Corretora negotiated R\$ 364.7 thousand contracts in the Mercantile and Futures Exchange (BM&F) for a financial volume of R\$ 53.9 billion, ranking the Corretora among the 30 most important brokerage firms out of more than 100 participants. The Corretora has centered its efforts on the continued expansion of its business as well as promoting the futures market. For example, in the agricultural area it acts directly in the country's main production centers, through visits, seminars and participation in agricultural fairs and exhibitions. In conjunction with the BM&F, the company sponsored visits to the exchange and Bradesco Corretora in São Paulo by investors from all over the country. At the same time, the company hosted numerous visits by farmers, teachers, opinion-makers and brokers from the physical commodities market.

Online web trading for the quarter totaled 30,454 orders with a financial volume of R\$ 167.6 million, representing 5.6% of all Home-Broker operations carried out in BOVESPA and placing the Corretora fourth in the overall ranking. The customer base increased by 5.5% with more than 793 new customers registered during the quarter and more than 8,532 e-mails received.

As a result of its important role in Public Offerings of Share Purchases, Special Operations, Stock Swapping Auctions and Privatization Auctions, Bradesco Corretora continues in its important market position, with financial volume of R\$ 23.4 million for the quarter.

Net income recorded for the quarter totaled R\$ 3.1 million.

Stockholders' equity at the end of the quarter increased to R\$ 89.7 million, corresponding to 54.8% of total assets which totaled R\$ 163.6 million.

Information - Trading at BM&F and BOVESPA

| | 2001 4 th Qtr. | 2002 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| BM&F | | | | |
| Ranking | 1 st | 1 st | 29 th | 26 th |
| Contracts traded (millions) | 6.2 | 3.5 | 0.3 | 0.4 |
| Financial volume (in billions of reais) | 810.8 | 387.9 | 39.1 | 53.9 |
| Stock Exchange | | | | |

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| | | | | |
|--------------------------------------|--------|--------|--------|--------|
| Ranking | 9th | 7th | 5th | 9th |
| Number of investors | 13,287 | 16,172 | 13,006 | 14,781 |
| Number of orders executed | 37,755 | 38,604 | 58,180 | 50,792 |
| Volume traded (in billions of reais) | 2.2 | 2.5 | 2.6 | 1.9 |
| Home Broker | | | | |
| Registered customers | 9,473 | 11,091 | 14,334 | 15,127 |
| Orders executed | 22,738 | 21,993 | 36,806 | 30,454 |
| Volume traded (in millions of reais) | 123.5 | 128.4 | 194.3 | 167.6 |

Bradesco Securities, Inc.

Balance Sheet - In thousands of reais

| | 2001 December | March | 2002 December | 2003 March |
|---|------------------|-------|------------------|---------------|
| ASSETS | | | | |
| Current assets and long-term receivables | 3,260 | 2,887 | 3,464 | 2,825 |
| Funds available | 333 | 467 | 574 | 414 |
| Interbank investments | - | - | - | 2,354 |
| Securities and derivative financial instruments | 2,917 | 2,405 | 2,829 | - |
| Other receivables and Other assets | 10 | 15 | 61 | 57 |
| Permanent assets | 134 | 124 | 140 | 127 |
| Total | 3,394 | 3,011 | 3,604 | 2,952 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 158 | 62 | 172 | 216 |
| Other liabilities | 158 | 62 | 172 | 216 |
| Stockholders' equity | 3,236 | 2,949 | 3,432 | 2,736 |
| Total | 3,394 | 3,011 | 3,604 | 2,952 |

Statement of Income - In thousands of reais

| | 2001 4 th Qtr. | 2002 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Income from lending and trading activities | 10 | 22 | 5 | 9 |
| Gross profit from financial intermediation | 10 | 22 | 5 | 9 |
| Other operating income (expenses), net | (266) | (313) | (329) | (530) |
| Operating expense | (256) | (291) | (324) | (521) |
| Loss | (256) | (291) | (324) | (521) |

Bradesco Securities, Inc., a wholly owned subsidiary of 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 80 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

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support for global economy investors who invest part of this flow in countries such as Brazil.

Leasing (1)

Balance Sheet - In millions of reais

| | 2001 December | 2002 March | 2002 December (2) | 2003 March (3) |
|--|------------------|---------------|----------------------|-------------------|
| Assets | | | | |
| Current assets and long-term receivables | 2,297 | 2,532 | 3,372 | 4,818 |
| Funds available | 2 | 2 | 6 | 6 |
| Interbank investments | 579 | 668 | 1,568 | 3,023 |
| Securities and derivative financial instruments | 17 | 18 | 10 | 21 |
| Credit and leasing operations | 1,409 | 1,515 | 1,385 | 1,269 |
| Other receivables and Other assets | 290 | 329 | 403 | 499 |
| Permanent assets | 50 | 48 | 40 | 37 |
| Total | 2,347 | 2,580 | 3,412 | 4,855 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 1,615 | 1,700 | 1,706 | 2,964 |
| Demand, time and interbank deposits | 272 | 265 | 266 | 144 |
| Securities received under security repurchase agreements | - | 97 | 59 | 1,454 |
| and Funds received from issuance of securities | 157 | 244 | 240 | 242 |
| Borrowings and onlendings | - | - | 14 | 11 |
| Derivative financial instruments | 1,186 | 1,094 | 1,127 | 1,113 |
| Other liabilities | 732 | 880 | 1,706 | 1,891 |
| Stockholders' equity | 2,347 | 2,580 | 3,412 | 4,855 |

(1) Includes: Bradesco Leasing, BCN Leasing, Boavista S.A. Arrendamento Mercantil, Finasa Leasing, Potenza Leasing and Bancocidade Leasing

(2) On December 31, 2002, Boavista S.A. Arrendamento Mercantil, Bancocidade Leasing Arrendamento Mercantil S.A. and Potenza S.A. Arrendamento Mercantil were spun off based on their book value at November 30, 2002, and the spun-off portions of these companies were transferred to BCN Leasing Arrendamento Mercantil S.A.

(3) On February 28, 2003, BCN Leasing Arrendamento Mercantil S.A. incorporated Bradesco Leasing S.A. Arrendamento Mercantil, at book value on January 30 and changed its name to BRADESCO BCN LEASING S.A. ARRENDAMENTO MERCANTIL.

Statement of Income - In millions of reais

| | 2001 4 th Qtr. | 2002 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Income from lending and trading activities | 38 | 100 | 134 | 195 |
| Expenses | 7 | (52) | (34) | (84) |
| | 45 | 48 | 100 | 111 |

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| | | | | |
|--|------|------|------|------|
| Gross profit from financial intermediation | | | | |
| Other operating income (expenses), net | (14) | (11) | (37) | (25) |
| Operating income | 31 | 37 | 63 | 86 |
| Non-operating income | 7 | 3 | 6 | 3 |
| Income before taxes on income | 38 | 40 | 69 | 89 |
| Income tax and social contribution | (13) | (13) | 8 | 102 |
| Net income | 25 | 27 | 77 | 191 |

Bradesco's leasing operations are carried out through its subsidiaries: Bradesco BCN Leasing S.A. Arrendamento Mercantil (from February 2003), Banco Finasa S.A. and Finasa Leasing Arrendamento Mercantil S.A.

At March 31, 2003, Bradesco's leasing operations totaled R\$ 1.441 billion (present value) with 44,768 contracts. As well as R\$ 33.409 million of operating lease receivables.

In accordance with the Brazilian Association of Leasing Companies (ABEL), Bradesco is one of the leaders in the national ranking of leasing companies, with a 17% market share (Base date: February/2003).

Bradesco leases different types of asset, including light vehicles (cars) and heavy vehicles (buses and trucks), airplanes, machinery, equipment and computers.

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

Portfolio by Types of Asset at March 31, 2003 (present value)

Bradesco Consórcios Ltda.

Operations

On June 11, 2002, all the quotas of Administradora de Consórcios Potenza Ltda. were transferred from Banco BCN S.A. to Banco Bradesco S.A.

On June 24, 2002, approval was given to change the company's name to Bradesco Consórcios Ltda. and its principal place of business to Osasco-SP.

These acts were ratified by the Brazilian Central Bank (BACEN) on July 22, 2002.

On December 9, 2002, Bradesco Consórcios commenced the sale of consortium quotas exclusively to Bradesco Organization employees.

On January 21, 2003, Bradesco commenced the sale of consortium quotas to its account holders and non-account holders.

At March 31, 2003, a total 14 thousand consortium quotas had been sold.

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The first online meeting of Bradesco Consortium holders was held on February 26, 2003, followed by the second meeting on March 15.

By March 2003, a total of 70 items had been received by consortium participants.

The company uses all the facilities of the Bradesco, BCN and Mercantil customer service network to commercialize the products offered. The consortium groups managed by the former company are now closed.

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 light and heavy vehicle and real estate segments, 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 and considering, in particular, as regards real estate products, the country's present housing deficit.

Bradesco Consórcios is prepared to meet the demands of consumers from all income brackets, not yet catered for in Brazil, at accessible prices. The Consortium segment is a complementary niche to regular banking activities and at present there are 3 million (*) consortium group members nationwide. According to information gathered, only 14% (*) of vehicles sold in Brazil are sold via the Consortium method.

At present an average 63.4 thousand (*) participants receive items monthly through this purchase method as compared to 63.2 thousand (*) in 2002, an increase of 0.3% (*) including first homes and new cars and more than 20 other products sold through the consortium quota system.

The company's consortium quotas are placed in the market through brokers of Bradesco Vida e Previdência, one of the Bank's related parties, working from the Bank's Branches, via the Fone Fácil call centers and online via Internet.

Representation

Bradesco plays a central role in this segment providing Brazilians with more opportunities to acquire goods and real estate.

As a result of this activity our medium and long-term results will undoubtedly grow, with positive effects on our capacity to secure new customers.

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(*) Source ABAC - Brazilian Association of Consortium Administrators

Insurance(1)

Balance Sheet - In millions of reais

| | 2001 December | March | 2002 December | 2003 March |
|---|------------------|-------|------------------|---------------|
| ASSETS | | | | |
| Current and long-term assets | 3,359 | 3,052 | 3,404 | 3,572 |
| Securities | 1,678 | 1,589 | 1,679 | 1,814 |
| Insurance transactions and other accounts receivable | 1,681 | 1,463 | 1,725 | 1,758 |
| Permanent assets | 1,847 | 1,986 | 2,021 | 2,054 |
| Total | 5,206 | 5,038 | 5,425 | 5,626 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 2,793 | 2,698 | 2,738 | 2,854 |
| Tax and social security contributions | 526 | 463 | 587 | 591 |
| Insurance-related payables | 293 | 188 | 173 | 223 |
| Other liabilities | 579 | 694 | 366 | 352 |
| Technical reserves | 1,395 | 1,353 | 1,612 | 1,688 |
| Minority interest | 82 | 40 | 95 | 51 |
| Stockholders equity of the parent company | 2,331 | 2,300 | 2,592 | 2,721 |
| Total | 5,206 | 5,038 | 5,425 | 5,626 |

Statement of Income - In millions of reais

| | 2001 4 th Qtr. | 1 st Qtr. | 2002 4 th Qtr. | 2003 1 st Qtr. |
|--|------------------------------|----------------------|------------------------------|------------------------------|
| Earned premiums | 1,105 | 1,156 | 1,236 | 1,328 |
| Retained claims | (846) | (861) | (941) | (1,035) |
| Selling expenses | (141) | (131) | (157) | (156) |
| Other operating income (expenses) | (13) | 1 | 18 | 17 |
| Contribution margin | 105 | 165 | 156 | 154 |
| Administrative costs | (138) | (138) | (162) | (169) |
| Taxes | (18) | (18) | (28) | (24) |
| Financial results | 135 | 85 | 72 | 79 |
| Operating income | 84 | 94 | 38 | 40 |
| Non-operating income | 91 | (23) | 13 | (7) |
| Results on investments in subsidiary and associated companies | 192 | 125 | 154 | 129 |
| Minority interest | (1) | - | (7) | - |
| Income before income tax and social contribution | 366 | 196 | 198 | 162 |
| Income tax and social contribution | (56) | (27) | 14 | (9) |
| Net income | 310 | 169 | 212 | 153 |

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

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(1) Includes: Bradesco Seguros, Indiana Seguros, Bradesco Saúde, União Novo Hamburgo de Seguros and Finasa Seguradora S.A. (as from 1H02).

Performance Ratios

| | % | | | |
|----------------------------------|------------------|------------------------|-------|---------------|
| | 2001 December | 2002 March December | | 2003 March |
| Claims ratio (1) | 74.4 | 71.8 | 72.0 | 71.8 |
| Selling ratio (2) | 13.3 | 11.4 | 11.9 | 11.7 |
| Combined ratio (3) | 102.3 | 99.0 | 100.3 | 102.6 |
| Expanded combined ratio (4) | 95.4 | 92.2 | 94.6 | 96.8 |
| Administrative expense ratio (5) | 12.3 | 11.7 | 12.8 | 12.4 |

(1) Retained claims (excluding withdrawals on life insurance from 2002 and withdrawals on VGBL from 2003)/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 Premium Market Share (%)

Bradesco Seguros secured R\$ 1.4 billion in premiums and maintained its industry leadership with a 24.3% market share. An amount of R\$ 5.8 billion was secured in premiums by this sector up to February 2003.

Growth in Technical Reserves

Growth in Assets Guaranteeing Technical Reserves

Earned Premiums by Insurance Line

| Insurance | Accumulated - In millions of reais | | | | | |
|----------------------|------------------------------------|-------|------------------------------|-------|---|--|
| | 2001 4 th Qtr. | | 2002 1 st Qtr. | | 2003 4 th Qtr. 1 st Qtr. | |
| Health | 523 | 557 | 596 | 618 | | |
| Auto/RCF (a) | 304 | 274 | 312 | 327 | | |
| Life/AP (b) /VGBL(c) | 192 | 223 | 227 | 265 | | |
| Basic Lines | 60 | 66 | 75 | 81 | | |
| DPVAT(d) | 26 | 36 | 26 | 37 | | |
| Total | 1,105 | 1,156 | 1,236 | 1,328 | | |

(a) Optional third-party liability.

(b) Personal accident.

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- (c) Long-term life products.
- (d) Compulsory vehicle insurance.

In the first quarter of 2003, the company's earned premiums grew by 14.9% as compared to the same period in the prior year.

Earned Premiums by Insurance Line - Accumulated to March 2003 - (%)

Total Claims Ratio - % (prior 12 months)

Number of Policyholders - Thousand

Up to March 31, 2003, the number of customers grew by 3.4% for the quarter in comparison to the same period in 2002.

Bradesco Saúde continues to maintain its outstanding market position, especially in the corporate health insurance segment. 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 2.3 million customers.

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

Approximately 11 thousand companies in Brazil have acquired Bradesco Health Insurance. Out of the 100 largest companies in Brazil, 35 are Bradesco clients in the Health and Dental Health lines and out of the country's 10 largest companies, 60% are Bradesco Saúde clients.

Emphasis should also be given to the practical nature of the Bradesco Saúde Portal (<http://www.bradescosaude.com.br>), which, in addition to providing information on available products, also offers a number of services to policyholders, prospects and brokers.

The Bradesco Insurance Group occupies a leadership position in the Basic Line Brazilian market, which comprises the following main types of insurance, named and operating risks, national and international transport, oil risks, engineering risks, third-party liability, aircraft, maritime hulls, fire and sundry risks, among others.

In the mass market insurance segment, focusing on consumer and small and medium corporate customers, the results achieved from policy sales continue significant, particularly Bradesco Seguro Residencial Simplificado (Bradesco Simplified Residential Insurance).

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In the Corporate Insurance area, the Group maintained its leadership through its participation in insuring business conglomerates operating in the automobile, mining, steel, oil, electrical power, agribusiness, paper and pulp, chemical, aluminum and aircraft industries, confirming the Bradesco Insurance Group's significant presence among Brazil's major corporations.

The Automotive and RCF (Optional Third Party Liability) line posted an important increase in the number of policyholders and the technically correct pricing policy was maintained. Emphasis should also be given to the implementation of the differentiated services which add value to products, such as discounts given through the nationwide customer service networks and the increase in the number of relationships with brokers which are carried out exclusively online via the Internet.

The first quarter could not have been better for Bradesco Seguros. The Company secured the leadership of the Brazilian market's most important insurance line, automobiles, which represents more than 25% of this sector revenue. Based on official data from SUSEP, in January, Bradesco obtained R\$ 117.7 million in premiums for this line, a 6.4% increase over the amount determined by the second-ranked group.

Undisputed leader in the insurance sector, Bradesco surpassed its prior-year record obtaining billings of more than R\$ 10 billion in the insurance, private pension plan and savings bond segments.

Awards

The Bradesco Seguros website is among the Top 3 companies classified in the iBEST Insurance category, ie among the three best-rated insurance company sites in Brazil.

Private Pension Plans

Balance Sheet - In millions of reais

| | 2001 December | 2002 March | 2002 December | 2003 March |
|---|------------------|---------------|------------------|---------------|
| ASSETS | | | | |
| Current and long-term assets | 12,202 | 12,866 | 17,400 | 19,055 |
| Available funds | 8 | 19 | 2 | 16 |
| Interbank investments | 16 | 16 | 18 | 18 |
| Securities | 11,731 | 12,453 | 16,923 | 18,661 |
| Insurance operations and other accounts receivable | 447 | 378 | 457 | 360 |
| Permanent assets | 302 | 301 | 251 | 252 |
| Total | 12,504 | 13,167 | 17,651 | 19,307 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 11,551 | 12,121 | 16,536 | 18,126 |
| Tax and social security contributions | 196 | 190 | 420 | 349 |
| Operating liabilities for Insurance and Private Pension Plans | 215 | 92 | 156 | 72 |

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| | | | | |
|----------------------|--------|--------|--------|--------|
| Other liabilities | 33 | 157 | 57 | 36 |
| Technical reserves | 11,107 | 11,682 | 15,903 | 17,669 |
| Stockholders' equity | 953 | 1,046 | 1,115 | 1,181 |
| Total | 12,504 | 13,167 | 17,651 | 19,307 |

Statement of Income - In millions of reais

| | 2001 | | 2002 | | 2003 | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| Retained premiums | 191 | 222 | 959 | 769 | | |
| Variations in premium reserves | (25) | (10) | (755) | (506) | | |
| Earned premiums | 166 | 212 | 204 | 263 | | |
| Retained claims | (88) | (120) | (124) | (190) | | |
| Selling expenses - Insurance | (56) | (46) | (55) | (56) | | |
| Other operating income (expenses) | 11 | 19 | 28 | 35 | | |
| Income from net contributions | 442 | 298 | 321 | 151 | | |
| Expenses with benefits/matured plans | (494) | (349) | (503) | (399) | | |
| Selling expenses - Pension Plans | (28) | (30) | (24) | (25) | | |
| Administrative expenses | (55) | (43) | (60) | (50) | | |
| Tax expenses | (5) | (5) | (3) | (3) | | |
| Financial income | 537 | 475 | 1,273 | 1,242 | | |
| Financial expenses | (392) | (274) | (1,007) | (825) | | |
| Equity income and expenses | 3 | 3 | 2 | 2 | | |
| Non-operating income | 23 | (1) | 5 | 1 | | |
| Income before taxes and profit sharing | 64 | 139 | 57 | 146 | | |
| Taxes and profit sharing | 6 | (46) | 15 | (48) | | |
| Net income | 70 | 93 | 72 | 98 | | |

Income from Plans - Market Share (%)

Since its foundation in 1981, Bradesco Vida e Previdência has recorded consistently high levels of growth confirming its leadership of a sector which from the early nineties has shown considerable potential for expansion.

Income from its private pension plans has grown some 43.3% per year over the last five years, enabling the company to maintain its leadership position with 40.8% of the market, the result of a sound product development policy structured around innovative and flexible options.

Products bearing the Bradesco Vida e Previdência hallmark reflect the company's efforts to remain ahead of its time, sensitive to future trends.

Growth in Technical Reserves In millions of reais

Providing a safe option for both participants and beneficiaries, Bradesco Vida e Previdência has recorded increasing growth in the volume of its technical reserves. During the quarter, technical reserves presented an increase of 11% over the same period in 2002, highlighting the company's capacity to meet the commitments assumed.

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Bradesco Vida e Previdência's unquestionable commitment to providing a care-free future for its participants has ensured its ranking as Brazil's largest listed private pension plan company.

Guaranteeing Assets Market Share (%)

Reflecting the growth in income from private pension plans, Bradesco Vida e Previdência ended the first quarter of 2003 with a high level of capitalization. The investment portfolio presents an ongoing growth in financial volume and results, well above the required volume of technical reserves.

The company's success and commitment to the implementation of its policies are confirmed by its 51.2% share of this segment, one of most important market indicators.

Growth in Guaranteeing Assets (in millions of reais)

Increase in Number of Participants - Thousands

During the quarter, Bradesco Vida e Previdência signed new contracts for individual and company plans, which accounted for a 1.1% increase in the number of participants compared to the performance recorded for the same period in 2002. Total plan participants surpassed the 1.2 million mark.

Savings Bonds (2)

Balance Sheet - In millions of reais

| | 2001 December | March | 2002 December | 2003 March |
|--|------------------|-------|------------------|---------------|
| ASSETS | | | | |
| Current and long-term receivables | 1,581 | 1,563 | 1,776 | 1,863 |
| Securities | 1,453 | 1,479 | 1,664 | 1,787 |
| Accounts receivable and other accounts receivables | 128 | 84 | 112 | 76 |
| Permanent assets | 294 | 305 | 340 | 342 |
| Total | 1,875 | 1,868 | 2,116 | 2,205 |
| LIABILITIES | | | | |
| Current and long-term liabilities | 1,554 | 1,502 | 1,884 | 1,930 |
| Tax and social security contributions | 205 | 155 | 205 | 178 |
| Other liabilities | 13 | 10 | 84 | 96 |
| Technical reserves | 1,336 | 1,337 | 1,595 | 1,656 |
| Stockholders' equity | 321 | 366 | 232 | |
| Total | 1,875 | 1,868 | 2,116 | 2,205 |

Statement of Income - In millions of reais

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| | 2001 | | 2002 | | 2003 | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. | 4 th Qtr. | 1 st Qtr. |
| Income from savings bonds | 228 | 192 | 339 | 249 | | |
| Variation in technical reserves | (16) | 1 | (170) | (35) | | |
| Redemption of bonds | (215) | (181) | (169) | (197) | | |
| Bonds redeemed | (207) | (166) | (164) | (191) | | |
| Winning bonds | (8) | (15) | (5) | (6) | | |
| Financial income | 104 | 55 | 38 | 58 | | |
| Administrative expenses | (18) | (16) | (19) | (17) | | |
| Equity results | 19 | 11 | 47 | 2 | | |
| Non-operating income | (3) | - | 3 | - | | |
| Income before taxes | 99 | 62 | 69 | 60 | | |
| Income tax and social contribution | (26) | (17) | (7) | (19) | | |
| Net income | 73 | 45 | 62 | 41 | | |

(2) 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.

Bradesco Capitalização is completing three months of leadership in four Brazilian states, according to the latest figures for January published by SUSEP. The company's market share was 40.2% in Bahia, 23.4% in São Paulo, 27.2% in Santa Catarina and 35.5% in Amapá. In 2002, the company's billings totaled R\$ 1.020 billion.

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 new phase brought the company closer to the general public and consolidated the success of its Pé Quente (Lucky Bond) savings bond series.

Bradesco Capitalização was the first private savings bond company in Brazil to receive ISO9002 accreditation and in December 2002 this certificate was upgraded to the 2000 Version, ISO 9001:2000. This accreditation 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

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With its fast-growing volume of technical reserves, Bradesco Capitalização surpassed the mark of R\$ 1.6 billion. At present, the company has a 22.1% market share of the total volume of technical reserves and in the first quarter of 2003 presented a growth rate of 22.8% as compared to 2002. This result conveys confidence and highlights the company's capacity to honor the commitments assumed with its customers.

Growth in Assets Guaranteeing Technical Reserves - In millions of reais

Number of Customers - Thousand

Outstanding Savings Bonds - Thousand

At March 31, 2003, the number of customers increased by 35.9% as compared to the same period in 2002, surpassing the 2.6 million mark. The outstanding savings bond portfolio also presented a significant 26.4% increase over the same period in the prior year, attaining a total of 7.2 million outstanding bonds.

Ratings

Ratings - Banco Bradesco

Ratings - Insurance and Savings Bonds

| FITCH RATINGS | | Insurance STANDARD & POORS | | SR RATINGS | | Savings Bonds STANDARD & POORS | |
|-------------------|------------------------|----------------------------------|--------|------------------------|-------------------|--------------------------------------|--------|
| National Scale | International Scale | National | Scale | International Scale | National Scale | National | Scale |
| AAA (bra) | AAA | AAA | brAAA | AAASR | brAAA | brAAA | brAAA |
| AA+ (bra) | AA+ | AA+ | brAA+ | AA+SR | brAA+ | brAA+ | brAA+ |
| AA (bra) | AA | AA | brAA | AASR | brAA | brAA | brAA |
| AA- (bra) | AA- | AA- | brAA- | AA-SR | brAA- | brAA- | brAA- |
| A+ (bra) | A+ | A+ | brA+ | A+SR | brA+ | brA+ | brA+ |
| A (bra) | A | A | brA | ASR | brA | brA | brA |
| A- (bra) | A- | A- | brA- | A-SR | brA- | brA- | brA- |
| BBB+ (bra) | BBB+ | BBB+ | brBBB+ | BBB+SR | brBBB+ | brBBB+ | brBBB+ |
| BBB (bra) | BBB | BBB | brBBB | BBBSR | brBBB | brBBB | brBBB |
| BBB- (bra) | BBB- | BBB- | brBBB- | BBB-SR | brBBB- | brBBB- | brBBB- |
| BB+ (bra) | BB+ | BB+ | brBB+ | BB+SR | brBB+ | brBB+ | brBB+ |
| BB (bra) | BB | BB | brBB | BBSR | brBB | brBB | brBB |
| BB- (bra) | BB- | BB- | brBB- | BB-SR | brBB- | brBB- | brBB- |
| B+ (bra) | B+ | B+ | brB+ | B+SR | brB+ | brB+ | brB+ |
| B (bra) | B | B | brB | BSR | brB | brB | brB |
| B- (bra) | B- | B- | brB- | B-SR | brB- | brB- | brB- |
| CCC (bra) | CCC | CCC | brCCC | CCCSR | brCCC | brCCC | brCCC |

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| | | | | | |
|----------|-----|------|------|------|------|
| CC (bra) | CC | brCC | CCSR | brCC | brCC |
| C (bra) | C | brC | CSR | brC | brC |
| | DDD | brD | DSR | brD | brD |
| | DD | | | | |
| | D | | | | |

Rankings

| Source | Criteria | Position |
|--|---|--|
| Forbes International 500 | Overall/Revenue | 166 th (Worldwide) |
| Forbes International 500 | Banks/Revenue | 26 th (Worldwide) 1 st (Brazil) |
| Fortune Global 500 | Banks/Revenue | 46 th (Worldwide) 1 st (Brazil) |
| Fortune Global 500 | Overall/Revenue | 337 th (Worldwide) |
| Ranking - Bradesco Seguros Global Finance | Best Insurance Companies - Property Insurer | 1 ^o (Latin America) |

Awards

Bradesco was ranked first place among Brazil's 100 most-wired Companies by infoEXAME magazine which rates companies at the vanguard in terms of Information Technology. As well as leading the overall ranking, Bradesco was also rated leader in two other categories: the most-wired banking sector company, among 17 economic segments under analysis and leader in São Paulo in the ranking which rates Brazil's six most industrialized states.

Winner of the Best Investment Funds - 2002 award, given by Gazeta Mercantil, with 5 Bradesco funds chosen. This award for management excellence was based on an analysis of three main reference points: performance, aggressive profile and innovation. These products now bear the Gazeta Mercantil Best Fund seal.

For its performance marked by the adoption of best corporate governance practices and respect for its stockholders, Bradesco was awarded the ANIMEC (National Association of Capital Market Investors) quality seal. Now in its third year, this award represents the recognition of agents who contribute towards Brazilian market development.

Bradesco was also rated best retail investment fund manager, according to Investidor Institucional magazine's 11th Top Asset ranking, which rates the best Brazilian fund managers by segment. According to this ranking, the Organization is also rated leader in the private pension plan and savings bond categories.

Sociocultural Events

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The Bradesco Foundation extended its educational project with the start-up of activities in its 39th school, opened in Boa Vista (RR), the only Brazilian state up till now without a Foundation school. In all, 105 thousand students in Brazil have access to basic education at the Foundation schools completely free-of-charge.

On the second Sunday in March, all 39 Bradesco Foundation schools took part in the activities planned for Brazil's National Voluntary Action Day benefiting more than 190 thousand people throughout Brazil and involving some 5 thousand volunteers including students, teachers and employees.

The social action carried out by the Organization is not restricted to the Foundation. Bradesco is a benchmark in social responsibility, implementing innumerable sociocultural projects and events which help to promote citizenship values in Brazil.

In the first three months of 2003, Bradesco gave support to innumerable social projects nationwide. These comprised regional, sector or professional venues, including trade fairs, seminars, congresses and community events.

Bradesco was present once again at the Summer Festival and Carnival in Salvador, Bahia, events which attract an increasing number of visitors each year, confirming the importance of Brazil's popular festivals. The Expresso 2222 Trio Elétrico road show was also sponsored once again by Bradesco.

The Organization also gave its support to the Symphony Orchestra of Santa Maria (RS) and the 69th Festa da Uva (grape festival) in Jundiaí (SP), as well as other religious festivals, agricultural fairs and rodeo festivals and shows.

Citizenship projects such as the Charity Effort held to support the Hospital for Cancer Patients in Barretos (SP), as well as activities which benefit welfare entities such as the Senior Citizen Home Irmão Joaquim in Florianópolis (SC) also received important support from Bradesco.

Corporate Organization Chart

Major Stockholders

Main Subsidiaries and Associated Companies

Fundação Bradesco - The Bradesco Organization's Social Arm

Background

The Bradesco Foundation, a not-for-profit entity, headquartered at Cidade de Deus, Osasco (SP), was founded in 1956 and declared to be of Federal Public Utility by Decree 86238, on July 30, 1981.

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Convinced that education lies at the roots of equal opportunity and personal and collective fulfillment, the Bradesco Foundation currently maintains 39 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 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 103,000 over the last twenty-three 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 39th Bradesco Foundation School, in the city of Boa Vista, Roraima, opened its doors on February 6 this year with modern facilities and the capacity to attend more than 1,200 students.

On March 9, all the Foundation Schools took part in Brazil's National Voluntary Action Day. More than 190 thousand people benefited from activities promoted in the leisure and entertainment, education, culture, sports, prevention and healthcare, community development and citizenship action areas. Four thousand volunteers participated, including students, parents, teachers and professionals from partner organizations, providing more than 200 quality services to community dwellers residing in the vicinity of the Foundation schools.

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.

| School | Students |
|---------------------------|----------|
| Aparecida de Goiânia - GO | 2,527 |
| Bagé - RS | 1,833 |
| Boa Vista | 1,869 |
| Bodoquena - MS | 1,187 |
| Cacoal - RO | 1,849 |
| Campinas - SP | 3,359 |
| Canuanã - TO | 1,207 |

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| | |
|---|-------|
| Caucaia - CE | 2,440 |
| Ceilândia - DF | 3,445 |
| Cidade de Deus - Osasco, SP | |
| Unit I | 4,152 |
| Unit II | 2,816 |
| Supplementary education teleposts - companies | 8,567 |
| Professional Training Center | 6,068 |
| Conceição do Araguaia - PA | 1,944 |
| Cuiabá - MT | 1,905 |
| Feira de Santana-BA | 488 |
| Garanhuns-PE | 550 |
| Gravataí - RS | 3,123 |
| Irecê - BA | 2,222 |
| Itajubá - MG | 2,147 |
| Jaboatão - PE | 2,330 |
| João Pessoa - PB | 2,124 |
| Laguna - SC | 2,042 |
| Macapá - AP | 2,253 |
| Maceió - AL | 2,443 |
| Manaus - AM | 3,303 |
| Marília - SP | 3,877 |
| Natal - RN | 2,265 |
| Paragominas - PA | 2,066 |
| Paranavaí - PR | 2,148 |
| Pinheiro - MA | 2,067 |
| Propriá - SE | 2,152 |
| Registro - SP | 2,165 |
| Rio Branco - AC | 2,020 |
| Rio de Janeiro - RJ | 4,518 |
| Rosário do Sul - RS | 940 |
| Salvador - BA | 2,119 |
| São João Del Rei - MG | 2,124 |
| São Luis - MA | 2,492 |
| Teresina - PI | 2,250 |
| Vila Velha - ES | 2,075 |

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

| | |
|------------------|---------|
| Cáceres-MT | |
| Campinas-SP | |
| Campo Grande -MS | |
| Goiânia-GO | |
| Igarapé-MG | |
| Uberaba-MG | 1,680 |
| Total (*) | 105,151 |

(*) Forecast for 2003

The Bradesco Foundation - An Education Project the Size of Brazil.

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Financing

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

| | |
|---------------------|-------------------|
| Investments in 2002 | R\$ 123.3 million |
| Budget for 2003 | R\$ 128.9 million |

Courses - Number of Students per Level of Schooling -Forecast for 2003

| | N°of Students | %of Total |
|------------------------------------|------------------|--------------|
| Infant | 3,388 | 3.22 |
| Junior and Middle | 29,709 | 28.25 |
| High School and Technical Training | 16,366 | 15.57 |
| Youth and Adult Education | 20,734 | 19.72 |
| Basic Professional Training | 34,954 | 33.24 |
| Total | 105,151 | 100.0 |

Student Profile

Increase in Student Numbers

Independent auditor's report on supplementary information

To the Board of Directors and Stockholders
Banco Bradesco S.A.
Osasco -SP

We have performed a special review, in accordance with the specific rules established by the Brazilian Institute of Independent Auditors (IBRACON), jointly with the Brazilian Federal Accounting Council, of the consolidated interim report of Banco Bradesco S.A. and its subsidiaries for the three-month period ended March 31, 2003, and have issued an unqualified report, dated April 30, 2003.

Our review was performed for the purpose of reviewing the consolidated interim report of Banco Bradesco S.A. and its subsidiaries, taken as a whole. In connection with our especial review, we have performed a review of the supplementary account information included in the Report on Economic and Financial Analysis that are presented exclusively for purpose of additional analysis and is not a required part of the interim report.

Based on our review, 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 interim report taken as a whole.

The supplementary account information of Banco Bradesco S.A. related to the periods before March 31, 2001, and information of to the subsidiaries described in note 2 (item 22) before March 31, 2002, presented for comparison purposes, were reviewed by other independent auditors, who issued unqualified reports on those information.

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April 30, 2003

KPMG Auditores Independentes
CRC 2SP014428/O-6

José Marcelo Bessan
Accountant CRC1SP129705/O-0

Cláudio Rogélio Sertório
Accountant CRC 1SP212059/O-0

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4 Consolidated Balance Sheets and Statements of Income - 1998 to 2003

Consolidated
Balance Sheet -
In thousands of
reais

(A free translation of t
original in Portuguese prepar
in conformity with accounti
practices adopted in Brazi

| | DECEMBER | | | | | |
|-------------------|-------------|-------------|-------------|------------|------------|------------|
| | 03/2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| ASSETS | | | | | | |
| CURRENT ASSETS | | | | | | |
| AND LONG TERM | | | | | | |
| RECEIVABLES | 140,132,098 | 137,301,711 | 105,767,892 | 90,693,025 | 75,136,910 | 62,635,790 |
| FUNDS AVAILABLE | 3,718,188 | 2,785,707 | 3,085,787 | 1,341,653 | 827,329 | 709,800 |
| INTERBANK | | | | | | |
| INVESTMENTS | 23,410,819 | 21,472,756 | 3,867,319 | 2,308,273 | 2,590,599 | 5,167,030 |
| Open market | | | | | | |
| investments | 19,535,833 | 19,111,652 | 2,110,573 | 1,453,461 | 1,890,828 | 4,449,350 |
| Interbank | | | | | | |
| deposits | 3,879,479 | 2,370,345 | 1,760,850 | 854,815 | 699,771 | 718,120 |
| Provision for | | | | | | |
| losses | (4,493) | (9,241) | (4,104) | (3) | - | (44,000) |
| SECURITIES AND | | | | | | |
| DERIVATIVE | | | | | | |
| FINANCIAL | | | | | | |
| INSTRUMENTS | 34,430,339 | 37,003,454 | 40,512,688 | 33,119,843 | 29,196,857 | 19,705,200 |
| Own portfolio | 27,532,356 | 29,817,033 | 27,493,936 | 21,743,924 | 20,950,342 | 12,821,400 |
| Subject to | | | | | | |
| repurchase | | | | | | |
| agreements | 933,890 | 1,497,383 | 9,922,036 | 10,822,637 | 5,987,713 | 5,759,950 |
| Subject to | | | | | | |
| negotiation and | | | | | | |
| intermediation of | | | | | | |
| securities | - | - | 526,219 | 9,394 | 157 | 290,000 |
| Restricted | | | | | | |
| deposits - | | | | | | |
| Brazilian Central | | | | | | |
| Bank | 3,381,220 | 3,536,659 | 1,988,799 | 421,727 | 2,359,466 | 1,214,810 |
| Privatization | | | | | | |
| currencies | 80,802 | 77,371 | 25,104 | 9,526 | 7,241 | 5,830 |
| Subject to | | | | | | |
| collateral | | | | | | |
| provided | 2,220,987 | 1,836,169 | 715,858 | 783,501 | 449,536 | 108,200 |
| Derivative | | | | | | |
| financial | | | | | | |
| instruments | 281,084 | 238,839 | 581,169 | - | - | - |
| Allowance for | | | | | | |
| mark-to-market | - | - | (740,433) | (670,866) | (557,598) | (205,310) |
| INTERBANK | | | | | | |
| ACCOUNTS | 14,869,479 | 12,943,432 | 5,141,940 | 5,060,628 | 6,454,553 | 5,536,950 |
| Unsettled | 853,553 | 16,902 | 10,118 | 6,920 | 7,635 | 189,320 |
| payments and | | | | | | |

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| | | | | | | |
|-------------------|-------------|-------------|-------------|-------------|-------------|-----------|
| receipts | | | | | | |
| Restricted | | | | | | |
| deposits: | | | | | | |
| - Brazilian | | | | | | |
| Central Bank | 13,619,927 | 12,519,635 | 4,906,502 | 4,848,668 | 6,184,959 | 5,194,72 |
| - National | | | | | | |
| Treasury - Rural | | | | | | |
| funding | 578 | 578 | 712 | 660 | 599 | 77 |
| - National | | | | | | |
| Housing System - | | | | | | |
| SFH | 379,070 | 374,177 | 217,518 | 197,191 | 142,653 | 149,82 |
| Interbank | | | | | | |
| onlendings | - | - | - | 2,024 | 116,733 | |
| Correspondent | | | | | | |
| banks | 16,351 | 32,140 | 7,090 | 5,165 | 1,974 | 2,30 |
| INTERDEPARTMENTAL | | | | | | |
| ACCOUNTS | 189,810 | 191,739 | 176,073 | 111,636 | 49,018 | 38,66 |
| Internal transfer | | | | | | |
| of funds | 189,810 | 191,739 | 176,073 | 111,636 | 49,018 | 38,66 |
| CREDIT OPERATIONS | 38,274,778 | 39,705,279 | 35,131,359 | 30,236,106 | 21,535,633 | 20,794,54 |
| Credit | | | | | | |
| operations: | | | | | | |
| - Public sector | 244,499 | 254,622 | 199,182 | 275,479 | 154,266 | 111,14 |
| - Private sector | 41,635,617 | 42,842,693 | 37,689,671 | 32,244,482 | 22,848,128 | 21,553,45 |
| Allowance for | | | | | | |
| loan losses | (3,605,338) | (3,392,036) | (2,757,494) | (2,283,855) | (1,466,761) | (870,05 |
| LEASING | | | | | | |
| OPERATIONS | 1,306,636 | 1,431,166 | 1,567,927 | 1,914,081 | 1,712,343 | 1,688,76 |
| Leasing | | | | | | |
| receivables: | | | | | | |
| - Public sector | 18 | 45 | 138 | 160 | 800 | 1,66 |
| - Private sector | 2,893,716 | 3,141,724 | 3,248,050 | 3,813,369 | 3,515,396 | 3,410,99 |
| Unearned lease | | | | | | |
| income | (1,452,252) | (1,560,278) | (1,557,642) | (1,760,305) | (1,490,803) | (1,485,78 |
| Allowance for | | | | | | |
| losses | (134,846) | (150,325) | (122,619) | (139,143) | (313,050) | (238,11 |
| OTHER RECEIVABLES | 22,967,273 | 20,891,869 | 15,685,433 | 16,226,725 | 12,420,787 | 8,491,99 |
| Receivables on | | | | | | |
| guarantees | | | | | | |
| honored | 1,405 | 1,577 | 1,131 | 2,020 | - | 64 |
| Foreign exchange | | | | | | |
| portfolio | 12,126,569 | 10,026,298 | 5,545,527 | 6,417,431 | 3,375,563 | 2,488,26 |
| Income receivable | 284,095 | 249,849 | 187,910 | 191,873 | 109,734 | 113,81 |
| Negotiation and | | | | | | |
| intermediation of | | | | | | |
| securities | 160,454 | 175,185 | 761,754 | 497,655 | 839,758 | 320,82 |
| Specific credits | - | - | 146,919 | 124,776 | 206,952 | 164,77 |
| Insurance | | | | | | |
| premiums | | | | | | |
| receivable | 969,789 | 920,724 | 995,662 | 818,773 | 994,718 | 825,16 |
| Sundry | 9,586,794 | 9,640,966 | 8,107,714 | 8,258,402 | 7,021,988 | 4,685,38 |

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| | | | | | | |
|--|-------------|-------------|-------------|-------------|---|-------------|
| Allowance for losses | (161,833) | (122,730) | (61,184) | (84,205) | (127,926) | (106,866) |
| OTHER ASSETS | 964,776 | 876,309 | 599,366 | 374,080 | 349,791 | 502,833 |
| Other assets | 693,547 | 679,515 | 415,484 | 409,771 | 406,910 | 513,400 |
| Allowance for losses | (250,125) | (243,953) | (164,290) | (171,876) | (166,447) | (199,750) |
| Prepaid expenses | 521,354 | 440,747 | 348,172 | 136,185 | 109,328 | 189,180 |
| PERMANENT ASSETS | 4,867,728 | 5,483,319 | 4,348,014 | 4,185,458 | 5,186,682 | 4,702,080 |
| INVESTMENTS | 482,881 | 512,720 | 884,773 | 830,930 | 2,453,425 | 2,306,500 |
| Investments in associated companies: | | | | | | |
| - Local | 379,397 | 395,006 | 742,586 | 689,002 | 2,044,120 | 1,400,140 |
| Other investments | 444,807 | 439,342 | 452,871 | 525,316 | 753,901 | 1,148,970 |
| Allowance for losses | (341,323) | (321,628) | (310,684) | (383,388) | (344,596) | (242,620) |
| PROPERTY AND EQUIPMENT IN USE | 2,507,450 | 2,523,949 | 2,152,680 | 2,017,093 | 1,683,069 | 1,562,430 |
| Land and buildings in use | 1,720,638 | 1,748,409 | 1,475,581 | 1,491,847 | 1,415,720 | 1,395,530 |
| Other fixed assets | 3,528,800 | 3,459,950 | 2,988,008 | 2,705,577 | 2,285,918 | 2,169,300 |
| Accumulated depreciation | (2,741,988) | (2,684,410) | (2,310,909) | (2,180,331) | (2,018,569) | (2,002,400) |
| LEASED ASSETS | 30,935 | 34,323 | 46,047 | 10,688 | 17,026 | 22,350 |
| Leased assets | 50,895 | 51,198 | 51,214 | 19,421 | 18,451 | 38,860 |
| Accumulated depreciation | (19,960) | (16,875) | (5,167) | (8,733) | (1,425) | (16,500) |
| DEFERRED CHARGES | 1,846,462 | 2,412,327 | 1,264,514 | 1,326,747 | 1,033,162 | 810,800 |
| Organization and expansion costs | 1,156,333 | 1,037,559 | 874,970 | 731,717 | 477,058 | 553,350 |
| Accumulated amortization | (595,908) | (568,525) | (481,127) | (391,417) | (190,510) | (207,620) |
| Goodwill on acquisition of subsidiaries, net of amortization | 1,286,037 | 1,943,293 | 870,671 | 986,447 | 746,614 | 465,070 |
| T O T A L | 144,999,826 | 142,785,030 | 110,115,906 | 94,878,483 | 80,323,592 | 67,337,870 |
| Consolidated Balance Sheet - In thousands of reais | | | | | (A free translation of the original in Portuguese prepared in conformity with accounting practices adopted in Brazil) | |
| | | | | DECEMBER | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 |
| CURRENT LIABILITIES AND LONG -TERM LIABILITIES | 114,648,194 | 114,859,776 | 87,352,076 | 77,006,572 | 66,345,011 | 56,020,610 |
| DEPOSITS | 54,871,202 | 56,363,163 | 41,083,979 | 36,468,659 | 34,723,630 | 28,249,830 |

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| | | | | | | |
|--|------------|------------|------------|------------|------------|-----------|
| Demand deposits | 10,964,086 | 13,369,917 | 8,057,627 | 7,500,518 | 6,803,429 | 4,976,83 |
| Savings deposits | 20,236,140 | 20,730,683 | 18,310,948 | 17,835,745 | 17,244,520 | 16,171,72 |
| Interbank deposits | 40,155 | 23,848 | 40,446 | 568,416 | 468,950 | 136,95 |
| Time deposits | 23,630,821 | 22,238,715 | 14,674,958 | 10,563,980 | 10,206,731 | 6,964,32 |
| DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS | 14,342,443 | 16,012,965 | 14,057,327 | 12,108,350 | 7,814,288 | 9,307,11 |
| Own portfolio | 1,275,635 | 915,946 | 12,178,855 | 10,696,199 | 5,973,260 | 5,729,89 |
| Third-party portfolio | 12,974,517 | 12,188,054 | 1,878,472 | 1,412,151 | 1,841,028 | 3,577,22 |
| Unrestricted portfolio | 92,291 | 2,908,965 | - | - | - | - |
| FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES | 4,962,678 | 3,136,842 | 4,801,410 | 4,111,171 | 4,628,344 | 2,067,11 |
| Exchange acceptances | 78 | 1,214 | - | - | - | - |
| Mortgage notes | 504,915 | 384,727 | 780,425 | 741,248 | 452,379 | 262,16 |
| Debentures | 92,280 | 100,369 | 48,921 | 1,039 | 1,043,125 | 44,80 |
| Securities issued abroad | 4,365,405 | 2,650,532 | 3,972,064 | 3,368,884 | 3,132,840 | 1,760,15 |
| INTERBANK ACCOUNTS | 602,073 | 606,696 | 192,027 | 107,129 | 59,607 | 42,83 |
| Interbank onlendings | - | 35,686 | 4,519 | 1,059 | 10,016 | 28,19 |
| Correspondent banks | 602,073 | 571,010 | 187,508 | 106,070 | 49,591 | 14,64 |
| INTERDEPARTMENTAL ACCOUNTS | 1,220,728 | 1,337,729 | 762,505 | 904,188 | 879,592 | 573,52 |
| Third-party funds in transit | 1,220,728 | 1,337,729 | 762,505 | 904,188 | 879,592 | 573,50 |
| Internal transfer of funds | - | - | - | - | - | 2 |
| BORROWINGS | 9,428,628 | 9,390,630 | 7,887,154 | 6,463,555 | 4,864,414 | 4,035,31 |
| Local borrowings - official institutions | 3,427 | 3,368 | 2,979 | 9,737 | 10,178 | 5,14 |
| Local borrowings - other institutions | 217,523 | 216,812 | 230,468 | 170,775 | 138,279 | 31,93 |
| Foreign currency borrowings | 9,207,678 | 9,170,450 | 7,653,707 | 6,283,043 | 4,715,957 | 3,998,23 |
| LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS | 6,753,080 | 7,000,046 | 5,830,633 | 5,096,604 | 4,123,486 | 3,571,56 |
| National Treasury | 41,334 | 62,187 | - | - | - | - |
| National Bank for Economic and | 3,258,982 | 3,437,319 | 3,067,220 | 2,589,284 | 1,650,243 | 987,99 |

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| | | | | | | |
|---|------------|------------|------------|------------|-----------|----------|
| Social Development (BNDES) | | | | | | |
| Federal Savings Bank (CEF) | 461,985 | 453,803 | 433,381 | 405,264 | 388,109 | 331,01 |
| Government Agency for Machinery and Equipment Financing (FINAME) | 2,989,126 | 3,045,176 | 2,321,508 | 2,090,374 | 2,064,153 | 2,238,67 |
| Other institutions | 1,653 | 1,561 | 8,524 | 11,682 | 20,981 | 13,88 |
| FOREIGN ONLENDINGS | 47,228 | 47,677 | 316,283 | 108,178 | 185,774 | 1,094,20 |
| Foreign onlendings | 47,228 | 47,677 | 316,283 | 108,178 | 185,774 | 1,094,20 |
| DERIVATIVE FINANCIAL INSTRUMENTS | 340,087 | 576,697 | 111,600 | - | - | |
| OTHER LIABILITIES | 22,080,047 | 20,387,331 | 12,309,158 | 11,638,738 | 9,065,876 | 7,079,09 |
| Collection of taxes and other contributions | 1,185,341 | 108,388 | 181,453 | 128,785 | 113,693 | 135,39 |
| Foreign exchange portfolio | 6,558,007 | 5,002,132 | 1,343,769 | 2,439,657 | 1,029,963 | 1,045,55 |
| Social and statutory payables | 409,662 | 666,409 | 572,265 | 560,533 | 603,405 | 382,67 |
| Taxes and social security contributions | 3,790,344 | 4,376,031 | 3,371,127 | 3,094,628 | 2,665,681 | 2,168,82 |
| Negotiation and intermediation of securities | 85,957 | 109,474 | 1,307,385 | 592,395 | 914,127 | 506,76 |
| Technical reserves for insurance, savings bonds and private pension plans | 2,545,377 | 2,362,861 | 1,005,793 | 689,891 | 659,450 | 529,28 |
| Subordinated debt | 3,391,409 | 3,321,597 | 969,842 | - | - | |
| Sundry | 4,113,950 | 4,440,439 | 3,557,524 | 4,132,849 | 3,079,557 | 2,310,59 |
| TECHNICAL RESERVES FOR INSURANCE, SAVINGS BONDS AND PRIVATE PENSION PLANS | 18,504,574 | 16,792,618 | 12,847,633 | 9,648,174 | 6,904,469 | 4,740,74 |
| DEFERRED INCOME | 26,454 | 15,843 | 9,020 | 34,632 | 17,543 | 33,19 |
| Deferred income | 26,454 | 15,843 | 9,020 | 34,632 | 17,543 | 33,19 |
| | 112,861 | 271,064 | 139,231 | 96,903 | 287,350 | 222,33 |

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MINORITY INTEREST
IN SUBSIDIARIES
STOCKHOLDERS'

| | | | | | | |
|--|------------|------------|-----------|-----------|-----------|-----------|
| EQUITY | 11,707,743 | 10,845,729 | 9,767,946 | 8,092,202 | 6,769,219 | 6,320,999 |
| Capital: | | | | | | |
| - Local residents | 6,011,758 | 4,960,425 | 4,940,004 | 5,072,071 | 4,206,644 | 3,659,699 |
| - Foreign residents | 288,242 | 239,575 | 259,996 | 74,429 | 58,856 | 50,622 |
| Unpaid capital | - | - | - | (400,500) | (465,500) | (246,000) |
| Capital reserves | 7,045 | 7,435 | 7,435 | 19,002 | 5,643 | 11,750 |
| Revenue reserves | 5,414,022 | 5,629,142 | 4,560,511 | 3,327,200 | 2,963,576 | 2,844,920 |
| Mark-to-market adjustment - securities and derivatives | (13,324) | 9,152 | - | - | - | - |

STOCKHOLDERS'

EQUITY MANAGED BY
THE PARENT

| | | | | | | |
|-----------|-------------|-------------|-------------|------------|------------|------------|
| COMPANY | 11,820,604 | 11,116,793 | 9,907,177 | 8,189,105 | 7,056,569 | 6,543,320 |
| T O T A L | 144,999,826 | 142,785,030 | 110,115,906 | 94,878,483 | 80,323,592 | 67,337,870 |

(A free translation of the Consolidated Statements of Income - In thousands of reais original in Portuguese prepared in conformity with accounting practices adopted in Brazil)

| | YEAR | | | | |
|--|-------------|-------------|-------------|-------------|-------------|
| | 2002 | 2001 | 2000 | 1999 | 1998 |
| INCOME FROM LENDING AND TRADING ACTIVITIES | 31,472,094 | 21,411,673 | 15,519,008 | 18,286,815 | 11,935,162 |
| Credit Operations | 15,726,929 | 11,611,236 | 7,787,745 | 9,602,701 | 6,623,789 |
| Leasing Operations | 408,563 | 420,365 | 512,962 | 730,929 | 425,321 |
| Security transactions | 12,358,291 | 7,367,600 | 6,122,486 | 5,875,823 | 3,823,626 |
| Derivative Financial Instruments | (2,073,247) | (270,572) | - | - | - |
| Foreign Exchange Transactions | 4,456,594 | 2,045,092 | 872,234 | 1,776,925 | 572,104 |
| Compulsory Deposits | 594,964 | 237,952 | 223,581 | 300,437 | 490,322 |
| EXPENSES | 22,818,498 | 13,312,726 | 9,132,137 | 12,821,198 | 7,441,180 |
| Interest and charges on: | | | | | |
| Deposits | 12,793,325 | 6,986,027 | 5,521,407 | 4,954,854 | 4,430,881 |
| Borrowings and Onlendings | 7,194,161 | 4,316,682 | 2,158,725 | 5,819,063 | 1,414,272 |
| Leasing Operations | 12,486 | - | 93 | 18,852 | 2,985 |
| Provision for Loan Losses | 2,818,526 | 2,010,017 | 1,451,912 | 2,028,429 | 1,593,042 |
| INCOME FROM FINANCIAL INTERMEDIATION | 8,653,596 | 8,098,947 | 6,386,871 | 5,465,617 | 4,493,982 |
| OTHER OPERATING INCOME (EXPENSES) | (6,343,850) | (5,324,166) | (4,647,041) | (4,404,370) | (3,390,095) |
| Commissions and Fees | 3,711,736 | 3,472,560 | 3,042,699 | 2,099,937 | 1,774,624 |
| Retained Insurance Premiums, Private Pension Plans and Savings Bonds | 10,134,873 | 8,959,259 | 6,919,942 | 5,975,488 | 5,014,830 |
| | (2,784,647) | (3,492,217) | (3,001,118) | (2,341,648) | (1,392,136) |

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| | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|
| Change in Technical Reserves for Insurance, Private Pension Plans and Saving Bonds Claims - Insurance Operations and Savings Bond Redemptions | (4,335,895) | (3,996,108) | (2,866,389) | (2,844,171) | (2,631,300) |
| Insurance and Pension Plan Selling Expenses | (667,527) | (689,352) | (645,020) | (635,351) | (518,390) |
| Expenses with Pension Plan Benefits | (1,688,639) | (1,369,424) | (912,784) | (557,608) | (422,756) |
| Personnel Expenses | (4,075,613) | (3,548,805) | (3,220,607) | (2,783,627) | (2,641,801) |
| Other Administrative Expenses | (4,028,377) | (3,435,759) | (2,977,665) | (2,566,657) | (2,158,685) |
| Tax Expenses | (847,739) | (790,179) | (670,138) | (651,801) | (319,537) |
| Equity in the Earnings of Associated Companies | 64,619 | 70,764 | 156,300 | 127,100 | 157,223 |
| Other Operating Income | 1,320,986 | 1,326,459 | 902,807 | 1,069,562 | 560,319 |
| Other Operating Expenses | (3,147,627) | (1,831,364) | (1,375,068) | (1,295,594) | (812,486) |
| OPERATING INCOME | 2,309,746 | 2,774,781 | 1,739,830 | 1,061,247 | 1,103,887 |
| NON-OPERATING INCOME (EXPENSES), NET | 186,342 | (83,720) | (123,720) | (224,874) | (263,696) |
| INCOME BEFORE TAXES AND PROFIT SHARING | 2,496,088 | 2,691,061 | 1,616,110 | 836,373 | 840,191 |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION | (460,263) | (502,257) | (258,776) | 307,186 | 240,203 |
| NON-RECURRING/EXTRAORDINARY INCOME | - | - | 400,813 | - | - |
| MINORITY INTEREST IN SUBSIDIARIES | (13,237) | (18,674) | (17,982) | (38,753) | (67,974) |
| NET INCOME | 2,022,588 | 2,170,130 | 1,740,165 | 1,104,806 | 1,012,420 |
| RETURN ON STOCKHOLDERS' EQUITY | 18.65% | 22.22% | 21.50% | 16.32% | 16.02% |

Consolidated Statements of Income - In thousands of reais

(A free translation of the original in Portuguese prepared in conformity with accounting practices adopted in Brazil)

| | 2003 | | 2002 | | 2001 | | | | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 1 st Qtr | 4 th Qtr | 3 rd Qtr | 2 nd Qtr | 1 st Qtr | 4 th Qtr | 3 rd Qtr | 2 nd Qtr | 1 st Qtr |
| INCOME FROM LENDING AND TRADING ACTIVITIES | 7,004,189 | 2,887,928 | 15,745,612 | 8,364,971 | 4,473,583 | 2,604,301 | 7,972,096 | 5,611,218 | 5,224,058 |
| Credit Operations | 2,954,266 | 1,519,950 | 7,344,652 | 4,426,505 | 2,435,822 | 1,189,535 | 4,345,353 | 3,091,410 | 2,984,938 |
| Leasing Operations | 77,386 | 74,886 | 127,240 | 116,028 | 90,409 | 62,021 | 117,633 | 125,032 | 115,679 |
| Security Transactions | 3,138,722 | 489,439 | 7,024,888 | 3,591,270 | 1,252,694 | (400,625) | 3,512,339 | 2,153,105 | 2,102,781 |
| Derivative Financial Instruments | 373,646 | 307,885 | (1,585,879) | (1,120,268) | 325,015 | 1,586,750 | (1,005,751) | (313,640) | (537,931) |
| Foreign Exchange Transactions | 99,498 | 169,630 | 2,706,668 | 1,271,208 | 309,088 | 103,954 | 936,425 | 498,643 | 506,070 |
| Compulsory Deposits | 360,671 | 326,138 | 128,043 | 80,228 | 60,555 | 62,666 | 66,097 | 56,668 | 52,521 |
| EXPENSES | 4,376,525 | 525,640 | 12,811,469 | 6,738,717 | 2,742,672 | 182,949 | 5,898,611 | 3,567,772 | 3,663,394 |

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| | | | | | | | | | |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Interest and charges on: | | | | | | | | | |
| Deposits | 3,423,499 | 777,791 | 6,502,844 | 3,735,280 | 1,777,410 | 53,292 | 3,128,332 | 1,884,421 | 1,919,982 |
| Borrowings and Onlendings | 141,355 | (834,266) | 5,409,418 | 2,289,540 | 329,469 | (489,948) | 2,287,172 | 1,190,093 | 1,329,365 |
| Leasing Operations | 3,202 | 3,204 | 3,097 | 3,071 | 3,114 | - | - | - | - |
| Provision for Loan Losses | 808,469 | 578,911 | 896,110 | 710,826 | 632,679 | 619,605 | 483,107 | 493,258 | 414,047 |
| INCOME FROM FINANCIAL INTERMEDIATION | 2,627,664 | 2,362,288 | 2,934,143 | 1,626,254 | 1,730,911 | 2,421,352 | 2,073,485 | 2,043,446 | 1,560,664 |
| OTHER OPERATING INCOME (EXPENSES) | (1,487,690) | (1,703,272) | (2,439,061) | (1,087,706) | (1,113,811) | (1,512,249) | (1,452,447) | (1,300,308) | (1,059,162) |
| Commissions and Fees | 998,439 | 991,101 | 934,418 | 925,649 | 860,568 | 874,001 | 839,110 | 864,576 | 894,873 |
| Retained Insurance Premiums, Private Pension Plans and Savings Bonds | 2,770,492 | 3,243,557 | 2,678,997 | 2,262,775 | 1,949,544 | 2,641,322 | 2,153,652 | 2,278,909 | 1,885,376 |
| Change in Technical Reserves for Insurance, Private Pension Plans and Saving B | (1,043,308) | (1,484,011) | (874,013) | (171,237) | (255,386) | (1,310,005) | (792,203) | (751,756) | (638,253) |
| Claims - Insurance Operations and Savings Bond Redemptions | (1,217,167) | (1,106,755) | (1,098,887) | (1,086,640) | (1,043,613) | (1,068,032) | (1,030,772) | (1,073,029) | (824,275) |
| Insurance and Pension Plan Selling Expenses | (180,521) | (179,671) | (167,297) | (160,390) | (160,169) | (169,032) | (177,561) | (168,893) | (173,866) |
| Expenses with Pension Plan Benefits | (390,013) | (508,501) | (419,728) | (411,115) | (349,295) | (415,859) | (323,815) | (352,583) | (277,167) |
| Personnel Expenses | (1,053,175) | (1,047,093) | (1,144,413) | (996,105) | (888,002) | (936,519) | (922,501) | (872,448) | (817,337) |
| Other Administrative Expenses | (1,100,913) | (1,111,005) | (1,062,951) | (1,010,760) | (843,661) | (896,004) | (890,377) | (817,135) | (832,243) |
| Tax Expenses | (267,852) | (257,997) | (185,527) | (200,145) | (204,070) | (209,624) | (200,828) | (190,253) | (189,474) |
| Equity in the Earnings of Associated Companies | (4,725) | 32,855 | 8,660 | 20,864 | 2,240 | 55,230 | 16,835 | 1,058 | (2,359) |
| Other Operating Income | 657,403 | (70,632) | 731,764 | 385,839 | 274,015 | 435,891 | 345,155 | 218,669 | 326,744 |
| Other Operating Expenses | (656,350) | (205,120) | (1,840,084) | (646,441) | (455,982) | (513,618) | (469,142) | (437,423) | (411,181) |
| OPERATING INCOME | 1,139,974 | 659,016 | 495,082 | 538,548 | 617,100 | 909,103 | 621,038 | 743,138 | 501,502 |
| NON-OPERATING INCOME (EXPENSES), NET | (681,563) | 54,804 | 140,964 | 19,901 | (29,327) | (36,188) | (47,426) | 14,619 | (14,725) |
| INCOME BEFORE TAXES AND PROFIT SHARING | 458,411 | 713,820 | 636,046 | 558,449 | 587,773 | 872,915 | 573,612 | 757,757 | 486,777 |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION | 52,776 | 5,271 | (231,215) | (68,457) | (165,862) | (261,664) | (35,152) | (142,009) | (63,432) |
| MINORITY INTEREST IN | (3,586) | (21,058) | 15,486 | (10,960) | 3,295 | (1,412) | (20,271) | 5,987 | (2,978) |

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| | | | | | | | | | | |
|--------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|--|
| SUBSIDIARIES | | | | | | | | | | |
| NET INCOME | 507,601 | 698,033 | 420,317 | 479,032 | 425,206 | 609,839 | 518,189 | 621,735 | 420,367 | |

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B a n c o B r a d e s c o S . A .

Directors Report

To Our Stockholders,

We are pleased to present the financial statements for the quarter ended March 31, 2003, of Banco Bradesco S.A., as well as the consolidated financial statements prepared in accordance with the requirements of Brazilian corporate legislation.

Among the significant first-quarter events at Bradesco, we highlight the following:

On January 10, the signing of a commitment to transfer the share control of Banco Bilbao Vizcaya Argentaria Brasil S.A. and subsidiaries to Bradesco. BBV Banco with its Network of 439 local Branches, 1 foreign Branch and a further 35 Banking Service Posts had assets of R\$ 14.201 billion, stockholders equity of R\$ 2.525 billion and 1.3 million customers at December 31, 2002. Subject to the approval of the corresponding authorities, this operation reaffirms Bradesco's objectives to strengthen its market presence and actions, increasing efficiency and returns to scale, as well as aggregating stockholder value.

On January 27, the signing with Banco J.P. Morgan S.A., of an Agreement for the Transfer of Rights and Obligations and Other Accords regarding the acquisition of the activities of Administration and Management of the Securities and Investment Fund Portfolios managed by JPMorgan Fleming Asset Management. The operation consisted of the transfer of approximately R\$ 7 billion in third-party funds to Bradesco, which will be managed by BRAM - Bradesco Asset Management Ltda.

In March, a 20% increase in monthly interest attributed to own capital to be paid as from April 2003, from R\$ 0.0117650 to R\$ 0.0141180 (net of withholding tax - R\$ 0.0120) per thousand common shares and from R\$ 0.0129415 to R\$ 0.0155298 (net of withholding tax - R\$ 0.0132), per thousand preferred shares, which is traditionally paid in advance to stockholders on account of the results determined at the end of the year.

On March 31, the Stockholders Meeting held to approve the incorporation of the shares of the minority stockholders of Banco Mercantil de São Paulo S.A., converting Mercantil into a wholly owned subsidiary of Bradesco. For each Mercantil share held, the minority stockholders received 23.94439086 Bradesco shares of which 12.06279162 were common and 11.88159924 were preferred shares.

Bradesco reported first-quarter net income of R\$ 507.601 million, corresponding to R\$ 0.33 per thousand shares and a return of 4.34% on stockholders equity, or 18.50% annualized.

Taxes and contributions, including social security contributions, payable or accrued, on the main activities carried out by the Bradesco Organization, amounted to R\$ 884,385 million, 174.23% of net income for the first quarter.

At the end of the quarter, paid-up capital totaled R\$ 6.300 billion, as a result of the incorporation of reserves in the amount of R\$ 440.265 million, with no new issue of shares, approved on March 10 and 31; the conclusion of the capital increase process through the subscription of new shares by the stockholders, of R\$ 501 million, on January 10 and ratified on March 31, which produced a further R\$ 7.046 million in share premium determined at the auction for the placement of the remaining shares, recorded in the Capital Reserve account as Share Premium;

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and the increase of R\$ 158.735 million as a result of the attribution of new shares to the minority stockholders of Mercantil. Paid-up capital plus reserves of R\$ 5.408 billion comprised the total stockholders equity of R\$ 11.708 billion. Net equity per thousand shares was equivalent to R\$ 7.73.

Managed stockholders equity corresponds to 8.15% of consolidated assets which totaled R\$ 145 billion, a 21.62% growth rate compared to March 2002. As a result, the capital adequacy ratios were 19.68% on a consolidated financial basis and 17.10% on a consolidated economic and financial basis, 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 quarter, the ratio of permanent assets to stockholders equity, in relation to consolidated reference equity was 31.25% on a total consolidated basis and 42.49% on a consolidated financial basis, well 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.

With a growth rate of 21.75% over the same period in 2002, overall funding obtained by the Bradesco Organization amounted to R\$ 205.474 billion, at March 31 and comprised the following:

| | |
|------------|--|
| R\$ 69.214 | billion in demand, time and interbank deposits, open market and savings accounts. |
| R\$ 75.931 | billion in managed assets, comprising investment funds and customer portfolios. |
| R\$ 33.936 | billion in foreign exchange portfolio, borrowings and onlendings, working capital funds, collection and tax and utility collections and similar, as well as funds from issuance of securities and local subordinated debt. |
| R\$ 21.050 | billion recorded in technical reserves for insurance, private pension plans and savings bonds, a growth rate of 44.93% compared to the same period in 2002. |
| R\$ 5.343 | billion in foreign resources through public and private issues and subordinated debt, corresponding to a total of US\$ 1.593 billion. |

The balance of credit operations totaled R\$ 49.655 billion, a 0.22% increase over the balance at March 31, 2002 and includes the following:

| | |
|--------------|---|
| R\$ 5.734 | billion in advances on foreign exchange contracts, an increase of 8.64% compared to the same period in 2002, for a portfolio of US\$ 2.284 billion in export financing. |
| US\$ 341.697 | million in foreign currency import financing. |
| R\$ 1.441 | billion in leasing. |
| R\$ 3.898 | billion in agricultural loans |
| R\$ 7.265 | billion in foreign and domestic onlendings, mainly comprising funds from the National Bank for Economic and Social Development (BNDES). |

In the housing loan area, Bradesco provided funds during the first quarter for the construction and purchase of residential housing in the amount of R\$ 497.867

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million, comprising 8,078 properties.

In the Capital Market area, Bradesco maintained its important role acting in the coordination and intermediation of the public placement of shares, debentures and promissory notes, with a total volume of R\$ 1,184 billion, corresponding to 70.27% of all issues registered with the Brazilian Securities Commission (CVM) during the quarter. The Bank was also recognized for its activities in the area of mergers and acquisitions and project finance and as an advisor in corporate and financial restructuring.

The Bradesco Insurance Group, operating in the insurance, private pension plan and savings bond areas reported net income of R\$ 152.602 million at March 31, 2003. The overall premium income attained R\$ 2.984 billion, a growth rate of 44.25% in comparison to the same period in 2002.

With its state-of-the-art technology structure and based on traditional principles of quality, efficiency and security, the Bradesco Customer Service Network offered its customers and other users 9,400 service outlets at March 31, 2003:

2,965 Branches in Brazil (Bradesco - 2,521, Banco BCN - 224, Banco Mercantil - 219 and Banco Finasa - 1).

6 Branches abroad, 1 in New York (Bradesco), 4 in Grand Cayman (Bradesco, BCN, Mercantil and Banco Boavista) and 1 in Nassau, Bahamas (Boavista).

7 Subsidiaries abroad (Banco Bradesco Argentina S.A. in Buenos Aires, Banco Bradesco Luxembourg S.A. and Banco Mercantil de São Paulo International S.A., both in Luxembourg, Boavista Banking Ltd. in Nassau, Cidade Capital Markets Ltd. in Grand Cayman, Bradesco Services Co. Ltd. in Tokyo and Bradesco Securities, Inc. in New York).

2,745 Banco Postal branches.

1,871 Banking service posts and outlets in companies (Bradesco - 1,486 BCN - 186 and Mercantil - 199).

1,755 Outplaced terminals in the BDN- Bradesco Day and Night Network.

51 Branches of Finasa Promotora de Vendas, present in 13,342 vehicle dealerships and 1,182 stores selling furniture and home decor, mobile phones and IT related equipment.

21,285 ATMs in the BDN - Bradesco Day and Night Self-service Network, 11,476 of which also operate at weekends and on bank holidays.

In compliance with CVM Instruction 381, the Bradesco Organization declares that, during the quarter, services provided by KPMG Auditores Independentes and which were not related to the external audit, did not exceed 5% of total external audit costs. This policy complies with the principles designed to preserve the Auditor's independence, in accordance with internationally accepted criteria, which determine that: auditors should not audit their own work, or exercise management functions for their clients, or promote the interests of any such clients.

In the social area, the Organization continues its important educational work through the Bradesco Foundation. This year, with the opening of a new unit in Boa Vista, capital of the State of Roraima, the Foundation now has a total of 39 schools, installed as a priority in Brazil's most deprived regions in all 26 states and in the Federal District. More than 105 thousand students receive education, completely free-of-charge, including youth and adult education courses and basic professional training. The Foundation also provides free

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meals, uniforms, school materials and medical/dental care to 49,463 infant, junior, middle/high and technical school pupils.

In the Human Resources Area, seeking to enhance the level of its customer service quality, the Bank continued its across-the-board staff training program in the pursuit to offer its employees professional qualifications and development opportunities. At the end of the quarter, the benefit plans designed to guarantee the well-being, better life quality and security of employees and their dependents, covered 183,595 people.

The performance and results achieved during the first quarter reaffirm Bradesco's commitment to offer superior quality products and services. Convinced that this is the proper way to expand our horizons and contribute to Brazil's development, once more we wish to thank our stockholders and customers for their support and confidence and our staff and other stakeholders for their efficiency and dedication.

Cidade de Deus, April 30, 2003
Board of Directors and
Board of Executive Officers

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Consolidated Balance Sheet at March 31

- In thousands of reais

| ASSETS | 2003 | 2002 |
|--|-------------|-------------|
| CURRENT ASSETS | 118,359,231 | 90,113,086 |
| FUNDS AVAILABLE (Note 8) | 3,718,188 | 1,938,293 |
| INTERBANK INVESTMENTS (Notes 3b and 9) | 23,255,279 | 5,295,002 |
| Open Market Investments | 19,535,833 | 3,099,979 |
| Interbank Deposits | 3,722,892 | 2,195,514 |
| Provision for Losses | (3,446) | (491) |
| SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3c, 4, 10, 34b and 34c) | 28,730,467 | 31,940,777 |
| Own Portfolio | 22,412,975 | 22,461,636 |
| Subject to Repurchase Agreements | 694,380 | 7,486,742 |
| Subject to Negotiation and Intermediation of Securities | - | 125,156 |
| Restricted Deposits - Brazilian Central Bank | 3,261,851 | 1,805,408 |
| Privatization Currencies | 59,319 | 2,061 |
| Subject to Collateral Provided | 2,121,986 | 305,855 |
| Derivative Financial Instruments (Notes 3d, 4 and 34c) | 179,956 | 388,680 |
| Allowance for Mark-to-Market | - | (634,761) |
| INTERBANK ACCOUNTS (Note 12) | 14,562,047 | 5,557,052 |
| Unsettled Payments and Receipts | 853,553 | 440,743 |
| Restricted Deposits: | | |
| - Brazilian Central Bank | 13,619,927 | 4,984,472 |
| - National Treasury - Rural Funding | 578 | 578 |
| - National Housing System - SFH | 71,638 | 123,067 |
| Correspondent Banks | 16,351 | 8,192 |
| INTERDEPARTMENTAL ACCOUNTS | 189,810 | 316,733 |
| Internal Transfer of Funds | 189,810 | 316,733 |
| CREDIT OPERATIONS (Notes 3e, 13 and 34b) | 27,287,664 | 27,234,713 |
| Credit Operations: | | |
| - Public Sector | 28,337 | 34,683 |
| - Private Sector | 29,917,816 | 29,403,364 |
| Allowance for Loan Losses (Notes 3e, 13f and 13g) | (2,658,489) | (2,203,334) |
| LEASING OPERATIONS (Notes 2, 3e, 13 and 34b) | 832,412 | 1,010,317 |
| Leasing Receivables: | | |
| - Public Sector | 18 | 99 |
| - Private Sector | 1,794,359 | 2,090,138 |
| Unearned Lease Income | (878,584) | (993,962) |
| Allowance for Losses (Notes 3e, 13f and 13g) | (83,381) | (85,958) |
| OTHER RECEIVABLES | 19,109,442 | 16,342,329 |
| Receivables on Guarantees Honored (Note 13a-2) | 1,405 | 1,137 |
| Foreign Exchange Portfolio (Note 14a) | 12,126,569 | 9,521,459 |

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| | | |
|--|------------|------------|
| Income Receivable | 284,095 | 215,751 |
| Negotiation and Intermediation of Securities (Note 4) | 160,375 | 643,754 |
| Specific Credits | - | 150,831 |
| Insurance Premiums Receivable | 969,789 | 931,668 |
| Sundry (Note 14b) | 5,718,308 | 5,066,104 |
| Allowance for Losses (Notes 3e, 13f and 13g) | (151,099) | (188,375) |
| OTHER ASSETS (Note 4 and 15) | 673,922 | 477,870 |
| Other Assets | 624,214 | 572,975 |
| Allowance for Losses | (215,610) | (191,771) |
| Prepaid Expenses (Note 15b) | 265,318 | 96,666 |
| LONG-TERM RECEIVABLES | 21,772,867 | 23,217,609 |
| INTERBANK INVESTMENTS (Notes 3b and 9) | 155,540 | 148,866 |
| Interbank Deposits | 156,587 | 149,549 |
| Provision for Losses | (1,047) | (683) |
| SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3c, 4, 10, 34b and 34c) | 5,699,872 | 7,011,934 |
| Own Portfolio | 5,119,381 | 5,737,182 |
| Subject to Repurchase Agreements | 239,510 | 470,125 |
| Restricted Deposits - Brazilian Central Bank | 119,369 | 509,044 |
| Privatization Currencies | 21,483 | 33,257 |
| Subject to Collateral Provided | 99,001 | 290,510 |
| Derivative Financial Instruments (Notes 3d, 4 and 34c) | 101,128 | 195,404 |
| Allowance for Mark-to-Market | - | (223,588) |
| Consolidated Balance Sheet at March 31 | | |
| - In thousands of reais | | |
| ASSETS | 2003 | 2002 |
| INTERBANK ACCOUNTS (Note 12) | 307,432 | 271,701 |
| Restricted Deposits: | | |
| - National Housing System - SFH | 307,432 | 271,701 |
| CREDIT OPERATIONS (Notes 3e, 13 and 34b) | 10,987,114 | 11,259,053 |
| Credit Operations: | | |
| - Public Sector | 216,162 | 167,110 |
| - Private Sector | 11,717,801 | 12,045,726 |
| Allowance for Loan Losses (Notes 3e, 13f and 13g) | (946,849) | (953,783) |
| LEASING OPERATIONS (Notes 2, 3e, 13 and 34b) | 474,224 | 624,879 |
| Leasing Receivables: | | |
| - Public Sector | - | 7 |
| - Private Sector | 1,099,357 | 1,337,871 |
| Unearned Lease Income | (573,668) | (669,100) |
| Allowance for Losses (Notes 3e, 13f and 13g) | (51,465) | (43,899) |
| OTHER RECEIVABLES | 3,857,831 | 3,631,263 |
| Receivables on Guarantees Honored | - | 54,702 |

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| | | |
|---|-------------|-------------|
| Negotiation and Intermediation of Securities (Note 4) | 79 | 976 |
| Specific Credits | - | 26,938 |
| Insurance Premiums Receivable | - | 275 |
| Sundry (Note 14b) | 3,868,486 | 3,553,397 |
| Allowance for Losses (Notes 3e, 13f and 13g) | (10,734) | (5,025) |
| OTHER ASSETS (Notes 4 and 15) | 290,854 | 269,913 |
| Other Assets | 69,333 | 68,597 |
| Allowance for Losses | (34,515) | (35,296) |
| Prepaid Expenses (Note 15b) | 256,036 | 236,612 |
| PERMANENT ASSETS | 4,867,728 | 5,893,730 |
| INVESTMENTS (Notes 3h, 16 and 34b) | 482,881 | 905,727 |
| Investments in Associated Companies - | | |
| Local (Note 16b) | 379,397 | 446,740 |
| Other Investments (Note 16b) | 444,807 | 796,986 |
| Allowance for Losses (Note 16b) | (341,323) | (337,999) |
| PROPERTY AND EQUIPMENT IN USE (Notes 3i and 17) | 2,507,450 | 2,646,536 |
| Buildings in Use | 1,720,638 | 1,991,568 |
| Other Fixed Assets | 3,528,800 | 3,210,230 |
| Accumulated Depreciation | (2,741,988) | (2,555,262) |
| LEASED ASSETS (Note 17) | 30,935 | 42,709 |
| Leased Assets | 50,895 | 50,903 |
| Accumulated Depreciation | (19,960) | (8,194) |
| DEFERRED CHARGES | 1,846,462 | 2,298,758 |
| Organization and Expansion Costs | 1,156,333 | 934,195 |
| Accumulated Amortization | (595,908) | (499,745) |
| Goodwill on Acquisition of Subsidiaries, net of Amortization (Notes 3j and 18a) | 1,286,037 | 1,864,308 |
| T O T A L | 144,999,826 | 119,224,425 |
| Consolidated Balance Sheet at March 31 - In thousands of reais | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | 2003 | 2002 |
| CURRENT LIABILITIES | 87,882,537 | 79,737,835 |
| DEPOSITS (Notes 3k and 19a) | 41,193,885 | 39,996,754 |
| Demand Deposits | 10,964,086 | 8,126,132 |
| Savings Deposits | 20,236,140 | 18,336,706 |
| Interbank Deposits | 40,095 | 68,537 |
| Time Deposits (Note 34b) | 9,953,564 | 13,465,379 |
| DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS (Notes 3k and 19a) | 13,877,544 | 13,212,993 |
| Own Portfolio | 810,736 | 10,684,002 |
| Third-party Portfolio | 12,974,517 | 2,528,991 |
| Unrestricted Portfolio | 92,291 | - |
| FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Notes 19b and 34b) | 4,576,728 | 4,095,706 |
| Exchange Acceptances | 78 | 73,400 |
| Mortgage Notes | 362,904 | 780,003 |
| Debentures | 91,075 | 50,507 |
| Securities Issued Abroad (Note 19b) | 4,122,671 | 3,191,796 |
| INTERBANK ACCOUNTS | 602,073 | 169,080 |
| Interbank Onlendings | - | 5,785 |
| Correspondent Banks | 602,073 | 163,295 |

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| | | |
|--|------------|------------|
| INTERDEPARTMENTAL ACCOUNTS | 1,220,728 | 503,943 |
| Third-party Funds in Transit | 1,220,728 | 503,943 |
| BORROWINGS (Notes 20a and 34b) | 8,360,792 | 7,828,572 |
| Local Borrowings - Official Institutions | 3,427 | 3,055 |
| Local Borrowings - Other Institutions | 104,987 | 134,704 |
| Foreign Currency Borrowings | 8,252,378 | 7,690,813 |
| LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Notes 20b and 34b) | 2,311,377 | 1,651,542 |
| National Treasury | 41,334 | - |
| National Bank for Economic and Social Development (BNDES) | 1,215,575 | 741,622 |
| Federal Savings Bank (CEF) | 42,398 | 21,368 |
| Government Agency for Machinery and Equipment Financing (FINAME) | 1,012,070 | 880,005 |
| Other Institutions | - | 8,547 |
| FOREIGN ONLENDINGS (Notes 20b and 34b) | 39,441 | 42,731 |
| Foreign Onlendings | 39,441 | 42,731 |
| DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3d, 4 and 34) | 217,359 | 99,208 |
| OTHER LIABILITIES | 15,482,610 | 12,137,306 |
| Collection of Taxes and Other Contributions | 1,185,341 | 1,178,528 |
| Foreign Exchange Portfolio (Note 14a) | 6,558,007 | 4,215,450 |
| Social and Statutory Payables | 409,662 | 315,026 |
| Taxes and Social Security Contributions | 1,332,716 | 651,103 |
| Negotiation and Intermediation of Securities | 85,957 | 786,831 |
| Technical Reserves for Insurance, Private Pension Plans and Savings Bonds (Notes 3g, 4 and 24) | 2,545,377 | 2,055,913 |
| Subordinated Debt (Note 22) | 68,645 | 36,958 |
| Sundry (Note 23) | 3,296,905 | 2,897,497 |
| LONG-TERM LIABILITIES | 26,765,657 | 16,736,108 |
| DEPOSITS (Notes 3k and 19a) | 13,677,317 | 5,937,455 |
| Interbank Deposits | 60 | 17,461 |
| Time Deposits (Note 34b) | 13,677,257 | 5,919,994 |
| DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS (Notes 3k and 19a) | 464,899 | 2,861 |
| Own Portfolio | 464,899 | 2,861 |
| FUNDS FROM ACCEPTANCE AND ISSUANCE OF SECURITIES (Notes 19b and 34b) | 385,950 | 746,451 |
| Exchange Acceptances | - | 18 |
| Mortgage Notes | 142,011 | 48,840 |
| Debentures | 1,205 | 89,530 |
| Securities Issued Abroad (Note 19b) | 242,734 | 608,063 |
| BORROWINGS (Notes 20a and 34b) | 1,067,836 | 847,244 |
| Local Borrowings - Other Institutions | 112,536 | 67,371 |
| Foreign Currency Borrowings | 955,300 | 779,873 |
| Consolidated Balance Sheet at March 31 - In thousands of reais | | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | 2003 | 2002 |
| LOCAL ONLENDINGS - OFFICIAL INSTITUTIONS (Notes 20b and 34b) | 4,441,703 | 4,325,027 |
| BNDES | 2,043,407 | 2,354,452 |
| CEF | 419,587 | 416,525 |
| FINAME | 1,977,056 | 1,554,050 |
| Other Institutions | 1,653 | - |
| FOREIGN ONLENDINGS (Notes 20b and 34b) | 7,787 | 19,480 |
| Foreign Onlendings | 7,787 | 19,480 |
| DERIVATIVE FINANCIAL INSTRUMENTS (Notes 3d, 4 and 34) | 122,728 | 5,796 |

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| | | |
|--|-------------|-------------|
| OTHER LIABILITIES | 6,597,437 | 4,851,794 |
| Taxes and Social Security Contributions | 2,457,628 | 2,737,245 |
| Subordinated Debt (Note 22) | 3,322,764 | 1,472,309 |
| Sundry (Note 23) | 817,045 | 642,240 |
| TECHNICAL RESERVES FOR INSURANCE, PRIVATE PENSION PLANS AND SAVINGS BONDS (Notes 3g, 4 and 24) | 18,504,574 | 12,468,144 |
| DEFERRED INCOME | 26,454 | 9,050 |
| Deferred Income | 26,454 | 9,050 |
| MINORITY INTEREST IN SUBSIDIARY COMPANIES (Note 25) | 112,861 | 347,590 |
| STOCKHOLDERS' EQUITY (Note 26) | 11,707,743 | 9,925,698 |
| Capital: | | |
| - Local Residents | 6,011,758 | 4,887,749 |
| - Foreign Residents | 288,242 | 312,251 |
| Capital Reserves | 7,045 | 7,435 |
| Revenue Reserves | 5,414,022 | 4,718,263 |
| Mark-to-Market Adjustment - Securities and Derivatives | (13,324) | - |
| STOCKHOLDERS' EQUITY MANAGED BY THE PARENT COMPANY | 11,820,604 | 10,273,288 |
| T O T A L | 144,999,826 | 119,224,425 |

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Consolidated Statement of Income for
the Period from January 1 to March 31-
In thousands of reais

| | 2003 | 2002 |
|---|-------------|-------------|
| INCOME FROM LENDING AND TRADING | | |
| ACTIVITIES | 7,004,189 | 4,473,583 |
| Credit Operations (Note 13h) | 2,954,266 | 2,435,822 |
| Leasing Operations (Note 13h) | 77,386 | 90,409 |
| Security transactions (Notes 4 and 10e) | 3,138,722 | 1,252,694 |
| Derivative Financial Instruments (Notes 4 and 34C) | 373,646 | 325,015 |
| Foreign Exchange Transactions (Notes 4 and 14a) | 99,498 | 309,088 |
| Compulsory Deposits (Note 12b) | 360,671 | 60,555 |
| EXPENSES | 4,376,525 | 2,742,672 |
| Interest and charges on: | | |
| Deposits (Notes 4 and 19c) | 3,423,499 | 1,777,410 |
| Borrowings and Onlendings (Note 20c) | 141,355 | 329,469 |
| Leasing Operations (Note 13h) | 3,202 | 3,114 |
| Provision for Loan Losses (Notes 13e, 13f and 13g) | 808,469 | 632,679 |
| INCOME FROM FINANCIAL INTERMEDIATION | 2,627,664 | 1,730,911 |
| OTHER OPERATING INCOME (EXPENSES) | (1,487,690) | (1,113,811) |
| Commissions and Fees (Note 27) | 998,439 | 860,568 |
| Retained Insurance Premiums, Private Pension Plans and Savings Bonds (Notes 3g and 24c) | 2,770,492 | 1,949,544 |
| Change in Technical Reserves for Insurance, Private Pension Plans and Saving Bonds (Notes 3g and 4) | (1,043,308) | (255,386) |
| Claims - Insurance Operations (Note 3g) | (1,018,709) | (861,631) |
| Savings Bond Redemptions (Note 3g) | (198,458) | (181,982) |
| Insurance and Pension Plan Selling Expenses (Note 3g) | (180,521) | (160,169) |
| Expenses with Pension Plan Benefits and Redemptions (Note 3g) | (390,013) | (349,295) |
| Personnel Expenses (Notes 4 and 28) | (1,053,175) | (888,002) |
| Other Administrative Expenses (Note 29) | (1,100,913) | (843,661) |
| Tax Expenses | (267,852) | (204,070) |
| Equity in the Earnings of Associated Companies (Note 16c) | (4,725) | 2,240 |
| Other Operating Income (Notes 4 and 30) | 657,403 | 274,015 |
| Other Operating Expenses (Notes 4 and 31) | (656,350) | (455,982) |
| OPERATING INCOME | 1,139,974 | 617,100 |
| NON-OPERATING INCOME (EXPENSES), NET (Note 32) | (681,563) | (29,327) |
| INCOME BEFORE TAXES AND PROFIT SHARING | 458,411 | 587,773 |
| PROVISION FOR INCOME TAX AND SOCIAL CONTRIBUTION (Notes 36a and 36b) | 52,776 | (165,862) |
| MINORITY INTEREST IN SUBSIDIARIES | (3,586) | 3,295 |

NET INCOME

507,601

425,206

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Consolidated Statement of Income for
the Period from January 1 to March 31-
In thousands of reais

| | 2003 | 2002 |
|---|------------|------------|
| FINANCIAL RESOURCES WERE PROVIDED BY : | 11,374,725 | 12,649,054 |
| NET INCOME | 507,601 | 425,206 |
| ADJUSTMENTS TO NET INCOME | 908,316 | 144,962 |
| Depreciation and Amortization | 141,059 | 93,223 |
| Amortization of Goodwill | 738,063 | 37,526 |
| Change in Provision for Investments | 19,695 | (290) |
| Equity in the Earnings of Associated Companies | 4,725 | (2,240) |
| Other | 4,774 | 16,743 |
| Technical reserves for Insurance, Savings Bonds and Private Pension Plans | 1,711,956 | 584,269 |
| Change in Deferred Income | 10,611 | 30 |
| Change in Minority Interest | (158,203) | 208,359 |
| STOCKHOLDERS | 666,780 | - |
| Capital Increase | 659,735 | - |
| Share Premium | 7,045 | - |
| THIRD PARTIES: | | |
| - Increase in Liabilities | 3,513,116 | 9,287,687 |
| Deposits | - | 4,850,230 |
| Funds from Acceptance and Issuance of Securities | 1,825,836 | 40,747 |
| Borrowings and Onlendings | - | 680,526 |
| Technical Reserves for Insurance, Private Pension Plans and Savings Bonds | 182,516 | 86,362 |
| Other Liabilities | 1,504,764 | 3,629,822 |
| - Decrease in Assets | 4,107,599 | 1,623,696 |
| Securities and Derivative Financial Instruments | 2,550,639 | 1,559,977 |
| Interdepartmental Accounts | 1,929 | - |
| Credit Operations | 1,430,501 | - |
| Leasing Operations | 124,530 | - |
| Insurance Premiums Receivable | - | 63,719 |
| - Sale (write-off) of Assets and Investments | 86,740 | 373,048 |
| Non-operating Assets | 39,112 | 16,551 |
| Property and Equipment in Use and Leased Assets | 24,934 | 9,851 |
| Investments | 2,153 | 344,683 |
| Sale (write-off) of Deferred Charges | 20,541 | 1,963 |
| - Interest attributed to Own Capital and Dividends received from Associated Companies | 20,209 | 1,797 |
| TOTAL FUNDS PROVIDED | 10,442,244 | 13,796,548 |
| INTEREST ATTRIBUTED TO OWN CAPITAL AND DIVIDENDS PAID AND/OR DECLARED | 289,891 | 234,545 |
| ACQUISITION OF OWN SHARES | - | 32,909 |
| INVESTMENTS IN: | 218,338 | 1,004,220 |

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| | | |
|---|-----------|-------------|
| Non-operating Assets | 80,686 | 76,478 |
| Property and Equipment in Use and Leased Assets | 125,531 | 561,720 |
| Investments | 12,121 | 366,022 |
| DEFERRED CHARGES | 232,177 | 1,125,553 |
| INCREASE IN ASSETS | 5,971,704 | 10,269,743 |
| Short-term Interbank Investments | 1,938,063 | 1,576,549 |
| Interbank Accounts | 1,926,047 | 686,813 |
| Interdepartmental Accounts | - | 140,660 |
| Credit Operations | - | 3,362,407 |
| Leasing Operations | - | 67,269 |
| Other Receivables | 2,026,339 | 4,351,878 |
| Insurance Premiums Receivable | 49,065 | - |
| Other Assets | 32,190 | 84,167 |
| DECREASE IN LIABILITIES | 3,730,134 | 1,129,578 |
| Deposits | 1,491,961 | - |
| Deposits Received under Security Repurchase Agreements | 1,670,522 | 841,473 |
| Interbank Accounts | 4,623 | 22,947 |
| Interdepartmental Accounts | 117,001 | 258,562 |
| Borrowings and Onlendings | 209,417 | - |
| Derivative Financial Instruments | 236,610 | 6,596 |
| INCREASE(DECREASE) IN FUNDS AVAILABLE | 932,481 | (1,147,494) |
| CHANGES IN At the Beginning of the Period | 2,785,707 | 3,085,787 |
| FINANCIAL At the End of the Period | 3,718,188 | 1,938,293 |
| POSITION Increase/Decrease in funds available | 932,481 | (1,147,494) |

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Notes to the Financial Statements

The notes to the Financial Statements of Banco Bradesco S.A. are 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) ADDITIONAL PROVISION FOR MARKET RISK FLUCTUATION, NET OF TAX EFFECTS
- 12) INTERBANK ACCOUNTS - RESTRICTED DEPOSITS
- 13) CREDIT OPERATIONS
- 14) OTHER RECEIVABLES
- 15) OTHER ASSETS
- 16) INVESTMENTS
- 17) PROPERTY AND EQUIPMENT IN USE AND LEASED ASSETS
- 18) DEFERRED CHARGES
- 19) DEPOSITS, DEPOSITS RECEIVED UNDER SECURITY REPURCHASE AGREEMENTS AND FUNDS FOR ISSUANCE OF SECURITIES
- 20) BORROWINGS AND ONLENDINGS
- 21) CONTINGENT LIABILITIES
- 22) SUBORDINATED DEBT
- 23) OTHER LIABILITIES - SUNDRY
- 24) INSURANCE OPERATIONS, PRIVATE PENSION PLANS AND SAVINGS BONDS
- 25) MINORITY INTEREST IN SUBSIDIARIES
- 26) STOCKHOLDERS' EQUITY (PARENT COMPANY)
- 27) COMMISSIONS AND FEES
- 28) PERSONNEL EXPENSES
- 29) ADMINISTRATIVE EXPENSES
- 30) OTHER OPERATING INCOME
- 31) OTHER OPERATING EXPENSES
- 32) NON-OPERATING INCOME
- 33) TRANSACTIONS WITH SUBSIDIARY AND ASSOCIATED COMPANIES (DIRECT AND INDIRECT)
- 34) FINANCIAL INSTRUMENTS
- 35) EMPLOYEE BENEFITS
- 36) INCOME TAX AND SOCIAL CONTRIBUTION
- 37) OTHER INFORMATION

1) Operations

BancoBradesco S.A. is a private sector open-capital company which, operating as a multiple bank, carries out all types of authorized banking activities including foreign exchange transactions through its commercial, investment, consumer financing, housing loan and credit portfolios. The Bank also operates in a number of other activities through its direct and indirect subsidiary companies, particularly in leasing, consortium, insurance, savings bonds 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

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The consolidated financial statements of Banco Bradesco S.A. comprise the financial statements of Banco Bradesco S.A., its foreign branches, its direct and indirect subsidiaries and jointly controlled investments.

The consolidated financial statements of Banco Bradesco S.A. 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 comprise the financial statements of the leasing companies based on the capital leasing method of accounting.

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 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, the quantification of technical reserves for insurance, pension plans and savings bonds and the determination of the useful economic life of specific assets.

We present below the main direct and indirect subsidiaries, including their foreign branches and subsidiaries and jointly controlled investments:

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| | Activity Area | % Ownership | |
|--|----------------------------|-------------|---------|
| | | 2003 | 2002 |
| Financial area - Local | | | |
| Banco Baneb SA (22) | Banking | 99.97% | 99.97% |
| Banco BCN SA (22) | Banking | 100.00% | 100.00% |
| Banco BEA SA (1) (2) (22) | Banking | 99.64% | 88.68% |
| Banco Boavista Interatlântico SA (22) | Banking | 100.00% | 100.00% |
| Banco das Nações SA (3) (22) | Banking | - | 100.00% |
| Banco de Crédito Real de Minas Gerais SA (22) | Banking | 99.99% | 99.99% |
| Banco Finasa de Investimento SA (4) (22) | Investment Banking | 97.40% | 77.35% |
| Banco Finasa SA (5) | Banking | 100.00% | 100.00% |
| Banco Mercantil de São Paulo SA (4) (22) | Banking | 100.00% | 79.73% |
| Bradesco BCN Leasing SA Arrendamento Mercantil SA (6) (7) (22) | Leasing | 99.96% | 99.94% |
| Bradesco Consórcios Ltda (8) (22) | Consortium Management | 99.99% | 99.99% |
| Bradesco Leasing SA Arrendamento Mercantil (9) | Leasing | - | 100.00% |
| Bradesco SA Corretora de Títulos e Valores Mobiliários BRAM - Bradesco Asset Management Ltda | Brokerage Asset Management | 99.99% | 99.99% |
| Companhia Brasileira de Meios de Pagamento - VISANET (10) (11) (12) (22) | Services | 38.97% | 38.97% |
| Finasa Leasing Arrendamento Mercantil SA (4) (22) | Leasing | 99.99% | 79.72% |
| Financial area - Foreign | | | |
| Banco Bradesco Argentina SA (11) (12) (22) | Banking | 99.99% | 99.99% |
| Banco Bradesco Luxembourg SA (13) | Banking | 99.99% | - |
| Banco Mercantil de São Paulo International SA (4) (11) (12) (22) | Banking | 100.00% | 79.73% |
| BCN Grand Cayman (22) | Banking | 100.00% | 100.00% |
| Boavista Grand Cayman (22) | Banking | 100.00% | 100.00% |
| Bradesco Grand Cayman | Banking | 100.00% | 100.00% |
| Bradesco New York | Banking | 100.00% | 100.00% |
| Bradesco Securities, Inc | Brokerage | 100.00% | 100.00% |
| Mercantil Grand Cayman (4) (22) | Banking | 100.00% | 79.73% |
| Mercantil London (14) (22) | Banking | - | 79.73% |
| Mercantil New York (15) (22) | Banking | - | 79.73% |

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| | | | |
|--|-------------------------|--------|--------|
| Insurance, pension plan and savings bond area | | | |
| Atlântica Capitalização SA (22) | Savings Bonds | 99.66% | 99.66% |
| Áurea Seguros SA (10) (11) (12) (22) | Insurance | 27.41% | 27.41% |
| Bradesco Argentina de Seguros SA (11) (22) | Insurance | 99.43% | 99.43% |
| Bradesco Capitalização SA (22) | Savings Bonds | 99.65% | 99.65% |
| Bradesco Saúde SA (22) | Insurance | 99.66% | 99.66% |
| Bradesco Seguros SA (22) | Insurance | 99.66% | 99.66% |
| Bradesco Vida e Previdência SA (22) | Pension Plans/Insurance | 99.65% | 99.65% |
| Finasa Seguradora SA (16) (17) | Insurance | 99.22% | 72.83% |
| Indiana Seguros SA (22) | Insurance | 39.86% | 39.86% |
| Prudential - Bradesco Seguros SA (18) (22) | Insurance | - | 48.19% |
| Seguradora Brasileira de Crédito à Exportação SA (10) (11) (12) (22) | Insurance | 12.05% | 12.05% |
| União Novo Hamburgo Seguros SA (17) (22) | Insurance | 91.23% | 91.09% |
| Other activities | | | |
| ABS - Empreendimentos Imobiliários, Participações e Serviços SA (22) | | | |
| | Real Estate | 99,09% | 99,09% |
| Bradescor Corretora de Seguros Ltda (22) | Insurance Brokerage | 99.99% | 99.99% |
| Cibrasec - Companhia Brasileira de Securitização (10) (11) (12) (22) | | | |
| | Credit Acquisition | 10.00% | 10.00% |
| CPM Holdings Limited (10) (11) (12) (22) | | | |
| | Holding Company | 49.00% | 49.00% |
| Latasa SA (10) (11) (12) (22) | | | |
| | Metal Products | 39.12% | 39.12% |
| Pevê Prédios SA (19) (22) | | | |
| | Real Estate Information | - | 70.19% |
| Scopus Tecnologia SA (11) (22) | | | |
| | Technology | 99.99% | 99.99% |
| Serasa SA (10) (11) (12) (17) (20) (22) | | | |
| | Services | 20.57% | 16.61% |
| Smart Club do Brasil Ltda (10) (21) (22) | | | |
| | Services | 36.36% | 20.00% |
| União de Comércio e Participações Ltda (22) | | | |
| | Holding Company | 99.99% | 99.99% |

(1) Percentage ownership increased through acquisition of shares via public offering in January 2003

(2) Became a subsidiary of Banco Baneb S.A. in March and will be merged in April 2003

(3) Merged into Banco BCN S.A. in July 2002

(4) Percentage ownership increased through acquisition and incorporation of

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- shares of minority stockholders of Banco Mercantil de São Paulo S.A.
- (5) Previously named Continental Banco S.A.
 - (6) Percentage ownership increased through the merger of Bradesco Leasing into BCN Leasing in February 2003
 - (7) Previously named BCN Leasing - Arrendamento Mercantil S.A.
 - (8) Previously named Administradora de Consórcios Potenza Ltda.
 - (9) Merged into BCN Leasing - Arrendamento Mercantil S.A. in February 2003 (see item 7)
 - (10) Proportionally consolidated in accordance with CMN Resolution 2723 and CVM Instruction 247
 - (11) Companies audited by other independent auditors in 2002
 - (12) Companies audited by other independent auditors in 2003
 - (13) Acquired in April 2002
 - (14) Merged into Mercantil Grand Cayman in November 2002
 - (15) Merged into Mercantil Grand Cayman in September 2002
 - (16) Became an indirect subsidiary of Bradesco Seguros S.A. in May 2002
 - (17) Percentage ownership increased through acquisition of shares
 - (18) Sold in July 2002
 - (19) Merged into Banco Mercantil in January 2003
 - (20) Previously named SERASA - Centralização de Serviços dos Bancos S.A.
 - (21) Percentage ownership increased through acquisition of quotas in October 2002
 - (22) Companies audited by other independent auditors in 2001

3) Significant Accounting Policies

a) Determination of net income

Income and expenses are recorded on the accrual basis and are prorated daily when of a financial nature. 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 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, net of premiums assigned in coinsurance and reinsurance and corresponding 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 payment of prizes on winning bonds is recorded as an expense in the month in which the draw takes places.

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

b) Interbank investments

These are recorded at purchase cost, including accrued income up to the balance sheet date, net of loss accrual, where applicable.

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c) Securities

Pursuant to BACEN Circular 3068/2001, as from June 30, 2002, 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.

- Up to June 2002, securities were valued at cost of acquisition, plus accrued earnings and less of the provision for adjustment to probable realizable value.

d) Derivative financial instruments (assets and liabilities)

Pursuant to BACEN Circular 3082/2002 and complementary regulations, the derivative financial instruments 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 and allowance for loan losses

The credit and leasing operations are classified in compliance with: (i) the parameters established by CMN Resolution 2682/1999 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 2682/1999 is also taken into account for customer risk classification purposes as follows:

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| 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 maximum 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 is based upon current economic conditions, past loan loss experience, specific and general portfolio risks and on BACEN requirements and instructions. (Notes 13 e, f).

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 income tax on excess depreciation and mark-to-market adjustments is recorded in Other liabilities - taxes and social security contributions.

Deferred tax assets on temporary additions are realized upon use 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. (Note 36).

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

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contracts, in accordance with the criteria determined by SUSEP 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

These are recorded in conformity with the technical notes approved by SUSEP, based on a variable percentage applicable to the amounts effectively received.

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 a 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 and 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 period.

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 net book value and fiscal incentives and other investments were recorded at cost, plus restatements through December 31, 1995, net of the provision for loss, where applicable.

i) Property and equipment in use

Property and equipment in use is stated at cost plus restatements through December 31, 1995, 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, other than goodwill, are recorded at cost of acquisition or formation, net of the corresponding accumulated amortization, calculated on the straight-line method and amortized at a rate of 20% to 50% per annum. 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 in deferred charges.

k) Deposits and deposits received under security repurchase agreements

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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.

1) Other assets and liabilities

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

4) Information for Comparison Purposes

In order to facilitate comparison of the financial statements, certain March 31, 2002 account balances were reclassified in line with the accounting procedures/classification used at March 31, 2003.

| | At March 31, 2002 - In thousands of reais | | |
|---|---|-------------------|--------------------|
| | Prior | Reclassifications | Reclassified |
| | disclosure | | |
| Assets | | | |
| Current assets and long-term | | | |
| receivables | 113,130,712 | 199,983 | 113,330,695 |
| Securities - Derivative financial | | | |
| instruments (1) | - | 584,084 | 584,084 |
| Other receivables - Negotiation and | | | |
| intermediation of securities (1) | 1,228,814 | (584,084) | 644,730 |
| Other assets | | | |
| Other assets (6) | 617,055 | 24,517 | 641,572 |
| Prepaid expenses (2) (6) | 157,812 | 175,466 | 333,278 |
| Permanent assets | 6,093,713 | (199,983) | 5,893,730 |
| Other fixed assets in use (2) | 3,410,232 | (200,002) | 3,210,230 |
| Accumulated depreciation (2) | (2,555,281) | 19 | (2,555,262) |
| Total assets | 119,224,425 | - | 119,224,425 |
| Liabilities | | | |
| Current and long-term liabilities | 95,510,185 | 963,758 | 96,473,943 |
| Derivative financial instruments (1) | - | 105,004 | 105,004 |
| Other liabilities: | | | |
| Negotiation and intermediation of | | | |
| securities (1) | 891,835 | (105,004) | 786,831 |
| Technical reserves for insurance, | | | |
| private pension plans and savings | | | |
| bonds (3) | 1.092.155 | 963,758 | 2,055,913 |
| Technical reserves for insurance, | | | |
| private pension plans and savings | | | |
| bonds (3) | 13.431.902 | (963,758) | 12,468,144 |
| Total liabilities | 119,224,425 | - | 119,224,425 |
| At March 31, 2002 - In thousands of reais | | | |
| | Prior | Reclassifications | Reclassified |
| | disclosure | | |
| Income from lending and trading | | | |
| activities | 4,517,326 | (43,743) | 4,473,583 |
| | 1,600,996 | (348,302) | 1,252,694 |

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| | | | | |
|---|-------------|-----------|-------------|--|
| Income on security transactions (1) (7) | | | | |
| Derivative financial instruments (1) | - | 325,015 | 325,015 | |
| Foreign exchange transactions (4) | 329,544 | (20,456) | 309,088 | |
| Expenses for lending and trading activities | 2,484,197 | 258,475 | 2,742,672 | |
| Interest and charges on deposits (7) | 1,518,935 | 258,475 | 1,777,410 | |
| Income from financial intermediation | 2,033,129 | (302,218) | 1,730,911 | |
| Other operating income (expenses) | (1,384,603) | 270,792 | (1,113,811) | |
| Change in technical reserves for insurance, private pension plans and savings bonds (7) | (537,148) | 281,762 | (255,386) | |
| Personnel expenses (5) | (856,576) | (31,426) | (888,002) | |
| Other operating income (4) | 254,312 | 19,703 | 274,015 | |
| Other operating expenses (4) | (456,735) | 753 | (455,982) | |
| Operating income (expense) | 648,526 | (31,426) | 617,100 | |
| Income before taxes and profit sharing | 619,199 | (31,426) | 587,773 | |
| Employee profit sharing (5) | (31,426) | 31,426 | - | |
| Net income | 425,206 | - | 425,206 | |

- (1) The derivative financial instruments were reclassified, in compliance with BACEN Circular 3082/2002, however the accounting valuation policies of the prior period were maintained.
- (2) Transfer of the amount relating to the contract for providing banking services in the post-office branch network from property and equipment in use to prepaid expenses.
- (3) Reclassified in compliance with SUSEP's new plan of accounts
- (4) Transfer of income from price-level restatement of assets of Banco Bradesco Argentina S.A.
- (5) Transfer of expenses for employee profit sharing to personnel expenses;
- (6) Transfer of recovered assets from prepaid expenses to other assets.
- (7) Transfer of price-level restatement of technical reserves for insurance, private pension plans and savings bonds to income on securities' transactions and interest and charges on deposits.

5) Adjusted Balance Sheet and Statement of Income by Business Segment

The consolidated balance sheet and statement of income, by business segment, are presented below at March 31, 2003 in accordance with the Chart of Accounts for National Financial System Institutions (COSIF).

a) Balance sheet

| | Financial (1) (2) | | Insurance(2) | | Pension Plan | At March 31, 2003 - In thousands of reais | | Amount Eliminated (3) | Total Consolidated |
|--------------------|-------------------|------------|--------------|---------|--------------|---|----------------------|-----------------------|--------------------|
| | Local | Foreign | Local | Foreign | | Savings Bond (2) | Other Activities (2) | | |
| ASSETS | | | | | | | | | |
| Current assets and | | | | | | | | | |
| long-term | | | | | | | | | |
| receivables | 107,720,959 | 13,542,106 | 3,555,413 | 56,174 | 19,055,210 | 2,006,233 | 695,417 | (6,499,414) | 140,132,098 |
| Funds available | 3,584,316 | 132,536 | 27,175 | 3,169 | 15,706 | 13,107 | 8,914 | (66,735) | 3,718,188 |
| Interbank | | | | | | | | | |
| investments | 20,708,032 | 2,934,256 | 19,874 | - | 18,163 | - | - | (269,506) | 23,410,819 |
| Securities and | | | | | | | | | |
| derivative | | | | | | | | | |
| financial | | | | | | | | | |
| instruments | 10,118,203 | 3,354,731 | 1,838,049 | 47,181 | 18,660,401 | 1,880,467 | 237,219 | (1,705,912) | 34,430,339 |
| | 15,048,631 | 10,658 | - | - | - | - | - | - | 15,059,289 |

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| | | | | | | | | | | |
|---|-------------|------------|-----------|--------|------------|-----------|-----------|--------------|-------------|--|
| Interbank and interdepartmental accounts | | | | | | | | | | |
| Credit and leasing operations | 36,948,591 | 6,967,074 | - | - | - | - | - | (4,334,251) | 39,581,414 | |
| Other receivables and other assets | 21,313,186 | 142,851 | 1,670,315 | 5,824 | 360,940 | 112,659 | 449,284 | (123,010) | 23,932,049 | |
| Permanent assets | 9,903,210 | 15,838 | 1,834,948 | 738 | 251,457 | 246,113 | 575,756 | (7,960,332) | 4,867,728 | |
| Investments (4) | 6,485,543 | - | 1,691,106 | - | 108,115 | 84,140 | 74,309 | (7,960,332) | 482,881 | |
| Property and equipment in use and leased assets | 1,788,277 | 13,639 | 118,921 | 601 | 105,072 | 99,348 | 412,527 | - | 2,538,385 | |
| Deferred charges | 1,629,390 | 2,199 | 24,921 | 137 | 38,270 | 62,625 | 88,920 | - | 1,846,462 | |
| Total | 117,624,169 | 13,557,944 | 5,390,361 | 56,912 | 19,306,667 | 2,252,346 | 1,271,173 | (14,459,746) | 144,999,826 | |
| LIABILITIES | | | | | | | | | | |
| Current and long-term liabilities | 105,876,315 | 10,290,886 | 2,726,311 | 40,264 | 945,991 | 650,647 | 617,195 | (6,499,415) | 114,648,194 | |
| Deposits | 51,052,428 | 4,178,318 | - | - | - | - | - | (359,544) | 54,871,202 | |
| Deposits received under security repurchase agreements | 14,159,360 | 183,083 | - | - | - | - | - | - | 14,342,443 | |
| Funds from the acceptance and issuance of securities | 6,390,264 | 958,753 | - | - | - | - | 52,095 | (2,438,434) | 4,962,678 | |
| Interbank and interdepartmental accounts | 1,822,801 | - | - | - | - | - | - | - | 1,822,801 | |
| Borrowings and onlendings | 15,622,323 | 3,938,424 | - | - | - | - | 206,975 | (3,538,786) | 16,228,936 | |
| Derivative financial instruments | 335,441 | 504 | - | - | - | - | 4,142 | - | 340,087 | |
| Other liabilities: | | | | | | | | | | |
| - Subordinated debt | 2,413,765 | 977,644 | - | - | - | - | - | - | 3,391,409 | |
| - Other | 14,079,933 | 54,160 | 2,726,311 | 40,264 | 945,991 | 650,647 | 353,983 | (162,651) | 18,688,638 | |
| Technical reserves for insurance, private pension plans and savings bonds | - | - | - | - | 17,179,536 | 1,325,038 | - | - | 18,504,574 | |
| Deferred income | 25,831 | - | - | - | - | - | 622 | 1 | 26,454 | |
| Minority interest and net equity in subsidiaries | 14,280 | 3,267,058 | 2,664,050 | 16,648 | 1,181,140 | 276,661 | 653,356 | (7,960,332) | 112,861 | |
| Stockholders' equity of the parent company | 11,707,743 | - | - | - | - | - | - | - | 11,707,743 | |
| Total in 2003 | 117,624,169 | 13,557,944 | 5,390,361 | 56,912 | 19,306,667 | 2,252,346 | 1,271,173 | (14,459,746) | 144,999,826 | |
| Total in 2002 | 97,710,302 | 11,375,651 | 4,968,022 | 43,186 | 13,274,327 | 1,888,249 | 2,184,201 | (12,219,513) | 119,224,425 | |

b) Statement of income

| | At March 31, 2003 - In thousands of reais | | | | | | | | |
|---|---|----------|---------------|---------|-----------------|----------|---------------------------|----------|--------------|
| | Financial (1) (2) | | Insurance (2) | | Pension Savings | | Other Amounts | | Total |
| | Local | Foreign | Local | Foreign | Plan | Bond (2) | Activities Eliminated (2) | (3) | Consolidated |
| Income from lending and trading activities | 5,574,846 | 153,006 | 115,489 | 704 | 1,132,360 | 102,869 | 5,640 | (80,725) | 7,004,189 |
| Expenses for lending and trading activities | 3,609,417 | 91,276 | - | - | 722,103 | 31,711 | 2,457 | (80,439) | 4,376,525 |
| Income from financial intermediation | 1,965,429 | 61,730 | 115,489 | 704 | 410,257 | 71,158 | 3,183 | (286) | 2,627,664 |
| Other operating income (expenses) (4) | (1,112,427) | (28,673) | (86,051) | 1,110 | (264,785) | (3,633) | 6,483 | 286 | (1,487,690) |
| | 853,002 | 33,057 | 29,438 | 1,814 | 145,472 | 67,525 | 9,666 | - | 1,139,974 |

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| | | | | | | | | | |
|--|-----------|--------|----------|---------|----------|----------|---------|---|-----------|
| Operating income (expenses) | | | | | | | | | |
| Non-operating income (expenses), net | (697,461) | 2,443 | (847) | - | 921 | (4,258) | 17,639 | - | (681,563) |
| Income before taxes and profit sharing | 155,541 | 35,500 | 28,591 | 1,814 | 146,393 | 63,267 | 27,305 | - | 458,411 |
| Provision for income tax and social contribution | 143,467 | (545) | (11,204) | (40) | (47,918) | (24,142) | (6,842) | - | 52,776 |
| Minority interest in subsidiaries | (2,306) | - | (604) | - | - | - | (676) | - | (3,586) |
| Net income in 2003 | 296,702 | 34,955 | 16,783 | 1,774 | 98,475 | 39,125 | 19,787 | - | 507,601 |
| Net income in 2002 | 207,689 | 30,114 | 28,398 | (1,958) | 107,479 | 32,006 | 21,478 | - | 425,206 |

- (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) Amounts eliminated between companies from different segments.
- (4) 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

We present below the account balances by currency and exchange exposure at March 31, 2003:

| | Balance Sheet | In thousands of reais | |
|--|---------------|-----------------------|-------------------|
| | | Currency | Local Foreign (1) |
| ASSETS | | | |
| Current assets and long-term receivables | 140,132,098 | 115,489,357 | 24,642,741 |
| Funds available | 3,718,188 | 1,448,278 | 2,269,910 |
| Interbank investments | 23,410,819 | 20,484,181 | 2,926,638 |
| Securities and derivative financial instruments | 34,430,339 | 30,932,924 | 3,497,415 |
| Interbank and interdepartmental accounts | 15,059,289 | 15,048,631 | 10,658 |
| Credit and leasing operations | 39,581,414 | 32,445,405 | 7,136,009 |
| Other receivables and other assets | 23,932,049 | 15,129,938 | 8,802,111 |
| Permanent assets | 4,867,728 | 4,851,152 | 16,576 |
| Investments | 482,881 | 482,881 | - |
| Property and equipment in use and leased assets | 2,538,385 | 2,524,145 | 14,240 |
| Deferred charges | 1,846,462 | 1,844,126 | 2,336 |
| Total | 144,999,826 | 120,340,509 | 24,659,317 |
| LIABILITIES | | | |
| Current and long-term liabilities | 114,648,194 | 89,444,388 | 25,203,806 |
| Deposits | 54,871,202 | 50,884,815 | 3,986,387 |
| Deposits received under security repurchase agreements | 14,342,443 | 14,159,360 | 183,083 |
| Funds from acceptance and issuance of securities | 4,962,678 | 597,273 | 4,365,405 |
| Interbank and interdepartmental accounts | 1,822,801 | 1,051,827 | 770,974 |
| Borrowings and onlendings | 16,228,936 | 5,718,731 | 10,510,205 |
| Derivative financial instruments | 340,087 | 339,583 | 504 |

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| | | | |
|---|-------------|-------------|------------|
| Other liabilities: | | | |
| - Subordinated debt | 3,391,409 | 2,413,765 | 977,644 |
| - Other | 18,688,638 | 14,279,034 | 4,409,604 |
| Technical reserves for insurance, private pension plans and savings bonds | 18,504,574 | 18,504,574 | - |
| Deferred income | 26,454 | 26,454 | - |
| Minority interest in subsidiaries | 112,861 | 112,861 | - |
| Stockholders' equity | 11,707,743 | 11,707,743 | - |
| Total | 144,999,826 | 119,796,020 | 25,203,806 |
| Net position of assets and liabilities | | | (544,489) |
| Net position of derivatives (2) | | | 3,297,937 |
| Other memorandum accounts, net (3) | | | (582,265) |
| Net exchange position (asset) (4) | | | 2,171,183 |

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

(2) Excluding derivative operations maturing in D +1, to be settled in currency at March 31, 2003 price levels.

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

(4) Excluding investments in foreign branches and subsidiaries (Note 16a), the net exchange position would be negative in the amount of R\$ 820,876 thousand (liability).

7) Balance Sheet by Maturity

We present below the consolidated balance sheet at March 31, 2003, by days to maturity, based on accounting classification:

| | 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 | 93,821,882 | 15,749,452 | 8,787,897 | 21,772,867 | - | 140,132,098 |
| Funds available | 3,718,188 | - | - | - | - | 3,718,188 |
| Interbank investments | 22,459,483 | 451,666 | 344,130 | 155,540 | - | 23,410,819 |
| Securities and derivative financial instruments (1) | 26,198,044 | 1,477,779 | 1,054,644 | 5,699,872 | - | 34,430,339 |
| Interbank and interdepartmental accounts | 14,740,781 | 4,955 | 6,121 | 307,432 | - | 15,059,289 |
| Credit and leasing operations | 9,006,471 | 12,966,702 | 6,146,903 | 11,461,338 | - | 39,581,414 |
| Other receivables and other assets | 17,698,915 | 848,350 | 1,236,099 | 4,148,685 | - | 23,932,049 |
| Permanent assets | 47,843 | 239,215 | 287,057 | 3,184,547 | 1,109,066 | 4,867,728 |
| Investments | - | - | - | - | 482,881 | 482,881 |
| Property and equipment in use and leased assets | 20,474 | 102,370 | 122,843 | 1,666,513 | 626,185 | 2,538,385 |
| Deferred charges | 27,369 | 136,845 | 164,214 | 1,518,034 | - | 1,846,462 |
| Total | 93,869,725 | 15,988,667 | 9,074,954 | 24,957,414 | 1,109,066 | 144,999,826 |
| LIABILITIES | | | | | | |
| Current and long-term liabilities | 67,251,213 | 11,579,822 | 9,051,502 | 26,765,657 | - | 114,648,194 |
| Deposits (2) | 34,635,127 | 3,149,052 | 3,409,706 | 13,677,317 | - | 54,871,202 |
| Deposits received under security repurchase agreements | 13,863,771 | 2,051 | 11,722 | 464,899 | - | 14,342,443 |

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| | | | | | | |
|---|------------|------------|------------|------------|------------|-------------|
| Funds from the acceptance and issuance of securities | 188,322 | 2,127,173 | 2,261,233 | 385,950 | - | 4,962,678 |
| Interbank and interdepartmental accounts | 1,822,801 | - | - | - | - | 1,822,801 |
| Borrowings and onlendings | 4,207,698 | 4,270,174 | 2,233,738 | 5,517,326 | - | 16,228,936 |
| Derivative financial instruments | 23,689 | 126,883 | 66,787 | 122,728 | - | 340,087 |
| Other liabilities: | | | | | | |
| - Subordinated debt | 35,685 | 32,960 | - | 3,322,764 | - | 3,391,409 |
| - Other | 12,474,120 | 1,871,529 | 1,068,316 | 3,274,673 | - | 18,688,638 |
| Technical reserves for insurance, private pension plans and savings bonds | - | - | - | 18,504,574 | - | 18,504,574 |
| Deferred income | 25,733 | 721 | - | - | - | 26,454 |
| Minority interest in subsidiaries | - | - | - | - | 112,861 | 112,861 |
| Stockholders' equity | - | - | - | - | 11,707,743 | 11,707,743 |
| Total | 67,276,946 | 11,580,543 | 9,051,502 | 45,270,231 | 11,820,604 | 144,999,826 |
| Accumulated net assets | 26,592,779 | 31,000,903 | 31,024,355 | 10,711,538 | - | - |

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

(2) Demand and savings account deposits are classified as 1 to 30 days without considering average historical turnover.

8) Funds Available

a) Funds available are comprised by

At March 31 - In thousands of reais

| | 2003 | 2002 |
|---------------------|-----------|-----------|
| Local currency | 1,447,704 | 1,166,707 |
| Foreign currency | 2,269,910 | 771,224 |
| Investments in gold | 574 | 362 |
| Total | 3,718,188 | 1,938,293 |

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 March 31 - In thousands of reais

| | 2003 | 2002 |
|--|---------|---------|
| Operating activities | | |
| Net income | 507,601 | 425,206 |
| Adjustments to reconcile net income to cash flows from (used in) operating activities: | | |
| Provision for loan losses | 808,469 | 632,679 |
| Provision for/reversal of losses on interbank investments, securities and investments | 14,947 | 9,635 |
| Variation in technical reserves for insurance, private pension | | |

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| | | |
|--|-------------|-------------|
| plans and savings bonds | 1,043,308 | 255,386 |
| Depreciation and amortization | 141,059 | 93,223 |
| Amortization of goodwill | 738,063 | 37,526 |
| Results of investments accounted for by the equity method | 4,725 | (2,240) |
| Other | 4,774 | 16,743 |
| Changes in assets and liabilities: | | |
| Decrease (increase) in interbank investments | (1,933,315) | (1,573,619) |
| Decrease (increase) in securities and derivative financial instruments | 2,314,029 | 1,540,526 |
| Decrease (increase) in interbank accounts | (830,378) | (631,790) |
| Decrease (increase) in interdepartmental accounts | (115,072) | (399,222) |
| Decrease (increase) in credit operations | 1,217,199 | (3,574,756) |
| Decrease (increase) in leasing operations | 140,009 | (66,398) |
| Decrease (increase) in insurance premiums receivable | (49,065) | 63,719 |
| Decrease (increase) in other receivables | (2,065,442) | (4,349,671) |
| Decrease (increase) in other assets | (32,190) | (84,167) |
| Amounts written off against the allowance for loan losses. | (571,543) | (423,408) |
| Increase (decrease) in technical reserves for insurance, private pension plans and savings bonds | 851,164 | 415,245 |
| Increase (decrease) in other liabilities | 1,504,764 | 3,629,822 |
| Increase (decrease) in deferred income | 10,611 | 30 |
| Net cash provided by (used in) operating activities | 3,703,717 | (3,985,531) |
| Investing activities | | |
| Decrease (increase) in compulsory deposits - Brazilian Central Bank | (1,100,292) | (77,970) |
| Sale of non-operating assets | 39,112 | 16,551 |
| Sale of investments | 2,153 | 344,683 |
| Sale of property and equipment in use and leased assets | 24,934 | 9,851 |
| Decrease in deferred charges | 20,541 | 1,963 |
| Acquisition of non-operating assets | (80,686) | (76,478) |
| Acquisition of investments | (12,121) | (366,022) |
| Acquisition of property and equipment in use and leased assets | (125,531) | (561,720) |
| Deferred charges | (232,177) | (1,125,553) |
| Interest attributed to own capital / dividends received | 20,209 | 1,797 |
| Net cash provided by (used in) investing activities | (1,443,858) | (1,832,898) |
| Financing activities | | |
| Increase (decrease) in deposits | (1,491,961) | 4,850,230 |
| Increase (decrease) in deposits received from security repurchase agreements | (1,670,522) | (841,473) |
| Increase(decrease) in funds from issuance of securities | 1,825,836 | 40,747 |

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| | | |
|--|-------------|-------------|
| Increase (decrease) in borrowings and onlendings | (209,417) | 680,526 |
| Capital increase | 659,735 | - |
| Share premium | 7,045 | - |
| Interest attributed to own capital and dividends paid and/or accrued | (289,891) | (234,545) |
| Acquisition of own shares | - | (32,909) |
| Variation in minority interest | (158,203) | 208,359 |
| Net cash provided by (used in) financing activities | (1,327,378) | 4,670,935 |
| Increase (decrease) in funds available, net | 932,481 | (1,147,494) |
| Changes in funds At the beginning of the year | 2,785,707 | 3,085,787 |
| Available, net At the end of the year | 3,718,188 | 1,938,293 |
| | Increase | |
| (decrease) in funds available, net | 932,481 | (1,147,494) |
| 9) Interbank Investments | | |

a) Interbank investments are presented below with their corresponding days to maturity

At March 31 - In thousands of reais

| | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | Total in 2003 | Total in 2002 |
|---|------------------|------------------------------|-------------------------------|-----------------------------|------------------|------------------|
| Securities purchased under resale agreements: | | | | | | |
| Own portfolio position | 6,433,560 | - | 108,180 | - | 6,541,740 | 569,407 |
| o National Treasury Bonds | 759,899 | - | - | - | 759,899 | 2 |
| o Financial Treasury Notes | 5,573,661 | - | 108,180 | - | 5,681,841 | 78,143 |
| o Central Bank Notes | 100,000 | - | - | - | 100,000 | 4,703 |
| o Others | - | - | - | - | - | 486,559 |
| Third-party portfolio position | 12,994,093 | - | - | - | 12,994,093 | 2,530,572 |
| o National Treasury Bonds | 1,468,388 | - | - | - | 1,468,388 | 1,595,813 |
| o Financial Treasury Notes | 11,525,705 | - | - | - | 11,525,705 | 382,715 |
| o Central Bank Notes | - | - | - | - | - | 210,448 |
| o Federal Treasury Notes | - | - | - | - | - | 341,596 |
| Subtotal | 19,427,653 | - | 108,180 | - | 19,535,833 | 3,099,979 |
| Interbank deposits: | | | | | | |
| o Interbank deposits | 3,031,888 | 452,877 | 238,127 | 156,587 | 3,879,479 | 2,345,063 |
| o Provision for loss | (58) | (1,211) | (2,177) | (1,047) | (4,493) | (1,174) |
| Subtotal | 3,031,830 | 451,666 | 235,950 | 155,540 | 3,874,986 | 2,343,889 |

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| | | | | | |
|---------------|------------|---------|---------|---------|------------|
| Total in 2003 | 22,459,483 | 451,666 | 344,130 | 155,540 | 23,410,819 |
| % | 95.9 | 1.9 | 1.5 | 0.7 | 100.0 |
| Total in 2002 | 4,659,550 | 340,886 | 294,566 | 148,866 | 5,443,868 |
| % | 85.6 | 6.3 | 5.4 | 2.7 | 100.0 |

b) Income from interbank investments

We present below income from interbank investments, classified in the statement of income as income on security transactions:

At March 31 - In thousands of reais
2003 2002

Income on investments in purchase and sale commitments:

| | | |
|----------------------|-----------|---------|
| Own position | 196,364 | 687 |
| Third-party position | 916,016 | 130,934 |
| Subtotal | 1,112,380 | 131,621 |
| Interbank deposits | 64,086 | 50,820 |
| Total (Note 10e) | 1,176,466 | 182,441 |

10) Securities and Derivative Financial Instruments

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

| | Financial Insurance/ Savings Bond | | Pension Plan | Other Activities | Total at March 31, 2003 | In thousands of reais % Total at % | |
|----------------------------------|-----------------------------------|-----------|--------------|------------------|-------------------------|---------------------------------------|--------|
| | | | | | | December 31, 2002 | |
| Trading Securities | 7,973,151 | 2,025,876 | 13,349,168 | 59,012 | 23,407,207 | 25,630,264 | 68.0% |
| - Government securities | 6,119,391 | 1,876,547 | 12,962,160 | 40,035 | 20,998,133 | 23,351,731 | 61.0% |
| - Corporate bonds | 1,853,760 | 149,329 | 387,008 | 18,977 | 2,409,074 | 2,278,533 | 7.0% |
| Securities available for sale | 1,177,053 | 1,633,585 | 2,672,031 | 99,702 | 5,582,371 | 5,810,601 | 16.2% |
| - Government securities | 38,545 | 1,130,267 | 1,487,621 | - | 2,656,433 | 2,546,722 | 7.7% |
| - Corporate bonds | 1,138,508 | 503,318 | 1,184,410 | 99,702 | 2,925,938 | 3,263,879 | 8.5% |
| Securities held to maturity | 2,530,863 | - | 2,628,814 | - | 5,159,677 | 5,323,750 | 15.0% |
| - Government securities | 2,530,863 | - | 2,628,814 | - | 5,159,677 | 5,323,750 | 15.0% |
| Derivative financial instruments | 257,143 | - | - | 23,941 | 281,084 | 238,839 | 0.8% |
| - Corporate bonds | 257,143 | - | - | 23,941 | 281,084 | 238,839 | 0.8% |
| Total at March 31, 2003 | 11,938,210 | 3,659,461 | 18,650,013 | 182,655 | 34,430,339 | 37,003,454 | 100.0% |
| - Government securities | 8,688,799 | 3,006,814 | 17,078,595 | 40,035 | 28,814,243 | 31,222,203 | 83.7% |
| - Corporate bonds | 3,249,411 | 652,647 | 1,571,418 | 142,620 | 5,616,096 | 5,781,251 | 16.3% |

b) Consolidated portfolio composition by issuer

At March 31, 2003 - In thousands of reais
Up to From 31 to More than Market/ Restated Unrealized Unrealized

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| SECURITIES (1) | From 181 to | | | | Book Value (2) (3) | Cost | Gain (loss) | Gain (loss) net of tax effects |
|---|----------------|-----------|-----------|------------|--------------------------|------------|----------------|---|
| | 30 days | 180 days | 360 days | 360 days | | | | |
| GOVERNMENT | | | | | | | | |
| SECURITIES | 271,337 | 4,953,540 | 3,767,906 | 19,821,460 | 28,814,243 | 28,862,056 | (47,813) | (31,556) |
| Financial | | | | | | | | |
| Treasury Notes | 99,068 | 4,877,640 | 2,837,153 | 12,188,972 | 20,002,833 | 20,009,800 | (6,967) | (4,598) |
| Federal | | | | | | | | |
| Treasury Notes | 5,333 | 13,866 | - | 5,930,558 | 5,949,757 | 5,952,407 | (2,650) | (1,749) |
| Brazilian | | | | | | | | |
| Foreign Debt | | | | | | | | |
| Notes | 43,432 | 23,828 | 15,156 | 1,448,470 | 1,530,886 | 1,531,066 | (180) | (119) |
| Central Bank | | | | | | | | |
| Notes | - | 11,500 | 913,481 | 162,724 | 1,087,705 | 1,087,704 | 1 | 1 |
| National | | | | | | | | |
| Treasury Bonds | 90,018 | - | - | 6,501 | 96,519 | 96,568 | (49) | (32) |
| Other | 33,486 | 26,706 | 2,116 | 84,235 | 146,543 | 184,511 | (37,968) | (25,059) |
| CORPORATE | | | | | | | | |
| BONDS | 2,369,861 | 300,567 | 158,597 | 2,787,071 | 5,616,096 | 5,591,535 | 24,561 | 16,210 |
| Shares | | | | | | | | |
| Debentures | 2,071,795 | - | - | - | 2,071,795 | 2,013,402 | 58,393 | 38,539 |
| Certificates | | | | | | | | |
| of Bank | | | | | | | | |
| Deposit | 39,851 | 68,260 | 33,957 | 821,087 | 963,155 | 963,563 | (408) | (269) |
| Derivative | | | | | | | | |
| financial | | | | | | | | |
| instruments | 61,923 | 72,946 | 45,087 | 101,128 | 281,084 | 270,403 | 10,681 | 7,050 |
| Securitization | | | | | | | | |
| Notes | - | - | 1,748 | 218,997 | 220,745 | 220,745 | - | - |
| Foreign | | | | | | | | |
| Securities | 6,427 | 50,448 | 38,865 | 59,676 | 155,416 | 157,349 | (1,933) | (1,276) |
| Promissory | | | | | | | | |
| Notes | 113,492 | 64,953 | - | 3 | 178,448 | 178,448 | - | - |
| Other | 68,104 | 10,918 | 18,789 | 46,635 | 144,446 | 154,106 | (9,660) | (6,376) |
| TOTAL | 2,641,198 | 5,254,107 | 3,926,503 | 22,608,531 | 34,430,339 | 34,453,591 | (23,252) | (15,346) |
| c) Consolidated classification by category, days to maturity and business segment | | | | | | | | |

At March 31, 2003 - In thousands of reais

| SECURITIES; | From 31 to | | | | Market/ Book Value (2) (3) | Cost | Gain (loss) | Gain (loss) net of tax effects |
|----------------|---------------|-----------|-----------|------------|-------------------------------------|------------|----------------|---|
| | Up to | 180 days | 360 days | More than | | | | |
| (1) | 30 days | 180 days | 360 days | 360 days | | | | |
| I TRADING | | | | | | | | |
| SECURITIES | 601,078 | 4,542,851 | 2,820,819 | 15,442,459 | 23,407,207 | 23,416,770 | (9,563) | (6,311) |
| - Financial | | | | | | | | |
| Financial | 244,760 | 1,719,203 | 94,448 | 5,914,740 | 7,973,151 | 7,982,509 | (9,358) | (6,176) |
| Treasury Notes | | | | | | | | |
| Debentures | 47,036 | 1,555,691 | 39,276 | 3,733,436 | 5,375,439 | 5,346,042 | 29,397 | 19,402 |
| Certificates | | | | | | | | |
| of Bank | | | | | | | | |
| Deposit | 1,952 | 4,091 | 549 | 742,142 | 748,734 | 748,734 | - | - |
| Brazilian | | | | | | | | |
| Foreign Debt | | | | | | | | |
| Notes | 34,510 | 1,142 | 15,156 | 212,154 | 262,962 | 263,142 | (180) | (119) |
| Federal | | | | | | | | |
| Treasury Notes | 735 | 13,710 | - | 208,914 | 223,359 | 223,359 | - | - |

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| | | | | | | | | |
|-------------------------------------|-----------|-----------|-----------|-----------|------------|------------|----------|----------|
| Foreign securities | 33,541 | 77,139 | 39,125 | 60,023 | 209,828 | 211,761 | (1,933) | (1,276) |
| National Treasury Bonds | 89,962 | - | - | 6,501 | 96,463 | 96,512 | (49) | (32) |
| Other - Insurance and Savings Bonds | 33,166 | 67,427 | 226 | 101,980 | 202,799 | 239,392 | (36,593) | (24,151) |
| Financial Treasury Notes | 161,601 | 338,914 | 392,995 | 1,132,366 | 2,025,876 | 2,027,365 | (1,489) | (982) |
| Shares | 18,595 | 337,514 | 391,645 | 1,101,707 | 1,849,461 | 1,850,950 | (1,489) | (982) |
| Other - Private Pension Plans | 109,768 | - | - | - | 109,768 | 109,768 | - | - |
| Financial Treasury Notes | 33,238 | 1,400 | 1,350 | 30,659 | 66,647 | 66,647 | - | - |
| Federal Treasury Notes | 181,663 | 2,471,615 | 2,314,344 | 8,381,546 | 13,349,168 | 13,347,883 | 1,285 | 848 |
| Securitization Notes | 25,514 | 2,466,810 | 2,310,655 | 6,957,813 | 11,760,792 | 11,759,507 | 1,285 | 848 |
| Shares | - | 156 | - | 1,199,834 | 1,199,990 | 1,199,990 | - | - |
| Other - Other activities | - | - | - | 175,324 | 175,324 | 175,324 | - | - |
| Financial Treasury Notes | 154,571 | - | - | - | 154,571 | 154,571 | - | - |
| Funds of other institutions | 1,578 | 4,649 | 3,689 | 48,575 | 58,491 | 58,491 | - | - |
| Other | 13,054 | 13,119 | 19,032 | 13,807 | 59,012 | 59,013 | (1) | (1) |
| Treasury Notes | 3,934 | 13,116 | 9,314 | 12,080 | 38,444 | 38,444 | - | - |
| Other | 2,723 | - | 9,718 | 26 | 12,467 | 12,467 | - | - |
| II. SECURITIES AVAILABLE FOR SALE | 6,397 | 3 | - | 1,701 | 8,101 | 8,102 | (1) | (1) |
| - Financial Shares | 1,964,677 | 608,001 | 148,481 | 2,861,212 | 5,582,371 | 5,606,741 | (24,370) | (16,084) |
| Debentures | 711,309 | 71,812 | 21,062 | 372,870 | 1,177,053 | 1,184,228 | (7,175) | (4,735) |
| Promissory Notes | 561,759 | - | - | - | 561,759 | 508,365 | 53,394 | 35,240 |
| Certificates of Bank Deposit | 2,172 | 12,654 | 8,613 | 236,461 | 259,900 | 274,635 | (14,735) | (9,725) |
| Securitization Notes | 100,208 | - | - | - | 100,208 | 100,208 | - | - |
| Other - Insurance and Savings Bonds | 34,618 | 48,620 | - | 14,921 | 98,159 | 98,565 | (406) | (268) |
| Financial Treasury Notes | - | - | 1,748 | 43,673 | 45,421 | 45,421 | - | - |
| Shares | 12,552 | 10,538 | 10,701 | 77,815 | 111,606 | 157,034 | (45,428) | (29,982) |
| Other - Private Pension Plans | 399,179 | 529,649 | 87,304 | 617,453 | 1,633,585 | 1,658,407 | (24,822) | (16,383) |
| Financial Treasury Notes | 3,989 | 504,509 | 86,263 | 369,421 | 964,182 | 966,245 | (2,063) | (1,362) |
| Shares | 395,137 | - | - | - | 395,137 | 397,608 | (2,471) | (1,631) |
| Federal Treasury Notes | - | - | - | 166,078 | 166,078 | 168,728 | (2,650) | (1,749) |
| Other | 53 | 25,140 | 1,041 | 81,954 | 108,188 | 125,826 | (17,638) | (11,641) |
| - Private Pension Plans | 844,991 | 5,307 | 10,948 | 1,810,785 | 2,672,031 | 2,664,404 | 7,627 | 5,034 |
| Federal Treasury Notes | - | - | - | 1,485,137 | 1,485,137 | 1,485,137 | - | - |
| Shares | 821,370 | - | - | - | 821,370 | 813,603 | 7,767 | 5,126 |
| Debentures | - | - | 10,948 | 323,164 | 334,112 | 334,251 | (139) | (91) |
| Other - Other activities | 23,621 | 5,307 | - | 2,484 | 31,412 | 31,413 | (1) | (1) |
| | 9,198 | 1,233 | 29,167 | 60,104 | 99,702 | 99,702 | - | - |

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| | | | | | | | | |
|---|-----------|-----------|-----------|------------|------------|------------|----------|----------|
| Certificates of Bank | | | | | | | | |
| Deposit | - | 1,233 | 29,167 | 60,104 | 90,504 | 90,504 | - | - |
| Other | 9,198 | - | - | - | 9,198 | 9,198 | - | - |
| III. SECURITIES HELD TO MATURITY | | | | | | | | |
| - Financial | 13,520 | 30,309 | 912,116 | 4,203,732 | 5,159,677 | 5,159,677 | - | - |
| Brazilian Foreign Debt Notes | 8,922 | 22,686 | - | 1,236,316 | 1,267,924 | 1,267,924 | - | - |
| Central Bank Notes | - | 7,623 | 912,116 | 123,907 | 1,043,646 | 1,043,646 | - | - |
| Federal Treasury Notes - Private | 4,598 | - | - | 214,695 | 219,293 | 219,293 | - | - |
| Pension Plans Federal Treasury Notes | - | - | - | 2,628,814 | 2,628,814 | 2,628,814 | - | - |
| IV. DERIVATIVE FINANCIAL INSTRUMENTS | | | | | | | | |
| (ASSETS) | 61,923 | 72,946 | 45,087 | 101,128 | 281,084 | 270,403 | 10,681 | 7,049 |
| - Financial | 37,982 | 72,946 | 45,087 | 101,128 | 257,143 | 246,462 | 10,681 | 7,049 |
| Derivative financial instruments - Other activities | 23,941 | - | - | - | 23,941 | 23,941 | - | - |
| Derivative financial instruments (assets) | 23,941 | - | - | - | 23,941 | 23,941 | - | - |
| Total | 2,641,198 | 5,254,107 | 3,926,503 | 22,608,531 | 34,430,339 | 34,453,591 | (23,252) | (15,346) |
| DERIVATIVE FINANCIAL INSTRUMENTS (LIABILITIES) | | | | | | | | |
| (23,689) | (126,883) | (66,787) | (122,728) | (340,087) | (378,819) | 38,732 | 25,563 | |

- (1) Investment fund applications were distributed based on the securities comprising their portfolios, maintaining the fund category classification. The number of days to maturity was based on the maturity of the securities, regardless of accounting classification.
- (2) This column reflects book value subsequent to mark-to-market, except for securities held to maturity, whose market value is lower than book value by R\$ 13,296 thousand, net of tax effects.
- (3) 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.

d) Composition of the portfolios by account:

| | At March 31 - In thousands of reais | | | | Total |
|----------------------------|-------------------------------------|---------------------|----------------------|--------------------|------------|
| | Up to 30 days | From 31 to 180 days | From 181 to 360 days | More than 360 days | |
| Own Portfolio | 2,458,474 | 3,661,389 | 2,980,262 | 18,432,231 | 27,532,356 |
| Fixed income securities | 388,694 | 3,661,389 | 2,980,262 | 18,432,231 | 25,462,576 |
| o Financial Treasury Notes | 88,467 | 3,359,927 | 2,780,342 | 8,719,731 | 14,948,467 |

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| | | | | | |
|---|-----------|-----------|-----------|------------|------------|
| o Federal Treasury Notes | 5,333 | 13,866 | - | 5,732,425 | 5,751,624 |
| o Debentures | 8,269 | 33,042 | 20,151 | 1,539,545 | 1,601,007 |
| o Brazilian Foreign Debt Notes | 25,080 | 21,769 | 1,033 | 1,243,965 | 1,291,847 |
| o Certificates of Bank Deposit | 39,851 | 68,260 | 33,957 | 821,087 | 963,155 |
| o Central Bank Notes | - | 11,500 | 83,261 | 40,135 | 134,896 |
| o Foreign securities | 39,815 | 77,139 | 39,125 | 60,023 | 216,102 |
| o Mortgage Notes | 11,867 | 10,334 | 8,597 | 13,971 | 44,769 |
| o National Treasury Bonds | 281 | - | - | 6,501 | 6,782 |
| o Other | 169,731 | 65,552 | 13,796 | 254,848 | 503,927 |
| Equity securities | 2,069,780 | - | - | - | 2,069,780 |
| o Shares of listed companies (technical reserve) | 1,443,780 | - | - | - | 1,443,780 |
| o Shares and quotas (other) | 626,000 | - | - | - | 626,000 |
| Subject to commitments | 182,724 | 1,592,718 | 946,241 | 4,176,300 | 6,897,983 |
| Purchase and sale agreements | 25,920 | 385,105 | 37,827 | 485,038 | 933,890 |
| o Financial Treasury Notes | 7,568 | 383,046 | 20,219 | 178,183 | 589,016 |
| o Brazilian Foreign Debt Notes | 18,352 | 2,059 | 14,123 | 204,505 | 239,039 |
| o Federal Treasury Notes | - | - | - | 101,318 | 101,318 |
| o Central Bank Notes | - | - | 3,485 | 1,032 | 4,517 |
| Brazilian Central Bank | - | 220,701 | 606,757 | 2,553,762 | 3,381,220 |
| o Financial Treasury Notes | - | 220,701 | - | 2,434,393 | 2,655,094 |
| o Central Bank Notes | - | - | 606,757 | 119,369 | 726,126 |
| Privatization currencies | 96 | - | - | 80,706 | 80,802 |
| Collateral provided | 94,785 | 913,966 | 256,570 | 955,666 | 2,220,987 |
| o Financial Treasury Notes | 3,033 | 913,966 | 36,592 | 856,665 | 1,810,256 |
| o Central Bank Notes | - | - | 219,978 | 2,187 | 222,165 |
| o Federal Treasury Notes | - | - | - | 96,814 | 96,814 |
| o National Treasury Bonds | 89,737 | - | - | - | 89,737 |
| o Equity securities | 2,015 | - | - | - | 2,015 |
| Derivative financial instruments | 61,923 | 72,946 | 45,087 | 101,128 | 281,084 |
| Total in 2003 | 2,641,198 | 5,254,107 | 3,926,503 | 22,608,531 | 34,430,339 |
| % | 7.7 | 15.2 | 11.4 | 65.7 | 100.0 |
| Total in 2002 | 9,065,401 | 5,763,487 | 5,069,559 | 19,054,264 | 38,952,711 |
| % | 23.3 | 14.8 | 13.0 | 48.9 | 100.0 |

Investment fund applications 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 security transactions and derivative financial instruments

We present below the composition of the results of transactions with securities and derivative financial instruments:

| | At March 31 - In thousands of reais | |
|---|-------------------------------------|-----------|
| | 2003 | 2002 |
| Revenue | | |
| Fixed income securities (1) | 2,057,575 | 1,195,538 |
| Interbank investments (2) | 1,176,466 | 182,441 |
| Allocation of exchange variation of foreign branches | (190,952) | (193,915) |
| Equity securities | 95,677 | 68,602 |
| Other | (44) | 28 |
| Subtotal | 3,138,722 | 1,252,694 |
| Transactions with derivatives (3) | 373,646 | 325,015 |
| Total | 3,512,368 | 1,577,709 |

- (1) Includes foreign securities;
(2) Note 9b.
(3) Note 34c v.

11) Additional Provision for Market Risk Fluctuation, Net of Tax Effects

In thousands of reais

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| | Investment | Exchange variation (1) | Total |
|------------------------------|------------|---------------------------|-----------|
| Balance at December 31, 2002 | 22,446 | 504,160 | 526,606 |
| Amount recorded (used) | (22,446) | (165,857) | (188,303) |
| Balance at March 31, 2003 | - | 338,303 | 338,303 |

(1) See Note 23.

12) Interbank Accounts - Restricted Deposits

a) We present below the Restricted Deposits account:

| | 2003 | At March 31 - In thousands of reais |
|--|-------------------|-------------------------------------|
| | | 2002 |
| Compulsory deposits - demand deposits (1) | 5,402,961 | 2,234,133 |
| Compulsory deposits - savings account deposits (2) | 4,047,439 | 2,750,339 |
| Additional compulsory deposits (3) | 4,169,527 | - |
| Restricted deposits - National Housing System (4) | 379,070 | 394,768 |
| Funds from agricultural loans (4) | 578 | 578 |
| Total | 13,999,575 | 5,379,818 |

(1) Without remuneration

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

(3) Additional compulsory deposit on demand, savings and time deposits remunerated based on the variation in the SELIC rate

(4) Remunerated based on the Reference Rate (TR)

b) Income on compulsory deposits

We present below income on restricted deposits:

| | 2003 | At March 31 - In thousands of reais |
|--|----------------|-------------------------------------|
| | | 2002 |
| Restricted deposits - Brazilian Central Bank (compulsory deposits) | 352,322 | 57,733 |
| Restricted deposits - National Housing System | 8,349 | 2,822 |
| Total | 360,671 | 60,555 |

13) 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 by type and risk level

c) Concentration of credit operations

d) Credit operations by activity sector

e) Composition of credit operations and allowance for loan losses

f) Movement of the allowance for loan losses

g) Recovery and renegotiation of credit operations

h) Income on credit operations

a) Credit operations by type and maturity

At March 31 - In thousands of

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| | Normal Course | | | | | | Total in 2003 (A) | % | Total in 2002 (A) |
|---|------------------|--------------------------|--------------------------|---------------------------|----------------------------|-----------------------|----------------------|-------|----------------------|
| | 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 | | | |
| Discount of trade receivables and other loans | 7,434,117 | 3,210,945 | 2,200,607 | 2,651,066 | 2,612,238 | 2,656,939 | 20,765,912 | 41.7 | 20,017,719 |
| Financings | 1,282,268 | 953,487 | 804,772 | 1,930,432 | 2,447,916 | 6,045,357 | 13,464,232 | 27.0 | 14,427,777 |
| Rural and agribusiness loans | 149,175 | 156,848 | 178,196 | 442,289 | 534,09 | 2,391,209 | 3,851,807 | 7.8 | 2,872,515 |
| Subtotal | 8,865,560 | 4,321,280 | 3,183,575 | 5,023,787 | 5,594,244 | 11,093,505 | 38,081,951 | 76.5 | 37,318,011 |
| Leasing operations | 99,036 | 76,449 | 70,967 | 202,595 | 371,08 | 490,148 | 1,310,275 | 2.6 | 1,582,293 |
| Advances on foreign exchange contracts (1) | 1,659,358 | 1,105,976 | 881,184 | 1,342,040 | 644,103 | - | 5,632,661 | 11.3 | 5,377,698 |
| Advances in foreign currency granted (1) | - | - | - | - | - | - | - | - | 116,14 |
| Subtotal | 10,623,954 | 5,503,705 | 4,135,726 | 6,568,422 | 6,609,427 | 11,583,653 | 45,024,887 | 90.4 | 44,394,142 |
| Other receivables (2) | 161,611 | 56,469 | 65,605 | 47,679 | 47,752 | 170,086 | 549,202 | 1.1 | 481,854 |
| Total credit operations | 10,785,565 | 5,560,174 | 4,201,331 | 6,616,101 | 6,657,179 | 11,753,739 | 45,574,089 | 91.5 | 44,875,996 |
| Sureties and guarantees (3) | 587,340 | 122,253 | 268,396 | 453,104 | 735,383 | 2,081,929 | 4,248,405 | 8.5 | 3,017,885 |
| Total in 2003 | 11,372,905 | 5,682,427 | 4,469,727 | 7,069,205 | 7,392,562 | 13,835,668 | 49,822,494 | 100.0 | |
| Total in 2002 | 11,492,411 | 5,693,015 | 4,287,494 | 6,950,701 | 6,840,896 | 12,629,364 | | | 47,893,881 |

At March 31 - In thousands of reais

| | Abnormal Course | | | | | | Total in 2003 (B) | % | Total in; 2002 (B) | % |
|---|-----------------------|--------------------------|--------------------------|---------------------------|----------------------------|-----------------------------|----------------------|-----------|-----------------------|---|
| | Past Due Installments | | | | | | | | | |
| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | From 91 to 180 days | From 181 to 720 days | From 721 to 1800 days | | | | |
| Discount of trade receivables and other loans | 206,985 | 228,267 | 189,313 | 315,888 | 389,572 | 1,330,025 | 71.7 | 1,600,356 | 75.4 | |
| Financings | 78,392 | 54,309 | 26,611 | 45,310 | 52,391 | 257,013 | 13.8 | 326,241 | 15.4 | |
| Rural and agribusiness loans | 5,018 | 1,735 | 1,654 | 9,956 | 19,270 | 37,633 | 2.0 | 53,462 | 2.5 | |
| Subtotal | 290,395 | 284,311 | 217,578 | 371,154 | 461,233 | 1,624,671 | 87.5 | 1,980,059 | 93.3 | |
| Leasing operations | 8,239 | 6,570 | 3,657 | 6,932 | 7,193 | 32,591 | 1.8 | 45,220 | 2.1 | |
| Advances on foreign exchange contracts (1) | 27,943 | 32,622 | 17,408 | 13,265 | 8,962 | 100,200 | 5.4 | 60,996 | 2.9 | |
| Advances in foreign currency granted (1) | - | - | - | - | - | - | - | - | - | |
| Subtotal | 326,577 | 323,503 | 238,643 | 391,351 | 477,388 | 1,757,462 | 94.7 | 2,086,275 | 98.3 | |
| Other receivables (2) | 1,803 | 2,014 | 1,257 | 5,103 | 29,442 | 39,619 | 2.1 | 17,723 | 0.8 | |
| Total credit operations | 328,380 | 325,517 | 239,900 | 396,454 | 506,830 | 1,797,081 | 96.8 | 2,103,998 | 99.1 | |
| Sureties and guarantees (3) | 13,798 | 2,900 | 11,355 | 13,945 | 18,005 | 60,003 | 3.2 | 18,857 | 0.9 | |
| Total in 2003 | 342,178 | 328,417 | 251,255 | 410,399 | 524,835 | 1,857,084 | 100.0 | | | |
| Total in 2002 | 406,549 | 334,640 | 340,152 | 468,205 | 573,309 | | | 2,122,855 | 100.0 | |

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| | Up to 30 days | From 31 to 60 days | From 61 to 90 days | Abnormal Course | | Falling Due More than 360 days | Total In 2003 (C) | % | Total In 2002 (C) | % | In 2002 (A+B) |
|---|------------------|--------------------------|--------------------------|---|----------------------------|--------------------------------------|----------------------|--------|----------------------|---------|------------------|
| | | | | Installments From 91 to 180 days | From 181 to 360 days | | | | | | |
| Discount of trade receivables and other loans | 125,963 | 85,083 | 67,214 | 177,239 | 224,526 | 343,317 | 1,023,342 | 44.81 | 1,057,996 | 41.223 | 23,119,2 |
| Financings | 90,642 | 67,196 | 63,664 | 167,877 | 260,696 | 491,03 | 1,141,105 | 50.01 | 1,272,559 | 49.614 | 862,3 |
| Rural and agribusiness loans | 158 | 363 | 325 | 988 | 1,102 | 6,111 | 9,047 | 0.4 | 22,258 | 0.9 | 3,898,4 |
| Subtotal | 216,763 | 152,642 | 131,203 | 346,104 | 486,324 | 840,458 | 2,173,494 | 95.22 | 2,352,813 | 91.741 | 880,1 |
| Leasing operations | 8,230 | 6,579 | 6,213 | 16,740 | 25,313 | 35,541 | 98,616 | 4.3 | 164,833 | 6.4 | 1,441,4 |
| Advances on foreign exchange contracts (1) | - | - | - | - | - | - | - | - | - | - | 5,732,8 |
| Advances in foreign currency granted (1) | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 224,993 | 159,221 | 137,416 | 362,844 | 511,637 | 875,999 | 2,272,110 | 99.52 | 2,517,646 | 98.149 | 054,4 |
| Other receivables (2) | 607 | 2,218 | 652 | 2,603 | 3,018 | 2,276 | 11,374 | 0.5 | 48,628 | 1.9 | 600,1 |
| Total credit operations | 225,600 | 161,439 | 138,068 | 365,447 | 514,655 | 878,275 | 2,283,484 | 100.02 | 2,566,274 | 100.049 | 654,6 |
| Sureties and guarantees (3) | - | - | - | - | - | - | - | - | - | - | 4,308,4 |
| Total in 2003 | 225,600 | 161,439 | 138,068 | 365,447 | 514,655 | 878,275 | 2,283,484 | 100.0 | | | 53,963,0 |
| Total in 2002 | 206,432 | 176,480 | 152,576 | 407,255 | 598,128 | 1,025,403 | | | 2,566,274 | 100.0 | |

- (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) Recorded in memorandum accounts.

b) Credit operations by type and risk level

At Ma

| CREDIT OPERATIONS | Risk Levels | | | | | | | | H | |
|---|-------------|-----------|-----------|-----------|---------|---------|---------|---------|-----------|----|
| | AA | A | B | C | D | E | F | G | | |
| Discount of trade receivables and other loans | 5,933,855 | 9,107,564 | 1,511,794 | 3,665,086 | 718,051 | 240,556 | 358,015 | 189,734 | 1,394,624 | 23 |
| Financings | 3,962,957 | 6,268,950 | 1,256,940 | 2,489,953 | 302,186 | 76,271 | 132,079 | 53,057 | 319,957 | 14 |
| Rural and agribusiness | 328,632 | 792,699 | 238,947 | 2,147,346 | 151,961 | 44,667 | 16,431 | 120,515 | 57,289 | 3 |

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| | | | | | | | | | | | |
|--|------------|------------|-----------|-----------|-----------|---------|---------|---------|-----------|-----|--|
| loans | | | | | | | | | | | |
| Subtotal | 10,225,444 | 16,169,213 | 3,007,681 | 8,302,385 | 1,172,198 | 361,494 | 506,525 | 363,306 | 1,771,870 | 41, | |
| Leasing operations | 42,562 | 496,468 | 212,038 | 511,435 | 34,481 | 6,073 | 62,407 | 10,995 | 65,023 | 1, | |
| Advances on foreign exchange contracts | 3,943,179 | 780,963 | 544,036 | 286,114 | 152,325 | 2,027 | 180 | 9,659 | 14,378 | 5, | |
| Advances in foreign currency granted | - | - | - | - | - | - | - | - | - | - | |
| Subtotal | 14,211,185 | 17,446,644 | 3,763,755 | 9,099,934 | 1,359,004 | 369,594 | 569,112 | 383,960 | 1,851,271 | 49, | |
| Other receivables | 235,079 | 121,545 | 77,779 | 106,146 | 11,439 | 2,588 | 2,622 | 2,527 | 40,470 | | |
| Total credit operations in 2003 | 14,446,264 | 17,568,189 | 3,841,534 | 9,206,080 | 1,370,443 | 372,182 | 571,734 | 386,487 | 1,891,741 | 49, | |
| % | 29.1 | 35.4 | 7.7 | 18.5 | 2.8 | 0.7 | 1.2 | 0.8 | 3.8 | | |
| Total credit operations in 2002 | 15,397,181 | 17,480,467 | 4,159,857 | 7,657,663 | 1,365,895 | 535,648 | 396,108 | 566,633 | 1,986,816 | | |
| % | 31.1 | 35.2 | 8.4 | 15.5 | 2.8 | 1.1 | 0.8 | 1.1 | 4.0 | | |

c) Concentration of credit operations

| | At March 31 - In thousands of reais | |
|--|-------------------------------------|------------|
| | 2003 | 2002 |
| Largest borrower | 799,776 | 799,459 |
| Percentage of total credit operation portfolio | 1.6% | 1.6% |
| 10 largest borrowers | 4,408,545 | 4,303,689 |
| Percentage of total credit operation portfolio | 8.9% | 8.7% |
| 20 largest borrowers | 6,959,243 | 6,732,952 |
| Percentage of total credit operation portfolio | 14.0% | 13.6% |
| 50 largest borrowers | 12,051,958 | 10,888,347 |
| Percentage of total credit operation portfolio | 24.3% | 22.0% |
| 100 largest borrowers | 16,051,816 | 14,084,632 |
| Percentage of total credit operation portfolio | 32.3% | 28.4% |

d) Total portfolio composition by activity sector

| | At March 31 - In thousands of reais | | | |
|---------------|-------------------------------------|-----|------|---|
| | 2003 | % | 2002 | % |
| Public Sector | 244,753 | 0.5 | | |