

BANK BRADESCO
Form 6-K
February 04, 2011

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

FORM 6-K

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

**For the month of February, 2011
Commission File Number 1-15250**

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

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

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

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

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

Yes No

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Bradesco

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Forward-Looking Statements

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

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

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

Few numbers of this Report were submitted to rounding adjustments.
Therefore, amounts indicated as total in certain charts may not correspond to the arithmetic
sum of figures preceding them.

Highlights

The main figures obtained by Bradesco in 2010 are presented below:

1. Book Net Income⁽¹⁾ in the year was R\$10.022 billion (an increase of 25.1% compared to the R\$8.012 billion in the same period of 2009), corresponding to earnings per share of R\$2.66, and Return on Average Shareholders' Equity⁽²⁾ of 22.7%.

2. Book Net Income was composed of R\$7.104 billion from financial activities, which represented 70.9% of the total, and R\$2.918 billion from insurance, private pension and savings bond operations, which accounted for 29.1% of the total.

3. On December 31, 2010, Bradesco's market capitalization stood at R\$109.759 billion⁽³⁾, while the value of preferred shares rose by 12.1%⁽⁴⁾ in 2010, against the 1.0% appreciation in the Ibovespa index.

4. Total Assets stood at R\$637.485 billion in December 2010, an increase of 25.9% from the balance in the same period in 2009. Return on Average Assets was 1.7%.

5. The Expanded Loan Portfolio⁽⁵⁾ stood at R\$293.555 billion in December 2010, up 23.0% from the same period in 2009. Operations with individuals totaled R\$98.122 billion (up 19.5%), while operations with companies totaled R\$195.433 billion (up 24.9%).

6. Total Assets under Management stood at R\$872.514 billion, an increase of 24.3% from December 2009.

7. Shareholders' Equity was R\$48.043 billion in December 2010, increasing by 15.1% from the balance in the same period a year earlier. The Capital Adequacy Ratio (Basel II) stood at 14.7% in December 2010, 13.1% of which under Tier I Capital.

8. In 2010, Interest on Shareholders' Equity and Dividends were paid and provisioned to shareholders, of which R\$3.369 billion were related to income generated in 2010, of which R\$1.095 billion as interim and monthly dividends paid and R\$2.274 billion provisioned.

9. The Financial Margin reached R\$33,056 million, up 11.1% on 2009.

10. The delinquency ratio over 90 days stood at 3.6%, down for the fifth consecutive quarter.

11. The Efficiency Ratio⁽⁶⁾ stood at 42.7% in December 2010 (40.5% in December 2009) and the "adjusted-to-risk" ratio stood at 52.4% in December 2010 (55.9% in December 2009).

12. Insurance Written Premium, Pension Plan Contributions and Savings Bonds Income totaled R\$31.078 billion⁽⁷⁾ in 2010, up by 18.0% over 2009. Technical provisions stood at R\$87.177 billion, equal to 30.6% of the Brazilian insurance market (base date: November/10).

13. Investments in infrastructure, information technology and telecommunication amounted to R\$3.920 billion in 2010, growth of 13.4% compared to the previous year.

14. Taxes and contributions, including social security, paid or provisioned, amounted to R\$15.782 billion, of which R\$6.793 billion corresponded to taxes withheld and collected from third parties and R\$8.989 billion corresponded to taxes levied on the activities of Bradesco Organization, equal to 89.7% of Book Net Income.

(1) According to what has been disclosed in chapter 6 of this Report on Economic and Financial Analysis; (2) Excludes mark-to-market effects of available-for-sale securities registered under Shareholders' Equity; (3) R\$122.831 billion considering the closing quote for preferred shares (most liquid share) on last day in the year; (4) Considering the reinvestment of dividends/interest on shareholders' equity; (5) Includes sureties and guarantees, advances of credit card receivables and credit assignments (receivables-backed investment funds and mortgage-backed receivables) and operations with Credit Risk Commercial Portfolio

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(expanded criteria), which includes debentures and promissory notes; (6) Accumulated over 12 months; (7) Not considering the effect of RN 206/09 (ANS), in the total amount of R\$406 million (Health); and (8) Banco24Horas ATMs + ATM terminals shared among Bradesco, Banco do Brasil and Banco Santander.

Highlights

15. Banco Bradesco has an extensive distribution network in Brazil, with 6,551 Service Points (3,628 Branches, 1,263 PABs and 1,660 PAAs). Customers can also use 1,557 PAEs, 26,104 Bradesco Expresso service points, 6,203 Banco Postal (Postal Bank) branches, 32,015 own ATMs in the Bradesco *Dia&Noite* network and 11,057 ATMs shared with other banks⁽⁸⁾.

16. The employees' payroll plus charges and benefits totaled R\$7.844 billion. Social benefits provided to the 95,248 employees of Bradesco Organization and their dependents amounted to R\$1.856 billion, while investments in training and development programs totaled R\$107.105 million.

17. As resolved at the December 17, 2010 Extraordinary Shareholders' Meeting, Bradesco is increasing its capital stock by R\$1.5 billion, from R\$28.5 billion to R\$30.0 billion.

18. In November 2010, Bradesco became the first national sponsor of the Rio 2016 Olympic Games, as the exclusive financial service and insurance provider.

19. Main Awards and Recognitions in the fourth quarter of 2010:

- Elected the Bank of the Year 2010 in the *Relatório Bancário* (Bank Report) Award, which recognized the Institution's contribution to develop society through its products and services, supported by an innovative and cutting-edge technological platform (*Relatório Bancário Magazine*);
- Best Bank in Personnel Management, placing second among companies with more than 10,000 employees, in 2010 (*Valor Carreira* magazine / *Valor Econômico* newspaper);
- Bradesco was considered the most valuable brand in the financial segment (*Superbrands*);
- For the third consecutive year, it received the *Prêmio Intangíveis Brasil 2010* (2010 Brazil Intangible Award), in the category "Information Technology and Internet" (*Consumidor Moderno* magazine);
- It was one of the 20 model companies in corporate social responsibility in Brazil according to *Guia Exame de Sustentabilidade 2010* (2010 Exame Sustainability Guide)/*Exame Magazine*;

- It is one of the 42 companies to comprise the "Carbon Efficient Index" (ICO2) of the BM&FBovespa;
- For the sixth straight year, Bradesco shares were included in the Corporate Sustainability Index (ISE), of the BM&FBovespa;
- In 2010, Bradesco Corretora topped the main rankings of the Brazilian market's most profitable stock portfolios (*Valor Econômico/InfoMoney/Exame*); and
- Bradesco Asset Management (BRAM) was the best institutional fund manager in a ranking prepared by *Investidor Institucional* magazine.

20. In relation to sustainability, Bradesco divides its actions into three pillars: (i) Sustainable Finances, with a focus on banking inclusion, social and environmental variables for loan approvals and the offering of social and environmental products; (ii) Responsible Management, focused on valuing professionals, improving the workplace and adopting eco-efficient practices; and (iii) Social and Environmental Investments, focused on education, the environment, culture and sports. The highlight in this area is Fundação Bradesco, which has been developing a broad social and educational program that operates 40 schools throughout Brazil, operating in several educational fields. In 2010, it served 646 thousand people, 115 thousand of which through its own schools, in Basic Education, from Kindergarten to High School and Technical Professional Education in High School Level; Education for Youth and Adults and Preliminary and Continued Education. In the Virtual School - Fundação Bradesco's e-learning portal - , at the CIDs Digital Inclusion Centers and through programs conducted under strategic partnerships, like *Educa+Ação*, 531 thousand students were served. Basic Education students receive uniforms, school supplies, meals and medical and dental assistance free of charge. In its 54 years of service, Fundação Bradesco has provided formal, free, quality education to over 2 million students, which, combined with the other on-site and distance courses offered, rises to more than 4 million.

Main Information

	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	Variation %	
									4Q10 x x 3Q10	4Q10 x x 4Q09
Statement of Income for the Period - R\$ million										
Book Net Income	2,987	2,527	2,405	2,103	2,181	1,811	2,297	1,723	18.2	37.0
Adjusted Net Income	2,684	2,518	2,455	2,147	1,839	1,795	1,996	1,956	6.6	45.9
Total Financial Margin	9,018	8,302	8,047	7,689	7,492	7,587	7,560	7,115	8.6	20.4
Gross Loan Financial Margin	6,143	5,833	5,757	5,630	5,373	5,150	4,979	4,576	5.3	14.3
Net Loan Financial Margin	3,848	3,774	3,596	3,442	2,678	2,242	1,861	1,814	2.0	43.7
Expenses with Allowance for Loan Losses	(2,295)	(2,059)	(2,161)	(2,188)	(2,695)	(2,908)	(3,118)	(2,762)	11.5	(14.8)
Fee and Commission Income	3,568	3,427	3,253	3,124	3,125	2,857	2,911	2,723	4.1	14.2
Administrative and Personnel Expenses	(5,790)	(5,301)	(4,976)	(4,767)	(4,827)	(4,485)	(4,141)	(4,007)	9.2	20.0
Premiums from Insurance, Private Pension Plans Contribution and Income from Savings Bonds	9,022	7,697	7,163	7,196	8,040	6,685	6,094	5,514	17.2	12.2
Balance Sheet - R\$ million										
Total Assets	637,485	611,903	558,100	532,626	506,223	485,686	482,478	482,141	4.2	25.9
Securities	213,518	196,081	156,755	157,309	146,619	147,724	146,110	130,816	8.9	45.6
Loan Operations ⁽¹⁾	274,227	255,618	244,788	235,238	228,078	215,536	212,768	212,993	7.3	20.2
- Individuals	98,122	92,905	89,648	86,012	82,085	75,528	74,288	73,694	5.6	19.5
- Corporate	176,105	162,713	155,141	149,226	145,993	140,008	138,480	139,299	8.2	20.6
Allowance for Loan Losses (PLL)	(16,290)	(16,019)	(15,782)	(15,836)	(16,313)	(14,953)	(13,871)	(11,424)	1.7	(0.1)
Total Deposits	193,201	186,194	178,453	170,722	171,073	167,987	167,512	169,104	3.8	12.9
Technical Provisions	87,177	82,363	79,308	77,685	75,572	71,400	68,828	66,673	5.8	15.4
Shareholders' Equity	48,043	46,114	44,295	43,087	41,754	38,877	37,277	35,306	4.2	15.1
Assets Under Management	872,514	838,455	767,962	739,894	702,065	674,788	647,574	640,876	4.1	24.3
Performance Indicators (%) on Adjusted Net Income (except when indicated otherwise)										
Adjusted Net Income per Share - R\$ ⁽²⁾	2.61	2.38	2.19	2.07	2.02	2.04	2.06	2.07	9.7	29.2
Book Value per Share (Common and Preferred) - R\$	12.77	12.26	11.77	11.45	11.10	10.49	10.04	9.51	4.2	15.0
Annualized Return on Average Shareholders' Equity ⁽³⁾ ₍₄₎	22.2	22.5	22.8	22.2	20.3	21.5	23.3	24.1	(0.3) p.p	1.9 p.p
Annualized Return on Average Assets ⁽⁴⁾	1.7	1.7	1.7	1.7	1.6	1.6	1.7	1.7	-	0.1 p.p
Average Rate - (Adjusted Financial Margin / Total Average										
Assets - Purchase and Sale Commitments - Permanent Assets) Annualized	8.3	7.9	8.2	8.1	8.1	8.3	8.2	7.8	0.4 p.p	0.2 p.p
Fixed Assets Ratio - Total Consolidated	18.1	16.7	20.9	19.8	18.6	15.4	15.1	14.1	1.4 p.p	(0.5) p.p

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Combined Ratio - Insurance ⁽⁵⁾	85.1	85.3	84.7	85.2	85.3	88.9	85.5	86.2	(0.2) p-p	(0.2) p-p
Efficiency Ratio (ER) ⁽²⁾	42.7	42.5	42.0	41.2	40.5	40.9	41.5	42.5	0.2 p-p	2.2 p-p
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) ⁽²⁾	64.2	65.1	64.9	66.0	66.5	66.4	67.3	67.2	(0.9) p-p	(2.3) p-p
Market Capitalization - R\$ million ⁽⁶⁾	109,759	114,510	87,887	100,885	103,192	98,751	81,301	65,154	(4.1)	6.4
Loan Portfolio Quality % ⁽⁷⁾										
PLL / Loan Portfolio	7.1	7.4	7.6	8.0	8.5	8.3	7.7	6.3	(0.3) p-p	(1.4) p-p
Non-Performing Loans (>60 days ⁽⁸⁾ / Credit Portfolio)	4.3	4.6	4.9	5.3	5.7	5.9	5.6	5.2	(0.3) p-p	(1.4) p-p
Delinquency Ratio (> 90 days ⁽⁸⁾ / Loan Portfolio)	3.6	3.8	4.0	4.4	4.9	5.0	4.6	4.2	(0.2) p-p	(1.3) p-p
Coverage Ratio (> 90 days ⁽⁸⁾)	197.6	191.8	188.5	180.8	174.6	166.5	169.1	152.4	5.8 p-p	23.0 p-p
Coverage Ratio (> 60 days ⁽⁸⁾)	163.3	162.0	155.8	151.3	148.6	139.4	137.9	122.3	1.3 p-p	14.7 p-p
Operating Limits %										
Capital Adequacy Ratio - Total Consolidated ⁽⁹⁾	14.7	15.7	15.9	16.8	17.8	17.7	17.0	16.0	(1.0) p-p	(3.1) p-p
- Tier I	13.1	13.5	13.9	14.3	14.8	14.3	14.3	13.2	(0.4) p-p	(1.7) p-p
- Tier II	1.7	2.3	2.1	2.6	3.1	3.5	2.8	2.9	(0.6) p-p	(1.4) p-p
- Deductions	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	-	-

Main Information

	Dec10	Sep10	Jun10	Mar10	Dec09	Sep09	Jun09	Mar09	Variation %	
									Dec10 x Sep10	Dec10 x Dec09
Structural Information - Units										
Service Points	54,884	52,015	49,154	46,570	44,577	42,563	41,003	39,275	5.5	23.1
- Branches	3,628	3,498	3,476	3,455	3,454	3,419	3,406	3,375	3.7	5.0
- Advanced Service Branch (PAAs) ⁽¹⁰⁾	1,660	1,643	1,592	1,451	1,371	1,338	1,260	1,183	1.0	21.1
- Mini-Branches (PABs) ⁽¹⁰⁾	1,263	1,233	1,215	1,200	1,190	1,194	1,192	1,184	2.4	6.1
- Electronic Service Branch (PAEs) ⁽¹⁰⁾	1,557	1,559	1,565	1,564	1,551	1,539	1,528	1,512	(0.1)	0.4
- Outplaced Bradesco ATM Network Terminals ⁽¹¹⁾	3,891	4,104	3,827	3,664	3,577	3,569	3,516	3,389	(5.2)	8.8
- Shared Net work ATM Terminals ⁽¹¹⁾ ⁽¹²⁾	9,765	8,113	7,358	6,912	6,486	5,980	5,558	5,068	20.4	50.6
- Banco Postal (Postal Bank)	6,203	6,194	6,177	6,110	6,067	6,038	6,011	5,959	0.1	2.2
- Bradesco Expresso (Correspondent Banks)	26,104	24,887	23,190	21,501	20,200	18,722	17,699	16,710	4.9	29.2
- Bradesco Promotora de Vendas	801	773	743	702	670	753	822	884	3.6	19.6
- Branches/Subsidiaries Abroad	12	11	11	11	11	11	11	11	9.1	9.1
ATM terminals	43,072	41,007	39,766	38,772	37,957	37,178	36,430	35,443	5.0	13.5
- Own Network	32,015	31,759	31,387	30,909	30,657	30,414	30,191	29,764	0.8	4.4
- ATM terminals shared with other banks ⁽¹²⁾	11,057	9,248	8,379	7,863	7,300	6,764	6,239	5,679	19.6	51.5
Credit and Debit Cards ⁽¹³⁾ - in million	145.2	140.7	137.8	135.6	132.9	88.4	86.3	85.2	3.2	9.3
Employees ⁽¹⁴⁾	95,248	92,003	89,204	88,080	87,674	85,027	85,871	86,650	3.5	8.6
Employees and Interns	9,999	9,796	8,913	9,605	9,589	9,606	9,439	9,292	2.1	4.3
Foundation Employees ⁽¹⁵⁾	3,693	3,756	3,734	3,713	3,654	3,696	3,645	3,674	(1.7)	1.1
Customers - in millions										
Checking Accounts	23.1	22.5	21.9	21.2	20.9	20.7	20.4	20.2	2.7	10.5
Savings Accounts ⁽¹⁶⁾	41.1	38.5	37.1	36.2	37.7	35.1	33.9	34.2	6.8	9.0
Insurance Group	36.2	34.6	33.9	33.8	30.8	30.3	29.1	28.6	4.6	17.5
- Policyholders	31.5	30.0	29.3	29.2	26.3	25.8	24.6	24.1	5.0	19.8
- Pension Plan Participants	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	-	-
- Savings Bond Customers	2.7	2.6	2.6	2.6	2.5	2.5	2.5	2.5	3.8	8.0
Bradesco Financiamentos	3.3	3.4	3.5	3.8	4.0	4.1	4.0	4.2	(2.9)	(17.5)

(1) Includes sureties and guarantees, advances of credit card receivables and credit assignments (receivables-backed investment funds and mortgage-backed receivables). If we also included the operations with Credit Risk Commercial Portfolio (expanded criteria), which includes debentures and promissory notes, the balance of the expanded loan portfolio would be R\$293,555 million in December 2010, R\$270,691 million in September 2010 and R\$238,606 million in December 2009;

(2) In the last 12 months;

(3) Excludes mark-to-market effect of available-for-sale securities recorded under Shareholders' Equity;

(4) Adjusted net income in the period;

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- (5) Excluding additional provisions;
- (6) Number of shares (less treasury shares) multiplied by the closing price of the common and preferred shares on the period's last trading day;
- (7) Excludes Sureties and Guarantees, advanced payment of credit card receivables and loan assignments (mortgage-backed receivables and receivables-backed investment funds);
- (8) Credits overdue;
- (9) Calculated in accordance with the new Basel Capital Accord(BIS II);
- (10) PAB: Branch located on the premises of a company and with Bradesco employees; PAE: ATM located on the premises of a company; PAA: service point located in a municipality without a Bank branch;
- (11) Including overlapping ATMs within the Bank's own and shared network: In December 2010 1,999, September 2010 1,670, June 2010 - 1,547, March 2010 1,490, December 2009 1,455, September 2009 1,452, June 2009 1,431 and March 2009 1,379;
- (12) Shared ATM network: Banco24Horas ATMs + ATM terminals shared among Bradesco, Banco do Brasil and Banco Santander, since November 2010;
- (13) Includes pre-paid, Private Label, *Pague Fácil* and Banco Ibi as of December 2009;
- (14) It started including Ibi Promotora employees as of December 2009;
- (15) Fundação Bradesco, Digestive System and Nutritional Disorder Foundation (Fimaden) and Bradesco Sports and Recreation Center (ADC Bradesco); and
- (16) Number of accounts.

Bradesco

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Ratings

Main Ratings

Fitch Ratings									
International Scale						Domestic Scale			
Individual	Support	Domestic Currency		Foreign Currency		Domestic			
B/C	3	Long-Term BBB +	Short-Term F2	Long-Term BBB	Short-Term F2	Long-Term AAA (bra)	Short-Term F1 + (bra)		

Moody's Investors Service								R&I Inc.	
Financial Strength	International Scale				Domestic Scale			International Scale	
B -	Foreign Currency Debt	Domestic Currency Deposit		Foreign Currency Deposit		Domestic Currency		Issuer Rating	
	Long-Term Baa2	Long-Term A1	Short-Term P - 1	Long-Term Baa3	Short-Term P-3	Long-Term Aaa.br	Short-Term BR - 1		BBB -

Standard & Poor's								Austin Rating	
International Scale - Counterparty Rating				Domestic Scale		Corporate Governance	Corporate Governance	Domestic Scale	
Foreign Currency		Domestic Currency		Counterparty Rating				Long-Term	Short-Term
Long-Term BBB	Short-Term A - 3	Long-Term BBB	Short-Term A - 3	Long-Term brAAA	Short-Term brA - 1	GAMMA -7 Score	AA	AAA	A -1

Book Net Income vs. Adjusted Net Income

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

	12M10	12M09	4Q10	3Q10
Book Net Income	10,022	8,012	2,987	2,527
Non-Recurring Events	(218)	(426)	(303)	(9)
- Partial Divestment ⁽¹⁾	(138)	(2,460)	(59)	(79)
- Additional PLL ⁽²⁾	-	1,480	-	-
- PLL - Change in Drag Calculation Parameters	(220)	-	(220)	-
- Records of Tax Credits	(336)	-	(94)	-
- Provision for Tax Contingencies	397	-	-	-

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- Provision for Civil Contingencies - Economic Plans	268	915	86	71
- Other ⁽³⁾	(77)	(358)	(73)	(4)
- Tax Effects	(112)	(3)	57	3
Adjusted Net Income	9,804	7,586	2,684	2,518
ROAE % (*)	22.7	21.4	28.2	24.5
ROAE(ADJUSTED) % (*)	22.2	20.3	25.1	24.4

(*) Annualized;

(1) Gross gain related to investments: in 4Q10 - BM&FBovespa; in 3Q10 - CPM Braxis; and in 2009 - Cielo and Cetip;

(2) Considering R\$1,303 million in 2Q09; and R\$177 million in 1Q09, both from credit cards; and

(3) In 4Q10: refers to the R\$86 million capital gain in Fidelity; and R\$27 million in expenses with impairment testing. In 2009: R\$60 million gain from Laboratório Fleury's IPO achieved by our affiliate Integritas Participações; R\$64 million in expenses with impairment testing, R\$26 million in allowance for investment losses. Net effect of payment of taxes, through an installment program and payment in one lump sum of tax debt - Law 11,941/09 (REFIS), in the amount of R\$388 million (2009); R\$4 million (3Q10) and R\$14 million (4Q10).

Report on Economic and Financial Analysis -
December 2010

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Summarized Analysis of Adjusted Income

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

Statement of Income, detailed at the end of this Press Release, which includes adjustments to non-recurring events shown in the previous page. Note that the Adjusted Statement of Income is the basis adopted for the analyses and comments made in chapters 1 and 2 of this report.

	R\$ million							
	Adjusted Statement of Income							Variation 4Q10 x 3Q10
	12M10	12M09	Variation 12M10 x 12M09		4Q10	3Q10	Amount	
			Amount	%				Amount
Financial Margin	33,056	29,754	3,302	11.1	9,018	8,302	716	8.6
- Interest	31,525	27,228	4,297	15.8	8,553	7,904	649	8.2
- Non-Interest	1,531	2,526	(995)	(39.4)	465	398	67	16.8
PLL	(8,703)	(11,483)	2,780	(24.2)	(2,295)	(2,059)	(236)	11.5
Gross Income from Financial Intermediation	24,353	18,271	6,082	33.3	6,723	6,243	480	7.7
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	2,772	1,983	789	39.8	700	703	(3)	(0.4)
Fee and Commission Income	13,372	11,616	1,756	15.1	3,568	3,427	141	4.1
Personnel Expenses	(9,302)	(7,967)	(1,335)	16.8	(2,533)	(2,411)	(122)	5.1
Other Administrative Expenses	(11,532)	(9,493)	(2,039)	21.5	(3,257)	(2,890)	(367)	12.7
Tax Expenses	(3,120)	(2,535)	(585)	23.1	(858)	(779)	(79)	10.1
Companies	127	140	(13)	(9.3)	60	19	41	215.8
Other Operating Income/Expenses	(2,382)	(1,949)	(433)	22.2	(646)	(598)	(48)	8.0
Operating Income	14,288	10,066	4,222	41.9	3,757	3,714	43	1.2
Non-Operating Income	(8)	110	(118)	-	10	(10)	20	-
Income Tax / Social Contribution	(4,353)	(2,566)	(1,787)	69.6	(1,059)	(1,123)	64	(5.7)
Minority Interest	(123)	(24)	(99)	412.5	(24)	(63)	39	(61.9)
Adjusted Net Income	9,804	7,586	2,218	29.2	2,684	2,518	166	6.6

(*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums - Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

Summarized Analysis of Adjusted Income

Adjusted Net Income and Profitability

In the fourth quarter of 2010, Bradesco's adjusted net income stood at R\$2,684 million, an increase of 6.6% or R\$166 million from the previous quarter, which was primarily impacted by: (i) the growth in financial margin, due to the increased volume of operations; (ii) higher fee and commission income; offset by: (iii) the increase in allowance for loan losses; and (iv) increased personnel and administrative expenses.

Accumulated over 2010, adjusted net income totaled R\$9,804 million, an increase of 29.2% from the R\$2,218 million in 2009.

The main reasons for this result are described below in the analysis of the main income statement items, with the consolidation of the income accounts of Banco Ibi as of November 2009.

Shareholders' Equity was R\$48,043 million in December 2010, increasing 15.1% from 2009. The Capital Adequacy Ratio stood at 14.7%, of which 13.1% was under Tier I Capital.

Total assets stood at R\$637,485 million in December 2010, up 25.9% over 2009, driven by the expansion of business volume. Return on average assets (ROAA) remained stable, hovering near 1.7%.

Summarized Analysis of Adjusted Income

Efficiency Ratio (ER)

The ER calculated on an adjusted-to-risk basis to reflect the impact of risk in loan operations⁽²⁾ dropped for the fourth consecutive quarter, reaching 52.4% in the fourth quarter of 2010, up 0.9 p.p. compared to the previous quarter and 3.5 p.p. in the year. This behavior is in line with the results of previous quarters, mainly due to decreased delinquency.

As for the ER accumulated over 12 months⁽¹⁾, increases seen in the last few quarters are mainly due to exceptional treasury gains and a decline in advertising and publicity expenses in 2009 which led to an increase in the periods indicators, in addition to higher expenses in 2010 resulting from the expansion of service points (from 44,577 in December 2009 to 54,884 in December 2010).

The quarterly ER increased from 43.0% in the third quarter of 2010 to 44.0% in the fourth quarter of 2010, mainly due to: (i) increased personnel expenses due to higher salary levels and growth in total staff resulting from investments in the expansion of Service Points and improvements in business segmentation; and (ii) higher administrative expenses, mainly due to the seasonal effect of this quarter and organic growth in the period.

(1) Efficiency Ratio (ER) = (Personnel Expenses Employee Profit Sharing (PLR) + Administrative Expenses) / (Financial Margin + Fee and Commission Income + Income from Insurance + Equity in the Earnings (Losses) of Unconsolidated Companies + Other Operating Income Other Operating Expenses). Considering the ratio between: (i) total administrative costs (Personnel Expenses + Administrative Expenses + Other Operating Expenses + Tax Expenses not related to revenue generation) and (ii) revenue net of related taxes (not considering Claims Expenses from the Insurance Group), our Efficiency Ratio in the fourth quarter of 2010 was 43.3%; and

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

Summarized Analysis of Adjusted Income

Financial Margin

The R\$716 million increase between the fourth quarter of 2010 and the third quarter of 2010 was due to:

- the increase in income from interest-earning operations of R\$649 million, mainly the result of: (i) an improved credit card margin, impacted by greater business volume; and (ii) higher results from insurance margin; and
- the R\$67 million increase in income from non-interest margin.

In 2010 financial margin stood at R\$33,056 million, a R\$3,302 million improvement over 2009, or 11.1%, mainly driven by:

- the growth in income from interest-earning operations of R\$4,297 million, mainly due to the higher income from loan operations, specially increased business volumes;

and offset by:

- lower result from the non-interest margin, in the amount of R\$995 million, due to lower gains with treasury/securities after the recovery of the domestic and foreign markets, which allowed for important gains in 2009.

Summarized Analysis of Adjusted Income

Total Loan Portfolio

In December 2010, Bradesco's loan operations (considering sureties, guarantees, advances of credit card receivables and assignment of receivables-backed investment funds and mortgage-backed receivables) totaled R\$274.2 billion. The expansion of 7.3% in the quarter was due to: (i) growth of 9.0% in the SME portfolio; (ii) 7.5% in the Large Corporate portfolio; and (iii) 5.6% in the Individuals portfolio.

Compared to the last 12 months, the portfolio expanded by 20.2%, the result of growth of: (i) 29.2% in the SME portfolio, (ii) 19.5% in the Individuals portfolio and (iii) 13.7% in the Large Corporate portfolio.

In the Individuals segment, the products registering the strongest growth in the last twelve months were: (i) payroll-deductible loans; (ii) BNDES/Finame onlending operations; and (iii) real estate financing. In the Corporate segment, growth was led by: (i) BNDES/Finame onlending operations; (ii) credit card; and (iii) real estate financing - corporate plan.

Including other loan risk operations from the commercial portfolio⁽¹⁾ (expanded criteria), that mainly impacted the operations of Large Corporations (debentures and promissory notes), totaling R\$19.3 billion in December 2010 (R\$10.5 billion in December 2009), operations with credit risk would amount to R\$293.6 billion in December 2010 (R\$238.6 billion in December 2009), up 8.4% in the quarter and 23.0% in the last twelve months.

(1) For more information, see page 38 of Chapter 2 of this Report.

Allowance for Loan Losses (PLL)

In the fourth quarter of 2010, expenses with the allowance for loan losses stood at R\$2,295 million, up 11.5%. This increase was mainly the result of the 8.4% increase in loan operations, reflecting

in higher generic provisions. Even so, note that our delinquency indicators have declined, reaching the lowest level in the last eight quarters.

In 2010, PLL expenses totaled R\$8,703 million, down by 24.2% against 2009, a result of a decline in delinquency, and an increase in loan recovery of 57.9% in the period, totaling R\$2,677 million. Loan operations grew by 23.0% in the same period, demonstrating growth accompanied by quality in Bradesco's loan portfolio.

Summarized Analysis of Adjusted Income

Delinquency Ratio > 90 days

The delinquency ratio for credits overdue more than 90 days decreased for the fifth consecutive quarter and reached 3.6% in December 2010.

The excellent performance of this indicator reflects the country's favorable economic scenario, as well as the quality of policy and processes of loan assignment.

Coverage Ratios

The graph below presents the evolution of the coverage ratio of the Allowance for Loan Losses for loans overdue more than 60 and 90 days. In December 2010 these ratios reached 163.3% and 197.6%, respectively, the highest ever in the historical series.

The balance of Allowance for Loan Losses of R\$16.3 billion, in December 2010, was made up of: (i) R\$13.3 billion in provisions required by the Brazilian Central Bank; and (ii) R\$3.0 billion in additional provisions.

It is important to point out that the greatest evolution occurred in the balance of the generic provision, which has a more preventive characteristic due to customers ratings and is not pegged to possible delays. Therefore, the provision tends to be in line with growth in the loan portfolio.

Summarized Analysis of Adjusted Income

Results of Insurance, Private Pension and Savings Bonds Operations

Adjusted Net Income in the fourth quarter of 2010 came to R\$779 million (R\$721 million in the third quarter of 2010), posting a 31.0% Return on Average Shareholders' Equity.

Adjusted Net Income for 2010 was R\$2.904 billion, up 16.3% from the same period in 2009, with an annual return on Shareholders' Equity of 26.0%.

	R\$ million (except when indicated otherwise)									
	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	Variation %	
									4Q10 x 3Q10	4Q10 x 4Q09
Adjusted Net Income	779	721	701	703	602	607	638	650	8.0	29.4
Insurance Written Premiums, Private Pension Plan Contributions and Savings Bonds Income (*)	9,022	7,697	7,163	7,196	8,040	6,685	6,094	5,514	17.2	12.2
Technical Provisions	87,177	82,363	79,308	77,685	75,572	71,400	68,828	66,673	5.8	15.4
Financial Assets	96,548	92,599	88,515	86,928	83,733	79,875	76,451	73,059	4.3	15.3
Claims Ratio	71.1	72.4	71.8	73.3	74.3	77.2	73.3	73.7	(1.3) p.p	(3.2) p.p
Combined Ratio	85.1	85.3	84.7	85.2	85.3	88.9	85.5	86.2	(0.2) p.p	(0.2) p.p
Policyholders / Participants and Customers (in thousands)	36,233	34,632	33,908	33,768	30,822	30,339	29,178	28,590	4.6	17.6
Market Share from Premiums from Insurance, Private Pension Plan Contribution and Income from Savings Bonds (**)	24.5	24.7	24.8	25.2	24.4	23.5	23.1	23.0	(0.2) p.p	0.1 p.p

Note: For comparison purposes, excluding the build in Technical Provisions for benefits to be granted Remission (Health) from the calculation of ratios for the first quarter of 2010, and excluding the effects of RN 206/09 and its effects on health revenues from the calculation of combined ratios.

(*) Excludes the effects of RN 206/09 (ANS) in the total amount of R\$406 million (Health), which as of January 2010 extinguished the PPNG (SES), with income from premiums accounted pro-rata temporis. Note that this accounting change did not affect Earned Premiums; and

(**) 4Q10 considers the latest data available by Susep (November 2010).

In the fourth quarter of 2010, the Group's total revenue (insurance premiums written, private pension contributions and income from savings bonds) increased by 17.2% compared to the

previous quarter and presented important improvements in the Life and Private Pension segment, fueled by the increased concentration of private pension contributions in the period.

Summarized Analysis of Adjusted Income

Accumulated up to December 2010, production grew by 18.0% from the same period in 2009. This increase was fueled by the high performance of Savings Bonds, Auto, Health and Life products, which increased by 24.8%, 20.0%, 22.6% and 17.7%, respectively.

The 8.0% increase in net income in the fourth quarter of 2010, compared to the previous quarter, was mainly as a result of: (i) a 17.2% increase in revenue; (ii) an improvement in claims of 1.3 p.p.; (iii) improvement in the administrative efficiency index of 0.5 p.p.; and (iv) greater financial result and equity income.

Comparing the adjusted net income for 2010 with the same period in 2009, the Insurance Group grew by 16.3%, mainly due to: (i) the 18.0% increase in revenues; (ii) greater financial result; and (iii) a drop in claims of 2.6 p.p.

The Insurance Group's technical provisions represented 30.6% of the insurance industry in November 2010, according to Susep and the National Supplementary Health Agency (ANS).

In terms of solvency, Grupo Bradesco de Seguros e Previdência complies with the Susep rules that took effect on January 1, 2008, and international standards (Solvency II). The financial leverage ratio stood at 2.6 times Shareholders' Equity.

Summarized Analysis of Adjusted Income

Fee and Commission Income

In the fourth quarter of 2010, fee and commission income totaled R\$3,568 million, up 4.1% from the previous quarter. Income growth in the quarter was the result of: (i) increased revenue from credit cards, due to the seasonal effect of the quarter, in addition to the larger card/customer base; (ii) the net increase in new checking accounts; (iii) increased revenue from loan operations; and partially offset by: (iv) the non-proportional consolidation of CPM Braxis as of this quarter, due to the partial divestment in September 2010.

In the comparison between the years, the 15.1% increase was mainly due to: (i) the excellent performance of the credit card segment, due to the larger card/customer base, including revenue from Banco Ibi and the effects of changes in interest held in Visavale and Cielo; (ii) the increase in income from checking accounts, which was driven by growth in business volume and a larger checking account client base, which had a net growth of some 2.2 million accounts in the period; (iii) the greater income from loan operations; (iv) the increase in fund management; (v) increased income from collections and payments; and (vi) higher revenue from consortium management.

Summarized Analysis of Adjusted Income

Administrative Expenses

In the fourth quarter of 2010, the R\$122 million increase from the previous quarter was composed of changes in the following portions:

- "structural" - R\$61 million growth, mainly due to: (i) increased expenses with salaries, compulsory social charges and benefits, reflecting the organic growth in the period, with an increase in the number of service points and the consequent hiring of a net total of 3,245 employees; and (ii) the adjustment to increase salary levels in accordance with the collective bargaining agreement; and
- "non-structural" - increase of R\$61 million, related to higher expenses with: (i) complement of profit sharing among administrators and employees (PLR); and (ii) provisions for labor claims.
- the R\$435 million increase in the "non-structural" portion, basically resulting from: (i) increased expenses with profit sharing among administrators and employees (PLR); and (ii) increased expenses with the provision for labor claims.

The R\$1,335 million growth in the year is mainly due to:

- R\$900 million in the "structural" portion from: (i) the increase in salary levels; (ii) the net increase of 7,574 staff members, and (iii) the merger of Banco Ibi, in November 2009; and

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

Non-Structural Expenses = Employee Profit Sharing (PLR) + Training + Labor Provision + Severance Expenses.

Summarized Analysis of Adjusted Income

Administrative Expenses

In the fourth quarter of 2010, the 12.7% increase in administrative expenses in relation to the third quarter of 2010 was mainly due to: (i) outsourced services, related to: (a) partial outsourcing of credit card processing (Fidelity); (b) upgrading and expansion of customer service structure (i.e. Call Center); and c) variable expenses related to revenue (i.e. Bradesco Expresso and Banco Postal); (ii) advertising and publicity; (iii) data processing; and (iv) communication. The seasonality of the quarter also had an important impact in administrative expenses, due to the higher business and service volume, in addition to the organic growth of service points by 2,869 new units: 130 branches, 45 PAB/PAE/PAA stations, 1,217 Bradesco Expresso branches and 1,477 other service points.

In the annual comparison, the 21.5% increase is essentially due to: (i) the impact of Banco Ibi merger, in November 2009 (if the merger were excluded, administrative expenses would have increased by 15.6%); (ii) greater expenses with advertising and marketing in 2010, given that these expenses presented a significant drop in 2009;

Other Income and Operating Expenses

Other operating expenses, net of other operating income, totaled R\$646 million in the fourth quarter of 2010, up 8.0% or R\$48 million over previous quarter.

In the annual comparison, the R\$433 million increase in other operating expenses net of other operating income basically reflects higher expenses with: (i) the recording of operating provisions, especially for civil contingencies; (ii) goodwill amortization; and (iii) the operating expenses resulting from Banco Ibi merger in November 2009.

(iii) growth in business and service volume; (iv) the increase in variable expenses tied to revenue (i.e. Bradesco Expresso and Banco Postal); (v) increased expenses with legal advisory services, related to the 60% growth in recoveries in 2010; and (vi) the expansion of the Customer Service Network by 10,307 new units: 174 branches, 368 PAB/PAE/PAA, 5,904 Bradesco Expresso branches and 3,861 other service points, amounting to 54,884 on December 31, 2010.

Summarized Analysis of Adjusted Income

Income Tax and Social Contribution

In the fourth quarter of 2010, expenses with income tax and social contribution remained practically steady in comparison with the previous quarter.

In the annual comparison, the increase of 69.6%, or R\$1,787 million, was due to greater taxable income in the year.

Tax credits from previous periods due to the increase of Social Contribution rates to 15% are recorded in the financial statements, up to the limit of corresponding consolidated tax requirements. The unused balance currently stands at R\$227 million. More details are available in note 34 of the Financial Statements.

Unrealized Gains

Unrealized gains totaled R\$10,556 million in the fourth quarter of 2010, a R\$612 million decrease from the previous quarter. This was mainly due to: (i) the decrease in unrealized gains of loan and leasing, resulting from an increase in interest rates; and (ii) the drop seen in the stock market (Ibovespa), which affected some of our equity investments, especially those in Cielo stock; (iii) the increase in unrealized losses in subordinated debts, due to the drop in foreign market's interest rates; and partially offset by: (iv) appreciation of the mark to market of securities, particularly fixed-income bonds pegged to the IPCA.

Economic Scenario

The recovery of the major developed economies continues to be marked by a number of risk factors, particularly a depressed labor market, the financial deleverage of households and high levels of government indebtedness. Nonetheless, the developing countries are continuing to record strong growth and are gaining recognition in global decision-making forums. China in particular continues to exercise its role as the driver of global growth, even though inflationary pressure and excesses in the real estate market have forced local authorities to adopt measures to contain excessive growth, indicating a moderate slowdown in 2011. China continues to stand out because of its demand for commodities, in addition to becoming Brazil's main trading partner in 2010. Commodity prices, especially in the agricultural area, were up at the close of the year due to heated Chinese demand, as well as adverse weather situations.

On the domestic front, if expected GDP growth of 7.8% is confirmed, 2010 will record the highest growth for the last 25 years. The expected deceleration to 4.3% in 2011 should not be seen in a negative light, as it is important that Brazil's economy better reflects its growth potential. Despite the country's undoubted export strength, its main performance driver has been - and continues to be - domestic demand. The sustainable recovery of investments resulted from improved business confidence, the opportunities related to the sporting events in 2014 and 2016 and the exploration of the pre-salt layer. Household consumption continues to grow at a robust pace, supported by the buoyant job market, income gains and the generation of formal jobs.

The country's strong economic expansion was characterized by differences in performance between the different quarters, highlighting several bottlenecks. The increasing gap between supply and demand led the Brazilian Central Bank to normalize

monetary policy, the easing of which during the global crisis brought the Selic to its lowest ever level. Despite the expected slowdown in 2011, latent inflation pressure will remain a cause for concern, not only because of the recent commodity price hikes, but also because of the healthy job market and its impact on prices in the service sector. Thus, we should expect another cycle of monetary tightening, though to a lesser degree than we have seen in the recent past, due to greater expected coordination with fiscal policy.

Credit, employment and income will continue to grow robustly in 2011, albeit at a more moderate pace than in the previous year. With no signs of excessive commitment of income on the part of borrowers and with continuing social mobility, the outlook for the Brazilian banking system remains favorable. The recently adopted cautionary measures to avoid the excessive expansion of credit should be effective in achieving their proposed objectives, although they will not prevent bank loan balances from recording double-digit growth, probably around 15% for the year.

On the political front, the recent presidential elections went off without any major problems that could have affected economic agents investment and consumption decisions, proving that the economic achievements of the last few years will be preserved, along with relevant gains on the social front, despite government cycles. Bradesco continues to believe that the prospects for the Brazilian economy in the coming years are favorable, and growth may even take root more rapidly than expected through increased investments in education and infrastructure.

Main Economic Indicators

Main Indicators (%)	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	12M10	12M09
Interbank Deposit Certificate (CDI)	2.56	2.61	2.22	2.02	2.12	2.18	2.37	2.89	9.75	9.88
Ibovespa	(0.18)	13.94	(13.41)	2.60	11.49	19.53	25.75	8.99	1.04	82.66
USD Commercial Rate	(1.65)	(5.96)	1.15	2.29	(2.08)	(8.89)	(15.70)	(0.93)	(4.31)	(25.49)
General Price Index - Market (IGP-M)	3.18	2.09	2.84	2.77	(0.11)	(0.37)	(0.32)	(0.92)	11.32	(1.72)
CPI(IPCA IBGE)	2.23	0.50	1.00	2.06	1.06	0.63	1.32	1.23	5.91	4.31
Federal Government Long-Term Interest Rate (TJLP)	1.48	1.48	1.48	1.48	1.48	1.48	1.54	1.54	6.04	6.17
Reference Interest Rate (TR)	0.22	0.28	0.11	0.08	0.05	0.12	0.16	0.37	0.69	0.71
Savings Accounts	1.73	1.79	1.62	1.59	1.56	1.63	1.67	1.89	6.90	6.92
Business Days (number)	63	65	62	61	63	65	61	61	251	250
Indicators (Closing Rate)	Dec10	Sep10	Jun10	Mar10	Dec09	Sep09	Jun09	Mar09	12M10	12M09
USD Commercial Selling Rate (R\$)	1.6662	1.6942	1.8015	1.7810	1.7412	1.7781	1.9516	2.3152	1.6662	1.7412
Euro (R\$)	2.2280	2.3104	2.2043	2.4076	2.5073	2.6011	2.7399	3.0783	2.2280	2.5073
Country Risk (points)	189	206	248	185	192	234	284	425	189	192
Basic Selic Rate Copom(% p.a.)	10.75	10.75	10.25	8.75	8.75	8.75	9.25	11.25	10.75	8.75
BM&F Fixed Rate (% p.a.)	12.03	11.28	11.86	10.85	10.46	9.65	9.23	9.79	12.03	10.46

Projections through 2013

%	2011	2012	2013
USD - Commercial Rate (year-end) - R\$	1.70	1.74	1.78
Extended Consumer Price Index (IPCA)	5.20	4.50	4.50
General Price Index - Market (IGP-M)	6.50	4.50	4.50
Selic (year-end)	12.25	11.25	10.25
Gross Domestic Product (GDP)	4.30	4.40	4.80

Guidance

Bradesco's Outlook for 2011

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

Loan Portfolio	15 to 19%
Individuals	13 to 17%
Corporate	16 a 20%
SMEs	20 a 24%
Large Corporate	11 to 15%
Products	
Vehicles	10 a 14%
Cartões ⁽¹⁾	9 a 13%
Real Estate Financing (origination)	R\$10.0 billion
Payroll Deductible Loans	30 to 34%
Margem Financeira ⁽²⁾	18 to 22%
Fee and Commission Income	6 to 10%
Despesas Operacionais ⁽³⁾	11 to 15%
Insurance Premiums	10 to 13%

(1) Does not include the BNDES Cards and Advances of Receivables portfolios;

(2) Under current criterion, Guidance for Financial Margin; and

(3) Administrative and Personnel Expenses.

Statement of Income Book vs. Managerial vs. Adjusted

Analytical Breakdown of Statement of Book vs. Managerial vs. Adjusted Income

Fourth quarter of 2010

	Book Statement of Income	4Q10							Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Events (9)	Book Statement of Income	R\$ million
		(1)	(2)	Reclassifications		(5)	(6)	(7)					
				(3)	(4)								
Financial Margin	9,904	(114)	32	(110)	(492)	-	-	-	(202)	9,018	-	9,018	
PLL	(2,299)	-	-	-	309	(85)	-	-	-	(2,075)	(220)	(2,295)	
Gross Income from Financial Intermediation	7,605	(114)	32	(110)	(183)	(85)	-	-	(202)	6,943	(220)	6,723	
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	700	-	-	-	-	-	-	-	-	700	-	700	
Fee and Commission Income	3,471	-	-	-	-	-	97	-	-	3,568	-	3,568	
Personnel Expenses	(2,533)	-	-	-	-	-	-	-	-	(2,533)	-	(2,533)	
Other Administrative Expenses	(3,159)	-	-	-	-	-	-	(98)	-	(3,257)	-	(3,257)	
Tax Expenses Equity in the Earnings (Losses) of													
Unconsolidated	(880)	-	-	-	-	-	-	-	22	(858)	-	(858)	
Companies	60	-	-	-	-	-	-	-	-	60	-	60	
Other Operating Income/Expenses	(1,120)	114	(32)	110	183	-	(97)	98	-	(744)	98	(646)	
Operating Income	4,144	-	-	-	-	(85)	-	-	(180)	3,879	(122)	3,757	
Non-Operating Income	70	-	-	-	-	85	-	-	-	155	(145)	10	
Income Tax / Social Contribution and Minority Interest	(1,227)	-	-	-	-	-	-	-	180	(1,047)	(36)	(1,083)	
Net Income	2,987	-	-	-	-	-	-	-	-	2,987	(303)	2,684	

- (1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin";
- (2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (3) Interest Income/Expenses from the financial segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (4) Revenue from Loan Recovery classified under the item "Financial Margin"; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "PLL Expenses - Allowance for Loan Losses";
- (5) Losses from the Sale of Foreclosed Assets BNDU classified under the item "Non-Operating Income" were reclassified to the item "PLL Expenses - Allowance for Loan Losses";
- (6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";

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- (7) Credit Card Operation Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses";
- (8) The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and
- (9) For more information see page 08 of this chapter.
- (*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums - Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

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Statement of Income Book vs. Managerial vs. Adjusted

Third quarter of 2010

	3Q10												R\$ million
	Book Statement of Income	(1)	(2)	(3)	(4)	(5)	(6)	(7)	Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Events (9)	Book Statement of Income	
Financial Margin	9,457	(229)	35	12	(479)	-	-	-	(582)	8,214	88	8,302	
PLL	(2,260)	-	-	-	293	(92)	-	-	-	(2,059)	-	(2,059)	
Gross Income from Financial Intermediation	7,197	(229)	35	12	(186)	(92)	-	-	(582)	6,155	88	6,243	
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	703	-	-	-	-	-	-	-	-	703	-	703	
Fee and Commission Income	3,358	-	-	-	-	-	69	-	-	3,427	-	3,427	
Personnel Expenses	(2,411)	-	-	-	-	-	-	-	-	(2,411)	-	(2,411)	
Other Administrative Expenses	(2,808)	-	-	-	-	-	-	(82)	-	(2,890)	-	(2,890)	
Tax Expenses	(859)	-	-	-	-	-	-	-	63	(796)	17	(779)	
Equity in the Earnings (Losses) of Unconsolidated Companies	19	-	-	-	-	-	-	-	-	19	-	19	
Other Operating Income/Expenses	(999)	229	(35)	(12)	186	-	(69)	82	-	(618)	20	(598)	
Operating Income	4,200	-	-	-	-	(92)	-	-	(519)	3,589	125	3,714	
Non-Operating Income	(23)	-	-	-	-	92	-	-	-	69	(79)	(10)	
Income Tax / Social Contribution and Minority Interest	(1,650)	-	-	-	-	-	-	-	519	(1,131)	(55)	(1,186)	
Net Income	2,527	-	-	-	-	-	-	-	-	2,527	(9)	2,518	

- (1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin";
- (2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (3) Interest Income/Expenses from the financial segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (4) Revenue from Loan Recovery classified under the item "Financial Margin"; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "PLL Expenses - Allowance for Loan Losses";
- (5) Losses from the Sale of Foreclosed Assets BNDU classified under the item "Non-Operating Income" were reclassified to the item "PLL Expenses - Allowance for Loan Losses";
- (6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";
- (7) Credit Card Operations Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses";
- (8) The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and
- (9) For more information see page 08 of this chapter.

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(*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums - Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

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Statement of Income Book vs. Managerial vs. Adjusted

Fiscal Year 2010

	12M10											R\$ million	
	Book Statement of Income	(1)	(2)	Reclassifications				(6)	(7)	Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Events (9)	Book Statement of Income
Financial Margin	35,890	(419)	143	(307)	(1,658)	-	-	-	(681)	32,968	88	33,056	
PLL	(9,037)	-	-	-	940	(386)	-	-	-	(8,483)	(220)	(8,703)	
Gross Income from Financial Intermediation	26,853	(419)	143	(307)	(718)	(386)	-	-	(681)	24,485	(132)	24,353	
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	2,772	-	-	-	-	-	-	-	-	2,772	-	2,772	
Fee and Commission Income	13,102	-	-	-	-	-	270	-	-	13,372	-	13,372	
Personnel Expenses	(9,302)	-	-	-	-	-	-	-	-	(9,302)	-	(9,302)	
Other Administrative Expenses	(11,193)	-	-	-	-	-	-	(339)	-	(11,532)	-	(11,532)	
Tax Expenses	(3,211)	-	-	-	-	-	-	-	74	(3,137)	17	(3,120)	
Equity in the Earnings (Losses) of Unconsolidated Companies	127	-	-	-	-	-	-	-	-	127	-	127	
Other Operating Income/Expenses	(4,378)	419	(143)	307	718	-	(270)	339	-	(3,008)	626	(2,382)	
Operating Income	14,770	-	-	-	-	(386)	-	-	(607)	13,777	511	14,288	
Non-Operating Income	(170)	-	-	-	-	386	-	-	-	216	(224)	(8)	
Income Tax / Social Contribution and Minority Interest	(4,578)	-	-	-	-	-	-	-	607	(3,971)	(505)	(4,476)	
Net Income	10,022	-	-	-	-	-	-	-	-	10,022	(218)	9,804	

- (1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin";
- (2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (3) Interest Income/Expenses from the financial segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (4) Revenue from Loan Recovery classified under the item Financial Margin ; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "PLL Expenses - Allowance for Loan Losses";
- (5) Losses from the Sale of Foreclosed Assets BNDU classified under the item "Non-Operating Income" were reclassified to the item "PLL Expenses - Allowance for Loan Losses";
- (6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";
- (7) Credit Card Operations Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses";
- (8) The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and

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- (9) For more information see page 08 of this chapter.
- (*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums - Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

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Statement of Income Book vs. Managerial vs. Adjusted

Fiscal Year 2009

	R\$ million											
	Book Statement of Income	12M09 Reclassifications							Fiscal Hedge (8)	Managerial Statement of Income	Non-Recurring Events (9)	Adjusted Statement of Income
	(1)	(2)	(3)	(4)	(5)	(6)	(7)					
Financial Margin	33,310	(478)	194	(434)	(1,148)	-	-	-	(1,714)	29,730	24	29,754
PLL	(12,937)	-	-	-	423	(449)	-	-	-	(12,963)	1,480	(11,483)
Gross Income from Financial Intermediation	20,373	(478)	194	(434)	(725)	(449)	-	-	(1,714)	16,767	1,504	18,271
,Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	1,983	-	-	-	-	-	-	-	-	1,983	-	1,983
Fee and Commission Income	11,612	-	-	-	(123)	-	127	-	-	11,616	-	11,616
Personnel Expenses	(7,967)	-	-	-	-	-	-	-	-	(7,967)	-	(7,967)
Other Administrative Expenses	(9,283)	-	-	-	123	-	-	(333)	-	(9,493)	-	(9,493)
Tax Expenses	(2,732)	-	-	-	-	-	-	-	197	(2,535)	-	(2,535)
Equity in the Earnings (Losses) of Unconsolidated Companies	200	-	-	-	-	-	-	-	-	200	(60)	140
Other Operating Income/Expenses	(4,188)	478	(194)	434	725	-	(127)	333	-	(2,539)	590	(1,949)
Operating Income	9,998	-	-	-	-	(449)	-	-	(1,517)	8,032	2,034	10,066
Non-Operating Income	2,121	-	-	-	-	449	-	-	-	2,570	(2,460)	110
Income Tax / Social Contribution and Minority Interest	(4,107)	-	-	-	-	-	-	-	1,517	(2,590)	-	(2,590)
Net Income	8,012	-	-	-	-	-	-	-	-	8,012	(426)	7,586

- (1) Commission Expenses on the placement of loans and financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin";
- (2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (3) Interest Income/Expenses from the financial segment were reclassified from the item "Other Operating Revenues/Expenses" to the item "Financial Margin";
- (4) Revenue from Loan Recovery classified under the item "Financial Margin"; Expenses with Discounts Granted classified under the item "Other Operating Revenues/Expenses" and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin", were reclassified to item "PLL (Allowance for Loan Losses) Expenses"; and Outsourced services expenses classified under item "Other Administrative Expenses" were reclassified to item "Fee and Commission Income";
- (5) Losses with the sale of foreclosed assets, classified in item "Non-Operating Result", were reclassified to item "PLL (Allowance for Loan Losses) Expenses";
- (6) Income from Commissions and Credit Card Fees, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Fee and Commission Income";
- (7) Credit Card Operations Interchange Expenses classified under the item "Other Operating Revenues/Expenses" were reclassified to the item "Other Administrative Expenses";

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- (8) The partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (IR/CS and PIS/Cofins) of this hedge strategy in terms of Net Income; and
- (9) For more information see page 08 of this chapter.
- (*) Result of Insurance, Private Pension and Savings Bond Operations = Insurance, Private Pension and Savings Bond Retained Premiums - Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds Retained Claims Drawings and Redemption of Savings Bonds Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

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Consolidated Balance Sheet and Adjusted Statement of Income

Balance Sheet

	Dec10	Sep10	Jun10	Mar10	Dec09	Sep09	Jun09	Mar09	R\$ million
Assets									
Current and Long-Term Assets	625,783	601,180	547,868	522,709	496,028	477,458	474,301	474,124	
Funds Available	15,738	9,669	6,877	8,705	6,947	8,571	9,001	7,533	
Interbank Investments	73,232	92,567	96,478	97,165	110,797	97,487	89,636	93,342	
Securities and Derivative Financial Instruments	213,518	196,081	156,755	157,309	146,619	147,724	146,110	130,816	
Interbank and Interdepartmental Accounts	66,326	50,781	50,427	36,674	18,723	17,718	16,620	15,691	
Loan and Leasing Operations	213,532	200,092	191,248	181,490	172,974	163,699	160,174	160,975	
Allow ance for Loan Losses (PLL)	(16,290)	(16,019)	(15,782)	(15,836)	(16,313)	(14,953)	(13,871)	(11,424)	
Other Receivables and Assets	59,727	68,009	61,864	57,202	56,281	57,212	66,631	77,191	
Permanent Assets	11,702	10,723	10,232	9,917	10,195	8,228	8,177	8,017	
Investments	1,577	1,616	1,553	1,537	1,549	1,392	1,359	1,400	
Premises and Leased Assets	3,766	3,401	3,427	3,244	3,418	3,272	3,300	3,286	
Intangible Assets	6,359	5,706	5,252	5,136	5,228	3,564	3,518	3,331	
Total	637,485	611,903	558,100	532,626	506,223	485,686	482,478	482,141	
Liabilities									
Current and Long-Term Liabilities	588,610	564,794	512,790	488,431	463,350	446,152	444,574	446,225	
Deposits	193,201	186,194	178,453	170,722	171,073	167,987	167,512	169,104	
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	171,497	157,009	131,134	128,172	113,273	102,604	99,710	91,659	
Funds from Issuance of Securities	17,674	13,749	12,729	8,550	7,482	7,111	7,694	9,280	
Interbank and Interdepartmental Accounts	3,790	2,451	2,777	2,063	2,950	2,257	1,904	2,287	
Borrow ing and Onlending	38,196	37,998	35,033	30,208	27,328	27,025	29,081	30,420	
Derivative Financial Instruments	730	1,878	1,097	2,469	531	1,669	2,599	2,294	
Provisions for Insurance, Private Pension Plans and Savings Bonds	87,177	82,363	79,308	77,685	75,572	71,400	68,828	66,673	
Other Liabilities	76,345	83,152	72,259	68,562	65,141	66,098	67,245	74,508	
Deferred Income	360	312	337	292	321	297	272	273	
Minority Interest in Subsidiaries	472	683	678	816	798	360	355	337	
Shareholders' Equity	48,043	46,114	44,295	43,087	41,754	38,877	37,277	35,306	
Total	637,485	611,903	558,100	532,626	506,223	485,686	482,478	482,141	

Consolidated Balance Sheet and Adjusted Statement of Income

Adjusted Statement of Income

	4Q10	3Q10	2Q10	1Q10	4Q9	3Q9	2Q9	1Q9	R\$ million
Financial Margin	9,018	8,302	8,047	7,689	7,492	7,587	7,560	7,115	
Interest	8,553	7,904	7,663	7,406	7,144	6,891	6,771	6,422	
Non-Interest	465	398	384	283	348	696	789	693	
PLL	(2,295)	(2,059)	(2,161)	(2,188)	(2,695)	(2,908)	(3,118)	(2,762)	
Gross Income from Financial Intermediation	6,723	6,243	5,886	5,501	4,797	4,679	4,442	4,353	
Income from Insurance, Private Pension Plan and Savings Bond Operations (*)	700	703	786	583	484	433	529	537	
Fee and Commission Income	3,568	3,427	3,253	3,124	3,125	2,857	2,911	2,723	
Personnel Expenses	(2,533)	(2,411)	(2,238)	(2,120)	(2,081)	(2,126)	(1,908)	(1,852)	
Other Administrative Expenses	(3,257)	(2,890)	(2,738)	(2,647)	(2,746)	(2,359)	(2,233)	(2,155)	
Tax Expenses	(858)	(779)	(734)	(749)	(694)	(639)	(615)	(587)	
Equity in the Earnings (Losses) of Unconsolidated Companies	60	19	19	29	82	39	13	6	
Other Operating Revenues and Expenses	(646)	(598)	(588)	(550)	(539)	(539)	(459)	(412)	
- Other Operating Revenues	410	318	294	265	279	209	311	198	
- Other Operating Expenses	(1,056)	(916)	(882)	(815)	(818)	(748)	(770)	(610)	
Operating Income	3,757	3,714	3,646	3,171	2,428	2,345	2,680	2,613	
Non-Operating Income	10	(10)	(12)	4	(62)	63	37	72	
Income Tax and Social Contribution	(1,059)	(1,123)	(1,161)	(1,010)	(519)	(607)	(717)	(723)	
Minority Interest	(24)	(63)	(18)	(18)	(8)	(6)	(4)	(6)	
Adjusted Net Income	2,684	2,518	2,455	2,147	1,839	1,795	1,996	1,956	

(*) Results from Insurance, Private Pension and Savings Bonds Operations = Retained Insurance, Private Pension Plan and Savings Bonds Premiums - Variation in Technical Provisions of Insurance, Private Pension Plans and Savings Bonds - Retained Claims Drawings and Redemption of Savings Bonds - Selling Expenses with Insurance, Private Pension Plans and Savings Bonds.

Financial Margin Interest and Non-Interest

Financial Margin Breakdown

Financial Margin Interest and Non-Interest**Average Financial Margin Rate**

	R\$ million					
	Financial Margin				Variation	
	12M10	12M09	4Q10	3Q10	YTD	Quarter
Interest - due to volume					4,162	479
Interest - due to spread					135	170
- Financial Margin - Interest	31,525	27,228	8,553	7,904	4,297	649
- Financial Margin - Non-Interest	1,531	2,526	465	398	(995)	67
Financial Margin	33,056	29,754	9,018	8,302	3,302	716
Average Margin Rate (*)	7.9%	7.9%	8.3%	7.9%		

(*) Average Margin Rate = (Financial Margin / Average Assets - Purchase and Sale Commitments - Permanent Assets) Annualized

Financial margin in the fourth quarter of 2010 was R\$9,018 million. Compared with the previous quarter there was a R\$716 million increase, or 8.6%. This variation is mainly from the interest financial margin, which was positively impacted by: (i) the increase in the average volume of operations; contributing with R\$479 million; and (ii) the decrease in the average spread of R\$170 million.

Interest financial margin grew by 11.1% or R\$3,302 million in 2010, compared to the same period in the previous year. This growth is due to the R\$4,297 million increase in interest margin, of which: (i) R\$4,162 million corresponds to the increase in volume of operations, partially from the acquisition of Banco Ibi; and (ii) R\$135 million from the improvement of the operations mix, impacted by the expressive growth in operations with individuals and SMEs. This impact was partially offset by the decrease in non-interest financial margin, in the amount of R\$995 million, from fewer treasury/securities gains in comparison with the important gains observed in 2009.

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

	R\$ million					
	Interest Financial Margin Breakdown				Variation	
	12 M10	12 M09	4 Q10	3 Q10	YTD	Quarter
Loans	23,362	20,078	6,143	5,833	3,284	310
Funding	3,029	2,596	916	846	433	70
Insurance	2,827	2,453	907	579	374	328
Securities/Other	2,307	2,101	587	646	206	(59)
Financial Margin	31,525	27,228	8,553	7,904	4,297	649

The performance of the interest financial margin was fueled by an increase in loan operations, with a strategy to support business focused on individuals and, within the corporate segment, SMEs.

The interest financial margin reached R\$8,553 million in the fourth quarter of 2010 versus the R\$7,904 million posted in the third quarter of 2010, a positive impact of R\$649 million. The business lines that advanced the most in the quarter were (i) Insurance, which is explained in further detail in "Insurance Financial Margin - Interest" and (ii) Loan, which is explained in further detail in "Loan Financial Margin" - Interest.

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Year on year, the interest financial margin grew by 15.8% or R\$4,297 million in the period. The business line that contributed the most to this growth was the Loans line, highlighting the merger of Banco Ibi, which contributed R\$1,243 million.

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

The annualized "interest" financial margin rate in relation to total average assets was 7.8% in the fourth quarter of 2010, up 0.2 p.p. This growth is related to an increase in the "Insurance" margin, which posted greater gains due to higher average spread.

Interest Financial Margin Annualized Average Rates

	12M10		12M09		R\$ million	
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	23,362	209,292	11.16%	20,078	180,754	11.11%
Funding	3,029	239,064	1.27%	2,596	210,669	1.23%
Insurance	2,827	80,444	3.51%	2,453	69,618	3.52%
Securities/Other	2,307	194,624	1.19%	2,101	174,706	1.20%
Financial Margin	31,525	-	-	27,228	-	-

	4Q10		3Q10			
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	6,143	227,368	11.25%	5,833	212,343	11.45%
Funding	916	255,634	1.44%	846	247,948	1.37%
Insurance	907	85,096	4.33%	579	81,324	2.88%
Securities/Other	587	202,244	1.17%	646	200,358	1.30%
Financial Margin	8,553	-	-	7,904	-	-

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Loan Financial Margin - Interest**Loan Financial Margin Breakdown**

	Financial Margin - Loan				R\$ million	
	12M10	12M09	4Q10	3Q10	Variation	
					YTD	Quarter
Interest - due to volume					3,186	406
Interest - due to spread					98	(96)
Interest Financial Margin	23,362	20,078	6,143	5,833	3,284	310
Revenues	39,663	35,499	10,554	10,267	4,164	287
Expenses	(16,301)	(15,421)	(4,411)	(4,434)	(880)	23

In the fourth quarter of 2010, the financial margin with loan operations reached R\$6,143 million, up 5.3% or R\$310 million, over the previous quarter. The variation was mainly the result of: (i) growth in average business volume of R\$406 million; and offset by (ii) a R\$96 million decrease in the average spread.

There was 16.4% growth, or R\$3,284 million, in financial margin in 2010, highlighting the merger of Banco Ibi and its impact of R\$1,243 million. This variation was positively influenced by: (i) R\$3,186 million from growth in the average business volume; and (ii) the increase in the average spread, which contributed R\$98 million, due to the decrease in funding costs, reflecting lower interest rates (Selic) in the period and the increase in operations with individuals and SMEs, which have higher spreads.

Bradesco's strategic positioning allows it to take advantage of the best opportunities from the upturn in the Brazilian economy, highlighting operations aimed at family consumption and production financing.

Loan Financial Margin - Interest

Loan Financial Margin Net Margin

The graph above presents a summary of loan activity. The Gross Margin line refers to interest income from loans, net of opportunity cost (essentially the accrued Interbank Deposit Certificate - CDI over rate in the period), which has gone up due to the increased volume of operations.

The PLL curve shows delinquency costs, which are represented by Allowance for Loan Losses (PLL) expenses, discounts granted in negotiations and net of loan recoveries and the result of the sale of foreclosed assets, among other items.

The net margin curve presents the result of loan interest income, net of PLL, which in the fourth quarter of 2010 recorded growth on the previous quarter of 2.0%, resulting from increased volume of operations. Considering the last 12 months, net margin increased by 70.6% or R\$6,065 million, mainly as a result of decreased PLL expenses, down 24.2% and higher volume of operations.

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Loan Financial Margin - Interest

Total Loan Portfolio

Loan operations (including sureties, guarantees, advances of credit card receivables and assignments of receivables-backed investment funds and mortgage-backed receivables) ended 2010 at R\$274.2 billion, an increase of 20.2% in the last twelve months and 7.3% in the quarter.

Note that the expanded loan portfolio⁽¹⁾, which includes the other credit risk operations trading portfolio (debentures and promissory notes), amounted to R\$293.6 billion in December 2010 (R\$270.7 billion in September 2010 and R\$238.6 billion in December 2009), recording a 8.4% growth in the quarter and 23.0% in the last twelve months.

(1) For more information, see page 38 of this chapter.

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

A breakdown of loan products for Individuals is presented below:

Individuals	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
Vehicles - CDC	24,867	22,668	18,711	9.7	32.9
Credit Card	17,184	15,168	14,564	13.3	18.0
Payroll-Deductible Loan ⁽¹⁾	15,008	13,950	9,450	7.6	58.8
Personal Loan	11,493	11,095	8,903	3.6	29.1
Leasing	7,954	9,058	12,323	(12.2)	(35.5)
Rural Loan	5,798	5,380	4,866	7.8	19.2
BNDES/Finame Onlending	4,394	4,157	2,879	5.7	52.6
Real Estate Financing ⁽²⁾	4,370	3,926	3,031	11.3	44.2
Overdraft Facilities	2,481	2,723	2,267	(8.9)	9.5
Sureties and Guarantees	535	545	412	(1.8)	29.9
Other ⁽³⁾	4,037	4,236	4,680	(4.7)	(13.7)
Total	98,122	92,905	82,085	5.6	19.5

Including:

(1) Credit assignment (FIDC): R\$408 million in December 2010, R\$385 million in September 2010 and R\$351 million in December 2009;

(2) Credit assignment (CRI): R\$287 million in December 2010, R\$312 million in September 2010 and R\$378 million in December 2009; and

(3) Credit assignment (FIDC) for the acquisition of assets: R\$8 million in December 2010, R\$10 million in September 2010 and R\$24 million in December 2009.

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The individuals segment, which recorded growth of 19.5% in the last twelve months, was led by: (i) payroll-deductible loans; (ii) BNDES/Finame onlending portfolios; and (iii) real estate financing. In the fourth quarter of 2010, these operations grew by 5.6% when compared to the previous quarter, and the products that most contributed to growth were: (i) credit card; (ii) real estate financing; (iii) rural loan; and (iv) payroll-deductible loans.

Loan Financial Margin - Interest

A breakdown of loan products for the Corporate segment is presented below:

Corporate	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
Working Capital	34,729	31,371	27,676	10.7	25.5
BNDES/Finame Onlending	25,160	23,461	15,361	7.2	63.8
Operations Abroad	17,927	14,748	13,128	21.6	36.6
Credit Card	11,073	9,798	7,314	13.0	51.4
Overdraft Account	8,387	8,607	8,369	(2.6)	0.2
Leasing	8,411	8,585	8,896	(2.0)	(5.5)
Export Financing	7,133	8,748	8,750	(18.5)	(18.5)
Real Estate Financing - Corporate Plans ⁽¹⁾	6,484	6,130	4,745	5.8	36.7
Rural Loan	4,241	4,487	4,122	(5.5)	2.9
Vehicles - CDC	3,936	3,587	2,949	9.7	33.5
Sureties and Guarantees ⁽²⁾	40,231	34,748	34,256	15.8	17.4
Other	8,393	8,441	10,427	(0.6)	(19.5)
Total	176,105	162,713	145,993	8.2	20.6

(1) Mortgage-backed receivables (CRI): Includes R\$312 million in December 2010, R\$371 million in September 2010 and R\$393 million in December 2009; and

(2) 90.9% of surety and guarantees from corporate customers were contracted by large corporations.

The corporate segment grew by 20.6% in the last twelve months and 8.2% in the quarter. The main highlights in the last twelve months were: (i) BNDES/Finame onlending; (ii) credit card; and (iii) real estate financing corporate plans. In the quarter, the highlights were: (i) operations abroad; (ii) credit card; and (iii) working capital.

Loan Portfolio Consumer Financing

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

Consumer financing totaled R\$77.6 billion in 2010, a 6.1% increase in the quarter and 18.8% in the last twelve months. Growth was led by: (i) vehicle financing (CDC/Leasing) and (ii) payroll-deductible loans, which together totaled R\$47.8 billion, accounting for 61.6% of the total consumer financing balance and, given their guarantees and characteristics, provide the portfolio with an adequate level of credit risk.

Loan Financial Margin - Interest**Breakdown of Vehicle Portfolio**

	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
CDC Portfolio	28,803	26,255	21,660	9.7	33.0
Individuals	24,867	22,668	18,711	9.7	32.9
Corporate	3,936	3,587	2,949	9.7	33.5
Leasing Portfolio	13,151	14,524	18,522	(9.5)	(29.0)
Individuals	7,954	9,058	12,323	(12.2)	(35.5)
Corporate	5,197	5,466	6,199	(4.9)	(16.2)
Finame Portfolio	8,125	7,341	3,984	10.7	103.9
Individuals	887	699	117	26.9	658.1
Corporate	7,238	6,642	3,867	9.0	87.2
Total	50,079	48,120	44,166	4.1	13.4
Individuals	33,708	32,425	31,151	4.0	8.2
Corporate	16,371	15,695	13,015	4.3	25.8

Vehicle financing operations (individuals and corporate) totaled R\$50.1 billion in December 2010, for an increase of 4.1% on the quarter and 13.4% on the same period last year. Of the total vehicle portfolio, 57.5% corresponds to CDC, 26.3% to leasing and 16.2% to Finame. Individuals represented 67.3% of the portfolio, while Corporate Customers accounted for the remaining 32.7%.

Loan Portfolio By Type

The table below presents all operations with credit risk (including sureties and guarantees, advances on credit card receivables, loan assignments and other operations with some type of credit risk), which increased by 8.7% in the quarter and 23.5% in the last twelve months.

	R\$ million		
	Dec10	Sep10	Dec09
Loans and Discounted Securities	110,316	100,928	86,808
Financing	73,046	67,862	52,730
Rural and Agribusiness Financing	13,804	13,659	11,968
Leasing Operations	16,366	17,644	21,468
Advances on Exchange Contracts	4,189	5,579	5,603
Other Loans	12,893	11,603	12,412
Total Loan Operations ⁽¹⁾	230,614	217,274	190,989
Sureties and Guarantees Granted (Memorandum Accounts)	40,766	35,293	34,668
Other ⁽²⁾	1,833	1,973	1,277
Total Exposures - Loan Operations	273,213	254,541	226,934

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Loan Assignments (FIDC / CRI)	1,014	1,078	1,144
Total Operations including Loan Assignment	274,227	255,618	228,078
Operations with Credit Risk - Trading Portfolio ⁽³⁾	19,328	15,073	10,528
Total Operations with Credit Risk - Expanded Portfolio	293,555	270,691	238,606
Other Operations with Credit Risk ⁽⁴⁾	12,267	10,643	9,118
Total Operations with Credit Risk	305,822	281,334	247,724

(1) Concept determined by the Brazilian Central Bank;

(2) Refers to advances of credit card receivables;

(3) Includes operations with debentures and promissory notes; and

(4) Includes operations involving interbank deposit certificates, international treasury, euronotes, swaps, forward currency contracts and investments in receivables-backed investment funds and mortgage-backed receivables (CRI).

Loan Financial Margin - Interest**Credit Portfolio Concentration* by Sector**

The loan portfolio by sector of economic activity presented slight changes in the segments it comprises, specifically an increase in participation of commerce and services in the last twelve months.

Activity Sector	R\$ million					
	Dec10	%	Sep10	%	Dec09	%
Public Sector	973	0.4	960	0.4	1,621	0.8
Private Sector	229,641	99.6	216,314	99.6	189,368	99.2
Corporate	132,757	57.6	124,660	57.4	108,447	56.8
Industry	45,268	19.6	44,446	20.4	39,285	20.6
Commerce	34,519	15.0	31,104	14.3	26,436	13.8
Financial Intermediaries	566	0.2	603	0.3	821	0.4
Services	49,496	21.5	45,536	21.0	39,250	20.6
Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration	2,908	1.3	2,970	1.4	2,654	1.4
Individuals	96,884	42.0	91,654	42.2	80,922	42.4
Total	230,614	100.0	217,274	100.0	190,989	100.0

(*) Concept defined by the Brazilian Central Bank.

Changes in the Loan Portfolio*

Out of the R\$39.6 billion in growth in the credit portfolio over the last twelve months, new borrowers were responsible for R\$25.0 billion, or 63.0% of the growth. New borrowers represent 10.8% of the current portfolio.

Loan Financial Margin - Interest

Changes in the Loan Portfolio* - By Rating

In the chart below, we show that both new borrowers and remaining debtors from December 2009 presented a good level of credit quality (AA-C rating), demonstrating the adequacy and consistency of the credit policy, processes and credit ranking instruments used by Bradesco.

Changes in the Loan Portfolio by Rating from December 2009 to December 2010						
Rating	Total Credit in December 2010		New Customers from January 2010 to December 2010		Remaining Customers in December 2009	
	R\$ million	%	R\$ million	%	R\$ million	%
AA - C	213,229	92.4	23,877	95.6	189,353	92.1
D	4,285	1.9	346	1.4	3,939	1.9
E - H	13,100	5.7	741	3.0	12,358	6.0
Total	230,614	100.0	24,964	100.0	205,650	100.0

(*) Concept defined by the Brazilian Central Bank.

Loan Portfolio* By Customer Profile

The table below presents the changes in the breakdown of the loan portfolio by customer profile, i.e., growth in the balance of the SME and Individual portfolios in both the last twelve months and the quarter.

Type of Customer	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
Large Corporate	55,235	54,005	49,695	2.3	11.1
SMEs	78,495	71,615	60,372	9.6	30.0
Individuals	96,884	91,654	80,922	5.7	19.7
Total Loan Operations	230,614	217,274	190,989	6.1	20.7

(*) Concept defined by the Brazilian Central Bank.

It is worth noting that growth in the Large Corporate portfolio has been impacted by (i) the appreciation of the Brazilian Real against the US Dollar, as well as by (ii) funds raised on the capital markets, whose balance of operations with credit risk trading portfolio, which include debentures and promissory notes, grew by over R\$8.8 billion in the last twelve months, representing an increase of 83.6%, resulting in lower growth of traditional loan operations for this type of customer.

Loan Portfolio* By Customer Portfolio and Rating (%)

The increase in the share of loans rated between "AA - C", both in the quarter and in the year, reflects improved economic performance during the period and the quality growth of Bradesco's loan portfolio

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Type of Customer	By Rating								
	Dec10			Sep10			Dec09		
	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Large Corporate	97.3	1.6	1.1	97.1	1.7	1.2	97.0	1.1	1.9
SMEs	92.3	2.2	5.5	91.8	2.3	5.9	90.2	2.6	7.1
Individuals	89.8	1.8	8.4	89.3	1.7	9.0	87.4	2.0	10.6
Total	92.4	1.9	5.7	92.1	1.9	6.0	90.8	2.0	7.2

(*) Concept defined by the Brazilian Central Bank.

Loan Financial Margin - Interest

Loan Portfolio* - By Business Segment

The table below shows growth by business segment in Bradesco's loan portfolio, especially the growth in the assets of the Prime, Retail and Corporate segments both in the quarter and in the year.

Business Segments	R\$ million				Variation %			
	Dec10	%	Sep10	%	Dec09	%	Quarter	12M
Retail	78,699	34.1	71,915	33.1	60,190	31.5	9.4	30.8
Corporate ⁽¹⁾	66,464	28.8	64,591	29.7	56,249	29.5	2.9	18.2
Middle Market	31,049	13.5	28,534	13.1	23,889	12.5	8.8	30.0
Prime	8,896	3.9	7,832	3.6	6,098	3.2	13.6	45.9
Other / Non-account holders ⁽²⁾	45,506	19.7	44,402	20.5	44,562	23.3	2.5	2.1
Total	230,614	100.0	217,274	100.0	190,989	100.0	6.1	20.7

(*) Concept defined by the Brazilian Central Bank.

(1) Considers credits acquired with recourse. In the table on page 40, Loan Portfolio by Customer Profile, these amounts are allocated to Individuals; and

(2) Mainly non-account holders from vehicle financing, cards and payroll-deductible loans.

Loan Portfolio - By Currency

The balance of dollar-indexed and/or denominated loans and onlending operations (excluding ACCs) totaled US\$11.7 billion, representing strong growth of 38.3% in terms of U.S. dollars in the last twelve months and 21.3% in the quarter (in terms of Brazilian reais, an increase of 32.3% in the last twelve months and of 19.3% in the quarter). In terms of Brazilian reais, these same foreign currency operations totaled R\$19.6 billion (R\$16.4 billion in September 2010 and R\$14.8 billion in December 2009).

In December 2010, total loan operations in reais stood at R\$211.0 billion (R\$200.9 billion in September 2010 and R\$176.2 billion in December 2009), a 19.8% increase in the last twelve months and 5.1% in the quarter.

Loan Financial Margin - Interest

Loan Portfolio - By Debtor

The credit exposure levels of the fifty and one hundred largest debtors were less concentrated in comparison with both the previous year and the previous quarter. The quality of the portfolio of the one hundred largest debtors, when evaluated using AA and A ratings, improved in the last twelve months and remained stable during the quarter.

Loan Financial Margin - Interest

Loan Portfolio - By Flow of Maturities

In December 2010, performing loan operations presented a longer debt maturity profile as a result of the focus on BNDES/Finame onlending and real-estate lending. It is worth noting that

onlending and real estate loan operations present reduced risk, given their guarantees and characteristics.

Loan Financial Margin - Interest

Loan Portfolio Delinquency over 90 days

The delinquency ratio for operations over 90 days declined for the fifth consecutive quarter, benefitted by the ongoing improvement of the domestic economic scenario, as well as by the enhanced credit cycle, particularly the process of loan recovery.

The graph below details the decrease in delinquency for operations overdue from 61 to 90 days in comparison with the previous year and a marginal growth over the previous quarter.

Loan Financial Margin - Interest

Analysis of delinquency by customer type in the quarter shows that operations overdue from 61 to 90 days remained stable for individuals and increased slightly for Corporate customers.

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Loan Financial Margin - Interest

Allowance for Loan Losses (PLL) vs. Delinquency vs. Losses

The volume of Allowance for Loan Losses (PLL) amounted to R\$16.3 billion, representing 7.1% of the total portfolio and is composed of generic provisions (classification by customer and/or operation), specific provisions (non-performing operations) and excess provisions (internal criteria).

It is important to highlight the adequacy of adopted provisioning criteria, which can be proven by (i) analyzing the historical data on recorded allowances for loan losses and (ii) the effective losses in the subsequent twelve month period. For instance, in December 2009, for an existing provision of 8.5% of the portfolio, the loss in the subsequent twelve months was 4.7%, which means the existing provision covered the loss by an 80% margin, as shown in the graph below.

Loan Financial Margin - Interest

Analysis in terms of loss net of recovery shows a significant increase in the coverage margin. In December 2009, for an existing provision of 8.5% of the portfolio, the net loss in the subsequent twelve months was 3.3%, meaning that the existing provision covered the loss by a 156% margin.

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Loan Financial Margin - Interest

Allowance for Loan Losses

Bradesco holds allowances nearly R\$3.0 billion in excess of requirements. The current provisioning levels reflect the cautious approach to supporting potential changes in scenarios, such as higher delinquency levels and/or changes in the loan portfolio profile.

Non Performing Loans (delinquency over 60 days) presented the same tendency to decrease as delinquency of more than 90 days. Moreover, additional comfort stemmed from higher Operating Coverage Ratios in December 2010 of 163.3%, for Non-Performing Loans and of 197.6% for delinquency over 90 days.

Loan Financial Margin - Interest**Loan Portfolio Portfolio Indicators**

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

	R\$ million (except %)		
	Dec10	Sep10	Dec09
Total Loan Operations	230,614	217,274	190,989
- Individuals	96,884	91,654	80,922
- Corporate	133,730	125,620	110,067
Existing Provision	16,290	16,019	16,313
- Specific	7,898	7,895	8,886
- Generic	5,390	5,122	4,424
- Excess	3,002	3,002	3,003
Specific Provision / Existing Provision (%)	48.5	49.3	54.5
Existing Provision / Loan Operations (%)	7.1	7.4	8.5
AA - C Rated Loan Operations / Loan Operations (%)	92.4	92.1	90.8
D Rated Operations under Risk Management / Loan Operations (%)	1.9	1.9	2.0
E - H Rated Loan Operations / Loan Operations (%)	5.7	6.0	7.2
D Rated Loan Operations	4,285	4,125	3,777
Existing Provision for D Rated Loan Operations	1,121	1,066	996
D Rated Provision / Loan Operations (%)	26.2	25.9	26.4
D - H Rated Non-Performing Loans	11,172	11,099	12,299
Existing Provision/D - H Rated Non-Performing Loans (%)	145.8	144.3	132.6
E - H Rated Loan Operations	13,100	13,062	13,845
Existing Provision for E - H Rated Loan Operations	11,579	11,510	12,226
E - H Rated Provision / Loan Operations (%)	88.4	88.1	88.3
E - H Rated Non-Performing Loans	9,403	9,439	10,501
Existing Provision/E - H Rated Non-Performing Loan (%)	173.2	169.7	155.3
Non-Performing Loans (*)	9,973	9,886	10,978
Non-Performing Loans (*) / Loan Operations (%)	4.3	4.6	5.7
Existing Provision / Non-Performing Loans (*) (%)	163.3	162.0	148.6
Loan Operations Overdue for over 90 days	8,243	8,351	9,344
Existing Provision / Operations Overdue for Over 90 days (%)	197.6	191.8	174.6

(*) Loan operations overdue for over 60 days and do not generate revenue appropriation under the accrual accounting method.

The table above shows a general improvement of the loan portfolio indicators, especially the increased share of loans rated between "AA - C", which accounted for 92.4% of the loan portfolio as of December 2010; reduced delinquency levels, mainly Non Performing Loans, which

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corresponded to 4.3% of the portfolio; as well as the good coverage for operations overdue for more than 90 days by the existing provision, corresponding to 197.6%. The performance of these indicators is a result of Brazil's improved economic conditions, as well as to the quality of loan policies and assignment.

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

	Financial Margin - Funding					R\$ million	
	12M10	12M09	4Q10	3Q10	Variation		
					YTD	Quarter	
Interest - due to volume					360	28	
Interest - due to spread					73	42	
Interest Financial Margin	3,029	2,596	916	846	433	70	

Comparing the fourth quarter of 2010 with the previous one, there was an increase of 8.3% or R\$70 million in the interest funding financial margin. This growth was due to: (i) average spread gains of R\$42 million, and (ii) increased operation volume, which contributed to a R\$28 million increase.

In 2010, the "interest" funding financial margin was R\$3,029 million, compared to R\$2,596 million in 2009, an increase of 16.7% or R\$433 million. The increase was the result of: (i) a R\$360 million growth in average business volume from efforts to establish funding strategies, which led to an increase in the average volume of demand and savings deposits; and (ii) gains in average spread at R\$73 million from reduced costs, due to improved funding mix.

Funding Financial Margin - Interest

Loans vs. Funding

To analyze Loan Operations in relation to Funding, it is first necessary to deduct, from total customer funding, (i) the amount committed to compulsory deposits at the Central bank and (ii) the amount of available funds held at units in the customer service network, and to add (iii) the funds from domestic and offshore lines that provide funding to meet loan and financing needs.

Bradesco presents low reliance on interbank deposits and foreign credit lines, given its capacity to effectively obtain funding from customers. This

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

Despite reduced liquidity from the increase in compulsory deposit rates (in December), the use of funds still shows a comfortable margin, proving that Bradesco was capable of supplying the need for resources required by loan operations, mainly by raising funds with customers.

Funding x Investments	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
Demand Deposits + Investment Account	37,332	34,906	35,663	7.0	4.7
Sundry Floating	1,870	3,350	1,522	(44.2)	22.8
Savings Deposits	53,436	50,113	44,162	6.6	21.0
Time Deposits + Debentures ⁽¹⁾	148,941	144,674	128,198	2.9	16.2
Other	23,230	12,390	10,089	87.5	130.3
Customer Funds	264,809	245,433	219,634	7.9	20.6
(-) Compulsory Deposits / Funds Available ⁽²⁾	(74,329)	(51,690)	(38,203)	43.8	94.6
Customer Funds Net of Compulsory Deposits	190,480	193,743	181,431	(1.7)	5.0
Onlending	29,819	27,983	18,812	6.6	58.5
Foreign Credit Lines	10,126	15,101	9,271	(32.9)	9.2
Funding Abroad	21,785	24,922	13,081	(12.6)	66.5
Total Funding (A)	252,210	261,749	222,595	(3.6)	13.3
Loan Portfolio/Leasing/Cards (Other Loans)/Acquired CDI (B) ⁽³⁾	233,181	219,493	191,970	6.2	21.5
B/A (%)	92.5	83.9	86.2	8.5 p.p.	6.2 p.p.

(1) Debentures mainly used to back purchase and sale commitments;

(2) Excludes government bonds tied to savings accounts; and

(3) Comprises amounts relative to card operations (cash and installment purchased from merchants) and amounts related to interbank deposit certificates (CDI) to debate from the compulsory amount.

Funding Financial Margin - Interest

Main Funding Sources

The following table presents changes in main funding sources:

	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
Demand Deposits + Investment Account	37,332	34,906	35,663	7.0	4.7
Savings Deposits	53,436	50,113	44,162	6.6	21.0
Time Deposits	102,158	100,730	90,496	1.4	12.9
Debentures (*)	46,040	43,182	36,962	6.6	24.6
Borrowing and Onlending	38,197	37,998	27,328	0.5	39.8
Funds from Issuance of Securities	17,674	13,749	7,482	28.5	136.2
Subordinated Debts	26,315	25,697	23,104	2.4	13.9
Total	321,152	306,375	265,197	4.8	21.1

(*) Considers only debentures used to back purchase and sale commitments.

Demand Deposits and Investment Account

The 7.0% or R\$2,426 million increase in the fourth quarter of 2010 over the previous quarter and the 4.7% or R\$1,669 million growth year-on-year are basically due to the seasonality of the fourth quarter, which contributed to increase liquidity (Christmas bonus), and an increase in the checking accounts base (2.7% in the quarter and 10.5% in the last 12 months).

Savings Deposits

Savings deposits were up by 6.6% in the quarter and 21.0% in the year, mainly as a result of an increase in the amount of funds raised that exceeded redemptions in the period. The remuneration of balances (TR + 0.5% p.m.) reached 1.7% in the quarter and 6.9% in 2010.

Bradesco is always increasing its savings accounts base and has seen growth of 9.0% in savings accounts over the last twelve months.

At the end of 2010, the balance of Bradesco's Savings Accounts represented 18.0% of the Brazilian Savings and Loan System (SBPE).

Funding Financial Margin - Interest

Time Deposits

In the fourth quarter of 2010, time deposits grew by 1.4% (or R\$1,428 million) over the previous quarter, mainly as a result of: (i) an increase in funding volume from institutional investors and the branch network; and (ii) the appreciation of the deposit portfolio due to improved remuneration rates.

In the year, the 12.9% gain was mainly due to increased funding volume from institutional investors and the branch network.

Debentures

On December 31, 2010, the balance of Bradesco's debentures was R\$46,040 million, up by 6.6% quarter on quarter and 24.6% in the year.

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

Borrowings and Onlending

The balance of borrowing and onlending operations remained practically stable in the fourth quarter of 2010, mainly due to: (i) the R\$1,799 million increase in the volume of funds from borrowings and onlending in the country, especially through Finame and BNDES operations; and offset by (ii) the settlement of operations and the negative variation of the foreign exchange rate of 1.7%, which impacted borrowings and onlendings denominated and/or indexed in foreign currency, the balance of which was R\$9,596 million in September 2010 and R\$7,996 million in December 2010.

The increase of 39.8%, or R\$10,869 million in 2010 was mainly due to the R\$10,878 million increase in the volume of funds from borrowings and onlending in the country, basically through BNDES and Finame operations.

Funding Financial Margin - Interest

Funds from Security Issuances

The 28.5%, or R\$3,925 million increase in the quarter is mainly due to the following: (i) the R\$3,773 million increase in the volume of Financial Letters; (ii) the growth of Mortgage Bonds, in the amount of R\$276 million; (iii) the higher volume of operations with Letters of Credit for Real Estate, amounting to R\$270 million, and partially offset by: (iv) the negative variation in the foreign exchange rate of 1.7%, which impacted securities issued abroad.

The increase of 136.2%, or R\$10,192 million year on year, was mainly due to: (i) new issues of Financial Bills in the market beginning in the second quarter of 2010, amounting to R\$7,820 million in December 2010; (ii) the increased number of securities issued abroad, amounting to R\$1,100 million; (iii) the higher volume of Letters of Credit for Real Estate, in the amount of R\$777 million; and (iv) the higher volume of operations with Mortgage Bonds, amounting to R\$379 million.

Subordinated Debt

Subordinated Debt totaled R\$26,315 million in December 2010 (R\$5,079 million abroad and R\$21,236 million in Brazil).

In 2010, Bradesco issued R\$2,026 million in Subordinated Debts (R\$193 million in Brazil and R\$1,833 million abroad). This amount is eligible for Tier II of the Capital Adequacy Ratio (Basel II) with maturity between 2016 and 2021. The issue of subordinated notes in August 2010 stands out with a total of US\$1.1 billion.

Note that only R\$8,051 million of total subordinated debt is used for calculating the Capital Adequacy Ratio (Basel II), given the maturity of each subordinated debt operation.

Furthermore, it is worth noting that in January 2011, Bradesco issued US\$500 million in subordinated notes, to be submitted to the Brazilian Central Bank to be included Tier II capital of the Capital Adequacy Ratio.

Securities/Other Financial Margin - Interest**Securities/Other Financial Margin - Breakdown**

	Financial Margin - Securities / Other					R\$ million	
	12M10	12M09	4Q10	3Q10	Variation		
					YTD	Quarter	
Interest - due to volume					236	5	
Interest - due to spread					(30)	(64)	
Interest Financial Margin	2,307	2,101	587	646	206	(59)	
Revenues	19,002	14,003	5,913	4,776	4,999	1,137	
Expenses	(16,695)	(11,902)	(5,326)	(4,130)	(4,793)	(1,196)	

In relation to the previous quarter, the "interest" financial margin with Securities/Other decreased by R\$59 million in the fourth quarter of 2010, mainly due to: (i) a R\$64 million drop in average spread and offset (ii) by the growth in operating volume, which contributed R\$5 million .

"Interest" financial margin with Securities/Other in 2010 was R\$2,307 million against the R\$2,101 million in the previous year, an increase of 9.8% or R\$206 million. This was the result of: (i) an increase in average operation volume, which impacted result in R\$236 million and offset by: (ii) a reduced average spread in R\$30 million.

Insurance Financial Margin - Interest**Interest Financial Margin - Breakdown**

	Financial Margin - Insurances					R\$ million	
	12M10	12M09	4Q10	3Q10	Variation		
					YTD	Quarter	
Interest - due to volume					380	40	
Interest - due to spread					(6)	288	
Interest Financial Margin	2,827	2,453	907	579	374	328	
Revenues	9,047	7,587	2,689	2,467	1,460	222	
Expenses	(6,220)	(5,134)	(1,782)	(1,888)	(1,086)	106	

The "interest" financial margin of insurance operations increased by R\$328 million, or 56.6% in the fourth quarter of 2010 compared to the previous quarter, impacted by: (i) a R\$288 million increase in average spread, due to the increase in profitability of assets indexed to the IPCA, from 0.5% in the third quarter of 2010 to 2.2% in the fourth quarter of 2010; and (ii) the R\$40 million increase in the volume of operations.

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Compared with 2009, the interest financial margin from insurance operations grew by 15.2% or R\$374 million in the period. This performance was due to: (i) an increase in average business volume of R\$380 million; partially offset by: (ii) a R\$6 million decrease in average spread.

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

	R\$ million					
	Non-Interest Financial Margin				Variation	
	12M10	12M09	4Q10	3Q10	YTD	Quarter
Loans	-	(72)	-	-	72	-
Funding	(262)	(243)	(68)	(67)	(19)	(1)
Insurance	557	548	136	278	9	(142)
Securities/Other	1,236	2,293	397	187	(1,057)	210
Total	1,531	2,526	465	398	(995)	67

In the fourth quarter of 2010, "non-interest" financial margin result came to R\$465 million versus the R\$398 million posted in the third quarter of 2010. Compared to previous year, the margin stood at R\$1,531 million and variations in the "non-interest" financial margin are mainly a result of the following:

"Loans," represented by commissions for placing financing and loans. Expenses were reduced by the change in accounting policy in the second quarter of 2008. Financing commissions were incorporated into the balances of financing/leasing operations;

"Funding," represented by expenses with the Credit Guarantee Fund (Fundo Garantidor de Crédito FGC) due to increased funding volume;

"Insurance," the R\$142 million decrease in the fourth quarter of 2010, compared to the previous quarter, basically refers to lower gains from the sale of equity investments and fixed-income funds; and

"Securities/Other," increased by R\$210 million from the third quarter to the fourth quarter of 2010, resulting from higher treasury/securities gains. The R\$1,057 million decrease in 2010 when compared to the same period in 2009 is associated with the recovery of domestic and foreign markets, which allowed for important gains in 2009.

Insurance, Private Pensions and Savings Bonds

Analysis of the balance sheets and income statements of Grupo Bradesco de Seguros, Previdência e Capitalização:

Consolidated Balance Sheet

	R\$ million		
	Dec10	Sep10	Dec09
Assets			
Current and Long-Term Assets	102,707	98,536	89,991
Securities	96,548	92,599	83,733
Insurance Premiums Receivable	1,375	1,427	1,638
Other Loans	4,784	4,510	4,620
Permanent Assets	2,302	2,183	2,117
Total	105,009	100,719	92,108
Liabilities			
Current and Long-Term Liabilities	92,600	88,817	80,384
Tax, Civil and Labor Contingencies	1,737	1,705	1,518
Payables on Insurance, Private Pension Plan and Savings Bond Operations	281	314	302
Other Liabilities	3,405	4,435	2,992
Insurance Technical Provisions	7,170	7,105	6,856
Technical Provisions for Life and Private Pension Plans	76,283	71,775	65,692
Technical Provisions for Savings Bonds	3,724	3,483	3,024
Minority Interest	496	509	597
Shareholders' Equity	11,913	11,393	11,127
Total	105,009	100,719	92,108

Consolidated Statement of Income - Adjusted

	R\$ million			
	12M10	12M09	4Q10	3Q10
Insurance Written Premiums, Private Pension Plan Contributions and Savings Bonds Income (*)	31,078	26,333	9,022	7,697
Premiums Earned from Insurance, Private Pension Plan Contribution and Savings Bonds	16,138	13,324	4,293	4,160
Interest Income of the Operation	3,277	2,835	994	838
Sundry Operating Revenues	896	814	174	236
Retained Claims	(9,577)	(8,329)	(2,514)	(2,472)

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Savings Bonds Draw ing and Redemptions	(2,186)	(1,747)	(643)	(573)
Selling Expenses	(1,604)	(1,265)	(438)	(411)
General and Administrative Expenses	(1,849)	(1,371)	(526)	(482)
Other (Operating Income/Expenses)	(149)	(229)	(72)	(42)
Tax Expenses	(369)	(292)	(103)	(90)
Operating Income	4,577	3,740	1,165	1,164
Equity Result	245	240	96	43
Non-Operating Income	(38)	(5)	(12)	(10)
Income Before Taxes and Interest	4,784	3,975	1,249	1,197
Income Tax and Contributions	(1,740)	(1,430)	(436)	(443)
Profit Sharing	(70)	(22)	(14)	(14)
Minority Interest	(70)	(26)	(19)	(19)
Adjusted Net Income	2,904	2,497	779	721

(*) Not considering the effect of RN 206/09 (ANS) in the total of R\$406 million (health), which, as of January 2010, excluded PPNG (SES) and established the accounting of premiums "Pro-rata temporis." This accounting change did not affect Earned Premiums.

Insurance, Private Pensions and Savings Bonds

Adjusted Income Distribution of Grupo Bradesco de Seguros e Previdência

	R\$ million							
	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09
Life and Private Pension Plans	485	450	443	409	394	347	366	357
Health	177	131	122	148	129	89	107	137
Savings Bonds	63	50	57	65	44	65	58	50
Basic Lines and Other	54	90	79	81	35	106	107	106
Total	779	721	701	703	602	607	638	650

Performance Ratios

	%							
	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09
Claims Ratio ⁽¹⁾	71.1	72.4	71.8	73.3	74.3	77.2	73.3	73.7
Selling Ratio ⁽²⁾	10.8	10.7	10.2	10.6	9.6	9.9	9.9	9.5
Administrative Expenses Ratio ⁽³⁾	5.8	6.3	6.1	5.6	4.6	5.4	5.4	5.6
Combined Ratio ^{(*) (4)}	85.1	85.3	84.7	85.2	85.3	88.9	85.5	86.2

(*) Excludes additional provisions.

(1) Retained Claims/Earned Premiums;

(2) Selling Expenses/Earned Premiums;

(3) Administrative Expenses/Net Premiums Written; and

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

Premiums Written, Pension Plan Contributions and Savings Bond Income (*)

(*) Not considering the effect of RN 206/09 (ANS) in the total of R\$406 million (health), which, as of January 2010, excluded PPNG (SES) and established the accounting of premiums "Pro-rata temporis." This accounting change did not affect Earned Premiums.

In the fourth quarter of 2010, premiums written, pension plan contributions and savings bonds income increased by 12.2% on the same quarter of the previous year.

According to Susep and ANS, in the insurance, private pension plan and savings bonds segment, Bradesco Seguros e Previdência had collected R\$27.3 billion up to November 2010, maintaining its position as leader of the ranking with a market share of 24.5%. In the same period,

R\$111.6 billion were collected by the insurance industry.

Insurance, Private Pensions and Savings Bonds

Retained Claims by Insurance Line

Note: for comparison purposes, we have excluded Technical Provision complements on benefits to be granted-Remission, from the claims ratio calculation (Premiums earned), amounting to R\$149 million (health insurance).

Insurance Selling Expenses by Insurance Line

Note: for comparison purposes, we have excluded Technical Provision complements on benefits to be granted-Remission, from the selling ratio calculation (Premiums earned), amounting to R\$149 million (health insurance).

Efficiency Ratio

General and Administrative Expenses / Revenue

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Insurance, Private Pensions and Savings Bonds

Insurance Technical Provisions

The Insurance Group's technical provisions represented 30.6% of the insurance industry in November 2010, according to Susep and the National Supplementary Health Agency (ANS).

Note: 1: According to RN 206/09 (ANS), as of January 2010, provisions for unearned premiums (PPNG) were excluded.

Note: 2: According to Susep Circular Letter 379/08, as of January 2009, technical provisions for reinsurance were recorded under assets.

Bradesco Vida e Previdência

	R\$ million (except when indicated otherwise)							
	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09
Adjusted Net Income	485	450	443	409	394	347	366	357
Income from Premiums and Contribution Revenue*	5,385	4,096	3,690	3,910	4,933	3,697	3,304	2,822
- Income from Private Pension Plans and VGBL	4,617	3,403	3,052	3,291	4,295	3,100	2,758	2,294
- Income from Life/Personal Accidents Insurance Premiums	768	693	638	619	638	597	546	528
Technical Provisions	76,283	71,775	68,975	67,572	65,692	61,918	59,533	57,384
Investment Portfolio	80,147	75,974	72,507	70,920	68,780	64,646	61,736	59,063
Claims Ratio	44.1	49.8	44.7	45.1	50.9	48.1	43.9	43.7
Selling Ratio	19.5	19.8	17.5	18.8	14.4	16.5	17.1	14.9
Combined Ratio	74.7	79.9	71.5	73.9	70.6	74.4	69.4	68.6
Participants / Policyholders (in thousands)	22,186	21,346	21,109	21,326	21,389	21,206	20,231	19,838
Premiums and Contributions Revenue Market Share (%)**	30.7	31.5	32.0	32.7	31.1	31.1	30.4	34.2
Life/AP Market Share - Insurance Premiums (%)**	17.1	17.0	16.8	16.8	16.8	16.3	16.0	16.6

*Life/VGBL/Traditional

**In 4Q10, considers data for November 2010.

Due to its solid structure, policy of product innovation and consumer reliance, Bradesco Vida e Previdência maintained its leadership, holding a market share of 30.7% in terms of income from pension plans and VGBL.

Bradesco Vida e Previdência is also the absolute leader in VGBL plans, with a 31.6% market share, and in Private Pension Plans, with 27.4% (source: Fenaprevi - data as of November 2010).

Net income in the 4th quarter of 2010 was 7.8% greater than the result in the previous quarter.

This is the result of: (i) significant revenue of R\$5,385 million in the quarter, up 31.5%; (ii) a reduction in life insurance claims by 5.7 p.p.; (iii) stability of the administrative efficiency ratio; and (iv) increased financial income.

In the year-on-year comparison, results were up 22.1% mainly due to: (i) 15.8% growth in revenue; (ii) the drop in life insurance claims; (iii) a stable administrative efficiency ratio; and (iv) the improved performance of financial income.

Bradesco Vida e Previdência

Bradesco Vida e Previdência's technical provisions stood at R\$76.3 billion in December 2010, made up of R\$73.0 billion from the private pension segment and VGBL and R\$3.3 billion from life, personal accidents and other lines, up 16.1% on December 2009.

The Private Pension and VGBL Portfolio totaled R\$75.6 billion in November 2010, equal to 34.8% of all market funds (source: Fenaprevi).

Evolution of Participants and Life and Personal Accident Policyholders

In December 2010, the number of Bradesco Vida e Previdência customers grew by 3.7%, or 797 thousand participants, compared to December 2009, surpassing a total of 2.0 million private pension and VGBL plan participants and of 20.1 million personal accident and life insurance

policyholders. This strong growth was fueled by the strength of the Bradesco brand and the adequate selling and management policies of its products.

Bradesco Saúde Consolidated

	R\$ million (except when indicated otherwise)							
	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09
Adjusted Net Income	177	131	122	148	129	89	107	137
Net Premiums Issued*	2,002	1,925	1,845	1,705	1,622	1,573	1,484	1,419
Technical Provisions	3,512	3,471	3,453	3,405	3,555	3,479	3,447	3,429
Claims Ratio	80.1	80.7	80.6	83.0	85.7	89.2	86.0	83.6
Selling Ratio	4.6	4.8	4.6	4.5	4.1	3.9	4.0	3.8
Combined Ratio	97.9	96.1	96.2	96.8	96.8	99.4	98.2	94.5
Policyholders (in thousands)	8,019	7,468	7,236	7,075	4,310	4,193	4,063	3,929
Written Premiums Market Share (%)**	51.5	51.1	50.4	49.4	48.7	48.1	47.4	46.9

* Not considering the effect of RN 206/09 (ANS) in the total of R\$406 million (Health), which, as of January 2010, excluded PPNG (SES) and established the accounting of premiums "Pro-rata temporis." This accounting change did not affect Earned Premiums.

**4Q10 considers data for November 2010.

Note: for comparison purposes, we have excluded build in Technical provisions for benefits to be granted Remission, from the first quarter of 2010 ratios, amounting to R\$149 million.

The result in the 4th quarter of 2010 increased by 35.1% in relation to the previous quarter, mainly as a result of: (i) 4.0% growth in revenue; (ii) a 0.6 p.p. drop in claims; (iii) stable selling and administrative efficiency ratios; and (iv) improved financial income.

Net income in 2010 was up 25.1% on 2009, mainly due to: (i) a 22.6% gain in revenue; (ii) a 5.2 p.p. drop in claims, considering that in 2009 this figure was impacted by (a) an increase in frequency due to the H1N1 flu and (b) increased use of post-employment benefits; and (iii) an increase in financial income.

In December 2010, Bradesco Saúde and Mediservice maintained strong market position in the corporate segment (source: ANS).

Approximately 32 thousand companies in Brazil have Bradesco Saúde Insurance and Mediservice plans. Of the 100 largest companies in Brazil, in terms of revenue, 42 are Bradesco Saúde and Mediservice customers (source: Exame Magazine "*Melhores e Maiores*" ranking, July 2010.)

Number of Policyholders of Bradesco Saúde Consolidated

Bradesco Saúde Consolidated has nearly 8.0 million customers. The high share of corporate policies in the overall portfolio (93.3% in December 2010) shows the Company's high level of specialization and customization in the corporate segment, a major advantage in today's supplementary health insurance market.

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Mediservice S.A. became a part of Grupo Bradesco de Seguros e Previdência as of February 22, 2008. With a portfolio of over 271 thousand customers, Mediservice has healthcare and dental plans for corporate customers that are conducted on a post-payment basis.

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Bradesco Capitalização

	R\$ million (except when indicated otherwise)							
	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09
Adjusted Net Income	63	50	57	65	44	65	58	50
Revenues from Savings Bonds	706	658	594	526	575	520	483	413
Technical Provisions	3,724	3,483	3,317	3,141	3,024	2,865	2,785	2,740
Customers (in thousands)	2,691	2,610	2,583	2,553	2,531	2,507	2,525	2,543
Market Share from Premiums and Contributions Revenues (%)*	21.1	20.4	19.7	20.9	19.7	19.4	19.0	18.3

* 4Q10 considers data for November 2010.

The 26.0% quarter on quarter growth in results was mainly due to the: (i) 7.3% growth in savings bond income, (ii) administrative expenses that remained at the same level as of those in the previous quarter and (iii) an increase in financial income.

The Company posted a significant sales growth, leading to total revenue of R\$2.5 billion in 2010, up 24.8% on the same period last year. Net income in 2010 was up 8.3% over 2009, mainly as a result of: (i) improved financial income; (ii) the administrative efficiency ratio that remained at the same level as of those in 2009, and partially offset by: (iii) the expenses from the recording of technical provisions to meet increased sales, mainly from single payment products.

Bradesco Capitalização

Bradesco Capitalização ended the fourth quarter of 2010 as a leader in the savings bond industry, due to its policy of transparency and of adjusting its products based on potential consumer demand.

To offer the savings bond that best fits the profile and budget of its customers, the Bank has developed several products that vary in accordance with payment method (lump-sum or monthly), contribution term, frequency of drawings and premium amounts. This phase was mainly marked by a closer relationship with the public by consolidating the *Pé Quente Bradesco* family of products.

Among these, we can point out the performance of our social and environmental products, from which a part of the profit is allocated to social responsibility projects, while also allowing the customer to create a financial reserve. Bradesco Capitalização currently has partnerships with the following social and environmental institutions: (i) Fundação SOS Mata Atlântica, which contributes to the development of reforestation projects; (ii) Instituto Ayrton Senna, which is set apart by transferring a percentage of the amount collected to social projects; (iii) the Brazilian Cancer Control Institute, which contributes to the development of projects for the prevention, early diagnosis and treatment of cancer in Brazil; and, finally, (iv) Fundação Amazonas Sustentável, through which a part of the amount collected is allocated to environmental conservation and sustainable development programs and projects.

Bradesco Capitalização is the first and only savings bonds company in Brazil to receive the ISO certification. In 2009 it was certified with the ISO 9001:2008 for Management of Bradesco Savings Bonds. This certification, granted by Fundação Vanzolini, attests to the quality of its internal processes and confirms the principle that underpins Bradesco Savings Bonds: good products, services and continuous growth.

Bradesco Auto/RE

	R\$ million (except when indicated otherwise)							
	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09
Adjusted Net Income	58	28	27	22	43	33	40	32
Net Premiums Issued	865	941	952	935	855	812	754	718
Technical Provisions	3,554	3,525	3,455	3,402	3,162	2,998	2,940	3,000
Claims Ratio	69.3	69.7	69.9	70.7	70.2	72.3	65.3	72.7
Selling Ratio	17.6	17.3	17.6	17.7	16.6	17.5	16.9	17.3
Combined Ratio	106.9	105.2	105.3	104.3	107.8	106.4	99.9	106.2
Policyholders (in thousands)	3,337	3,208	2,980	2,814	2,592	2,433	2,359	2,280
Market Share from Premiums and Contributions Revenues (%)*	10.9	11.2	11.7	12.1	10.4	10.2	10.1	10.1

* 4Q10 data considers November 2010.

Insurance premiums in the Auto/RE line held a market share of 10.9% (market data for November 2010).

The 4th quarter of 2010 results went up 107.1% on the 3rd quarter, mainly due to: (i) improved performance of financial and equity income; (ii) a slightly drop in claims; and (iii) the selling ratio that remained stable.

Annual revenue in 2010 was up 17.6% on the same period last year. Net income dropped 8.8% in comparison with that of 2009, mainly due to the December 2009 capital reduction, amounting to R\$1 billion, which impacted financial income.

Grupo Bradesco de Seguros e Previdência maintained its leadership position among major insurers of Brazil's Basic Lines Insurance market, with a market share of 6.2% as of November 2010.

In Aviation and Maritime Hull insurance, the increased exchange with Managers at Bradesco Corporate and Bradesco Empresas has been drawn on extensively, taking full advantage of the stronger sales of new aircraft and naval construction.

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

Despite strong competition in the Auto/RFC line, the insurer has increased its customer base. The continuous improvement of pricing and creation of online calculation applications has contributed to an increase in the portfolio.

Grupo Bradesco de Seguros e Previdência held a market share in the Auto/RCF portfolio of 14.3% in November 2010 (Source: Susep).

Bradesco Auto/RE

Number of Policyholders in Auto/RE

In the mass insurance segment of Basic Lines, where products target individuals, self-employed professionals and SMEs, the launch of new products and the continuous improvement of methods and systems have contributed to growth in the customer base, which increased by 28.7% in the last twelve months to a total of 3.3 million customers. This increase can be observed mainly in residential insurance due to the creation of specific products for customers, such as *Residencial Preferencial*, and the joint hiring of Auto and Residential insurance. *Bradesco Bilhete Residencial* also presented excellent performance in the period.

Fee and Commission Income

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

Fee and Commission Income	R\$ million					
	12M10	12M09	4Q10	3Q10	Variation	
					YTD	Quarter
Card Income	4,202	3,423	1,157	1,080	779	77
Checking Account	2,361	2,120	646	596	241	50
Fund Management	1,807	1,602	467	470	205	(3)
Loan Operations	1,728	1,523	465	434	205	31
Collection	1,080	996	286	273	84	13
Custody and Brokerage Services	449	412	108	112	37	(4)
Consortium Management	433	351	119	112	82	7
Underwriting / Financial Advising Services	291	340	91	85	(49)	6
Payment	287	256	74	74	31	-
Other	732	593	155	190	139	(35)
Total	13,372	11,616	3,568	3,427	1,756	141

Explanations of the main items that influenced the variation in fee and commission income between periods follow.

Fee and Commission Income

Card Income

In the fourth quarter of 2010, the R\$77 million increase in card income on the previous quarter was mainly due to (i) the 4.8% increase in the number of transactions, from 250,513 thousand to 262,445 thousand, together with (ii) the increase in interest in Visa Vale, from 34.3% to 45.0%, as of August 2010.

In 2010, Card Fee Income was R\$4,202 million, up 22.8% or R\$779 million in comparison with the previous year. This performance mainly results from the increase in purchases and services income and from 9.3% growth in the cards base, from 132,854 thousand in December 2009 to 145,215 thousand in December 2010, mainly driven by organic business growth and the Banco Ibi merger. It is worth noting that the positive performance in card fee income was partially offset by the reduced interest in Cielo, from 39.3% to 26.6% in July 2009, and to 28.7% as of July 2010.

In 2010, credit card revenue grew by 36.6% in relation to the previous year, reaching R\$75,561 million, while the number of transactions grew by 32.7% on the same period, from 722,569 thousand to 959,122 thousand.

Fee and Commission Income

Checking Account

In the fourth quarter of 2010, checking account service revenue increased by 8.4% in the quarter, mainly due to (i) a net increase of 674 thousand new checking accounts (649 thousand individual accounts and 25 thousand corporate accounts), in addition to (ii) the expansion of the service portfolio provided to the Bank's customers and (iii) tariff adjustment.

Revenue in the year increased by 11.4% or R\$241 million in comparison with 2009, resulting mainly from the expansion of the checking account client base, which saw a net increase of 2,219 thousand new accounts (2,139 thousand new individual accounts and 80 thousand new corporate accounts).

Loan Operations

In the fourth quarter of 2010, income from loan operations amounted to R\$465 million, up 7.1% in comparison with the previous quarter, mainly due to: (i) an 8.3% increase in income from guarantees, resulting from the 15.5% growth in Sureties and Collateral operations; and (ii) the greater volume of contracted operations, mainly as a result of seasonality in the period.

The R\$205 million growth in 2010 when compared with the previous year is mainly due to: (i) increased income from guarantees, which grew by 22.2%, mainly resulting from the 17.6% increase in Sureties and Collateral operations; and (ii) the increased volume of contracted operations in 2010.

Fee and Commission Income

Asset Management

Asset management revenue remained practically stable in the fourth quarter of 2010, in comparison with the previous quarter, mainly due to less number of business days in the quarter, partially offset by a 4.5% increase in funds raised and under management.

The R\$205 million or 12.8% increase between 2010 and 2009 was mainly due to the performance of funds raised under Bradesco's management, which grew by 19.4%. The highlight was income from fixed-income funds, which grew by 20.8% in the period, followed by growth in equity-investments of 13.5%.

Shareholders' Equity	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
Investment Funds	269,978	258,809	225,011	4.3	20.0
Managed Portfolios	18,930	17,825	16,142	6.2	17.3
Third-Party Fund Quotas	6,800	6,412	6,547	6.1	3.9
Total	295,708	283,046	247,700	4.5	19.4

Asset Distribution	R\$ million			Variation %	
	Dec10	Sep10	Dec09	Quarter	12M
Investment Funds Fixed Income	242,751	232,295	201,012	4.5	20.8
Investment Funds Variable Income	27,227	26,514	23,999	2.7	13.5
Investment Funds Third-Party Funds	5,629	5,055	5,641	11.4	(0.2)
Total - Investment Funds	275,607	263,864	230,652	4.5	19.5

Managed Funds - Fixed Income	10,460	8,918	8,590	17.3	21.8
Managed Funds Variable Income	8,470	8,907	7,552	(4.9)	12.2
Managed Funds - Third-Party Funds	1,171	1,357	906	(13.7)	29.2
Total - Managed Funds	20,101	19,182	17,048	4.8	17.9

Total Fixed Income	253,211	241,213	209,602	5.0	20.8
Total Variable Income	35,697	35,421	31,551	0.8	13.1
Total Third-Party Funds	6,800	6,412	6,547	6.1	3.9

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Overall Total	295,708	283,046	247,700	4.5	19.4
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Bradesco

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Fee and Commission Income

Cash Management Solutions (Payments and Collections)

The R\$13 million or 3.7% increase in revenue in the fourth quarter of 2010 in relation to the previous quarter is mainly related to the increase in business and the number of documents processed, which grew from 387 million to 412 million during the period in question.

In the comparison between 2010 and 2009, Payment and Collection income grew by 9.3%, or R\$116 million, also due to an increase in the number of processed documents, which grew from 1,288 million in 2009 to 1,508 million in 2010.

Consortium Management

The 3.6% increase in the sale of net quotas in the fourth quarter of 2010 led Bradeso Consórcios to sell 16,427 net quotas (455,193 net quotas on September 30, 2010), resulting in 6.3% growth in revenue on the third quarter of 2010, ensuring Bradesco's leading position in all segments (real estate, auto, trucks/tractors).

Year on year, there was a 23.4% increase in revenue, resulting from (i) bids and (ii) the increased sale of new quotas, from 395,611 net quotas sold as of December 31, 2009 to 471,620 as of December 31, 2010, an increase of 76,009 net quotas.

Fee and Commission Income

Custody and Brokerage Services

In the fourth quarter of 2010, total revenue from custody and brokerage services decreased by 3.6%, primarily due to a reduction in brokerage revenues from the lower volume traded on the BM&FBovespa.

Year on year, the 9.0% revenue growth is mainly related to (i) the R\$166 billion growth in assets under custody and (ii) the volumes traded on the BM&FBovespa, which impacted brokerage revenues.

Underwriting / Financial Advising

The R\$6 million increase in the quarter-on-quarter comparison mainly refers to increased gains with capital market operations in the fourth quarter, highlighting the financial advising operations.

Year on year, revenue decreased by R\$49 million, mainly due to capital market operations gains in the second quarter of 2009, highlighting Cielo's IPO operation.

Administrative and Personnel Expenses

Administrative and Personnel Expenses	R\$ million					
	12M10	12M09	4Q10	3Q10	Variation YTD	Quarter
Administrative Expenses						
Third-Party Services	3,131	2,407	885	791	724	94
Communication	1,408	1,221	382	348	187	34
Depreciation and Amortization	967	716	258	250	251	8
Data Processing	875	772	261	219	103	42
Advertising and Marketing	807	589	285	212	218	73
Transportation	643	526	177	163	117	14
Rent	568	556	148	139	12	9
Asset Maintenance	462	414	132	113	48	19
Financial System Services	368	280	101	89	88	12
Leasing	364	401	92	87	(37)	5
Materials	296	227	92	75	69	17
Security and Surveillance	274	249	71	70	25	1
Water, Energy and Gas	210	198	54	48	12	6
Trips	124	77	35	39	47	(4)
Other	1,035	860	284	246	175	38
Total	11,532	9,493	3,257	2,890	2,039	367
Personnel Expenses						
Structural	7,517	6,617	2,006	1,945	900	61
Social Charges	5,748	5,129	1,531	1,491	619	40
Benefits	1,769	1,488	475	454	281	21
Non-Structural	1,785	1,350	527	466	435	61
Management and Employees Profit Sharing (PLR)	1,032	772	298	274	260	24
Provision for Labor Claims	543	395	165	141	148	24
Training	107	87	39	30	20	9
Termination Costs	102	96	25	21	6	4
Total	9,302	7,967	2,533	2,411	1,335	122
Total Administrative and Personnel Expenses	20,834	17,460	5,790	5,301	3,374	489

In the fourth quarter of 2010, Administrative and Personnel Expenses totaled R\$5,790 million, an increase of 9.2% in relation to the previous quarter.

It is worth noting that in the year the growths are impacted by the consolidation of Banco Ibi, in November 2009.

Personnel Expenses

In the fourth quarter of 2010, personnel expenses totaled R\$2,533 million, up 5.1% or R\$122 million from the previous quarter.

In the "structural" portion, the R\$61 million increase was mainly due to: (i) higher expenses with salaries, social charges and greater benefits, amounting to R\$45 million, due to the expansion of service points and improvement of business segmentation, with net increase of 3,245 employees in the period; and (ii) the adjustment to

increase salary levels, according to the collective bargaining agreement and restatements from labor obligations, amounting to R\$16 million.

In the "non-structural" portion, the R\$61 million increase is basically due to increased expenses with: (i) the complement to employee profit sharing (PLR), amounting to R\$24 million; and (ii) provision for labor claims, amounting to R\$24 million.

Administrative and Personnel Expenses

Personnel Expenses

Year on year, the R\$1,335 million in growth in 2010 reflects: (i) the "structural" portion of R\$900 million, mainly related to: (a) greater expenses with payroll, charges and benefits, from wage increases; (b) the net increase in staff by 7,574 employees in the period, arising from investments in the expansion of service points and improvements in the business segmentation; and (c) the merger of Banco Ibi in November 2009; and (ii) the increase in the "non-structural" portion of R\$435 million, mainly resulting from greater expenses with: (a) provision of employee profit sharing (PLR), amounting to R\$260 million; (b) provision for labor claims, amounting to R\$148 million.

Administrative and Personnel Expenses

Administrative Expenses

In the fourth quarter of 2010, administrative expenses were R\$3,257 million, up 12.7% or R\$367 million from the previous quarter, mainly due to: (i) R\$94 million in services to third-parties, related to: (a) partial outsourcing of credit card processing (Fidelity); (b) upgrading and expansion of the customer service structure (i.e. Call Center); and (c) variable expenses tied to revenue (i.e. Bradesco Expresso and Banco Postal); (ii) R\$73 million in advertising and publicity expenses; (iii) R\$42 million in data processing expenses; and (iv) R\$34 million in communication expenses. The seasonality in the quarter also impacted this figure, resulting in an increase in business and service volume, in addition to the organic expansion of the service points by 2,869 new units: 130 branches, 45 PAB/PAE/PAAAs, 1,217 Bradesco Expresso Branches and 1,477 other service points.

Year-on-year growth totaled R\$2,039 million, or 21.5%, mainly due to: (i) the merger of Banco Ibi in November 2009 (if the merger were excluded, administrative expenses would have increased by 15.6%); (ii) greater advertising and marketing expenses; (iii) an increase in business and service volume; (iv) growth in variable expenses tied to revenue (i.e. Bradesco Expresso and Banco Postal); (v) increased expenses with legal advisory services, mainly related to the growth in recovery of approximately 60% in 2010; and (vi) organic growth and consequent increase in service points (from 44,577 on December 31, 2009 to 54,884 on December 31, 2010).

Operating Coverage Ratio (*)

In the quarter, the coverage ratio in the last twelve months decreased by 0.9 p.p., basically due to: (i) increased personnel and administrative fees, partially resulting from: (a) the impact of the collective bargaining agreement; (b) the increased expenses with advertising and marketing; and (c) greater business volumes from the expansion of the service points, partially offset by: (ii) the growth in fee and commission income.

Tax Expenses

The R\$79 million growth in tax expenses in the fourth quarter of 2010, in comparison with the third quarter of 2010 is mainly due to increased expenses with Cofins from higher taxable income in the period.

Year on year, tax expenses grew by R\$585 million, mainly due to the increase in expenses with ISS/PIS/Cofins taxes reflecting higher taxable income, especially financial margin and fee and commission income.

Equities in the Earnings of Affiliated Companies

In the fourth quarter of 2010, equity in the earnings of affiliated companies stood at R\$60 million, for growth of R\$41 million compared to the previous quarter, mainly due to greater earnings in (i) IRB Brasil Resseguros, amounting to R\$31 million, and (ii) in Integritas Participações, amounting to R\$7 million.

Year on year, the R\$13 million decrease was basically due to lower earnings in affiliated companies: (i) BES Investimentos, amounting to R\$5 million and (ii) Integritas Participações, amounting to R\$5 million.

Operating Income

In the fourth quarter of 2010, Operating Income was R\$3,757 million, up 1.2% from the previous quarter, mainly reflecting: (i) the R\$716 million increase in financial margin; (ii) the increased fee and commission income, totaling R\$141 million; and offset by: (iii) an increase in personnel and administrative expenses of R\$489 million; (iv) the increased expenses with allowance for loan losses, totaling R\$236 million; and (v) an increase in tax expenses of R\$79 million.

Year on year, the R\$4,222 million increase, or 41.9%, was mainly due to: (i) the R\$3,302 million increase in the financial margin; (ii) the reduced allowance for loan losses, totaling R\$2,780 million; (iii) the growth in the fee and commission income, totaling R\$1,756 million; (iv) the increase in the operating result of Insurances, Private Pension and Savings Bonds, totaling R\$789 million; partially offset by: (v) an increase in personnel and administrative expenses of R\$3,374 million; (vi) an increase in tax expenses of R\$585 million; and (vii) greater other operating expenses (net of other revenues), in the amount of R\$433 million.

Non-Operating Income

In the fourth quarter of 2010, non-operating income stood at R\$10 million, a R\$20 million variation in relation to the previous quarter, mainly due to higher losses with the write-off of permanent assets in the third quarter of 2010.

Year on year, the variation was mainly due to greater gains from the sale of assets in 2009, highlighting the sale of Visa Inc. shares.

Sustainability

Bradesco received a number of important recognitions in the fourth quarter of 2010.

Several of Bradesco's practices were recognized by awards and initiatives on the market.

The Bank's commitment to transparency in all its actions was recognized by the 12th edition of the Abrasca (Brazilian Association of Publicly Held Companies) Award. The 2009 Sustainability Report received an honorable mention in the Social and Environmental Aspects category.

For the third time, Bradesco was elected as one of the 20 model companies by the *Guia Exame de Sustentabilidade 2010* (2010 Exame Sustainability Guide), by Exame magazine, with technical support from Fundação Getulio Vargas. Bradesco stood out in two categories: Risk Management, for its Policy to adopt and monitor short, medium and long-term social and environmental criteria; and for its Social and Environmental Management, for its evaluation and monitoring of the direct and indirect environmental impacts of its operations through the use of indicators and goals for improvement.

In November 2010, for the 6th straight year, Bradesco was included in BM&FBovespa's Corporate Sustainability Index (ISE). The ISE is composed of companies that stand out for their commitment to sustainability and its purpose is to foster good practices among the Brazilian business community.

Bradesco is part of BM&FBovespa's Carbon Efficient Index (ICO2), which is composed of 42 companies that monitor and disclose their Greenhouse Gas (GHG) Emissions in a transparent manner.

Investor Relations Area - IR

Bradesco ended the 4th quarter event schedule with its 2010 Apimec Meetings cycle, holding meetings in the cities of Santos, Recife, Vitória, Salvador and Manaus, expanding the event to every region in Brazil. There were 19 Apimec/INI Meetings in 2010, 13 of which were broadcast live over the internet, in both Portuguese and English, and were watched by over 3 thousand viewers in person and 22 thousand viewers over the internet. A summary of all events and a replay of the São Paulo Meeting are available at www.bradesco.com.br/ir.

In 2010, the Investor Relations Area conducted 76 conference calls, 4 video chats and 24 events abroad, including the Bradesco Day in London and New York, for a total of 253 events.

Corporate Governance

In September 2010, Bradesco received the Gamma-7 (Governance, Accountability, Management Metrics and Analysis) score, assigned on a scale of 1 to 10 by Standard & Poor's Governance Services, which ratifies the Bank's sound corporate governance processes and general practices. Bradesco was the first Brazilian company to disclose this rating to the market. It is important to point out that, worldwide, the highest Governance score ever disclosed by Standard and Poor's is 7+. Bradesco was also rated AA (Excellent Corporate Governance Practices) by Austin Rating.

Regarding corporate governance structure, Bradesco's Board of Directors is supported by five statutory committees (Ethical Conduct, Audit, Internal Controls and Compliance, Compensation and Integrated Risk Management and Capital Allocation), in addition to 42 Executive Committees that assist the Board of Executive Officers in performing their duties.

Shareholders are entitled to 100% tag-along rights for common shares, 80% for preferred shares and to a minimum mandatory dividend of 30% of adjusted net income, which is above the 25% minimum established by the Brazilian Corporation Law. Preferred shares are entitled to dividends 10% greater than those attributed to the common shares.

On March 10, June 10 and December 17, 2010, all matters submitted to the Shareholder Meetings were approved.

For more information, see the corporate governance section of the investor relations website at <http://www.bradesco.com.br/ri>.

Bradesco Shares

Number of Shares – Common (ON) and Preferred (PN) (*)

	Dec10	Dec09	Dec08	Dec07	Dec06	Dec05	In thousands
Common Shares	1,880,830	1,710,205	1,534,806	1,009,337	500,071	489,450	
Preferred Shares	1,881,225	1,710,346	1,534,900	1,009,337	500,812	489,939	
Subtotal Outstanding	3,762,055	3,420,551	3,069,706	2,018,674	1,000,883	979,389	
Treasury Shares	395	6,535	163	2,246	758	464	
Total	3,762,450	3,427,086	3,069,869	2,020,920	1,001,641	979,853	

(*) Stock bonuses and splits during the period were not included.

On December 31, 2010, Bradesco's total capital stock was R\$28.5 billion, composed of 3,762,450 thousand shares (all book-entry shares without par value), of which 1,881,225 thousand were common shares and 1,881,225 thousand were preferred shares. The largest shareholder is the holding company Cidade de Deus Participações, which directly holds 47.6% of voting capital and 23.8% of total capital.

Cidade de Deus Participações is controlled by the Aguiar Family, Fundação Bradesco and the holding company, Nova Cidade de Deus Participações, which in turn is controlled by Fundação Bradesco and BBD Participações, a majority of the shareholders of which are members of Bradesco's Board of Directors, Statutory Board of Executive Officers and skilled employees.

Number of Shareholders Domiciled in Brazil and Abroad

	Dec10	%	Ownership of Capital (%)	Dec09	%	Ownership of Capital (%)
Individuals	340,115	89.95	24.19	343,741	89.74	25.06
Corporate	37,167	9.83	43.62	37,537	9.80	44.26
Subtotal Domiciled in the Country	377,282	99.78	67.81	381,278	99.54	69.32
Domiciled Abroad	838	0.22	32.19	1,747	0.46	30.68
Total	378,120	100	100	383,025	100	100

On December 31, 2010, there were 377,282 shareholders domiciled in Brazil, accounting for 99.78% of total shareholders and holding 67.81%

of all shares, while a total of 838 shareholders resided abroad, accounting for 0.22% of shareholders and holding 32.19% of the shares.

Share Performance (*)

	In R\$ (except when indicated otherwise)					
	4Q10	3Q10	Variation %	12M10	12M09	Variation %
Net Income per Share	0.71	0.67	6.0	2.61	2.02	29.2
Dividends/Interest on Shareholders' Equity Common Share (after Income Tax - IR)	0.225	0.193	16.6	0.758	0.736	3.0
Dividends/Interest on Shareholders' Equity Preferred Share (after Income Tax - IR)	0.247	0.212	16.5	0.834	0.809	3.1
Book Value per Share (Common and Preferred)	12.77	12.26	4.2	12.77	11.10	15.0
Last Business Day Price Common	25.70	26.93	(4.6)	25.70	24.76	3.8
Last Business Day Price Preferred	32.65	33.78	(3.3)	32.65	29.94	9.0
Market Capitalization (R\$ million) ⁽¹⁾	109,759	114,510	(4.1)	109,759	103,192	6.4
Market Capitalization (R\$ million) - Most Liquid Share ⁽²⁾	122,831	127,622	(3.8)	122,831	113,127	8.6

(*) Adjusted for corporate events in the periods.

(1) Number of shares (less treasury shares) x closing quote for common and preferred shares on last day in period; and

(2) Number of shares (less treasury shares) x closing quote for preferred shares on last day of period.

Bradesco preferred shares recorded negative performance in the fourth quarter of 2010, down 3.3% over the previous quarter despite a year-on-year increase of 9.0%. The Bank's common shares were down 4.6% in the quarter, while they posted a 3.8% increase in the annual comparison. The Ibovespa index was down 0.2% in 4Q10 and up 1.0% in 2010.

In 2010, Bradesco shares, as well as the market in general, were adversely affected by the crisis in Europe beginning in Greece in the first half of the year and spreading to Ireland in the second half. Furthermore, the United States presented conflicting signals, varying between signs of weakness and recovery. Even in this situation, Bradesco's preferred shares, adjusted for dividends, posted

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Share performance in 4Q10 was negatively affected by yet another crisis in Europe, which led Ireland to seek aid and caused general deterioration in several debt cost and risk indicators in many European countries. Moreover, at the end of the quarter Banks were also hit with regulatory measures announced by the Brazilian Central Bank (which included increases in reserve requirements for time deposits).

performance higher than that of the market, appreciating a total of 12.1%.

Main Indicators

Market Value: considers the closing price of common and preferred shares multiplied by the respective number of shares (excluding treasury shares).

Market Value/Shareholders Equity indicates the multiple by which Bradesco's market value exceeds its book shareholders' equity. Formula used: Market value divided by book shareholders' equity.

Dividend Yield: the ratio between the share price and the dividends and/or interest on shareholders' equity paid to shareholders in the last twelve months, which indicates the return on investment represented by the allocation of net income. Formula used: amount received by shareholders as dividends and/or interest on shareholders' equity in the last twelve months divided by the closing price of preferred shares on the last trading day in the period.

Weighting in Main Stock Market Indexes

Bradesco shares are components of Brazil's main stock indexes, including the Corporate Sustainability Index (ISE), the Special Tag-Along Stock Index (ITAG) and the Special Corporate Governance Stock Index (IGC). In December 2010, Bradesco had the largest participation in the Financial Index portfolio launched in January 2010.

It is worth noting Bradesco's participation in the new Carbon Efficient Index (ICO2), composed by companies committed to disclosing their annual greenhouse gas (GHG) emissions report.

	%	Dec10
Ibovespa		2.9
IB rX - 50		6.6
IB rX - 100		7.3
Ifinanceiro (IFNC)		20.4
ISE		4.8
Special Corporate Governance Stock Index (IGC)		6.4
Special Tag-Along Stock Index (ITAG)		12.3
ICO2 ⁽¹⁾		9.8

(1) Reference Date: November 30, 2010

Dividends/Interest on Shareholders' Equity

In 2010, R\$3,369 million were paid to shareholders as dividends and interest on shareholders' equity, equivalent to 31.5% of booknet income in the period.

The amounts allocated in recent years have surpassed the limits mandated by Brazilian Corporation Law and by the Company's Bylaws.

Market Share of Products and Services

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

	Dec10	Sep10	Dec09	Sep09
Banks Source: Brazilian Central Bank (Bacen)				
Time Deposits	N/A	13.5	13.3	13.3
Savings Deposits	N/A	14.1	14.1	13.9
Demand Deposits	N/A	18.3	20.3	19.1
Loan Operations ⁽¹⁾	12.5	12.5	12.6	12.6
Loan Operations - Vehicles Individuals (CDC + Leasing) ⁽¹⁾	17.4	18.0	19.7	20.6
Payroll-Deductible Loans ⁽¹⁾	10.9	10.6	8.8	8.1
Online Collection (Balance)	N/A	28.4	28.8	29.7
Number of Branches	18.7	18.3	17.2	18.1
Banks - Source: Federal Revenue Service/ Brazilian Data				
Processing Service (Serpro)				
Federal Revenue Collection Document (DARF)	N/A	21.7	21.8	21.1
Brazilian Unified Tax Collection System Document (DAS)	N/A	17.1	16.8	16.8
Banks Source: Social Security National Institute (INSS)/Dataprev				
Social Pension Plan Voucher (GPS)	N/A	14.6	17.9	14.3
Benefit Payment to Retirees and Pensioners	22.0	21.1	19.6	19.6
Banks Source: Anbima				
Investment Funds + Portfolios	17.0	16.8	16.6	16.6
Insurance, Private Pension Plans and Savings Bonds Source:				
Insurance Superintendence (Susep) and National Agency for				
Supplementary Healthcare (ANS)				
Insurance, Private Pension Plan and Savings Bond Premiums	24.5(*)	24.7	24.4	23.5
Insurance Premiums (including Long-Term Life Insurance - VGBL)	24.6(*)	24.9	24.8	23.8
Life Insurance and Personal Accident Premiums	17.1(*)	17.0	16.8	16.3
Auto/Basic Lines (RE) Insurance Premiums	10.9(*)	11.2	10.4	10.2
Auto/Optional Third-Party Liability (RCF) Insurance Premiums	14.3(*)	14.7	13.6	13.3
Health Insurance Premiums	51.5(*)	51.1	48.7	48.1
Revenues from Private Pension Plans Contributions (excluding VGBL)	27.2(*)	27.1	25.5	25.9
Revenues from Savings Bonds	21.1(*)	20.4	19.7	19.4
Technical Provisions for Insurance, Private Pension Plans and Savings Bonds	30.6(*)	30.3	32.0	32.0
Insurance and Private Pension Plans Source:				
National Federation of Life and Pension Plans (Fenaprevi)				
Income on VGBL Premiums	31,6	32,6	34,0	32,4
Revenues from Unrestricted Benefits Generating Plans (PGBL) Contributions	23,1	23,2	20,4	20,7

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Private Pension Plan Investment Portfolios (including VGBL)	34,8	35,1	35,1	36,7
Credit Card Source: Abecs				
Credit Card Revenue	21.6(***)	21.6	19.6	19.0
Leasing Source: Brazilian Association of Leasing Companies (ABEL)				
Lending Operations	19.2(**)	19.0	19.5	19.5
Consortia Source: Bacen				
Real Estate	27.3(**)	28.8	27.3	26.7
Auto	25.1(**)	25.3	23.3	23.4
Trucks, Tractors and Agricultural Implements	16.7(**)	16.6	14.6	14.5
International Area Source: Bacen				
Export Market	24.8	25.4	25.0	25.3
Import Market	19.5	19.8	18.4	18.8 (1)

Central Bank data are preliminary;

(*) Base Date: November 2010;

(**) Base Date: October 2010;

(***) Projected Market; and

N/A Not Available.

Market Share of Products and Services

Bradesco customers enjoy a wide range of options for consulting and carrying out their financial transactions in addition to the ability to acquire products and services through high-tech means, such as ATMs, telephone (*Bradesco Fone Fácil*), the Internet and mobile phones (*Bradesco Celular*).

As part of our commitment to social responsibility, people with special needs can rely on various

special services provided by the Bradesco *Dia&Noite* Customer Service Channels, such as:

Accessibility to the ATM Network for the visually-impaired and wheelchair users;

Internet banking utility for the visually impaired; and

Personalized assistance for the hearing impaired, by means of digital language in *Fone Fácil*.

Branch Network

Region	Dec10		Market Share	Dec09		Market Share
	Bradesco	Market		Bradesco	Market	
North	178	823	21.6%	166	779	21.3%
Northeast	536	2,778	19.3%	528	2,678	19.7%
Midw est	302	1,481	20.4%	289	1,429	20.2%
Southeast	2,056	10,599	19.4%	1,947	10,339	18.8%
South	556	3,741	14.9%	524	3,674	14.3%
Total	3,628	19,422	18.7%	3,454	18,899	18.3%

Compulsory Deposits/Liabilities

%	Dec10	Sep10	Jun10	Mar10	Dec09	Sep09	Jun09	Mar09
Demand Deposits								
Rate (1)	43	43	42	42	42	42	42	42
Additional (2)	12	8	8	8	5	5	5	5
Liabilities*	29	29	30	30	30	30	30	30
Liabilities (Microfinance)	2	2	2	2	2	2	2	2
Free	14	18	18	18	21	21	21	21

Savings Deposits

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Rate ⁽³⁾	20	20	20	20	20	20	20	20
Additional ⁽²⁾	10	10	10	10	10	10	10	10
Liabilities	65	65	65	65	65	65	65	65
Free	5	5	5	5	5	5	5	5
Time Deposits								
Rate ⁽²⁾⁽⁴⁾	20	15	15	15	13.5	13.5	15	15
Additional ⁽²⁾	12	8	8	8	4	4.0	4	4
Free	68	77	77	77.0	82.5	82.5	81	81

* At Bradesco, liabilities are applied to Rural Loans.

(1) Collected in cash and not remunerated.

(2) Collected in cash with the Special Clearance and Custody System (Selic) rate.

(3) Collected in cash with the Reference Interest rate (TR) + interest of 6.17% p.a.; and

(4) As of the calculation period from March 29, 2010 to April 1, 2010, with compliance as of April 9, 2010, liabilities are now exclusively in cash, and may be met using credits acquired as provided for by current legislations.

Investments in Infrastructure, Information Technology and Telecommunications

The solidity of the Brazilian financial system is due in large part to the constant technological updating of its components. In this context, Bradesco has consolidated its position on the cutting edge of investments and technological innovations.

In 2010, Bradesco made an important move in reaching an agreement in which the Social Security System (INSS) consented to accepting proof of life of its beneficiaries in the form of a biometric solution, available at Bradesco Dia&Noite ATM terminals. The initiative will give beneficiaries the comfort of being able to provide proof of life to INSS in a quick, transparent and safe manner.

Another important factor, proof of how Bradesco has advanced and continues on the cutting edge of Information Technology, was Bradesco's recognition by the *Prêmio Intangíveis Brasil* (Brazilian Intangible Award), in the Intangible Assets Information Technology and Internet categories. This acknowledgement is awarded by Grupo Padrão.

Guided by best practices and protected against contingencies, Bradesco's IT infrastructure has central computers with processing capacity of over 234,000 Mips (million instructions per second), as well as over 6,850 corporate servers. Every day an average of 212 million transactions are processed, with availability remaining at 99.81%. This environment is managed in order to transform the complex into the simple and manageable, while maintaining low operating risk and the scalability needed to support the Bank's growth.

As a prerequisite for its continuous expansion, in 2010 Bradesco invested R\$3,920 million in order to update its IT environment, drawing on best practices and existing technologies. The total amount invested in recent years, including infrastructure (facilities, movable property and fixtures) can be found below:

	R\$ million				
	2010	2009	2008	2007	2006
Infrastructure	716	630	667	478	354
Information Technology and Telecommunication	3,204	2,827	2,003	1,621	1,472
Total	3,920	3,457	2,670	2,099	1,826

Risk Management

The risk management activity is highly strategic due to the increasing complexity of products and services offered and the globalization of the Organization's business and, therefore, its processes are constantly enhanced.

The Organization's decisions are based on factors that combine the return on previously identified, measured and assessed risks, providing conditions required to meet the strategic objectives while strengthening the Institution.

The Organization deals with risk management in an integrated manner, providing unique policies, processes, criteria and methodology for risk control, by means of a statutory body, the Integrated Risk Management and Capital Allocation Committee, which is supported by specific committees and risk management policies approved by the Board of Directors.

A detailed report on the risk management process, reference shareholders' equity, required reference shareholders' equity, as well as the Organization's risk exposure can be found in the Risk Management Report on the Investor Relations website, at www.bradesco.com.br/ir.

Independent Auditors' Report on the Limited Review of Supplementary Accounting Information presented in the Report on Economic and Financial Analysis

To the Board of Directors Banco Bradesco S.A.

1. In connection with our audit of the consolidated financial statements of Banco Bradesco S.A. and its subsidiaries as of December 31, 2010, on which we expressed an unqualified opinion in our report dated January 28, 2011, we carried out a limited review of the supplementary accounting information presented in the Report on Economic and Financial Analysis. This supplementary information was prepared by the Bank's management to permit additional analysis and is not a required part of the consolidated financial statements.

2. Our work was carried out in accordance with the specific standards established by the Institute of Independent Auditors of Brazil (IBRACON), in conjunction with the Federal Accounting Council (CFC), for purposes of our review of the supplementary accounting information described in paragraph one and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Bank and its subsidiaries with regard to the main criteria used for the preparation of this additional accounting information and (b) a review of the significant information and the subsequent events which have, or could have significant effects on the financial position and operations of the Bank and its subsidiaries.

3. Based on our limited review, we are not aware of any material modifications which should be made to the supplementary information referred to above in order that this information be fairly presented in all material respects, in relation to the consolidated financial statements referred to in paragraph one, taken as a whole.

São Paulo, January 28, 2011

PricewaterhouseCoopers
Auditores Independentes
CRC 2SP000160/O-5

Luís Carlos Matias Ramos
Contador
CRC 1SP171564/O-1

Message to Shareholders

Dear Shareholders,

The year of 2010 was characterized by recovery in global economic growth, even though its rhythm was moderate and unequal among many countries. Some developed nations, however, will still have to face a number of difficulties stemming from the economic instability between 2008 and 2009. Nonetheless, it has become clear that this scenario has led to new opportunities for developing economies, especially those, such as Brazil, with consolidated democracies and a private sector developed enough to take advantage of the new challenges.

Despite a number of challenges to long-term economic growth, Bradesco's outlook for the coming years is one of prudent optimism. By the end of 2009, the Brazilian economy had already begun to present the solid foundations for recovery of growth, confirmed at the end of 2010 by a robust increase in GDP, which reached the highest rate on record since 1985.

On the political front, 2010 was a year in which the citizens of Brazil fully exercised their rights, demonstrating a deeply rooted democratic system devoted to the fundamental liberties of freedom of expression and freedom of choice.

Advances have been made not only in economic terms, but also in social terms. Improvements to the quality of life of Brazilians were exciting indeed, especially in their consumption power, as a significant portion of the population was elevated into the middle class, a statistical fact that is quite significant in the country's history.

In this context, Bradesco added yet another chapter to its historic series of 67 well-performing years. As one of the largest financial institutions in the country, present in every city, Bradesco's vast Service Network proved invaluable in transforming into a reality the Mission that guides the Organization: to provide financial and insurance services in order to expand banking inclusion and to ensure social mobility, both essential to sustainable development.

Among the most relevant events in 2010 were: a) the significant increase in the volume of loans assigned, up 20.75% in comparison with 2009, and the recovery of over-due loans, 57.94% greater than last year; b) the expansion of the Service Network, present in every Brazilian city, with the opening of 178 Branches; c) restructuring of units abroad in order to more adequately meet the demands of international markets; d) Bradesco's presence as lead coordinator of

The Bank's Net Income totaled R\$10.022 billion, up 25.09% from 2009, while shareholders received R\$3.369 billion in the form of Interest on Shareholders' Equity and Dividends. Looking closely at these results we can see that - as in previous fiscal years - a significant portion of the results (29.15% in 2010) came from the Bank's interest in Grupo Bradesco de Seguros e Previdência.

In keeping with the general tendency of the stock market, Bradesco's common shares increased by 3.77%, while the Bank's preferred shares increased by an outstanding 9.04%, making them one of the fastest growing shares traded on the BM&FBOVESPA and leading to their inclusion in the Ibovespa index. Bradesco posted a market value of R\$109.759 billion in December, up 6.36% on the 2009 fiscal year and equal to 2.29 times the accounting book value in December 2010.

The Organization's initiatives in the social and environmental field were focused on the development of a culture of sustainability in all relations, whether internal or external. The highlight is Fundação Bradesco, one of the largest private educational programs in Brazil and the world, which works to provide equal opportunities through education in its 40 own schools, mainly located in underprivileged regions throughout the country, present in every Brazilian state and the Federal District. In its 54 years, Fundação Bradesco has served a total of over 2 million students free of charge, who, together with participants in other courses, bring this number to over 4 million people.

Throughout the years, we have received a great deal of support from our thousands of employees, brought together by ideas and driven by the dynamic and dedicated leadership of our Management. We also feel it is important to recognize the confidence that our shareholders and customers have bestowed upon us. To all, we owe you the deepest of thanks.

Cidade de Deus, January 28, 2011

Lázaro de Mello Brandão
Chairman of the Board of Directors

the Petrobras capitalization, the largest operation of its type in the history of Brazilian and international stock markets; e) the acquisition of the entire capital stock of Ibi Services, in Mexico, the partnership with C&A in the same country is part of the transaction; f) a partnership with Banco do Brasil and Caixa Econômica Federal to create and administrate a Brazilian card brand ELO; g) Bradesco's continued presence as a part of the Dow Jones Sustainability World Index and the Corporate Sustainability Index - ISE; h) within the context of social and environmental responsibility, the launching of the Bradesco Organization's Corporate Code of Ethics, in Braille.

Report on Economic and Financial Analysis
- December 2010

Management Report

We hereby present the financial statements of Banco Bradesco S.A. for the year ended December 31, 2010, pursuant to the accounting practices adopted in Brazil and applicable to institutions authorized to operate by the Brazilian Central Bank.

The year 2010 will be marked by the strong GDP growth though the economy's performance fluctuated during the quarters. The growth during the period as a whole was the highest since 1985 and was one of the five highest growth rates among the globally most important nations.

The global scenario still raises concern about the pace of recovery in developed regions. On one hand, the job market, financial situation of families and governments demand greater care and place restrictions on a more sustainable recovery. On the other hand, emerging countries continue to post high growth rates, gaining clout in global forums.

Despite Brazil's undeniable vocation for exports, the main driver of economic growth has been - and will continue to be - domestic demand. The resumption of investments after the sharp decline in 2009 was solidly based on improved business confidence and the expansion of financing options in 2010. The investment cycle should continue in the coming years, driven by the opportunities created by the sporting events of 2014 and 2016 and the exploration of the pre-salt layer. Household consumption, in turn, continues to grow strongly, driven by job creation, especially in the formal labor market, rising income levels and the strong and sustainable growth in credit, especially real estate credit.

On the political front, the presidential elections went smoothly. With this, democracy in Brazil was consolidated, reaffirming the belief that achievements in the economic sphere will be maintained, irrespective of government cycles.

Bradesco would like to reaffirm its positive view for Brazil's future and its continuing belief in universal access to banking services and social mobility, as well as the cumulative advances that should generate a higher level of sustainable economic growth.

The Bradesco Organization's period highlights include:

- **On February 11, Bradesco, Banco do Brasil and Banco Santander (Brasil) signed a Memorandum of Understanding to consolidate the operations of their respective External ATM networks** such as those installed in airports, gas stations, supermarkets, shopping
- **On April 23, Bradesco submitted to the Grupo Santander Espanha a proposal to acquire part of the shares held by it in Cielo S.A.**, corresponding to 2.09% of the capital stock, for R\$431.7 million, **and in Companhia Brasileira de Soluções e Serviços CBSS**, corresponding to 10.67% of the capital stock, for R\$141.4 million, concluded on July 13, 2010, which was approved by the competent authorities. **On January 24, 2011, the Bank acquired from Visa International Service Association shares issued by CBSS**, corresponding to 5.01% of the capital stock, for a total of R\$85.8 million. The transaction is pending approval by the proper authorities. With the acquisitions, Bradesco's interest in Cielo rose to 28.65% and in CBSS to 50.01%, expanding its share of the cards market;
- **On April 27, Bradesco and Banco do Brasil signed a Memorandum of Understanding to set up a company to administer a Brazilian brand called Elo for credit, debit and pre-paid cards for checking account holders and non-account holders**, whose other activities will include acquiring new businesses for private label cards. **On August 9, a Memorandum of Understanding was signed with Caixa Econômica Federal, admitting it to the company;**
- **On June 2, the entire capital of Ibi Services S. de R.L. México (Ibi México) and RFS Human Management S. de R.L., a subsidiary of Ibi México, were acquired for approximately R\$297.6 million.** The deal includes establishing a twenty-year joint venture with C&A México S. de R.L. (C&A México) for exclusive joint marketing of financial products and services through C&A México's store network;
- **On August 19, Bradesco Seguros, jointly with ZNT Empreendimentos and Odontoprev, signed a Memorandum of Understanding with BB Seguros**, to form a strategic alliance for the development and marketing of dental products; and

malls, drugstores and highways. This initiative, the pilot project of which was successfully completed on November 25, 2010, will significantly increase the Network's availability and coverage, making it more efficient than the individual networks used to present;

Management Report

- **On September 2, Bradesco jointly with its subsidiary CPM Braxis S.A. and other shareholders in this company, entered into an agreement with Capgemini S.A., through which Capgemini acquired 55% of the shares issued by CPM Braxis to become its controlling shareholder.**

1. Net Income for the Year

The results achieved and the remuneration paid to shareholders confirm Bradesco's excellent performance in the year. A detailed analysis of these numbers, including their origin and evolution, is available in the website www.bradesco.com.br/ri, in the Economic and Financial Analysis Report section.

R\$10.022 billion in Net Income for the year, corresponding to earnings per share of R\$2.66 and an annualized Return on Average Shareholders' Equity(*) of 22.69%. The annualized Return on Average Total Assets stood at 1.76%, compared to 1.66% in the previous year.

R\$3.369 billion was allocated to shareholders in the form of monthly Dividends, and interim and supplementary Interest on Shareholders' Equity, which was included in the calculation of the mandatory dividend. Thus, R\$0.962870 (R\$0.857603 net of withholding tax) was attributed to each preferred share, which includes the additional 10%, and R\$0.875336 (R\$0.779639 net of withholding tax) was attributed to each common share. Dividends and interest on shareholders' equity represented 35.39% of adjusted net income for the year (31.50% net of withholding tax).

Taxes and Contributions

A substantial percentage of the Bradesco Organization's earnings, in direct proportion to its volume of operations, was paid to the federal government.

R\$8.989 billion in taxes and contributions, including social security contributions, paid or provisioned in the year.

Taxes withheld and collected related to financial intermediation totaled R\$6.793 billion.

2. Corporate Strategy

In 2010, though the global economy underwent difficult moments that are still a cause for concern, Brazil stayed clear of these external uncertainties, exuding confidence that was well supported by the results delivered by a more solid and promising economy.

Brazil has an agenda to meet. The intense upward social mobility, the pre-salt exploration, the 2014 World Cup, the 2016 Olympic Games, and the new consumption levels of the Brazilian society represent concrete employment possibilities with excellent capacity to leverage the nation's development in the pursuit of an increasingly stronger Brazil backed by an improvement in social indicators.

Bradesco has constantly sought to position itself in the right place to take on new challenges and opportunities in the competitive banking sector. By creating Regional Divisions in December 2009 and expanding its Board of Executive Officers in 2010, it strengthened its management model, with greater internal integration and effectiveness of its presence, facilitating communication and performance at all levels, thereby reducing the response time and bringing them closer to customers while growing the businesses.

Present in 100% of the Brazilian cities, Bradesco will continue expanding the coverage of its network to remain beside its customers. This expansion, which has brought positive results over the years, is in fact a successful strategy that provides a solid foundation for continued organic growth. The Bank ended the year with 44,306 service points in Brazil and 12 abroad, up 18.40% over the previous year.

Bradesco branches, service points, Banco Postal outlets and Bradesco Expresso outlets, in addition to 32,015 ATMs of Bradesco Dia&Noite network and 11,057 of the ATM terminals shared with other banks in the Banco24Horas network, and between Bradesco, Banco do Brasil and Banco Santander -, the Internet Banking and Fone Fácil convenience channels, together with confidence in the Bradesco brand, boost the capacity for the distribution of services, products and solutions, combining efficiency and excellence in customer service.

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Expanding its operational capacity also means reaffirming its role as a bank providing credit for financing the modernization of infrastructure, industry and commerce in Brazil. This is essential for the economy to function, allowing access to capital for the opening of new businesses as well as making the scenario more favorable for foreign investments. Thus, Bradesco will maintain the criteria that ensure a healthy balance between credit expansion and a safe pre-qualification to reduce default levels, which are fundamental in a scenario of massive consumption, based on strict management and daily collection and recovery of overdue amounts through the Loan Recovery Program (PRC), essential to maintain the results.

Bradesco will continue to focus in its operational segments, such as investment banking, capital market, private banking and asset management operations, among others, through Bradesco BBI; investments in the high-income segment in the credit card market through Amex; and the insurance, private pension plan and savings bond areas through Grupo Bradesco de Seguros e Previdência.

The Bank will also continue to expand its essential commercial areas, operating based on the Bank-Insurance model to maintain its profitability and create value for shareholders, in addition to consolidating its leadership in the insurance sector, always seeking to increase revenues from banking operations. The Bank will also maintain its commitment to acceptable risk levels in its operations, while entering into strategic alliances and evaluating acquisition opportunities to strengthen its position in the capital markets.

Bradesco consolidated its position in several strategic markets abroad. Its subsidiary Banco Bradesco Europe gained strength and now provides asset management, private banking and trade finance services in all countries of the European Union. Bradesco Securities of London and New York were also strengthened as they are fundamental for issuing and distributing securities in these important financial centers.

Another highlight is the signing of the Memorandum of Understanding by Bradesco, Banco do Brasil and Caixa Econômica Federal to set up a company to administer a Brazilian brand called Elo for credit, debit and pre-paid cards for checking account holders and non-account holders, strengthening its presence in this market niche.

The growth that the Bank ceaselessly pursues implies substantial investments in two fundamental pillars for banking operations information technology and infrastructure and human resources.

A sum of R\$3.920 billion has been invested to innovate, update and maintain its IT environment using the best practices and technologies available, allowing Business Areas to offer quality products and services to our customers. Considerable investments were also made in training programs for its employees to ensure motivation, innovation and customer focus.

Respect to consumer, social and environmental responsibility, reliability, security and credibility are imbibed in the corporate culture of Bradesco, which will maintain in its strategic plan three broad-ranging guidelines:

a) to grow organically, always alert to potential acquisitions, associations and partnerships, fully committed to maintaining secure, high-quality products, solutions and services, and always seeking to improve its operating indexes and indicators;

b) to identify and evaluate the inherent risks of its activities, applying adequate controls and acceptable levels of risk to each operation; and

c) to operate in partnership with the capital markets, conducting its business with total transparency, the highest ethical standards and adequate compensation for investors.

3. Integrated Management System

The Integrated Management System known as the SAP Business Suite, adopted by the Organization, integrates diverse administrative processes, facilitating relations among the areas, enabling better quality, speed and security for the adequate handling of information.

Continuous training is provided to users of this tool through on-site and e-learning sessions, which involve Human Resources, Training, Accounts Payable, Fixed Assets, Purchases of Materials and Services, Accounting, Management of Works, Maintenance and Audit.

4. Capital and Reserves

R\$28.500 billion in Subscribed and Paid-Up Capital Stock at year-end.

R\$19.543 billion in Equity Reserves.

R\$48,043 billion in Shareholders' Equity, up 15.06% in relation to the prior year, equivalent to 7.56% of Assets, totaling R\$635.081

billion. As for Consolidated Assets in the amount of R\$637.485 billion, Shareholders' Equity under Management stood at 7.61%. Book Value per Share totaled R\$12.77.

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On June 10, the Special Shareholders' Meeting resolved to increase the Bank's capital stock from R\$26.500 billion to R\$28.500 billion, using part of the balance of the "Profit Reserves Statutory Reserves" account, by means of a share bonus program, attributing one (1) new share to every ten (10) existing shares of the same type, through the issue of 342,040,948 new registered, book-entry shares with no par value, 171,020,483 of which common and 171,020,465 preferred. The operation was ratified by the Brazilian Central Bank on June 25, 2010. Thus, the Bank's capital stock came to 3,762,450,441 registered book-entry shares with no par value, comprising 1,881,225,318 common shares and 1,881,225,123 preferred shares.

On December 17, the Special Shareholders' Meeting resolved to once again increase the Bank's capital stock by R\$1.500 billion, taking it from R\$28.500 billion to R\$30 billion, through the issue of 62,344,140 new registered book-entry shares with no par value, consisting of 31,172,072 common shares and 31,172,068 preferred shares, at the price of R\$24.06 per share, for private subscription by shareholders from December 29, 2010 through January 31, 2011, at the ratio of 1.657008936% on the shareholding position of each on the Meeting date (December 17, 2010), fully paid up on February 18, 2011. The capital increase will be submitted to the Brazilian Central Bank for ratification and will consist of 1,912,397,390 common shares and 1,912,397,191 preferred shares for a total of 3,824,794,581 shares.

The Capital Adequacy Ratio stood at 15.06% in the consolidated financial result and 14.74% in the consolidated economic and financial result, considerably higher than the 11% minimum established by National Monetary Council Resolution 2,099 of August 17, 1994, in conformity with the Basel Committee. In relation to Consolidated Reference Assets, the fixed asset ratio (maximum of 50%, according to the Brazilian Central Bank) was 18.14% in the consolidated financial result and 49.71% in the consolidated economic and financial result.

Bradesco's Subordinated Debt at year-end amounted to R\$26.315 billion (R\$5.079 billion abroad and R\$21.236 billion in Brazil), R\$8.051 billion of which considered eligible as capital and included in Tier II of the Reference Assets adopted when calculating the ratios in the previous paragraph.

In compliance with Article 8 of Circular Letter 3,068 issued on November 8, 2001 by Brazilian Central Bank, Bradesco declares that it has both the financial capacity and intent to hold until maturity those securities classified under "held-to-maturity securities".

5. Operating Performance

5.1 Funding and Asset Management

In the year, funds raised and managed totaled R\$872.514 billion, 24.28% more than in the previous year. All in all, the Bank manages 23.128 million checking accounts, 41.101 million savings accounts with balance amounting to R\$53.436 billion, representing 17.97% of the Brazilian Savings and Loan System SBPE.

R\$364.698 billion in demand deposits, time deposits, interbank deposits, other deposits, open market and savings accounts.

R\$295.708 billion in assets under management, comprising Investment Funds, Managed Portfolios and Third-Party Fund Quotas, 19.38% up on the same period in the previous year.

R\$114.495 billion in the exchange portfolio, borrowings and onlendings, working capital, tax payment and collection and related charges, funds from the issue of securities and subordinated debt in Brazil, and other funding.

R\$87.177 billion in technical provisions for insurance, supplementary private pension plans and savings bonds, a 15.36% improvement over the year before.

R\$10.436 billion in foreign funding, through public and private issues, subordinated debt and the securitization of future financial flows, equivalent to US\$6.263 billion.

5.2 Loan Operations

Bradesco acts towards credit democratization and the continuing expansion and diversification of its funding, increasing its volume of operations through direct financing and partnerships with market agents, as well as individual lines, such as payroll-deductible loans through its extensive branch, service point and Banco Postal network, and the Customer Service Center 0800 Loans.

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R\$274.227 billion in consolidated loan operations at year-end, including advances on exchange contracts, sureties and guarantees, credit card receivables and leasing, up 20.23% in the period.

R\$16.290 billion in the allowance for doubtful accounts.

Mortgages

In 2010, Bradesco intensified its investments in the Mortgage Portfolio, taking advantage of the positive outlook for the sector with strong demand for mortgage loans, which increased the volume of operations. Bradesco's mortgage portfolio reflects its priority commitment to meeting the demands of homebuyers and giving added momentum to the construction industry, which is a major generator of jobs and a driver of social and economic development.

The website www.bradescoimoveis.com.br enables querying of projects for sale by real estate developers and partners, and has become an important tool for portfolio growth.

R\$9.128 billion in total funds allocated to this area, enabling the construction and acquisition of 64,449 properties, 93.92% more than in the previous year.

Onlending Operations

Bradesco was one of the largest onlenders of BNDES funds, with 18.61% share of the onlending operations, totaling R\$17.445 billion, up 96.46% over the same period in the previous year. For the eighth consecutive year, with a volume of R\$10.018 billion and 22.24% of the entire system, Bank remained the biggest onlender for micro, small and enterprises.

R\$26.382 billion in the onlending portfolios with internal and external funds, mainly allocated to micro, small and mid-sized businesses. The number of contracts totaled 212,101.

R\$5.041 billion in guarantees provided to the BNDES, with R\$2.184 billion contracted in the year.

Rural Loans

The vigorous pace of financing initiatives for crop production, processing and sale reinforce Bradesco as the traditional partner of the agriculture and cattle-raising sector, supporting the opening of new business fronts and the increase in quality and yield of Brazil's agricultural products. The Bank also seeks to offer support for domestic market supply and export growth. The www.bradescorural.com.br website provides the sector with information on agribusiness and loan products and services.

R\$13.804 billion in investments at year-end, representing 132,439 Operations.

Consumer Financing

The Bank has a substantial share of consumer financing operations geared towards the acquisition of new and used vehicles, directly or through partnerships, helping create jobs and income and improve the generation and circulation of wealth.

The partnership with the *Programa Floresta do Futuro* of *Fundação SOS Mata Atlântica* (Fundação SOS Mata Atlântica Forest of the Future Program) promotes Ecofinancing, in line with social and environmental responsibility which involves the planting of native tree seedlings for each financed vehicle, aiming to reduce the impact of atmospheric greenhouse gas emissions.

R\$77.598 billion in consumer financing operations.

Lending Policy

Bradesco's lending policy is based on businesses that demonstrate diversification and low concentration, are backed by appropriate guarantees and involve individuals and companies in good standing with proven payment capacity. Operations are carried out rapidly, securely and profitably, ensuring quality and liquidity in asset investments.

Lending authorization limits are imposed on each branch in line with their size and the type of guarantee in order to minimize risks. Specialized credit scoring systems with specific security standards are employed to speed up and support the decision-making process. Loans that go beyond branch authorization limits are centralized, analyzed and resolved by the Credit Department and the Executive Credit Committees located at the Company's headquarters.

Management Report

Loan Portfolio Quality

The quality of the loan portfolio improved significantly in 2010 over 2009, mainly due to the decline in default rates, as well as the substantial growth of the loan portfolio of new borrowers, thanks to the constant fine-tuning of the credit approval and monitoring models, as well as the improved economic scenario.

5.3 Loan Collection and Recovery

Bradesco takes measures to recover overdue loans, with negotiation policies and differentiated payment terms, using such collection channels as call center, bank payment slips, the Internet, friendly collection companies and court collection offices. During the year, it launched the Loan Recovery Program (PRC), which included several initiatives to leverage results, especially 1,012 Business Rooms and 3,959 conciliation court hearings, interacting with the Court of Appeals of Brazil, intensifying the process of renegotiation of overdue loans between the Bank and Customers.

R\$2.677 billion were recovered in 2010, up 57.94% over the previous year.

6. International Area

The Bradesco Organization operates in several markets abroad, offering a broad range of products and services through its branch offices in New York, London, Grand Cayman, Buenos Aires, Tokyo, Hong Kong, Luxembourg and Mexico, and through an extensive network of international correspondent banks. In 2010, it restructured its Bradesco Securities units in New York and London. Banco Bradesco Europe, the current name of Banco Bradesco Luxembourg S.A, situated in Luxembourg, also gained institutional strength and with the new offices, is able to meet the demands of these strategic markets. In Brazil, Bradesco has a structure with 12 specialized units and 14 more exchange platforms.

R\$4.189 billion in Advances on Exchange Contracts at year-end, from a total Export Financing Portfolio of US\$13.250 billion.

US\$3.203 billion in Foreign Currency Import Financing.

US\$45.560 billion in Export Purchases, up 20.28% on 2009, with 24.70% market share.

US\$34.717 billion in Import Contracting, 40.57% more than the previous year, with a market share of 19.52%.

US\$3.435 billion in medium and long-term public and private offerings on the international market.

7. Bradesco Shares

Highly liquid, Bradesco shares were traded in every trading session on the BM&FBovespa - Securities, Commodities and Futures Exchange. It is worth mentioning the preferred shares, which accounted for one of the highest shares of any component of the Ibovespa Index, with an end-of-year weighting of 2.93%. In 2010 as a whole, common shares appreciated by 7.10% and preferred shares by 12.10% considering Dividends reinvestment and Interest on Shareholders' Equity. Abroad, the Company's shares are traded on the New York Stock Exchange through Level 2 ADRs (American Depositary Receipts) and on the Madrid Stock Exchange as part of the Latibex Index.

Bradesco shares are included in the BM&FBovespa's Ibovespa and on all the Brazilian stock exchange indices in which financial sector companies can be listed, including the Carbon Efficiency Index (ICO2), the Corporate Sustainability Index (ISE), the Special Tag-Along Stock Index (ITAG), the Special Corporate Governance Stock Index (IGC), the Brazil Indices (IBrX and IBrX50, for the most-traded shares), the Mid-Large Cap Index (MLCX) and Financial Index IFNC. In addition to these Brazilian indexes, Bradesco is also listed on the NYSE's Dow Jones Sustainability World Index and the Madrid Stock Exchange's FTSE Latibex Brazil Index.

R\$38.285 billion in annual traded volume on Bovespa, representing 158.326 million common shares and 1.119 billion preferred shares.

US\$45.069 billion in annual traded ADR volume on the American Stock Market (NYSE), representing 2.564 billion preferred shares.

8. Market Segmentation

Bradesco's Market segmentation process focuses on relationship quality, enabling differentiated service and greater speed and increasing productivity gains. It also ensures greater flexibility and competitiveness in the execution of the business strategy, enabling operations to be structured for individuals or companies in terms of quality and specialization.

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8.1 Bradesco Corporate

Bradesco Corporate's principle of long-term relationship is an important differential, creating the best solutions for customers and results for the Organization through business units in major Brazilian cities, with specialized customer service for large economic groups whose annual revenues are greater than R\$250 million.

R\$234.891 billion in total funds managed by the area, comprising 1,257 economic groups.

8.2 Bradesco Empresas (Middle Market)

Management, with a high degree of specialization, of the relation with economic groups with annual revenue between R\$30 million and R\$250 million, offering a broad portfolio of products and services, in addition to structured operations.

R\$75.280 billion in total funds managed by the area, comprising 30,627 economic groups in all sectors of the economy.

8.3 Bradesco Private Banking

Bradesco Private Banking, targeted at high net worth customers, family holdings and investment companies, with net cash for investments of at least R\$2 million, offers its customers an exclusive line of products and services as part of the 'tailor-made' concept and open architecture, including advisory services for allocating their financial assets in Brazil and abroad, as well as advisory services for tax, inheritance, foreign exchange issues, structured operations and non-financial assets.

8.4 Bradesco Prime

An innovative concept in relations between the bank and the customer, Bradesco Prime provides customized products and services and complete financial advice for individuals with a monthly income of R\$6 thousand or more or an investment capacity of R\$70 thousand or more. In addition to an exclusive customer service network for Prime Customers, at the end of 2010 there were 283 Prime branches nationwide in addition to 20 Bradesco Prime facilities at retail branches, specially designed to ensure privacy and comfort for 467,546 customers.

8.5 Bradesco Varejo (Retail)

Strategic for Bradesco, the Retail segment provides quality and dedicated service to all the segments of the population, striving everyday to include people without any banking services, thus contributing to social mobility. This way, Bradesco maintains its role as a bank with open doors, which makes every effort for the democratization of banking products and services with the objective of reaching out to the highest number of people in all regions of the country, including those with a lower level of development. The relationship with companies with annual revenue of up to R\$30 million, where the focus is on the micro, small and mid-sized companies, consolidates its operations. In December 2010, this segment served more than 22 million current account holders.

8.6 Banco Postal

Increasingly present in the lives of Brazilians, wherever they may be whether in large urban centers or in distant towns, Bradesco is source of progress for local communities, especially in areas where there is no banking network, through Banco Postal, a successful partnership between Bradesco and the Brazilian Postal Service. This partnership, in addition to providing support to Bradesco clients throughout Brazil, is an important and dynamic economic driver through the provision of financial products and services. Since its inception in 2002, 5,271 municipalities in all regions of the country have gained access to these services.

8.7 Bradesco Expresso

Through a partnership with various establishments, including supermarkets, drugstores, department stores, bakeries and other retail outlets, Bradesco Expresso enables the Bank to increase its market share in the correspondent bank segment. It provides clients and the community with convenient service close to their home or workplace, after working hours, including weekends. On December 31, there were 26,104 accredited establishments.

9. Products and Services

9.1 Bradesco Cards

Bradesco offers its customers the most complete line of credit cards in Brazil, including Visa, American Express, MasterCard and private label cards, the latter for exclusive use in associated networks.

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In 2010, due to the growth and potential shown by this product, Bradesco signed a memorandum of understanding with Banco do Brasil and Caixa Econômica Federal to set up a company to administer a Brazilian brand called Elo for credit, debit and pre-paid cards for checking account holders and non-account holders.

In the Private Label segment, Bradesco issues cards through operating agreements and joint ventures with retail store chains operating in the consumer electronics, supermarkets, department stores, apparels, drugstore and cosmetics segments.

Most notable are agreements with Casas Bahia, Comper, Carone, Dois Irmãos, G. Barbosa, Coop, LeaderCard, Esplanada (Deib Otoch Group), Luigi Bertolli, Panvel, Drogasil, O Boticário and Colombo. Through Ibi, an important credit card issuer in the private label segment, the Bank established 793 joint ventures with C&A, Makro, Modelo, Arco-Íris, Cattan, Clube Angeloni and Camisaria Colombo, among others. These alliances are an important means for acquiring and expanding the customer base and providing access to banking products and services, as well as helping to gain customer loyalty.

Since 1993, Bradesco has entered into partnerships to issue the SOS Mata Atlântica, AACD, APAE, Casas André Luiz and the Cartão Amazonas Sustentável cards, with the purpose of promoting social and environmental initiatives, transferring a portion of annual card fees to philanthropic entities.

The acquisition of Ibi México and RFS Human Management was concluded in 2010. The deal includes a 20-year partnership with C&A Mexico for the sale of financial products and services exclusively in the latter's store network.

Since October 2010, the processing of Bradesco Visa and MasterCard credit cards has been carried out by Empresa Fidelity Processadora e Serviços S.A. It was the biggest migration of its kind in Latin America and was a tremendous success.

R\$75.561 billion in revenues from credit cards, up 36.63% on the previous year.

145.215 million credit and debit cards in circulation (86.475 million credit cards and 58.740 million debit cards), 9.30% more than in 2009.

R\$28.250 billion in loans generated by the card business, comprising loans to cardholders, advances to merchants and financing for cash and installment purchases, exceeding the year-end 2009 balance by 29.13%.

R\$4.202 billion in fee income, mainly commissions on debit and credit card purchases and other fees.

9.2 Cash Management Solutions

Advanced technology and innovative processes enable Bradesco to offer customized solutions for accounts receivable and payable, as well as collections of taxes and fees solutions for all corporate segments, in addition to government bodies and public service concessionaires, with a specialized team providing excellence in their services.

In the provision of services, it is worth mentioning the leadership of Bradesco's registered Collection, with 28.20% market share, in addition to processes for the structuring of the Production Chains involving companies, their customers, suppliers, distributors and employees. The bank also offers the *Bradesco Franquias & Negócios* program, the objective of which is to create a competitive and sustainable position for the franchise sector.

On the international market, companies can count on the Global Cash Management division, which offers customized cash management solutions in partnership with 22 foreign banks.

In 2010, Bradesco was the market leader in the number of customers that joined the Authorized Direct Debit (DDA) (2.254 million registered bills) and continuing the process of innovating this system, it provided its customers with the option to schedule or pay the payment slips through SMS messages over mobile phones.

116.758 million documents received pertaining to federal, state and municipal taxes and other contributions.

271.814 million documents received pertaining to electricity, water, gas and phone bills, 56.503 million of which paid via automatic debit from checking and savings accounts, a highly convenient system for clients.

709.834 million receipts via Bradesco collection, check custody, identified deposits and OCT (credit order by teleprocessing) services.

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337.792 million payment operations through Pag-For Bradesco systems book payment to suppliers, Bradesco Net Empresa and electronic payment of taxes, allowing companies to manage their accounts receivable.

9.3 Product and Service Solutions for Government Authorities

Bradesco offers specialized services to Government Entities and Departments of the Executive, Legislative and Judiciary Branches at the federal, state and municipal levels, in addition to independent government agencies, public foundations, state-owned and mixed companies, the armed forces (Army, Navy, and Air Force) and Reserve Forces (Federal, Military and Civil Police), notary officers and registers, through exclusive Service Platforms located throughout Brazil providing customized products, services and solutions.

In 2010, Bradesco's business dealings included: a Financing Portal for the pre-salt supplier chain - *Portal ProgreDir*, in a partnership with Petrobras; the acquisition of payroll for government employees in the state of Pernambuco, adding approximately 218 thousand new account holders to the Bank's customer base; and the offering of the innovative new product Biometrics Security on the Palm of your Hand, for the personal identification of INSS (Social Security) beneficiaries, facilitating the annual registration required by the government body. Bradesco is the largest payer among private banks a total of 6.180 million retirees and pension plan beneficiaries receive their benefits through Bradesco.

The site www.bradescopoderpublico.com.br presents Corporate Payment, Collection, HR and Treasury solutions with an area exclusively for government employees and members of the armed forces.

9.4 Qualified Services for the Capital Markets

Appropriate infrastructure and specialized professionals enable Bradesco to offer a broad range of solutions and services to the capital markets, such as: Bookkeeping of assets (shares, Brazilian Depositary Receipts (BDRs), investment fund quotas, certificates of real estate receivables (CRIs) and debentures); qualified custody of securities; custody of shares for coverage of Depositary Receipts (DRs); controllership of

investment funds (CVM Rule 409 funds and Structured Funds) and portfolios under management; trustee for investment funds; offshore funds; custody and representation for foreign investors; agent bank services, depository services (escrow account trustee services) and clearing services. According to ANBIMA's asset custody rankings, Bradesco has led the domestic segment since April 2007.

Custody and Controllership of Investment Funds and Portfolios under Management

R\$728.662 billion in investment fund, portfolios and DRs under custody, according to the methodology adopted for the ANBIMA ranking.

R\$818.573 billion in funds and portfolios using controllership services, according to the methodology adopted for the ANBIMA ranking.

21 Registered DR programs, with a market capitalization of R\$120.661 billion.

Asset bookkeeping

233 companies comprising Bradesco's book-entry share system, totaling 8.500 million shareholders.

150 companies with 202 issues comprising Bradesco's debenture bookkeeping system, with a current value of R\$161.928 billion.

153 investment funds comprising Bradesco's quota bookkeeping system, with a current value of R\$20.687 billion.

3 registered BDR programs, with a market capitalization of R\$448.863 million.

Escrow Account trustee

4.818 contracts, at a financial volume of R\$7.714 billion.

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10. Organizational Structure Bradesco Customer Service Network

Present in 100% of Brazilian cities and several locations abroad and structured to offer highly efficient, quality products, services and solutions, Bradesco Organization's Service Network, stands beside its customers - even those in the most distant regions, lacking banking services - on board Voyager III, a vessel that brings financial products and services to riverside communities in Amazonas. To increase its presence and coverage, Bradesco successfully began a project to share ATM terminals with Banco do Brasil and Banco Santander. In addition to reducing costs and increasing efficiency, this move allows customers to rely on increased practicality and convenience in performing transactions.

Reaffirming its commitment to bank inclusion, in January 2011, Bradesco inaugurated the branch *Comunidade Cidade de Deus*, located in the Western Rio de Janeiro, with approximately 120 thousand inhabitants and 400 companies nearby. Since 2009, there is a Bradesco branch in the community of Heliópolis, the largest community of the state of São Paulo, and in Paraisópolis, where activities began in 2010. Bradesco is constantly seeking bank inclusion, providing citizens with possibilities to manage their budgets, both safely and efficiently.

On December 31, Bradesco had 44,318 outlets, distributed as follows:

6,551 Branches, PABs (Banking Service Branch) and PAAs (Advanced Service Branch) in Brazil (Branches: Bradesco 3,604, Banco Bradesco Financiamentos 19, Banco Bankpar 2, Banco Bradesco BBI 1, Banco Bradesco Cartões 1 and Banco Alvorada 1; PABs: 1,263; and PAAs: 1,660);

4 Branches Overseas, with 1 in New York, 2 in Grand Cayman and 1 in Nassau, Bahamas;

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

6,203 Banco Postal Branches;

26,104 Bradesco Expresso service points;

1,557 PAEs Electronic Service Branches in Companies; and

3,891 External Terminals of the Bradesco Dia & Noite (Day&Night) ATM network and 9,765 Banco24Horas ATM network, and shared information among Bradesco, Banco do Brasil and Banco Santander, with 1,999 common points shared by the networks.

Bradesco Branches are recognized for the functionality and comfort of their environments, their diverse array of equipment and large and modern ATM rooms that operate with extended hours, facilitating and speeding up operations, in addition to saving time for account holders and users, without ever losing the personal contact and warmth that characterize Bradesco's relations and presence in relation to each and every customer. Bradesco Prime Branches offer customers with personalized services and complete financial advisory; in the Middle Market, Bradesco Empresas Branches provide services with a matching level of quality and specialization.

Bradesco's Dia & Noite (Day & Night) ATM network, with a total of 32,015 machines, 31,460 of which operate on weekends and holidays, are spread throughout strategic points in the country and provide quick and practical access to a wide range of products and services. The 11,057 shared-use machines enable Bradesco Customers to withdraw cash, issue bank statements and consult balances, loans, payments and fund transfers between accounts.

Bradesco is a pioneer in Brazil in the use of the biometric scanning system "Bradesco Security in the Palm of Your Hand", which allows clients to be identified by reading the vein patterns in the palm of their hand and also serves as a complementary password for ATM users. At the end of the year, this technology was available on 18,176 terminals, with 105.892 million uses.

Bradesco's ATM equipment is adapted for users with physical and visual handicaps. In addition to the Internet Banking services, bank statements are available in Braille or with large fonts for the visually impaired. Personal service in digital language via the Fone Fácil telephone service is available for those with hearing impairment.

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The Bradesco Portal brings together a number of transactional and institutional sites that provide users with access to several different types of operations, with speed and security through the use of the Bradesco Security Key System.

At the site www.bradesco.com.br users can find the Bank's products, while the Bradesco Prime, Private, Empresas (Middle Market) and Corporate divisions can be found at their own specific sites. For the Executive, Legislative and Judicial Branches of the Federal, State and Municipal government, the Bank provides products and services through its Bradesco Government Authority website, complete with payment and receivable solutions, in addition to access to the Bradesco Net Empresa website, where Corporations may perform banking transactions with the utmost security, provided through digital certification and electronic signatures.

ShopCredit a website specialized in Loans and Financing Lines-allows individual and corporate clients to have access to detailed information on Bradesco's complete credit portfolio, including simulators for calculating personal loans, overdraft facilities, consumer credit, leasing, mortgages, rural loans, Finame financing lines, auto insurance and other products.

The website Bradesco ShopInvest allows users to monitor financial markets, invest in stocks, receive online quotes, make investments and redemptions, simulate calculations, contract private pension plans, invest in savings bonds and much more.

The *Fone Fácil* Bradesco channel provides access, by phone, both day and night, seven days a week, through personalized electronic service, effectively expanding the range of new opportunities for conveniently and securely conducting business, receiving information and using banking products and services.

With the *Bradesco Celular* mobile phone service, customers may access a number of financial services from wherever they may be, with mobility and security. Customers have access to a number of services, such as: balance consults, scheduling and payment of bills, transfers, loans and pre-paid mobile phone recharges, among others, as well as information on products and services.

11. Bradesco Companies

11.1 Insurance, Private Pension and Savings Bonds

With a history marked by financial solidity and product innovation in insurance, private pensions and savings bond, Grupo Bradesco de Seguros e Previdência continues to lead among the conglomerates operating in these sectors in Latin America.

R\$2.918 billion in Net Income in the insurance, private pension and savings bond business in 2010, with Return on Average Equity (ROAE) of 26.15%.

R\$11.913 billion in Shareholders' Equity for growth of 7.06% in relation to 2010.

R\$105.009 billion in Total Assets.

R\$96.548 billion in free investments and for covering Technical Provisions.

R\$30.672 billion in revenue from insurance premiums, private pension plan contributions and revenue from savings bonds.

R\$20.682 billion in indemnifications, drawings and redemptions paid by Grupo Bradesco de Seguros e Previdência in the fiscal year.

11.2. BEM Distribuidora de Títulos e Valores Mobiliários Ltda.

Highly specialized in the fiduciary management of third-party funds in the institutional segment.

R\$91.380 billion under management on December 31, distributed across 607 investment funds and a total of 7,274 investors.

11.3 Bradesco Leasing

Specialized in operational agreements with large manufacturers and resellers, Bradesco Leasing operates through complete integration with the Bank's Branch network and dedicates itself to business with vehicles, aircraft, machines and equipment.

R\$16.366 billion in balance invested on December 31, 2010, with 56,717 operations contracted in the year.

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614,222 leasing agreements in force at year- end, demonstrating the low concentration in this business.

11.4 Bradesco Administradora de Consórcios Ltda.

Supported by the Bradesco Brand and the Bank's service network, and present in all Brazilian cities, Bradesco Consórcios has gained leadership in the Real Estate, Automobile and Truck/Tractor segments.

471,620 active quotas at year-end, with 229,499 new quotas sold.

R\$22.329 billion in revenue.

11.5 Banco Bradesco Financiamentos S.A.

Banco Bradesco Financiamentos directly offers customers with credit financing lines for acquiring vehicles, leasing operations, by means of Bradesco Financiamentos, and payroll deductible loans, by means of Bradesco Promotora.

Bradesco Financiamentos operates through its extensive network, which maintains agreements with 24,195 partners throughout the country, including Resellers and Concessionaires of Light Vehicles, Heavy Vehicles and Motorcycles, specialized in Vehicle Financing and Leasing, with CDC and Leasing solutions using own resources or onlending for those who may or may not be Bradesco customers. Bradesco Promotora, for its part, focuses on extending payroll-deductible loans to retiree and pension beneficiaries of the INSS social security system, Federal, State and Municipal employees, employees of accredited private companies, as well as the sale of related products (insurance, savings bonds, cards, consortium plans and others) to both account holders and the general public. With over 300 correspondent banks, Bradesco Promotora already operates in partnership with 2,475 Bradesco retail branches.

R\$1.208 billion in Net Income in 2010.

R\$61.367 billion in Consolidated Assets.

R\$30.694 billion in the Loan Portfolio.

11.6 Banco Bradesco BBI S.A.

As the Organization's Investment Bank, Bradesco BBI conducts equity and fixed income operations, structured operations, mergers and acquisitions, project financing and private equity through its Investment Banking intermediary. It also is the controller of the operations of Bradesco Corretora de Títulos e Valores Mobiliários, Ágora Corretora de Títulos e Valores Mobiliários, BRAM - Bradesco Asset Management and Bradesco Securities Inc.

In 2010, it took part in major market operations, specifically as the Lead Coordinator of the Petrobras Initial Public Offering of common and preferred shares, in the amount of R\$120 billion, the largest capitalization in world history, as well as coordinator of the Public Offer of Simple Debentures by BNDESPAR, in the amount of R\$2.025 billion. In the same period, BBI coordinated operations equal to 80.45% of the volume of issues registered at the Securities and Exchange Commission of Brazil (CVM), attesting to its expertise in identifying the best alternatives for capitalizing companies and expanding their businesses, complemented by high-end services for investors.

R\$144.823 billion in deals coordinated in 2010, which included issues of primary and secondary shares, debentures, promissory notes, Receivables Securitization Funds (FIDCs) and mortgage-backed securities.

BRAM - Bradesco Asset Management S.A. DTVM

BRAM holds a prominent position in the asset management industry through its extensive experience and specialization, providing services to several segments, such as Bradesco Prime, Bradesco Empresas, Corporate, Private, Retail and Institutional Investors.

R\$197.527 billion in assets under management on December 31, distributed across 539 investment funds and 221 managed portfolios, and reaching 3,118,828 investors.

Bradesco S.A. Corretora de Títulos e Valores Mobiliários

Bradesco Corretora is recognized as one of the most important brokers on the Brazilian market, with significant market interest in shares and futures, providing support to operations by means of its 21 *Salas de Ações* (Share Rooms), distributed throughout several Brazilian cities, trading desks and the electronic operations system: Home Broker and Bradesco Trading.

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The exclusive Automatic Stock Trading System (SANA) enables greater participation by small investors in the stock market, facilitating the purchase and sale of shares on the stock exchange in small lots, and the intermediation of public offerings through computer terminals located at Bradesco bank branches.

Bradesco Corretora was the first brokerage firm to provide customers with Direct Market Access

(DMA), which is a pioneering service for routing orders via computer, allowing investors to place buy and sell orders directly in the derivatives markets on the BM&FBOVESPA. It also excels in providing investment and economic analyses to clients, and covers a broad universe of companies and sectors, representing in Brazil non-resident investors in the financial and capital markets, for the administration of investment clubs and for custody services for non-institutional companies and individuals.

Bradesco Corretora was the champion of *Carteira Valor* for the third consecutive year, an award presented by Valor Econômico newspaper for the most profitable portfolio in the year.

R\$87.184 billion in financial trading volume on the stock market of the BM&FBOVESPA in 2010, corresponding to 2,584,384 orders to buy and sell stock provided to 69,852 investors.

9.862 million contracts traded on the derivative markets of the BM&FBOVESPA, for financial trading volume of R\$853.602 billion.

R\$17.944 billion in financial trading volume via the Home Broker Internet trading system, corresponding to 1,688,615 orders to buy and sell stock.

78,007 clients registered in the Fungible Custody Portfolio at year-end 2010.

Ágora Corretora de Títulos e Valores Mobiliários S.A.

Structured to offer the best services to its customers, Ágora Corretora was one of the pioneers of the online trading system with the creation of Home Broker and with innovations to fixed brokerage model that transformed the current brokerage market.

Ágora Corretora handles all types of operations on the BM&FBOVESPA, specializing in equity investments and products tailored to the various investor profiles, as well as investment funds, BM&F, direct treasury services and investment clubs. In addition to trading tools developed for each investor profile: Home Broker, Home Broker 2.0, Ágora Trade Pro and Ágora Mobile.

Through the portal www.agorainvest.com.br, clients gain access to exclusive content, such as sector and company reports, recommended portfolios and extensive programming on Ágora TV, where its team of analysts provides daily follow up of domestic and international markets, as well as programs on company analyses and interviews with representatives of major corporations. The relationship with its clients is marked by intense interactivity, which includes social networks, forums, chats and video chats on a variety of issues involving the financial market.

R\$64.888 billion in financial trading volume handled by the Home Broker system, corresponding to 1,407,378 orders to buy and sell stock.

Overseas Brokerages (Bradesco Securities, Inc. and Bradesco Securities UK Limited)

Bradesco Securities, Inc. provides services to clients in the U.S. market, in New York, and Bradesco Securities UK Limited, based in London, provides services to clients in the European market involving stock brokering through ADRs, as well as shares listed on the local stock exchanges. They also operate as broker-dealer in the distribution of public and private securities to international investors.

Private Banking

Made up of highly qualified and specialized professionals, Private Banking offers personalized services to individuals, family holdings and holding companies with R\$2 million in net funds available for investment, as well as an exclusive line of products and services that are complemented by special advisory services in the area of asset allocation both in Brazil and abroad, tax issues and succession.

12. Corporate Governance

Bradesco presence in the Brazilian capital markets began in 1946, when the bank's stock was listed on Brazilian exchanges (BBDC3 common share and BBDC4 preferred share), just over three years after the company's founding. In 2001, its shares began trading on the New York Stock Exchange (American Depositary

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Receipts ADRs Level II BBD) and on the Madrid Stock Exchange Spain (Latibex - XBBDC). In the same year, it voluntarily adhered to the requirements of the Level 1 Special Corporate Governance Segment of the BM&FBOVESPA Securities, Commodities & Futures Exchange, the guidelines of which were updated in 2010.

Bradesco's Management is made up of the Board of Directors and Board of Executive Officers. Members of the Board of Directors are elected annually by the Shareholders' Meeting, and in turn elect the members of the Board of Executive Officers in internal meetings.

The Fiscal Council, a non-permanent body, has been installed on an annual basis since 2002. The Annual Shareholders' Meeting held on March 10, 2010 resolved to maintain the body, which is composed of three members and three alternate members, with terms of office lasting until 2011 and with one member and one alternate member selected by the preferred shareholders.

The Bradesco Organization is constantly seeking to improve its governance practices, under the supervision of the Board of Directors, responsible for defining and monitoring of global strategies and supervision of internal controls, especially those regarding risk management - a theme that today is widely considered to be synonymous with sustainability.

In addition to 100% tag-along rights for common shareholders and 80% rights for preferred shareholders, Bradesco maintains an attractive Dividend Policy, guaranteeing a mandatory minimum dividend of 30% of adjusted net income, which is higher than the minimum percentage of 25% established by Federal Law 6,404/76. The preferred shares also assure their holders dividends 10% higher than the level attributed to the common shares. In recent years, the Bank has paid out percentages above the mandatory level of 30% provided for by its Bylaws.

Its Policy for Related Parties Transactions consolidates the Company's procedures for transactions involving related parties, in accordance with the rules issued by regulatory agencies and seeking transparency in the process. The Policy for Disclosure of Material Events or Facts and the Policy for Trading in Securities Issued by Bradesco establish the highest standards of conduct for, primarily, its controlling shareholders and administrators.

Since 2009, material regarding Shareholders' Meetings has been published on Bradesco's online internet portal and sent to BM&FBOVESPA and the Brazilian Securities and Exchange Commission approximately 30 days before the meetings in question, while the Brazilian legislation requires that documents be sent at least 15 days before meetings.

In September 2010, Bradesco received the Gamma 7 Score (Governance, Accountability, Management Metrics and Analysis), on a scale of 1 to 10, from Standard & Poor's Governance Services, and was the first Brazilian company to do so publicly. It is worth noticing that the highest score disclosed in the world market was 7+. Additionally, Bradesco received the AA rating (Corporate Governance Best Practices) from Austin Rating.

In accordance with CVM Rule 381, during the fiscal year, the Bradesco Organization neither contracted from nor rendered services to PricewaterhouseCoopers Auditores Independentes that were not related to the external audit in an amount exceeding 5% of the total cost of this audit. The policy adopted is in line with the principles of preserving the auditor's independence, which are based on generally accepted international criteria, i.e., the auditor should not audit its own work, perform managerial duties at his client or promote the interests thereof.

12.1. Internal Controls and Compliance

The structure of the staff, with their absolute dedication, combined with the investments in technology and training, created the conditions necessary for Bradesco's management of internal controls and compliance are effective, comply with the regulatory requirements and is aligned with international standards.

The Organization's process, system flows and controls are continuously reevaluated and tested. The effort enjoys the full involvement of the Bank's various areas, the Internal Controls and Compliance Committee and the Audit Committee, and generates reports that are submitted to the Board of Directors. This process is in line with the principal control frameworks, such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Control Objectives for Information and Related Technology (COBIT), which encompass the business and technology aspects, respectively, and also complies with the requirements of the Public Company Accounting Oversight Board

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(PCAOB) and of Section 404 of the Sarbanes- Oxley Act in the United States.

In compliance with Section 404 of the Sarbanes- Oxley Act, a report that certifies internal control adequacy, was filed at the Securities and Exchange Commission (SEC) in June 2010 jointly with the financial statements in US GAAP.

For the certification for fiscal year 2010, control assessments and tests already conducted have not identified any deficiencies that could jeopardize certification of internal controls.

Prevention of Money Laundering and Terrorism Financing

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

Meaningful investments are made in employee training, with programs in various formats, including informative brochures, videos, e-learning courses and on-site lectures for areas requiring these activities.

Suspicious or atypical cases are assessed by a commission that includes several areas and departments regarding the relevance of submitting to the proper authorities.

The program is sponsored by the Executive Committee to Prevent Money Laundering and Terrorism Financing, which holds quarterly meetings to evaluate the works and the need to adopt measures, with a view to aligning the procedures to the rules issued by regulatory agencies and the best national and international practices.

Independent Authentication of Models

Internal models to support business, whether created based on statistical data or the knowledge of specialists, facilitate the approach of critical subjects; the perfection of processes; the standardizing and streamlining of decisions within the context they are subject.

Bradesco maintains a continuous process that critically analyzes Internal Models, guaranteeing quality and proper responses.

A specialized area, independent from those that create or use the models, is responsible for this process.

It provides reports of its activities and results to managers, Internal Auditors and the Integrated Risk Management and Capital Allocation Committee, complying with the best practices and guidelines of the New Capital Accord Basel II and the requirements of the Brazilian Central Bank.

Information Security

Composed of a set of controls, procedures, processes, organizational structures, policies and rules, Information Security seeks to protect data with respect to confidentiality, integrity and availability. The basis for the protection of information assets are described in Bradesco's Information Security Policy and Rules.

Based on best international standards and practices, corporate awareness and training programs and the policy and rules, its focus is to protect the customers' exclusive data and the Organization's strategic information.

The Corporate Security Executive Committee meets on a quarterly basis to examine and approve guidelines, measures and orientations that support the processes and procedures concerning Information Security at the Organization.

12.2. Information Disclosure and Transparency Policies

In its relationship with the market in general, Bradesco discloses a number of periodic publications to provide as much transparent and quality information as possible. The newsletter *Cliente Sempre em Dia*, with circulation of 400 thousand copies, and the *PrimeLine*, with circulation of 187 thousand copies, are distributed on a bimonthly basis; the newsletter *Acionista Sempre em Dia*, with circulation of 38 thousand copies and the periodicals *Revista Bradesco*, with circulation of 10 thousand copies are distributed on a quarterly basis. Each year Bradesco also publishes its Management Report and Sustainability Report and also publishes on its investor relations website www.bradesco.com.br/ri the Economic and Financial Analysis Report, which is a detailed compilation of the data most requested by its specialized readers.

12.3. Investor Relations IR

The Investor Relations Department provides a direct relationship with both individual and corporate customers, in Brazil and abroad. Its interactivity plays a fundamental role at Bradesco and is beneficial for the market, enabling investors to form accurate assessments of the Bank, as well as for the company itself, which gains important insights into the opinions and performance of the financial community.

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Shareholders, investors and market analysts can go to the Portuguese or English versions of the Investor Relations website at www.bradesco.com.br/ri to receive clear, timely and comprehensive information, which includes company profile, historical data, ownership structure, management reports, financial results, APIMEC meetings, as well as other information of interest to the financial market.

To better disclose the Bank's performance to the capital markets, during Bradesco held 18 meetings sponsored by the Capital Market Professionals and Investors Association (Apimec) and one National Investors Institute (INI) Meeting, with the participation of over 4 thousand people, with 13 meetings broadcast live over the internet, simultaneously translated into English, attracting over 22 thousand viewers. In an innovative move, the São Paulo event was also transmitted to iPhones, iPads and Android-equipped phones.

To disclose its results of the year, Bradesco maintained the video chat, promoted 130 internal and external meetings with analysts, 76 conference calls and 24 events abroad, and communicated 580 times with investors via the *Fale com o RI* (Contact the IR Department) service available on the website.

12.4. Bradesco Ombudsman

Alô Bradesco, the first communication channel with the general public in the financial market, was created in 1985, five years before the issue of the new Consumer Defense Code, to register and handle the complaints and suggestions of the Bank's clients.

The Ombudsman Department enhances the values that guided the creation of *Alô Bradesco* and features an Ombudsman, providing an extra channel for an open and direct dialogue with clients and users. To comply with the complaints, the department reaffirms its commitment to customer satisfaction, taking into consideration trends and demands.

379,520 contacts registered in 2010.

13. Integrated Risk Management

13.1 Risk Management

Risk management is a highly strategic activity due to the growing complexity of services and products offered and the globalization of the Organization's business, and for this reason it is always enhanced.

The Organization's decisions are made based on factors that combine return on previously identified risk, measured and evaluated, creating conditions to reach the strategic objectives and providing for the institution's strengthening.

The Organization approaches risk management in an integrated manner, unifying policies, processes, criteria and methods used to control risks through a statutory body, the Integrated Risk Management and Capital Allocation Committee, which is sponsored by specific management committees and policies approved by the Board of Directors.

13.2 Credit Risk

Credit risk management is a continuous and evolutionary process of mapping, measuring and diagnosing the models, instruments and procedures in place, and requires a high degree of discipline and control when analyzing the operations carried out in order to preserve the integrity and independence of processes. Credit risk management considers all aspects related to the loan granting process, such as credit concentration, guarantees and terms, seeking to guarantee the expected quality of the portfolio.

The Organization continuously maps all activities that could generate exposure to credit risk, each being classified by probability and magnitude, in addition to identification of the risk-bearing activity's managers, measurement and plan for mitigation. Control is exercised on a centralized and standardized corporate basis.

13.3 Market Risk

Market risk is carefully monitored, measured and managed. The Organization's market risk exposure profile is conservative and guidelines are monitored independently, on a daily basis.

Market risk control is performed by all of the Organization's companies on a centralized, corporate basis. All activities exposed

to market risk are mapped, measured and classified by probability and magnitude, with their respective plans for mitigation duly approved by the governance structure.

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13.4 Liquidity Risk

The Organization's liquidity policy defines not only the minimum levels that must be observed, including considerations of stress scenarios, but also the types of financial instruments in which funds should be applied and the operational strategy to be used if needed.

Liquidity risk management process involves the daily monitoring of the composition of available funds, the observance of the minimum liquidity level and the contingency plan for stress situations. The control and monitoring of positions is conducted in a centralized manner.

13.5 Operational Risk

The Organization considers the management of operational risk to be essential to the generation of added value. This risk is controlled in a centralized manner through identification, measurement, mitigation plans and management of operational risks, on a consolidated basis and by each company.

Among the plans for mitigation of operational risk, one of the most important is business continuity management, formal plans to be adopted during crisis situations, assuring the recovery and continuity of business, in turn preventing or mitigating financial losses.

13.6 Risk Factors and Critical Accounting Policies

In its website bradesco.com.br/ri Reports and Spreadsheets-SEC Reports, Bradesco discloses risk factors and critical accounting practices, in accordance with international best practices in transparency and corporate governance and with US GAAP. These factors include the potential political and economic situations in local and international markets that could directly impact the day-to-day operations, and consequently the Bank's financial situation.

14. Intangible Assets

Bradesco's market capitalization based on its stock price at the end of the fiscal year was R\$109.759 billion which corresponds to 2.29 times its book value of R\$48.043 billion. An expressive appreciation in the year of 6.36%, a reflex of the market recovery and driven by the gain in intangible assets, which, although not reflected on the balance sheet, are perceived and assessed by investors.

Bradesco's strategic planning always seeks the best results, setting realistic goals that take into consideration: the value of the Bradesco brand; the best practices for corporate governance and culture; the scale of its businesses; the many relationship channels that exist between the various publics and the Organization; an innovative information technology policy; the broad diversification of its products, services and solutions and the coverage and reach of its Customer Service Network, which is present in all of Brazil's municipalities, as well as overseas; a dynamic and responsible policy for its social and environmental responsibility; a robust human resources policy that: a) provides a more solid relationship among all employees and consequently increases the higher level of mutual confidence; b) indicates the opportunities for valuing professionals and their development; c) substantially reduces the staff turnover rate and associated costs; and d) cultivates, at all levels, a long-term vision, which is inherently linked to sustainability.

14.1. Bradesco Brand

The Bradesco Brand was considered the most valuable in Brazil and the most valuable in the banking sector among financial institutions in Latin America, according to surveys prepared by the international consultant Brand Finance, in a partnership with the British magazine *The Banker*; the most valuable brand in the country, for the fourth consecutive year, according to the survey performed by the consultant Brand Finance South America and the magazine *The Brander*, which analyzed 100 corporate brands in Brazil; the most valuable brand in Brazil, according to a survey performed by the specialized consultant BrandAnalytics/MillwardBrown for the magazine *IstoÉ Dinheiro*; and the most valuable brand in the country in 2010, among institutions in the financial sector, according to the consultant Superbrands.

14.2. Human Resources

The Bradesco Organization recognizes the ability of the performance and potential for achievement of its employees as the basis for continuation of its business. The Company's Human Resource Management Policy maintains a model of excellence, guided by respect and transparency in relations, continuous investment in development, sharing of knowledge and the value of human beings, without discrimination, providing employees with opportunities for continuous professional growth in a healthy and ethical environment, always preserving the Bank's objectives.

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Training and qualification programs are permanently given to the Bank's staff, which comprise 75,375 employees at Banco Bradesco and 19,873 employees at subsidiary companies. The training courses focus mainly on operating, technical and behavioral areas, serving all professionals' with the same quality standard, guaranteeing diversified services marked by excellence.

The Organization has teams of specialized instructors and a robust infrastructure further the pursuit of knowledge in issues related to the needs of the market, the economic environment and the demands posed by technological advances.

Investing in the qualification of its employees is a strategic action capable of helping achieving results, in addition to being essential to keeping up with changes in the market. Therefore, Bradesco promotes managerial development programs through specialization courses, courses at the graduate level and MBAs in the fields of economics, business administration and law, in partnership with consultancies, universities and business schools.

In 2010, Bradesco continued its Advanced Development Program, through which it has been allowing its executives time to study in top universities abroad, in order to develop and improve on technical and personal abilities, thereby guaranteeing the continuous improvement of Management processes by adding global knowledge and encouraging executives to spread the information they learn among other employees.

Ever-increasing investment in training, taking advantage of the potential of technological innovations, has also allowed the Bank to expand on its educational resources, providing on-site or distance training through video training, brochures, e-Learning, videoconferences, *treinamento telepresencial*, etc. Among the important initiatives, one of the most outstanding is TreiNet Training by Internet/Intranet, which, with extensive coverage, allows the Organization's employees to take part in distance learning. 1,239,725 employees participated in the program during the fiscal year, proof of its importance and coverage.

The assistance benefits aimed at improving the quality of life, wellbeing and safety of employees and their dependents benefited 194,169 lives at the end of the year. These included:

- Healthcare plans;
- Dental plans;
- Private pension and retirement plans;
- Group life and personal accident insurance;
- and
- Group auto insurance.

Bradesco was one of the 150 Best Companies to Work For in Brazil, in the Large Company category, according to *Guia Você S/A Exame As 150 Melhores Empresas para Você Trabalhar 2010* (Você S/A Exame Guide - The 150 Best Companies to Work For in 2010). The Bank has figured in this ranking for 12 years, 2010 being the 11th consecutive year. The Bank was also the winner of the award *Desafio de RH* (HR Challenge), promoted by *Guia Você S/A Exame*, in a partnership with Fundação Instituto de Administração of Universidade de São Paulo (FIA-USP). It also ranked among the 100 Best Companies to Work for in Brazil for the 11th straight year, according to a survey conducted by the magazine *Época* and based on the evaluation of the Great Place to Work Institute, the only bank among the 25 Best Companies.

It was also ranked one of the 50 Best Companies for Executives in Brazil. For the fourth consecutive year, Bradesco ranked the 100 Best Companies in the Organizational Human Development Index (IDHO) in 2010, being elected the Company of the Year in 2010, and, for the 3rd consecutive time, it ranked the list of the Best 10, in a survey conducted by the magazine *Gestão & RH*.

For the 7th straight year, Bradesco ranked the list of the Best in People Management, a research conducted by the magazine *Valor Carreira*, of the newspaper *Valor Econômico*, which, in 2010, was the second among the companies with over 10,000 employees. Once again Bradesco was awarded with the São Paulo Diversity Seal, in the category *Pleno 2010*, by the Government of the State of São Paulo, which recognizes public, private and civil society companies that develop programs, projects and actions to promote and value ethnic, gender, cultural and other types of diversity in their work environments and community. It was elected the Best Bank in HR by a survey conducted by the magazine *IstoÉ Dinheiro*, in the annual publication of *As Melhores da Dinheiro* (The Best Companies of Dinheiro Magazine).

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R\$107.104 million invested in training programs, with 1,834,192 individual training events.

R\$785.800 million invested in the Food Program, with the supply each day of 108,243 meals and 125,334 meal vouchers.

4.144 million medical and hospital service events.

565,841 dental service events during the year.

Internal Communications

The Organization's employees receive information on the policies, guidelines and operational procedures that must be adopted through notices, ensuring that everyone remains up-to-date on how to handle the day-to-day operations and situations.

Bradesco Intranet is another important instrument that should only be used to perform work-related activities, always observing the security criteria, which are set forth in the Information Security Corporate Policies and Rules, as well as the Rules and Procedures for Using and Accessing the Intranet.

Objectiveness and consistence, strategic positioning, concepts and, most importantly, the Organization's values and achievements deserve a special emphasis in internal communications. Within this context, TV Bradesco stands out in every level, forming, integrating and motivating the Bank's staff. The *Revista Interação*, which is delivered to each employee, and the daily newsletter *Sempre em Dia* are available in the Bank's intranet.

The CEO Blog was created as an internal and interactive channel to promote the exchange of information and opinions between employees and the CEO's office. The blog discusses issues of particular importance to the Organization and the country and is accessed via the Intranet.

14.3 Information Technology

Characterized by pioneering spirit and innovation, Information Technology, central to the Bradesco Organization's strategy, is always searching for infrastructure solutions capable of providing security, speed and convenience in transactions.

With IT infrastructure fully guided and backed by the best practices that boasts central computer processing capacity of more than 234,000 Mips (million instructions per second), Bradesco has over 6,850 corporate servers and data storage capacity of close to 33 petabytes (33 quadrillion characters). Each day an average of 212 million transactions are processed, with availability remaining above 99.81%. Maintaining an environment that enables agility, comfort, productivity and security aims at transforming the complex into simple and manageable, while maintaining the low operating risk and capacity to follow up the growth of the Bank's business volume.

The *Projeto TI Melhorias* (IT Enhancement Project), which was launched in 2003 to prepare the Bank's IT infrastructure for the coming decades, concluded 27 of its 28 actions. The results obtained by the project have provided for more robust, cutting edge infrastructure, completely prepared for contingencies, a high performing data network with a great amount of availability and modernization of IT processes.

The largest of the fronts, the construction of new, service-oriented system architecture, will be delivered, for the most part, in 2011, allowing the Bank to begin to take advantage of a significant number of expected benefits as of 2012. These benefits include greater speed of service for Business Units and greater flexibility to provide security in supporting the Organization's growth, thereby offering customers safe, quality services.

R\$3.920 billion invested in maintenance, expansion and innovation in the year.

15. Marketing

The positioning of Bradesco's communication, known as "*Presença*, (Presence) was adopted in 2009 and was strengthened during 2010. Recognized as an innovative and differentiated initiative, "*Brasil Presença*" is a series of films produced by Bradesco about Brazil and its citizens that tells the story of common people who have managed to transform their dreams into inspiration by moving forward and overcoming challenges.

This institutional campaign shows the Organization's commitment to the economic development of Brazil, present in people's daily lives through the thousands of service points, participating as a financial broker, fostering investments, democratizing credit, expanding its range of products, services and solutions, and

promoting banking inclusion and social mobility.

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With exclusive sponsorship from *Jornal Nacional*, one of the most important television news programs in the world, in 2010, Bradesco intensified its presence in the country's daily routine. In addition to increasing the brand's visibility, the action reinforced its image of solidity, reliability and tradition by associating it with the credibility of a program such as *Jornal Nacional*, which has been on the air for over 40 years.

In 2010, Bradesco continued to support and sponsor the most diverse social and cultural events aimed at a variety of publics, which have effectively worked to transform and enrich Brazilian culture, which include the Serrano Music Festival, in Gramado, Rio Grande do Sul, the Folklore Festival in Parintins and the Amazon Opera, held in Manaus, both in the state of Amazonas. The Organization also sponsored a series of events held by Fundação Bachiana, of the Brazilian Symphony Orchestra and the *Mozarteum Brasileiro*, in addition to the expositions "*Ouros de Eldorado* Pre-Hispanic Colombian Art", at Pinacoteca do Estado de São Paulo, among other significant events.

In theater, the Organization sponsored the re-opening of "*A Alma Boa de Setsuan*", in the city and state of São Paulo, and renewed its support of events at Teatro Fecap, in addition to activities through Teatro Bradesco, a theatre that carries the Organization's name, and Brazilian season of the show "*Quidan*", presented by Cirque du Soleil.

Focused on Social and Environmental Responsibility, Bradesco sponsored a number of events, including the International Sustainability Forum, in Manaus, Amazonas, the 6th GIFE Congress on Social Investment, in Rio de Janeiro, Reatech 2010 International Rehabilitation, Inclusion and Accessibility Technology Fair in São Paulo, Fiema 2nd International Environmental Technology Congress, in Bento Gonçalves, Rio Grande do Sul and the *Água na Oca* exposition, also in São Paulo.

In sports, Bradesco became the first national sponsor of the 2016 Olympic Games in Rio de Janeiro, as the exclusive provider of Financial Services and Insurance. As one of the sponsors of the Brazilian Olympic Committee, the Bank was an important supporter of Rio de Janeiro in its bid to host the 2016 games and several other parts of the Olympic program, including support to the Aquatic Sports, Rowing, Judo, Sailing and Motor, Basketball and Rugby Confederations.

The end-of-year campaign showed the evolution of the Presence concept through a series of three films. In the first, a musical theme showed how presence is a human value we all share. In the second, with its year-end message, Bradesco wished Brazilians the presence of those who are important in their lives in 2011. The third film personified the desire for presence in real life, in which Bradesco showed people who had not seen each other for a great deal of time meeting at a train station: action that brings character to a concept.

With the theme *Uma história de Reencontros* (A Story of Reunions), for the 15th consecutive year, the Grupo Bradesco de Seguros e Previdência Christmas Tree was strategically erected on the Rodrigo de Freitas Lake, in the city of Rio de Janeiro. In line with the principles of social and environmental responsibility, the tree's lights were powered by a biodiesel generator and the tree is already part of the city's calendar of tourist attractions.

289 regional, industry and/or professional events held nationwide, including trade fairs, seminars, congresses and cultural/community events, that received Bradesco's support in 2010.

16. Sustainability at Bradesco Organization

The Organization maintains its commitment to the development of the country, which began with the Bank's creation in 1943, when it started to incorporate sustainability into its management, business and daily practices. Since its founding, themes such as education (especially with the appearance of Fundação Bradesco in 1956), personal development, banking inclusion and promotion of citizenship have been present in its daily activities.

The Organization's operations are based on important national and international guidelines, such as: the Global Compact, Millennium Objectives, Equator Principles, Carbon Disclosure Project (CDP), Green Protocol, Principles of Responsible Investment (PRI), Greenhouse Gas Protocol Program and Companies for the Climate (EPC).

Sustainable development is the Bank's main commitment and is reflected in its participation in important indicators, such as the Dow Jones Sustainability Index (New York Stock Exchange), the Corporate Sustainability Index (ISE) and the Efficient Carbon Index (ICO2), both part of the BM&FBOVESPA Securities, Commodities and Futures Exchange, in addition to other certifications and acknowledgements.

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Bradesco's commercial strategy is based on the concept of growth with respect for stakeholders, focus on quality service and banking inclusion and concern with the environment. To reinforce the Organization's position, in 2007, it created a sustainability strategy that brings social and environmental actions together under three main pillars: Sustainable finance, responsible management and social and environmental investments.

- **Sustainable finance** - focused on providing the population with access to financial services, increasing loan offers in a responsible manner and maintaining quality products and services that take into account social and environmental criteria, such as credit lines, investments, cards, insurance, savings bonds and private pension. The management of social and environmental risk in granting credit is a relevant practice, and therefore, is supported by operational structures focused on this activity.

- **Responsible management** - with actions based on ethical relations with all stakeholders, emphasis is given to the value and development of employees, improvement of the working environment and generation of value with the least possible impact on the environment, through the Eco-efficient Management Program and the development of the supply chain. The Organization's suppliers are evaluated and monitored under social and environmental criteria, which constitutes another factor to be developed throughout the value chain in which they play a role; and

- **Social and environmental investments** in support of human development, the Organization's actions are focused on education, the environment, culture and sports through initiatives such as Fundação Bradesco, the Educa+Ação Program, the Bradesco Sports and Education Program, Fundação Amazonas Sustentável and the partnership with Fundação SOS Mata Atlântica. With regards to private social investment, to better manage funds allocated to the community, the Bank created Standards for Social and Environmental Investment and Sponsorship and Participation in Events.

On these three fronts, the Organization seeks to generate results for all stakeholders with which it maintains relations, creating value and working for the continuity of their relations. In January 2010, the Bank took an important step by reformulating its Vision and Mission, which have come to more directly and explicitly reflect the its commitment to sustainability.

More information on Bradesco's actions in 2010 can be found in the 2010 Sustainability Report, which is available at the website bancodoplaneta.com.br.

Fundação Bradesco

Fundação Bradesco, the main instrument for Bradesco Organization's social action, is one of the largest private social and educational programs in Brazil and the world. Present in all Brazilian states and the Federal District, Fundação Bradesco maintains 40 schools installed in socially and economically underprivileged regions. In 54 years of activities, it promoted formal, free, quality education to over 2 million students, which, combined with the other on-site and distance courses offered, rises to more than 4 million.

Fundação Bradesco carried out 646 thousand educational events in the several segments it operates, of which 115,260 represented students served at the its own schools in the following areas: Basic Education (Kindergarten to High School); Vocational Training - High School; Youth and Adult Education; and Preliminary and Continuing Vocational Training. Meanwhile, more than 530 thousand educational events were administered at its virtual school, e-learning portal, Digital Inclusion Centers (CIDs) and programs conducted in strategic collaboration, such as Educa+Ação. The 50 thousand students enrolled in Fundação Bradesco's basic education system were assured, at no charge, uniforms, school supplies, meals, medical and dental assistance.

The pass rate at Fundação Bradesco schools averaged 95.10% over the last 5 years, which is in line with the best international parameters.

High-school level Professional Technical Education courses offered by Fundação Bradesco follow the country's effective technical education model, and are in accordance with the following technological axes: Natural Resources (Agriculture and Cattle Raising); Industrial Control and Processes (Electronic); Information and Communication (Informatics) and Management and Business

(Administration). In addition to technical information, the courses provide an education focused on constant learning and updating.

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Forming creative, productive, undertaking citizens has been a constant issue of Fundação Bradesco, who offers training and vocational courses to employees, at a variety of levels. Aiming at preparing students to start up their own business or to take advantage of better jobs and opportunities in the market, it makes available over 100 options of different courses with flexible and customized curriculums. For example, the courses in the areas of printing technology, farming and ranching, business administration, information technology, fashion, leisure and development expand the ties with regional markets and the specific interests of communities.

In order to facilitate the insertion of High School students into the labor market, Fundação Bradesco participates in the National Young Apprentice Program, also supported by the Bradesco Organization. Employees become educational agents and tutors in these students' development process.

Created in partnership with Banco Bradesco, the Educa+Ação Program enables Fundação Bradesco to share the positive results obtained by those who gained literacy through the Schools that are a part of the Public Education Network, reproducing their pedagogic experience, educational methodology and own educational material.

The program currently spans 127 schools in 13 cities in the states of São Paulo and Mato Grosso do Sul, benefitting nearly 25 thousand students and over 1,000 teachers. In 2010, Jundiá, São Paulo and Corumbá (Porto Esperança, Mato Grosso do Sul) joined the initiative. Meetings are periodically held to train professors and pedagogic coordinators in methodology multipliers.

For the eighth straight year, the National Volunteer Action Day, held on March 7, mobilized some 44 thousand volunteers from all Fundação Bradesco's units. These individuals performed over 1.4 million services in the areas of citizenship, education, leisure, sports and the environment at more than 200 sites, which included Fundação Bradesco schools and the Digital Inclusion Centers (CIDs).

Fundação Bradesco promotes digital inclusion among inhabitants of communities around its schools through 113 Digital Inclusion Centers (CIDs), 4 of which are situated in indigenous communities.

These centers act as centers for learning and professional training. They are informatics laboratories created for underprivileged communities, in order to promote digital inclusion, stimulate social responsibility and entrepreneurship, as well as expand on notions of citizenship. In 2010, the CIDs were responsible for serving over 166 thousand people and had a great impact on the communities in which they are located.

The Program to Promote Computer Use by the Visually Impaired, created in 1998, has already trained 10,432 individuals in the last ten years. The initiatives in various areas, such as: the environment, finance and taxes, labor and consumption, sexuality and personal care, drug abuse and responsible use of the internet are developed by Fundação Bradesco. These programs draw on the support of various partners specializing in preparing educators and educational materials, which include: Canal Futura, SOS Mata Atlântica, Military Police, BM&FBOVESPA S.A. Futures and Commodities Exchange, Federal Revenue Service and others. Fundação Bradesco supports initiatives with proven effectiveness in improving quality of life of the communities where the foundation operates, making it a socially responsible investment in the very best sense of the term. Furthermore, it represents a unique way to distribute the wealth generated by the Bradesco Organization, considering that its funding comes mainly from it being a shareholder in Bradesco.

R\$262.339 million in investment by Fundação Bradesco in 2010, with investment of over R\$307.994 million expected in 2011 to finance more than 526 thousand educational events to 111,639 students enrolled at own schools (in basic education and courses for youths, adults and professionals) and more than 415 thousand educational events in other on-site and distance courses through the Escola Virtual, the Digital Inclusion Centers (CIDs) and programs conducted in strategic collaboration, such as Educa+Ação. Over the last ten years a total of R\$3.332 billion was invested.

R\$201.787 million in other investments made in 2010 by the Bradesco Organization in social projects focusing on education, arts, culture, sports, health, sanitation, combating hunger and food safety.

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Bradesco Sports and Education Program

In the support of the development of citizenship and social inclusion among children and young people, the Bradesco Organization maintains the Bradesco Sports and Education Program, which, for over 21 years, has been promoting the training and practicing of sports, together with activities focused on education, health, and well being.

In the city of Osasco, São Paulo, the city has 22 Training and Specialist Centers to teach basketball and volleyball in Fundação Bradesco schools, schools in the city's public school system, private schools and Sport Centers in the city. On an annual basis, more than 2,000 girls aged from 8 to 18 participate on the program, reinforcing the commitment to defend a country that is ever more accepting of valuing talent, effort and the full exercise of citizenship.

17. Recognition

Ratings In 2010, Bradesco received the highest ratings attributed to Brazilian banks from domestic and international ratings agencies:

- Moody's Investors Service confirmed the Bank's long and short-term foreign currency deposit ratings as Baa3 and Prime-3 (P3), respectively, as well as maintaining its long-term foreign currency debt rating as Baa2, underlining the institution's capacity to honor its commitments;
- Fitch Ratings also confirmed Bradesco's long and short-term foreign currency issuer default ratings (IDR) in foreign currency at BBB and F2, respectively, and its long and short-term local currency IDR at BBB+ and F2, respectively. According to the agency, these ratings reflect the vast national franchise, as Bradesco is situated among the market leaders in most of its business lines and its historically consistent results;
- Standard & Poor's confirmed the Bank's long-term domestic and foreign currency rating as BBB, regarded as investment grade;
- Rating and Investment Information (R&I), one of Japan's largest rating agencies, maintained the Bank's foreign currency issuer rating at BBB-, with a positive outlook;

- Austin Rating confirmed Bradesco's short-term A-1 rating and long-term AAA rating. The short-term investment grade classification reflects its excellent capacity to pay its short-term obligations in comparison with other issuers, and the long-term investment grade classification reflects the Bank's exceptional, intrinsic financial strength, grading it in the highest investment levels of those scales; and
- Moody's Investors Service maintained the MQI rating to BRAM - Bradesco Asset Management, the highest international investment management quality grade, underlining its outstanding management and control systems.

Rankings In 2010 Bradesco was honored by several important domestic and international publications:

- Most valuable brand in the country in 2010, among institutions in the financial sector, according to the consultant Superbrands;
- Most valuable brand in Brazil and the most valuable brand in the banking sector among financial institutions situated in Latin America, according to studies prepared by the international consultant Brand Finance, in partnership with the British magazine The Banker;
- Most valuable brand in the country, for the 4th consecutive year, according to a study prepared by the consultant Brand Finance South America and the magazine The Brander, which analyzed 100 corporate brands in Brazil;
- The brand was voted the most valuable in Brazil in a survey conducted by the specialized consulting firm BrandAnalytics/Millward Brown for IstoÉ Dinheiro magazine;
- 1st place in a debut quality ranking, by *Exame* magazine, in partnership with the Brazilian Customer Relations Institute - IBRC, which evaluated the bank as the best Company in customer service in 2009;
- Leader in the Companies that Most Respect the Consumer survey, conducted by Consumidor Moderno magazine, which evaluates companies that serve their customers with the most recognition and professionalism;

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- Bradesco is among the 100 most valuable brands in a global ranking, disclosed by the British newspaper Financial Times, and is the only private Brazilian company on this select list;
- The largest Brazilian private group among the 100 biggest companies in the planet, according to the ranking of the magazine Forbes, one of the world's most respected economy, finance and business publications.
- Best Bank in HR and Social Responsibility, Best Insurer and Best Health Company according to a survey conducted by magazine IstoÉ Dinheiro, published in the yearly As Melhores da Dinheiro (The Best Companies of Dinheiro Magazine);
- Highlight of the 2010 Innovation Awards, organized by The Direct Marketing Association, in the United States, with the Account Manager Support Tool FAGC and the Transpromo Project. The recognition's objective is to point out professionals that present innovative solutions for companies;
- BRAM, Bradesco's asset management company, placed first in a ranking of the best investment fund managers in the country, conducted by Exame magazine using research performed by the Centro de Estudos em Finanças of Fundação Getulio Vargas;
- A member of a list of 20 model companies in the corporate social responsibility area in Brazil, by *Guia Exame de Sustentabilidade 2010* (2010 Exame Sustainability Guide), published by Exame magazine with the technical support of Fundação Getulio Vargas de São Paulo; and
- Bradesco and Bradesco Seguros stood out in the Top of Mind survey, conducted by the Folha de S. Paulo newspaper, which assesses the most remembered brands in Brazil. Bradesco is the most mentioned private bank, while Bradesco Seguros was the champion in the ranking of insurers.

Awards - The Organization won 141 awards from independent sources in 2010 in recognition of the quality of its products and services:

- Bradesco is, once again, among the 50 best brands in the country in the 6th edition of the *Prêmio Superbrands Awards Brasil 2010*, which evaluates the performance of brands in their operating segments on the Brazilian market, such as quality, satisfaction and image, among others;
- Leader in Climate Policies in the *Prêmio Época de Mudanças Climáticas* (Época Climate Change Award), an initiative of Época magazine, in partnership with PricewaterhouseCoopers, which highlights corporate actions and policies that seek to reduce the carbon emissions of their operations;
- Winner, for the second consecutive time, of the Golden Peacock Global Award for Corporate Social Responsibility 2010, which is given to companies with the best corporate social-environmental responsibility policies;
- Won the Readers' Choice Awards 2010, in the 2008 Sustainability Report Category. The prize is awarded to the best sustainability reports from companies throughout the world that participated in the Global Reporting Initiative (GRI);
- The best Bank in the *Prêmio Brasil 2010*, in the sector category, according to the evaluation of Grupo Padrão and DOM Strategy Partners. The Bank was also awarded as the best in Information Technology and Internet, for the fourth consecutive time, in the Intangible Asset category; and
- Elected Bank of the Year 2010, in the *Prêmio Relatório Bancário* (Bank Report Award). The acknowledgement was for the Institution's contribution to the development of society through an innovative and up-to-date technological platform;

Certifications

ISO 9001 Certification By the end of 2010, 211 of the Organization's products and services had been granted this distinguished quality certificate, underlining its determination to ensure that all its initiatives are based on practicality and convenience for clients and users.

GoodPriv@cy - Data Privacy and Protection

Seal 15 of Bradesco's products and services gave received this quality seal, which guarantees that management systems have adopted internationally established data protection and privacy standards.

SA 8000 Certification This certificate recognizes respect for employees and working relations, children's rights and the fight against child labor, and a safe and healthy workplace.

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ISO 14001 Certification - ISO 14001 recognized respect for the environment, especially initiatives for reducing the generation of solid waste from construction works and input consumption. Bradesco was the first financial institution in Brazil to receive this certification.

ISO 14064 Certification - This certificate is granted for maintaining high standards of greenhouse gas emission quantification, monitoring, checking and validation.

OHSAS 18001 Certification - Certifies occupational health and safety standards, such as those related to ergonomics, accident prevention and quality of life.

ISO IEC 27001 Certification - Certifies the information security management system.

ISO 14001, OHSAS 18001 and SA 8000 Certifications were granted to the Bradesco Building on Avenida Paulista in São Paulo; SA 8000 certification was also granted to the entire Cidade de Deus complex in Osasco.

The results achieved are in tune with the strategies adopted by the Bradesco Organization in order to increase its presence in the daily lives of Brazilians, offering the best service to its customers, quality products and services and efficient solutions. These results inspire renewed confidence in the future and create a favorable environment for even more consistent achievements in 2011. They reflect the permanent effort made to contribute to building an even more developed, just and prosperous country. For the advances made, we would like to thank our shareholders and customers for their support and confidence, and our employees and other collaborators for their dedicated work.

Cidade de Deus, January 28, 2011

**Board of Directors
and Board of Executive Officers**

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

Consolidated Balance Sheet R\$ thousand

Assets	2010		2009
	December	September	December
Current assets	448,412,103	439,258,659	372,874,546
Cash and due from banks (Note 6)	15,737,880	9,668,864	6,946,563
Interbank investments (Notes 3d and 7)	71,941,920	91,964,700	109,719,374
Investments in federal funds purchased and securities sold under agreements to repurchase	66,178,702	84,804,337	101,837,691
Interbank deposits	5,764,604	7,161,735	7,882,542
Allowance for losses	(1,386)	(1,372)	(859)
Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)	152,314,736	145,670,193	116,323,999
Own portfolio	108,767,706	113,398,320	98,543,802
Subject to repurchase agreements	39,687,170	28,239,091	4,170,543
Derivative financial instruments (Notes 3f, 8eII and 32)	1,543,924	1,514,242	652,140
Compulsory deposits - Brazilian Central Bank	-	-	8,682,594
Underlying guarantee provided	2,259,646	2,478,528	4,229,580
Securities subject to repurchase agreements but not restricted	56,290	40,012	45,340
Interbank accounts	65,260,837	50,042,573	17,997,796
Unsettled payments and receipts	52,653	854,993	50,313
Mandatory reserve: (Note 9)			
- Compulsory deposits - Brazilian Central Bank	65,197,019	49,098,395	17,923,629
- National treasury - rural loans	578	578	578
- National Housing System (SFH)	6,094	8,877	4,428
Correspondent banks	4,493	79,730	18,848
Interdepartmental accounts	563,840	250,671	239,698
Internal transfer of funds	563,840	250,671	239,698
Loan operations (Notes 3g, 10 and 32b)	97,358,996	89,244,676	79,043,243
Loan operations:			
- Public sector	640,088	572,768	1,154,309
- Private sector	105,968,093	97,736,983	87,483,997
Allowance for loan losses (Notes 3g, 10f, 10g and 10h)	(9,249,185)	(9,065,075)	(9,595,063)
Leasing operations (Notes 2, 3g, 10 and 32b)	7,049,715	7,316,025	7,966,713
Leasing receivables:			
- Public sector	9,553	9,552	38,748
- Private sector	13,274,780	13,734,816	14,681,418
Unearned income from leasing	(5,516,071)	(5,665,988)	(5,955,075)
Allowance for leasing losses (Notes 3g, 10f, 10g and 10h)	(718,547)	(762,355)	(798,378)
Other receivables	36,799,702	43,632,560	33,098,804
Receivables on sureties and guarantees honored (Note 10a-3)	5,759	19,414	21,092

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Foreign exchange portfolio (Note 11a)	9,445,491	18,698,657	8,969,252
Receivables	480,980	431,066	684,461
Securities trading	540,998	743,896	698,154
Specific loans	1,747	1,784	1,305
Insurance premiums receivable	1,917,062	1,988,506	2,267,591
Sundry (Note 11b)	25,052,823	22,478,622	21,239,637
Allowance for other loan losses (Notes 3g, 10f, 10g and 10h)	(645,158)	(729,385)	(782,688)
Other assets (Note 12)	1,384,477	1,468,397	1,538,356
Other assets	681,242	734,558	729,773
Provision for losses	(247,053)	(259,446)	(252,600)
Prepaid expenses (Notes 3i and 12b)	950,288	993,285	1,061,183
Long-term receivables	177,370,555	161,921,443	123,153,749
Interbank investments (Notes 3d and 7)	1,290,114	602,382	1,077,439
Interbank investments	1,290,114	602,382	1,077,439

Report on Economic and Financial Analysis -
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Consolidated Balance Sheet R\$ thousand

Assets	2010		2009
	December	September	December
Securities and derivative financial instruments (Notes 3e, 3f, 8 and 32b)	61,203,254	50,411,016	30,294,736
Own portfolio	26,423,150	23,086,367	19,096,456
Subject to repurchase agreements	34,332,159	25,649,149	3,231,356
Derivative financial instruments (Notes 3f, 8eII and 32)	66,461	849,641	706,433
Compulsory deposits - Brazilian Central Bank	-	-	6,089,646
Privatization currencies	87,658	88,607	94,143
Underlying guarantees provided	293,826	737,252	1,076,702
Interbank accounts	501,610	487,621	485,722
Restricted credits: (Note 9)			
- SFH National Housing System	501,610	487,621	485,722
Loan operations (Notes 3g, 10 and 32b)	85,604,960	79,476,888	58,700,883
Loan operations:			
- Public sector	319,862	372,026	419,880
- Private sector	90,237,928	83,766,306	62,448,057
Allowance for loan losses (Notes 3g, 10f, 10g and 10h)	(4,952,830)	(4,661,444)	(4,167,054)
Leasing operations (Notes 2, 3g, 10 and 32b)	7,876,326	8,770,842	11,747,405
Leasing receivables:			
- Public sector	3,991	5,955	7,772
- Private sector	15,669,034	17,209,393	21,982,152
Unearned income from leasing	(7,075,344)	(7,649,996)	(9,286,996)
Allowance for leasing losses (Notes 3g, 10f, 10g and 10h)	(721,355)	(794,510)	(955,523)
Other receivables	20,570,618	21,809,647	20,469,176
Receivables	14,006	11,747	103
Securities trading	324,547	92,087	474,848
Sundry (Note 11b)	20,234,661	21,711,784	20,008,762
Allowance for loan losses (Notes 3g, 10f, 10g and 10h)&			