

BANK BRADESCO
Form 6-K
May 20, 2003

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

FORM 6-K

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

For the month of May, 2003

Commission File Number 1-15250

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

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

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

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

Form 20-F Form 40-F

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

Yes No

Edgar Filing: BANK BRADESCO - Form 6-K

1. Analysis of Consolidated Results

Financial Market Indicators (%)

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

Compulsory Deposit Rates (%)

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

(1) Cash deposit - no remuneration

(2) Cash deposit - SELIC rate

(3) Deposit in Government Securities

(4) Cash deposit - Reference Rate (TR) + interest of 6.17% p.a.

Rates and Limits (%)

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

(*) On adjusted reference equity

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

Forward Looking Statements

This Report on Economic and Financial Analysis contains forward-looking statements relating to our business which are based on management's current

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

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

1 - Analysis of Consolidated Results

Profitability

Comparative Statement of Income

Analysis of the Statement of Income

Results by Activity

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

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

Analysis of the Adjusted Financial Margin and Average Rates

Provision for Loan Losses

Commissions and Fees

Administrative and Personnel Expenses

Human Resources

Operating Efficiency

Activity-Based Costing

2 - Consolidated Equity Analysis

Balance Sheet by Currency

Balance Sheet by Maturity

Comparative Balance Sheet

Equity Analysis

Edgar Filing: BANK BRADESCO - Form 6-K

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

3 - Consolidated Information for the Period and Operating Structure

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

Independent Auditors Report on Supplementary Information

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

5 - Financial Statements and Independent Auditors Report

Certain figures included in this document have been subject to rounding adjustments accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Edgar Filing: BANK BRADESCO - Form 6-K

1. Analysis of Consolidated Results

Profitability

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

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

Comparative Statement of Income (In millions of reais)

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

(1) Including derivative financial instruments for analysis purposes

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

Income from Credit and Leasing Operations

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

Results of Securities and Financial Derivative Instrument Operations

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

 Results of Foreign Exchange Transactions

QUARTER

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

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

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

 Results of Compulsory Deposits

QUARTER

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

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

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

 Interest and Charges on Deposits

QUARTER

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

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

instrument operations .

Expenses for Borrowings and Onlendings

QUARTER

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

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

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

Financial Margin

QUARTER

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

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

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

Expenses for Provision for Loan Losses

QUARTER

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

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

and increased economic activity during the period.

Income on Commissions and Fees

QUARTER

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

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

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

Income on Insurance Premiums, Private Pension Plans and Savings Bonds

QUARTER

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

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

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

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

QUARTER

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

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

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

Insurance Claims

QUARTER

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

Savings Bond Redemptions

QUARTER

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

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

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

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

Insurance and Pension Plan Selling Expenses

QUARTER

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

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

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

Selling expenses remained practically stable for the quarter.

Expenses with Pension Plan Benefits and Redemptions

QUARTER

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

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

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

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

Personnel Expenses

QUARTER

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

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

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

Personnel expenses, despite the concentration of vacation pay,

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

Other Administrative Expenses

QUARTER

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

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

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

Tax Expenses

QUARTER

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

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

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

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

Equity in the Earnings of Subsidiary and Associated Companies

QUARTER

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

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Other Operating Income

QUARTER

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

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

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

Other Operating Expenses

QUARTER

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

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

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

Operating Income

QUARTER

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

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

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

Non-operating Income

QUARTER

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

Income Tax and Social Contribution

QUARTER

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

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

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

Results by Activity (in millions of reais)

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Analysis of the Adjusted Financial Margin and Average Rates

Credit Operations x Income

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

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

Securities x Income on Security Transactions

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

Total Assets x Income from Financial Intermediation

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

Funding x Expenses

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

Borrowings and Onlendings (Local and Foreign) x Expenses

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

Total Assets x Financial Margin

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

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

Financial Market Indicators

Analysis of the Adjusted Financial Margin and Average Rates

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

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

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

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

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

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

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

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

(1) Includes foreign securities, borrowings and onlendings.

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

(2) Financial margin on total average assets

Allowance for Loan Losses

Movement of allowance for loan losses

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

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

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

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

In millions of reais
Year 2002

Edgar Filing: BANK BRADESCO - Form 6-K

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

Commissions and Fees

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

Administrative and Personnel Expenses

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Human Resources

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

	Year					
	1998	1999	2000	2001	2002	2003 1 st Qtr.
Banco Bradesco	47,233	47,521	49,177	51,633	53,732	53,731
Subsidiaries	7,501	7,301	6,575	6,943	8,729	9,228
Subtotal Bradesco	54,734	54,822	55,752	58,576	62,461	62,959
Banco BCN	5,024	4,784	4,780	5,857	6,105	5,893
Subsidiaries	1,408	1,099	1,172	1,280	1,504	1,529
Subtotal BCN	6,432	5,883	5,952	7,137	7,609	7,422
Banco Baneb	-	2,756	2,514	-	-	-
Subsidiaries	-	50	-	-	-	-
Subtotal Baneb	-	2,806	2,514	-	-	-
Banco Boavista	-	-	1,564	-	-	-
Subsidiaries	-	-	22	-	-	-
Subtotal Boavista	-	-	1,586	-	-	-
Banco Mercantil	-	-	-	-	3,970	3,759
Subsidiaries	-	-	-	-	353	32
Subtotal Mercantil	-	-	-	-	4,323	3,791
Total	61,166	63,511	65,804	65,713	74,393	74,172

Human Resources March/2003

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

Personnel Expenses

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

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

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

Composition of Personnel Expenses in March 2003

Personnel Expenses by Types of Company in March 2003

Training

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

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

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

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

Increase in Employee Training Participation

Total Amount Invested in Training

Operating Efficiency

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

Operating Efficiency (%)

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

Activity-Based Costing

As part of the Organization's ongoing pursuit to optimize its results and performance, Bradesco commenced a process in 2000 designed to introduce a cost control culture through the implementation of Activity-Based Costing (ABC) methodology which provided, among others, support for studies relating to the formation and negotiation of banking charges, costing information for performance and decision-making support management and for customer profitability purposes, and for the formation of a database for analyses regarding the unification and rationalization of the Bank's different units.

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

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

2 - Consolidated Equity Analysis

Balance Sheet by Currency - (in millions of reais)

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

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

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

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

Balance Sheet by Maturity - (in millions of reais)

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Comparative Balance Sheet (in millions of reais)

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Equity Analysis (in millions of reais)

Funds Available

QUARTER

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

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

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

Interbank Investments

QUARTER

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

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

Securities and Derivative Financial Instruments

QUARTER

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

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

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

Interbank and Interdepartmental Accounts

QUARTER

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

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

Credit and Leasing Operations

QUARTER

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

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

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

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

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

Allowance for Loan Losses (PDD)

QUARTER

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

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

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

Other Receivables and Assets

QUARTER

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

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

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

the period.

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

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

Permanent Assets

QUARTER

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

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

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

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

Deposits

QUARTER

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

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

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

Deposits Received Under Security Repurchase Agreements

QUARTER

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

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

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

Funds from Acceptance and Issuance of Securities

QUARTER

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

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

Interbank and Interdepartmental Accounts

QUARTER

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

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

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

Borrowings and Onlendings

QUARTER

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

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

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

Other Liabilities and Derivative Financial Instruments

QUARTER

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

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

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Technical Reserves for Insurance, Private Pension Plans and Savings Bonds

QUARTER

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

Minority Interest in Subsidiaries

QUARTER

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

Stockholders Equity

QUARTER

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Securities (in millions of reais)

Summary of the Classification of Securities at March 31, 2003

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

Composition by Maturity

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Consolidated portfolio composition by issuer

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

Edgar Filing: BANK BRADESCO - Form 6-K

Foreign
Securities

Promissory

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

Credit Operations (in millions of reais)

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

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

Credit Portfolio by Activity Sector (in millions of reais)

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