

BANK BRADESCO
Form 6-K
August 08, 2008

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

FORM 6-K

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

For the month of August, 2008

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

Banco Bradesco S.A.

Corporate Taxpayer's ID (CNPJ) 60.746.948/0001-12	BOVESPA	BBDC3 (common) and BBDC4 (preferred)	NYSE BBD	LATIBEX XBBDC
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Main Indicators (%)

Indicators	2007			2008			
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half	YTD
CDI	3.03	2.89	6.00	2.57	2.74	5.39	11.17
Ibovespa	2.99	18.74	22.30	(4.57)	6.64	1.77	19.54
USD Commercial Rate	(4.10)	(6.05)	(9.90)	(1.25)	(8.99)	(10.13)	(17.36)
IGP-M	1.11	0.34	1.46	2.38	4.34	6.82	13.44
IPCA IBGE	1.26	0.81	2.08	1.52	2.09	3.64	6.06
TJLP	1.60	1.59	3.20	1.54	1.54	3.10	6.29
TR	0.48	0.39	0.87	0.17	0.28	0.45	1.02
Savings Accounts	1.99	1.91	3.94	1.68	1.80	3.50	7.25
Number of Business Days	62	62	124	61	62	123	254

Closing Amount

Indicators	2007		2008	
	March	June	March	June
USD Commercial Selling Rate (R\$)	2.0504	1.9262	1.7491	1.5919
Euro (R\$)	2.7389	2.6073	2.7606	2.5063
Country Risk (Points)	167	160	284	228
Selic Copom Base Rate (% p.a.)	12.75	12.00	11.25	12.25
Pre-BM&F Rate 1 year (% p.a.)	11.85	10.77	12.69	14.45

N.B.: country risk refers to EMBI+Brazil calculated by the Bank JP Morgan.

Compulsory Deposit Rates (%)**Rates and Limits (%)**

Deposits	2007		2008		Items	2007		2008	
	1 st Qtr.	2 nd Qtr.	1 st Qtr.	2 nd Qtr.		1 st Qtr.	2 nd Qtr.	1 st Qtr.	2 nd Qtr.
Demand ⁽¹⁾	45	45	45	45	Income Tax	25	25	25	25
Additional ⁽²⁾	8	8	8	8	Social Contribution ⁽¹⁾	9	9	9	15
Time ⁽³⁾	15	15	15	15	PIS ⁽²⁾	0.65	0.65	0.65	0.65
Additional ⁽²⁾	8	8	8	8	Cofins ⁽³⁾	4	4	4	4

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Savings Account (4)	20	20	20	20	Legal Reserve on Net Income	5	5	5	5
Additional (2)	10	10	10	10	Maximum Fixed Assets (4)	50	50	50	50
Interbank (5)			0	10	Capital Adequacy Ratio (Basel) (5)	11	11	11	11

(1) Cash deposit No remuneration.

(1) Up to April 2008, the rate was 9%. The rate applied to non-financing companies or similar remains at 9%.

(2) Cash deposit Remuneration by Selic rate.

(2) The rate applicable to non-financial and similar companies is 1.65% (non-cumulative PIS).

(3) Restricted Securities From the amount calculated at 15%, R\$300 million is deducted.

(3) The rate applicable to non-financial and similar companies is 7.60% (non-cumulative Cofins).

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

(4) Maximum Fixed Assets are applied over Reference Equity.

(5) Originated from Leasing Companies, pursuant to Bacen Circular 3,375. Collection upon restricted securities and R\$3 million deduction.

(5) Reference Equity may not be lower than 11% of Risk-Weighted Assets.

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, predicts, foresees, projects, 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 which, 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, 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 excessive reliance 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 any other motive.

Economic Scenario

In view of intensified inflation risks, Brazil steps into a cycle of tight monetary policy

In spite of the clearer signs of deceleration in worldwide growth, commodity prices continued to increase throughout the first half. In some cases, i.e. oil, prices reached the highest levels ever recorded. This upward trend caused Brazilian economic authorities to be concerned about inflation risks. In this context, some of the main central banks in the world indicated that the cycle of loose monetary policy caused by risks to growth that emerged from the subprime crisis and its consequences has come to an end, enabling interest increases in the coming months.

The impact of commodity prices has been potentialized in several countries where the demand has grown faster than supply, such as Brazil. Brazilian inflation rates have been surprisingly unfavorable in the last few months, in a high magnitude, besides showing a larger diffusion of price increases. Within this scope, the Brazilian Central Bank started a phase of tight monetary policy, which should continue in the coming months, and the Selic rate might reach a 14.75% level in December this year. However, this process should only cause visible impacts as from the last quarter of the year. In 2008, GDP growth will remain robust, around 4.8%. For the next year, the trend of the economy's slowdown is clearer; we estimate a minimum GDP growth of 3.5% should it take place, it will be higher than the historic average of the Brazilian economy.

It is worth pointing out that the long-term perspectives remain favorable for the Brazilian economy, in view of the unmistakable improvement in macroeconomic fundamentals in the last few years. This improvement culminated in the achievement of investment grade in a moment of great uncertainties throughout the world. This condition, after the current cycle of tight monetary policy, may contribute for ensuring a faster convergence into international interest standards.

Risk Factors and Critical Accounting Practices

In order to assure Bradesco's commitment to the best international practices for transparency and corporate governance, we point out Risk Factors and Critical Accounting Practices. We consider these factors and practices the most significant and those which could affect our daily business, the results of our operations or our financial position. We stress that Bradesco addresses the management of all risks inherent to its activities in a complete and integrated manner. This integrated approach facilitates the improvement of risk management models and avoids the existence of any gaps that could jeopardize the correct identification and assessment of these risks.

Risks Relating to Brazil

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

All of our operations and clients are mainly located in Brazil. Accordingly, our financial condition and results of operations are substantially dependent on the Brazilian economy, which in the past has been characterized both by frequent intervention of the Brazilian Government and volatile economic cycles. In addition, our financial condition and the market value of our shares and ADSs may also be adversely affected by changes in policies involving exchange and tax controls, as well as factors such as: fluctuations in exchange rates, interest rates, inflation rates, and other political, diplomatic, social and economic events inside and outside Brazil that affect the country.

We cannot control nor predict which measures or policies may be taken by the Brazilian Government in response to the current or future situation of the country's economy or how these measures or policies may affect the Brazilian economy and, both directly and indirectly, our operations and revenues.

2) Should Brazil undergo a period of high inflation in the future, our revenues and the market value of our shares and ADSs may reduce

For the past 15 years, Brazil has faced periods of extremely high inflation rates, with extremely high annual rates (IGP DI from Fundação Getulio Vargas) reaching as high as 2,708% in 1993. More recently, Brazil's inflation rates were 1.2% in 2005, 3.8% in 2006, 7.9% in 2007 and 7.2% in the first half of 2008. In previous years, inflation and governmental measures to fight it have had significant negative effects on the Brazilian economy. In addition, general speculation about possible future actions has also contributed to economic uncertainty in Brazil and to heightened volatility in Brazilian securities markets. Should Brazil suffer a period of high inflation in the future, our costs may increase, our operating and net margins may decrease and, if investor's confidence lacks, the price of our shares and ADSs may drop. Inflationary pressures may curtail our ability to access foreign financial markets and may occasionally lead to further government interventions in the economy, including the implementation of policies that may adversely affect the overall performance of the Brazilian economy.

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

The market of securities issued by Brazilian companies is influenced by economic and market conditions in Brazil and, at different levels, by the market conditions in other Latin American countries and other emerging countries. Although economic conditions in these countries may significantly differ from the Brazilian economic conditions, the investors' reaction to events in these countries may have an adverse effect on the market value of the Brazilian companies' securities. Crises in other emerging countries or economic policies in other countries, especially in the United States and European Union countries, may reduce the demand of investors for Brazilian companies' securities, including ours. Any of the events described above may negatively affect the market price of our shares and make harder, or even prevent, our access to capital markets and our financing in future operations in acceptable conditions.

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

The market value of our shares and ADSs may be adversely affected by declines in the international financial markets and world economic conditions. The Brazilian securities market is influenced by the local and other emerging countries' economy, especially those in Latin America. Although economic conditions are different in each country, investors' reaction to developments in one of them may affect the securities markets and the securities issued in other countries, including Brazil.

Occasionally, developments in other countries have adversely affected the market value of our and other Brazilian companies' shares, as investors' high risk perception due to crisis in other emerging markets may lead to reduced levels of investment in Brazil and, in addition, may hurt our ability to finance our operations through the international capital markets. If the economic situation in Latin America deteriorates, or if similar developments occur in the international financial markets in the future, the market value of our shares and ADSs may be adversely affected.

Risks Relating to Bradesco and the Brazilian Banking and Insurance Industries

1) The Brazilian Government regulates the operations of Brazilian banks and insurance companies, and changes in prevailing laws and regulations or the imposition of new ones may adversely affect our operations and results

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

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving; laws and regulations may be amended, and more, they may be changed according to their enforcement or interpretation, causing the adoption of new laws and regulations. Such changes could materially affect in a negative manner our operations and our results.

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

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

We face significant competition in all of our principal areas of operation from other large Brazilian banks and public and private insurance companies. Brazilian regulations raise limited barriers only to market entry and do not differentiate between local or foreign commercial and investment banks and insurance companies. As a result, the

growing presence of foreign banks and insurance companies in Brazil, some of which have greater resources than we do, has grown the competition both in the banking and insurance industries. The privatization of publicly-owned banks has also made the Brazilian markets for banking and other financial services more competitive.

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

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

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

On June 30, 2008 Cidade de Deus Companhia Comercial de Participações held 48.22% of our common shares and Fundação Bradesco directly and indirectly held 50.85% of our common shares. As a result, these shareholders have the power to prevent a change in control of our company, even if a transaction of that nature would be beneficial to our other shareholders, as well as to approve related-party transactions or corporate reorganizations, which may not be beneficial to our other shareholders.

Critical Accounting Practices

Bradesco's results are susceptible to accounting policies, assumptions and estimates. It is incumbent upon the Management to adopt proper accounting policies and provide reasonable and suitable judgments and estimates when preparing the financial statements.

Our relevant accounting policies are outlined in note 3 to the consolidated financial statements included in chapter 9 of this Report.

In terms of materiality, the following 5 items outline the accounting policies deemed as critical, as well as areas requiring a greater judgment and estimate or involving a higher level of complexity, which may affect our financial condition and the results of our operations. The accounting estimates made under such context impel us to make assumptions on uncertain issues. In each case, if we had made other estimates, or if changes in estimates had occurred period by period, these could have significantly impacted our financial condition or the results of our operations:

1) Allowance for Loan Losses

We periodically adjust our allowance for loan losses, which include leasing operations and other operations with loan characteristic, based on the analysis of our portfolio, including probable losses estimate in these segments at the end of each period.

The determination of allowance for loan losses amount by its nature requires us to make judgments and assumptions related to our loan operations portfolio, not only on an individual basis, but also on a portfolio basis. When we revise our portfolio as a whole, various factors may affect our estimate of probable extension of losses, including the methodology we use to measure historical rates of delinquency and the historical period we take into account in such measurements. When we revise loan operations on an individual basis, we make judgments related to the factors, which most probably should affect the risk levels and which specific credit rating we should attribute. Additional factors which may affect our determination of allowance for loan losses include:

- general economic conditions in Brazil and conditions of relevant sector;
- previous experience with borrower or relevant sector of economy, including recent losses experience;
- credit quality trends;
- guarantees amounts and quality of a loan operation;

volume, composition and growth of our loan operations portfolio;
Brazilian Government's monetary policy; and
any delays when receiving information necessary to assess loan operations or confirm the deterioration of existing credit.

Our determination of allowance for loan losses is influenced by the risk rating of each loan operation. By assuming a decrease of 1% in delinquency ratio expected for our loan operations portfolio in full performance, on June 30, 2008, the allowance for loan losses would increase, approximately, R\$59 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance and, thus, must not be considered as an observation of our expectations for future determinations of risk rating or future alterations in loss severity. In view of the procedures we observe, in order to determine our risk rating of loan portfolio and our assessment of loss severity, we believe that the current risk rating and the estimate of loss severity for our loan portfolio are appropriate.

For further information about our practices referring to the allowance for loan losses, see content of loan operations included in chapter 3 and notes 3e and 10 included in chapter 9 hereof.

2) Classification of Securities and Derivatives

The classification of securities and derivatives occurs in three categories: for trading, available for sale and held to maturity. This classification is based on the Management's intent, on the date of acquisition of securities, of maintaining or trading such securities. The accounting treatment of securities held depends on our classification upon their acquisition.

Circumstantial changes may modify our strategy related to a specific security, which will require a transfer among the three categories.

The classification of securities and derivatives can be found in Note 8 included in chapter 9 of this Report.

3) Assessment of Securities and Derivatives

The financial instruments recorded at fair value in our financial statements mainly include securities classified as for trading, available for sale and other trading assets, including derivatives. The fair value is defined as the value in which a position could be closed or sold in a transaction with a party aware of the issue and willing to trade, without any benefit.

We estimate the fair value by using quoted-market prices when available. We observe that the fair value may be affected by the volume of shares traded and also may not reflect the control premiums resulting from shareholder agreements, those holding significant investments. However, the Management believes that quoted-market prices are the fair value best indicators.

When quoted-market prices are not available, we use models to estimate the fair value. The factors used in these models include distributors' quotations, pricing models, prices of instruments with similar characteristics and discounted cash flows. The pricing based on models also uses information about interest rates, exchange rates and options volatility, when these are relevant and available.

In the determination of fair value, when quoted-market prices are not available, we have the Management's judgment, since the models depend on our judgment concerning the weight to be attributed to different factors and the quality of information we receive. For instance, reliable market data, when estimating the impact of maintaining a high position are generally limited. Likewise, we use our judgment in the estimate of prices when there is no external parameter. Should we make incorrect assumptions or the model itself makes incorrect correlations or assumptions, the value of income or loss recorded for a specific asset or liability may be improper. The judgment shall also determine if a decline in fair value below the up-to-date cost of a held to maturity or available for sale security is not temporary, so that to require we recognize a devaluation of up-to-date cost and we may reflect such reduction as expense. In the assessment, if devaluation is not temporary, the Management decides the historical period to be considered and the level of severity of a loss.

Such assessment methods may lead Bradesco to different results, if models used or assumptions and estimates are inaccurate.

For further information about our practices referring to the assessment of securities and derivative financial instruments, see Notes 3c, 3d and 8 included in chapter 9 of this Report.

4) Income tax and social contribution

The determination of the amount of our taxes and contributions is related to the analysis of our deferred tax assets and liabilities, and income tax and social contribution. Generally, our assessment requires us to estimate the future values of deferred tax assets, income tax and social contribution. Our assessment about the possibility of a deferred tax asset to be realized is subjective and involves evaluations and assumptions originally uncertain. The realization of deferred tax assets is subject to alterations in future tax rates and the development of our tax planning strategies. As a result of unpredictable occurrences or circumstances, the support to our assessments and assumptions may change over time, influencing the determination of the value of our tax liabilities.

We constantly monitor and assess the impact of new tax laws on our liabilities, which could affect the assessments and assumptions of our analysis about the possibility of realizing deferred tax assets.

For further information about Bradesco's income tax and social contribution, see Notes 3f and 34 to our financial statements included in chapter 9 of this Report.

5) Use of Estimates

Our Management estimates and makes assumptions, which include: the amount of provisions for deferred taxes and contributions; the assumptions for the calculation of allowance for loan losses; the assumptions for calculations of technical provisions from insurance, private pension plans and certificated savings plans; the choice of useful lives of certain assets; and the determination of whether an asset or group of specific assets will be deteriorated. The estimates are based on the judgment and available information. Therefore, effective results may differ from such estimates.

Commercial Strategy

We believe that the expansion of the Brazilian economy, influenced by the favorable macroeconomic environment, resulting from the relevant growth of the purchase power of certain income segments of the Brazilian population, specially the low and medium-income citizens and companies' investment, will increase, with balance, the demand for financial and insurance services in the next years.

Our main objective is to maintain the focus on the domestic market to take advantage of the position as the largest private Bank in Brazil, to expand our profitability, maximize value to shareholders and generate higher returns compared to other Brazilian financial institutions.

Our strategy to achieve such goals is not only focused on continue to expand our client base, but also to consolidate our role as an All-inclusive Bank in the Brazilian market, in order for us to be the the priority bank to each of our clients. We have been segmenting even more our services by efficiently allocating our human resources and talents in order to offer our clients the products and services that truly meet their needs. We believe that paying attention to the financial profile of our clients and respecting their individuality results in a greater satisfaction and loyalty in relationship of our clients to us. The segmentation of our financial services has also enabled us to increase synergies of the institutions we have acquired over the past years.

We own the largest and, probably, the best distribution channel network among the private Brazilian banks, network which is comprised of branches, banking branches, ATM machines, Banco Postal and other third-party channels, whose growth was especially significant with the adhesion of large retail networks like our correspondent banks. We have over 55,000 customer service branches. The strict, segmented and well-distributed coverage of our customer service network optimizes the delivery logistics of our products and services and enables us to fully compete in the retail banking. We intend to continue expanding and refining our customer service network and offer more and better products and mass services to our clients, in order to meet the increasing demand for loan and insurance in the Brazilian market.

We are also focused on expanding our businesses as a wholesale bank in all its aspects, specially the corporate service, and expand our private banking business. In the corporate segment, in which we believe we are well placed, the Brazilian economic scenario has materially enlarged the performance of small and medium companies. In addition, since 2006 we have been paying special attention to our investment bank segment Banco Bradesco BBI. We resort to the market to search for qualified professionals and we intend to fully use the relationship with our corporate and high income clients to increase our investment bank operations.

We also intend to strongly increase our share in markets which we traditionally use to be less focused on, such as securities brokerage. With the great growth of the Brazilian securities market over the past years, and the recent agreement for the acquisition of the largest securities brokerage firm in Brazil, Ágora Corretora, which, once approved by the proper authorities, will make us leader in the securities brokerage market.

In the insurance segment, we believe that our operations are much likely to grow due to the still low representation of the insurance industry in the Brazilian Gross Domestic Product. The increase on the Brazilian average income has incorporated millions of new policyholders, and we expect to seize this increasing demand for insurance products, in order to consolidate our leadership in the several insurance segments.

We have tried to increase our gains in scale and operational efficiency, by means of the segmentation of the supply of our products with the creation of insurance companies specializing in each insurance line, which we call multi-line insurance company. Thus, we avoid crossed subsidies and have full control of the performance of each product line. We believe we can benefit from our structure to maximize insurance products sales, which in their essence have a high contribution margin, creating access to independent brokers.

Furthermore, in every line of our operation, we intend to stand out and be recognized by our clients as leader in terms of performance and efficiency. We closely follow and constantly try to improve our operating efficiency levels.

We understand that the essence of business success in the financial sector consists of the combination between winning the client and a staff highly qualified and devoted to the rendering of services, permanently trained and with rigid discipline and ethics standards at work. It is also fundamental to promote the business, the treatment given to our team in terms of qualification, promotion and creation of a solidarity culture at work, with a view to fomenting an environment where our employees may develop a career which endures their entire professional life. In 2007, we were chosen by the *Guia Você S/A Exame* publication as one of the best companies to work at in Brazil.

Finally, the main component of our philosophy is to conduct the business according to the highest ethical standards. Therefore, our strategy is guided and geared by seeking the best Corporate Governance practices and by understanding what we should be, besides a profit generator for our shareholders, a constructive element within our society.

The key elements of our business strategy are:

- expansion by means of organic growth;
- improvement of our already successful business model of a large banking institution, together with the largest insurance company in Latin America, which we call *Insurance-Bank Model*, with the purpose of increasingly raise our profitability and consolidate our leadership in the insurance industry;
- increase of revenues, profitability and value to shareholders, by consolidating our loan and financing operations, our main activity, and the expansion of new products and services;
- maintenance of our commitment to technological innovation;
- profitability and return to the shareholders by means of ongoing efficiency ratio improvements;
- focus on risk management, in order to ensure that our operations and results are always kept at acceptable levels in our operations; and
- expansion by means of strategic alliances and selective acquisitions, when these are beneficial.

To expand main business areas by means of organic growth

The Brazilian economy has been growing with balance over the past five years and, meanwhile has been creating strategic opportunities for financial and insurance segments growth, mainly by means of increased business volume in segments which we are particularly well placed. We intend to continue taking advantage of such progresses to increase our revenues, obtain profitability and maximize value to the shareholders, as outlined as follows:

capitalizing on the opportunity to obtain new clients in the Brazilian markets, mainly low and medium-income ones, with loan and financial needs not met, and, in addition, maintain the strong competition for a small level of clients with higher income levels;

expanding our financial services distribution, by using creativity in developing new mass products, strongly employing outsourced channels, for instance, expanding our credit cards and financial and insurance products and services offer in large retail networks, by means of alliances with network of stores, Banco Postal and other correspondent banks;

benefiting from the existing distribution channels, including our traditional branch network and other access means, in order to identify demand for new products and the expansion of the supply of products which are getting back thanks to the monetary stability in Brazil, such as long-term financings, specially real estate loan;

using our client base, offering them, in a wider manner, our products and services and increasing the average of products used by checking account from 4.8 in December 2007, to an average of 5.0 products by checking account in December 2008;

using the systems supported by our branches, in order to assess and monitor the use of our products by clients, so that to drive them to the appropriate sale, delivery and commercialization platforms; and

developing segmented products, in compliance with the profile and needs of our clients (both potential and current ones).

To operate based on the Insurance Bank Model in order to maintain the profitability and consolidate Bradesco's leadership in the insurance industry

Our goal is to make our clients look for us as the primary bank to meet their banking, insurance and private pension needs. We believe to be in a privileged position to capitalize the synergy among banking, insurance, private pension services and other financial activities. Our insurance group has a nationwide coverage, in addition to our banking distribution network, which is of great importance in our distribution of insurance and private pension, distribution services via Internet and new distribution channels which we developed thanks to our creativity, we also have specific channels for the supply of this products, which counts on a own platform of more than 15,000 brokers and dealerships for the basic line and 8,000 for life and private pension plan. Our brokers and dealerships are permanently assisted and encouraged to improve the service to our clients.

Concurrently, we aim at increasing profitability levels of insurance and supplementary private pension plans segments, by using the profitability measure rather than the volume of underwritten premiums or amounts deposited, as observed as follows:

managing our reserves and portfolio;

intensively trading our products and services; and

maintaining acceptable risk levels in our operations by means of a strategy of:

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setting priorities to insurance underwriting opportunities, according to the risk spread between the revenue expected pursuant to the terms of insurance agreement and the amount of projected claims (statistically) to be due under the terms of such agreement;

performing hedge transactions, so as to avoid the mismatch between the real inflation index, on one hand, and provisions for adjustments of interest rates and inflation in long-term agreements, on the other; and

using reinsurance contracts with important reinsurance companies taking advantage of the new reality of the Brazilian insurance market.

VIII

To increase the revenues from banking activities, profitability and value to shareholders, by reinforcing loan operations and expanding new products and services

We are focused on the increase of revenues and profitability in our banking operations, with the following measures:

carrying out our traditional deposit-taking activities and loan and financing operations, continuously seeking to improve the quality of our loan portfolio, by means of risk mitigation plans and improvement of the pricing models of delinquency risks, which ensures better results in the concession, follow-up, recovery and adequate provisions for expected loan losses;

building our customer base, legal entities and individuals, by offering services meeting the profile and needs of specific clients;

intensively seeking the development of paid services based on fees, such as the collection and processing of payments;

expanding our financial services and products distributed out of our conventional means of branches, such as credit card activities, capitalizing on the change in the consumers' behavior concerning the financial services consumption;

increasing our revenues from asset management; and

continuously building our high-income customer base, by providing a wide range of tailor-made financial products and services.

To maintain our commitment to technological innovation

The development of efficient means to reach clients and to process operations, safely and continuously, is a key element of our goal to increase our profitability and capitalize on opportunities of coordinated growing.

We have recorded a journey of over six decades of being a pioneer, always anticipating coming challenges with efficient strategies and positive impacts to the society. In this context, we point out the use of state-of-the-art technology, one of the central pillars of the Organization's strategy to give sustainability, push businesses and generate to clients easy access to innovative and safe services. We are among the Brazilian companies which most invest in research and development focused on the banking area. Thus, with the purpose of improving more and more the Organization's IT environment, getting ready for the next decades and increasing the public perception regarding technological resources we use, based on the best existing practices and technologies, we have invested in a great strategic program called IT Improvements, which reaches 5 macro-areas of the IT chain (Processes, Applications, Operational Environments, Technologies and Infrastructure).

We believe that technology offers unequalled opportunities for us to reach our clients efficiently in terms of costs. We maintain the commitment to being ahead in the banking automation process, by creating opportunities for Brazilians to contact us via the Internet and other access means, such as:

by enlarging our mobile banking service, Bradesco Celular, allowing clients to carry out their banking operations by means of compatible mobile phones; and

by providing Pocket Internet Banking for palmtops and Personal Digital Assistants (PDAs), as well as mobile phones, allowing our clients to see their checking and savings accounts, see their credit card transactions, provide for payments, transfer funds and also obtain institutional information.

To obtain profitability and return to shareholders by improving the efficiency ratio

We intend to improve our efficiency levels:

by maintaining the austerity as guideline of our cost control policy;

by continuously reviewing our internal processes, allowing to reduce resources consumed and contribute to our corporate sustainability policy;

by consolidating the synergies enabled by our recent acquisitions;

by still reducing our operating costs, by means of technology investments, decreasing the costs per transaction, always emphasizing our automated distribution channels updated, including our wireless distribution systems, by phone, Internet and ATM machines; and

by still incorporating institutions, which by chance, are to be acquired in our existing system, in order to remove potential overlaps, redundancies and inefficiency, shortening gains of scale.

To maintain acceptable risk levels in our operations

We approach the management of risks inherent to our activities in an integrated manner, in a process within our Internal Controls and Compliance structure, which we call Risk Management Process . This process allows the continuous improvement of our risk management models and minimizes the existence of gaps which compromise its correct identification and evaluation. Thus, we identify, measure, control, monitor and mitigate in a centralized and permanent manner, our Credit, Market, Liquidity and Operational risks.

The unity of our risk management process is guaranteed thanks to the Integrated Risk Management and Capital Allocation Committee, a statutory committee whose duty is to advise the Board of Directors in the approval of institutional policies, operational guidelines and establishment of risk exposure limits within the scope of the financial economic consolidated. Additionally, we have three Executive Committees for issues related to Credit, Market and Liquidity, and Operational Risks, which among their duties, are responsible for suggesting limits of tolerance to their respective risks and preparation of mitigation plans to be submitted to the Integrated Risk Management and Capital Allocation Committee. Finally, we have an independent department, exclusively dedicated to the activities of global risk management and internal controls Risk Management and Compliance Department DGRC which implements and follows, in a continuous and integrated manner, the guidelines and processed prepared by our high level committees.

Our internal risk management bodies and processes ensure the maintenance of operational risks in adequate levels and the efficient allocation of capital, being similar to the best international practices, which allows us to obtain competitive advantages.

To enter into strategic alliances and selective acquisitions

We understand that the expansion of Brazilian financial institutions will be held due to the organic growth over the next years. In addition, we believe that acquisition opportunities will be small-sized institutions. Notwithstanding, we deem that certain institutions, which will be susceptible to be acquired, could present niche opportunities, such as consumer financing, credit cards and investment bank. Therefore, we continuously evaluate potential strategic alliances as well as consolidation opportunities, including privatization and acquisitions proposals, as well as other forms, which offer potential opportunities for Bradesco to increase its market share or improve its efficiency. In addition to focusing on the value and the quality of assets, we take into account potential operating synergies, cross-selling opportunities, know-how acquisitions and other advantages of potential alliance or acquisition. The

analysis of potential opportunities is guided by the impact these would have over our results.

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<p>Certain figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as total in certain tables may not be an arithmetic sum of the figures preceding them.</p>

List of Main Abbreviations

AACD	Association of Assistance to Disabled Children	IDEC	Brazilian Institute for the Defense of the Consumer
ABC	Activity-Based Costing	IEO	Efficiency Ratio
Abecs	Brazilian Association of Credit Card Companies and Services	IFC	International Finance Corporation
ABEL	Brazilian Association of Leasing Companies	IFRS	International Financial Reporting Standards
ABM	Activity-Based Management	IFT	Quarterly Financial Information
ACC	Advances on Foreign Exchange Contracts	IGP-DI	General Price Index Internal Availability
ADR	American Depositary Receipt	IGP-M	General Price Index Market
ADS	American Depositary Share	Inmetro	National Institute of Metrology, Standardization and Industrial Quality
ADVB	Association of Sales and Marketing Managers of Brazil	INSS	Social Security National Institute
Anbid	National Association of Investment Banks	IPCA	Extended Consumer Price Index
ANS	National Agency for Supplementary Healthcare	IPO	Initial Public Offering
AP	Personal Accident	IPTU	Municipal Real Estate Tax
Apimec	Association of the Capital Markets Investment Analysts and Professionals	IR	Income Tax
Bacen	Brazilian Central Bank	IRRF	Withholding Income Tax
BDR	Brazilian Depositary Receipt	ISE	Corporate Sustainability Index
BM&F	Mercantile and Futures Exchange	ISS	Tax on Services
BNDES	National Bank for Economic and Social Development	IT	Information Technology
Bovespa	São Paulo Stock Exchange	JCP	Interest on Shareholders Capital
CBLC	Brazilian Settlement and Custody Company	Latibex	Latin American Stock Exchange Market in Euros (Spain)
CDB	Bank Deposit Certificate	LOMA	Life Office Management Association (North-American institution which develops courses, examinations and researches in life, health and social security insurance segments)
CDC	Consumer Sales Financing	MBA	Master of Business Administration
CDI	Interbank Deposit Certificate	MUFG	Mitsubishi UFJ Financial Group
CEF	Federal Savings Bank	NBR	Registered Brazilian Rule
Cetip	Clearing House for the Custody and Financial Settlement of Securities	NGO	Non-Governmental Organization
CIAB	Information Technology Congress and Exposition of the Financial Institutions	NPL	Non-Performing Loans
CMN	National Monetary Council	NYSE	New York Stock Exchange
CNSP	National Private Insurance Council	OHSAS	Occupational Health and Safety Assessment Series
Cobit	Control Objectives for Information and Related Technology	OIT	International Labor Organization
Cofins	Contribution for Social Security Financing	ON	Common Shares
Conanda	National Council for the Rights of Children and Adolescents	PAA	Advanced Service Branch
Copom	Monetary Policy Committee	PAB	Banking Service Branch

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Cosif	Chart of Accounts for National Financial System Institutions	PAE	Electronic Service Branch in Companies
COSO	Committee of Sponsoring Organizations	PDD	Allowance for Loan Losses
CPMF	Provisory Contribution on Financial Transactions	PGBL	Unrestricted Benefits Generating Plan
CRI	Certificate of Real Estate Receivables	PIS	Social Integration Program
CS or CSLL	Social Contribution or Social Contribution on Net Income	PL	Shareholders Equity
CVM	Brazilian Securities Commission	PLR	Employee Profit Sharing
DJSI	Dow Jones Sustainability World Index	PN	Preferred Shares
DPV	Available for Sale (Securities)	PPNG	Unearned Premiums Provision
Dpvat	Compulsory Vehicle Insurance	RCF	Optional Third-Party Liability
DR	Depository Receipt	RE	Basic lines (of Insurance Products)
DRE	Statement of Income for the Year	ROA	Return on Assets
DTVM	Securities Dealer	ROAA	Return on Average Assets
DVA	Value-Added Statement	ROAE	Return on Average Shareholders Equity
EMBI	Emerging Markets Bond Index	ROE	Return on Shareholders Equity
EPE	Specific Purpose Entities	SA 8000	Social Accountability
ERP	Enterprise Resource Planning	SAP	Systems Applications and Products
EXIM	Export and Import BNDES Financing Line	SBPE	Brazilian Savings and Loan System
Fenaprevi	National Federation of Life and Private Pension Plans	Sebrae	Brazilian Micro and Small Business Support Service
FGV	Fundação Getulio Vargas	SEC	U.S. Securities and Exchange Commission
FIA	Management Institute Foundation	Selic	Special Clearance and Custody System
FIDC	Credit Right Funds	SESI	National Industry Social Service
FIE	Exclusive Investment Fund	SFH	National Property System
Fiesp	Federation of the Industries of the State of São Paulo	Sipat	Internal Week of Labor Accident Prevention
Finabens	Financing Line of other Assets and Services	Susep	Insurance Superintendence
Finame	Fund for Financing the Acquisition of Industrial Machinery and Equipment	TAC	Loan Opening Rate
FIPE	Economic Research Institute Foundation	TJLP	Federal Government Long-Term Interest Rate
Fipecafi	Accounting, Actuarial and Financial Research Institute Foundation	TR	Reference Interest Rate
FIRN	Floating Rate Note	TVM	Securities
FxRN	Fixed Rate Note	UN	United Nations
IBCC	Brazilian Institute of Cancer Control	VaR	Value at Risk
IBGE	Brazilian Institute of Geography and Statistics	VGBL	Long-term Life Insurance
Ibmec	Brazilian Capital Markets Institute		
IBNR	Incurring But Not Reported		
Ibovespa	São Paulo Stock Exchange Index		
Ibracon	Brazilian Institute of Independent Auditors		
IBRE	Brazilian Economy Institute		

1 - Bradesco Line by Line

Net Income

The Reported Net Income was impacted by some extraordinary events. Thus, in order to enable a better analysis and comparability between the quarters, we present below the Reported Net Income statement, without considering such events (Adjusted Net Income).

	R\$ million					
	2007			2008		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Reported Net Income	1,705	2,302	4,007	2,103	2,002	4,105
Extraordinary Events in the Period:						
(-) Partial sale of equity interest Visa Inc.				(352)		(352)
(+) Full goodwill amortization		182	182	53		53
(-) Total sale of investment in Arcelor		(354)	(354)			
(-) Partial sale of investments in Serasa		(599)	(599)			
(-) Activated tax credit of previous periods		(41)	(41)			
(-) Other		74	74	21		21
(+/-) Fiscal effects		237	237	82		82
Adjusted Net Income	1,705	1,801	3,506	1,907	2,002	3,909

Returns on Shareholders Equity Adjusted Net Income percentages

	2007						2008		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half			
	Return on Shareholders Equity ROE	28.9	28.9	27.1	25.3	26.0	24.5		
Return on Average Shareholders Equity ROAE	30.2	29.5	28.8	27.3	26.1	25.8			
Return on Shareholders Equity ROE (without adjustment to market value reserve TVM and Derivatives)	31.5	31.3	29.3	26.5	26.8	25.3			
Return on Average Shareholders Equity ROAE (without adjustment to market value reserve TVM and Derivatives)	32.6	32.9	31.5	28.7	27.6	27.2			
Return on Shareholders Equity ROE (straight-line calculation)	26.2	26.2	25.5	23.2	23.8	23.2			
Return on Average Shareholders Equity ROAE (straight-line calculation)	27.2	26.7	27.0	24.9	23.8	24.3			
Return on Total Assets ROA	2.4	2.5	2.4	2.2	2.0	2.0			

Return on Total Average Assets	ROAA	2.5	2.5	2.5	2.2	2.1	2.1
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Reported Net Income x Net Income Adjusted by Extraordinary Events and Goodwill Amortization R\$ million

Summarized Analysis of the Statement of Income

With the purpose of favoring a better understanding, comparability and analysis of Bradesco's results, we are disclosing the Statement of Adjusted Income, which is obtained from a series of adjustments made on the Reported Statement of Income. We point out that the Statement of Adjusted Income will be the basis used for analyses and comments of this Report on Economic and Financial Analysis.

Below, we show tables with the Reported Statement of Income, the respective adjustments and the Statement of Adjusted Income.

1H07 x 1H08 R\$ million

	1H07			1H08			Variation			
	Reported Statement of Income	Adjustments Fiscal Hedge (1)	Other (2)	Adjusted Statement of Income	Reported Statement of Income	Adjustments Fiscal Hedge (1)	Other	Adjusted Statement of Income	Amount	%
Financial Margin (a)	11,589	(512)	(354) ⁽²⁾	10,723	13,130	(487)		12,643	1,920	17.9
Allowance for Loan Losses PDD (b)	(2,504)			(2,504)	(3,501)			(3,501)	(997)	39.8
Intermediation Gross Income	9,085	(512)	(354)	8,219	9,629	(487)		9,142	923	11.2
Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations (c)	357			357	1,082			1,082	725	203.1
Fee and Commission Income (d)	5,168			5,168	5,578			5,578	410	7.9
Personnel Expenses (e)	(3,109)			(3,109)	(3,452)			(3,452)	(343)	11.0
Other Administrative Expenses (e)	(3,184)			(3,184)	(3,784)			(3,784)	(600)	18.8
Tax Expenses (e)	(1,231)	64		(1,167)	(1,236)	61		(1,175)	(8)	0.7
Other Operating Income/Expenses and Equity in Earnings (Losses) of Unconsolidated	(1,666)		74 ⁽³⁾	(1,592)	(2,104)		56 ⁽³⁾	(2,048)	(456)	28.6

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Companies (f)										
Full Goodwill Amortization	(182)		182 ⁽⁴⁾		(53)		53 ⁽⁴⁾			
Operating Income	5,238	(448)	(98)	4,692	5,660	(426)	109	5,343	651	13.9
Non-Operating Income			(599)				(387)			
IR/CS and Minority Interest	601		⁽⁵⁾	2	382		⁽⁷⁾	(5)	(7)	
Net Income	(1,832)	448	196 ⁽⁶⁾	(1,188)	(1,938)	426	82 ⁽⁸⁾	(1,429)	(241)	20.3
	4,007		(501)	3,506	4,105		(196)	3,909	403	11.5

(1) partial result of derivatives used for hedge effect of investments abroad, which in terms of Net Income, simply annuls the fiscal and tax effect (IR/CS and PIS/Cofins) of this hedge strategy;

(2) positive result assessed in the sale of our interest in Arcelor in 2Q07;

(3) constitution of operational provisions – civil contingencies

(4) full goodwill amortization in subsidiaries;

(5) positive result assessed in the sale of part of our interest in Serasa, in 2Q07;

(6) fiscal effect of adjustments in the amount of R\$(237) million and activation of tax credits from previous periods in the amount of R\$41 million;

(7) mainly due to the positive result assessed in the partial sale of our interest in Visa Inc.; and

(8) fiscal effect of adjustments.

Bradesco's Net Income, in the half year ended on June 30, 2008, reached R\$3,909 million, accounting for an 11.5% increase in relation to 2007. Bradesco's Shareholders' Equity amounted to R\$33,711 million as of June 30, 2008, equivalent to a 22.5% increase compared to the balance as of June 30, 2007. Consequently, the annualized return on Average Shareholders' Equity (*) (ROAE) reached 27.2%. Total consolidated Assets reached R\$403,271 million as of June 30, 2008, accounting for a 38.8% growth in relation to the balance of same date of the previous year. The annualized return on Average Assets (ROAA), in 1H08, was 2.1%. Earnings per share reached R\$1.27. The main items influencing net income in 1H08, compared to 1H07, can be seen below:

(a) Financial Margin – R\$1,920 million

Such growth is mainly due to interest component, with a share of R\$1,827 million (R\$2,820 million due to the increase in business volume, and R\$993 million to the decrease in spreads), and to the increase in non-interest result in the amount of R\$93 million, resulting mostly from the higher credit recovery.

(b) Allowance for Loan Losses – R\$(997) million

The variation is mostly due to a 37.2% increase in the volume of loan operations in the 12-month period ended on June 30, 2008. Pointing out the individual client operations, mainly under the consumer financing type, with a 34.2% increase, which, in view of its specific characteristic, requires a higher provisioning volume.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations – R\$725 million

The variation is mostly due to the better result assessed in the Health line, resulting from the non-constitution of additional provision in 2008, as well as from the better result obtained from the Life line and VGBL products, due to the increase of the client base.

(d) Fee and Commission Income – R\$410 million

The increase in the period is mainly due to a higher volume of operations, mitigated by the effect of the fee adjustments related to checking accounts and loan operations of individuals in 2Q08. We point out the items Card Income R\$252 million, Assets under Management R\$98 million, Collection R\$52 million and Custody and Brokerage Services R\$43 million.

(e) Personnel, Administrative and Tax Expenses R\$(951) million

Out of such amount, R\$343 million of personnel expenses is mainly due to: (i) the expansion of the customer service network and the consequent hiring of employees, as well as the increase in salary levels resulting from the collective bargaining agreement of 2007 (6.0%), benefits and others, in the amount of R\$269 million; (ii) higher expenses with labor proceeding in the amount of R\$53 million; and (iii) higher expenses with management and employee profit sharing (PLR) in the amount of R\$20 million.

The variation of R\$600 million in other administrative expenses in the period basically refers to: (i) the organic growth; (ii) the effects on increased volume of business; (iii) the investments in the improvement and optimization of the technological platform (IT Improvements Project); and (iv) the contractual adjustments.

The R\$8 million of tax expenses derives basically from (i) the increase in PIS/Cofins expenses in the amount of R\$120 million, due to the increase in taxable income; (ii) the increase in ISSQN expenses in the amount of R\$7 million; which was partially mitigated: (iii) by the reduction in CPMF expenses, in the amount of R\$121 million, since it is no longer collected.

(f) Other Operating Income/Expenses R\$(456) million

The increase in the period is mainly due to: (i) the increase in expenses with financing commissions R\$105 million; (ii) the increase in provision for civil contingency expenses R\$134 million; (iii) the increase in sundry losses R\$51 million; (iv) the increase in expenses with search and seizure R\$33 million; and (v) the increase in expenses from the amortization of prepaid expenses arising from operational agreements R\$85 million.

(*) It does not consider the mark-to-market effects of Available -for-Sale Securities.

Summarized Analysis of the Statement of Income

1Q08 x 2Q08 R\$million

	1Q08			Reported Statement of Income	2Q08		Variation		
	Reported Statement of Income	Adjustments Fiscal Hedge (1)	Other		Adjusted Statement of Income	Adjustments Fiscal Hedge (1)	Adjusted Statement of Income	Amount	%
Financial Margin (a)	6,096	(46)		6,050	7,034	(441)	6,593	543	9.0
Allowance for Loan Losses PDD (b)	(1,667)			(1,667)	(1,834)		(1,834)	(167)	10.0
Intermediation Gross Income	4,429	(46)		4,383	5,200	(441)	4,759	376	8.6
Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations (c)	515			515	567		567	52	10.1
Fee and Commission Income (d)	2,803			2,803	2,775		2,775	(28)	(1.0)
Personnel Expenses (e)	(1,737)			(1,737)	(1,715)		(1,715)	22	(1.3)
Other Administrative Expenses (e)	(1,815)			(1,815)	(1,969)		(1,969)	(154)	8.5
Tax Expenses (e)	(611)	6		(605)	(625)	55	(570)	35	(5.8)
Other Operating Income/Expenses and Equity in Earnings (Losses) of Unconsolidated Companies (f)	(1,032)		56 (2)	(976)	(1,072)		(1,072)	(96)	9.8
Full Goodwill Amortization	(53)		53 (3)						
Operating Income	2,499	(40)	109	2,568	3,161	(386)	2,775	207	8.1
Non-Operating Income	402		(387) (4)	15	(20)		(20)	(35)	
IR/CS and Minority Interest	(798)	40	85 (5)	(676)	(1,139)	386	(753)	(77)	11.4

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Net Income	2,103	(196)	1,907	2,002	2,002	95	5.0
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(1) partial result of derivatives used for hedge effect of investments abroad, which, in terms of Net Income, simply annuls the fiscal and tax effect (IR/CS and PIS/Cofins) of this hedge strategy;

(2) constitution of operating provisions civil contingencies;

(3) full goodwill amortization in subsidiaries;

(4) mainly by the positive result assessed in the partial sale of our interest in Visa Inc.; and

(5) tax effect of adjustments.

In 2Q08, Bradesco's Net Income reached R\$2,002 million, against R\$1,907 in the 1Q08, a 5.0% increase in the quarter. Bradesco's Shareholders' Equity amounted to R\$33,711 million on June 30, 2008, a 2.4% increase in relation to March 31, 2008. Total consolidated Assets reached R\$403,271 million as of June 30, 2008, growing by 13.4% in 2Q08.

The main items influencing Net Income in 2Q08 compared to the previous quarter can be seen below:

(a) Financial Margin R\$543 million

Such variation is due to the increase in the result of interest-bearing operations in the amount of R\$179 million (R\$232 million due to the increase in volumes and R\$53 million to the decrease in spreads), and the non-interest income in the amount of R\$364 million, in view of the higher gains with loan recoveries, TVM and treasury in 2Q08.

(b) Allowance for Loan Losses R\$(167) million

The increase in the expense in 2Q08 is consistent with the growth of our loan portfolio (by R\$9,389 million or 6.8%) and mainly with the growth of operations with individual clients (by R\$2,990 million or 5.2%), which, due to its characteristic, require higher provisioning volume.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans R\$ 52 million

The variation is mainly due to higher revenues from insurance, with an 11.4% increase in the quarter, together with a lower claim ratio (73.1% versus 73.4% in the previous quarter).

(d) Fee and Commission Income R\$(28) million

The reduction is due to: (i) the effect of the adjustment of individual checking accounts and loan operations fees R\$94 million, due to CMN Resolution 3,518, which was offset by: (ii) the higher volume of card transactions in 2Q08 R\$36 million; (iii) the higher collection volume R\$17 million; and (iv) higher income from consortiums, custody services and brokerage R\$11 million.

(e) Personnel, Administrative and Tax Expenses R\$97 million

Personnel expenses decreased R\$22 million in the quarter, basically as a result of: (i) lower expenses with provision for labor proceedings R\$40 million; (ii) lower expenses with management and employee profit sharing (PLR) in the amount of R\$25 million; which was offset by: (iii) lower expenses, in 1Q08, mainly due to the number of employees in vacation, in the amount of R\$36 million; and (iv) higher training expenses R\$11 million.

The R\$154 million increase in other administrative expenses is mainly due to higher expenses with: (i) Advertising R\$38 million, related to promotional selling campaigns of products and services; (ii) Depreciation and Amortization R\$36 million, basically due to the decrease in deferred charges from joint control companies; (iii) Third-party

Services and Data Processing R\$45 million, basically related to investments in the IT Improvements program, changes of the Fidelity card and higher increase in business volume; and (iv) Assets Leasing R\$13 million, due to the new Information Technology Center equipment.

The R\$35 million variation of tax expenses is basically due to the: (i) decrease of PIS/Cofins expenses, due to the reduction in the calculation basis for taxable income in 2Q08 in the amount of R\$ 14 million; and (ii) higher expenses with IPTU, taxes and sundry fees in 1Q08 in the amount of R\$19 million.

(f) Other Operating Revenues and Expenses R\$(96) million

The increase in the quarter is due to the: (i) higher sundry losses R\$58 million; (ii) increase in interest expenses, net of revenues, in the amount of R\$47 million; which was offset: (iii) by the lower expenses with operating provisions in the amount of R\$9 million, including the constitution of the provision for restitution of the advanced settlement rate (TLA) in 1Q08.

Highlights**Income**

	R\$ million					
	1 st Half		Variation	2008		Variation
	2007	2008	%	1 st Qtr.	2 nd Qtr.	%
Adjusted Financial Margin	10,723	12,643	17.9	6,050	6,593	9.0
Provision for Loan Losses Expenses	2,504	3,501	39.8	1,667	1,834	10.0
Fee and Commission Income	5,168	5,578	7.9	2,803	2,775	(1.0)
Insurance, Private Pension Plans and Certificated Savings						
Plans Retained Premiums	9,536	10,951	14.8	5,285	5,666	7.2
Personnel Expenses	3,109	3,452	11.0	1,737	1,715	(1.3)
Other Administrative Expenses	3,184	3,784	18.8	1,815	1,969	8.5
Operating Income	4,692	5,343	13.9	2,568	2,775	8.1
Adjusted Net Income	3,506	3,909	11.5	1,907	2,002	5.0

Balance Sheet

	R\$ million					
	June		Variation	2008		Variation
	2007	2008	%	March	June	%
Total Assets	290,568	403,271	38.8	355,517	403,271	13.4
Securities and Derivative Financial Instruments	103,577	118,956	14.8	105,167	118,956	13.1
Loan Operations (Expanded Concept)	130,819	181,602	38.8	169,408	181,602	7.2
Loan and Leasing Operations (*)	108,191	148,408	37.2	139,019	148,408	6.8
Sureties and Guarantees (Accounted for in Memorandum Accounts)	17,324	27,172	56.8	25,080	27,172	8.3
Credit Cards (Cash purchases and credit purchases from store owners)	5,304	5,623	6.0	5,309	5,623	5.9
Assignment of Credits (Accounted for in Memorandum Accounts)		399			399	
Permanent Assets	3,498	4,023	15.0	3,903	4,023	3.1
Deposits	82,601	122,752	48.6	106,710	122,752	15.0
Borrowings and Onlendings	19,165	24,736	29.1	24,013	24,736	3.0
Technical Provisions	52,900	62,068	17.3	59,722	62,068	3.9
Shareholders Equity	27,515	33,711	22.5	32,909	33,711	2.4

(*) It includes Advances on Foreign Exchange Contracts and Other Credits.

Change in Number of Outstanding Shares

	Common shares	Preferred shares	Total
Number of Outstanding Shares on December 31, 2007	1,009,337,030	1,009,336,926	2,018,673,956
Shares Acquired and not Cancelled	(53,700)	(34,600)	(88,300)
Shares Subscription	13,953,489	13,953,488	27,906,977
50% stock bonus	511,644,460	511,644,407	1,023,288,867
Number of Outstanding Shares on June 30, 2008	1,534,881,279	1,534,900,221	3,069,781,500

Share Performance (*)

	R\$					
	1st Half		Variation	2008		Variation
	2007	2008	%	1st Qtr.	2nd Qtr.	%
Net Income per Share	1.17	1.27	8.5	0.62	0.65	4.8
Dividends/JCP per Common Share (net of Income Tax)	0.392	0.409	4.3	0.198	0.211	6.6
Dividends/JCP per Preferred Share (net of Income Tax)	0.431	0.450	4.4	0.218	0.232	6.4
Book Value per Share (Common and Preferred)	9.17	10.98	19.7	10.72	10.98	2.4
Last Business Day Price Common	32.50	29.30	(9.8)	28.47	29.30	2.9
Last Business Day Price Preferred	31.16	32.99	5.9	32.53	32.99	1.4
Market Value (R\$ million) (**)	95,545	95,608	0.1	93,631	95,608	2.1

(*) For comparison purposes, in 2008 there was a 50% stock bonus, which was applied for 2007.

(**) Number of shares (disregarding treasury shares) x closing price of common and preferred shares of the last day of the period.

Cash Generation (*)

	R\$ million					
	2007			2008		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Net Income	1,705	1,801	3,506	1,907	2,002	3,909
Equity in Earnings (Losses) of Unconsolidated Companies	(12)	(4)	(16)	(32)	(34)	(66)
Provision for loan losses	1,160	1,344	2,504	1,667	1,834	3,501
Provision/Reversal for Devaluation		1	1	(10)	16	6
Depreciation and Amortization	133	133	266	138	174	312
Other	17	17	34	57	54	111
Total	3,003	3,292	6,295	3,727	4,046	7,773

(*) It considers the Adjusted Net Income.

Value Added with Hedge Adjustment and without Extraordinary Events

	R\$ million					
	2007			2008		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Value Added (A+B+C)	4,320	4,645	8,965	4,921	5,037	9,958
A Gross Income from Financial Intermediation	3,859	4,360	8,219	4,383	4,759	9,142
B Fee and Commission Income	2,559	2,609	5,168	2,803	2,775	5,578
C Other Income/Expenses	(2,098)	(2,324)	(4,422)	(2,265)	(2,497)	(4,762)
Distribution of Value Added (D+E+F+G)	4,320	4,645	8,965	4,921	5,037	9,958
D Employees	1,278	1,444	2,722	1,523	1,490	3,013
E Government Contribution	1,337	1,400	2,737	1,491	1,545	3,036
F JCP/Dividends to Shareholders (paid and provisioned)	601	796	1,397	740	719	1,459
G Profit Reinvestment	1,104	1,005	2,109	1,167	1,283	2,450
Distribution of Value Added percentage	100.0	100.0	100.0	100.0	100.0	100.0
Employees	29.6	31.1	30.4	30.9	29.6	30.3
Government Contribution	30.9	30.2	30.5	30.3	30.6	30.5
JCP/Dividends to Shareholders (paid and provisioned)	13.9	17.1	15.6	15.0	14.3	14.6
Profit Reinvestments	25.6	21.6	23.5	23.8	25.5	24.6

Calculation of Fixed Assets to Shareholders Equity Ratio

	R\$ million			
	2007		2008	
	March	June	March	June
Shareholders Equity + Minority Shareholders	26,090	27,577	33,068	33,873
Subordinated debts	9,550	10,351	11,269	10,638
Tax Credits	(79)	(79)	(102)	(102)
Exchange Membership Certificates	(88)	(96)	(32)	(32)
Other Adjustments	(26)	(107)	(827)	(895)
Reference Equity (A) (*)	35,447	37,646	43,376	43,482
Permanent Assets	9,342	10,238	19,277	24,803
Premises and Equipment and Leasing	(5,702)	(6,664)	(15,286)	(20,690)
Unrealized Leasing Losses	(100)	(104)	(99)	(100)
Other Adjustments	517	(274)	1,342	3,039
Total Premises and Equipment (B) (*)	4,057	3,196	5,234	7,052
Fixed Assets to Shareholders Equity Ratio (B/A) %	11.4	8.5	12.1	16.2
Margin	13,666	15,627	16,454	14,690

(*) For the calculation of Premises and Equipment to Shareholders Equity Ratio, the Exchange Membership Certificates are excluded from the Reference Equity and Premises and Equipment, as per Bacen Resolution 2,283.

Performance Ratios (annualized) percentages

	2007			2008		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Return on Shareholders' Equity (total)	28.9	28.9	27.1	25.3	26.0	24.5
Return on Average Shareholders' Equity	30.2	29.5	28.8	27.3	26.1	25.8
Return on Shareholders' Equity (total) without adjustment to market value reserve TVM and Derivatives	31.5	31.3	29.3	26.5	26.8	25.3
Return on Average Shareholders' Equity without adjustment to market value reserve TVM and Derivatives	32.6	32.9	31.5	28.7	27.6	27.2
Return on Shareholders' Equity (total) straight-line calculation	26.2	26.2	25.5	23.2	23.8	23.2
Return on Average Shareholders' Equity straight-line calculation	27.2	26.7	27.0	24.9	23.8	24.3
Return on Total Assets (total)	2.4	2.5	2.4	2.2	2.0	2.0
Return on Average Total Assets	2.5	2.5	2.5	2.2	2.1	2.1
Shareholders' Equity on Total Assets	9.2	9.5	9.5	9.3	8.4	8.4
Capital Adequacy Ratio (Basel) Financial Consolidated (*)	17.8	18.2	18.2	15.6	14.4	14.4
Capital Adequacy Ratio (Basel) Total Consolidated (*)	15.7	16.1	16.1	13.9	12.9	12.9
Fixed Assets to Shareholders' Equity Ratio Financial Consolidated	49.2	47.4	47.4	47.7	47.3	47.3
Fixed Assets to Shareholders' Equity Ratio Total Consolidated	11.4	8.5	8.5	12.1	16.2	16.2
Combined Ratio Insurance	95.9	99.8	97.8	83.9	84.9	84.4
Efficiency Ratio (in the previous 12 months)	42.1	42.0	42.0	41.7	41.3	41.3
Coverage Ratio (Fee and Commission Income / Administrative and Personnel Expenses) (in the previous 12 months)	78.0	79.4	79.4	78.7	77.8	77.8

(*) If we choose the prerogative provided for in article 9 of Bacen Circular 3,367, the indexes of June 2008 would be 17.3% in the financial consolidated and 15.3% in the total consolidated.

Market Share Consolidated percentages

	2007		2008	
	March	June	March	June
Banks Source: Bacen				
Time Deposit	9.4	8.3	10.5	N/A
Savings Deposit	14.2	13.9	13.7	N/A
Demand Deposit	17.5	17.3	18.4	N/A
Loan Operations	12.4	12.5	13.2	13.1 (*)
Online Collection (Balance)	28.8	29.5	31.5	31.7
Number of Branches	16.7	16.7	17.3	17.4(*)
Banks Source: Federal Revenue /Serpro				
DARF Federal Revenue Collection Document	18.2	18.0	20.3	19.8
DAS Brazilian Unified Tax Collection System Document (Simples)	I	I	15.9	16.4
Banks Source: INSS/Dataprev				
GPS Social Pension Plan Voucher	14.1	13.6	14.0	14.0
Benefit Payment to Retirees and Pensioners	19.9	19.7	19.5	19.5
Banks Source: Anbid				
Investment Funds + Portfolios	14.5	14.3	14.1	14.1
Insurance, Private Pension Plans and Certificated Savings Plans Source: Susep and ANS				
Insurance, Private Pension Plans and Certificated Savings Plans Premiums	24.4	24.7	23.7	23.8 (*)
Insurance Premiums (including VGBL)	24.4	24.6	23.3	23.6 (*)
Life Insurance and Personal Accidents Premiums	16.4	15.3	17.3	16.6 (*)
Auto/RE Insurance Premiums	11.3	10.7	10.5	10.7 (*)
Health Insurance Premiums	42.7	43.4	42.0	43.5 (*)
Revenues from Private Pension Plan Contributions (excluding VGBL)	29.0	29.6	32.4	31.0 (*)
Revenues from Certificated Savings Plans	19.0	20.2	18.3	18.3 (*)
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	36.8	36.3	35.8	35.5 (*)
Insurance and Private Pension Plans Source: Fenaprevi				
Income on VGBL Premiums	43.4	41.0	37.6	37.4
Revenues from PGBL Contributions	30.9	28.3	32.4	28.8
Private Pension Plan Investment Portfolios (including VGBL)	41.4	42.0	39.8	39.7
Credit and Debit Card Source: Abecs				
Credit Card Revenue	18.0	18.2	18.4	18.2
Debit Card Revenue	20.1	19.9	18.7	18.8
Leasing Source: Abel				
Active Operations	11.0	11.2	14.7	16.6 (*)

Banco Finasa BMC Source: Bacen

Finabens (Portfolio)	18.8	17.8	12.9	11.5 (*)
Auto (Portfolio) Including Banco Bradesco	25.4	25.9	25.4	25.4 (*)

Consortium Source: Bacen

Real Estate	25.9	25.9	27.1	27.8
Auto	20.0	20.6	21.2	22.9
Trucks, Tractors and Agricultural Implements	6.3	6.8	7.0	9.3

International Area Source: Bacen

Export Market	19.8	20.0	20.8	21.9 (**)
Import Market	16.6	16.6	15.2	16.3 (**)

(*) Reference date: May 2008 (in relation to health insurance, the ANS indexes were estimated).

N/A Not Available
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(**) Previous data.

Inapplicable

Other Information

		June		Variation	2008		Variation
		2007	2008	%	March	June	%
Funding and Assets Managed	R\$ million	421,602	552,082	30.9	506,808	552,082	8.9
Number of Employees		80,287	84,224	4.9	83,124	84,224	1.3
Number of Branches		3,031	3,193	5.3	3,169	3,193	0.8
Number of Savings Accounts	thousand	31,330	32,549	3.9	32,213	32,549	1.0
Credit, Private Label and Debit Cards Base	thousand	63,196	77,952	23.3	72,971	77,952	6.8

Bradesco's Shares**Number of Shares (in thousands) Common and Preferred Shares (*)**

	December					2008	
	2003	2004	2005	2006	2007	March	June
Common Shares	1,437,054	1,430,107	1,468,350	1,500,214	1,514,006	1,534,934	1,534,882
Preferred Shares	1,416,492	1,416,491	1,469,817	1,502,435	1,514,006	1,534,933	1,534,900
Subtotal Outstanding Shares	2,853,546	2,846,598	2,938,167	3,002,649	3,028,012	3,069,867	3,069,782
Treasury Shares	516		696	1,137	3,368	3	88
Total	2,854,062	2,846,598	2,938,863	3,003,786	3,031,380	3,069,870	3,069,870

(*) For comparison purposes, there was a 50% stock bonus in 2008, which were applied for previous years. Likewise, 100% stock bonus occurred in 2005 and 2007, as well as 200% in 2003.

On June 30, 2008, Banco Bradesco's capital stock was R\$23 billion, composed of 3,069,869,800 shares, of which 1,534,934,979 are common shares and 1,534,934,821 are preferred shares, all non-par and book-entry shares. The largest shareholder is the holding company Cidade de Deus Participações, which directly holds 48.22% of our voting capital and 24.12% of our total capital. Cidade de Deus Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações. Nova Cidade de Deus Participações is owned by Fundação Bradesco and Elo Participações e Investimento, which has as shareholders the majority of members of Bradesco's Board of Directors and Statutory Executive Board (see page 130).

Number of Shareholders Domiciled in Brazil and Abroad

	2007		Capital Interest	2008		Capital Interest
	June	%		June	%	

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Individuals	1,250,814	91.26	26.56	1,268,619	91.37	26.87
Corporations	116,025	8.47	45.62	116,022	8.36	45.78
Subtotal Domiciled in Brazil	1,366,839	99.73	72.18	1,384,641	99.73	72.65
Domiciled Abroad	3,688	0.27	27.82	3,765	0.27	27.35
Total	1,370,527	100	100	1,388,406	100	100

Concerning Bradesco's shareholders, domiciled in Brazil and abroad, on June 30, 2008, 1,384,641 shareholders were domiciled in Brazil, accounting for 99.73% of total shareholders' base and holding 72.65% of Bradesco's shares. The number of shareholders domiciled abroad was 3,765, representing 0.27% of total shareholders' base and holding 27.35% of Bradesco's shares.

Market Value R\$ million

N.B.: the market value considers the closing quotation of the common and preferred shares multiplied by the respective number of shares (excluding treasury shares).

Market Value / Shareholders Equity

Market Value/Shareholders Equity: indicates the number of times Bradesco's market value is higher than its accounting shareholders equity.

Formula used: number of common and preferred shares multiplied by the closing price of common and preferred shares of the last business day of the period. The amount is divided by the accounting shareholders equity of the period.

Dividend Yield percentages (in the previous 12 months)

Dividend Yield: is the ratio between the dividends and/or interest on shareholders capital distributed to shareholders in the previous 12 months and the share price, indicating the investment return related to profit sharing.

Formula used: amount received by shareholders as dividends and/or interest on shareholders capital (gross of income tax) in the previous 12 months divided by the preferred share closing price of the last business day of the period.

Payout Index percentages (in the previous 12 months)

Payout Index: indicates the percentage of net income paid as dividends/interest on shareholders' capital.

Formula used: amount received by shareholders as dividends and/or interest on shareholders' capital (gross of income tax) divided by the adjusted net income.

Financial Volume Bradesco PN x Ibovespa

Source: Economática

Adjusted Net Earnings per Share R\$ (in the previous 12 months) (*)

(*) For comparison purposes, the amounts were adjusted according to bonus and splits in the period.

Appreciation Index Bradesco PN (BBDC4) x Ibovespa (percentages)

Source: Economática

Bradesco's Share Performance

In 2Q08, Bradesco's preferred shares appreciated by 1.9% (adjusted by dividends), having a lower performance than Ibovespa's, which had a 6.6% appreciation in the period.

The shares of the financial sector companies continued to be affected, in a global scope, by the turbulent scenario involving institutions exposed to the subprime real estate loans in the United States.

Even those banks with a null exposition to subprime, like Bradesco, has suffered effects of this scenario, resulting in a worse risk perception of investors. In Brazil, increasing concerns with inflation's increase and the growth of interest curve also contributed to the weak shares performance of the financial segment in the quarter.

Statement of Income

	R\$ million					
	1 st Half		Variation	2008		Variation
	2007	2008	%	1 st Qtr.	2 nd Qtr.	%
Revenues from Financial Intermediation	19,819	24,462	23.4	11,693	12,769	9.2
Loan Operations	10,649	12,994	22.0	6,571	6,423	(2.3)
Leasing Operations	385	890	131.2	373	517	38.6
Securities Transactions	3,815	4,060	6.4	1,820	2,240	23.1
Insurance, Private Pension Plans and Certificated						
Savings Plans	3,544	4,144	16.9	1,676	2,468	47.3
Derivative Financial Instruments	502	1,290	157.0	528	762	44.3
Foreign Exchange Transactions	293	382	30.4	396	(14)	
Compulsory Deposits	631	702	11.3	329	373	13.4
Expenses From Financial Intermediation (excluding PDD)	9,096	11,819	29.9	5,643	6,176	9.4
Federal Funds Purchased and Securities Sold						
under Agreements to Repurchase	6,666	8,536	28.1	3,818	4,718	23.6
Price-Level Restatement and Interest on Technical						
Provisions for Insurance, Private Pension Plans and						
Certificated Savings Plans	2,141	2,736	27.8	1,024	1,712	67.2
Borrowings and Onlendings	284	545	91.9	800	(255)	
Leasing Operations	5	2	(60.0)	1	1	
Financial Margin	10,723	12,643	17.9	6,050	6,593	9.0
Provision for Loan Losses	2,504	3,501	39.8	1,667	1,834	10.0
Gross Income from Financial Intermediation	8,219	9,142	11.2	4,383	4,759	8.6
Other Operating Income/Expenses	(3,527)	(3,799)	7.7	(1,815)	(1,984)	9.3
Fee and Commission Income	5,168	5,578	7.9	2,803	2,775	(1.0)
Operating Income from Insurance, Private						
Pension Plans and Certificated Savings Plans	357	1,082	203.1	515	567	10.1
(+) Net Premiums Issued	9,855	11,123	12.9	5,367	5,756	7.3
(-) Reinsurance Premiums	(319)	(172)	(46.0)	(82)	(90)	9.8
(=) Retained Premiums from Insurance, Pension Plans and Certificated Savings Plans	9,536	10,951	14.8	5,285	5,666	7.2
Retained Premiums from Insurance	4,121	4,794	16.3	2,268	2,526	11.4
Private Pension Plans Contributions	4,670	5,377	15.1	2,645	2,732	3.3
Income from Certificated Savings Plans	745	780	4.7	372	408	9.7
Variation in Technical Provisions for Insurance,						

Private Pension Plans and Certificated Savings Plans	(5,072)	(5,176)	2.1	(2,533)	(2,643)	4.3
Variation in Technical Provisions for Insurance	(586)	(152)	(74.1)	(55)	(97)	76.4
Variation in Technical Provisions for Private Pension Plans	(4,508)	(5,025)	11.5	(2,480)	(2,545)	2.6
Variation in Technical Provisions for Certificated Savings Plans	22	1	(95.5)	2	(1)	
Retained Claims	(2,931)	(3,422)	16.8	(1,640)	(1,782)	8.7
Certificated Savings Plans Draws and Redemptions	(654)	(673)	2.9	(318)	(355)	11.6
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(522)	(598)	14.6	(279)	(319)	14.3
Insurance Products Selling Expenses	(414)	(459)	10.9	(222)	(237)	6.8
Private Pension Plans Selling Expenses	(100)	(115)	15.0	(56)	(59)	5.4
Certificated Savings Plans Selling Expenses	(8)	(24)	200.0	(1)	(23)	2,200.0
Personnel Expenses	(3,109)	(3,452)	11.0	(1,737)	(1,715)	(1.3)
Other Administrative Expenses	(3,184)	(3,784)	18.8	(1,815)	(1,969)	8.5
Tax Expenses	(1,167)	(1,175)	0.7	(605)	(570)	(5.8)
Equity in Earnings of Unconsolidated Companies	16	66	312.5	32	34	6.3
Other Operating Income	636	653	2.7	330	323	(2.1)
Other Operating Expenses	(2,244)	(2,767)	23.3	(1,338)	(1,429)	6.8
Operating Income	4,692	5,343	13.9	2,568	2,775	8.1
Non-Operating Income	2	(5)		15	(20)	
Income before Taxes on Income and Profit Sharing	4,694	5,338	13.7	2,583	2,755	6.7
Income Tax and Social Contribution	(1,183)	(1,422)	20.2	(672)	(750)	11.6
Minority Interest in Subsidiaries	(5)	(7)	40.0	(4)	(3)	(25.0)
Net Income	3,506	3,909	11.5	1,907	2,002	5.0
Annualized Return on Shareholders Equity (*) (%)	31.5	27.2		28.7	27.6	

(*) Refers to average Shareholders Equity and does not consider the mark-to-market effects on Available-for-Sale Securities.

Analysis of the Statement of Income R\$ million**Income from Loan and Leasing Operations**

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
11,029	13,882	25.9	6,943	6,939	(0.1)

In the period, income was up mainly as result of: (i) the increase in the average volume of the loan portfolio, which totaled R\$139,578 in June/08 against R\$101,961 in June/07, that is, a 36.9% increase. We highlight the corporate portfolio, with an increase of 39.3%, due to Financing to Export , Working Capital and Leasing products. In the individual portfolio, the growth was 34.2%, with focus on the products connected to consumer financing; (ii) the better credit recovery R\$147; partially **mitigated**: (iii) by the decrease in average interest rates, observing the 9.9% CDI variation in 1H08, against 10.8% in 1H07.

Income remained stable in the quarter. The small variation was basically due to: (i) the 10.1% foreign exchange loss variation, which impacted Loans and Financings indexed/denominated in foreign currency, which represent 7.4% of the loan portfolio, impacting the average interest rate of 4.8% in 2Q08, versus 5.1% in 1Q08; **offset**: (ii) by the 7.8% increase in the corporate portfolio, with focus on the Financing to Export , Working Capital and Leasing products; (iii) by the 5.2% increase in the individual portfolio, with focus on products linked to consumer financing and (iv) the better credit recovery R\$80.

Income from Securities (TVM) and Derivative Financial Instruments

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
4,317	5,350	23.9	2,348	3,002	27.9

The increase in income in the period is mainly due to: (i) the increase in the average volume of the portfolio (TVM, Derivative Financial Investments and Interbank Investments); partially **offset** by: (ii) the reduction in the average interest rates, observing the 5.5% CDI variation in 1H08, against 6.3% in 1H07; and (iii) the lower non-interest income gains in the amount of R\$ 69.

The variation in income in the quarter is mainly due to: (i) the increase in the average portfolio volume (TVM, Derivative Financial Instruments and Interbank Investments); and (ii) the higher non-interest income gains in the amount of R\$174.

Income from Insurance, Private Pension Plans and Certificated Savings Plans

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
3,544	4,144	16.9	1,676	2,468	47.3

The variation in the period was basically due to: (i) the increase in the average volume portfolio; and (ii) the higher non-interest income of R\$32.

The variation in the quarter was substantially due to: (i) the higher non-interest income of R\$115; (ii) the increase in the average interest rate, following the higher IGP-M variation of 3.6% in 2Q08, against 2.5% in 1Q08; and (iii) the increase in the average portfolio volume.

Income from Foreign Exchange Transactions

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
293	382	30.4	396	(14)	

For a better analysis, this item should be analyzed deducted from expenses with foreign funding, used to finance import/export operations, in accordance with Note 11a. After these deductions, the result would be R\$163 in 1H07 and R\$319 in 1H08, basically due to the increase in the foreign exchange portfolio volume.

For a better analysis, this item should be analyzed deducted from expenses with foreign funding used to finance import/export operations, in accordance with Note 11a. After these deductions, the result would be R\$135 in 1Q08 and R\$184 in 2Q08, basically due to the increase in the foreign exchange portfolio volume.

Income from Compulsory Deposits

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
631	702	11.3	329	373	13.4

The variation in the period is basically due to: (i) the increase in the average volume of deposits in the period; **mitigated** by: (ii) the average interest rate variation, following CDI variation (used to remunerate the additional compulsory deposit), of 2.9% in 1H08 against 3.3% in 1H07.

The variation is basically due to: (i) the increase in the average volume of time deposits in the quarter; (ii) the average interest rate variation following the CDI variation (used to remunerate the additional compulsory deposit), of 1.5% in 2Q08 against 1.4% in 1Q08.

Expenses with Federal Funds Purchased and Securities Sold under Agreements to Repurchase

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
6,666	8,536	28.1	3,818	4,718	23.6

The variation in the period is mostly due to: (i) the increase in the average funding volume; **offset** by: (ii) the average interest rates variation, observing the 4.4% CDI variation in 1H08, against 4.7% in 1H07, mainly affecting the time deposits expenses.

The variation in the quarter derives basically from: (i) the increase in the average volume of the portfolio; and (ii) the increase in the average interest rates, following the CDI variation of 2.3% in 2Q08, against 2.1% in 1Q08, affecting mainly time deposit expenses.

Price-level Restatement and Interest on Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
2,141	2,736	27.8	1,024	1,712	67.2

The variation in the period is basically due to: (i) the higher average volume of technical provisions, especially the VGBL product; (ii) the increase in the average interest rates, arising from the higher IGP-M variation and the CDI decrease in the period (indexes which remunerate technical provision) of 4.6% in 1H08 against 4.2% in 1H07.

The variation in the quarter is mostly due to: (i) the increase in the average interest rates, resulting from higher IGP-M and CDI variations in the quarter (indexes which remunerate technical provisions), of 2.8% in 2Q08 against 1.7% in 1Q08 and (ii) the higher average volume of technical provisions, especially the VGBL product.

Borrowings and Onlendings Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
284	545	91.9	800	(255)	

The variation in the period is basically due to: (i) the increase in the average funding volume, mainly represented by Finame and BNDES operations; and (ii) the 2.3% increase of the average interest rate in 1H08 against 1.5% in 1H07 resulting from the higher IGP-M variation.

The variation in the quarter is mainly due to the decrease in average interest rate of (1.0%) in 2Q08 against 3.9% in 1Q08, resulting from the higher exchange loss variation.

Financial Margin

(*) (Financial Margin - Interest)/(Total Assets - Permanent Assets - Purchase and Sale Commitments).

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
10,723	12,643	17.9	6,050	6,593	9.0

The variation of R\$1,920 in financial margin is basically due to: (i) the increase in the result of interest-bearing operations of R\$1,827, R\$2,820 of which due to a growth in the average business volume and R\$993 due to the decrease in spreads; and (ii) the higher non-interest income of R\$93, basically derived from the higher gains with credit recovery.

The variation of R\$543 in financial margin is due to: (i) the growth in the result of interest-bearing operations in the amount of R\$179, R\$232 of which due to the increase in the average business volume and R\$53 to the decrease in spreads; and (ii) the increase in the non-interest income of R\$364, basically derived from the higher gains with treasury, TVM and loan recovery.

Provision for Loan Losses Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
2,504	3,501	39.8	1,667	1,834	10.0

The increase in the period of R\$997 is compatible with the growth of our loan portfolio (37.2% or R\$40,217 in the 12-month period) with the relevant participation of individuals which, due to their characteristic, require higher provisioning volume, whose growth in the period was 34.2% or R\$15,265.

The variation in the quarter is compatible with the growth of our loan portfolio and mainly with the 5.2% growth in the operations with individual clients which, due to their characteristic, require higher provisioning volume.

Fee and Commission Income

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
5,168	5,578	7.9	2,803	2,775	(1.0)

The increase of income in the period is mainly due to the higher volume of operations, **mitigated** by the effect of the fee adjustments related to checking accounts and loan operations of individuals in 2Q08, with focus on: (i) card income R\$252; (ii) assets management R\$98; (iii) collection R\$52; and (iv) custody and brokerage services R\$43.

The reduction of income in the quarter is mostly due to: (i) a lower individual loan operation and checking account revenue R\$94; **mitigated** by: (ii) a higher volume of card transactions R\$36; and (iii) the higher volume of collections R\$17.

Retained Premiums from Insurance, Private Pension Plans and Certificated Savings Plans

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
9,536	10,951	14.8	5,285	5,666	7.2

The growth in premiums in the period is detailed in the charts below:

The variation in the quarter is detailed in the charts below:

a) Retained Premiums from Insurance

1 st Half/2007	1 st Half/2008	Variation %	1 st Qtr./2008	2 nd Qtr./2008	Variation %
4,121	4,794	16.3	2,268	2,526	11.4

The variation in the period is due to the increase in the production of: (i) Health line R\$391, in which premiums presented an increase due to the expansion of the corporate health and dental insurance portfolios, as well as the implementation of annual restatements (medical, hospital and dental costs variation) and technical balance of the policies; (ii) Life line R\$177 (mainly in the Moneylender and Group Life lines); (iii) Auto line R\$36 (despite the strong competition in auto insurance, the insurance company achieved a growth in premiums higher than the insurance market's for the period up to May 2008). The 1H08 performance exceeded the non-allocation of premiums collected by Indiana in the same period last year. This fact is mainly due to the maintenance of the competitiveness policy, improvement of processes and creation of products destined to specific publics; (iv) basic lines R\$24; and (v) other lines R\$45.

N.B.: in order to comply with Susep Circular Letter 356, Individual Life redemption was reclassified to technical provision variation .

The variation in the quarter is due to the increase in the production of: (i) the Health line R\$194, in which premiums presented an increase due to the expansion of the corporate health and dental insurance portfolios, as well as the implementation of annual restatements (medical, hospital and dental costs variation) and technical balance of the policies; (ii) the Auto line R\$28 (maintenance of the competitiveness policy and expansion of the active broker base); (iii) the Life line R\$25; and (iv) Basic lines R\$11.

N.B.: in order to comply with Susep Circular Letter 356, Individual Life redemption was reclassified to technical provision variation .

b) Private Pension Plans Contributions

1 st Half/2007	1 st Half/2008	Variation %	1 st Qtr./2008	2 nd Qtr./2008	Variation %
4,670	5,377	15.1	2,645	2,732	3.3

The increase in the period is due to the higher commercialization of the following products: (i) VGBL R\$684; and (ii) PGBL/Traditional R\$23.

N.B.: in order to comply with Susep Circular Letter 356, VGBL redemption was reclassified to technical provision variation .

The variation in the quarter is due to: (i) the commercialization of the VGBL products R\$285; **offset:** (ii) by the lower production of PGBL/Traditional products R\$198.

N.B.: in order to comply with Susep Circular Letter 356, VGBL redemption was reclassified to technical provision variation .

c) Income on Certificated Savings Plans

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
745	780	4.7	372	408	9.7

The variation is due to: (i) the increase in the volume of new sales of Sole Payment plans; and (ii) the increase in Monthly Payment plans.

The variation is due to the large volume of new sales of Sole Payment plans.

Variation in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(5,072)	(5,176)	2.1	(2,533)	(2,643)	4.3

The variation in the period is detailed in the charts below:

The variation in the quarter is detailed in the charts below:

a) Variation in Technical Provisions for Insurance

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(586)	(152)	(74.1)	(55)	(97)	76.4

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The higher the sale of premiums, the higher the recording of technical provisions, considering an average period of 12 months. The higher constitutions of technical provisions in 1H08 were: (i) in the Life line R\$134; (ii) Health line R\$32; (iii) basic lines R\$21; **offset:** (iv) by the reversal of provision in the Auto line R\$36.

N.B.: in order to comply with Susep Circular Letter 356, there was a reclassification of Individual Life Plan redemptions to this item.

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The higher the sale of premiums, the higher the recording of technical provisions, considering an average period of 12 months. The higher constitutions of technical provisions in 2Q08 were: (i) in the Life Line R\$79; and (ii) Health line, R\$16.

N.B.: In order to comply with Susep Circular Letter 356, there was a reclassification of Individual Life Plan redemptions to this item.

b) Variation in Technical Provisions for Private Pension Plans

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(4,508)	(5,025)	11.5	(2,480)	(2,545)	2.6

Variations in technical provisions are directly related to production. The variations in the period are due to: (i) the higher recording of provision for VGBL products R\$537; **mitigated:** (ii) by the smaller number of provisions for PGBL/Traditional products R\$20.

N.B.: In order to comply with Susep Circular Letter 356, there was a reclassification of Individual Life Plan redemptions.

Variations in technical provisions are directly related to production. The variations in the quarter are due to the higher recording of provision for VGBL products R\$298; **mitigated:** by the smaller number of provisions for PGBL/Traditional products R\$233.

N.B.: In order to comply with Susep Circular Letter 356, there was a reclassification of Individual Life Plan redemptions.

c) Variation in Technical Provisions for Certificated Savings Plans

1 st Half/2007	1 st Half/2008	Variation %	1 st Qtr./2008	2 nd Qtr./2008	Variation %
22	1	(95.5)	2	(1)	

The variation in the period is mainly due to the reversion of technical provision for contingency.

The variation in the quarter is mainly due to the reversion of technical provision for contingency in the 1Q08.

Retained Claims

1 st Half/2007	1 st Half/2008	Variation %	1 st Qtr./2008	2 nd Qtr./2008	Variation %
(2,931)	(3,422)	16.8	(1,640)	(1,782)	8.7

The increase of claims in the period is due to the increase in production and the resulting growth in the volume of reported claims: (i) in the Health line R\$469, (ii) in Basic lines R\$34; (iii) Life line R\$13; (iv) other lines R\$41; **mitigated:** by the decrease in reported claims: (v) in the Auto line R\$66.

N.B.: claim ratios were recalculated due to new resolutions in Susep Circular Letter 356.

The increase of claims in the quarter is due to the increase in production and the resulting growth in the volume of reported claims: (i) in the Health line R\$149; (ii) in the Auto line R\$22; (iii) in Basic lines R\$10; **mitigated:** by the decrease in reported claims: (iv) in the Life line R\$35; and (v) other lines R\$4.

N.B.: claim ratios were recalculated due to new resolutions in Susep Circular Letter 356.

Certificated Savings Plans Draws and Redemptions

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(654)	(673)	2.9	(318)	(355)	11.6

The redemptions are directly related to revenue. The variation in the period is due to the increase in revenues.

The redemptions are directly related to production. The variation in the quarter is due to lower revenues.

Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(522)	(598)	14.6	(279)	(319)	14.3

The variation in the period is detailed in the charts below:

The variation in the quarter is detailed in the charts below:

a) Insurance Products Selling Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(414)	(459)	10.9	(222)	(237)	6.8

The variation in the period is due to the increase of insurance production, mainly in the Health line R\$24 and Life lines R\$17.

N.B.: selling ratios were recalculated due to new resolutions in the Susep Circular Letter 356.

The increase in 2Q08 is mainly due to the Auto line R\$7 and Life lines R\$4.

N.B.: selling ratios were recalculated due to new resolutions in the Susep Circular Letter 356.

b) Private Pension Plans Selling Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(100)	(115)	15.0	(56)	(59)	5.4

The variation in the period is basically a result of the increase in sales of private pension plan products and, consequently, in selling expenses.

The variation in the quarter is basically a result of the increase in production in 2Q08 and the consequent increase in selling expenses.

c) Certificated Savings Plans Selling Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(8)	(24)	200.0	(1)	(23)	2,200.0

The variation in the period is due to selling actions and the reclassification of expenses from campaigns from item Administrative Expenses to item Selling Expenses, as they refer to selling cost expenses, pursuant to Susep account plan.

The variation in the quarter is due to selling actions and the reclassification of expenses from campaigns from item Administrative Expenses to item Selling Expenses, as they refer to selling cost expenses, pursuant to Susep account plan.

Personnel Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(3,109)	(3,452)	11.0	(1,737)	(1,715)	1.3

The growth in the period is basically due to: (i) the expansion of the customer service network and the consequent hiring of employees, as well as the increase in salary levels resulting from the 2007 collective bargaining agreement (6.0%), benefits and others R\$269; (ii) the higher expenses with provisions for labor proceedings R\$53; and (iii) the higher expenses with management and employee profit sharing R\$20.

Personnel Expenses, in 2Q08, have suffered a reduction of R\$22, highlighting: (i) the lower expenses with provisions for labor proceedings R\$40; (ii) the lower expenses with management and employee profit sharing R\$25; **offset** by: (iii) the higher training expenses R\$11; and (iv) the lower expenses in the amount of R\$ 36, basically due to the number of employees in vacation in 1Q08.

Other Administrative Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(3,184)	(3,784)	18.8	(1,815)	(1,969)	8.5

The increase in the period is basically due to: (i) the organic growth; (ii) the increase in the volume of businesses; (iii) the contractual adjustments; and (iv) the investments in the improvement and optimization of the technological platform (IT Improvements Project).

The increase in the quarter is mainly due to: (i) the increase in advertising expenses R\$38, related to products and services promotional selling campaigns; (ii) the higher expenses with depreciation and amortization R\$36, basically due to the decrease in deferred charges from joint control companies; (iii) expenses with third-party services and data processing R\$45, basically due to investments in the IT Improvements program, changes in the Fidellity Cards and higher increase in business volume; and (iv) new leasing agreements R\$13, arising from equipment to the new Information Technology Center.

Tax Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(1,167)	(1,175)	0.7	(605)	(570)	(5.8)

The increase in the period mainly derives from: (i) the PIS/Cofins higher expenses in the amount of R\$120 in view of the increase of taxable income; (ii) the ISS higher expenses R\$7; **mitigated:** (iii) by the lower CPMF expenses R\$121, in view of the extinguishment of this contribution in 2008.

The variation in the quarter is essentially due to: (i) the lower PIS/Cofins expenses, due to the decrease in calculation basis of taxable income in 2Q08 R\$14; and (ii) the higher IPTU, Tax and Sundry Fees expenses in 1Q08, in the amount of R\$ 19.

Equity in Earnings (Losses) of Unconsolidated Companies

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
16	66	312.5	32	34	6.3

The variation in the period is due to the higher results in affiliated companies in 1H08, basically through IRB-Brasil Resseguros.

The variation in the quarter mainly derives from higher results in affiliated companies in 2Q08, basically through IRB-Brasil Resseguros.

Other Operating Income

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
636	653	2.7	330	323	(2.1)

The increase in the period is mainly due to higher interest income R\$19.

The variation in the quarter is mainly due to: (i) the lower income in the sale of goods R\$10; (ii) the lower interest income R\$7; **mitigated:** (iii) by the higher reversals of operating provisions R\$16.

Other Operating Expenses

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(2,244)	(2,767)	23.3	(1,338)	(1,429)	6.8

The increase in the period is mostly due to: (i) the increase in provision for civil contingency expenses R\$134; (ii) the higher expenses with loan placement R\$105; (iii) the increase in expenses from the amortization of prepaid expenses arising from operational agreements R\$85; (iv) the increase in sundry losses R\$51; and (v) the increase in search and seizure expenses R\$33.

The variation in the quarter basically derives from: (i) the increase in sundry losses R\$58; (ii) the higher interest expenses R\$40; (iii) the increase in expenses with search and seizure R\$12; (iv) the increase in expenses from the amortization of prepaid expenses arising from operational agreements R\$8; **mitigated**: (v) by the lower expenses with operating provisions R\$22.

Operating Income

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
4,692	5,343	13.9	2,568	2,775	8.1

The increase in the period derives from: (i) the higher financial margin R\$1,920; (ii) the increase in the income from insurance, private pension plans and certificated savings plans operations R\$725; (iii) the higher fee and commission income R\$410; and (iv) the increase in the equity in earnings (losses) of unconsolidated companies R\$50; **mitigated** by: (v) the higher provision for loan losses R\$997; (vi) the higher personnel and administrative expenses R\$943; (vii) the higher operating expenses (net of income) R\$506; and (viii) the higher tax expenses R\$8.

N.B.: for a more detailed analysis of the variation of each item, we recommend the reading of each specific item mentioned hereof.

The variation in the quarter derives from: (i) the higher financial margin R\$543; (ii) the increase in the income from insurance, private pension plans and certificated savings plans R\$52; (iii) the lower tax expenses R\$35; and (iv) the increase in the equity in earnings (losses) of unconsolidated companies R\$2; **mitigated** by: (v) the increase in personnel and administrative expenses R\$132; (vi) the higher expenses with provision for loan losses R\$167; (vii) the higher operating expenses (net of income) R\$98; and (viii) the lower fee and commission income R\$28.

N.B.: for a more detailed analysis of the variation of each item, we recommend the reading of each specific item mentioned hereof.

Non-Operating Income

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
2	(5)		15	(20)	

The variation in the period is basically due to: (i) the higher constitution of non-operating provisions, mitigated: (ii) by better results calculated in the sale of assets and investments.

The variation in the quarter is basically due to: (i) the lower results in sale of securities, assets and investments; and (ii) the higher constitution of non-operating provisions.

Income Tax and Social Contribution

1st Half/2007	1st Half/2008	Variation %	1st Qtr./2008	2nd Qtr./2008	Variation %
(1,183)	(1,422)	20.2	(672)	(750)	11.6

The variation in income tax and social contribution expenses in the period reflects tax charge on earnings before taxes, adjusted by additions and exclusions, according to Note 34.

The variation in income tax and social contribution expenses in the quarter reflects tax charge on earnings before taxes, adjusted by additions and exclusions, according to Note 34.

Comparative Balance Sheet

Assets	R\$ million					
	June		Variation %	2008		Variation %
	2007	2008		March	June	
Current and Long-Term Assets	287,070	399,248	39.1	351,614	399,248	13.5
Funds Available	4,916	5,134	4.4	5,702	5,134	(10.0)
Interbank Investments	27,394	73,692	169.0	48,675	73,692	51.4
Securities and Derivative Financial Instruments	103,577	118,956	14.8	105,167	118,956	13.1
Interbank and Interdepartmental Accounts	20,257	26,163	29.2	24,615	26,163	6.3
Restricted Deposits:						
Brazilian Central Bank	19,278	24,580	27.5	23,216	24,580	5.9
Others	979	1,583	61.7	1,399	1,583	13.2
Loan and Leasing Operations	94,671	131,791	39.2	123,108	131,791	7.1
Loan and Leasing Operations	101,617	140,324	38.1	131,106	140,324	7.0
Allowance for loan losses	(6,946)	(8,533)	22.8	(7,998)	(8,533)	6.7
Other Receivables and Assets	36,255	43,512	20.0	44,347	43,512	(1.9)
Foreign Exchange Portfolio	12,047	12,243	1.6	14,256	12,243	(14.1)
Other Receivables and Assets	24,295	31,388	29.2	30,197	31,388	3.9
Allowance for Other Loan Losses	(87)	(119)	36.8	(106)	(119)	12.3
Permanent Assets	3,498	4,023	15.0	3,903	4,023	3.1
Investments	585	784	34.0	743	784	5.5
Premises and Equipment and Leased Assets	2,216	2,435	9.9	2,345	2,435	3.8
Deferred Charges	697	804	15.4	815	804	(1.3)
Total	290,568	403,271	38.8	355,517	403,271	13.4
Liabilities						
Current and Long-Term Liabilities	262,817	369,190	40.5	322,260	369,190	14.6
Deposits	82,601	122,752	48.6	106,710	122,752	15.0
Demand Deposits	21,019	25,843	23.0	25,846	25,843	
Savings Deposits	28,406	34,150	20.2	33,290	34,150	2.6
Interbank Deposits	231	485	110.0	310	485	56.5
Time Deposits	32,360	61,343	89.6	46,430	61,343	32.1
Other Deposits	585	931	59.1	834	931	11.6
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	53,756	98,278	82.8	69,540	98,278	41.3
Funds from Issuance of Securities	6,645	5,469	(17.7)	7,239	5,469	(24.5)
Securities Issued Abroad	3,162	2,931	(7.3)	3,600	2,931	(18.6)
Other Funds	3,483	2,538	(27.1)	3,639	2,538	(30.3)
Interbank and Interdepartmental Accounts	1,926	2,458	27.6	2,160	2,458	13.8
Borrowings and Onlendings	19,165	24,736	29.1	24,013	24,736	3.0
Borrowings	6,540	8,275	26.5	7,962	8,275	3.9
Onlendings	12,625	16,461	30.4	16,051	16,461	2.6

Derivative Financial Instruments	2,124	1,598	(24.8)	1,624	1,598	(1.6)
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	52,900	62,068	17.3	59,722	62,068	3.9
Other Liabilities	43,700	51,831	18.6	51,252	51,831	1.1
Foreign Exchange Portfolio	6,405	5,546	(13.4)	7,319	5,546	(24.2)
Taxes and Social Security Contributions, Social and Statutory Payables	10,936	12,598	15.2	10,810	12,598	16.5
Subordinated Debt	13,203	16,709	26.6	16,567	16,709	0.9
Sundry	13,156	16,978	29.1	16,556	16,978	2.5
Deferred Income	173	208	20.2	190	208	9.5
Minority Interest in Subsidiaries	63	162	157.1	158	162	2.5
Shareholders Equity	27,515	33,711	22.5	32,909	33,711	2.4
Total	290,568	403,271	38.8	355,517	403,271	13.4

Equity Analysis R\$ million**Funds Available**

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
4,916	5,134	4.4	5,702	5,134	(10.0)

The variation in the period is due to: (i) the higher volume in local currency R\$279; **offset** by: (ii) the decrease in the volume of funds available in foreign currency R\$61.

The variation in the quarter is due to: (i) the lower volume in local currency R\$259; and (ii) the lower volume of funds available in foreign currency R\$309.

Interbank Investments

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
27,394	73,692	169.0	48,675	73,692	51.4

The variation in the period derives from: (i) the increase in the financed position in the amount of R\$31,062; (ii) the increase in own portfolio position R\$10,435; (iii) the increase in the short position R\$2,907; and (iv) the increase in interest-earning deposits in other banks R\$1,894.

The variation in the quarter is due to: (i) the increase in the financed position in the amount of R\$21,906; (ii) the increase in own portfolio position R\$3,182; (iii) the increase in interest-earning deposits in other banks R\$489; **offset** by: (iv) the decrease in short position R\$560.

Securities (TVM) and Derivative Financial Instruments

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
103,577	118,956	14.8	105,167	118,956	13.1

The increase in the period is substantially due to: (i) the additional funds derived from the increase in funding, particularly technical provisions for insurance, private pension plans and certificated savings plans; (ii) the variation in average interest rates, observing the 11.8% CDI variation in the twelve-month period between June/07 and June/08; partially **mitigated** by: (iii) the redemption/maturity of securities. The portfolio profile (excluded from purchase and sale commitments), based on the Management's intent, is distributed as follows:

Trading Securities 65.3%; Available-for-Sale Securities 12.4%; and Held-to-Maturity Securities 22.3%. In June/08, 53.6% of the total portfolio (excluded from purchase and sale commitments) was represented by Government Bonds, 19.1% by Corporate Securities and 27.3% by PGBL and VGBL fund quotas.

The increase is mainly due to: (i) the additional funds arising from higher funding, especially technical provisions for insurance, private pension plans and certificated savings plans, as well as the funding of deposits; (ii) the variation in average interest rates, observing the 3.2% CDI variation in 2Q08; partially **mitigated** by: (iii) the redemption/ maturity of securities.

Interbank and Interdepartmental Accounts

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
20,257	26,163	29.2	24,615	26,163	6.3

The variation in the period is due to: (i) the increase in volume of compulsory demand deposits R\$1,330, due to an expansion in average balance of these deposits, basis for payment in respective periods, from R\$22,047 in June/07 to R\$25,500 in June/08; (ii) the increase in the volume of compulsory of savings accounts deposits in the amount of R\$1,155, due to the increase in the balance of the savings deposits by 20.2% in the period; (iii) the increase in the additional compulsory on deposits R\$2,817; (iv) the increase in items Check Payment Services, Correspondent Relations and Financial Housing System in the amount of R\$652; **offset** by: (v) the decrease in the volume of interdepartmental accounts, in the amount of R\$48.

The variation in the quarter is due to: (i) the increase in additional compulsory deposits R\$1,610 due to the average volume increase; (ii) the increase in items Check Payment Services, Correspondent Relations and Financial Housing System in the amount of R\$240; (iii) the increase in the volume of compulsory of savings deposits R\$171; **offset** by: (iv) the reduction in the volume of compulsory demand deposits R\$418, due to the decrease in the calculation basis; and (v) the decrease in item Interdepartmental Accounts in the amount of R\$55.

Loan and Leasing Operations

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
108,191	148,408	37.2	139,019	148,408	6.8

The increase in the period is due to the individual client portfolio, with a 34.2% growth, particularly in the products Leasing, up by 441.3%, Vehicles, up by 15.6%, Personal Loan, up by 21.2%, Credit Card, up by 68.4%, Rural, up by 72.2% and Real Estate Financing up by 64.2%. The 39.3% growth recorded in the corporate portfolio is the result of the 44.0% increase in micro, small and medium-sized companies portfolio, coupled with a 34.3% increase in the portfolio of large companies (Corporate). In the corporate portfolio we point out Financing to Export operations, up by 66.3%, BNDES Onlendings up by 20.2%, Working Capital an increase of 100.5%, Leasing, up by 112.8% and Estate Financing, up by 44.6%. In June/08, the portfolio was distributed at 59.6% for corporate (24.2% of which was directed to industry, public and private sectors, 14.3% to commerce, 19.1% to services, 1.3% to agribusiness and 0.7% to financial intermediation) and 40.4% for individuals. In terms of concentration, the 100 largest borrowers accounted for 21.4% of the portfolio in June/07 and for 20.7% in June/08. The Performing Loan Portfolio reached the amount of R\$137,154 in June/08. Out of this total, 28.8% is falling due within up to 90 days.

N.B.1: this item includes advances on foreign exchange contracts and other receivables and does not include the allowance for loan losses, as described in Note 10.

N.B.2: for a better understanding of these operations, see item loan operations, on page 80.

The variation in the quarter is due to the 7.8% growth recorded in the corporate portfolio resulting from the 7.8% increase in the portfolio of micro, small and medium-sized companies and also the growth of 7.8% in the portfolio of large companies (Corporate). It is worth pointing out the increase of 18.9% in Working Capital, 13.3% in Financing to Export and 24.3% in Leasing. There was a 5.2% growth in individual portfolio, especially in the Leasing products, with a 45.5% increase, Rural, with a 10.3% increase, Credit Card Financing, up by 7.2% and Real Estate Financing, up by 11.1%.

In terms of concentration, the 100 largest borrowers accounted for 20.5% of the portfolio in March/08 and 20.7% in June/08.

N.B.1: this item includes advances on exchange contracts and other receivables and does not take into account the allowance for loan losses, as described in Note 10.

N.B.2: for a better understanding of these operations, see item loan operations, on page 80.

Allowance for loan losses (PDD)

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
(7,033)	(8,652)	23.0	(8,104)	(8,652)	6.8

The variation in the PDD balance for the period was mostly due to a 37.2% increase in the volume of loan operations. PDD ratio in relation to the loan portfolio went from 6.5% in June/07 to 5.8% in June/08. Provision coverage ratios in relation to the portfolio of non-performing loans, respectively, rated between E and H, decreased from 148.4% in June/07 to 147.2% in June/08 and, between D and H, reduced from 125.6% in June/07 to 124.0% in June/08. The preventive maintenance of current provision levels made all performance indicators remain in high levels. In the period, PDD in the amount of R\$6,495 was recorded, R\$62 was incorporated arising from acquired institutions and R\$4,938 was written off. The exceeding PDD volume in relation to the minimum required increased from R\$1,110 in June/07 to R\$1,183 in June/08.

The increase in the PDD balance in the quarter basically reflects a 6.8% growth of the loan portfolio in the quarter, particularly, the individual client portfolio with a 5.2% growth. The PDD ratio in relation to the loan portfolio remained stable at 5.8% in March/08 and June/08. The provision coverage ratios in relation to the portfolio of non-performing loans, respectively, rated from E to H, went from 146.9% in March/08 to 147.2% in June/08, and those rated from D to H went from 122.1% in March/08 to 124.0% in June/08. The preventive maintenance of current provision levels made all performance indicators remain in high levels. In 2Q08, PDD in the amount of R\$1,834 was recorded and R\$1,286 was written off. The exceeding PDD volume in relation to the minimum required went from R\$1,154 in March/08 to R\$1,183 in June/08.

Other Receivables and Assets

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
35,895	43,122	20.1	43,894	43,122	(1.8)

The variation in the period is mainly due to: (i) the increase in tax credit balances R\$2,023, basically as a result of temporary provisions; (ii) the increase in the balance of debtors by guarantee deposits R\$1,606; (iii) the increase in prepaid expenses R\$1,268 (of which basically R\$402 were related to commission in the placement of financing and R\$881 were related to the agreement in the provision of banking services); (iv) the increase in the balance of securities trading of R\$882; and (v) the increase of foreign exchange operations R\$196.

N.B.: balances are deducted (net of corresponding PDD) of R\$360 in June/07 and of R\$390 in June/08, allocated to the Loan and Leasing Operations and Allowance for loan losses items.

The variation in the quarter is mainly due to: (i) the decrease of exchange operations R\$2,013; **mitigated** by: (ii) the higher tax credit balances R\$615, basically due to temporary provisions; and (iii) the increase in the balance of securities trading R\$515.

N.B.: balances are deducted (net of corresponding PDD) of R\$453 in March/08 and R\$390 in June/08, allocated to the Loan and Leasing Operations and Allowance for loan losses items.

Permanent Assets

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
3,498	4,023	15.0	3,903	4,023	3.1

The variation in the period is due to: (i) the increase in investments in affiliated companies R\$132, basically resulting from the equity in the earnings of unconsolidated companies; and (ii) the increase in premises and equipment and leased assets and deferred charges R\$325.

The variation in the quarter is due to: (i) the increase in investments in affiliated companies R\$34, basically resulting from the equity in the earnings of unconsolidated companies; and (ii) the increase in premises and equipment and leased assets R\$78.

Deposits

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
82,601	122,752	48.6	106,710	122,752	15.0

The increase in the period is detailed in the charts below:

The variation in the quarter is detailed in the charts below:

a) Demand Deposits

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
21,019	25,843	23.0	25,846	25,843	

The evolution of R\$4,824 in the period is composed of the increase in funds from individuals R\$2,869 and from corporate clients R\$1,955.

The R\$3 variation in the quarter is due to: (i) the decrease in funds resulting from corporate clients R\$553; **offset:** (ii) by the increase in funds resulting from individuals R\$550.

b) Savings Deposits

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
28,406	34,150	20.2	33,290	34,150	2.6

The increase is mainly due to: (i) the deposits made in the period; and (ii) the deposit remuneration (TR + 0.5% p.m.), which reached 7.3% in the twelve-month period between June/07 and June/08.

The variation is mainly due to: (i) the deposit remuneration (TR + 0.5% p.m.), which reached 1.8% in 2Q08; and (ii) the deposits occurred in the quarter.

c) Time Deposits

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
32,360	61,343	89.6	46,430	61,343	32.1

The increase in the period is mostly due to: (i) the remuneration of deposits; and: (ii) the increase in the volume raised in the period, resulting from institutional investors.

The increase in the quarter is mainly due to: (i) the income appropriated; and (ii) the increase in the volume raised in the quarter, resulting from institutional investors.

d) Interbank Deposits and Other Deposits

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
816	1,416	73.5	1,144	1,416	23.8

The variation in the period results from: (i) the increase in Other Deposits Investment Account in the amount of R\$346; and (ii) from the increase in the volume of Interbank Deposits in the amount of R\$254.

The variation in the quarter is due to: (i) the increase in Other Deposits Investment Account in the amount of R\$97; and (ii) the increase in the volume of Interbank Deposits in the amount of R\$175.

Federal Funds Purchased and Securities Sold under Agreements to Repurchase

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
53,756	98,278	82.8	69,540	98,278	41.3

The variation in the period derives from: (i) the increase in funding volume, using as base government and private securities of its own portfolio in R\$9,926; (ii) the increase of third-party portfolio R\$33,414; and (iii) the increase of the free movement portfolio R\$1,182.

N.B.: include investment funds applied in purchase and sale commitments with Bradesco, whose owners are subsidiaries included in the consolidated financial statements, at the amount of R\$11,577 in June/07 and R\$13,922 in June/08.

The variation in the quarter derives from: (i) the increase in the third-party portfolio R\$22,206; (ii) the increase in funding volume, using as base its own portfolio R\$6,813; **offset:** (iii) by the decrease in the free movement portfolio R\$281.

N.B.: include investment funds applied in purchase and sale commitments with Bradesco, whose owners are subsidiaries included in the consolidated financial statements, in the amount of R\$10,995 in March/08 and R\$13,922 in June/08.

Funds from Issuance of Securities

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
6,645	5,469	(17.7)	7,239	5,469	(24.5)

The variation in the period basically derives from: (i) the decrease in the balance of debentures R\$1,119 repurchased from clients and redirected to purchase and sale commitments; (ii) the exchange loss variation of 17.4% in the twelve-month period between June/07 and June/08 and **offset:** (iii) by the increase in the volume of funding of securitization securities of the future flow MTN100.

The decrease in the quarter mainly derives from: (i) debentures repurchased from clients and redirected to purchase and sale commitments R\$1,182; and (ii) the 9.0% exchange loss variation in the quarter.

Interbank and Interdepartmental Accounts

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
1,926	2,458	27.6	2,160	2,458	13.8

The variation in the period is mostly due to the higher volume of collection of third parties in transit.

The variation in the quarter is mainly due to the higher volume of collection of third parties in transit.

Borrowings and Onlendings

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
19,165	24,736	29.1	24,013	24,736	3.0

The variation in the period is basically due to the increase in the volume of funds from foreign and local borrowings and onlendings at the amount of R\$2,919 and R\$2,652, respectively (mainly by means of Finame operations), influenced by exchange loss variation of 17.4% in the twelve-month period between June/07 and June/08, which affected the foreign currency indexed and/or denominated borrowings and onlendings liabilities, the balances of which were R\$6,917 in June/07 and R\$9,705 in June/08.

The variation in the quarter mainly results from the increase in the volume of funds from foreign and local borrowings and onlendings at the amount of R\$109 and R\$614 respectively (mainly by means of Finame operations), influenced by the exchange loss variation of 9.0% in 2Q08, which affected the foreign currency indexed and/or denominated borrowings and onlendings liabilities, the balances of which were R\$9,650 in March/08 and R\$9,705 in June/08.

Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
52,900	62,068	17.3	59,722	62,068	3.9

The increase in the period is basically due to: (i) the increase in sales of supplementary pension plans and insurance policies; and (ii) the price-level restatement and interest of technical provisions. The main variations occurred: (a) in the private pension plan segment, in the VGBL R\$5,464 and PGBL/Traditional R\$2,647 plans; and (b) in the insurance segments, in the Health line R\$588, and in the Life line R\$311.

The increase in the quarter is basically due to: (i) the price-level restatement and interest of technical provisions; and (ii) the increase in sales of supplementary pension plans and insurance policies. The main variations occurred: (a) in the private pension plan segment, in the VGBL R\$1,362 and PGBL/Traditional R\$840 plans; and (b) in the insurance segment, in the Life line R\$58.

Other Liabilities, Derivative Financial Instruments and Deferred Income

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
52,125	61,212	17.4	60,420	61,212	1.3

The variation in the period mostly derives from: (i) the issuance of Subordinated Debt R\$2,585; (ii) the increase in the balance of items Tax and Social Security R\$1,586; (iii) the increase in Credit Cards operations R\$243; (iv) the increase in the Exchange Portfolio R\$587; (v) the increase in Collection of Taxes and Other Contributions R\$722; (vi) the increase in the Provision for Contingent Liabilities R\$951; and (vii) the increase in Provision for unsettled payments R\$525.

N.B.: excludes advances on foreign exchange contracts of R\$6,128 and R\$7,575, allocated to the specific item in loan operations in June/07 and June/08, respectively.

The variation in the quarter is mainly due to the increase in the items: (i) Tax and Social Security R\$1,194; (ii) Social and Statutory R\$595; (iii) Provision for unsettled payments R\$528; **mitigated:** (iv) by the decrease in the Exchange Portfolio R\$1,551.

N.B.: excludes advances on foreign exchange contracts of R\$7,354 in March/08 and R\$7,575 in June/08, allocated to the specific item in loan operations.

Minority Interest in Subsidiaries

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
63	162	157.1	158	162	2.5

The variation in the period is mainly due to: (i) the minority shareholders of Andorra Holdings S.A. R\$151; **offset**: (ii) by the sale of Indiana Seguros S.A. in December/07 R\$52.

Item Minority Interest in Subsidiaries remained almost stable in the quarter.

Shareholders Equity

June/2007	June/2008	Variation %	March/2008	June/2008	Variation %
27,515	33,711	22.5	32,909	33,711	2.4

The variation in the period is due to: (i) the appropriation of reported net income in the amount of R\$8,108; (ii) the increase in capital in the amount of R\$1,990; (iii) the goodwill calculated in the sale of the remaining shares from the subscription in the amount of R\$7; (iv) the share fraction reserve 1; which was **offset** by: (v) the reduction of the market value adjustment reserve of TVM and Derivatives R\$966, mainly due to the reclassification of TVM from Available-for-Sale category to Held-to-Maturity category; (vi) the interest on shareholders capital/dividends paid and provisioned R\$2,885; and (vii) the acquisition of own shares for treasury R\$59.

The variation in the quarter is due to: (i) the appropriation of reported net income in the amount of R\$2,002; (ii) the share fraction reserve 1; which was **offset** by: (iii) the increase in the market value adjustment reserve of TVM and Derivatives R\$480, mainly due to the reclassification of TVM from Available-for-Sale category to Held-to-Maturity category; (iv) the interest on shareholders capital/dividends paid and provisioned R\$718; and (v) the acquisition of own treasury shares R\$3.

2-Main Statement of Income Information

Consolidated Statement of Adjusted Income R\$ thousand

	2008			2007			2006		
	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	
Revenues from Financial Intermediation	12,768,540	11,693,673	11,162,847	10,612,598	10,248,772	9,568,771	9,671,491	9,582,502	
Loan Operations	6,422,633	6,571,120	6,073,076	5,650,541	5,416,011	5,232,598	5,197,274	5,231,678	
Leasing Operations	517,740	372,536	283,874	248,354	192,700	191,817	192,898	174,990	
Operations with Securities	2,239,185	1,820,337	1,807,151	2,026,424	2,018,989	1,795,217	1,835,694	1,753,091	
Interest Income from Insurance, Private Pension Plans and Certificated Savings Plans	2,467,555	1,676,345	2,068,229	1,889,168	1,859,454	1,685,144	1,840,259	1,591,834	
Derivative Financial Instruments	761,901	528,615	390,459	371,879	303,746	198,570	192,399	328,799	
Foreign Exchange Transactions	(14,203)	395,881	231,895	121,888	143,305	149,264	98,051	167,557	
Compulsory Deposits	373,729	328,839	308,163	304,344	314,567	316,161	314,916	334,553	
Expenses from Financial Intermediation (Excluding PDD)	6,175,442	5,643,869	5,165,547	5,033,028	4,545,323	4,549,686	4,625,777	4,715,231	
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	4,717,570	3,818,055	3,523,771	3,536,178	3,370,988	3,295,194	3,143,366	3,386,251	
Price-level Restatement and Interest on Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans	1,711,644	1,024,234	1,287,681	1,188,122	1,096,964	1,043,589	1,138,529	907,865	
Borrowings and Onlendings	(254,877)	800,385	352,835	306,355	74,374	209,212	341,753	418,939	
	1,105	1,195	1,260	2,373	2,997	1,691	2,129	2,176	

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Leasing Operations								
Financial Margin	6,593,098	6,049,804	5,997,300	5,579,570	5,703,449	5,019,085	5,045,714	4,867,271
Allowance for Loan Losses								
Expenses	1,834,342	1,666,837	1,555,779	1,438,305	1,343,964	1,159,661	1,189,941	1,168,044
Gross Income from Financial Intermediation Other Operating Income/Expenses	(1,981,631)	(1,815,336)	(1,960,671)	(1,683,978)	(1,949,496)	(1,577,991)	(1,675,438)	(1,542,072)
Fee and Commission								
Income	2,774,673	2,803,529	2,895,760	2,742,006	2,608,536	2,559,188	2,423,752	2,342,847
Operating Income from Insurance, Private Pension Plans and Certificated Savings Plans	568,164	514,757	146,407	208,341	115,334	241,430	345,135	325,144
Insurance, Private Pension Plans and Certificated Savings Plans								
Retained Premiums	5,666,383	5,285,116	6,052,442	5,268,063	4,892,880	4,643,550	5,486,088	4,344,061
Net Premiums								
Written	5,756,330	5,366,960	6,174,894	5,448,219	5,054,748	4,801,108	5,662,096	4,714,041
Reinsurance								
Premiums	(89,947)	(81,844)	(122,452)	(180,156)	(161,868)	(157,558)	(176,008)	(369,980)
Variation in Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans	(2,642,347)	(2,533,242)	(3,643,969)	(2,952,534)	(2,659,549)	(2,413,358)	(2,902,447)	(1,993,374)
Retained Claims	(1,782,118)	(1,639,572)	(1,594,955)	(1,488,084)	(1,503,530)	(1,427,886)	(1,626,391)	(1,460,137)
Certificated Savings Plans								
Draws and Redemptions	(354,756)	(318,260)	(378,480)	(345,729)	(352,506)	(301,043)	(343,384)	(305,545)
Insurance, Private Pension Plans and Certificated Savings Plans								
Selling Expenses	(318,998)	(279,285)	(288,631)	(273,375)	(261,961)	(259,833)	(268,731)	(259,861)
Personnel Expenses	(1,715,129)	(1,736,553)	(1,820,181)	(1,640,132)	(1,649,408)	(1,459,826)	(1,460,199)	(1,584,533)
	(1,968,592)	(1,814,994)	(1,972,778)	(1,755,090)	(1,644,146)	(1,539,500)	(1,671,274)	(1,506,957)

Other Administrative Expenses								
Tax Expenses	(569,391)	(605,595)	(622,899)	(599,256)	(581,290)	(585,370)	(577,132)	(532,175)
Equity in Earnings (Losses) of Unconsolidated Companies	33,656	32,169	9,771	16,403	4,505	11,589	30,257	7,587
Other Operating Income	323,851	329,782	424,016	374,964	298,938	337,274	430,410	418,941
Other Operating Expenses	(1,428,863)	(1,338,431)	(1,020,767)	(1,031,214)	(1,101,965)	(1,142,776)	(1,196,387)	(1,012,926)
Operating Income	2,777,125	2,567,631	2,480,850	2,457,287	2,409,989	2,281,433	2,180,335	2,157,155
Non-Operating Income	(20,604)	14,831	21,425	1,710	4,129	(2,714)	(29,038)	40,570
Income before Tax on Income and Profit Sharing	2,756,521	2,582,462	2,502,275	2,458,997	2,414,118	2,278,719	2,151,297	2,197,725
Income Tax and Social Contribution	(750,375)	(672,009)	(644,495)	(605,489)	(612,311)	(570,335)	(530,168)	(584,759)
Minority Interest in Subsidiaries	(3,715)	(3,591)	(3,678)	(3,018)	(1,450)	(3,067)	(1,580)	(2,393)
Net Income	2,002,431	1,906,862	1,854,102	1,850,490	1,800,357	1,705,317	1,619,549	1,610,573
Return on (average) Shareholders Equity without market value adjustment reserve								
and Derivatives Financial Margin	27.6%	28.7%	29.4%	31.4%	32.9%	32.5%	34.3%	32.5%
Interest (*)	8.1%	8.4%	8.5%	8.6%	8.7%	8.6%	8.9%	9.4%

(*) (Financial Margin - Interest)/(Total Assets - Permanent Assets - Purchase and Sale Commitments).

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	Years					
	2008 1st Half	2007	2006	2005	2004	2003
Revenues from Financial Intermediation	24,462,213	41,592,988	38,375,859	34,268,623	27,210,965	28,573,144
Loan Operations	12,993,753	22,372,226	20,408,469	17,158,864	13,000,941	12,691,851
Leasing Operations	890,276	916,745	653,260	444,389	300,850	307,775
Operations with Securities Interest Income on Insurance, Private Pension Plans and	4,059,522	7,647,781	7,025,986	7,073,266	5,975,474	8,443,246
Certificated Savings Plans	4,143,900	7,501,995	6,887,472	6,171,213	5,142,434	5,359,939
Derivative Financial Instruments	1,290,516	1,264,654	1,344,438	1,307,818	922,827	(413,134)
Foreign Exchange Transactions	381,678	646,352	729,647	617,678	691,302	797,702
Compulsory Deposits	702,568	1,243,235	1,326,587	1,495,395	1,177,137	1,385,765
Expenses from Financial Intermediation (Excluding PDD)	11,819,311	19,293,584	18,536,698	17,719,666	13,980,085	15,291,477
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	8,535,625	13,726,131	12,666,708	12,421,171	9,341,527	11,039,960
Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and						
Certificated Savings Plans	2,735,878	4,616,356	4,004,823	3,764,530	3,215,677	3,120,342
Borrowings and Onlendings	545,508	942,776	1,857,009	1,525,270	1,405,389	1,118,194
Leasing Operations	2,300	8,321	8,158	8,695	17,492	12,981
Financial Margin	12,642,902	22,299,404	19,839,161	16,548,957	13,230,880	13,281,667
Allowance for Loan Losses Expenses	3,501,179	5,497,709	4,412,413	2,507,206	2,041,649	2,449,689
Gross Income from Financial Intermediation	9,141,723	16,801,695	15,426,748	14,041,751	11,189,231	10,831,978
Other Operating Income (Expenses)	(3,796,967)	(7,172,136)	(6,759,505)	(6,543,186)	(7,071,120)	(7,278,870)
Fee and Commission Income	5,578,202	10,805,490	8,897,882	7,348,879	5,824,368	4,556,861
Operating Income on Insurance, Private Pension Plans and Certificated Savings Plans	1,082,921	711,512	1,025,221	620,991	(60,645)	(148,829)
Insurance, Private Pension Plans and Certificated Savings Plans						
Retained Premiums	10,951,499	20,856,935	18,008,226	13,647,089	13,283,677	11,726,088
Net Premiums Written	11,123,290	21,478,969	19,021,852	16,824,862	15,389,170	12,817,805
Reinsurance Premiums and Redeemed Premiums	(171,791)	(622,034)	(1,013,626)	(3,177,773)	(2,105,493)	(1,091,717)
Variation of Technical Provisions from Insurance, Private Pension Plans and						
Certificated Savings Plans	(5,175,589)	(11,669,410)	(8,711,991)	(5,010,940)	(6,094,753)	(6,032,934)
Retained Claims	(3,421,690)	(6,014,455)	(6,026,651)	(5,825,292)	(5,159,188)	(3,980,419)
Certificated Savings Plans Draws and Redemptions	(673,016)	(1,377,758)	(1,221,626)	(1,228,849)	(1,223,287)	(1,099,554)

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Insurance, Private Pension Plans and Certificated Savings Plans						
Selling Expenses	(598,283)	(1,083,800)	(1,022,737)	(961,017)	(867,094)	(762,010)
Personnel Expenses	(3,451,682)	(6,569,547)	(5,932,406)	(5,311,560)	(4,969,007)	(4,779,491)
Other Administrative Expenses	(3,783,586)	(6,911,514)	(5,870,030)	(5,142,329)	(4,937,143)	(4,814,204)
Tax Expenses	(1,174,986)	(2,388,815)	(2,149,905)	(1,827,337)	(1,464,446)	(1,054,397)
Equity in Earnings (Losses) of						
Unconsolidated Companies	65,825	42,268	72,324	76,150	163,357	5,227
Other Operating Income	653,633	1,435,192	1,420,217	1,096,968	1,198,532	1,697,242
Other Operating Expenses	(2,767,294)	(4,296,722)	(4,222,808)	(3,404,948)	(2,826,136)	(2,741,279)
Operating Income	5,344,756	9,629,559	8,667,243	7,498,565	4,118,111	3,553,108
Non-Operating Income	(5,773)	24,550	(8,964)	(106,144)	(491,146)	(841,076)
Income before Tax on Income and Profit Sharing	5,338,983	9,654,109	8,658,279	7,392,421	3,626,965	2,712,032
Income Tax and Social Contribution	(1,422,384)	(2,432,630)	(2,286,765)	(1,869,516)	(554,345)	(396,648)
Minority Interest in Subsidiaries	(7,306)	(11,213)	(9,007)	(8,831)	(12,469)	(9,045)
Net Income	3,909,293	7,210,266	6,362,507	5,514,074	3,060,151	2,306,339
 Return on (average) Shareholders Equity without market value adjustment reserve TVM and Derivatives						
Financial Margin	27.2%	28.3%	31.1%	32.7%	22.5%	19.2%
Interest (*)	8.1%	8.3%	9.0%	9.0%	8.2%	9.0%

(*) (Financial Margin Interest)/(Total Assets Permanent Assets Purchase and Sale Commitments).

Profitability

Bradesco's Adjusted Net Income reached R\$3,909 million in 1H08, against R\$3,506 million recorded in the same period of 2007, an 11.5% increase. Shareholders' Equity amounted to R\$33,711 million on June 30, 2008, with a growth of 22.5% compared to the balance as of June 30, 2007. Accordingly, the return on Average Shareholders Equity (ROAE) reached 27.2% (*). Closing 1H08, Total Assets added up to R\$403,271 million, growing 38.8% when compared to the balance of June 30, 2007. The annualized Return on Total Average Assets (ROAA) in 1H08 was 2.1%. Earnings per share reached R\$1.27.

In 2Q08, the result was R\$2,002 million, representing an increase of R\$95 million or 5.0% compared to the Adjusted Net Income of 1Q08. Still in this semester, the Return on Average Shareholders' Equity (ROAE) reached 27.6% (*) and the annualized Return on Average Total Assets (ROAA), in 2Q08, was 2.1%. The earnings per share reached R\$0.65.

Also in 2Q08, there was an increase in the income composing the Financial Margin, in the amount of R\$543 million, mainly composed of higher non interest results, which reached R\$870 million, a R\$364 million increase compared to the 1st quarter of 2008, mainly coming from higher gains of operations of treasury, TVM and Credit Recoveries. Interest result reached R\$5,723 million, with a growth of R\$179 million (with R\$232 million related to business volume increase and R\$53 million related to spread reduction).

The Operating Result from Insurance, Private Pension Plans and Certificated Savings Plans had, in the 2nd quarter of 2008, an increase of R\$52 million, motivated, basically, by higher revenues with premiums (11.4%) combined with a lower claim ratio (73.1% against 73.4% in the previous quarter).

In 2Q08, the provision for loan losses expenses was R\$1,834 million, an increase of R\$167 million when compared to the previous quarter. This variation is due to the growth of our loan portfolio and mainly to the growth in the operations with individual clients, which requires a higher provision volume due to its characteristic.

The Efficiency Ratio of the 12-month period ended on June 30, 2008 was 41.3%, with an improvement of 0.4 percentage point when compared to the ratio of the 12-month period ended on March 31, 2008, which was 41.7% and 0.7 percentage point when compared to the 12-month period ended on June 30, 2007, mainly justified by the combination of strict expense control with permanent efforts for increase in revenue.

The Coverage Ratio accumulated in the last 12 months (fee and commission income)/ (personnel expenses + administrative expenses) decreased 0.9 percentage point (from 78.7% to 77.8%) compared to March 2008 and 1.6 percentage point when compared to the ratio of 79.4% ascertained in the 12-month period ended in June 2007, mainly influenced by investments in our technological platform and in the expansion of our service network and by the effect of the fee adjustment charged from individuals as from 2008.

(*) not considering the mark-to-market effects of Available-for-Sale Securities in the Shareholders' Equity.

Income by Business Segment

Income Breakdown in percentage

N.B: The Balance Sheet and the Statement of Income by Business Segment can be found in Note 5.

Variation in the Main Statement of Income Items

1st Half of 2008 compared to 1st Half of 2007 R\$ million

(1) Composition: Premiums and Contributions net of variations in Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans deducted from Claims, Draws, Redemptions and Commissions, not including Financial Income from Insurance activities and price-level restatement and interest on Technical Provisions, which are included in the Financial Margin.

(2) Composition: Tax Expenses, Equity in the Earnings of Affiliated Companies, Other Operating Income, Other Operating Expenses, Non-Operating Income and Minority Interest in Subsidiaries.

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Variation in the Main Statement of Income Items

2nd Quarter of 2008 compared to the 1st Quarter of 2008 R\$ million

(1) Composition: Premiums and Net Contributions of variations in Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans deducted from Claims, Draws, Redemptions and Commissions, not including Financial Income on Insurance activities and price-level restatement and interest on Technical Provisions, which are included in the Financial Margin.

(2) Composition: Tax Expenses, Equity in the Earnings of Affiliated Companies, Other Operating Income, Other Operating Expenses, Non-Operating Income and Minority Interest in Subsidiaries.

Variation in Items Composing the Financial Margin

1st Half of 2008 compared to 1st Half of 2007 R\$ million

N.B.: It is considered the revenue generated by each product comprising the financial margin, except the opportunity cost which, most of the time, is represented by the CDI variation.

Variation in Items Composing the Financial Margin2nd Quarter of 2008 compared to the 1st Quarter of 2008 R\$ million

N.B.: It is considered the revenue generated by each product comprising the financial margin, except the opportunity cost which, most of the time, is represented by the CDI variation.

Analysis of the Adjusted Financial Margin and Average Rates

Income x Loan Operations

R\$ million	1 st Half		2008	
	2007	2008	1 st Quarter	2 nd Quarter
Loan Operations	91,289	120,348	117,858	122,640
Leasing Operations	4,291	11,453	9,682	13,075
Advances on Exchange	5,894	7,237	7,068	7,465
Other Receivables	487	540	555	534
1 Total (Quarterly Average Balance)	101,961	139,578	135,163	143,714
2 Income (Loan, Leasing and Exchange Operations) (*)	11,158	14,063	6,981	7,082
3 Exponentially Annualized Average Rate (2/1)	23.1%	21.2%	22.3%	21.2%

(*) Includes Income from Loan Operations, Net Results from Leasing Operations and Results of the adjusted Exchange (Note 11a).

Income on TVM x Securities (TVM)

R\$ million	1 st Half		2008	
	2007	2008	1 st Quarter	2 nd Quarter
Securities	99,454	112,858	109,809	112,061
Interbank Investments	28,328	53,330	43,149	61,184
Purchase and Sale Commitments	(50,778)	(80,484)	(71,587)	(83,909)
Derivative Financial Instruments	(1,166)	(1,391)	(1,288)	(1,611)
4 Total (Quarterly Average Balance)	75,838	84,313	80,083	87,725
5 Income on Securities (Net of Purchase and Sale Commitments Expenses) (*)	5,053	5,488	2,193	3,295
6 Exponentially Annualized Average Rate (5/4)	13.8%	13.4%	11.4%	15.9%

(*) Includes Interest Income from Insurance, Private Pension Plans and Certificated Savings Plans, Derivative Financial Instruments and Foreign Exchange Adjustment (Note 11a).

Income from Financial Intermediation x Total Assets

R\$ million	1 st Half		2008	
	2007	2008	1 st Quarter	2 nd Quarter
7 Total Assets Permanent Assets Purchase and Sale Commitments (Quarterly Average Balance)	225,060	282,309	272,978	291,523
8 Income from Financial Intermediation	19,818	24,462	11,694	12,769
9 Exponentially Annualized Average Rate (8/7)	18.4%	18.1%	18.3%	18.7%

Expenses x Funding

R\$ million	1 st Half		2008	
	2007	2008	1 st Quarter	2 nd Quarter
Deposits	83,556	109,262	102,517	114,732
Funds from Acceptance and Issuance of Securities	6,053	6,401	6,868	6,354
Interbank and Interdepartmental Accounts	2,036	2,385	2,349	2,309
Subordinated Debt	12,433	16,375	16,209	16,638
10 Total Funding (Quarterly Average Balance)	104,078	134,423	127,943	140,033
11 Expenses (*)	3,231	3,833	1,681	2,152
12 Exponentially Annualized Average Rate (11/10)	6.3%	5.8%	5.4%	6.3%

(*) Funding Expenses except Purchase and Sale Commitment expenses, less Income on Compulsory Deposits and Foreign Exchange Adjustment (Note 11a).

Expenses x Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans

R\$ million	1 st Half		2008	
	2007	2008	1 st Quarter	2 nd Quarter
13 Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans (Quarterly Average Balance)	50,894	60,105	59,124	60,895
14 Expenses (*)	2,141	2,735	1,024	1,712
15 Exponentially Annualized Average Rate (14/13)	8.6%	9.3%	7.1%	11.7%

(*) Price-Level Restatement and Interest on Technical Provisions from Insurance, Private Pension Plans and Certificated Savings Plans.

Expenses x Borrowings and Onlendings (Local and Foreign)

R\$ million	1 st Half		2008	
	2007	2008	1 st Quarter	2 nd Quarter
Borrowings	6,425	8,101	8,014	8,118
Onlendings	11,981	15,952	15,697	16,256
16 Total Borrowings and Onlendings (Quarterly Average Balance)	18,406	24,053	23,711	24,374
17 Expenses from Borrowings and Onlendings (*)	117	339	419	(80)
18 Exponentially Annualized Average Rate (17/16)	1.3%	2.8%	7.3%	(1.3%)

(*) Includes Foreign Exchange Adjustment (Note 11a).

Financial Margin x Total Assets

R\$ million	1 st Half		2008	
	2007	2008	1 st Quarter	2 nd Quarter
19 Total Assets Permanent Assets Purchase and Sale Commitments (Quarterly Average Balance)	225,060	282,309	272,978	291,523
20 Financial Margin (*)	10,723	12,643	6,050	6,593
21 Exponentially Annualized Average Rate (20/19)	9.8%	9.2%	9.2%	9.4%

(*) Gross Income from Financial Intermediation excluding PDD.

Financial Market Indicators

Analysis of the Financial Margin

a) Financial Margin Adjustment

We separately show the hedge fiscal effect referring to investments abroad in the compared periods which, in terms of Net Income, simply annuls the fiscal effect (IR/CS and PIS/Cofins) of this hedge strategy.

The fiscal effect is caused by the fact that the foreign exchange variation of investments abroad is not deductible when there is loss and not taxable when there is gain, while the derivatives income is taxable when it generates gain and deductible when it generates loss.

Thus, the gross hedge income is reflected in the Financial Margin, in the Results from Derivative Financial Instruments item and its respective taxes are included in the Tax Expenses and Income Tax and Social Contribution items, as shown below:

Hedge Fiscal Effect of Investments Abroad R\$ million

Effect in the Items	Effect in the 1 st Half of 2007				Effect in the 1 st Half of 2008			
	Financial Margin	Tax Expenses	IR/CS	Net Income	Financial Margin	Tax Expenses	IR/CS	Net Income
Partial Result of the Hedge of								
Investments Abroad	1,382	(64)	(448)	870	1,315	(61)	(426)	828
Foreign Exchange								
Variation of								
Investments Abroad	(870)			(870)	(828)			(828)
Total	512	(64)	(448)		487	(61)	(426)	

Effect in the Items	Effect in the 1 st Quarter of 2008				Effect in the 2 nd Quarter of 2008			
	Financial Margin	Tax Expenses	IR/CS	Net Income	Financial Margin	Tax Expenses	IR/CS	Net Income
Partial Result of the Hedge of								
Investments Abroad	124	(6)	(40)	78	1,191	(55)	(386)	750
Foreign Exchange								
Variation of								
Investments Abroad	(78)			(78)	(750)			(750)

Total	46	(6)	(40)	441	(55)	(386)
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For a better understanding of the Financial Margin in the periods, the effects of the referred hedge and the foreign exchange variation of investments abroad in the financial margin and sales results were excluded, as follows:

Adjusted Financial Margin

	R\$ million					
	1 st Half			2008		
	2007	2008	Variation	1 st Quarter	2 nd Quarter	Variation
Reported Financial Margin	11,589	13,130	1,541	6,096	7,034	938
(-) Sale of Arcelor	(354)		354			
(-) Hedge/Foreign Exchange Variation	(512)	(487)	25	(46)	(441)	(395)
Adjusted Financial Margin	10,723	12,643	1,920	6,050	6,593	543
Average Adjusted Financial Margin Rate (*)	9.8%	9.2%		9.2%	9.4%	

(*) (Adjusted Financial Margin)/(Total Average Assets - Permanent Assets - Purchase and Sale Commitments).

b) Adjusted Financial Margin Variation

In 1H08, the financial margin reached R\$12,643 million, representing a 17.9% increase when compared to the R\$10,723 million recorded in 1H07. When comparing 2Q08 with 1Q08, there was a 9.0% increase in the financial margin. The analytical opening of the financial margin result between interest and non-interest results is shown below:

Adjusted Financial Margin Breakdown

	R\$ million					
	1 st Half			2008		
	2007	2008	Variation	1 st Quarter	2 nd Quarter	Variation
Interest due to volume			2,820			232
Interest due to spreads			(993)			(53)
(=) Financial Margin Interest	9,440	11,267	1,827	5,544	5,723	179
(+) Financial Margin Non-Interest	1,283	1,376	93	506	870	364
(=) Adjusted Financial Margin	10,723	12,643	1,920	6,050	6,593	543

In 1H08, the interest financial margin amounted to R\$11,267 million versus R\$9,440 million recorded in 1H07, accounting for an increase of 19.4% or R\$1,827 million. This variation had an impact due to the increase in the balance of operations, which positively contributed to the financial margin in R\$2,820 million. This result offset the

effect in the margin due to the decrease of spreads in the amount of R\$993 million.

Comparing 2Q08 with 1Q08, there was a R\$179 million increase in the interest financial margin. This variation was positively impacted in R\$232 million due to the increase in investments, while the decrease in spreads had a negative effect of R\$53 million.

Below, we show the interest financial margin entry among the main business lines of Bradesco:

	R\$ million					
	1 st Half		Variation	2008		Variation
	2007	2008		1 st Quarter	2 nd Quarter	
Loan	6,208	7,799	1,591	3,830	3,969	139
Funding	1,104	1,185	81	572	613	41
Insurance	1,164	1,103	(61)	557	546	(11)
TVM, Treasury and Others	964	1,180	216	585	595	10
(=) Financial Margin Interest	9,440	11,267	1,827	5,544	5,723	179

Among the main business lines, we can observe a strong increase distributed among all segments, resulting from the excellent strategic positioning of Banco Bradesco. Comparing 2Q08 with 1Q08, we can observe that the highest result of the financial margin interest is concentrated on loan operations, reaching an evolution of R\$139 million. Comparing 1H08 with the same period of 2007, the evolution was of R\$1,591 million.

The loan products had a special highlight in the financing to companies, mainly those destined to support the increase of production and commercialization financing operations, with greater relevance for the working capital modality.

Individual consumer financing continued to grow by means of the use of Private Label cards and leasing operations.

The significant growth of the international trade provided an increase of R\$1.6 billion in financing to Brazilian exports and imports.

Continuing with the increase policy to real estate financing, the evolution of loans granted in the period is associated to the production contracted in previous periods. It is important to point out that the contracted operations of rural loan had a considerable growth in volume of R\$1.1 billion compared to the previous quarter.

Comparing 1H08 with the same period of 2007, funding had a variation of R\$81 million or a 7.3% growth, while the balance of funding increased R\$30 billion or 29.12% . In the 2nd quarter compared to the previous one, there was a variation of R\$41 million or a 7.2% growth, while the balance had an increase of R\$12 million growth or 9.4% .

Below, the increase in the interest financial margin compared to the quarterly history since 2005 can be observed:

Adjusted Interest Financial Margin

(*) $(\text{Financial Margin} - \text{Interest}) / (\text{Total Assets} - \text{Permanent Assets} - \text{Purchase and Sale Commitments})$

According to the previous graph, we can observe that the annualized rate of the financial margin of interest results reached 8.1% in 2Q08, a decrease when compared to the previous quarter. The business increase (loan and funding) was essential to the margin growth by R\$179 million, even with the spread drop.

The adjusted financial margin coming from non-interest results reached R\$870 million in 2Q08, against R\$506 million in the 1st quarter of 2008. The result increase comes from the higher credit recovery and growing gains in the position of securities and treasury. Comparing 1H08 with 1H07, a growth of R\$93 million is observed, coming from the higher credit recovery.

Allowance for Loan Losses (PDD)

PDD Growth

	R\$ million					
	2007			2008		
	1 st Quarter	2 nd Quarter	1 st Half	1 st Quarter	2 nd Quarter	1 st Half
Opening Balance	6,646	6,775	6,646	7,826	8,104	7,826
Amount Recorded	1,160	1,344	2,504	1,667	1,834	3,501
Amount Written-off	(1,031)	(1,095)	(2,126)	(1,389)	(1,286)	(2,675)
Balance from Acquired Institutions		9	9			
Closing Balance	6,775	7,033	7,033	8,104	8,652	8,652
Specific Allowance	3,772	3,856	3,856	4,598	4,807	4,807
Generic Allowance	1,900	2,067	2,067	2,352	2,662	2,662
Exceeding Allowance	1,103	1,110	1,110	1,154	1,183	1,183
Credit Recovery	178	218	396	232	312	543

PDD over Loan and Leasing Operations

	R\$ million			
	2007		2008	
	March	June	March	June
PDD (A)	6,775	7,033	8,104	8,652
Loan Operations (B)	101,473	108,191	139,019	148,408
PDD over Loan Operations (A/B)	6.7%	6.5%	5.8%	5.8%

Coverage Ratio PDD/Non-performing Loans (E to H)

	R\$ million	
	2007	2008

	March	June	March	June
(1) Total Allowances	6,775	7,033	8,104	8,652
(2) Non-Performing Loans (E-H)	4,569	4,740	5,518	5,878
Coverage Ratio (1/2)	148.3%	148.4%	146.9%	147.2%

Coverage Ratio Non Performing Loans (NPL) (*)

	R\$ million			
	2007		2008	
	March	June	March	June
(1) Total Allowances	6,775	7,033	8,104	8,652
(2) Non Performing Loans	4,673	4,880	5,915	6,333
NPL Ratio (1/2)	145.0%	144.1%	137.0%	136.6%

(*) Loan Operations Overdue for more than 59 days and which do not generate income under the accrual method of accounting.

For further information on PDD, see pages 158 to 160 of this Report.

Fee and Commission Income

	R\$ million					
	2007			2008		
	1 st Quarter	2 nd Quarter	1 st Half	1 st Quarter	2 nd Quarter	1 st Half
Card Income	557	581	1,138	677	713	1,390
Checking Account	574	583	1,157	578	576	1,154
Loan Operations	441	468	909	499	407	906
Assets under Management	334	345	679	385	392	777
Collection	204	211	415	225	242	467
Interbank Fee	76	79	155	83	86	169
Custody and Brokerage Services	49	57	106	72	77	149
Consortium Management	53	57	110	72	78	150
Tax Payment	70	66	136	59	59	118
Other	201	162	363	153	145	298
Total	2,559	2,609	5,168	2,803	2,775	5,578

In 1H08, Fee and Commission Income increased by 7.9%, which represents a hike of R\$410 million when compared to the same period of the previous year.

The main items that influenced in the increase of Fee and Commission Income between the periods were:

the growth of 22.1%, represented by the increase of R\$252 million in Card Income, related to the increase of 23.3% of the cards base, from 63,196 thousand to 77,952 thousand, as well as the 23.6% increase of the number of transactions, from 364,767 thousand to 450,915 thousand;

the 14.3% growth in assets under management, from R\$161.3 billion on June 30, 2007 to R\$184.4 billion on June 30, 2008, was the main reason for the R\$98 million growth in the item *Assets under Management* ;

the 40.6% growth, represented by the increase of R\$43 million in *Custody and Brokerage Service* , related to the increase in business volume; and

the 12.5% growth represented by the R\$52 million hike in the item *Collection* , related to the increase in business volume.

In the comparison between 2Q08 and 1Q08, the R\$28 million decrease was due to:

the 18.4% decrease of loan operations income due to the effect of the fee adjustment;

the 5.3% increase represented by the R\$36 million increase in item *Card Revenue* , related to the 6.8% increase in the card base, from 72,971 thousand to 77,952 thousand, as well as the 2.8% increase in the number of transactions, from 222,322 thousand to 228,593 thousand; and

the 7.6% increase represented by the R\$ 17 million increase in item *Collection* , due to the increase in business volume.

Administrative and Personnel Expenses

	R\$ million					
	2007			2008		
	1 st Quarter	2 nd Quarter	1 st Half	1 st Quarter	2 nd Quarter	1 st Half
Administrative Expenses						
Third-Party Services	343	386	729	446	480	926
Communication	220	232	452	260	254	514
Advertising	107	129	236	122	160	282
Depreciation and Amortization	133	133	266	138	174	312
Financial System Services	123	129	252	145	154	299
Transportation	124	124	248	133	138	271
Data Processing	89	98	187	97	108	205
Rentals	96	100	196	107	109	216
Maintenance and Repairs	68	70	138	89	86	175
Assets Leasing	45	46	91	74	87	161
Materials	45	48	93	46	46	92
Security and Vigilance	45	48	93	51	52	103
Water, Electricity and Gas	45	45	90	47	45	92
Travel	14	17	31	19	23	42
Other	43	39	82	41	53	94
Total	1,540	1,644	3,184	1,815	1,969	3,784
Personnel Expenses						
Structural	1,235	1,300	2,535	1,384	1,420	2,804
Compensation/Social Charges	920	976	1,896	1,033	1,098	2,131
Benefits	315	324	639	351	322	673
Non Structural	225	349	574	353	295	648
Management and Employee Profit Sharing (PLR)	154	203	357	201	176	377
Provision for Labor Claims	29	102	131	112	72	184
Training	10	19	29	11	22	33
Termination Cost	32	25	57	29	25	54
Total	1,460	1,649	3,109	1,737	1,715	3,452
Total Administrative and Personnel Expenses	3,000	3,293	6,293	3,552	3,684	7,236

In 1H08, Administrative and Personnel Expenses reached R\$7,236 million, representing a R\$943 million increase when compared to the R\$6,293 million reached in 1H07. The nominal variation of Administrative Expenses between the periods showed a R\$600 million increase, reaching R\$3,784 million, mainly due to: (i) the organic growth; (ii) the increase in business volume; (iii) the contractual adjustments in the period; and (iv) the investments in the improvement and optimization of the technological platform (IT Improvements Project).

Personnel Expenses increased R\$343 million when compared to the same period in 2007, reaching R\$3,452 million. The portion considered as Structural increased R\$269 million, mainly the expansion of the customer service network and the consequent hiring of employees, as well as the increase in the salary levels, resulting from the 2007 collective bargaining agreement (6.0%), benefits and others. In relation to the portion considered as Non-structural, the increase was R\$89 million, mainly due to: (i) the higher expenses with employee and management profit sharing (PLR) in the amount of R\$20 million; and (ii) the higher expenses with provisions for labor proceedings of R\$53 million.

When compared to the previous quarter, Administrative and Personnel Expenses increased R\$132 million, a growth of 3.7%, from R\$3,552 million in the 1st quarter of 2008 to R\$3,684 million in the 2nd quarter of 2008.

When compared to the previous quarter, Administrative Expenses increased R\$154 million, basically due to expenses with: (i) Advertisement R\$38 million, basically due to products and services promotional selling campaigns; (ii) Depreciation and Amortization R\$36 million, basically due to the decrease in deferred charges from joint control companies; (iii) Third-party Services and Data Processing R\$45 million, basically as a result from investments in the IT Improvements program, change of the Fidelity card and higher increase in business volume; and (iv) Asset Leasing R\$13 million, due to equipment for the new Information Technology Center.

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Personnel Expenses decreased R\$22 million when compared to the previous quarter, going from R\$1,737 million in 1Q08 to R\$1,715 million in 2Q08. In the portion considered as Structural, there was a R\$36 million increase explained, basically, by the higher level of vacation concentration in the 1st quarter of 2008, whereas the

Non-structural portion had a R\$73 million decrease, pointing out: (i) lower expenses with management and employee profit sharing (PLR) in the amount of R\$25 million; (ii) lower level of provisions for labor proceedings in the amount of R\$40 million; **offset** (iii) by higher training expenses in the amount of R\$11 million.

Operating Efficiency

	R\$ million (*)						
	Years					2008	
	2003	2004	2005	2006	2007	1 st Quarter	2 nd Quarter
Personnel Expenses	4,779	4,969	5,312	5,932	6,570	6,847	6,913
Employee Profit Sharing	(170)	(182)	(287)	(415)	(521)	(554)	(554)
Other Administrative Expenses	4,814	4,937	5,142	5,870	6,912	7,187	7,512
Total (1)	9,423	9,724	10,167	11,387	12,961	13,480	13,871
Financial Margin	13,282	13,231	16,550	19,838	22,300	23,331	24,220
Fee and Commission Income	4,557	5,824	7,349	8,898	10,806	11,050	11,216
Insurance, Private Pension Plans and							
Certificated Savings Plans Subtotal	(149)	(60)	621	1,025	711	985	1,436
Insurance, Private Pension Plans and Certificate Savings Plans Retained Premiums	11,726	13,284	13,647	18,008	20,857	21,499	22,272
Technical Provisions Variation from Insurance, Private Pension Plans and Certificated Savings Plans	(6,033)	(6,095)	(5,011)	(8,712)	(11,670)	(11,790)	(11,774)
Retained Claims	(3,980)	(5,159)	(5,825)	(6,026)	(6,014)	(6,226)	(6,505)
Certificated Savings Plans Draws and Redemptions	(1,100)	(1,223)	(1,229)	(1,222)	(1,378)	(1,395)	(1,397)
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(762)	(867)	(961)	(1,023)	(1,084)	(1,103)	(1,160)
Equity in Earnings (Losses) of Unconsolidated Companies	5	163	76	72	42	62	92
Other Operating Expenses	(2,741)	(2,826)	(3,405)	(4,223)	(4,297)	(4,493)	(4,820)
Other Operating Income	1,697	1,198	1,097	1,420	1,436	1,429	1,453
Total (2)	16,651	17,530	22,288	27,030	30,998	32,364	33,597
Efficiency Ratio (%) = (1/2)	56.6	55.5	45.6	42.1	41.8	41.7	41.3

(*) Amounts accumulated over the last twelve months based on the statement of adjusted income.

Efficiency Ratio in percentage

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Operating Efficiency

In the 12-month period ended in June 2008, the Efficiency Ratio was 41.3%, presenting a 0.5 percentage point increase steady over the 12-month period ended in December 2007. It is also worth mentioning the financial margin increase by R\$889 million, basically stemming from the interest component, stimulated by an increment in business volume, with highlights to an increase in the volume of loan operations for individuals, mainly focused on consumer financing, the profitability of which is higher if compared to the corporate loans, and to an increased fee and commission income, in R\$166 million, as a result of the increase in the average volume of operations.

The Coverage Ratio of the twelve-month period ended in June 2008, which had been showing an ongoing improvement, decreased 0.9% (from 78.7% to 77.8%) when compared to March 2008, mainly influenced by investments in our technological platform, the expansion of our service network and the effect of the fee adjustment charged from individuals as of 2008. When compared to the 79.4% ratio assessed in the 12-month period ended in June 2007, a 1.6 percentage point decrease is observed.

Administrative + Personnel Expenses and Fee and Commission Income

Other Indicators

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3-Main Balance Sheet Information

Consolidated Balance Sheet R\$ thousand

Assets	June			December		
	2008	2007	2006	2005	2004	2003
Current and Long-Term Assets	399,248,182	337,514,243	262,054,823	204,325,065	180,038,498	171,141,348
Funds Available	5,134,195	5,486,606	4,761,972	3,363,041	2,639,260	2,448,426
Interbank Investments	73,692,184	37,622,125	25,989,190	25,006,158	22,346,721	31,724,003
Federal Funds Purchased and Securities Sold under						
Agreements to Repurchase	67,421,911	32,014,861	20,617,520	19,615,744	15,667,078	26,753,660
Interest-earning Deposits in						
Other Banks	6,285,660	5,617,413	5,372,658	5,390,726	6,682,608	4,970,343
Allowance for Losses	(15,387)	(10,149)	(988)	(312)	(2,965)	
Securities and Derivative Financial Instruments	118,956,263	114,451,709	97,249,959	64,450,808	62,421,658	53,804,780
Own Portfolio	96,064,949	84,079,171	72,052,850	59,324,858	51,255,745	42,939,043
Subject to Repurchase						
Agreements	9,034,373	11,731,427	15,352,073	1,051,665	4,807,769	5,682,852
Derivative Financial						
Instruments	2,073,421	1,207,040	549,065	474,488	397,956	232,311
Restricted Deposits - Brazilian						
Central Bank	7,313,606	8,273,662	440,235	2,506,172	4,512,563	3,109,634
Privatization Currencies	100,682	79,535	70,716	98,142	82,487	88,058
Subject to Collateral Provided	4,014,368	4,070,210	765,129	995,483	1,365,138	1,752,882
Securities from Unrestricted						
Purchase and						
Sale Commitments	354,864	5,010,664	8,019,891			
Interbank Accounts	26,072,407	24,036,514	19,124,806	16,922,165	16,087,102	14,012,837
Unsettled Receipts and						
Payments	954,607	36,332	50,945	39,093	22,075	20,237
Restricted Deposits:						
Restricted Deposits - Brazilian						
Central Bank	24,580,053	23,538,587	18,664,706	16,444,866	15,696,154	13,580,425
National Treasury - Rural						
Credit	578	578	578	578	578	578
SFH	458,765	452,899	405,465	396,089	335,320	391,871
Correspondent Banks	78,404	8,118	3,112	41,539	32,975	19,726
Interdepartmental Accounts	90,980	429,362	186,338	172,831	147,537	514,779
Internal Transfer of Funds	90,980	429,362	186,338	172,831	147,537	514,779
Loan Operations	117,221,248	108,295,627	79,714,969	68,328,802	51,890,887	42,162,718
Loan operations:						
Public Sector	726,856	763,973	784,870	821,730	536,975	186,264
Private Sector	124,602,638	115,001,602	85,315,248	72,205,630	55,242,348	45,768,970
Allowance for Loan Losses	(8,108,246)	(7,469,948)	(6,385,149)	(4,698,558)	(3,888,436)	(3,792,516)
Leasing Operations	14,569,741	7,962,395	3,751,558	2,411,299	1,556,321	1,306,433
Leasing Receivables:						
Public Sector	121,388	134,197	152,125	66,237		

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Private Sector	25,009,353	13,802,117	7,231,519	4,896,717	3,237,226	2,859,533
Unearned Income from Leasing	(10,136,163)	(5,728,551)	(3,472,246)	(2,444,596)	(1,576,690)	(1,438,534)
Allowance for Leasing Losses	(424,837)	(245,368)	(159,840)	(107,059)	(104,215)	(114,566)
Other Receivables	39,950,600	35,829,910	29,302,217	22,106,013	21,664,592	24,098,765
Receivables on Sureties and Guarantees Honored	20,961	12,181	38		811	624
Foreign Exchange Portfolio	12,243,328	9,836,732	7,946,062	6,937,144	7,336,806	11,102,537
Receivables	308,095	371,427	175,570	183,015	197,120	331,064
Securities Trading	1,396,102	1,378,130	709,034	1,124,197	357,324	602,543
Insurance Premiums Receivable	1,341,014	1,276,612	1,257,298	1,073,002	988,029	889,358
Sundry	24,760,212	23,065,328	19,315,264	12,941,687	12,937,408	11,324,857
Allowance for Other Loan Losses	(119,112)	(110,500)	(101,049)	(153,032)	(152,906)	(152,218)
Other Assets	3,560,564	3,399,995	1,973,814	1,563,948	1,284,420	1,068,607
Other Assets	564,667	389,856	369,099	367,688	477,274	586,994
Provisions for Devaluations	(212,324)	(179,097)	(189,591)	(180,941)	(230,334)	(257,185)
Prepaid Expenses	3,208,221	3,189,236	1,794,306	1,377,201	1,037,480	738,798
Permanent Assets Investments	4,022,504	3,670,161	3,492,450	4,357,865	4,887,970	4,956,342
Interest in Affiliated Companies:						
Local	559,348	467,944	403,033	438,819	496,054	369,935
Other Investments	576,299	487,365	651,568	895,836	971,311	857,985
Allowance for Losses	(351,434)	(351,233)	(358,019)	(349,685)	(366,191)	(365,597)
Premises and Equipment	2,424,982	2,284,078	2,136,783	1,985,571	2,270,497	2,291,994
Premises and Equipment	1,095,637	1,076,053	1,055,640	1,115,987	1,357,063	1,398,735
Other Premises and Equipment	4,573,790	4,347,693	4,101,918	3,644,874	3,604,741	3,480,636
Accumulated Depreciation	(3,244,445)	(3,139,668)	(3,020,775)	(2,775,290)	(2,691,307)	(2,587,377)
Leased Assets	9,241	11,421	16,136	9,323	18,951	34,362
Leased Assets	16,057	20,777	25,142	23,161	58,463	63,812
Accumulated Depreciation	(6,816)	(9,356)	(9,006)	(13,838)	(39,512)	(29,450)
Deferred Assets	804,068	770,586	642,949	1,378,001	1,497,348	1,767,663
Organization and Expansion Costs	1,965,808	1,850,219	1,593,771	1,315,881	1,170,866	1,124,058
Accumulated Amortization	(1,161,740)	(1,079,633)	(950,822)	(785,364)	(699,710)	(572,620)
Goodwill on Acquisition of Subsidiaries,						
Net of Amortization				847,484	1,026,192	1,216,225
Total	403,270,686	341,184,404	265,547,273	208,682,930	184,926,468	176,097,690

The Notes are an integral part of the Financial Statements.

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Liabilities	June		December			
	2008	2007	2006	2005	2004	2003
Current and Long-Term Liabilities	369,190,142	310,482,501	240,673,011	189,163,465	169,596,632	162,406,307
Deposits	122,752,336	98,323,446	83,905,213	75,405,642	68,643,327	58,023,885
Demand Deposits	25,843,131	28,495,555	20,526,800	15,955,512	15,297,825	12,909,168
Savings Deposits	34,149,450	32,812,974	27,612,587	26,201,463	24,782,646	22,140,171
Interbank Deposits	485,275	372,473	290,091	145,690	19,499	31,400
Time Deposits	61,343,105	35,717,178	34,924,541	32,836,656	28,459,122	22,943,146
Other Deposits	931,375	925,266	551,194	266,321	84,235	
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	98,278,134	73,633,649	47,675,433	24,638,884	22,886,403	32,792,725
Own Portfolio	42,280,082	37,864,704	36,595,268	12,690,952	8,248,122	6,661,473
Third-party Portfolio	52,764,502	29,578,200	3,471,383	11,947,932	14,430,876	17,558,740
Unrestricted Portfolio	3,233,550	6,190,745	7,608,782		207,405	8,572,512
Funds from Issuance of Securities	5,468,722	6,496,782	5,636,279	6,203,886	5,057,492	6,846,896
Exchange Acceptances	28,566	406				
Mortgage Notes	1,026,778	901,641	857,697	847,508	681,122	1,030,856
Debentures	1,482,324	2,594,921	2,603,194	2,624,899		7,291
Securities Issued Abroad	2,931,054	2,999,814	2,175,388	2,731,479	4,376,370	5,808,749
Interbank Accounts	400,313	16,632	5,814	139,193	174,066	529,332
Interbank Onlendings						159,098
Correspondent Banks	400,313	16,632	5,814	139,193	174,066	370,234
Interdepartmental Accounts	2,057,534	2,521,233	2,225,711	1,900,913	1,745,721	1,782,068
Third-party Funds in Transit	2,057,534	2,521,233	2,225,711	1,900,913	1,745,721	1,782,068
Borrowings	8,275,061	8,065,830	5,777,906	7,135,327	7,561,395	7,223,356
Local Borrowings - Official Institutions	283	450	778	1,088	1,376	2,070
Local Borrowings - Other Institutions	410	373	44,447	18	11,756	4,010
Foreign Currency Borrowings	8,274,368	8,065,007	5,732,681	7,134,221	7,548,263	7,217,276
Local Onlendings - Official Institutions	15,271,389	14,086,436	11,640,969	9,427,571	8,355,398	7,554,266
National Treasury	29,782	50,881	99,073	52,318	72,165	51,398
BNDES	6,137,587	6,147,703	5,532,018	4,237,973	3,672,007	3,403,462
CEF	103,003	101,280	69,909	59,588	395,820	459,553
Finame	9,000,231	7,785,347	5,938,037	5,075,232	4,211,762	3,638,966
Other Institutions	786	1,225	1,932	2,460	3,644	887
Foreign Onlendings	1,189,880	1,257,281	170	183	42,579	17,161
Foreign Onlendings	1,189,880	1,257,281	170	183	42,579	17,161
Derivative Financial Instruments	1,597,723	951,733	519,004	238,473	173,647	52,369
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	62,067,739	58,526,265	49,129,214	40,862,555	33,668,654	26,408,952

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Other Liabilities	51,831,311	46,603,214	34,157,298	23,210,838	21,287,950	21,175,297
Collections and Tax Payments and Other Contributions	2,287,737	228,722	175,838	156,039	204,403	130,893
Foreign Exchange Portfolio	5,545,971	3,467,189	2,386,817	2,206,952	3,011,421	5,118,801
Social and Statutory Payables	1,390,186	2,195,653	190,916	1,254,651	900,266	851,885
Fiscal and Pension Plans						
Activities	11,208,212	9,839,791	8,014,520	5,041,312	4,495,387	4,781,458
Securities Trading	780,780	657,700	422,232	893,957	312,267	595,958
Financial and Development Funds	4,517	1,851	876			
Subordinated Debt	16,708,734	15,850,464	11,949,457	6,719,305	5,972,745	4,994,810
Sundry	13,905,174	14,361,844	11,016,642	6,938,622	6,391,461	4,701,492
Deferred Income	207,444	189,147	180,460	52,132	44,600	31,774
Deferred Income	207,444	189,147	180,460	52,132	44,600	31,774
Minority Interest in Subsidiaries	162,182	155,412	57,440	58,059	70,590	112,729
Shareholders Equity	33,710,918	30,357,344	24,636,362	19,409,274	15,214,646	13,546,880
Capital:						
Domiciled in Brazil	21,731,113	17,693,485	13,162,481	11,914,375	6,959,015	6,343,955
Domiciled Abroad	1,268,887	1,306,515	1,037,519	1,085,625	740,985	656,045
Realizable Capital					(700,000)	
Capital Reserves	63,171	55,624	55,005	36,032	10,853	8,665
Profit Reserves	9,677,868	9,963,593	8,787,106	5,895,214	7,745,713	6,066,640
Adjustment to Market Value						
TVM and Derivatives	972,987	1,469,976	1,644,661	507,959	458,080	478,917
Treasury Shares	(3,108)	(131,849)	(50,410)	(29,931)		(7,342)
Shareholders' Equity Managed by the Parent Company	33,873,100	30,512,756	24,693,802	19,467,333	15,285,236	13,659,609
Total	403,270,686	341,184,404	265,547,273	208,682,930	184,926,468	176,097,690

The Notes are an integral part of the Financial Statements.

Total Assets by Currency and Maturity

Total Assets by Currency R\$ million

Total Assets by Maturity R\$ million

Securities

Summary of the Classification of Securities

	R\$ million					
	Financial	Insurance/ Certificated Savings Plans	Pension Plans	Other Activities	Total	%
Trading Securities	35,318	4,284	28,854	222	68,678	65.4
Available-for-Sale Securities	9,035	1,497	2,441	8	12,981	12.4
Held-to-Maturity Securities	792	6,274	16,309		23,375	22.2
Subtotal	45,145	12,055	47,604	230	105,034	100.0
Purchase and Sale Commitments	2,902	2,530	8,490		13,922	
Total on June 30, 2008	48,047	14,585	56,094	230	118,956	
Total on March 31, 2008	36,874	14,052	53,954	287	105,167	
Total on June 30, 2007	40,723	12,611	49,229	1,014	103,577	

Composition of Securities by Issuance

	R\$ million			
Securities	2007		2008	
	March	June	March	June
Government	49,607	49,061	46,225	56,364
Private	14,376	16,982	18,994	20,040
PGBL/VGBL	22,980	25,957	28,952	28,630
Subtotal	86,963	92,000	94,171	105,034
Purchase and Sale Commitments:	10,571	11,577	10,996	13,922
Funds	5,420	7,777	5,316	6,267
PGBL/VGBL	5,151	3,800	5,680	7,655
Total	97,534	103,577	105,167	118,956

Classification of Securities by Segment - in percentage

Loan Operations

At the end of 2Q08, the consolidated balance of loan operations (according to the concept defined by Bacen which does not include debentures, guarantees, loans to be granted, letters of credit, interbank deposit certificates etc.)

reached a total of R\$148.4 billion, representing a 6.8% increase in the quarter and a 37.2% growth over the past 12 months.

We point out the operations directed to corporate clients, which had a significant increase due to the greater need of funds from companies both for working capital and for investments.

Loan Operations - Total Portfolio

In June 2008, the balance of foreign currency indexed and /or denominated loans and onlendings (excluding ACCs) reached the total of U\$6.9 billion, showing a drop of 0.8% in dollars in the quarter and of 9.7% in reais, due to the lower volume of operations carried out in the domestic market, mainly in onlending operations. Over the past twelve months, the growth was 21.9% and 0.7%, respectively.

Real Estate Loan

At the end of June 2008, the balance of real estate financings was R\$4.0 billion, a 7.8% increase when compared to the balance of the previous quarter, while compared to the balance of twelve months ago the growth was 54.0% . The number of operations contracted in this quarter showed a 48.2% growth when compared to the same period of last year. When we compare 1H08 with the same period last year, the increase is equivalent to 86.1% . Among the actions carried out to encourage the portfolio growth, it is worth pointing out the term extension of operations and the creation of the website www.bradescoimoveis.com.br, not only to help those interested in the acquisition of their own house, but also to strengthen the partnership with construction companies, developers and real estate agencies, which are clients of the Organization.

BNDES

It is worth pointing out Bradesco's leadership in BNDES onlending operations for the fifth consecutive year. Out of the total operations sold up to May 2008, 49.3% of the amount, representing 90.7% of contracts, were directed to SMEs, including operations carried out for individuals.

Rural

We also point out the website www.bradescorural.com.br, which has the purpose of providing the agribusiness sector with information related to financial products and services, as well as disclosing prices of the main commodities, information on the weather in Brazilian regions and news inherent to the sector.

Loan Operations By Purpose

The balance of the loan portfolio for individuals showed a growth of 5.2% in the quarter and 34.2% in the last twelve months. The main products responsible for the increase in the in the portfolio balance in the quarter were leasing of vehicles, rural loan and credit card financing, whereas over the past twelve months we point out products directed to consumption financing (CDC/leasing of vehicles and personal loan).

Loan Operations - Individual

In the following graph, the types related to the consumer financing for individuals were considered (CDC/Leasing of vehicles, personal loan, financing of assets and credit card; in the latter the amounts related to cash purchases and credit purchases from store owners, which are not in the total loan operations, are included). The balance reached the amount of R\$52.9 billion in March 2008, representing a 5.2% growth in the quarter and 31.9% in the last twelve months. We point out the vehicle financing (CDC/Leasing) and the payroll-deductible and consigned loans which, due to their guarantees and characteristics, provide the portfolio with an adequate loan risk level. Thus, these two portfolios represented, at the end of 2Q08, 68.9% of the total consumer financing balance.

Loan Operations - Consumer Financing

The growth in loans granted to companies was 7.8% in the quarter and 39.3% in the last twelve months. The main products responsible for the balance portfolio increase in the quarter and in the last twelve months were working capital, leasing of vehicles and export financing.

Loan Operations - Corporate

The following graph shows the growth of the five main types of products destined to corporate entities services, which represented 65.9% of the total loan portfolio in June 2008.

Loan Operations - Main Types - Corporate

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Below we present the loan portfolio by type of client, pointing out the increase of the share in the loan portfolio to corporate clients, both in the quarter and in the 12 months ended in June 2008.

Loan Operations Client Characteristic

Client Characteristic	R\$ billion							
	2007		2008				Variation %	
	June	%	March	%	June	%	Quarter	Last 12 months
Large Companies	30.9	28.6	38.5	27.7	41.5	28.0	7.8	34.3
Micro, Small and Medium-Sized Companies	32.6	30.1	43.5	31.3	47.0	31.6	7.8	44.0
Individuals	44.7	41.3	57.0	41.0	59.9	40.4	5.2	34.2
Total	108.2	100.0	139.0	100.0	148.4	100.0	6.8	37.2

In the table below, the evolution of the share by business segment in the total portfolio of the Conglomerate is observed, we highlight in the quarter the Retail, Corporate and BMC segments and, in the last twelve months, the Companies segment.

Loan Operations By Business Segment

Business Segment	R\$ billion							
	2007		2008				Variation %	
	June	%	March	%	June	%	Quarter	Last 12 months
Corporate	34.9	32.3	42.2	30.4	45.3	30.5	7.3	29.8
Retail/Postal/Prime	36.7	33.9	46.5	33.4	50.3	33.9	8.2	37.0
Finasa	20.7	19.1	26.2	18.9	27.2	18.3	3.7	31.5
BMC			2.7	2.0	2.9	2.0	7.5	
Middle Market	14.2	13.1	18.6	13.4	19.7	13.3	5.8	38.6
Other	1.7	1.6	2.8	1.9	3.0	2.0	8.5	80.2
Total	108.2	100.0	139.0	100.0	148.4	100.0	6.8	37.2

We highlight in the quarter, the growth in the share in leasing operations and rural and agroindustrial financings. The growth of the balance of operations with sureties and guarantees provided also deserves registration, mainly those carried out with clients of the Corporate segment.

We present below the total loan operations, including sureties and guarantees and credit card (cash purchases and credit purchases from store owners), which presented a growth of 7.0% in the quarter and 38.5% over the past twelve months.

Loan Operations By Type

Types	R\$ million			
	2007		2008	
	March	June	March	June
Discounted Trade Receivables and Other				
Loans (1)	46,609	50,143	63,212	66,779
Financings	36,678	38,723	47,202	48,009
Rural and Agroindustrial Loans	7,711	7,903	9,536	10,541
Leasing Operations	4,113	4,848	11,156	14,995
Advances on Foreign Exchange Contracts	5,851	6,128	7,354	7,575
Subtotal of Loans Operations	100,962	107,745	138,460	147,899
Other Loans	511	446	559	509
Total Loan Operations (2)	101,473	108,191	139,019	148,408
Sureties and Guarantees Recorded in				
Memorandum Accounts	15,969	17,325	25,080	27,172
Credit Cards (3)	4,913	5,304	5,309	5,623
Loan Granting (FIDC)				399
Total	122,355	130,820	169,408	181,602

(1) It includes revolving credit of credit card.

(2) According to concept defined by the Brazilian Central Bank.

(3) Cash purchases and credit purchases from store owners.

In 2Q08 the Net Financial Margin grew by 1.8%, while in the last twelve months it had an increase of 16.3% when compared to the same period of the previous year, as shown in the graph below:

Loan Operations Net Financial Margin

The total delinquency ratio was stable in the quarter, despite the slight growth in individuals, mainly in the modalities credit card financing and CDC of vehicles. The total ratio had a decrease when compared to the last twelve-month period, due to the improvement in the delinquency ratio of Micro, Small and Medium-Sized Companies.

Loan Operations Delinquency over 90 days (in percentage)

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For the 37.2% growth of the Organization's loan portfolio in the last year, it was fundamental the search for new clients borrowers of loans, which in June 2008 represented 25.5% of the balance of outstanding operations, according to the table below:

Loan Operations - Portfolio Movement Between June 2007 and 2008

The new loan borrowers and the remaining ones in June 2007 show good quality of loan, which means the adequacy and consistency of the loan evaluation policy and instruments used as shown in the tables below:

Loan Operations - Portfolio Movement by Rating Between June 2007 and 2008

Ratings	Loan Borrowers Remaining from June 2007		New Loan Borrowers between July 2007 and June 2008		Total Loan in June 2008	
	R\$ million	%	R\$ million	%	R\$ million	%
AA - C	112,668	93.2	25,995	94.2	138,663	93.4
D	1,770	1.5	405	1.5	2,175	1.5
E - H	6,372	5.3	1,198	4.3	7,570	5.1
Total	120,810	100.0	27,598	100.0	148,408	100.0

Aiming at facilitating the follow-up of the quantitative and qualitative performance of the Conglomerate's loan portfolio, we present below a comparative summary of the main figures and indicators:

Loan Operations - Portfolio Indicators

Items	R\$ million (except percentages)			
	2007		2008	
	March	June	March	June
Total Loan Operations	101,473	108,191	139,019	148,408
Individual	41,628	44,694	56,969	59,959
Corporate	59,845	63,497	82,050	88,449
Existing Provision	6,775	7,033	8,104	8,652
Specific	3,772	3,856	4,598	4,807
Generic	1,900	2,067	2,352	2,662
Additional	1,103	1,110	1,154	1,183
Specific Provision/Existing Provision (%)	55.7	54.8	56.7	55.6
Existing Provision/ Loan Operations (%)	6.7	6.5	5.8	5.8
AA - C Rated Loan Operations / Loan Operations (%)	92.2	92.4	93.4	93.4
	2.0	1.9	1.6	1.5

D Rated Operations under Risk Management /
Loan Operations (%)

E H Rated Loan Operations / Loan Operations
(%)

5.8

5.7

5.0

5.1

85

R\$ million (except percentages)

Items	2007		2008	
	March	June	March	June
D Rated Loan Operations	1,998	2,011	2,194	2,175
Existing Provision for D Rated Loan Operations	532	534	587	584
D Rated Provision/Loan Operations (%)	26.6	26.6	26.8	26.8
D H Rated Non-Performing Loans	5,492	5,599	6,635	6,978
Existing Provision/D H Rated Non-Performing Loans (%)	123.3	125.6	122.1	124.0
E H Rated Loan Operations	5,869	6,173	6,934	7,570
Existing Provision for E H Rated Loan Operations	5,111	5,346	6,027	6,535
E H Rated Provision/Loan Operations (%)	87.1	86.6	86.9	86.3
E H Rated Non-Performing Loans	4,569	4,740	5,518	5,878
Existing Provision/E H Rated Non-Performing Loan (%)	148.3	148.4	146.9	147.2
Non Performing Loans (*) / Loan Operations (%)	4.6	4.5	4.3	4.3
Existing Provision/ Non Performing Loans (*) (%)	145.0	144.1	137.0	136.6

(*) Loan Operations Overdue for more than 59 days and which do not generate income under the accrual method of accounting.

Throughout the year 2008, Bradesco remains prepared to take full advantage of all business opportunities focused on increasing the loan portfolio, always respecting the parameters defined by the loan granting policy, based on the security, consistency, selectivity, diversification and adequate assessment of the risk/return ratio.

Funding

Investment Department

In order to facilitate the client's orientation in the diversification of investments, the Investment Department centralizes the commercial management of the Funds, CDB, Savings Account, Demand Deposits, Purchase and Sale Commitments and Mortgage Notes products. It also carries out the management of actions related to the Checking Account product and its guidelines.

In this sense, the Department maintains efforts aimed at establishing funding policies and strategies, developing products and services and providing structures for local and specialized assistance to the Branch Network and especially to investors, such as the Bradesco Investment Consulting Services, the Online Chat and the Scheduling of Consulting Services via Internet.

Follow the results of this highly commercial focus, provided by the strategic centralization of subjects inherent to funding.

Composition of Deposits by Maturity

R\$ million

2008

Deposits	March		June			Total
	Total	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	
Demand	25,846	25,843				25,843
Savings	33,290	34,150				34,150
Interbank	310	233	182	68	2	485
Time	46,430	4,212	7,928	7,674	41,529	61,343
Other Deposits	834	931				931
Total	106,710	65,369	8,110	7,742	41,531	122,752

Funding

Demand Deposits R\$ billion

Checking Accounts

At the end of 1H08, the balance of Bradesco Organization's Checking Accounts was R\$25.8 billion, representing a 23% increase compared to the balance of 1H07.

In an innovative initiative, Bradesco entered into a partnership with Microsoft Brazil for the sponsorship of Imagine Cup 2008, considered the World Cup of Technology, by means of the University Account. As a result of this partnership, Bradesco offered internship opportunities to finalists of the several categories.

Number of Checking Account Holders Individuals (PF) and Corporate (PJ)

Savings Accounts

At the end of 1H08, the balance of Bradesco Organization's Savings Accounts totaled R\$34.1 billion, a 20.2% growth over the balance of the same period last year, representing a 17.3% market share in the Brazilian Savings and Loan System (SBPE) and Bradesco's leadership among all private banks in the Brazilian Financial System.

Savings Account Deposits R\$ billion

The profitability (TR + 0.5% p.m.) accumulated in 1H08 was 3.5%, and our balance had a growth of 4%, higher than the profitability in the same year, showing that the Savings Account continues to be a good investment alternative, mainly for small savers.

Share in SBPE in percentage

Number of Savings Accounts in thousands

Assets under Management

New Fund Sustainable Planet

BRAM Bradesco Asset Management has created Bradesco FIC FIA Planeta Sustentável Fund. The purpose of the Fund is to provide its participants with profitability that exceeds the return of ISE Corporate Sustainability Index, calculated by the São Paulo Stock Exchange, by means of the operation in the stock market. Thus, the Fund only selects companies which show a concern with corporate sustainability comprising economic-financial, social and environmental aspects and/or which adopt good corporate governance practices.

Fundação Amazonas Sustentável Fund

BRAM Bradesco Asset Management, in partnership with FAS Fundação Amazonas Sustentável, constituted Bradesco FI Renda Fixa Fundação Amazonas Sustentável Fund. BRAM manages the resources of this Fund, whose earnings will be destined to the Bolsa Floresta program. Such program was created by the Government of Amazonas in partnership with Bradesco and has as purpose to support preservation actions of the Amazon Rainforest.

Assets under Management

Shareholders Equity

R\$ million

	2007		2008	
	March	June	March	June
Investment Funds	139,777	148,831	160,422	161,789
Managed Portfolios	7,115	7,429	15,302	15,999
Third-party Fund Quotas	4,759	5,021	8,098	6,597
Total	151,651	161,281	183,822	184,385

Asset Distribution

R\$ million

	2007		2008	
	March	June	March	June
Investment Funds Fixed Income	133,415	139,933	145,923	145,077
Investment Funds Variable Income	6,362	8,898	14,499	16,712
Investment Funds Third-Party Funds	4,500	4,947	7,240	5,753
Total	144,277	153,778	167,662	167,542
Managed Portfolio Fixed Income	4,377	4,359	5,900	6,548
Managed Portfolio Variable Income	2,738	3,070	9,402	9,451
Managed Portfolios Third-Party Funds	259	74	858	844
Total	7,374	7,503	16,160	16,843
Total Fixed Income	137,792	144,292	151,823	151,625
Total Variable Income	9,100	11,968	23,901	26,163
Total Third-Party Funds	4,759	5,021	8,098	6,597
Overall Total	151,651	161,281	183,822	184,385

Total Assets under Management according to Anbid's Global Ranking R\$ million (*)

(*) Considering third-party fund quotas.

Number of Funds, Portfolios and Quotaholders

June 2007**March 2008****June 2008**

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	Number	Quotaholders	Number	Quotaholders	Number	Quotaholders
Investment Funds	617	3,317,275	684	3,288,220	714	3,224,854
Managed Portfolios	107	516	196	685	192	632
Total	724	3,317,791	880	3,288,905	906	3,225,486

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4 - Operating Companies

Grupo Bradesco de Seguros e Previdência**Insurance Companies (Consolidated)**

Consolidated Balance Sheet (*)

	R\$ million			
	2007		2008	
	March	June	March	June
Assets				
Current and Long-Term Assets	61,114	65,918	72,440	75,300
Securities	57,294	61,943	68,077	70,795
Insurance Premiums Receivable	1,069	1,148	1,226	1,264
Other Receivables	2,751	2,827	3,137	3,241
Permanent Assets	1,276	1,060	1,175	1,238
Total	62,390	66,978	73,615	76,538
Liabilities				
Current and Long-Term Liabilities	55,070	58,462	64,435	66,995
Tax, Civil and Labor Contingencies	1,665	1,703	1,732	1,815
Payables on Operations of Insurance, Private Pension Plans and Certificated Savings Plans	369	455	428	430
Other Liabilities	2,383	3,404	2,553	2,682
Technical Provisions for Insurance	4,903	5,128	5,588	5,595
Technical Provisions for Life and Private Pension Plans	43,430	45,409	51,607	53,881
Technical Provisions for Certificated Savings Plans	2,320	2,363	2,527	2,592
Minority Interest	64	67	25	101
Shareholders Equity	7,256	8,449	9,155	9,442
Total	62,390	66,978	73,615	76,538

Consolidated Statement of Income (*)

	R\$ million					
	2007			2008		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Premiums of Insurance, Private Pension Plan Contribution and Certificated Savings Plan Revenues	4,801	5,055	9,856	5,367	5,756	11,123

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Premiums Earned from Insurance, Private Pension Plan Contribution and Certificated Savings Plan Revenues	2,467	2,446	4,913	2,751	3,025	5,776
Interest Income of the Operations	636	906	1,542	698	734	1,432
Sundry Operating Revenues	182	194	376	247	213	460
Retained Claims	(1,428)	(1,503)	(2,931)	(1,640)	(1,782)	(3,422)
Certificated Savings Plans Draws and Redemptions	(301)	(353)	(654)	(318)	(355)	(673)
Selling Expenses	(260)	(262)	(522)	(279)	(320)	(599)
General and Administrative Expenses	(240)	(276)	(516)	(286)	(294)	(580)
Other Operating Expenses	(31)	(3)	(34)	(26)	(112)	(138)
Tax Expenses	(60)	(44)	(104)	(72)	(71)	(143)
Health Provision	(237)	(213)	(450)			
Operating Income	728	892	1,620	1,075	1,038	2,113
Equity Result	72	69	141	38	65	103
Non-operating Income	13	(6)	7	8	(5)	3
IR/CS and Minority Interest	(284)	(259)	(543)	(375)	(375)	(750)
Net Income	529	696	1,225	746	723	1,469

(*) Information prepared in accordance with the accounting policies established by CNSP, Susep and ANS.

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Performance Ratios in percentage

	2007			2008		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Claims Ratio (1)	72.9	78.7	75.8	73.4	73.1	73.2
Selling Ratio (2)	11.5	11.9	11.7	10.9	10.7	10.8
Administrative Expenses Ratio (3)	5.0	5.5	5.2	5.3	5.1	5.2
Combined Ratio (4)	95.9	99.8	97.8	83.9	84.9	84.4

(1) Retained Claims/Earned Premiums.

(2) Selling Expenses/Earned Premiums.

(3) Administrative Expenses/Net Premiums Written.

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

N.B.: the ratios have been recalculated, pursuant to Susep Circular. 356.

Insurance Premiums Market Share (%)

Source: Susep and Ans

According to information published by Susep and ANS, up to May 2008, in the insurance segment, Bradesco Seguros e Previdência collected R\$7.3 billion in premiums and maintained its leadership in the ranking with a 23.6% market share. The insurance sector obtained a total of R\$31.0 billion in premiums in the same period.

Increase in Technical Provisions for Insurance R\$ million

The technical provision chart of Bradesco Vida e Previdência and Bradesco Capitalização are presented in the section specifically related to these companies.

Earned Premiums (Retained Premiums less Technical Provision Variation) by Insurance Line R\$ million

Insurance Line	2007			2008		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Health	983	1,038	2,021	1,117	1,311	2,428
Auto/RCF	511	506	1,017	482	498	980
Life/AP/VGBL	285	191	476	432	423	855
Basic Lines	108	113	221	111	120	231
Other Lines	72	62	134	92	87	179
Total	1,959	1,910	3,869	2,234	2,439	4,673

N.B.: Since the 4th quarter of 2007, we do not consider premiums related to Indiana Seguros S.A, whose interest sale was approved by Susep on December 12, 2007.

In the 1st half of 2008, there was an increase of 20.8% in premiums earned in the insurance segment, if compared to the 1st half of 2007.

Earned Premiums (Retained Premiums less Technical Provision Variation) by Insurance Line %

Retained Claims by Insurance Line R\$ million

Insurance Lines	2007			2008		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Health	766	856	1,622	971	1,120	2,091
Auto/RCF	383	379	762	337	359	696
Life/AP/VGBL	158	163	321	186	149	335
Basic Lines	63	53	116	70	80	150
Other Lines	58	52	110	76	74	150
Total	1,428	1,503	2,931	1,640	1,782	3,422

Claims Ratio by Insurance Line %

Selling Expenses by Insurance Line R\$ million

Insurance Lines	2007			2008		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Health	30	32	62	41	46	87
Auto/RCF	97	98	195	94	101	195
Life/AP/VGBL	78	73	151	86	89	175
Basic Lines	21	24	45	23	24	47
Total	226	227	453	244	260	504

Selling Ratios by Insurance Line %

Number of Policyholders in thousands

N.B.: Since 4Q07, we do not consider policyholders related to Indiana Seguros, whose interest sale was approved by Susep on December 12, 2007.

In the 1st half of 2008, there was an increase of 42.3% in the client base compared to the same period of 2007.

Rating

The risk rating agency Fitch Ratings increased the international rating of Financial Strength of Bradesco Seguros from BBB to BBB+ Stable and stated the FFS in domestic scale in AAA(bra), stable perspective, at the beginning of June, as a result of the increase of the sovereign credit rating of Brazil to BBB, considered investment grade.

Operational Risk

Grupo Bradesco de Seguros e Previdência, part of the Bradesco Organization, in the permanent commitment to comply with the laws and regulations, has adapted its processes and activities, by using methodologies and resources aligned with the best market practices, mainly those related to risk management.

Thus, in order to comply with the guidelines established by the New Capital Basel Accord (Basel II), provisions of the monetary authority and alignment of definitions related to Solvability II, we carried out the survey and analysis of the events related to operating risk. This initiative enabled the improvement in the management and knowledge of losses and their causes. The dissemination of the operating risk management culture on several levels, the disclosure of corporate policies and establishment of ongoing monitoring procedures of exposure levels are inserted in this context.

Awards/Acknowledgments

1 Seguros e Previdência achieved the Fides award in the Institutional category with the marketing campaign for the 2006 edition of Bradesco Seguros e Previdência's Christmas Tree, with the theme "A Present for the Brazilian Family". The award, promoted by Inter-American Federation of Insurance Companies (Fides), comprises marketing pieces used in campaigns by the affiliated insurance companies. The event took place in January, in Ecuador.

2 Grupo Bradesco de Seguros e Previdência was awarded the *Prêmio Segurador Brasil 2008* (2008 Brazilian Insurance Company award), as Highlight in Global Insurance Sales. The award is promoted by Segurador Brasil magazine as a means to acknowledge the leadership, performance and achievements of companies of the insurance sector last year. The award points out the role of companies and entities in the implementation and in the development of concepts, products and services for the Brazilian insurance market.

3 Grupo Bradesco de Seguros e Previdência maintained in 2007 the first place in the ranking of the largest insurance groups of Brazil. In the fifth edition of *Prêmio Os Melhores Grupos Seguradores do País* (The Best Insurance Groups of the Country Award), promoted by Conjuntura Econômica magazine, edited by the Brazilian Institute of Economy, (IBRE), of Fundação Getulio Vargas (FGV), Grupo Bradesco de Seguros e Previdência was also appointed as the leader in the categories: total assets, shareholders' equity and net income.

Sponsorships and Highlights

1 Circuito Cultural Bradesco Seguros e Previdência promoted several cultural manifestations. In the theater, we sponsored the plays *Othello*, *The Sound of Music* and *No Natal a gente vem te buscar*, played in the stages of Rio de Janeiro. In music, the series of International Concerts carried out by Dell'Arte; the marathon of classical music of *Rio Folle Journée 2008* and the *Jazz All Nights* season, in Rio de Janeiro, had the sponsorship of Bradesco Seguros e Previdência. In plastic arts, the Circuit promoted the exhibition *Segall Realista*, in São Paulo, and the show *O Teatro Pitoresco de Debret*, in Rio de Janeiro.

2 Bradesco Seguros e Previdência sponsored important sport events: the *3ª Corrida Oral-B - Prevenção do Câncer Bucal* (3rd Oral-B Race - Oral Cancer Prevention), in São Paulo; the Run and Walk Against Breast Cancer, in Rio de Janeiro, and the Street Run Circuit of Rua Corville 2008, in Santa Catarina.

3 Bradesco Seguros e Previdência is one of the sponsors of the series of events to be promoted by the Insurance Brokers Union of São Paulo (Sincor - SP) in 2008. The purpose is to provide opportunities for integration and updating of the professionals who operate in the insurance market.

4 Bradesco Seguros e Previdência, in a partnership with Ibmec (Brazilian Institute of Markets and Capitals), formed the second class of the MBA course "Business Management Focused on Insurance". Forty-one employees of Grupo Bradesco de Seguros e Previdência nominated by their managers integrate the class of 2008 and are taking part in classes in the period from March to December this year. The purpose of the MBA is to qualify the students through disciplines in the Business Management area and other areas focused on insurance.

Bradesco Saúde

Health Insurance Premiums Market Share %

Source: ANS

Net Premiums Written R\$ million (*)

Insurance Lines	2007			2008		
	1 st Qtr.	2 nd Qtr.	1 st Half	1 st Qtr.	2 nd Qtr.	1 st Half
Corporate Plan	758	810	1,568	875	1,069	1,944
Individual Plan	251	251	502	258	258	516
Total	1,009	1,061	2,070	1,133	1,327	2,460

(*) Includes premiums from Mediservice and Bradesco Dental.

Growth in Technical Provisions for Health R\$ million (*)

(*) Includes provisions of Bradesco Dental.

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Number of Policyholders in Health Insurance Lines in thousands (*)

(*) It does not include Mediservice policyholders.

(*) It includes Bradesco Dental policyholders.

In June 2008, Bradesco Saúde maintained its outstanding market position in the corporate segment (source: ANS). Brazilian companies are increasingly convinced that Health and Dental Insurance are the best alternatives for meeting their medical, hospital and dental care needs. Bradesco Saúde has more than 3.2 million customers, of which 3.0 million belong to the corporate segment.

More than 22 thousand companies in Brazil have acquired Bradesco Saúde insurance products. Among Brazil's 100 largest companies in terms of revenues, 37 are Bradesco's insurance clients (source: Exame magazine's *Melhores e Maiores de Agosto de 2007* - Best and Largest List, August 2007).

The large market share of corporate insurance in Bradesco Saúde's total portfolio (92% in June 2008) confirms the insurance company's high level of expertise and personalization in the corporate insurance services, a distinct advantage in the Supplementary Health Insurance market.

On February 22, 2008, Mediservice Administradora de Planos de Saúde Ltda. started to integrate Grupo Bradesco de Seguros e Previdência. With a portfolio of more than 250,000 clients, Mediservice operates in health and dental insurance for corporate clients in the post-payment line.

Awards/Acknowledgments

1 Bradesco Saúde was acknowledged in the health insurance segment as the best valued company according to the *Os 100 Melhores Fornecedores para RH 2008* ranking (The Top 100 Best HR Suppliers 2008), promoted by Gestão RH e Editora. Bradesco Saúde was also awarded with the trophy *10 Fornecedores Mais Votados e Melhores Avaliados* (10 Most Voted and Best Valuated Suppliers), being the only insurance company in the list, in which the participating companies were voted regardless of their area of operations. The company achieved both awards for the second consecutive time. The research, conducted between August and November 2007 by means of questionnaires, was made with the Human Resources area (HR) of the companies listed in the 1,000 Largest Companies and Best Companies to Work For published by *Exame* magazine.

2 Bradesco Saúde was granted the *Prêmio Segurador Brasil 2008* (2008 Brazilian Insurance Company award), as the highlight in Sales by Health Insurance Line. The award is promoted by Segurador Brasil magazine as a means to acknowledge the leadership, performance and achievements of the companies in the insurance sector last year. The award highlights the role of companies and entities in the implementation and development of concepts, products and services for the Brazilian insurance market.

3 Bradesco Saúde ranked first among the largest insurance companies of the Country in premiums awarded in the fifth edition of *Prêmio Os Melhores Grupos Seguradores do País* (The Best Insurance Groups of the Country Award), promoted by Conjuntura Econômica magazine, edited by the Brazilian Institute of Economy (IBRE), of Fundação Getulio Vargas (FGV).

Highlights

1 With the acquisition of Mediservice (Health Insurance Manager), Bradesco Saúde expanded its market share in premiums and now has almost half of Brazil's 100 largest employer companies in its portfolio. The Insurance company ended the 1st half of 2008 with more than 3.4 million clients.

2 Bradesco Saúde, leader in the supplementary health market, engaged in the fight against dengue fever together with the whole Brazilian society by launching the advertising campaign in the media of Rio de Janeiro and São Paulo. To help to reverse the epidemic of the disease in the country, especially in Rio de Janeiro, advertisements in the main newspapers and radio spots were made, reminding the population of the basic procedures in the fight against the proliferation of the mosquito which causes the disease.

Bradesco Dental

Highlight

With the purpose of focusing on dental insurance, Grupo Bradesco de Seguros e Previdência structured Bradesco Dental, which is a market leader among the insurance companies which operate in the sector, with a portfolio larger than 957 thousand policyholders.

The company counts on the solidity of the largest insurance conglomerate of Latin America and on an experience of more than 15 years of the Group in the dental segment.

Bradesco Auto/RE

Insurance Premiums of Auto/RE Market Share %

Source: Susep

N.B.: in 2007, premiums from Indiana Seguros were included.

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Growth in Technical Provisions of Auto/RE R\$ million

N.B.1: in 2004, Bradesco Seguros' Auto/RE portfolio was merged.

N.B.2: As of 2007, technical provisions from Indiana Seguros are not included.

Net Premiums Written R\$ million

Insurance Lines	2007			2008		
	1st Qtr.	2nd Qtr.	1st Half	1st Qtr.	2nd Qtr.	1st Half
Auto/RE	604	693	1,297	653	711	1,364

Number of Policyholders of Auto/RE thousand

N.B.: since 4Q07, we are not considering the policyholders related to the company Indiana Seguros, whose sale of equity interest was approved by Susep on December 12, 2007.

Grupo Bradesco de Seguros e Previdência maintained an outstanding position among the main insurance companies in the Brazilian Basic Line (RE) Insurance Market, with a 7.9% share of total market sales in May 2008 in this area.

In lines related to Equity Insurance, Bradesco Auto/RE has renewed the insurance programs of its main clients, by means of partnerships with brokers specialized in the segment and closeness to Bradesco Corporate and Bradesco Empresas. The fact that the oil industry had an outstanding performance and the civil construction had picked up steam has also contributed to the growth of Bradesco Auto/RE in this segment.

In the insurance of Aeronautic products and Sea Hull, the exchange with managers of Bradesco Corporate and Bradesco Empresas has been largely used, taking advantage of the market increase in the sales of new aircrafts, as well as in the sea segment, of naval constructions.

The Transportation segment is still the main focus, with essential investments to improve new businesses, specially, among others, the qualification of Transportation Products Managers, which will be established in the main Brazilian economic centers, and the creation of Bradesco Cargo System, a complete Transports Insurance Management System on the Internet.

In the mass market insurance segment of Basic Lines, whose products are designed to individuals, self-employed professionals and SMEs, the launch of new products, along with the continuous improvement of processes and systems, have contributed to the growth of the client base. Such increment can be observed mainly in the residential and equity insurance, such as *Bradesco Seguro Residencial* and *Bradesco Seguro Empresarial*. We also highlight the new insurance line destined to support machinery and equipment that operate in expansion activities (such as agriculture, civil construction and industries): *Bradesco Seguro Equipamentos*, *Bradesco Seguro Benfeitorias*, *Bradesco Seguro Penhor Rural Público* and *Bradesco Seguro Penhor Rural Privado*. These products gained more competitiveness and a new issue process, enabling a faster quoting process and a better use of business opportunities.

Despite the strong competition in the Auto/RCF Lines, the insurance company has increased its client base. This is mainly due to the current products improvement and to the creation of products for specific publics. Among these, we can name *Bradesco Seguro Exclusivo Cliente Bradesco*, for Banco Bradesco's account holders, *Auto Mulher*, for the female public, and *Auto Corretor*, for insurance brokers.

One of the positive factors is the maintenance perspective of the growth in sales of new vehicles, which contributes to increase the insurance production of this line.

Grupo Bradesco de Seguros e Previdência's market share of the Auto/RCF portfolio, up to May 2008, was 12.8% .

Awards/Acknowledgements

1 Bradesco Auto/RE Companhia de Seguros was awarded the *Prêmio Segurador Brasil 2008* (2008 Brazilian Insurance Company Award), as Highlight in the Auto/RE Market . The award is promoted by Segurador Brasil magazine as a mean to acknowledge the leadership, performance and achievements of the companies of the insurance sector last year. The award highlights the role of companies and entities in the implementation and development of concepts, products and services for the Brazilian insurance market.

2 Bradesco Auto/Re Companhia de Seguros received the Gaivota de Ouro Trophy for Excellence in the Transportation portfolio , in the *VII Prêmio Mercado de Seguros* (VII Insurance Market Award), promoted by Seguro Total magazine.

Highlights

1 Bradesco Auto/RE Companhia de Seguros carried out, on May 6, at Mabu Royal & Premium Hotel, in Curitiba, the lecture Insurance for import and export for entrepreneurs of the foreign trade sector. The meeting discussed scenarios, procedures and types of insurance available in this area.

2 Bradesco Auto/RE Companhia de Seguros was one of the sponsors of the *VII Encontro Anual do Comitê do Setor Elétrico* (VII Annual Meeting of the Electric Sector Committee). The event was organized by the Brazilian Association of Risk Management (ABGR) and gathered, on June 5 and 6, at the headquarters of Furnas Centrais Elétricas, in Rio de Janeiro, insurance companies and executives from companies of the electric sector. The meeting discussed risk management in large projects.

Bradesco Vida e Previdência

Income from Private Pension Plans and VGBL Market Share %

Source: Susep

In the 1st half of 2008, total income from private pension plans totaled R\$5.377 billion.

People Insurance Premiums (Life and Personal Accidents) Market Share %

Source: Susep

In the 1st half of 2008, total income from net premiums written amounted to R\$961 million.

Growth in Technical Provisions R\$ million

Technical provisions of Bradesco Vida e Previdência in June 2008 reached R\$53.9 billion, of which R\$26.5 billion was for VGBL, R\$25.1 billion for supplementary private pension plans and R\$2.3 billion for life, personal accidents and other lines, with an increase of 18.7% compared to June 2007.

Private Pension Plans and VGBL Investment Portfolios Market Share %

Source: Fenaprevi

In June 2008, the Investment Portfolio of Bradesco Vida e Previdência reached R\$56.1 billion, of which R\$53.5 billion came from pension plans and VGBL and R\$2.6 billion came from life and personal accidents and other lines.

Increase in Number of Participants in thousands

Increase in Life Insurance and Personal Accidents Policyholders in thousands

Due to its solid structure, innovative product policy and trusted market standing, Bradesco Vida e Previdência maintained its leadership of both markets in which it operates, with a 35.7% share of income from private pension plans and VGBL and a 16.6% share of personal insurance premiums.

Bradesco is also sole leader in VGBL plans, with a 37.4% share, and in PGBL, with a 28.8% share (sources: Fenaprevi data accumulated up to May 2008).

The number of Bradesco Vida e Previdência clients grew by 49.9% in June 2008 compared to June 2007, surpassing the record of 1.9 million private pension plans and VGBL participants and 16.0 million life insurance and personal accident policyholders. This significant increase was prompted by the strength of the Bradesco Brand and by the use of appropriate management and sales policies.

In May 2008, the Portfolio of Investments in Private Pensions Plans and VGBL totaled R\$53.9 billion, comprising 39.7% of all market resources.

Awards/Acknowledgements

1 Bradesco Vida e Previdência was awarded in 3 categories of *Prêmio Segurador Brasil 2008*

(2008 Brazilian Insurance Company Award): Best Global Performance in Private Pension Plan; Sales Highlight by Life Insurance Line; and Global Sales Highlight in Private Pension Plans. The Brazilian Insurance Company Award is an initiative of Segurador Brasil magazine. The technical evaluation was prepared by economist Luiz Roberto Castiglione and takes into account the number of awards obtained by insurance companies, from November 2006 to November 2007.

2 Bradesco Vida e Previdência was awarded as the largest company in net income and Brazil's best insurance group in the Private Pension Plan segment. The award is carried out by Conjuntura Econômica magazine of FGV. The award criterion was based on the economic-financial performance of the companies last year.

3 Bradesco Vida e Previdência was chosen the Best Private Pension Plan Company of 2007 by Gazeta Mercantil, based on an analysis of Austin Rating, the first national company to grant rating in Brazil.

4 Bradesco Vida e Previdência is the only Brazilian company to achieve the Regional Educational Achievement Awards 2007. The award is a public acknowledgement of Loma Life Office Management Associations to companies that maintain significant professional development and qualification plans, investing in the development of their employees, of the industry and in the qualification of their markets.

5 Bradesco Vida e Previdência received the Top of Business 2008 South Region trophy. The award, in its 6th edition, had as main purpose to disclose companies and professionals that contribute to the country's growth and development.

Bradesco Capitalização

Bradesco Capitalização's outstanding position in the certificated savings plans market is the result of its transparent operating policy, which is focused on adjusting its products to meet the potential consumer demand.

Regionally, Bradesco Capitalização is a leading company in two Brazilian states: 27.82% in Amazonas and 25.12% in São Paulo, according to the latest figures for May 2008, disclosed by Susep.

Aiming at offering the bond that best suits its clients' different profiles and budgets, a number of products were developed, which vary in accordance with the type of payment (single or monthly), contribution term, regularity of draws and related prize amounts. That phase was mainly characterized by the closeness to the public, by means of the consolidation of *Pé Quente* Bradesco family products.

Continuing with the consolidation process of traditional products, two products were launched in the 1st half of 2008. The first one is *Pé Quente Bradesco Pessoa Jurídica*. Tailor-made for the Retail segment companies, its main attractive factor is the highest monthly prize of *Pé Quente Bradesco*: gross amount of R\$100 thousand on the last Saturday of each month during the period from January to November; and gross amounts of R\$2 million in a special draw in December. The second highlight of the first half is the launching of *Pé Quente Bradesco Amazonas Sustentável*, with a monthly payment of R\$20.00 and weekly prizes in the gross amount of R\$50 thousand. This product destines part of its collection to projects for environment preservation and sustainable development of *Fundação Amazonas Sustentável*, another action of the Bank of the Planet.

We also point out the performance of social-environmental products. Among them, it is worth pointing out *Pé Quente Bradesco SOS Mata Atlântica*, which, in addition to enabling the formation of a financial reserve, contributes to reforestation projects of *Fundação SOS Mata Atlântica*, as well as *Pé Quente Bradesco GP Ayrton Senna*, whose great competitive advantage is the destination of a percentage of the amount collected with bonds to social projects of *Instituto Ayrton Senna* and *O Câncer de Mama no Alvo da Moda* (Fashion Targets Breast Cancer). When acquiring this last product, the client contributes to the development of projects for prevention, early diagnosis and treatment of cancer in Brazil, since part of the amount collected is given to IBCC - Brazilian Institute of Cancer Control.

Rating

Bradesco Capitalização S.A. is currently graded *brAAA Stable* of Standard & Poor's and is maintained as the only company in the certificated savings plans segment with this rating. The solid financial and equity protection standard that Bradesco Capitalização ensures to its clients contributed to this result.

Quality Management System

Bradesco Capitalização S.A. maintains its quality management system, in the ISO 9001:2000 version within the scope of Bradesco Certificated Savings Plans Management . Granted by Fundação Vanzolini, this certificate shows the quality of its internal processes and confirms the principle which is the origin of Bradesco Certificated Savings Plans: good products, good services and permanent evolution.

Income from Certificated Savings Plans Market Share %

Source: Susep

Technical Provisions for Certificated Savings Plans Market Share %

Source: Susep

108

Growth in Technical Provisions for Certificated Savings Plans R\$ million

Due to the increasing strengthening of the Technical Provisions volume, Bradesco Capitalização reached the amount of R\$2.6 billion in June 2008, and according to May 2008 data released by Susep, it holds 20.6% of the total volume of Technical Provisions in the market.

All these results convey safety and reaffirm the financial solidity and the ability to honor the commitments to its clients.

Number of Certificated Savings Plans Clients in thousands

As a result of a customer loyalty building policy, focused on the quality of the customer service and on the offer of innovative products, Bradesco Capitalização ended 1H08 with nearly 2.4 million clients, which represented an evolution of 5% compared to June/2007.

Outstanding Traditional Certificated Savings Plans in thousands

Outstanding Certificated Savings Plans Incentive (With Transfer of Draw Participation Right) in thousands

Total Outstanding Certificated Savings Plans in thousands

110

The portfolio is comprised of 14.6 million outstanding certificated savings plans. Out of this total, 32.5% are represented by Traditional Plans sold at the Branch Network and in the Convenience Channels Bradesco Dia&Noite. This portfolio had a growth of 5.8% compared to June/2007. The other 67.5% of the portfolio are represented by plans of the modality Incentive (transfer of draw participation rights), including Bradesco Cartões, Bradesco Vida e Previdência, Bradesco Auto/RE etc. Considering that the purpose of this type of certificated savings plans is to add value to partners' products or even to provide incentives for customer due payments, these plans are sold with reduced terms and grace periods and at a lower unit purchase price.

Awards/Acknowledgments

1 Bradesco Capitalização received the *2º Prêmio Brasil de Meio Ambiente* (Second Environment Brazil Award) in the Best Work in Environment Communication Action category, with the product Pé Quente Bradesco SOS Mata Atlântica. The award, which is an initiative of Jornal do Brasil newspaper, was created to encourage the continuity and the expansion of the environmental awareness in Brazil. It is destined to artists and public and private institutions of several sectors which perform an essential and active role in relation to the environment. The prizewinners are chosen by the Brazilian Industry Confederation (CNI).

2 Bradesco Capitalização was granted the *Prêmio Top Ambiental ADVB* (ADVB Environmental Top Award), promoted by the Brazilian Association of Sales and Marketing Managers (ADVB), due to the Pé Quente Bradesco SOS Mata Atlântica case. The award aims at stimulating the creation of environmental projects, as well as awarding and disclosing those companies which ensure their own and the country's economic growth, without harming the environment, and contribute to t