BANK BRADESCO Form 6-K November 13, 2006

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 November, 2006

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)

(Clauses of principal cheeses)
Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.
Form 20-FX 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 NoX
±

Banco Bradesco S.A.

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

Main Indicators (%)

Indicators		2005			2006		
	2nd Qtr.	3rd Qtr.	September YTD	2nd Qtr.	3rd Qtr.	September YTD	12 months accumulated
CDI	4.56	4.74	14.08	3.58	3.51	11.54	1
IBOVESPA	(5.86)	26.08	20.57	(3.48)	(0.49)	8.95	15.41
USD Commercial Rate	(11.84)	(5.45)	(16.28)	(0.37)	0.46	(7.11)	(2.15)
IGP-M	0.20	(1.51)	0.21	0.71	0.84	2.27	3.28
IPCA IBGE	1.34	0.77	3.95	0.10	0.45	2.00	3.70
TJLP	2.35	2.35	7.22	1.98	1.82	6.10	8.59
TR	0.75	0.87	2.19	0.47	0.57	1.56	2.20
Savings Deposits	2.27	2.39	6.88	1.98	2.09	6.22	8.51
Number of Business Days	63	65	189	61	64	188	250

Closing Amount

Indicators	2005			2006		
	June	September	June	September		
Commercial U.S. Dollar for Sale (R\$)	2.3504	2.2222	2.1643	2.1742		
Euro (R\$)	2.8459	2.6718	2.7681	2.7575		
Country Risk (Points)	411	344	246	233		
SELIC COPOM Base Rate (% p.a.)	19.75	19.50	15.25	14.25		
Pre-BM&F Rate 1 year (% p.a.)	18.22	17.92	14.78	13.56		

Compulsory Deposit Rates (%)

Rates and Limits (%)

Deposits	200	05	200)6	Items	Items 2005		2006	
	2 nd Qtr.	3 rd Qtr.	2 nd Qtr.	3 rd Qtr.		2 nd Qtr.	3 rd Qtr.	2 nd Qtr.	3 rd Qtr.
Demand Deposits ⁽¹⁾ Additional ⁽²⁾	45 8	45 8	45 8	45 8	Income Tax Social Contribution	25 9	25 9	25 9	25 9

Time Deposits									
(3)	15	15	15	15	PIS (1)	0.65	0.65	0.65	0.65
Additional (2)	8	8	8	8	COFINS (2)	4	4	4	4
Savings					Legal Reserve on Net				
Account (4)	20	20	20	20	Income	5	5	5	5
					Maximum Fixed Assets				
Additional (2)	10	10	10	10	(3)	50	50	50	50
					Capital Adequacy Ratio				
					Basel (4)	11	11	11	11

- (1) Cash deposit No remuneration.
- (1) The rate applicable to non-financial and similar companies is 1.65% (non-cumulative PIS).

(2) Cash deposit SELIC rate.

- (2) The rate applicable to non-financial and similar companies is 7.60% (non-cumulative COFINS).
- at 15%, R\$300 million may be deducted.
- (3) Restricted Securities From the amount calculated (3) Maximum fixed assets are applied over Reference Equity.
- (4) Cash deposit Reference Rate (TR) + interest of 6.17% p.a.
- (4) Reference Equity may not be lower than 11% of Weighted Assets.

Forward-Looking Statements

This Report on Economic and Financial Analysis contains forward-looking statements relating to our business, which are based on management s current expectations, estimates and projections about future events and financial trends, which could affect our business. Words such as: believes, anticipates, plans, expects, intends, aims, evaluate predicts, foresees, projects, guidelines, should and similar expressions are intended to identify forward-looking statements. These statements however, are not guarantees of future performance and involve risks and uncertainties, which are difficult to predict and which could be beyond our control. Furthermore, certain forward-looking statements are based on assumptions which, depended 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 forward-looking 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 and any other delays in loan operations; 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 others, 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 at the date they are made. Except as required under applicable legislation, we assume no obligation whatsoever to update these statements, whether as a result of new information, future events or any other motive.

Risk Factors and Critical Accounting Practices

We transcribe below the annual report filed with the SEC Risk Factors and Critical Accounting Practices sections of Form 20-F, to assure Bradesco s adhesion to best international practices for transparency and corporate governance, describing the risk factors and the critical accounting practices which we consider most significant and 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 gap 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 price of our stocks 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 Brazil s economy, which in the past has been characterized by frequent intervention by the Brazilian Government and volatile economic cycles. In addition, our financial condition and the market price of our stocks and ADSs may also be adversely affected by changes in policy involving exchange controls, tax and other matters, as well as factors such as: fluctuations in exchange rates, interest rate, inflation rates, and other political, diplomatic, social and economic developments within and outside of Brazil that affect the Country.

In the past, the Brazilian Government has often changed monetary, fiscal and taxation policies to influence the course of Brazil s economy. We cannot predict which measures or policies the Brazilian Government may take in response to the current or future situation of the Brazilian economy or how the Brazilian government intervention and government policies will affect the Brazilian economy and, both directly and indirectly, our operations and revenues.

2) If Brazil undergoes a period of high inflation in the future, our revenues and the market price of our stocks and ADSs may be reduced

In the last 15 years, Brazil has undergone extremely high inflation rates, with annual rates (IGP DI from Getulio Vargas Foundation) reaching as high as 1,158% in 1992, 2,708% in 1993 and 1,093% in 1994. More recently, Brazil s inflation rates were 7.7% in 2003, 12.1% in 2004 and 1.2% in 2005. Inflation and governmental measures to combat it have had in past years significant negative effects on the Brazilian economy. In addition, public speculation about possible future actions have also contributed to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets. If Brazil suffers a period of high inflation in the future, our costs may increase, our operating and net margins may decrease and, if investor s confidence lags, the price of our stocks and ADSs may drop. Inflationary pressures may also curtail our ability to access foreign financial markets and may occasionally lead to further government intervention in the economy, including the introduction of government policies that may adversely affect the overall performance of the Brazilian economy.

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

Since the end of 1997, and in particular during the last five years, as a result of economic problems in various emerging market countries, including the economic crisis in Argentina, investors have had a heightened risk perception for investments in emerging markets. As a result, in some periods, Brazil has experienced a significant outflow of U.S. dollars, while Brazilian companies have borne higher costs to raise funds, both domestically and abroad, and have been impeded from accessing international capital markets. We cannot assure you that international capital markets will remain open to Brazilian companies or that prevailing interest rates in these markets will be advantageous for us.

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

The market price of our stocks and ADSs may be adversely affected by declines in the international financial markets and world economic conditions. Brazilian securities markets are influenced by the local economy and other emerging countries, especially those in Latin America, including Argentina, which is one of Brazil s principal trading partners. Although economic conditions are different in each country, investors reaction to developments in one country may affect the securities markets and the securities of issuers in other countries, including Brazil.

Occasionally, developments in other countries have adversely affected the market price of our and other Brazilian companies stocks, 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 Argentina and Latin America deteriorates, or if similar developments occur in the international financial markets in the future, the market price of our stocks 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 capital requirements, compulsory deposits, loan limits and other loan restrictions.

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving. Existing laws and regulations could be amended. Besides, the enforcement or interpretation of laws and regulations could change, and new laws and regulations could be adopted. 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 bank 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 sectors. The privatization of publicly-owned banks has also made the Brazilian markets for banking and other financial services more competitive.

The increased competition may negatively 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 foreign investment opportunities.

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) The majority of our common stocks are held by two stockholders, whose interests may conflict with other investors interests

On September 30, 2006 Cidade de Deus Companhia Comercial de Participações held 48.44% of our common stocks and Fundação Bradesco directly and indirectly held 46.59% of our common stocks. As a result, these stockholders 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 stockholders, as well as to approve related-party transactions or corporate reorganizations.

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 the note 3 to the consolidated financial statements included in chapter 8 of this Report.

The following 5 items outline the accounting policies deemed as critical, in terms of materiality, as well as areas requiring a greater judgment and estimate or involving a higher level of complexity, affecting our financial condition and the results of our operations. The accounting estimates made under such context impel us to make assumptions on highly 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 and leasing 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 losses recent experience; credit quality trends;

guarantees amounts 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 positive fluctuation of 1.0% in delinquency rate expected for our loan operations portfolio in full performance on September 30, 2006, the allowance for loan losses would increase approximately R\$37 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance for loan losses. The analysis should 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 of this Report and notes 3e and 10 included in the Chapter 8 hereof.

2) 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 market-quoted 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 shareholders agreements, those holding significant investments. However, the Management believes that market-quoted prices are the fair value best indicators.

When market-quoted 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, options volatility, when these are relevant and available.

In the determination of fair value, when market-quoted 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 correlations or incorrect 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 security held to maturity or security available for sale 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 the Chapter 8 of this Report.

3) Classification of Securities

The classification of securities 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 decision to classify them 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 can be found in the note 8 included in the Chapter 8 of this Report.

4) Taxes on Income

The determination of the amount of our taxes and contributions is related to the analysis of our deferred tax assets and liabilities, and taxes on income payable. Generally, our assessment requires us to estimate the future values of deferred tax assets and taxes on income payable. 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. The support to our assessments and assumptions may change over time, as a result of occurrences or unpredictable circumstances, influencing our determination of value of our tax liabilities.

Constantly we 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 taxes on income, see notes 3f and 34 to our financial statements included in the Chapter 8 of this Report.

5) Use of Estimates

Our Management estimates and makes assumptions, which include the amount of provisions for deferred taxes, the assumptions for the calculation of allowance for loan losses, the assumptions for calculations of technical provisions for insurance, private pension plans and certificated savings plans, the choice of useful lives of certain assets and the determination if an asset or group of specific assets was deteriorated. The estimates are based on the judgment and

available information. Therefore, actual results may differ from such estimates.

Corporate Strategy

We understand that the expansion of the Brazilian economy will stimulate a solid growth in a portion of the population needing financial services, and accordingly, an expansion of demand for such services. Under such context, our main objective is to maintain the focus on the domestic market and take advantage of our position, as the largest private bank in Brazil, to expand profitability, maximizing value to our stockholders and generating higher returns compared to other Brazilian financial institutions.

We intend to achieve such goals with a strategy not only to continuously expand our customer base, but also to consolidate our role as the priority bank of each of our clients, so that to be the first option of all our clients towards all their financial services needs. Our goal is to be a Banco Completo (all-inclusive Bank) in the Brazilian market. In this regard, we strive to maintain a remarkable presence in every line of financial services.

In the banking segment, we aim at rendering the most varied range of services as retail bank, supported by a staff with more than 78 thousand employees, a wide service network, including our branches, corporate site branches, Banco Postal and correspondent banks, besides the ATMs, always concerned with the expansion of business volume. We are also focused on expanding our businesses as a wholesale bank in all its aspects (investment bank and corporate business) and expand our private banking business.

In the insurance segment, we intend to consolidate Bradesco Seguros e Previdência leadership, and in relation to the supplementary private pension segment, we intend to take advantage of our ongoing expansion of demand for our private pension products.

In every line of our operation, we intend to stand out and be recognized by our clients as leaders in terms of performance and efficiency.

We understand that the essence of business success in the financial sector consists of the combination between winning the client and a team highly qualified and devoted to the rendering of services, permanently trained and with rigid discipline standards at work. Our growth plans are not only translated into seeking the addition of new clients but also are focused on the frequent improvement of products and distribution channels. 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 enduring during their entire professional life. Finally, the main component of our philosophy is to conduct the business according to the highest ethical standards. Therefore, our strategy is always guided by seeking the best Corporate Governance practices and by the understanding that Bradesco, besides being a source of profits to its stockholders, should also be a building element in the Society.

The key elements of our business strategy are:

expansion by means of organic growth;

performance based on the business model of a large banking institution, having as subsidiary an important insurance company, which we name as Modelo Banco-Seguros (Insurance Bank Model), with a view to maintaining our profitability and consolidate our leadership in the insurance industry;

increase of revenues, profitability and value to stockholders, by consolidating our loan operations, our main activity, and the expansion of new products and services;

maintenance of our commitment to the technological innovation;

obtain profitability and return to the stockholders by means of improved efficiency ratio;

maintain acceptable risk levels in our operations; and expansion by means of strategic alliances and selective acquisitions, when these are beneficial.

1) To expand main business areas by means of organic growth

The Brazilian economy has been showing solidity over the past years and has been creating strategic opportunities for financial and insurance segments growth, mainly by means of increased business volume. We intend to take advantage of such opportunities to increase our revenues, obtain profitability and maximize value to the stockholders, as outlined as follows:

benefiting from the opportunity in the Brazilian markets to obtain new clients with loan and financial needs only partially met, incrementing the competition for a small level of clients with higher income levels;

expanding our financial services distribution, by using creativity in developing new products, solidly employing non-traditional means, for instance, to expand our credit cards offer and extension of loan granting to stores, by utilizing alliances with such stores and rendering services via the Banco Postal;

using the distribution channels in benefit of the Bank, including our traditional branch network and technology to access the Internet in order to identify demand for new products;

offering our customer base, broadly, our products and services;

using the systems of our branches, with a view to assessing and monitoring the use of our products by clients, so that to drive them to the appropriate commercialization platforms; and

developing varied products, in compliance with the needs of our current and potential clients.

2) 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 be the priority bank of our clients, thus increasing attendance according to 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 in order to sell our traditional banking products and insurance and private pension products, by means of our branch network, our brokers and dealerships network, distribution services via the Internet and our creativity in developing new distribution channels.

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 premium or amounts deposited, as observed as follows:

maintaining our current policy of carefully assessing the car insurance risks and rejecting them in events where risks are too high;

intensively trading our products; and

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

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;

carrying out hedge transactions, so that to set out the mismatch between the real inflation index and provisions for adjustments of interest rates and inflation in long-term agreements; and

entering into reinsurance agreements with renowned reinsurance companies, executed by means of IRB-Brasil Resseguros (IRB), viewing to reducing the exposure to great risks.

3) Increased revenues from banking activities, profitability and value to stockholders, by reinforcing loan operations and expanding new products and services

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

carry out our traditional deposit-taking activities and loan operations, continuously seeking to improve the quality of our loan portfolio, by means of risk mitigation plans and improvement in the assessment of loan granting ratings;

build our customer base, legal entities and individuals, by offering services meeting the needs of specific clients, including foreign exchange services and import/export financing;

intensively seek the development of paid services based on fees, such as collection and payment processing for current and potential clients;

expand our financial services and products distributed out of our conventional means of branches, such as credit card activities, taking advantage of change in the consumers behavior concerning the financial services consumption;

increase our revenues from assets management and private pension plans; and

continuously build our high income customer base, by providing a varied range of tailor-made financial products and services, and offering maximum efficiency in the assets management.

4) To maintain Bradesco s commitment to technological innovation

The development of efficient means to reach clients and to process operations is a key element of our goal to increase our profitability and thus obtain coordinated growth opportunities. Recently, Bradesco resolved to reinforce such strategy with the challenge of changing our technological model, with a view to definitively maintaining Bradesco s market leadership in the industry in terms of technology. Thus, Bradesco set a task force devoted to the advance of our profile and public perception towards technology.

We believe that technology offers unequalled opportunities to reach our clients efficiently in terms of costs. We maintain the commitment of being ahead in the banking automation process, by creating opportunities to the Brazilians to contact us via the Internet. We expect to continue increasing the number of clients and operations carried out through the Internet, by means of techniques, such as:

by continuously installing stations of access to the Internet (Web Points) in public sites, allowing clients to use our banking system via the Internet, whether or not they have access to a personal computer;

by enlarging our mobile banking service (Bradesco Mobile Banking), allowing clients to carry out their banking operations via the Internet, with compatible mobile phones; and

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

5) To obtain profitability and return to stockholders by improving the efficiency ratio

We intend to improve our efficiency levels:

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

by consolidating the synergies enabled by our recent acquisitions;

by still reducing our operational costs, by means of technology investments, decreasing the costs per transaction, always maintaining our automated distribution channels updated, including our distribution systems by phone, Internet and teller machines; and

by still incorporating institutions to be acquired in our existing system, in order to remove potential overlaps, redundancies and inefficiency.

6) To maintain acceptable risk levels in our operations

Bradesco is constantly identifying and assessing the risks inherent to the activities we developed and we maintain proper controls, ensuring the conformity with processes and capital efficient allocation, with a view to maintaining levels similar to international standards, as well as to obtain competitive advantages.

7) To enter into strategic alliances and selective acquisitions

We understand that the expansion phase of Brazilian financial institutions will occur due to organic growth over the next years. In addition, we believe that acquisition opportunities will be smaller size institutions, mainly available by means of privatizations. Notwithstanding, we deem that certain institutions, 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, and other forms, which offer potential opportunities to Bradesco increase its market share or improve its efficiency. Besides focusing on the value and the quality of assets, Bradesco takes into account potential operating synergies, crossed sales opportunities, know-how acquisitions and other advantages of potential alliance or acquisition. Our analysis of potential opportunities is guided by the impact these would have over our results.

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

List of Main Abbreviations

ABC	Activity-Based Costing	IBNR	Incurred But Not Reported
ABECS	Brazilian Association of Credit Card Companies and Services	IBOVESPA	São Paulo Stock Exchange Index
ABEL ABM	Brazilian Association of Leasing Companies Activity-Based Management	IBRACON IBRE	Brazilian Institute of Independent Auditors Brazilian Economy Institute
ACC	Advances on Foreign Exchange Contracts	IEO	Operating Efficiency Ratio
ACM ADR	Automated Consulting and Contract Machine American Depositary Receipt	IFC IFT	International Finance Corporation Quarterly Financial Information
ADS	American Depositary Share	IGP-DI	General Price Index Internal Availability
ADVB	Association of Sales and Marketing Managers of Brazil National Association of Private Pension	IGP-M	General Price Index Market Brazilian Airport Infrastructure
ANAPP	Plan Companies National Association of Investment	INFRAERO	Authority
ANBID	Banks National Agency for Supplementary	INSS	Social Security National Institute
ANS	Healthcare National Academy of Insurance and	IPCA	Extended Consumer Price Index
ANSP AP	Private Pension Plans Personal Accident Association of the Capital Markets	IPO IPTU	Initial Public Offering Municipal Real Estate Tax
APIMEC	Investment Analysts and Professionals	IR IRRF	Income Tax Withholding Income Tax
ATM BACEN	Automated Teller Machine Brazilian Central Bank Brazilian Denository Resoint	ISO ISE ISS	International Standard Organization Corporate Sustainability Index Tax on Services
BDR BM&F	Brazilian Depositary Receipt Mercantile and Futures Exchange National Bank for Economic and Social	JCP	Interest on Own Capital Latin American Stock Exchange Market
BNDES BOVESPA	Development São Paulo Stock Exchange	LATIBEX MBA	in Euros (Spain) Master of Business Administration
CBLC CDB	Brazilian Settlement and Custody Company Bank Deposit Certificate	MP MUFG	Provisional Measure Mitsubishi UFJ Financial Group
CDC CDI	Consumer Sales Financing Interbank Deposit Certificate	NBR NPL	Registered Brazilian Rule Non-Performing Loans
CEF	Federal Savings Bank Clearing House for the Custody and	NYSE	New York Stock Exchange Occupational Health and Safety
CETIP	Financial Settlement of Securities	OHSAS	Assessment Series
CFP TM	Certified Financial Planner	OIT ON	International Labor Organization Common Stocks
CIAB	Information Technology Congress and Exposition of the		
		ONG	Non-Governmental Organization

	Financial Institutions		
CIEE	Company-School Integration Center	ONU	UN (United Nations)
CMN	National Monetary Council	PDD	Allowance for Doubtful Accounts
CNSP	National Private Insurance Council	PGBL	Unrestricted Benefits Generating Plan
CNSF		PIS	Social Integration Program
COBIT	Control Objectives for Information and Related Technology		
COFINS	Contribution for Social Security Financing	PL	Stockholders Equity
COPOM	<u> </u>	PLR	Employee Profit Sharing
COFOM	Monetary Policy Committee	PN	Preferred Stocks
COSIF	Chart of Accounts for National Financial System Institutions		
coso	Committee of Sponsoring Organizations	PPNG	Unearned Premiums Provisions
	Provisory Contribution on Financial	PTRB	Online Tax Payment
CPMF	Transactions	DCE	O (' 1771' 1 D (1 '171')
CRI	Certificate of Real Estate Receivables	RCF	Optional Third-Party Liability
CS	Social Contribution	RE	Basic lines (of Insurance Products)
CVM	Brazilian Securities Commission	ROA	Return on Assets
DJSI	Dow Jones Sustainability World Index	ROAA	Return on Average Assets
		ROAE	Return on Average Equity
DPVAT	Compulsory Vehicle Insurance	ROE	Return on Stockholders Equity
DR	Depositary Receipt	SAP	Systems Applications and Products
DRE	Statement of Income for the Year		Brazilian Society for the Science
DTVM	Securities Dealer	SBPC	Progress
		SBPE	Brazilian Savings and Loan System
DVA	Value-Added Statement		Brazilian Micro and Small Business
	(Directors and Officers) Insurance	SEBRAE	Support Service
D&O	Specific for the Board of Director s Members, Directors and/or		U.S. Securities and Exchange
EPE ERP EXIM	Officers Specific Purpose Entities Enterprise Resource Planning	SEC SELIC SESI SFH	Commission Special Clearance and Custody System National Industry Social Service National Housing System

Export and Import BNDES Financing

•	•		
1	1	n	ρ

			Internal Week of Labor Accident
FGV	Getulio Vargas Foundation	SIPAT	Prevention
FIA	Management Institute Foundation	SPB	Brazilian Payment System
FIDC	Credit Right Funds	SPE	Specific Purpose Entity
FIE	Exclusive Investment Fund	SUSEP	Superintendence of Private Insurance
	Financing Line of other Assets and		
FINABENS	Services	TED	Instant Online Transfer
	Fund for Financing the Acquisition of		
FINAME	Industrial Machinery	TJLP	Long-term Interest Rate
	and Equipment	TI	Information Technology
FIPE	Economic Research Institute Foundation	TR	Reference Rate
	Accounting, Actuarial and Financial		
FIPECAFI	Research Institute	TVM	Securities
			United Nations Educational, Scientific
	Foundation	UNESCO	and Cultural
FIRN	Floating Rate Note		Organization
FxRN	Fixed Rate Note	VaR	Value at Risk
IBMEC	Brazilian Capital Market Institute	VGBL	Long-term Life Insurance

1 - Bradesco Line by Line

Net Income

The Net Income, without Goodwill Amortization effects, of the nine-month period and of the quarter ended on September 30, 2006 was R\$5,029 million and R\$1,611 million, respectively.

To enable the comparability, there is a chart below showing these impacts on the Net Income (without Goodwill Amortization effects) and the respective Published Net Income (without Goodwill Amortization effects):

R\$ million

2006

	3 rd Quarter	Nine Months
Reported Net Income	219	3,351
(+) Full Goodwill Amortization (§ quarter/06)	2,109	2,109
(-) Fiscal Effect of Full Goodwill Amortization	(717)	(717)
Adjusted Net Income (without full Goodwill Amortization effects)	1,611	4,743
(+) Goodwill Amortization st half/06		433
(-) Fiscal Effect of Goodwill Amortization		(147)
Net Income without Amortization effects	1,611	5,029

Returns on Equity Net Income without Goodwill Amortization effects (Annualized)

2006

	3 rd Quarter	Nine Months
Return on Equity ROE	33.0%	31.9%
Return on Average Equity ROAE	32.7%	33.2%
Return on Assets ROA	2.7%	2.8%
Return on Average Total Assets ROAA	2.7%	3.0%

Reported Net Income x Net Income without Goodwill Amortization effects R\$ million

For comparability and analysis purposes, in this Report on Economic and Financial Analysis, we are considering the Adjusted Net Income of the nine-month period and of the 3rd quarter of 2006, in the amount of R\$4,743 million and R\$1,611 million, respectively, i.e., already adjusted by the Full Goodwill Amortization of the 3rd quarter of 2006.

Summarized Statement of Adjusted Income Analysis

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

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

September YTD/05 x September YTD/06 R\$ million

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	Repo State			Ad	ljustments			Adjusted Statement		Variation	
	of Inc	come	2005		2006			of Income			
	2005	2006	Fiscal Hedge (1)	Belgo- Mineira (2)	Fiscal Hedge (1)	Labor (3)	Goodwill (4)	2005	2006	Amount	%
Net Interest Income (a) Allowance for Doubtful Accounts	12,852	15,073	(580)	(327)	(280)			11,945	14,793	2,848	23.8
PDD (b)	(1,737)	(3,223)						(1,737)	(3,223)	(1,486)	85.5
Intermediation Gross Income Insurance, Private Pension Plan and Certificated Savings	11,115	11,850	(580)	(327)	(280)			10,208	11,570	1,362	13.3
Plans Operating Income (c) Fee and Commission Income	31	681		327				358	681	323	90.2
(d)	5,339	6,474						5,339	6,474	1,135	21.3
Personnel Expenses (e) Supplementary	(3,950)	(4,472)						(3,950)	(4,472)	(522)	13.2
Labor Provision (3) Other Administrative		(309)				309					
Expenses (e) Tax Expenses (e) Other Operating		(4,199) (1,608)	73		35				(4,199) (1,573)	(496) (269)	
Income/Expenses Full Goodwill Amortization (4)	(1,475)	(1,994) (2,109)					2,109	(1,475)	(1,994)	(519)	35.2

Operating Income	5,980	4,314	(507)	(245)	309	2,109	5,473	6,487	1,014	18.5
Non-Operating										
Income	(37)	20					(37)	20	57	
Income on Taxes										
and Minority										
Interest	(1,892)	(983)	507	245	(309)	(717)	(1,385)	(1,764)	(379)	27.4
Net Income	4,051	3,351				1,392	4,051	4,743	692	17.1

- (1) the 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 the hedge strategy;
- (2) the extraordinary provision in the Individual Health portfolio, to equate the level of premiums for insurance holders above 60 years old of plans prior to Law 9,656/98 and for the benefits related to *planos remidos*, which was offset by the positive result reached in the disposal of part of our stake in Belgo-Mineira in the period of 2005;
- (3) the supplementary constitution of provision for labor proceedings, due to CVM Resolution #489, which was fully offset by the activation of fiscal credits of previous periods, in the amount of R\$204 million and by R\$105 million of the fiscal credit of the expense of the provision for labor proceedings; and
- (4) full goodwill amortization in subsidiaries made in 3Q06.

Bradesco s net income reached R\$4,743 million, accounting for a 17.1% increase in relation to net income of the same period of the previous year. Bradesco s Stockholders Equity amounted to R\$21,773 million as of September 30, 2006, equivalent to a 19.2% increase compared to the balance as of September 30, 2005. Consequently, the annualized return on Stockholders Equity (ROE) reached 30.1% . Total consolidated assets reached R\$243,192 million as of September 30, 2006, a 20.4% growth in relation to the balance of same date of the previous year. The annualized return on total assets (ROA), in the period of 2006, was 2.6% . Earnings per stock reached R\$4.84.

The main items influencing net income in the nine months of 2006 compared to the same period of the previous year can be seen below:

(a) Net Interest Income R\$2,848 million

Such growth is basically due to interest component, with a share of R\$2,266 million, mainly caused by an increment in the business volume, pointing out a 27.0% increase in the volume of loan operations for individuals in the 12-month period ended on September 30, 2006, mainly concerned with consumer sales and personal loan financing, the spread of which is higher when compared to the corporate portfolio. In the non-interest component, with a share of R\$582 million, the highlight was for the largest gains of TVM and treasury in the nine months of 2006.

(b) Allowance for Doubtful Accounts R\$1,486 million

The variation is mostly due to a 22.3% increase in the volume of loan operations in the 12-month period ended on September 30, 2006, pointing out the individual client operations, with an increase of 27.0%, mainly under the type personal loan , which in view of its specific characteristic requires a higher volume of provision, as well as the increase of the delinquency ratio, as noticed in all Brazilian Financial System.

(c) Income from Insurance, Private Pension Plan and Certificated Savings Plans Operations R\$323 million

The evolution is mostly due to: (i) the recovery in sales of the products VGBL and PGBL; (ii) the increase in the production of products of the corporate plan of the Health segment; (iii) the increase in the production of popular products of the Life segment; mitigated: (iv) by the complementation of the premiums provision in the Individual Health portfolio.

(d) Fee and Commission Income R\$1,135 million

The increase in the period is mainly due to a higher volume of operations, combined with the improvement in the segmentation process and BEC and Amex Brasil consolidation, pointing out the items Checking Accounts, Income from Cards, Loan Operations and Fund Management.

(e) Personnel, Administrative and Tax Expenses R\$(1,287) million

Out of such amount, R\$522 million of personnel expenses is basically due to: (i) the increase in salary levels resulting from the collective bargaining agreement of 2005, which had an impact of 8 months compared to 2005; (ii) the increase in the salary levels resulting from the 2006 collective bargaining agreement; (iii) the higher expenses with provision for labor proceedings (normal) in the period of 2006; and (iv) the consolidation of BEC and Amex Brasil.

The R\$496 million of other administrative expenses basically refer to: (i) the effects on increased volume of business; (ii) the consolidation of BEC and Amex Brasil in 2006; and (iii) contractual adjustments in the period.

The R\$269 million of tax expenses derive basically from the increase of PIS/COFINS expenses, due to the increase in taxable income in the period of 2006 compared to the same period of 2005.

	Reported Statement of		Adjus	Adjustments			Adjusted Statement of		ion	
	Inco	ome	2 nd Qtr.	3 rd Qtr.			Income		, 42-24-10-24	
	2 nd Qtr.	3 rd Qtr.	Fiscal Hedge (1)	Fiscal Hedge (1)	Labor (2)	Goodwill (3)	2 nd Qtr.	3 rd Qtr.	Amount	%
Net Interest Income (a) Allowance for Doubtful	4,961	4,852	(10)	15			4,951	4,867	(84)	(1.7)
Accounts PDD (b) Intermediation Gross	(1,116)	(1,169)					(1,116)	(1,169)	(53)	4.7
Income Insurance, Private Pension Plan and Certificated Savings Plans Operating	3,845	3,683	(10)	15			3,835	3,698	(137)	(3.6)
Income (c) Fee and Commission Income	240	326					240	326	86	35.8
(d)	2,091	2,343					2,091	2,343	252	12.1
Personnel Expenses (e) Supplementary Labor	-	(1,584)						(1,584)	(115)	7.8
Provision (2) Other Administrative		(309)			309					
Expenses (e)	(1,375)	(1,507)					(1,375)	(1,507)	(132)	9.6
Tax Expenses (e) Other Operating	(534)	(530)	1	(2)			(533)	(532)	1	(0.2)
Income/Expenses Full Goodwill Amortization	(708)	(586)					(708)	(587)	121	(17.1)
(3)		(2,109)				2,109				
Operating Income	2,090	(273)	(9)	13	309	2,109	2,081	2,157	76	3.7
Non-Operating Income Income on Taxes and	12	40					12	41	29	241.7
Minority Interest	(500)	452	9	(13)	(309)	(717)	(491)	(587)	(96)	19.6
Net Income	1,602	219				1,392	1,602	1,611	9	0.6

⁽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⁾ supplementary constitution of provisions for labor proceedings, according to CVM Resolution #489 made in the 3^{rd} quarter of 2006, which was offset by activation of fiscal credits of previous periods, in the amount of R\$204 million and by R\$105 million of the fiscal credit of the expense of the provision for labor proceedings; and

⁽³⁾ full goodwill amortization in subsidiaries made in 3Q06.

In the 3rd quarter of 2006, Bradesco s Adjusted Net Income reached R\$1,611 million, which corresponds to a 0.6% growth when compared to the 2rd quarter of 2006. Bradesco s Stockholders Equity amounted to R\$21,773 million on September 30, 2006, a 1.5% increase in relation to June 30, 2006. Total consolidated assets reached R\$243,192 million at the end of the 3rd quarter of 2006, growing 4.4% in the quarter. The main items influencing net income in the 3rd quarter of 2006 compared to the same period of the previous quarter can be seen below:

(a) Net Interest Income R\$(84) million

Such variation is basically due to non-interest component, with a reduction of R\$293 million, motivated by lower treasury and TVM gains in the quarter, mostly due to the negative adjustment of mark-to-market of derivative financial instruments used as market risk hedge of loan operations in the country, offset by interest component, with an evolution of R\$209 million resulting, basically, from a business volume expansion, pointing out a 3.4% increase in the volume of loan operations for individuals, mainly concerned with products related to consumer financing.

(b) Allowance for Doubtful Accounts R\$(53) million

The variation is mainly due to the growth of 3.8% in the volume of loan operations in the 3rd quarter of 2006, mainly operations for individuals, specially for the personal loan category, due to its specific characteristics, which requires a higher volume of provision, **mitigated** by the stable increase of the delinquency ratio.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations R\$86 million

The evolution is mainly due to: the constitution of additional technical provision in the Individual Health portfolio in the 2nd quarter of 2006 R\$95 million.

(d)Fee and Commission Income R\$252 million

The increase is mostly due to an expansion in the volume of operations in the quarter, jointly with the consolidation of Amex Brasil R\$130 million in the quarter.

(e) Personnel, Administrative and Tax Expenses R\$(246) million

Out of this amount, R\$115 million of personnel expenses is basically due to: (i) the 2006 collective bargaining agreement which affected expenses in R\$87 million; and (ii) higher expenses in view of the consolidation of Amex Brasil R\$36 million.

Out of this amount, R\$132 million of administrative expenses is basically due to the increase in business volumes, jointly with the consolidation of Amex Brasil at the amount of R\$75 million.

Highlights

Adjusted Income

R\$ million

	September YTD		Variation	2006		Variation
	2005	2006	%	2 nd Qtr.	3 rd Qtr.	%
Adjusted Net Interest Income	11,945	14,793	23.8	4,951	4,867	(1.7)
Allowance for Doubtful Accounts Expenses	1,737	3,223	85.5	1,116	1,169	4.7
Fee and Commission Income	5,339	6,474	21.3	2,091	2,343	12.1
Insurance, Private Pension Plans and						
Certificated Savings Plans Retained						
Premiums	9,343	10,553	13.0	3,288	3,807	15.8
Personnel Expenses	3,950	4,472	13.2	1,469	1,584	7.8
Other Administrative Expenses	3,703	4,199	13.4	1,375	1,507	9.6
Adjusted Operating Income	5,473	6,487	18.5	2,081	2,157	3.7
Adjusted Net Income	4,051	4,743	17.1	1,602	1,611	0.6

Balance Sheet

R\$ million

	Septe	September		2	2006	
	2005	2006	%	June	September	%
Total Assets	201,913	243,192	20.4	232,935	243,192	4.4
Securities	64,248	73,022	13.7	70,382	73,022	3.8
Loan and Leasing Operations	75,244	92,013	22.3	88,643	92,013	3.8
Permanent Assets	4,530	3,713	(18.0)	5,779	3,713	(35.8)
Deposits	71,095	78,853	10.9	78,356	78,853	0.6
Borrowings and Onlendings	15,241	16,640	9.2	15,485	16,640	7.5
Technical Provisions	38,235	45,719	19.6	43,947	45,719	4.0
Stockholders Equity	18,262	21,773	19.2	21,461	21,773	1.5

Change in Number of Outstanding Stocks

	Common stock	Preferred stock	Total
Number of Outstanding Stocks on September 30,			
2005	245,258,752	244,969,419	490,228,171
Stocks Acquired and Cancelled	(301,600)		(301,600)
Stocks Acquired and not Cancelled	(464,300)		(464,300)
100% Bonus	244,957,152	244,969,419	489,926,571

Number of Outstanding Stocks on December 31, 2005	489,450,004	489,938,838	979,388,842
Stocks Acquired and Cancelled		(30,000)	(30,000)
Stocks Acquired and not Cancelled	(153,800)	(6,400)	(160,200)
Number of Outstanding Stocks on September 30,			
2006	489,296,204	489,902,438	979,198,642

Stock Performance

R\$

	September YTD		Variation	2006		Variation
	2005	2006	%	2 nd Qtr.	3 rd Qtr.	%
Net Income per Stock (*) (1)	4.13	4.84	17.2	1.64	1.65	0.6
Dividends/JCP per Stock ON (after IR) (**)	1.271	1.838	44.6	0.503	0.889	76.7
Dividends/JCP Per Stock PN (after IR) (**)	1.398	2.021	44.6	0.554	0.978	76.5
Book Value per Stock (ON and PN) (*)	18.63	22.24	19.4	21.92	22.24	1.5
Last Business Day Average Price ON	50.94	67.98	33.5	63.09	67.98	7.8
Last Business Day Average Price PN	54.36	72.08	32.6	68.08	72.08	5.9
Market Value (R\$ million) (***)	51,620	68,575	32.8	64,224	68,575	6.8

^(*) For the purposes of comparison, the amounts were adjusted by 100% due to stocks bonus occurred as of 11.22.2005

^(**) In the 3rd quarter and in the nine months of 2006, the Board of Directors Meeting Resolutions of 10.5.2006 are considered.

^(***) Number of stocks (disregarding the treasury stocks) x average quotation of the last day of the period.

⁽¹⁾ Ajusted net income was considered in the 3rd quarter and in the nine months of 2006.

Cash Generation

R\$ million

	2005			2006			
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr. (*)	September YTD (*)	
Net Income	1,416	1,430	4,051	1,602	1,611	4,743	
Equity in the Earnings of Affiliated	(10)	(64)	(69)	(30)	(7)	(42)	
Allowance for Doubtful Accounts	562	540	1,737	1,116	1,169	3,223	
Allowance/Reversal for Mark-to-Market	(38)	3	(28)	35		51	
Depreciation and Amortization	111	109	336	114	128	351	
Goodwill Amortization	88	86	270	314		433	
Other	42	34	106	(25)	16	19	
Total	2,171	2,138	6,403	3,126	2,917	8,778	

^(*) It considers the adjusted net income.

Added Value with Hedge Adjustment/Full Goodwill Amortization

R\$ million

		2005			2006	
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Added Value (A+B+C)	3,459	4,034	10,686	4,094	4,311	12,544
A Gross Income from Financial						
Intermediation	3,385	3,797	10,208	3,835	3,698	11,570
B Fee and Commission Income	1,760	1,918	5,339	2,091	2,343	6,474
C Other Operating Income/Expenses	(1,686)	(1,681)	(4,861)	(1,832)	(1,730)	(5,500)
Distribution of Added Value (D+E+F+G)	3,459	4,034	10,686	4,094	4,311	12,544
D Employees	1,082	1,315	3,462	1,286	1,391	3,923
E Government	961	1,289	3,173	1,206	1,309	3,878
F JCP/Dividends to Stockholders (paid and						
provisioned) (*)	559	612	1,537	609	972	2,120
G Reinvestment of Profits	857	818	2,514	993	639	2,623
Distribution of Added Value percentage	100.0	100.0	100.0	100.0	100.0	100.0
Employees	31.3	32.6	32.4	31.3	32.4	31.3
Government	27.8	32.0	29.7	29.5	30.4	30.9
JCP/Dividends to Stockholders (paid and						
provisioned)	16.2	15.2	14.4	14.9	22.5	16.9
Profit Reinvestments	24.7	20.2	23.5	24.3	14.7	20.9

(*) In the 3rd quarter and in the nine months of 2006, the Board of Directors Meeting Resolutions of 10.5.2006 are considered.

R\$ million

	200)5	2006		
	June		June	September	
Stockholders Equity + Minority					
Stockholders	17,502	18,316	21,516	21,829	
Subordinated Debts	6,185	6,077	9,650	10,265	
Tax Credits	(82)	(82)	(149)	(149)	
Exchange Membership Certificates	(64)	(66)	(78)	(80)	
Reference Equity (A) (*)	23,541	24,245	30,939	31,865	
Permanent Assets	7,259	7,576	10,170	8,642	
Fixed Assets and Leasing	(2,614)	(2,960)	(4,301)	(4,844)	
Unrealized Leasing Losses	(96)	(96)	(106)	(100)	
Other Adjustments	(64)	(66)	(689)	92	
Total Fixed Assets (B) (*)	4,485	4,454	5,074	3,790	
Fixed Assets to Stockholders Equity Ratio					
(B/A) %	19.1	18.4	16.4	11.9	
Excess	7,286	7,669	10,396	12,142	

^(*) For the calculation of Fixed Assets to Stockholders Equity Ratio, the Exchange Membership Certificates are excluded from the Reference Equity and Fixed Assets, as per BACEN s resolution 2,283.

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Performance Ratios (annualized) in percentage (*)

	2005			2006			
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD	
Return on Stockholders Equity (total)	36.6	35.2	30.6	33.4	33.0	30.1	
Return on Stockholders Equity (average)	38.1	36.5	33.6	35.0	32.7	31.5	
Return on Total Assets (total)	2.9	2.9	2.7	2.8	2.7	2.6	
Return on Total Assets (average)	3.0	2.9	2.8	2.9	2.7	2.8	
Stockholders Equity to Total Assets	9.0	9.0	9.0	9.2	9.0	9.0	
Capital Adequacy Ratio (Basel) Financial							
Consolidated	18.2	17.7	17.7	18.7	18.4	18.4	
Capital Adequacy Ratio (Basel) Total							
Consolidated	15.8	15.5	15.5	16.5	16.2	16.2	
Fixed Assets to Stockholders' Equity Ratio							
Financial Consolidated	41.4	42.8	42.8	48.0	46.0	46.0	
Fixed Assets to Stockholders' Equity Ratio							
Total Consolidated	19.1	18.4	18.4	16.4	11.9	11.9	
Expanded Combined Ratio	88.8	86.9	89.2	85.4	82.5	84.2	
Efficiency Ratio (12 months accumulated)	49.1	47.0	47.0	43.2	42.4	42.4	

^(*) Adjusted net income was used for calculations involving the 3rd quarter of 2006 and the nine months of 2006.

Market Share Consolidated in percentage

	200	05	2006		
	June	September	June	September	
Banks Source: BACEN					
Time Deposit	10.8	10.0	9.8	N.A.	
Savings Deposit	15.4	15.3	14.8	N.A.	
Demand Deposit	17.4	17.5	17.3	N.A.	
Loan Operations	12.3	12.7	12.7	12.6	
Number of Branches	16.7	16.7	16.8	16.8	
Banks Souce: ANBID					
Investment Funds + Portfolios	15.2	15.2	15.2	14.7	
Banks Source: Federal Revenue					
Secretariat CPMF	20.1	20.0	20.0	19.8	

Insurance, Private Pension Plans and Certificated Savings Plans Source: SUSEP

and ANS				
Insurance, Private Pension Plans and				
Certificated Savings Plans Premiums	24.2	25.0	24.6	25.0 (*)
Insurance Premiums (1)	24.6	25.3	24.7	25.2 (*)
Revenues from Pension Plans Contributions				
(2)	26.2	27.2	28.6	28.6 (*)
Revenues from Certificated Savings Plans	19.3	20.3	19.6	19.8 (*)
Technical Provisions for Insurance, Private				
Pension Plans and Certificated Savings Plans	38.2	38.0	37.3	37.2 (*)
Insurance and Private Pension Plans				
Source: ANAPP				
Revenues from VGBL Premiums	41.1	43.6	42.7	42.3 (*)
Revenues with PGBL Contributions	23.8	25.3	33.1	33.8 (*)
Private Pension Plans Investment Portfolios (1)	45.0	44.7	43.0	42.7 (*)
Credit Card Source: ABECS				
Credit Card Revenue	10.8	10.7	12.9	14.8
Leasing Source: ABEL				
Active Operations	11.3	11.4	11.8	11.8 (*)
Banco Finasa Source: BACEN				
Finabens (Portfolio)	13.6	20.9	20.1	19.9 (*)
Auto (Portfolio) This includes Banco	10.0	_0,,	_0.1	17.7 ()
Bradesco	26.6	27.2	26.4	25.6
Consortia Source: BACEN				
Real Properties	19.1	21.4	25.4	26.3
Auto	14.5	15.2	18.3	17.1
nuio	17.5	13.2	10.5	1/.1
International Area Source: BACEN				
Export Market	21.0	20.1	22.6	22.9
Import Market	14.8	14.7	14.5	15.0

⁽¹⁾ Includes VGBL.

N.A.: Not available.

Other Information

		2006		Variation	Septe	September	
		June	September	%	2005	2006	%
Assets under Management	in R\$ million	343,628	358,557	4.3	295,492	358,557	21.3
Number of Employees		75,295	78,319	4.0	73,556	78,319	6.5
Number of Branches		2,993	3,002	0.3	2,916	3,002	2.9

⁽²⁾ Excludes VGBL.

^(*) Reference date: August 2006.

Checking Account Holders million	16.6	16.8	1.2	16.5	16.8	1.8
Savings Account Holders million	32.4	32.8	1.2	32.5	32.8	0.9
Debit and Credit Card Base million	52.5	53.3	1.5	50.9	53.3	4.7

Bradesco s Stocks

Number of Stocks (in thousands) Common and Preferred Stocks (*)

	December				2006		
	2001	2002	2003	2004	2005	June	September
Common	438,360	431,606	479,018	476,703	489,450	489,317	489,296
Preferred	425,968	425,122	472,164	472,163	489,939	489,908	489,903
Subtotal Outstanding							
Stocks	864,328	856,728	951,182	948,866	979,389	979,225	979,199
Treasury Stocks	2,934	5,878	344		464	598	624
Total	867,262	862,606	951,526	948,866	979,853	979,823	979,823

^(*) For comparison purposes, 100% stock bonus occurred in 2005, which was applied for previous years. Until 2004, the number of stocks was adjusted at 200% due to their splitting and for the years prior to 2003, they were divided by 10,000 in view of their reverse split.

On September 30, 2006, Bradesco s capital stock was R\$13.0 billion, composed of 979,823,142 stocks, of which 489,914,304 are common and 489,908,838 are preferred, non-par and book-entry stocks. The largest stockholder is the holding company, Cidade de Deus Participações, which directly holds 48.44% of our voting capital and 24.32% 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 is basically owned by Fundação Bradesco and Elo Participações e Investimento. Elo Participações e Investimento has as stockholders the majority of members of Bradesco s Board of Directors and Statutory Executive Board (see page 122).

Quantity of Stockholders Resident in the Country and Abroad

	December					2006		
	2001	2002	2003	2004	2005	June	September	
Individual	2,170,158	2,153,800	2,158,808	1,254,044	1,244,572	1,254,077	1,253,294	
Corporate	181,007	179,609	180,559	116,894	116,225	116,534	116,398	
Subtotal Residents in								
the Country	2,351,165	2,333,409	2,339,367	1,370,938	1,360,797	1,370,611	1,369,692	
Residents Abroad	565	373	465	3,780	3,701	3,711	3,697	
Total	2,351,730	2,333,782	2,339,832	1,374,718	1,364,498	1,374,322	1,373,389	

Concerning Bradesco s stockholders, domiciled in the Country and Overseas, on September 30, 2006, 1,369,692 stockholders were domiciled in Brazil, accounting for 99.7% of total stockholders base and holding 71.59% of the Bradesco s outstanding stocks. Whereas the number of stockholders living abroad was 3,697, representing 0.3% of total stockholders base and holding 28.41% of Bradesco s outstanding stocks.

Market Value R\$ million

N.B.: the market value disregards the treasury stocks and uses the average quotation for the last day of the period.

Market Value/Stockholders Equity

Market Value/Stockholders Equity: indicates the number of times Bradesco s market value is higher than its book value.

Formula used: quantity of common and preferred stocks multiplied by its respective average price of the last business day of the period. The amount is divided by book value of the period.

Dividend Yield in percentage (accumulated over the past 12 months)

Dividend Yield: is the ratio of the stock price and dividends and/or interest on own capital distributed to stockholders over the past 12 months, indicating the investors—return related to profit sharing. Formula used: amount received by stockholder as dividend and/or interest on own capital over the past 12 months, which is divided by preferred stock closing price of the last business day of the period.

(*) The Board of Directors Meeting Resolutions of 10.5. 2006 are considered.

Payout Index in percentage

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

Formula used: amount received by stockholders as dividends and/or interest on own capital, which is divided by net income adjusted by legal reserve (5% of net income).

(*) The Board of Directors Meeting Resolutions of 10.5.2006 are considered.

Financial Volume Bradesco PN x IBOVESPA R\$ billion (except percentage)

Source: Economática

Earnings per Share R\$ (accumulated over the past 12 months) (*)

(*) For comparison purposes, 100% stock bonus occurred in 2005, which was applied for previous years. Until 2004, the number of stocks was adjusted at 200% due to their splitting and for the years prior to 2003, they were divided by 10,000 in view of their reverse split.

(**) Adjusted earnings was used.

Bradesco PN (BBDC4) x IBOVESPA Appreciation Index (in percentage)

Source: Economática

Bradesco Stock Performance

The first nine months of 2006 were highlighted by the volatility of the emerging markets, partially due to uncertainties about the performance of the US economy, taking the investor to the realization of accumulated gains to invest them in markets with lower risks.

The end of the tightining cycle of the North American monetary policy during the 3rd quarter jointly with sings that the US economy shall not undergo a strong slowdown in its growth rhythm made flows regain power, in a rhythm slower than the one previously observed, causing an improvement in the Brazilian market performance.

Concerning the banking sector, also during the 3rd quarter, additionally there was an improvement in the perception in relation to the sector s foundations, specially in relation to the default index. Thus, Bradesco s preferred stocks appreciated 7.8% (adjusted by dividends) in the first nine months of the year, against a 8.9% positive performance of Ibovespa.

Statement of Adjusted Income

R\$ million

	Septemb	er YTD	Variation	20	06	Variation
	2005	2006	%	2 nd Qtr.	3 rd Qtr.	%
Revenues from Financial Intermediation	22,854	28,099	23.0	9,680	9,623	(0.6)
Loan Operations	11,484	14,942	30.1	5,167	5,258	1.8
Leasing Operations	316	460	45.6	152	174	14.5
Securities Transactions	3,315	4,374	31.9	1,532	1,794	17.1
Financial Income on Insurance, Private						
Pension Plans						
and Certificated Savings Plans	4,422	5,047	14.1	1,623	1,591	(2.0)
Derivative Financial Instruments	1,865	1,632	(12.5)	529	303	(42.7)
Foreign Exchange Transactions	321	632	96.9	350	168	(52.0)
Compulsory Deposits	1,131	1,012	(10.5)	327	335	2.4
Expenses From Financial						
Intermediation (not including PDD)	10,909	13,306	22.0	4,729	4,756	0.6
Federal Funds Purchased and Securities Sold						
under						
Agreements to Repurchase	7,572	8,984	18.6	3,017	3,431	13.7
Price-Level Restatement and Interest on						
Technical						
Provisions for Insurance, Private Pension						
Plans and						
Certificated Savings Plans	2,714	2,866	5.6	915	908	(0.8)
Borrowings and Onlendings	616	1,450	135.4	795	415	(47.8)
Leasing Operations	7	6	(14.3)	2	2	
Net Interest Income	11,945	14,793	23.8	4,951	4,867	(1.7)
Allowance for Doubtful Accounts	(1,737)	(3,223)	85.5	(1,116)	(1,169)	4.7
Gross Income from Financial						
Intermediation	10,208	11,570	13.3	3,835	3,698	(3.6)
Other Operating Income (Expense)	(4,735)	(5,083)	7.3	(1,754)	(1,541)	(12.1)
Fee and Commission Income	5,339	6,474	21.3	2,091	2,343	12.1
Operating Income from Insurance,						
Private						
Pension Plans and Certificated Savings						
Plans	358	681	90.2	240	326	35.8
(+) Net Premiums Written	11,741	13,360	13.8	4,250	4,714	10.9
(-) Reinsurance Premiums and Redeemed						
Premiums	(2,398)	(2,807)	17.1	(962)	(907)	(5.7)
(=) Retained Premiums from Insurance,						
Private Pension Plans and Certificated						
Savings Plans	9,343	10,553	13.0	3,288	3,807	15.8
Retained Premiums from Insurance	5,493	5,973	8.7	1,903	2,074	9.0
Private Pension Plans Contributions	2,816	3,562	26.5	1,044	1,381	32.3
Income on Certificated Savings Plans	1,034	1,018	(1.5)	341	352	3.2
	(1,110)	(1,946)	75.3	(466)	(901)	93.3

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

Equity (%)	30.6	30.1		33.4	33.0	
Net Income Annualized Return on Stockholders	4,051	4,743	17.1	1,602	1,611	0.6
Subsidiaries	(4)	(7)	75.0	4.600	(2)	0.5
Minority Interest in Consolidated						
Taxes on Income	(1,381)	(1,757)	27.2	(491)	(585)	19.1
Income before Taxes and Profit Sharing	5,436	6,507	19.7	2,093	2,198	5.0
Non-Operating Income	(37)	20		12	41	241.7
Operating Income	5,473	6,487	18.5	2,081	2,157	3.7
Other Operating Expenses	(2,341)	(3,026)	29.3	(1,054)	(1,013)	(3.9)
Other Operating Income	797	990	24.2	316	419	32.6
Companies	69	42	(39.1)	30	7	(76.7)
Equity in the Earnings of Affiliated						
Tax Expenses	(1,304)	(1,573)	20.6	(533)	(532)	(0.2)
Other Administrative Expenses	(3,703)	(4,199)	13.4	(1,375)	(1,507)	9.6
Personnel Expenses	(3,950)	(4,472)	13.2	(1,469)	(1,584)	7.8
Benefits and Redemptions	(1,989)	(1,819)	(8.5)	(567)	(525)	(7.4)
Expenses with Private Pension Plans						
Expenses	(12)	(13)	8.3	(4)	(6)	50.0
Certificated Savings Plans Selling						
Private Pension Plans Selling Expenses	(115)	(134)	16.5	(46)	(48)	4.3
Insurance Products Selling Expenses	(570)	(607)	6.5	(201)	(206)	2.5
Expenses	(697)	(754)	8.2	(251)	(260)	3.6
and Certificated Savings Plans Selling						
Insurance, Private Pension Plans						
Redemptions	(897)	(878)	(2.1)	(288)	(305)	5.9
Certificated Savings Plans Draws and	•			•	•	
Retained Claims	(4,292)	(4,475)	4.3	(1,476)	(1,490)	0.9
for Certificated Savings Plans	(9)	(9)		(4)	(3)	(25.0)
Variation in Technical Provisions	, ,	, ,		, ,	, ,	
Private Pension Plans	(848)	(1,400)	65.1	(320)	(747)	133.4
Variation in Technical Provisions for	()	()		()	(-)	
Insurance	(253)	(537)	112.3	(142)	(151)	6.3
Variation in Technical Provisions for						
Certificated Savings Flans						

Analysis of the Statement of Adjusted Income R\$ million

Income from Loan Operations and Leasing Result

September YTD			2006			
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
11.793	15,396	30.6	5.317	5,430	2.1	

In the period, income was up basically as a result of: (i) the increase in the volume of the loan portfolio, which totaled R\$92,013 in September/06 against R\$75,244 in September/05, i.e., a 22.3% increase, particularly in the individual client portfolio, up by 27.0%, which shows higher profitability than corporate portfolio, pointing out

portfolio there was an increase of 19.1%, pointing out lower exchange loss variation of 7.1% in the period/06, against an exchange loss variation of 16.3% in the period/05, affecting foreign currency indexed and/or denominated operations, which comprise 9.2% of total Loan and Leasing Operations, basically derived from corporate portfolio (excluding Advances on Foreign Exchange Contracts (ACC)); which was partially offset: (iii) by the decrease in average interest rates, observing the 11.5% CDI variation in the period/06, against 14.1% in the period/05.

The variation in income in the quarter was mainly due to: (i) an increase of 3.8% in the loan portfolio volume, which reached the amount of R\$92,013 in September/06, against R\$88,643 in June/06, pointing out the individual client portfolio, with a growth of 3.4%, which shows higher profitability than the corporate portfolio, pointing Auto and Personal Loan products, while in the corporate the products connected to the consumer financing, while in the corporate portfolio, there was an increase of BNDES Onlending and Operations Abroad products; 4iil)%, pointing out Operations Abroad and BNDES Onlendings products, and (ii) lower exchange gain variation of 0.5% in 3Q06, against exchange loss variation of 0.4% in 2Q06, affecting our foreign currency indexed and/or denominated operations, comprising 9.2% of total Loan and Leasing Operations, basically derived from the corporate portfolio (excluding Advances on Foreign Exchange Contracts (ACC)), which was partially mitigated: (iii) by a drop in the average interest rates, observing the 3.5% CDI variation in 3Q06, against 3.6% in 2Q06.

Income from Operations with Securities (TVM) and Derivative Financial Instruments

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
5.180	6.006	15.9	2.061	2.097	1.7

The increase in income in the period is basically due to: (i) higher non-interest income gains of R\$529; (ii) lowe(i) the lower exchange gain variation of 0.5% in 3Q06, exchange loss variation of 7.1% in the period/06, against an exchange loss variation of 16.3% in the period/05, impacting on the foreign currency indexed and/or denominated operations, comprising 9.1% of the portfolio; which was offset: (iii) by the reduction in the average interest rates, observing the 11.5% CDI variation in the period/06, against 14.1% in the period/05.

The variation in income in the quarter is mainly due to: against exchange loss variation of 0.4% in 2006, impacting on the foreign currency indexed and/or denominated operations, comprising 9.1% of the portfolio; offset by: (ii) a reduction in the average interest rates, observing the 3.5% CDI variation in 3Q06, against 3.6% in 2Q06; and (iii) lower non-interest income gains, basically due to the negative adjustment of mark-to-market of derivative financial instruments used as market risk hedge of loan operations in the country.

Financial Income on Insurance, Private Pension Plans and Certificated Savings Plans

September YTD			2006			
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
4,422	5,047	14.1	1,623	1,591	(2.0)	

The growth in the period was basically due to: (i) an increase in the volume of the securities portfolio, mainly comprising federal government bonds, which are linked products; (ii) a higher IGP-M variation of 2.3% in the period/06, against 0.2% in the period/05; (iii) higher non-interest income of R\$314 in the period/06, against R\$217 in the period/05, arising from higher gains of securities; partially mitigated by: (iv) the reduction in the average interest rates, observing the 11.5% CDI variation in the period/06, against 14.1% in the period/05.

The decrease in the quarter was substantially due to: (i) a decrease in the average interest rates, observing the 3.5% CDI variation in 3006, against 3.6% in 2006; (ii) the to technical provisions, especially VGBL and PGBR\$124 drop of non-interest income resulting from lower gains with securities; partially mitigated: (iii) by increase in the volume of securities portfolio, mainly comprising federal government bonds, which are linked to technical provisions, especially VGBL and PGBL products.

Foreign Exchange Transactions

September YTD			2006			
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
321	632	96.9	350	168	(52.0)	

This item should be analyzed deducted from expenses with foreign funding, used for import/export operation financing, in accordance with Note 11a. After the deductions, the result would be R\$170 in the period/05 and R\$255 in the period/06, mostly influenced by an increase in the average volume of foreign exchange portfolio in the period. 24

This item should be analyzed deducted from expenses with foreign funding, used for import/export operation financing, in accordance with Note 11a. After such deductions, the result would be R\$86 in 2006 and R\$96 in 3Q06, mostly influenced by an increase in the average volume of foreign exchange portfolio in the quarter.

Compulsory Deposits

September YTD			2006			
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
1.131	1.012	(10.5)	327	335	2.4	

The variation in the period is basically due to: (i) a reduction in the SELIC rate of 11.5% in the period/06, against 14.1% in the period/05, used to remunerate the additional compulsory deposit; (ii) a reduction in 2.2% in the period/05, which composes the remuneration of compulsory deposit over savings deposits; which was offset: (iii) by the increase in the average volume of deposits in the period.

The variation in the quarter is basically due to: (i) an increase in the average volume of deposits in the quarter; (ii) an increase in Reference Rate TR from 0.5% in 2006 to 0.6% in 3Q06; offset: (iii) by the reduction in SELIC Reference Rate TR from 1.6% in the period/06 against rate from 3.6% in 2006 to 3.5% in 3006, used to remunerate the additional compulsory deposit.

Market Funding Operations Expenses

25

September YTD			2006			
2005 2006 Variation %			2 nd Qtr.	3 rd Qtr.	Variation %	
7,572	8,984	18.6	3,017	3,431	13.7	

The variation in the period is mostly due to: (i) the increase in the average funding balance; (ii) lower exchange loss variation of 7.1% in the period/06, against exchange loss variation of 16.3% in the period/05, impacting the foreign currency indexed and/or denominated funding; which was offset by: (iii) reduction in the average interest rates, observing the 11.5% CDI variation in the period/06, against 14.1% in the period/05, mainly affecting the time deposits expenses and purchase and sale commitments; and (iv) a reduction in Reference TR from 2.2% in the period/05 to 1.6% in the period/06, impacting on the remuneration of savings deposits.

The growth in the quarter mainly derives from: (i) the increase in the average funding balance in 3Q06; (ii) exchange gain variation of 0.5% in 3006, against exchange loss variation of 0.4% in 2Q06, impacting on the foreign currency indexed and/or denominated funding; which was offset: (iii) by reduction in the average interest rates, observing the 3.5% CDI variation in the 3006, against 3.6% in 2006, mainly affecting the time deposits expenses and purchase and sale commitments.

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

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
2,714	2,866	5.6	915	908	(0.8)

average balance of technical provisions, especially PGBL drop in the average interest rates, observing the 3.5% CDI and VGBL products; (ii) higher IGP-M variation of 2.3% ariation in 3Q06, against 3.6% in 2Q06; partially in the period/06, against 0.2% in the period/05, one of the mitigated by: (ii) higher average balance of technical indexes which also remunerates the technical provisions; partially mitigated: (iii) by the reduction in the average interest rates, observing the 11.5% CDI variation in the period/06, against 14.1% in the period/05.

The increase in the period is basically due to: (i) higher The decrease in the quarter is basically due to: (i) the provisions, especially PGBL and VGBL products.

Borrowings and Onlendings Expenses

September YTD			2006			
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
616	1,450	135.4	795	415	(47.8)	

The variation in the quarter is mainly due to the lower exchange loss variation of 7.1% in the period/06, against exchange loss variation of 16.3% in the period/05, impacting on foreign currency indexed and/or denominated borrowings and onlendings, which represent 36.3% of the Borrowings and Onlendings portfolio. 26

The decrease in the quarter is basically due to the lower expense with bankers abroad R\$353, due to the lower volume of these operations.

Net Interest Income

September YTD			2006			
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
11,945	14,793	23.8	4,951	4,867	(1.7)	

The variation of R\$2,848 in net interest income is composed of: (i) increase in interest income operations of R\$2,266, mainly due to a growth in the business volume; and (ii) higher non-interest income of R\$582, basically asically due to the negative adjustment of due to higher securities and treasury gains.

The variation of R\$(84) in net interest income is composed of: (i) the reduction in non-interest income of R\$293, mostly due to lower TVM and treasury gains, mark-to-market of derivative financial instruments used as market risk hedge of loan operations in the country; offset: (ii) by the increase in interest income operations of R\$209, mainly due to the growth in business volume.

Allowance for Doubtful Accounts Expenses

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
1,737	3,223	85.5	1,116	1,169	4.7

The increased expense in the period of R\$1,486 is compatible with the performance of our loan portfolio, which evolved 22.3%, that is, R\$16,769, over the past 12 months, pointing out to the strong growth of the individual client portfolio with 27.0% or R\$8,245 in the period, jointly with the deterioration of the payment capacity of our clients-individuals. 27

We recorded surplus provision of R\$27 in 2Q06 and R\$12 in 3Q06. Excluding such effects, the expense would be R\$1,089 in 2Q06 and R\$1,157 in 3Q06, a R\$68 growth or 6.2%, according to the loan portfolio growth, mitigated by the stable delinquency ratio in 3Q06.

Fee and Commission Income

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
5,339	6,474	21.3	2,091	2,343	12.1

The increase in the period is mainly due to a hike in the volume of operations, combined with a growth in the client base and improvement in the segmentation process, pointing out: (i) card income R\$288, basically by the consolidation of Amex Brasil in 3Q/06 R\$116; (ii) checking account R\$268; (iii) loan operations R\$191; (iv) assets under management R\$163; (v) collection R\$47; (vi) consortium management R\$41; and (vii) collection of taxes R\$36.

The variation in the quarter is mostly due to expansion of businesses, substantially reflecting on: (i) income on cards R\$160, basically by the consolidation of Amex Brasil in 3Q06 R\$116; (ii) checking account R\$22; (iii) assets under management R\$21; and (iv) loan operations R\$14.

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

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
9,343	10,553	13.0	3,288	3,807	15.8

The growth is detailed in the charts below:

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

a) Retained Premiums from Insurance

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
5,493	5.973	8.7	1.903	2.074	9.0

The growth in the period basically resulted from: (i) the increase in Health insurance production, substantially due to the corporate plan R\$229; (ii) the increase in Life insurance production R\$122; (iii) the increase in DPVAT business volume R\$83; (iv) the recording, in the period/06 of premiums of effective and non-issued risks, which had its accounting system changed by means of the Circular SUSEP 314 in the Auto segment R\$91 and in the Basic Lines R\$30; partially **mitigated**: (v) by the reduction of Auto insurance production, due to the fee policy adjustment in search for a better profile of the insured, with the purpose of making the product more competitive and balance the portfolio result R\$68.

The growth in the quarter is mainly due to: (i) the recovery in the production of the Auto segment R\$84, due to the adjustment made in the tariff, which enabled the increase in production, mainly in the segment of passenger vehicles and light pick-ups, in addition to maintain the portfolio balance by the higher attractiveness for clients with a better profile; (ii) the increase in Health insurance sales, basically by the corporate plan, R\$27, due to the annual readjustment of the premiums by the variation of the medical-hospital costs; and (iii) the supplementary recording, in 3Q06, of premiums of effective and non-issued risks, which had its accounting system changed by means of the Circular SUSEP 314 in the Auto segment R\$65.

b) Private Pension Plans Contributions

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
2,816	3,562	26.5	1,044	1,381	32.3

The increase in the period is due to: (i) the recovery in the The growth in the quarter is mainly due to the higher sale sales of VGBL R\$1,170; mitigated by: (ii) the increase important VGBL product R\$321. the volume of redemption of VGBL R\$398. The N.B.: according to SUSEP, the recording of VGBL period/2005 was influenced by uncertainties generated by redemptions reduces the retained contributions. changes in the tax legislation, temporarily affecting business in that period.

 ${f N.B.}$: according to SUSEP, the recording of VGBL redemptions reduces the retained contributions.

c) Income on Certificated Savings Plans

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
1,034	1,018	(1.5)	341	352	3.2

The variation in the period largely shows the reduction in The growth in the quarter is mainly due to the larger R\$1,000.00 and R\$100.00.

the sales volume of the single payment products of volume of sale of Pé Quente GP Ayrton Senna (in partnership with Instituto Ayrton Senna), Pé Quente Bradesco SOS Mata Atlântica (in partnership with Fundação SOS Mata Atlântica) and Pé Quente Bradesco 1000 products, as well as the launching of Pé Quente Bradesco SOS Mata Atlântica 300 product.

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

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(1,110)	(1,946)	75.3	(466)	(901)	93.3

The variation is detailed in the charts below:

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

a) Variation in Technical Provisions for Insurance

	September YTD			2006	
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(253)	(537)	112.3	(142)	(151)	6.3

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The premium variations occurred in the period/06 were comprised of: (i) higher constitution of premium provisions in the Health portfolio R\$320 (R\$244 of additional provision in the portfolio of

R\$25; (ii) constitution of provision of effective and non-issued risks (PPNG), previously recorded in memorandum accounts in compliance with the Circular SUSEP 314 in the Auto segment R\$82 and Basic Lines R\$30; mitigated: (iii) by the reversal of provision of the Auto segment R\$31.

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The main variation occurred in 3006 were comprised of: (i) higher constitution of technical provision in the Auto segment R\$54, Health portfolio R\$30, Life segment R\$27 and Basic Lines R\$8; and (ii) Individual Health), Life R\$111 and Basic Lines segment complement of the establishment of provision of effective and non-issued risks (PPNG), previously recorded in memorandum accounts in compliance with the Circular SUSEP 314, in the Auto segment R\$32.

b) Variation in Technical Provisions for Private Pension Plans

September YTD			2006			
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
(848)	(1,400)	65.1	(320)	(747)	133.4	

Variations in technical provisions are directly related to production, combined with benefits and redemptions. The variations in the period are mainly due to the increase in sales of VGBL R\$774.

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Variations in technical provisions are directly related to production, combined with benefits and redemptions. The variations in the quarter are mainly due to the higher sale of VGBL product R\$353.

c) Variation in Technical Provisions for Certificated Savings Plans

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(9)	(9)		(4)	(3)	(25.0)

In this period, constitution of provision is mainly due to the constitution of technical provision for draws to carry out and for contingency. There was no relevant variation between the periods. In this quarter, constitution of provision is mainly due to the constitution of technical provision for draws to carry out and for contingency. There was no relevant variation between the periods.

Retained Claims

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(4,292)	(4,475)	4.3	(1,476)	(1,490)	0.9

The growth in the period is due to: (i) an increase in reported claims in the Life R\$78, Auto R\$46 and DPVAT R\$104 segments, this last one influenced by the IBNR provision complement, to comply with the CNSP Resolution 138, which mentions that the difference between the amount accumulated by the assets ensuring the IBNR provision and the balance of this provision must be fully recorded in IBNR expenses; **mitigated**: (ii) by the reduction of reported claims of Basic Lines R\$31 and Health R\$14 segment.

N.B.: Despite the nominal increase, the claims ratio decreased from 81.4% to 78.3%.

The variation in the quarter is due to: (i) the increase in Life R\$12, Health R\$6 and Basic Lines R\$6 segments; **mitigated**: (ii) by the decrease in reported claims of the Auto R\$9 and DPVAT R\$1 segments.

N.B.: Between the quarters, the claims ratio decreased from 79.9% to 77.8% .

Certificated Savings Plans Draws and Redemptions

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(897)	(878)	(2.1)	(288)	(305)	5.9

The redemptions are directly related to revenue. The The redemptions are directly related to revenue. The from certificated savings plans.

variation in the period is due to the decrease in revenues variation in the quarter is due to increase in revenues from certificated savings plans.

Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(697)	(754)	8.2	(251)	(260)	3.6

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

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(570)	(607)	6.5	(201)	(206)	2.5

The increase in the period basically results from the In nominal terms, selling expenses remained practically growth in insurance sales, specially in the Auto R\$19 and Life R\$16 segments. In the sale/received premium ratio, there was a slight drop in the indexes (11.4% in the period/05 and 11.3% in the period/06).

steady in 3Q06 when compared to 2Q06. In the sale/received premiums ratio, there was a slight drop in the indexes (11.4% in 2Q06 and 11.3% in 3Q06).

b) Private Pension Plans Selling Expenses

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(115)	(134)	16.5	(46)	(48)	4.3

The variation in the period is mainly a result of the In nominal terms, sales expenses remained practically increase in selling expenses of the traditional plans R\$18. stable in 3Q06 compared to 2Q06.

c) Certificated Savings Plans Selling Expenses

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(12)	(13)	8.3	(4)	(6)	50.0

period/06 in relation to the period/05.

In nominal terms, selling expenses remained steady in the The variation in the quarter derives from higher selling expenses due to the use of Fundação SOS Mata Atlântica brand.

Private Pension Plans Benefits and Redemptions Expenses

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(1.989)	(1,819)	(8.5)	(567)	(525)	(7.4)

The variation in the period was derived from: (i) lower volume of redemptions in PGBL R\$91 and in traditional plans R\$117; **mitigated**: (ii) by the higher volume of benefits granted R\$38.

The variation in the quarter is mainly due to: (i) the lower volume of redemptions in traditional plans R\$58 and PGBL R\$12; **mitigated**: (ii) by the higher volume of benefits granted R\$28.

Personnel Expenses

	September YTD		2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(3.950)	(4.472)	13.2	(1.469)	(1.584)	7.8

The variation in the period is mainly due to: (i) the increase in salary levels, resulting from the 2006 collective bargaining agreement (3.5%) which had an impact of R\$87, of which supplementary PLR was R\$63, labor liabilities was R\$14 and increase in payroll was R\$10; (ii) the higher expenses with provision for labor proceedings R\$103; (iii) the consolidation of BEC, Fidelity and Amex Brasil R\$93; (iv) higher expenses of PLR R\$59; and (v) the increase in salary levels resulting from the 2005 collective bargaining agreement (6.0%), benefits and other R\$180.

The variation in the quarter is basically due to: (i) the increased salary levels resulting from the 2006 collective bargaining agreement (3.5%) which affected in R\$87 of which supplementary PLR was R\$63, labor liabilities restatement was R\$14 and increase in payroll was R\$10; and (ii) higher expenses in view of the consolidation n of Amex Brasil R\$36.

Other Administrative Expenses

September YTD			2006		
2005	2006 Variation %				Variation %
(3.703)	(4.199)	13.4	(1.375)	(1.507)	9.6

The increase in the period is basically due to: (i) the increase in the client base and businesses; (ii) the consolidation of BEC/Amex Brasil in the period/06; (iii) the contractual adjustments; and (iv) the investments in the improvement and optimization of the technological platform (IT).

The variation in the quarter basically derives from the higher expenses with: (i) the consolidation of Amex Brasil R\$75; (ii): third-party services R\$39; (iii) data processing R\$4; and (iv) depreciation and amortization R\$5.

Tax Expenses

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(1,304)	(1,573)	20.6	(533)	(532)	(0.2)

The increase in the period basically derives from: (i) In nominal terms, tax expenses remained practically PIS/COFINS increased expenses by R\$205 in view of the increase of taxable income; and (ii) ISS increased expenses R\$38.

stable in 3Q06 compared to 2Q06.

Equity in the Earnings of Affiliated Companies

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
69	42	(39.1)	30	7	(76.7)

The variation in the period is substantially due to: (i) lower results obtained in IRB Brasil-Resseguros R\$53; which was partially offset: (ii) by the positive result reached in Bradesco Templeton R\$24.

The reduction in the quarter substantially derives from lower results obtained in the affiliated companies in 3Q06, when compared to 2Q06, basically at Bradesco Templeton R\$23.

Other Operating Income

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
797	990	24.2	316	419	32.6

The increase in the period is basically due to: (i) higher net interest income R\$142; and (ii) higher revenues of recovery of charges and expenses R\$64.

The increase in the quarter is basically due to: (i) the reversal of operating provisions R\$64, and (ii) higher net interest income R\$25.

Other Operating Expenses

September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(2,341)	(3,026)	29.3	(1,054)	(1,013)	(3.9)

The increase in the period is mostly due to: (i) higher interest expenses R\$314; (ii) higher expenses with operating provisions R\$95; (iii) increase in sundry losses R\$72; and (iv) increase in the costs of products sold and services rendered R\$58.

The variation in the quarter basically derives from: (i) lower goodwill amortization R\$123; (ii) lower operating provision constitution R\$26; partially offset by: (iii) the increase in sundry losses R\$63; and (iv) higher interest expenses R\$43.

Operating Income

September YTD			2006			
2005	2006	Variation % 2 nd Qt		2 nd Qtr. 3 rd Qtr.		
5,473	6,487	18.5	2,081	2,157	3.7	

The increase in the period derives from: (i) higher net interest income R\$2,848; (ii) increased fee and commission income R\$1,135; (iii) increase in contribution margin of insurance, private pension plans and certificated savings plans operations R\$323; partially offset by: (iv) higher allowance for doubtful accounts expenses R\$1,486; (v) higher tax expenses R\$269; (vi) increased personnel and administrative expenses R\$1,018; and (vii) increased operating expenses (net of income) R\$492; and (viii) the decrease in the equity in the earnings of affiliated companies R\$27.

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

The variation in the quarter derives from: (i) increased fee and commission income R\$252; (ii) decreased operating expenses (net of income) R\$145; (iii) increase in contribution margin of insurance, private pension plans and certificated savings plans operations R\$86; (iv) lower tax expenses R\$1; partially offset by: (v) increased personnel and administrative expenses R\$248; (vi) lower net interest income R\$84; (vii) higher allowance for doubtful accounts expenses R\$53; and (viii) the decrease in the equity in the earnings of affiliated companies R\$23. **N.B.**: For a more detailed analysis of the variation of each item, we recommend the reading of each specific item.

Non-Operating Income

September YTD				2006	
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(37)	20		12	41	241.7

reversals of non-operating provisions R\$55.

The variation in the period is mainly due to higher The variation in the quarter is substantially due to higher reversals of non-operating provisions R\$29.

Taxes on Income

September YTD			2006			
2005 2006 Variation %			2 nd Qtr. 3 rd Qtr. Variation			
(1,381)	(1,757)	27.2	(491)	(585)	19.1	

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

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

Comparative Balance Sheet R\$ million

R\$ million

Assets	September V		Variation	2006		Variation
	2005	2006	%	June	September	%
Current and Long-Term Assets	197,383	239,479	21.3	227,156	239,479	5.4
Funds Available	2,600	3,947	51.8	3,161	3,947	24.9
Interbank Investments	24,150	34,363	42.3	27,569	34,363	24.6
Securities and Derivative Financial						
Instruments	64,248	73,022	13.7	70,382	73,022	3.8
Interbank and Interdepartmental						
Accounts	16,458	17,949	9.1	18,212	17,949	(1.4)
Restricted Deposits:						
Brazilian Central Bank	15,430	16,993	10.1	16,948	16,993	0.3
Other	1,028	956	(7.0)	1,264	956	(24.4)
Loan and Leasing Operations	65,492	79,907	22.0	76,678	79,907	4.2
Loan and Leasing Operations	69,984	86,041	22.9	82,371	86,041	4.5
Allowance for Doubtful Accounts	(4,492)	(6,134)	36.6	(5,693)	(6,134)	7.7
Other Receivables and Assets	24,435	30,291	24.0	31,154	30,291	(2.8)
Foreign Exchange Portfolio	8,140	8,620	5.9	10,123	8,620	(14.8)
Other Receivables and Assets	16,450	21,752	32.2	21,171	21,752	2.7
Allowance for Other Doubtful Accounts	(155)	(81)	(47.7)	(140)	(81)	(42.1)
Permanent Assets	4,530	3,713	(18.0)	5,779	3,713	(35.8)
Investments	1,038	1,019	(1.8)	1,045	1,019	(2.5)
Property, Plant and Equipment in Use						
and Leased Assets	2,054	2,082	1.4	2,092	2,082	(0.5)
Deferred Charges	1,438	612	(57.4)	2,642	612	(76.8)
Deferred Charges	534	612	14.6	587	612	4.3
Goodwill on Acquisition of						
Subsidiaries,						
Net of Amortization	904			2,055		
Total	201,913	243,192	20.4	232,935	243,192	4.4
Liabilities						
Current and Long-Term Liabilities	183,542	221,190	20.5	211,261	221,190	4.7
Deposits	71,095	78,853	10.9	78,356	78,853	0.6
Demand Deposits	14,774	17,598	19.1	16,646	17,598	5.7
Savings Deposits	24,791	25,415	2.5	24,835	25,415	2.3
Interbank Deposits	89	173	94.4	163	173	6.1
Time Deposits	31,262	35,376	13.2	36,435	35,376	(2.9)
Other Deposits	179	291	62.6	277	291	5.1
Federal Funds Purchased and Securities						
Sold under Agreements to Repurchase	24,538	36,264	47.8	29,258	36,264	23.9
Funds from Issuance of Securities	6,161	6,097	(1.0)	6,201	6,097	(1.7)

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Securities Issued Abroad	2,573	2,521	(2.0)	2,741	2,521	(8.0)
Other Funds	3,588	3,576	(0.3)	3,460	3,576	3.4
Interbank and Interdepartmental	,	•	. ,	,	•	
Accounts	1,883	1,914	1.6	1,963	1,914	(2.5)
Borrowings and Onlendings	15,241	16,640	9.2	15,485	16,640	7.5
Borrowings	6,470	5,767	(10.9)	5,502	5,767	4.8
Onlendings	8,771	10,873	24.0	9,983	10,873	8.9
Derivative Financial Instruments	1,043	508	(51.3)	396	508	28.3
Technical Provisions for Insurance,						
Private Pension Plans and Certificated						
Savings Plans	38,235	45,719	19.6	43,947	45,719	4.0
Other Liabilities	25,346	35,195	38.9	35,655	35,195	(1.3)
Foreign Exchange Portfolio	4,042	3,290	(18.6)	4,679	3,290	(29.7)
Taxes and Social Security						
Contributions,						
Social and Statutory Payables	6,647	8,307	25.0	8,342	8,307	(0.4)
Subordinated Debt	6,499	11,767	81.1	10,903	11,767	7.9
Sundry	8,158	11,831	45.0	11,731	11,831	0.9
Future Taxable Income	55	173	214.5	158	173	9.5
Minority Interest in Consolidated						
Subsidiaries	54	56	3.7	55	56	1.8
Stockholders Equity	18,262	21,773	19.2	21,461	21,773	1.5
Total	201,913	243,192	20.4	232,935	243,192	4.4

Equity Analysis R\$ million

Funds Available

September YTD			2006			
2005 2006 Variation %			June September Variation			
2,600	3,947	51.8	3,161	3,947	24.9	

The variation in the period is due to: (i) the increase in the volume of funds available in domestic currency R\$1,086; and (ii) the increase in the volume in foreign currency R\$261.

The variation in the quarter is due to: (i) the increased volume in domestic currency R\$764; and (ii) the increase in the volume of funds available in domestic currency R\$22.

Interbank Investments

September YTD			2006		
2005 2006 Variation %			June	September	Variation %
24,150	34,363	42.3	27,569	34,363	24.6

The growth in the period derives from: (i) the increase in open market investments, own portfolio position in the amount of R\$9,641; (ii) the increase in third-party portfolio position in the amount of R\$1,250; partially **offset** (iii) by the decrease in investments in interbank deposits of R\$678.

The variation in the quarter is due to: (i) the increase in own portfolio position in the amount of R\$3,610; (ii) the growth in open market investments, third-party portfolio position in the amount of R\$1,948; and (iii) the increase in investments in interbank deposits of R\$1,236.

Securities (TVM) and Derivative Financial Instruments

September YTD			2006			
2005 2006 Variation %			June	September	Variation %	
64,248	73.022	13.7	70,382	73,022	3.8	

The increase in the period is mainly due to: (i) additional funds derived from the increase in funding, particularly technical provisions for insurance, private pension plans and certificated savings plans, as well as the issuance of subordinated debt of R\$4,504; (ii) the variation in average interest rates, observing the 16.4% CDI variation in the period, partially mitigated by: (iii) exchange loss variation of 2.2% in the period, impacting on foreign currency indexed and/or denominated securities, which comprise 9.1% of the portfolio; and (iv) the redemption/maturity of securities. The portfolio profile (excluded from purchase and sale commitments), based on Management s intent, is distributed as follows:

Trading Securities 57.9%; Securities Available for Sale 35.6%; and Securities Held to Maturity 6.5%. In September/06, 47.8% of the total portfolio (excluded from purchase and sale commitments) was represented by Government Bonds, 19.6% by Private Securities and 32.6% by PGBL and VGBL fund quotas.

Interbank and Interdepartmental Accounts

The variation in the quarter partially reflects: (i) additional funds arising from increased funding, especially the technical provisions for insurance, private pension plans and certificated savings plans; (ii) the variation in average interest rates, observing the 3.5% CDI variation (iii) exchange gain variation of 0.5% in 3Q06, impacting on foreign currency indexed and/or denominated securities, which comprise 9.1% of the portfolio; partially **mitigated**: (iv) by the redemption/maturity of securities.

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
16,458	17,949	9.1	18,212	17,949	(1.4)

The variation for the period basically reflects: (i) the increase in volume of compulsory demand deposits of R\$938, due to an expansion in average balance of these deposits, basis for payment in respective periods, from R\$14,749 in September/2005 to R\$18,540 in September/2006; (ii) the increase in the volume of the compulsory of savings accounts deposits of R\$106 referring to the increase in the balance of these deposits by 2.5% in the period; and (iii) the increase in the additional compulsory on these deposits R\$519.

The reduction in the quarter basically results from the decrease in the item Checks Clearing and Other Securities Services R\$261, in view of accounts balance, represented by checks and other documents, at the end of the quarter.

Loan and Leasing Operations

September YTD			2006		
2005 2006 Variation %			June	September	Variation %
75.244 92.013 22.3			88.643	92.013	3.8

The increase in the period was mainly due to: (i) the individual client portfolio, with a 27.0% growth, in Loan, up by 29.6%, reflecting the operating agreements economic scenario. The 4.1% growth recorded in the with retailers, resulting from a stable economic scenario. In the corporate portfolio, the growth rate was of 19.1%, as a result of the 25.6% increase in small and medium-sized companies (SME) portfolio, coupled with a 13.1% increase in the portfolio of large companies (Corporate). In the corporate portfolio we point out the products.

with an increase of 67.4%, as a result of the maintenance of the economic activity level; partially offset by: (ii) exchange loss variation of 2.2% in the period, impacting on foreign currency indexed and/or denominated contracts, comprising 9.2% of the total portfolio. In September/06, the portfolio was distributed at 57.8% for corporate (25.6% of which was directed to industry, public and private sectors, 14.3% to commerce, 15.6% to services, 1.3% to agribusiness and 1.0% to financial intermediation) and 42.2% for individuals. In terms of concentration, the 100 largest borrowers accounted for 22.9% of the portfolio in September/05 and for 22.6% in September/06. The Loan Portfolio under Normal Course reached the amount of R\$84,282 in September/06. Out of this total, 34.5% is falling due within up to 90 days.

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

The growth of the quarter is mainly due to: (i) individual client portfolio, with a 3.4% growth, especially in the particular in the Auto products, up by 28.1% and PersonaAuto products, with a 4.2% increase, reflected by a stable corporate portfolio results from the 4.0% increase in the portfolio of small and medium-sized companies (SME) and the increase of 4.2% in the portfolio of large companies (Corporate). In the corporate portfolio, we point out the increase of 10.6% in BNDES Onlending, the increase of 7.9% in leasing and Operations Abroad, with a 28.7% increase, as a result of the maintenance of the BNDES Onlending up by 26.1% and Operations Abroadonomic activity level; and (ii) exchange gain variation of 0.5% in 3Q06, impacting foreign currency indexed and/or denominated contracts, which account for 9.2% of total portfolio. In terms of concentration, the 100 largest borrowers accounted for 22.7% of the portfolio in June/06 and 22.6% in September/06.

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

Allowance for Doubtful Accounts (PDD)

September YTD			2006			
2005	2006	Variation %	June	September	Variation %	
(4.647)	(6.215)	33.7	(5.833)	(6.215)	6.5	

The variation in the PDD balance for the period was mostly due to: (i) a 22.3% increase in the volume of loan operations, pointing out individual clients operations, with a 27.0% increase, which due to its specific feature, requires a higher volume of provisioning. PDD ratio in relation to the loan portfolio increased from 6.2% in September/05 to 6.8% in September/06, and provision coverage ratio in relation to the loan portfolio under abnormal course, respectively, rated between E and H, decreased from 191.5% in September/05 to 156.0% in September/06, and between D and H, reduced from 159.6% in September/05 to 131.1% in September/06. However, the preventive maintenance of high provision levels made all performance indicators remain in adequate levels. In the period, PDD in the amount of R\$3,993 was recorded, was incorporated R\$102 arising from acquired institutions and R\$2,527 was written off. The exceeding PDD volume in relation to the minimum required increased from R\$952 in September/05 to R\$1 ,092 in September/06.

The increase in the PDD balance in the quarter basically reflects a 3.8% growth of the loan portfolio in the quarter, particularly, the individual client portfolio with an 3.4% growth, which due to its specific features, demands a higher provisioning volume. The PDD ratio in relation to the loan portfolio increased from 6.6% in June/06 to 6.8 % in September/06, and the provision coverage ratios in relation to the loan portfolio under abnormal course, respectively, rated from E to H, decreased from 157.3% in June/06 to 156.0% in September/06, and those rated from D to H increased from 129.1% in June/06 to 131.1% in September/06. However, the preventive maintenance of high provision levels made all performance indicators remain in adequate levels. In the quarter, PDD in the amount of R\$1,168 was recorded, and R\$786 was written off. The exceeding PDD volume in relation to the minimum required increased from R\$1,080 in June/06 to R\$1,092 in September/06.

Other Receivables and Assets

September YTD			2006		
2005 2006 Variation %			June	September	Variation %
24,060	29.887	24.2	30.789	29.887	(2.9)

The variation in the period is basically due to: (i) a R\$2,259 increase in credit cards operations, not included in loan operations, basically for the consolidation of Amex Brasil R\$1,203 acquired in 2Q06; (ii) the increase in the foreign exchange operations R\$480; (iii) deposits in guarantee R\$1,364; and (iv) the increase in the Commission of Vehicle Financing account R\$273.

N.B.: balances are deducted (net of corresponding PDD) of R\$375 in September/05 and of R\$404 in

The decrease in the quarter is basically due to: (i) a R\$1,503 reduction in the foreign exchange portfolio; offset by: (ii) tax credit R\$1,045 basically recorded on the full goodwill amortization; and (iii) deposits in guarantee R\$427.

N.B.: balances are deducted (net of corresponding PDD) of R\$365 in June/06 and of R\$404 in September/06, allocated to the Loan and Leasing Operations and Allowance for Doubtful Accounts items.

September/06, allocated to the Loan and Leasing Operations and Allowance for Doubtful Accounts items.

Permanent Assets

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
4,530	3,713	(18.0)	5,779	3,713	(35.8)

The variation in the period is mostly due to: (i) the goodwill verified in the acquisition of investments, mainly Amex Brasil and BEC R\$1,652; partially offset by: (ii) full goodwill amortization.

The variation in the quarter was substantially due to the full goodwill amortization at the amount of R\$2,109 of which R\$2,055 refers to the balance on the reference date of 6.30.2006 and R\$54 refers basically to the goodwill complement reached in Amex Brasil.

Deposits

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
71,095	78,853	10.9	78,356	78,853	0.6

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

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

a) Demand Deposits

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
14,774	17,598	19.1	16,646	17,598	5.7

The increase in the period is due to the growth in client The variation in the quarter is due to funds stemming individuals R\$874 and corporations R\$1,950.

base. The evolution of R\$2,824 is composed of: from individuals R\$288 and funds from corporate clients R\$724.

b) Savings Deposits

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
24,791	25,415	2.5	24,835	25,415	2.3

remuneration of deposits (TR + 0.5% p.m.) reaching 8.5%, in the period; which was mitigated: (ii) by withdrawals occurred in the period.

The increase in the period is basically due to: (i) the The increase in the quarter is basically due to: (i) the remuneration of deposits (TR + 0.5% p.m.) reaching 2.1% in the quarter.; which was mitigated: (ii) by withdrawals occurred in the quarter

c) Time Deposits

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
31,262	35,376	13.2	36,435	35,376	(2.9)

The increase in the period is basically due to (i) the deposit remuneration; which was mitigated: (ii) by migration of funds to other funding forms by institutional investors, mainly by means of issuance of debentures and subordinated debts.

The decrease in the quarter is mostly due to (i) migration of funds to other funding forms by institutional investors, mainly by means of issuance of debentures, which was mitigated: (ii) by the deposit remuneration of 3Q06.

d) Interbank Deposits and Other Deposits

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
268	464	73.1	440	464	5. 5

The variation in the period results from: (i) a hike in the The variation in the quarter results from: (i) the increase volume of the Interbank Deposits account R\$84; and (ii) the volume of Interbank Deposits account R\$10; and increase in the account Other Deposits Investmen(ii) the increase in the account Other Deposits Account R\$112.

Federal Funds Purchased and Securities Sold under Agreements to Repurchase

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
24.538	36.264	47.8	29.258	36.264	23.9

The variation of balance in the period mainly derives from: (i) an increase in funding volume, using the funds backed by debentures issued of R\$10,115; and (ii) an increase in third-party portfolio R\$1,249.

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\$8,238 in September/05 and R\$6,187 in September/06.

Funds from Issuance of Securities

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The increase of balance in the quarter derives from: (i) an increase in funding volume, using the funds backed by debentures issued of R\$4,394; (ii) an increase in the third-party portfolio R\$2,526; which was **offset:** (iii) by the decrease in the unrestricted portfolio R\$575.

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\$5,175 in June/06 and R\$6,187 in September/06.

September YTD			2006		
2005	2006	Variation %	June	September	Variation %
6,161	6,097	(1.0)	6,201	6,097	(1.7)

The drop in the period basically derives from: (i) decreased balance of securities issued abroad, mainly in view of the redemptions of Eurobonds, overdue and not renewed; and (ii) exchange loss variation of 2.2% in the period, which impacted on the funds from issuance of securities abroad, the balances of which were R\$2,574 in September/05 and R\$2,521 in September/06, as per Note 16c.

In the quarter, the decrease mostly occurred due to: (i) decrease in the balance of securities issued abroad by R\$220; mainly by the settlement of part of the Eurobonds operations; which was offset: (ii) by the increase of funds of securities in the Country R\$116, basically by the interest appropriation.

Interbank and Interdepartmental Accounts

	September YTD			2006		
2005	2006	Variation %	June	September	Variation %	
1,883	1,914	1.6	1,963	1,914	(2.5)	

volume of foreign currency payment orders.

The variation in the period is mainly due to higher The variation in the quarter is basically due to lower volume of foreign currency payment orders.

Borrowings and Onlendings

September YTD				2006	
2005	2006	Variation %	June	September	Variation %
15,241	16,640	9.2	15,485	16,640	7.5

The variation in the period is due to: (i) the increase in the volume of funds from domestic loans and onlendings, mainly by means of BNDES at the amount of R\$1,441 and FINAME R\$603; offset: (ii) by exchange loss variation of 2.2% in the period, which impacted on the foreign currency indexed and/or denominated loans and onlendings liabilities, the balances of which were R\$6,460 in September/05 and R\$5,699 in September/06.

The variation in the quarter mainly results from: (i) the increase in the volume of funds from domestic loans and onlendings, mainly by means of BNDES R\$590 and FINAME R\$219; and (ii) the exchange gain variation of 0.5% in the quarter, which impacted on the foreign currency indexed and/or denominated loans and onlendings liabilities, the balances of which were R\$5,480 in June/06 and R\$5,699 in September/06.

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

	September YTD			2006	
2005	2006	Variation %	June	September	Variation %
38.235	45.719	19.6	43.947	45.719	4.0

The increase in the period is mainly due to: (i) the growth in sales of supplementary private pension plans and insurance policies, and (ii) the restatement and interest of technical provisions. The largest variations recorded insurance segment, in the provisions for the Life segment at R\$530, as well as in the provisions of the Health segment R\$437.

The increase in the quarter is basically due to: (i) the monetary restatement and interest of technical provisions; and (ii) the sales of supplementary private pension plans and insurance policies. The largest variations recorded were: (a) in the private pension segment, VGBL plans awere: (a) in the private pension segment, in VGBL plans R\$5,090 and PGBL plans at R\$1,691, and (b) in theat R\$1,245 and PGBL plans at R\$409; and (b) in the insurance segment, in Auto/RCF segment provisions at R\$118, as well as in the provisions for the Life segment R\$102.

Other Liabilities, Derivative Financial Instruments and Future Taxable Income

September YTD			2006					
2005	2006	Variation %	June	September	Variation %			
31,174	41,363	32.7	41,976	41,363	(1.5)			

The variation in the period basically derives from: (i) the issuance of Subordinated Debt R\$4,504; (ii) the increase and (iii) the increase in Credit Cards operations R\$1,617, which includes R\$1,056 from Amex Brasil.

N.B.: excludes advances on foreign exchange contracts of R\$4,729 and R\$5,487, allocated to the specific account in loan operations in September/05 and September/06, respectively.

The variation in the quarter is mainly due to the decrease in the item: (i) Negotiation and Intermediation of in the balance of items Tax and Social Security R\$1,896amounts R\$1,382; offset by: (ii) Subordinated Debt R\$523 in view of new issuances.

> N.B.: excludes advances on foreign exchange contracts of R\$5,767 and R\$5,487, allocated to the specific account in loan operations in June/06 and September/06, respectively.

Minority Interest in Consolidated Subsidiaries

	September YTD				
2005	2006	Variation %	June	September	Variation %
54	56	3.7	55	56	1.8

In the period, the Minority Interest of Consolidated In the quarter, the Minority Interest of Consolidated Subsidiaries account remained practically steady.

Subsidiaries account remained practically steady.

Stockholders Equity

	September YTD			2006	
2005	2006	Variation %	June	September	Variation %
18,262	21,773	19.2	21,461	21,773	1.5

The variation in the period is due to: (i) the appropriation of disclosed net income R\$4,813; (ii) the increase in the reserve for securities and derivatives mark-to-market adjustment R\$486; which was partially **offset** by: (iii) interest on own capital/dividends paid and provisioned R\$1,713; and (iv) treasury stock buyback R\$75.

This variation in the quarter is due to: (i) increase in reserve for securities and derivatives mark-to-market adjustment R\$316; (ii) the appropriation of disclosed net income R\$219; offset by: (iii) interest on own capital paid and provisioned R\$221; and (iv) treasury stock buy back R\$2.

2 - Main Statement of Income Information

	September YTD			Years		
	2006	2005	2004	2003	2002	2001
Revenues from Financial						
Intermediation	28,099,830	32,968,153	26,203,227	28,033,866	31,913,379	21,411,673
Loan Operations	14,942,366	16,704,318	12,731,435	12,294,528	15,726,929	11,611,236
Leasing Operations	460,362	444,389	300,850	307,775	408,563	420,365
Operations with Securities	4,373,865	5,552,008	4,921,179	7,832,965	9,527,663	7,367,600
Financial Income on Insurance, Private						
Pension Plans and						
Certificated Savings Plans	5,047,213	6,171,213	5,142,434	5,359,939	3,271,913	
Derivative Financial Instruments	1,632,757	1,983,152	1,238,890	55,192	(2,073,247)	(270,572)
Foreign Exchange Transactions	631,596	617,678	691,302	797,702	4,456,594	2,045,092
Compulsory Deposits	1,011,671	1,495,395	1,177,137	1,385,765	594,964	237,952
Expenses from Financial						
Intermediation	13,306,383	16,419,196	12,972,347	14,752,199	20,441,257	11,302,709
Market Funding Operations	8,983,735	11,285,324	8,486,003	10,535,497	10,993,327	6,986,027
Price-level Restatement and Interest on						
Technical Provisions for Insurance,						
Private Pension Plans and Certificated						
Savings Plans	2,866,294	3,764,530	3,215,677	3,120,342	2,241,283	
Borrowings and Onlendings	1,450,325	1,360,647	1,253,175	1,083,379	7,194,161	4,316,682
Leasing Operations	6,029	8,695	17,492	12,981	12,486	
Net Interest Income	14,793,447	16,548,957	13,230,880	13,281,667	11,472,122	10,108,964
Allowance for Doubtful Accounts	3,222,472	2,507,206	2,041,649	2,449,689	2,818,526	2,010,017
Gross Income from Financial						
Intermediation	11,570,975	14,041,751	11,189,231	10,831,978	8,653,596	8,098,947
Other Operating Income (Expenses)	(5,084,067)	(6,543,186)		(7,278,870)	(6,343,850)	(5,324,166)
Fee and Commission Income	6,474,130	7,348,879	5,824,368	4,556,861	3,711,736	3,472,560
Operating Income on Insurance,						
Private Pension Plans and	600.006	60 0 004	(60.645)	(4.40.000)	6 = 0.46 =	(505.040)
Certificated Savings Plans	680,086	620,991	(60,645)	(148,829)	658,165	(587,842)
Insurance, Private Pension Plans and						
Certificated Savings Plans	10.552.657	12 (47 000	12 202 677	11.706.000	10 10 4 070	0.050.050
Retained Premiums			13,283,677			8,959,259
Net Premiums Written	13,359,756	16,824,862	15,389,170	13,111,896	10,687,384	9,413,039
Reinsurance Premiums and	(2.007.000)	(2.177.772)	(2.107.402)	(1.207.000)	(550 511)	(452 500)
Redeemed Premiums	(2,807,099)	(3,177,773)	(2,105,493)	(1,385,808)	(552,511)	(453,780)
Variation in Technical Provisions for						
Insurance, Private Pension Plans and	(1.046.272)	(2.420.500)	(2.064.106)	(2 (70 1(2)	(0.704.647)	(2.402.217)
Certificated Savings Plans			(3,964,106)			
Retained Claims	(4,4/5,243)	(5,825,292)	(5,159,188)	(3,980,419)	(3,014,963)	(3,251,706)
Certificated Savings Plans Draws and	(070.040)	(1.000.040)	(1.000.007)	(1,000,554)	(720,022)	(744 400)
Redemptions	(8/8,242)	(1,228,849)	(1,223,287)	(1,099,554)	(720,932)	(744,402)

Insurance, Private Pension Plans and						
Certificated Savings Plans Selling						
Expenses	(754,006)	(961,017)	(867,094)	(762,010)	(667,527)	(689,352)
Private Pension Plans Benefits and						
Redemptions Expenses	(1,818,708)	(2,582,351)	(2,130,647)	(2,362,771)	(1,688,639)	(1,369,424)
Personnel Expenses	(4,472,207)	(5,311,560)	(4,969,007)	(4,779,491)	(4,075,613)	(3,548,805)
Other Administrative Expenses	(4,198,756)	(5,142,329)	(4,937,143)	(4,814,204)	(4,028,377)	(3,435,759)
Tax Expenses	(1,572,773)	(1,827,337)	(1,464,446)	(1,054,397)	(847,739)	(790,179)
Equity in the Earnings of Affiliated						
Companies	42,067	76,150	163,357	5,227	64,619	70,764
Other Operating Income	989,807	1,096,968	1,198,532	1,697,242	1,320,986	1,326,459
Other Operating Expenses	(3,026,421)	(3,404,948)	(2,826,136)	(2,741,279)	(3,147,627)	(1,831,364)
Operating Income	6,486,908	7,498,565	4,118,111	3,553,108	2,309,746	2,774,781
Non-Operating Income	20,074	(106,144)	(491,146)	(841,076)	186,342	(83,720)
Income before Taxes on Profit and						
Interest	6,506,982	7,392,421	3,626,965	2,712,032	2,496,088	2,691,061
	6,506,982 (1,756,597)	7,392,421 (1,869,516)	3,626,965 (554,345)	2,712,032 (396,648)	2,496,088 (460,263)	2,691,061 (502,257)
Interest						
Interest Taxes on Income						
Interest Taxes on Income Minority Interest in Consolidated	(1,756,597)	(1,869,516)	(554,345)	(396,648)	(460,263)	(502,257)
Interest Taxes on Income Minority Interest in Consolidated Subsidiaries Net Income	(1,756,597) (7,427)	(1,869,516) (8,831)	(554,345) (12,469)	(396,648) (9,045)	(460,263) (13,237)	(502,257) (18,674)
Interest Taxes on Income Minority Interest in Consolidated Subsidiaries	(1,756,597) (7,427)	(1,869,516) (8,831)	(554,345) (12,469)	(396,648) (9,045)	(460,263) (13,237)	(502,257) (18,674)
Interest Taxes on Income Minority Interest in Consolidated Subsidiaries Net Income Profitability on Stockholders' Equity	(1,756,597) (7,427) 4,742,958	(1,869,516) (8,831) 5,514,074	(554,345) (12,469) 3,060,151	(396,648) (9,045) 2,306,339	(460,263) (13,237) 2,022,588	(502,257) (18,674) 2,170,130
Interest Taxes on Income Minority Interest in Consolidated Subsidiaries Net Income Profitability on Stockholders' Equity (Annualized)	(1,756,597) (7,427) 4,742,958	(1,869,516) (8,831) 5,514,074	(554,345) (12,469) 3,060,151	(396,648) (9,045) 2,306,339	(460,263) (13,237) 2,022,588	(502,257) (18,674) 2,170,130
Interest Taxes on Income Minority Interest in Consolidated Subsidiaries Net Income Profitability on Stockholders' Equity (Annualized) Net Interest Income/Total Assets	(1,756,597) (7,427) 4,742,958 30.05%	(1,869,516) (8,831) 5,514,074 28.41%	(554,345) (12,469) 3,060,151 20.11%	(396,648) (9,045) 2,306,339 17.02%	(460,263) (13,237) 2,022,588 18.65%	(502,257) (18,674) 2,170,130 22.22%

	2006				2005			
	3 rd Qtr.	2 nd Qtr.	1st Qtr.	4 th Qtr.	3 rd Qtr.	2 nd Qtr.	1st Qtr.	4 th Qtr.
Revenues from Financial								
Intermediation Loan Operations	9,624,065 5,258,086	9,678,900 5,166,814	8,796,865 4,517,466	10,114,120 5,220,326	8,371,118 4,296,030	6,710,887 3,478,848	7,772,028 3,709,114	6,201,944 3,102,037
Leasing	3,230,000	3,100,014	4,517,400	3,220,320	4,270,030	3,470,040	3,707,114	3,102,037
Operations	174,990	151,474	133,898	128,647	133,604	95,551	86,587	85,556
Operations with Securities	1 702 642	1 522 264	1 047 050	2 226 954	1 257 055	202.906	1 655 202	750 401
Financial Income	1,793,642	1,532,264	1,047,959	2,236,854	1,357,055	302,896	1,655,203	758,491
on Insurance,								
Private Pension								
Plans and								
Certificated Savings Plans	1,591,834	1,622,810	1,832,569	1,748,960	1,515,755	1,464,488	1,442,010	1,379,157
Derivative	1,391,034	1,022,610	1,032,309	1,740,900	1,313,733	1,404,400	1,442,010	1,379,137
Financial								
nstruments	303,403	528,246	801,108	118,208	586,559	923,238	355,147	529,925
Foreign								
Exchange	167 557	240.707	114 242	206.060	90.074	50 750	172 077	20 615
Operations Compulsory	167,557	349,797	114,242	296,868	89,974	58,759	172,077	28,645
Deposits	334,553	327,495	349,623	364,257	392,141	387,107	351,890	318,133
Expenses from	,	•	,	,	,	,	,	•
Financial								
ntermediation	4,756,794	4,729,262	3,820,327	5,510,528	4,034,524	2,763,910	4,110,234	2,686,069
Market Funding Operations	3,430,965	3,016,360	2,536,410	3,713,534	2,897,471	1,864,385	2,809,934	1,709,830
Price-level	3,730,703	3,010,300	2,330,710	3,713,334	2,077,471	1,004,505	2,007,734	1,707,030
Restatement and								
nterest on								
Technical								
Provisions for								
nsurance, Private								
Pension Plans								
and Certificated								
avings Plans	907,865	915,781	1,042,648	1,050,944	872,695	901,840	939,051	922,018
Borrowings and	115 700	704 901	220.726	744 611	262.010	(4.962)	257 000	40.021
Onlendings Leasing	415,788	794,801	239,736	744,611	262,910	(4,863)	357,989	49,921
Operations	2,176	2,320	1,533	1,439	1,448	2,548	3,260	4,300
Net Interest	,	,	,	,	, -	,	-,	,
Income	4,867,271	4,949,638	4,976,538	4,603,592	4,336,594	3,946,977	3,661,794	3,515,875
Allowance for								
Doubtful ccounts	1,168,044	1,115,986	938,442	770,560	539,900	562,149	634,597	488,732
Counts	3,699,227	3,833,652	4,038,096	3,833,032	3,796,694	3,384,828	3,027,197	3,027,143
	, ,	, ,	, ,	, ,	, ,	, ,	, , , ,	, , ,

Gross Income from Financial ntermediation Other Operating Income								
(Expenses) Fee and	(1,542,072)	(1,752,656)	(1,789,339)	(1,807,520)	(1,688,151)	(1,595,371)	(1,452,144)	(1,491,990)
Commission Income	2,342,847	2,090,735	2,040,548	2,009,563	1,918,367	1,759,600	1,661,349	1,675,594
Operating Income of Insurance, rivate Pension								
Plans and Certificated								
Savings Plans Insurance,	325,144	239,400	115,542	263,092	146,207	99,316	112,376	165,276
Private Pension lans and Certificated								
Savings Plans etained								
Premiums Net Premiums	3,807,017	3,287,286	3,458,354	4,303,785	3,546,484	3,001,125	2,795,695	3,836,157
Written Reinsurance Premiums and	4,714,041	4,249,174	4,396,541	5,083,889	4,314,294	3,810,957	3,615,722	4,471,433
Redeemed Premiums Variation of	(907,024)	(961,888)	(938,187)	(780,104)	(767,810)	(809,832)	(820,027)	(635,276)
Technical Provisions of								
Insurance, Private								
Pension Plans and Certificated Savings								
Plans Retained	(901,468)	(465,746)	(579,158)	(1,318,642)	(739,487)	(279,264)	(91,196)	(1,316,961)
Claims Certificated Savings Plans	(1,489,845)	(1,476,763)	(1,508,635)	(1,533,502)	(1,462,742)	(1,456,990)	(1,372,058)	(1,317,196)
Draws and Redemptions Insurance,	(305,545)	(288,144)	(284,553)	(331,479)	(337,735)	(313,144)	(246,491)	(291,770)
Private Pension Plans and Certificated								
Savings Plans Selling	(259,861)	(251,020)	(243,125)	(263,324)	(244,611)	(224,258)	(228,824)	(233,846)

Expenses Private Pension Plans Benefits and Redemption								
Expenses Personnel	(525,154)	(566,213)	(727,341)	(593,746)	(615,702)	(628,153)	(744,750)	(511,108)
Expenses Other	(1,584,533)	(1,468,665)	(1,419,009)	(1,361,355)	(1,483,256)	(1,246,226)	(1,220,723)	(1,284,423)
Administrative								
Expenses Tax Expenses	(1,506,957) (532,175)	(1,374,340) (532,474)	(1,317,459) (508,124)	(1,439,655) (523,037)		(1,239,471) (446,760)		,
Equity in the	(332,173)	(332,474)	(300,124)	(323,037)	(434,201)	(440,700)	(403,337)	(411,474)
Earnings of Affiliated								
Companies	7,587	29,786	4,694	7,281	64,227	10,283	(5,641)	44,797
Other Operating	440.044	246450		•		270.460	•	240.662
Income Other Operating	418,941	316,150	254,716	299,948	237,711	259,469	299,840	310,663
Expenses	(1,012,926)	(1,053,248)	(960,247)	(1,063,357)	(846,382)	(791,582)	(703,627)	(703,892)
Operating Income	2,157,155	2,080,996	2,248,757	2,025,512	2,108,543	1,789,457	1,575,053	1,535,153
Non-Operating	2,137,133	2,000,220	2,240,757	2,023,312	2,100,545	1,702,427	1,575,055	1,000,100
Income	40,570	11,330	(31,826)	(69,388)	(10,149)	(20,757)	(5,850)	(148,183)
Income before Taxes on Profit								
and Interest	2,197,725	2,092,326	2,216,931	1,956,124	2,098,394	1,768,700	1,569,203	1,386,970
Taxes on income	(584,759)	(490,445)	(681,393)	(488,742)	(665,871)	(350,848)	(364,055)	(322,116)
Minority	(504,757)	(470,445)	(001,575)	(400,742)	(002,071)	(320,040)	(304,032)	(322,110)
Interest in Consolidated								
Subsidiaries	(2,393)	245	(5,279)	(4,829)	(2,294)	(1,985)	277	(7,101)
Net Income	1,610,573	1,602,126	1,530,259	1,462,553	1,430,229	1,415,867	1,205,425	1,057,753
Profitability on Stockholders'								
Equity (Annualized)	33.04%	33.38%	33.60%	33.72%	35.20%	36.63%	32.50%	30.85%
Net Interest								
Income/Total Assets								
(Annualized)	8.25%	8.80%	10.09%	8.77%	9.21%	9.26%	8.63%	7.82%
55								

Adjusted Profitability

In the 3^{rd} quarter of 2006, the adjusted net income was R\$1,611 million, representing an increase of R\$9 million or 0.6% compared to the net income of the 2^{nd} quarter of 2006. The annualized return on the Stockholders Equity (ROE) reached 33.0% and the return on total assets (ROA) was 2.7%. Earnings per stock reached R\$1.65.

The 3Q06 was affected by a decrease of income composing the Net Interest Income, composed mainly by lower non-interest results, reaching the amount of R\$318 million, a R\$293 million decrease, compared to 2Q06, basically due to the negative adjustment of mark-to-market of derivative financial instruments used as market risk hedge of loan operations in the country. On the other hand, the result with interest reached the amount of R\$4,549 million, a R\$209 million growth in relation to the previous quarter. This increase is basically due to an increment in the business volume. We point out a 3.4% increase in the volume of loan operations for individuals, mainly focused on products connected to consumer financing, with a higher profitability than the corporate portfolio.

The Operating Income from Insurance, Private Pension Plans and Certificated Savings Plans contributed in 3Q06 with an increase of R\$86 million, as a result of the additional constitution of technical provision in personal health insurance in the 2nd quarter of 2006.

In the 3rd quarter of 2006, we can see the stability of the general delinquency ratio in view of the growth of the products vehicles and personal loan consigned and/or connected to payroll, which for their guarantees and characteristics, provided these operations a low credit risk level. As a result, there was recording of Allowance for Doubtful Accounts, in the amount of R\$1,169 million in 3Q06, which results in a R\$53 million increase when compared to the recording of R\$1,116 million in 2Q06. We also established surplus provisions at the amount of R\$27 million in 2Q06 and R\$12 million in 3Q06. Excluded such effects, the provision would be R\$1,157 million in 3Q06 against R\$1,089 million in 2Q06, i.e., an 6.2% growth, reaching a level of Allowance for Doubtful Accounts of R\$6,215 million on September 30, 2006.

In the 3rd quarter of 2006, we recorded a supplementary provision for labor proceedings in the amount of R\$309 million (R\$204 million, net of tax effects), according to CVM Resolution #489, whose effect in the net income was partially mitigated by the activation of fiscal credits of previous periods in the amount of R\$204 million.

As disclosed on 9.18.2006, in the 3rd quarter of 2006, we fully amortized the goodwill in the amount of R\$2.109 million, R\$2.055 million of which corresponds to the balance of June 2006 plus R\$54 million resulting, basically, from the goodwill complement in the acquisition of Amex Brasil.

The Operating Efficiency Ratio, in the 12-month period ended on September 30, 2006 was of 42.4%, an improvement of 0.8 percentage points when compared to the 12-month period ended on June 30, 2006 which was of 43.2, and an improvement of 4.6 percentage points when compared to the period ended on September 30, 2005, principally as a result of the combination of strict expense control with permanent efforts for increase in revenue.

The Coverage Ratio in the last 12 months [(fee and commission income)/(personnel expenses + administrative expenses)] improved 1.6 percentage point, increasing from 72.4% in June 2006 to 74.0% in September 2006, mitigated by the stable delinquency level in the 3rd quarter of 2006.

Results 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

9 months accumulated in 2006 compared to 9 months accumulated in 2005 R\$ million

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

3rd Ouarter of 2006 compared to the 2nd Quarter of 2006 R\$ million

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

9 months accumulated in 2006 compared to 9 months accumulated in 2005 R\$ million

- (1) Includes Revenues from Loan Operations + Income on Leasing Operations + Income on Foreign Exchange Transactions (Note 11a).
- (2) Includes Funding Expenses in the Market, excluding Expenses for Purchase and Sale Commitments + Expenses for Borrowings and Onlendings + Income on Compulsory Deposits + Adjustments to Income on Foreign Exchange Transactions (Note 11a).
- (3) Includes Result of Operations with Securities, less expenses with Purchase and Sale Commitments + Financial Income on Insurance, Private Pension Plans and Certificated Savings Plans + Income on Derivative Financial Instruments + Adjustments to Income on Foreign Exchange Transactions (Note 11a).
- (4) This refers to price-level restatement and interest of Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans.

 3^{rd} Quarter of 2006 compared to the 2^{nd} Quarter of 2006 R\$ million

- (1) Includes Revenues from Loan Operations + Income on Leasing Operations + Income on Foreign Exchange Transactions (Note 11a).
- (2) Includes Funding Expenses in the Market, excluding Expenses for Purchase and Sale Commitments + Expenses for Borrowings and Onlendings + Income on Compulsory Deposits + Adjustments to Income on Foreign Exchange Transactions (Note 11a).
- (3) Includes Result of Operations with Securities, less expenses with Purchase and Sale Commitments + Financial Income on Insurance, Private Pension Plans and Certificated Savings Plans + Income on Derivative Financial Instruments + Adjustments to Income on Foreign Exchange Transactions (Note 11a).
- (4) This refers to price-level restatement and interest of Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans.

Analysis of the Adjusted Net Interest Income and Average Rates

Loan Operations x Income

D4	September	r YTD	2006		
R\$ million	2005	2006	2 nd Qtr.	3 rd Qtr.	
Loan Operations	61,022	77,558	77,370	80,737	
Leasing Operations	1,904	3,003	2,959	3,377	
Advances on Foreign Exchange Contracts	4,978	5,428	5,605	5,627	
1 Total Average Balance (Quarterly)	67,904	85,989	85,934	89,741	
2 Income (Loan Operations, Leasing and					
Exchange) (*)	11,924	15,496	5,309	5,489	
3 Average Rate Annualized Exponentially					
(2/1)	24.1%	24.7%	27.1%	26.8%	

^(*) Includes Income from Loan Operations, Net Results from Leasing Operations and adjusted Results on Foreign Exchange Transactions (Note 11a).

Securities (TVM) x Income on Securities Transactions

Do .ii.	Septembe	r YTD	2006		
R\$ million	2005	2006	2 nd Qtr.	3 rd Qtr.	
Securities	63,988	69,096	69,455	71,631	
Interbank Investments	22,871	27,663	25,641	30,942	
Subject to Purchase and Sales Commitments /					
Repurchase Agreements	(22,560)	(28,549)	(26,647)	(32,761)	
Derivative Financial Instruments	(1,080)	(568)	(762)	(452)	
4 Total Average Balance (Quarterly)	63,219	67,642	67,687	69,360	
5 Income on Securities (Net of Purchase and					
Sales Commitments Expenses) (*)	6,653	7,731	2,652	2,489	
6 Average Rate Annualized Exponentially					
(5/4)	14.3%	15.5%	16.6%	15.1%	

^(*) Includes Financial Income on Insurance, Private Pension Plans and Certificated Savings Plans, Derivative Financial Instruments and Foreign Exchange adjustment (Note 11a).

Total Assets x Income from Financial Intermediation

D¢:11: a	September	YTD	2006		
R\$ million	2005	2006	2 nd Qtr.	3 rd Qtr.	
 7 Total Assets Average Balance (Quarterly) 8 Income from Financial Intermediation 9 Average Rate Annualized Exponentially 	193,170 22,854	224,887 28,100	223,743 9,679	237,238 9,624	
(8/7)	16.1%	17.0%	18.5%	17.2%	
				61	

Funding x Expenses

D4	September	r YTD	2006		
R\$ million	2005	2006	2 nd Qtr.	3 rd Qtr.	
Deposits	70,691	76,734	76,339	78,524	
Funds from Acceptance and Issuance of					
Securities	5,733	6,202	6,254	6,149	
Interbank and Interdepartmental Accounts	1,647	1,835	1,694	1,938	
Subordinated Debt	6,271	9,751	10,258	11,335	
10 Total Funding Average Balance					
(Quarterly)	84,342	94,522	94,545	97,946	
11 Expenses (*)	3,550	4,797	1,736	1,929	
12 Average Rate Annualized Exponentially					
(11/10)	5.7%	6.8%	7.5%	8.1%	

^(*) Funding Expenses without Repurchase Agreements, less Income on Compulsory Deposits and Foreign Exchange Adjustment (Note 11a).

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

R\$ million	Septembe	er YTD	200	6
KŞ IIIIIIOII	2005	2006	2 nd Qtr.	3 rd Qtr.
13 Technical Provisions for Insurance, Private				
Pension Plans and ertificated Savings Plans				
Average Balance (Quarterly)	35,941	43,271	43,251	44,833
14 Expenses (*)	2,714	2,866	916	908
15 Average Rate Annualized Exponentially				
(14/13)	10.2%	8.9%	8.7%	8.3%
(*) Price-Level Restatement and Interest of Technic	cal Provisions for	Insurance, Priva	te Pension Plans a	nd Certificated

^(*) Price-Level Restatement and Interest of Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans.

Borrowings and Onlendings (Local and Foreign) x Expenses

D¢!!!:	September	r YTD	2006		
R\$ million	2005	2006	2 nd Qtr.	3 rd Qtr.	
Borrowings	6,982	6,104	5,758	5,619	
Onlendings	8,476	9,963	9,775	10,428	
16 Total Borrowings and Onlendings					
Average					
Balance (Quarterly)	15,458	16,067	15,533	16,047	
17 Expenses for Borrowings and Onlendings					
(*)	368	771	360	274	
18 Average Rate Annualized Exponentially					
(17/16)	3.2%	6.4%	9.6%	7.0%	
(*) Includes Foreign Exchange adjustment (Note 11a)).				

Total Assets x Net Interest Income

Dø!!!	September	r YTD	2006		
R\$ million	2005	2006	2 nd Qtr.	3 rd Qtr.	
19 Total Assets Average Balance (Quarterly)	193,170	224,887	223,743	237,238	
20 Net Interest Income (*)	11,945	14,793	4,951	4,867	
21 Average Rate Annualized Exponentially					
(20/19)	8.3%	8.9%	9.1%	8.5%	
(*) Gross Income from Financial Intermediation exc	luding PDD				
63					

Financial Market Indicators

Analysis of Net Interest Income

a) Net Interest Income Adjustment

We show separately 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 for the foreign exchange variation of investments abroad is not deductible when there is loss and not taxable when there is gain, while the derivatives result is taxable when it generates gain and deductible when it generates loss.

Thus, the gross hedge result is reflected in the Net Interest Income, in the Results of Derivative Financial Instruments account, and in the Tax Expenses and Taxes on Income accounts, the respective taxes, as shown below:

Hedge Fiscal Effect of Investments Abroad

R\$ million

				11ψ 11				
	Effect in the 9-Month Period of 2005				od of 2005 Effect in the 9-Month Period of 2006			
Effect in the accounts	Net Interest Income	Tax Expenses	IR/CS	Net Income	Net Interest Income	Tax Expenses	IR/CS	Net Income
Hedge Partial Result of Investments Abroad Foreign Exchange Variation of Investments	1,564	(73)	(507)	984	755	(35)	(245)	475
Abroad Total	(984) 580	(73)	(507)	(984)	(475) 280	(35)	(245)	(475)
				R\$ m	illion			
	Effect in	the 2 nd Quarte	r of 2006	5	Effect in	the 3 rd Quarter	of 2006	
Effect in the accounts		Tax Expenses	IR/CS			Tax Expenses	IR/CS	

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	Net Interest Income		Iı	Net ncome Inte	Net crest Income]	Net Income
Hedge Partial Result of Investments Abroad Foreign Exchange	28	(1)	(9)	18	(40)	2	13	(25)
Variation of Investments Abroad Total	(18) 10	(1)	(9)	(18)	25 (15)	2	13	25
64								

For a better evaluation of Net Interest Income evolution in the periods, the effects of this hedge and the foreign exchange variation of investments abroad in net interest income were excluded, according to the table above, as well as the result of R\$327 million reached in the sale of our stake in Belgo-Mineira, occurred in 1H06, as follows:

Adjusted Net Interest Income

R\$ million

Margin Adjustments	Sej	ptember Y	TD	2006			
	2005	2006	Variation	2 nd Qtr.	3 rd Qtr.	Variation	
Reported Net Interest Income	12,852	15,073	2,221 327	4,961	4,852	(109)	
() Sale of Belgo-Mineira() Hedge/Exchange Variation	(327) (580)	(280)	300	(10)	15	25	
Adjusted Net Interest Income % Adjusted over Average Assets	11,945 8.3%	14,793 8.9%	2,848	4,951 9.1%	4,867 8.5%	(84)	

b) Comments on the Adjusted Net Interest Income Variation

In the 9 months ended on September 30, 2006, the adjusted net interest income was R\$14,793 million, representing an improvement of R\$2,848 million or 23.8% compared to the same period of the previous year (R\$11,945 million). In 3Q06, the result of the adjusted net interest income reached R\$4,867 million, compared to the result of the adjusted net interest income of R\$4,951 in 2Q06.

The analytical opening of the net interest income result among interest and non-interest results is shown below:

Adjusted Net Interest Income Breakdown

R\$ million

Margin Adjustments S		er YTD	V /	20	Vaniation	
	2005	2006	Variation	2 nd Qtr.	3 rd Qtr.	Variation
Net Interest Income Interest	10,898	13,164	2,266	4,340	4,549	209
Net Interest Income Non-Interest	1,047	1,629	582	611	318	(293)
Adjusted Net Interest Income	11,945	14,793	2,848	4,951	4,867	(84)

Despite of the 1.7% small reduction in the net interest income between the quarters, the net interest income of interest results of Bradesco Consolidated showed a 4.8% or R\$209 million increase compared to the previous quarter and comparing the first nine months of 2006 with the same period of 2005, an even greater evolution, of 20.8% or R\$2,226 million may be observed, mainly due to the volume increase of loan operations, of only 3.8% in 3Q06 and 22.3% during the last twelve months.

In 3Q06, the credits granted to companies showed a growth superior to the ones granted to individuals, due to the better performance operations portfolios abroad and to onlendings from the National Bank for Economic and Social

Development (BNDES), primarily to the industrial sector, mainly the chemical, automotive and pulp and paper sector.

Although individual credits presented a growth rhythm slowdown during 2006, the balance of Bradesco operations showed a 3.4% increase in 3Q06 and an accumulated growth of 27.0% in the last twelve months, especially consumption financing operations, mainly vehicles financing operations, personal credit, leasing, credit card and assets financing.

Another factor that must be highlighted is the increase of Bradesco s client base, of about 274 thousand new individuals accounts and 27 thousand companies accounts in the last twelve months, with positive impact to the operations as a whole, but, mostly to the raise of demand deposits, which showed a 5.7% increase in the last quarter and 19.1% in the accumulated in the last twelve months.

The increase of operations volume has been a fundamental factor for the restructuring of the net interest income due to the global decrease of spreads. Thus, Bradesco constantly searches for strategic positioning by means of the expansion of the client base and consequent growth of operating volumes, focused on the sustainable extension of the net interest income.

Similarly, the Selic interest rate drop directly influenced the remuneration of own working capital, technical provisions of insurance, private pension plans and certificated savings plans, funding and floating among other factors which negatively impacted the result of the interest net interest income.

Comparing the quarterly history since 2005, it can be observed that the interest net interest income result showed a constant growth during the last seven quarters, despite the slight reduction of the annualized net interest income rate of interest results during 2006. This indicator compares the net interest income result (interest results) over the average balance of total assets, as presented in the chart below:

The result of the net interest income coming from non-interest results in 3Q06 had a reduction of R\$293 million compared to 2Q06, due to the negative adjustment of mark-to-market of derivative financial instruments used as market risk hedge of loan operations in the country. However, when analyzing the evolution of the nine-month period of 2006 compared to the same period of the previous year, we can see an increase of R\$ 582 million, resulting basically from higher gains of securities and treasury.

Allowance for Doubtful Accounts (PDD)

PDD Evolution

R\$ million

	2005			2006		
	2 nd Qtr.	3 rd Qtr.	Sept. YTD	2 nd Qtr.	3 rd Qtr.	Sept. YTD
Opening Balance	4,301	4,450	4,145	5,315	5,833	4,959
Amount Recorded	562	540	1,737	1,116	1,168	3,222
Amount Written-off	(413)	(343)	(1,235)	(688)	(786)	(2,068)
Balance Derived from Acquired Institutions				90		102
Closing Balance	4,450	4,647	4,647	5,833	6,215	6,215
Specific Allowance	1,891	2,053	2,053	3,053	3,290	3,290
Generic Allowance	1,613	1,642	1,642	1,700	1,833	1,833
Other Allowance	946	952	952	1,080	1,092	1,092
Credit Recoveries	188	174	489	146	166	441

PDD on Loan and Leasing Operations

R\$ million

	200)5	2006		
	June	September	June	September	
PDD (A)	4,450	4,647	5,833	6,215	
Loan Operations (B)	69,787	75,244	88,643	92,013	
PDD over Loan Operations (A/B)	6.4%	6.2%	6.6%	6.8%	

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

R\$ million

	200)5	2006		
	June	September	June	September	
(1) Total Allowance	4,450	4,647	5,833	6,215	
(2) Non-performing Loans (E to H)	2,257	2,426	3,708	3,983	
Coverage Ratio (1/2)	197.2%	191.5%	157.3%	156.0%	

Coverage Ratio Non Performing Loans (NPL) (*)

R\$ million

2006

	June	September	June	September	
(1) Total Allowance	4,450	4,647	5,833	6,215	
(2) Non Performing Loans	2,245	2,341	3,724	3,889	
NPL Ratio (1/2)	198.2%	198.5%	156.6%	159.8%	

2005

For further information on Allowance for Doubtful Accounts (PDD), see pages 82 to 86 of this Report.

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

Fee and Commission Income

R\$ million

	2005			2006			
	2 nd Qtr.	3 rd Qtr.	Sept. YTD	2 nd Qtr.	3 rd Qtr.	Sept. YTD	
Checking Accounts	411	454	1,269	510	532	1,537	
Loan Operations	322	334	941	379	393	1,132	
Cards	304	335	929	354	514	1,217	
Assets under Management	252	276	773	306	327	936	
Collection	171	178	507	183	191	554	
Interbank Fees	66	69	200	70	70	213	
Collection of Taxes	52	54	150	64	66	186	
Consortium Purchase Plan Management	33	40	103	48	52	144	
Custody and Brokerage Services	30	35	92	39	39	116	
Others	119	143	375	138	159	439	
Total	1,760	1,918	5,339	2,091	2,343	6,474	

Fee and Commission Income increased 21.3% in the nine-month period of 2006, or a R\$1,135 million growth when compared to the same period of the previous year, amounting to R\$6,474 million.

Major components for growth of Fee and Commission Income were in the periods:

the strategy of clients segmentation (Private, Prime, Corporate, Middle Market and Retail), jointly with the tariff realignment and client base growth boosted the item Checking Accounts, up by R\$268 million;

the growth of 31.0% represented by the increase of R\$288 million in the item Cards is directly related to the increase of 4.7 of the cards base, from 50,9 million to 53.3 million, influenced by the consolidation of Amex Brasil;

the increase in the volume of Loan Operations, especially individuals, with highlights to the products $\,$ Personal Loan and $\,$ Vehicles $\,$, was the major factor for the increase in item $\,$ Revenues from Loan Operations $\,$, a R\$191 million improvement; and

the volume growth of 22.3% in managed funds, from R\$114.7 billion on September 30, 2005 to R\$140.2 billion on September 30, 2006, was the main reason for the growth in the item Assets under Management , which increased by R\$163 million.

When compared to the previous quarter, Fee and Commission Income showed an expansion of 12.1% with a R\$252 million growth, as a result of the increased volumes of businesses in 3Q06, pointing out increases of 45.2%, 6.9%, 4.3% and 3.7% under the items Credit Cards R\$160, R\$116 million of which comes from Amex Brasil; Assets under Management, R\$21 million; Checking Accounts R\$22million; and Loan Operations R\$14 million.

Administrative and Personnel Expenses

R\$ million

		2005			2006	
	2 nd Qtr.	3 rd Qtr.	Sept. YTD	2 nd Qtr.	3 rd Qtr.	Sept. YTD
Third-Party Services	216	232	639	243	305	778
Communications	179	183	540	189	203	579
Transport	100	104	309	129	135	387
Depreciation and Amortization	111	108	335	113	129	351
Financial System Services	101	105	306	111	113	337
Advertising and Promotions	87	79	236	105	114	310
Rentals	79	81	237	83	92	256
Maintenance and Repairs	77	77	227	80	84	241
Data Processing	57	63	178	78	87	235
Leasing of assets	63	55	185	56	53	163
Security and Vigilance	37	37	110	42	46	128
Materials	41	48	129	43	45	128
Water, Electricity and Gas	37	34	106	40	37	119
Travel	14	14	40	20	17	52
Others	41	51	126	43	47	135
Administrative Expenses	1,240	1,271	3,703	1,375	1,507	4,199
Remuneration	638	650	1,904	716	754	2,148
Social Charges	240	236	711	258	269	774
Benefits	269	285	824	299	316	917
Bonus Lump-sum payment	20)	103	103	277	310	717
Training	16	15	39	15	16	39
Employee Profit Sharing	78	80	223	90	155	345
Provision for Labor Proceedings	5	114	146	91	74	249
Personnel Expenses	1,246	1,483	3,950	1,469	1,584	4,472
Total Administrative and Personnel Expenses	2,486	2,754	7,653	2,844	3,091	8,671
Eyhenses	4,400	4,134	7,033	4,044	3,071	0,071

In the nine-month period ended September 30, 2006, the Administrative and Personnel Expenses showed a R\$1,018 million increase when compared to the same period last year, reaching the amount of R\$8,671 million against R\$7,653 million in the same period of 2005. The nominal variation of Administrative Expenses between periods of nine months ended on September 30, 2005 and 2006 shows a R\$496 million increase, reaching the amount of R\$4,199 million mainly justified: (i) by the increase in the client base; (ii) by the consolidation of BEC/Amex Brasil in 2006; and (iii) by contractual adjustment in the period.

Personnel Expenses increased R\$522 million when compared to the same period of 2005, reaching R\$4,472 million, pointing out: (i) the increase in the salary levels, resulting from the Collective Bargaining Agreement of 2006, which

impacted expenses in R\$87 million: R\$63 million of supplementary PLR, R\$14 million of labor liabilities and R\$10 million of payroll increase; (ii) higer expenses with provision for labor proceedings R\$103 million; (iii) the consolidation of BEC, Fidelity, Amex Brasil R\$93 million; (iv) higher PLR expenses R\$59 million; and (v) the increase in salary levels coming from the Collective Bargaining Agreement of 2005(6.0%), benefits and other R\$180 million.

When compared to the previous quarter, Administrative and Personnel Expenses increased R\$247 million, with an increase of 8.7%, from R\$2,844 million in 2Q06 to R\$3,091 million in 3Q06.

Administrative Expenses increased by R\$132 million compared to the previous quarter, basically due to higher expenses with: (i) the consolidation of Amex Brasil R\$75 million; (ii) third-party services R\$39 million; (iii) transportation R\$5 million; and (iv) depreciation and amortization R\$5 million.

Personal Expenses in 3Q06 increased by R\$115 million basically due to: (i)the increase in salary level coming from the collective Bargaining agreement of 2006 (3.5%) which impacted in R\$87 million: R\$63 million of supplementary PLR, R\$14 million of labor liabilities restatement and R\$10 million of payroll increase; and (ii) higer expenses resulting from the consolidation of Amex Brasil R\$36 million.

Operating Efficiency

R\$ million

	Years				2005 (*) 2006		006 (*)
	2002	2003	2004	2005	September	June	September
Personnel Expenses	4,076	4,779	4,969	5,312	5,234	5,732	5,833
Employee Profit Sharing	(140)	(170)	(182)	(287)	(278)	(334)	(409)
Other Administrative Expenses	4,028	4,814	4,937	5,142	4,992	5,402	5,638
Total (1)	7,964	9,423	9,724	10,167	9,948	10,800	11,062
Net Interest Income	11,472	13,282	13,231	16,550	15,463	18,866	19,396
Fee and Commission Income	3,712	4,557	5,824	7,349	7,014	8,059	8,484
Subtotal Insurance, Private							
Pension Plans and							
Certificated Savings Plans	658	(149)	(60)	621	523	765	944
Insurance Retained Premiums,							
Private Pension							
Plans and Certificated							
Savings Plans	10,135	11,726	13,284	13,647	13,179	14,596	14,857
Variation in Technical							
Provisions for							
Insurance, Private Pension							
Plans and	(2.505)	(2.6=0)	(2.0.6.1)	(2.420)	(2.125)	(2.102)	(2.25=)
Certificated Savings Plans	(2,785)	(3,670)	(3,964)	(2,429)	(2,427)	(3,103)	(3,265)
Retained Claims	(3,615)	(3,980)	(5,159)	(5,825)	(5,609)	(5,981)	(6,008)
Certificated Savings Plans							
Draws	(701)	(1.100)	(1.000)	(1.220)	(1.100)	(1.040)	(1.010)
and Redemptions	(721)	(1,100)	(1,223)	(1,229)	(1,189)	(1,242)	(1,210)
Insurance, Private Pension Plans							
Contificated Sovings Plans							
Certificated Savings Plans Selling Expenses	(667)	(762)	(867)	(961)	(931)	(1,002)	(1,018)
Expenses with Private Pension	(007)	(702)	(807)	(901)	(931)	(1,002)	(1,016)
Plan Benefits							
and Redemptions	(1,689)	(2,363)	(2,131)	(2,582)	(2,500)	(2,503)	(2,412)
Equity in the Earnings of	(1,007)	(2,303)	(2,131)	(2,362)	(2,300)	(2,303)	(2,412)
Affiliated Companies	65	5	163	76	113	106	49
Other Operating Expenses	(3,148)	(2,741)	(2,826)	(3,405)	(3,045)	(3,924)	(4,090)
Other Operating Income	1,321	1,697	1,198	1,097	1,108	1,109	1,290
Total (2)	14,080	16,651	17,530	22,288	21,176	24,981	26,073
Operating Efficiency Ratio	1,,,,,,,,	10,001	1.,000	,_00	21,170	,,,,,	20,075
(%) = (1/2)	56.6	56.6	55.5	45.6	47.0	43.2	42.4

^(*) Accumulated amounts for the past 12 months based on the statement of adjusted income.

The Operating Efficiency Ratio (accumulated in 12 months) up to September 2006 was practically stable at 42.4%, an improvement of 0.8 percentage point compared to the 12-month period ended in June 2006, mainly as a result of the expenses control, pointing out administrative and personnel expenses coupled with the permanent efforts for increase in revenues. It is also worth mentioning the higher net interest income in the amount of R\$530 million, basically stemming from interest component, generated by an increment in business volume, pointing out a 27.0% increase in the volume of loan operations for individuals, mainly focused on consumer sales and personal loan financing, the profitability of which is higher if compared to the corporate loans, and increased fee and commission income, in the amount of R\$425 million, as a result of increase in the average volume of transactions of fee realignment and the segmentation process.

The Operating Efficiency Ratio (accumulated in the 12 months) up to September 2006 posted a significant improvement of 4.6 percentage points, from 47.0% in September 2005 to 42.4% in September 2006, due to, basically, the effective control of expense accounts, especially, personnel and administrative expenses, which in the last 12-month period evolved 11.2%. Another factor that deserved attention in the improvement of the efficiency ratio was the 25.4% evolution of net interest income in the period compared, pointing out higher revenues from loan operations at 38.5%, boosted by an increase in the loan portfolio volume, particularly, the individual client portfolio.

The Coverage Ratio accumulated in the last 12 months (fee and commission income)/(personnel expenses + administrative expenses) improved 1.6 percentage point, increasing from 72.4% in June 2006 to 74.0% in September 2006.

Administrative + Personnel Expenses and Fee and Commission Income (Accumulated in the last 12 months)

Other Indicators

3 - Main Balance Sheet Information

Consolidated Balance Sheet R\$ thousand

Aggata	September			December		
Assets	2006	2005	2004	2003	2002	2001
Current and Long-term						
Assets	239,478,298	204,325,065	180,038,498	171,141,348	137,301,711	105,767,892
Funds Available	3,947,307	3,363,041	2,639,260	2,448,426	2,785,707	3,085,787
Interbank Investments	34,362,629	25,006,158	22,346,721	31,724,003	21,472,756	3,867,319
Open Market Investments	27,757,919	19,615,744	15,667,078	26,753,660	19,111,652	2,110,573
Interbank Deposits	6,604,737	5,390,726	6,682,608	4,970,343	2,370,345	1,760,850
Allowance for Losses	(27)	(312)	(2,965)		(9,241)	(4,104)
Securities and Derivative						
Financial Instruments	73,021,868	64,450,808	62,421,658	53,804,780	37,003,454	40,512,688
Own Portfolio	66,377,248	59,324,858	51,255,745	42,939,043	29,817,033	27,493,936
Subject to Repurchase						
Agreements	2,370,755	1,051,665	4,807,769	5,682,852	1,497,383	9,922,036
Derivative Financial						
Instruments	524,743	474,488	397,956	232,311	238,839	581,169
Restricted to the Negotiation						
and Intermediation						
of Amounts						526,219
Restricted Deposits Brazilian						
Central Bank	1,367,649	2,506,172	4,512,563	3,109,634	3,536,659	1,988,799
Privatization Currencies	70,387	98,142	82,487	88,058	77,371	25,104
Subject to Collateral						
Provided	2,311,086	995,483	1,365,138	1,752,882	1,836,169	715,858
Provisions for Devaluations						(740,433)
Interbank Accounts	17,828,544	16,922,165	16,087,102	14,012,837	12,943,432	5,141,940
Unsettled Receipts and	200 40 7	20.002	22.057		4.6.000	10.110
Payments	388,405	39,093	22,075	20,237	16,902	10,118
Restricted Credits:						
Restricted Deposits	16000047	16.444.066	15 606 154	12 500 125	10.510.605	1 006 500
Brazilian Central Bank	16,992,847	16,444,866	15,696,154	13,580,425	12,519,635	4,906,502
National Treasury Rural	570	570	570	570	570	710
Credit	578	578	578	578	578	712
SFH	402,419	396,089	335,320	391,871	374,177	217,518
Correspondent Banks	44,295	41,539	32,975	19,726	32,140	7,090
Interdepartamental	120 170	172 921	147 527	514770	101 720	177 072
Accounts	120,170	172,831	147,537	514,779	191,739	176,073
Internal Transfer of Funds	120,170	172,831	147,537	514,779	191,739	176,073
Loan Operations	76,477,336	68,328,802	51,890,887	42,162,718	39,705,279	35,131,359
Loan Operations: Public Sector	802,891	821,730	536,975	196 264	254 622	100 192
	*	,	*	186,264	254,622	199,182
Private Sector Allowance for Doubtful	81,663,413	72,205,630	55,242,348	45,768,970	42,842,693	37,689,671
	(5,988,968)	(4,698,558)	(3,888,436)	(3,792,516)	(3,392,036)	(2,757,494)
Accounts Leasing Operations	3,430,076	2,411,299	1,556,321	1,306,433	1,431,166	(2,737,494) 1,567,927
Leasing Operations Leasing Receivables:	3,430,070	4,411,499	1,330,341	1,300,433	1,431,100	1,30/,94/
Leasing Necetvables.						

Public Sector	145,513	66,237			45	138
Private Sector	6,707,853	4,896,717	3,237,226	2,859,533	3,141,724	3,248,050
Unearned Income from						
Leasing	(3,277,912)	(2,444,596)	(1,576,690)	(1,438,534)	(1,560,278)	(1,557,642)
Allowance for Leasing						
Losses	(145,378)	(107,059)	(104,215)	(114,566)	(150,325)	(122,619)
Other receivables	28,416,999	22,106,013	21,664,592	24,098,765	20,690,054	15,685,433
Receivables on Guarantees						
Honored	15		811	624	1,577	1,131
Foreign Exchange Portfolio	8,620,302	6,937,144	7,336,806	11,102,537	10,026,298	5,545,527
Receivables	222,328	183,015	197,120	331,064	249,849	187,910
Negotiation and						
Intermediation of Amounts	470,926	1,124,197	357,324	602,543	175,185	761,754
Specific Receivables						146,919
Insurance Premiums						
Receivable	1,180,921	1,073,002	988,029	889,358	718,909	995,662
Sundry	18,003,354	12,941,687	12,937,408	11,324,857	9,640,966	8,107,714
Allowance for Other Doubtful						
Accounts	(80,847)	(153,032)	(152,906)	(152,218)	(122,730)	(61,184)
Other Assets	1,873,369	1,563,948	1,284,420	1,068,607	1,078,124	599,366
Other Assets	380,343	367,688	477,274	586,994	679,515	415,484
Provisions for Devaluations	(192,497)	(180,941)	(230,334)	(257,185)	(243,953)	(164,290)
Prepaid Expenses	1,685,523	1,377,201	1,037,480	738,798	642,562	348,172
Permanent Assets	3,713,339	4,357,865	4,887,970	4,956,342	5,483,319	4,348,014
Investments	1,019,427	984,970	1,101,174	862,323	512,720	884,773
Interest in Affiliated	, ,	,	, ,	,	,	,
Companies:						
Local	404,365	438,819	496,054	369,935	395,006	742,586
Other Investments	1,015,915	895,836	971,311	857,985	439,342	452,871
Allowance for losses	(400,853)	(349,685)	(366,191)	(365,597)	(321,628)	(310,684)
Property, Plant and	()	())	(, - ,	(= == ,= = = ,	(-))	(= -,,
Equipment in Use	2,067,028	1,985,571	2,270,497	2,291,994	2,523,949	2,152,680
Buildings in Use	1,062,948	1,115,987	1,357,063	1,398,735	1,748,409	1,475,581
Other Fixed Assets	3,977,945	3,644,874	3,604,741	3,480,636	3,459,950	2,988,008
Accumulated Depreciation	(2,973,865)	(2,775,290)	(2,691,307)	(2,587,377)	(2,684,410)	(2,310,909)
Leased Assets	15,109	9,323	18,951	34,362	34,323	46,047
Leased Assets	33,238	23,161	58,463	63,812	51,198	51,214
Accumulated Depreciation	(18,129)	(13,838)	(39,512)	(29,450)	(16,875)	(5,167)
Deferred Charges	611,775	1,378,001	1,497,348	1,767,663	2,412,327	1,264,514
Organization and Expansion	011,775	1,570,001	1,477,540	1,707,003	2,412,327	1,204,514
Costs	1,533,796	1,315,881	1,170,866	1,124,058	1,037,559	874,970
Accumulated Amortization	(922,021)	(785,364)	(699,710)	(572,620)	(568,525)	(481,127)
Goodwill on Acquisition of	(722,021)	(705,504)	(0)),/10)	(372,020)	(300,323)	(401,127)
Subsidiaries,						
Net of Amortization		847,484	1,026,192	1,216,225	1,943,293	870,671
Total	2/3 101 627	208,682,930		1,210,223 176,097,690	1,945,295 142,785,030	110,115,906
1 Utal	243,191,637	400,004,930	184,926,468	1/0,03/,030	144,700,000	110,115,900

Liabilities	September 2006	2005	2004	December 2003	2002	2001
Current and Long-term						
Liabilities	221,189,420	189,163,465	169,596,632	162,406,307	131,652,394	100,199,709
Deposits	78,853,168	75,405,642	68,643,327	58,023,885	56,363,163	41,083,979
Demand Deposits	17,598,600	15,955,512	15,297,825	12,909,168	13,369,917	8,057,627
Savings Deposits	25,415,133	26,201,463	24,782,646	22,140,171	20,730,683	18,310,948
Interbank Deposits	172,912	145,690	19,499	31,400	23,848	40,446
Time Deposits	35,375,682	32,836,656	28,459,122	22,943,146	22,238,715	14,674,958
Other Deposits	290,841	266,321	84,235	22,7 13,1 10	22,230,713	11,071,000
Federal Funds Purchased	250,011	200,321	01,233			
and Securities Sold						
under Agreements to						
Repurchase	36,263,828	24,638,884	22,886,403	32,792,725	16,012,965	14,057,327
Own Portfolio	19,194,305	12,690,952	8,248,122	6,661,473	915,946	12,178,855
Third-party Portfolio	17,067,469	11,947,932	14,430,876	17,558,740	12,188,054	1,878,472
Unrestricted Portfolio	2,054	11,547,532	207,405	8,572,512	2,908,965	1,070,472
Acceptances and Issuance	2,034		207,403	0,372,312	2,700,703	
of Securities	6,097,262	6,203,886	5,057,492	6,846,896	3,136,842	4,801,410
Exchange Acceptances	0,077,202	0,203,000	3,037,472	0,040,070	1,214	4,001,410
Mortgage Notes	867,027	847,508	681,122	1,030,856	384,727	780,425
Debentures Funds	2,708,857	2,624,899	001,122	7,291	100,369	48,921
Securities Issued Abroad	2,521,378	2,731,479	4,376,370	5,808,749	2,650,532	3,972,064
Interbank Accounts	173,892	139,193	174,066	529,332	606,696	192,027
Interbank Onlendings	173,092	139,193	174,000	159,098	35,686	4,519
Correspondent Banks	173,892	139,193	174,066	370,234	571,010	187,508
Interdepartamental	173,092	139,193	174,000	370,234	371,010	107,500
Accounts	1,739,834	1,900,913	1 745 701	1,782,068	1,337,729	762,505
Third-party Funds in Transit	1,739,834	1,900,913	1,745,721 1,745,721	1,782,008	1,337,729	7 62,505
Borrowings	5,766,563	7,135,327	7,561,395		9,390,630	7,887,154
9	5,700,505	1,135,321	7,501,595	7,223,356	9,390,030	7,007,154
Local Borrowings Official Institutions	848	1,088	1,376	2,070	2 260	2,979
	040	1,000	1,370	2,070	3,368	2,979
Local Borrowings Other	67.100	10	11 756	4.010	216 912	220 469
Institutions Foreign Common av	67,189	18	11,756	4,010	216,812	230,468
Foreign Currency	5 600 526	7 124 221	7,548,263	7 217 276	0.170.450	7,653,707
Borrowings Local Onlending Official	5,698,526	7,134,221	7,348,203	7,217,276	9,170,450	7,033,707
8	10 072 202	0 427 571	0 255 200	7.554.366	7 000 046	5 920 <i>(</i> 22
Institutions National Transpury	10,873,203	9,427,571	8,355,398	7,554,266	7,000,046	5,830,633
National Treasury	95,885	52,318	72,165	51,398	62,187	2 067 220
BNDES CEF	5,264,534 68,538	4,237,973	3,672,007	3,403,462	3,437,319	3,067,220
FINAME	,	59,588	395,820	459,553 3,638,966	453,803	433,381
	5,442,215	5,075,232	4,211,762	, ,	3,045,176	2,321,508
Other Institutions	2,031	2,460	3,644	887	1,561	8,524
Foreign Onlandings	341	183	42,579	17,161	47,677	316,283
Foreign Onlendings	341	183	42,579	17,161	47,677	316,283
Derivative Financial Instruments	5NQ 10N	120 472	172 (17	52 260	57 <i>6 4</i> 07	111 <i>Հ</i> ስስ
Technical Provisions for	508,180	238,473	173,647	52,369	576,697	111,600
Insurance, Private Pension	<i>15 7</i> 10 700	10 862 555	22 669 654	26,408,952	10 155 470	12 952 124
	45,718,708	40,862,555	33,668,654	40,400,932	19,155,479	13,853,426

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Plans and Certificated						
Savings Plans						
Other Liabilities	35,194,441	23,210,838	21,287,950	21,175,297	18,024,470	11,303,365
Collection of Taxes and						
Other Contributions	1,588,482	156,039	204,403	130,893	108,388	181,453
Foreign Exchange Portfolio	3,290,222	2,206,952	3,011,421	5,118,801	5,002,132	1,343,769
Social and Statutory						
Payables	881,272	1,254,651	900,266	851,885	666,409	572,265
Fiscal and Pension Plans						
Activities	7,424,354	5,041,312	4,495,387	4,781,458	4,376,031	3,371,127
Negotiation and						
Intermediation of Amounts	269,399	893,957	312,267	595,958	109,474	1,307,385
Financial and Development						
Funds	2,051					
Subordinated Debt	11,767,133	6,719,305	5,972,745	4,994,810	3,321,597	969,842
Sundry	9,971,528	6,938,622	6,391,461	4,701,492	4,440,439	3,557,524
Future Taxable Income	172,941	52,132	44,600	31,774	15,843	9,020
Future Taxable Income	172,941	52,132	44,600	31,774	15,843	9,020
Minority Interest in						
Consolidated Subsidiary	55,921	58,059	70,590	112,729	271,064	139,231
Stockholders' equity	21,773,355	19,409,274	15,214,646	13,546,880	10,845,729	9,767,946
Capital:						
Local Residents	12,007,879	11,914,375	6,959,015	6,343,955	4,960,425	4,940,004
Foreign Residents	992,121	1,085,625	740,985	656,045	239,575	259,996
Realizable Capital			(700,000)			
Capital Reserves	36,550	36,032	10,853	8,665	7,435	7,435
Profit Reserves	7,875,574	5,895,214	7,745,713	6,066,640	5,715,317	4,614,110
Mark-to-market Adjustment						
Securities and						
Derivatives	901,786	507,959	458,080	478,917	9,152	
Treasury Stock	(40,555)	(29,931)		(7,342)	(86,175)	(53,599)
Stockholders' Equity						
Managed by Parent						
Company	21,829,276	19,467,333	15,285,236	13,659,609	11,116,793	9,907,177
Total	243,191,637	208,682,930	184,926,468	176,097,690	142,785,030	110,115,906

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	Private Pension Plans	Other Activities	Total	%
Trading Securities	7,090	6,956	24,218	435	38,699	57.9
Securities Available for Sale	9,581	3,237	10,982	23	23,823	35.6
Securities Held to Maturity	1,043		3,270		4,313	6.5
Subtotal	17,714	10,193	38,470	458	66,835	100.0
Purchase and Sale	•	ŕ	•		,	
Commitments	2,152	809	3,226		6,187	
Total on September 30, 2006	19,866	11,002	41,696	458	73,022	
Total on June 30, 2006	19,475	10,883	39,623	401	70,382	
Total on September 30, 2005	21,736	8,274	33,884	354	64,248	

Composition of Securities by Issuance

R\$ million

Securities	20	005	2006	
	June	September	June	September
Government	34,407	30,967	30,733	31,957
Private	9,798	13,623	13,263	13,117
PGBL/VGBL	12,854	11,420	21,211	21,761
Subtotal	57,059	56,010	65,207	66,835
Purchase and Sale Commitments:	7,382	8,238	5,175	6,187
Funds	4,182	2,102	3,703	3,611
PGBL/VGBL	3,200	6,136	1,472	2,576
Total	64,441	64,248	70,382	73,022

Classification of Securities by Segment in percentage

Loan Operations

Growth in the loan portfolio of Bradesco Conglomerate continued to be more intense in operations for individual clients in 2006, specially in the vehicle financing and personal loan portfolios. In the corporate businesses, it is worth pointing out long-term financings and operations carried out in Branches and Subsidiaries abroad, in spite of the dollar depreciation of 7.1% in the period.

The consolidated balance of loan operations reached at the end of 3Q06 a total of R\$92.0 billion, representing a 3.8% increase compared to last June and 22.3% growth in the last 12 months.

Loan Operations Total Portfolio

Loan Operations by Currency in percentage

The evolution of loans and onlendings balance of 18.1% in Reais, due mainly to the higher volume of indexed and/or denominated in foreign currency operations carried out in Branches and Subsidiaries (excluding ACC) in 3Q06, showed a significant growth abroad.

Loan Operations by Purpose

The loan expansion for individuals continued showing a reduction in intensity, with evolution of 3.4% in 3Q06, accruing 27.0% in the last twelve months. The main reason for the portfolio growth this quarter was the vehicles financing type.

We highlight in the loan portfolio for individuals the consumer financing (vehicles, personal loan, leasing, credit card and assets financing) which reached the amount of R\$33.7 billion and share in the operations balance for individuals of 86.8% in September 2006. Vehicle financing, which remained with the highest volume of loans, aligned to consigned loans and combined with payroll charges, for its guarantees and characteristics provided the portfolio with a low loan risk level.

Loan Operations Consumer Financing

The growth rhythm of loan granted to companies was higher in 3Q06 than loans granted to individuals (contrary to the accumulated for the year), with an evolution of 4.1%, of which 19.1% in the last twelve months. Such behavior was influenced by the performance of the foreign operations portfolio and onlending operations of BNDES.

Loan Operations per Type of Client

It is possible to notice the decrease of large company s partial share in the loan portfolio in the last twelve months, not only in view of the increase of loans to individuals and micro, small and medium-sized companies (SME), as well as in view of the negative effect in the balance of the dollar depreciation in this period, once a great portion of operations with large companies is indexed to foreign currency. In the quarter there was not a significant change in the shares.

Loan Operations by Activity Sector

R\$	million
-----	---------

Items	2005			2006				
	June	%	September	%	June	%	September	%
Public Sector Private Sector	624 69,163	0.9 99.1	795 74,449	1.1 98.9	1,065 87,578	1.2 98.8	963 91,050	1.0 99.0
Industry	18,390	26.4	18,849	25.1	21,070	23.8	22,789	24.8
Commerce Financial	10,559	15.1	11,324	15.0	12,945	14.5	13,144	14.3
Intermediary	216	0.3	236	0.3	321	0.4	757	0.8
Services Agribusiness,	11,922	17.0	12,363	16.4	14,509	16.4	14,319	15.6
Fishing,								
Silviculture and Forest								
Exploitation	1,235	1.8	1,088	1.4	1,174	1.3	1,207	1.3
Individuals	26,841	38.5	30,589	40.7	37,559	42.4	38,834	42.2
Total	69,787	100.0	75,244	100.0	88,643	100.0	92,013	100.0

The distribution by activity sector continued to have as highlight the industry (mainly the chemical, automobile and pulp and paper industries), which had a growth in the balance and in the share of the portfolio, remaining at the end of the 3rd quarter with higher loan volume (24.8%), followed by Services (15.6%) and Commerce (14.3%) sectors.

Loan Operations by Type

R\$ million

Items	20	05	2006	
	June	September	June	September
Borrowings and Discount of Trade Receivables	31,751	33,988	39,398	40,773
Financings	25,094	28,055	32,930	34,472
Rural and Agribusiness Loans	5,419	5,733	6,865	7,221
Leasing Operations	1,973	2,208	3,178	3,575
Advances on Foreign Exchange Contracts	5,089	4,730	5,767	5,487
Subtotal of Loan Operations	69,326	74,714	88,138	91,528
Other Loans	461	530	505	485
Total Loan Operations	69,787	75,244	88,643	92,013
Sureties and Guarantees Recorded in				
Memorandum Accounts	8,559	8,674	13,369	13,820
Total Including Sureties and Guarantees	78,346	83,918	102,012	105,833

The evolution of balance and share in the financing type (includes mainly vehicles, real estate loan and BNDES onlendings) in 3Q06 is deservedly recorded by its performance, which is higher than the total of the portfolio.

In the table below, we can observe the evolution in the representativeness of the Bank s business segments:

Loan Operations per Business Segment in percentage

In 3Q06, it is worth pointing out the Corporate business segment and Banco Finasa (mainly due to vehicle financing for individual clients), which show an evolution higher than the total portfolio, reflecting on the increase of its shares in the total loans of Bradesco Conglomerate.

Loan Portfolio Quality

Compared to the previous quarter, it was possible to notice a slight change in the loan portfolio profile whose participation of credits rated between AA and C compared to the total was of 92.3%, as a consequence of the impact of the change in the breakdown of the portfolio, focused on consumer financing, and the slight growth in delinquency of loans for individual clients this quarter.

Loan Operations by Rating in percentage

The total volume of allowance for doubtful accounts reached R\$6,215 million, representing 6.8% of the total loan portfolio (6.6%, in June 2006), ensuring the maintenance of adequate levels of PDD coverage for the current profile of the loan portfolio.

In this regard, we point out the strength of the provision criteria adopted, which may be evidenced through the analysis of historical data of allowances for doubtful accounts and losses effectively occurred in the subsequent period of twelve months over all the period analyzed.

Loan Operations PDD x Default x Losses Percentage over Loan Operation Balance

In September 2006, it can be verified that the delinquency ratio of the consolidated portfolio remained slightly stable compared to the previous quarter. The change of the portfolio profile and the slight deterioration of their payment capacity for clients in loans granted to individuals were responsible for the maintenance of ratios slightly higher than those of the previous periods. As already said in the previous quarters, increase in the delinquency indicators was expected and it is already duly priced in our products and services.

Loan Operations Delinquency up to 90 days x PDD in percentage

Loan Operations Distribution of the Loan Portfolio Falling Due by Terms in percentage

The terms of operations to mature have been extending, mainly in view of consumer financing operations, which by their nature have a longer term. The operations with maturity exceeding 180 days represented 50.7% of total portfolio in September 2006, against 47.4% one year ago. It is worth mentioning that the increase in the average term of the portfolio has been occurring in low credit risk products, i.e., vehicle financing and consigned loan.

The movement of the consolidated loan portfolio in the last twelve months shows the adequacy and consistency of the loan evaluation instruments used in the concession process, maintaining its good quality, as shown in the tables below:

Loan Operations Portfolio Movement between September 2005 and 2006 R\$ million

Loan Operations Portfolio Movement between September 2005 and 2006

Rating	Borrowers Remaining from September 2005		New Born between Se 2005 and	ptember	Total Loans in September 2006		
	R\$ million	%	R\$ million	%	R\$ million	%	
AA C	68,921	91.7	16,030	94.9	84,951	92.3	
D	1,506	2.0	227	1.3	1,733	1.9	
ЕН	4,692	6.3	637	3.8	5,329	5.8	
Total	75,119	100.0	16,894	100.0	92,013	100.0	

Concentration of Loan Portfolio

The concentration of largest borrowers kept falling in the end of 3Q06 in relation to the status showed in June and September 2005, in spite of the slight growth of the 50 largest borrowers, as indicated in the chart below:

Loan Operations Portfolio Concentration without Guarantee in percentage

Loan Operations Portfolio Indicators

T40,000

In order to facilitate the follow-up of the quantitative and qualitative performance of Conglomerate s loan portfolio, we present below a comparative summary of the main figures and indicators:

2005

R\$ million (except for percentages)

Items	200	05	2006		
	June	September	June	September	
Total Loan Operations	69,787	75,244	88,643	92,013	
Individual	26,841	30,589	37,559	38,834	
Corporate	42,946	44,655	51,084	53,179	
Existing Provision	4,450	4,647	5,833	6,215	
Specific	1,891	2,053	3,053	3,290	
Generic	1,613	1,642	1,700	1,833	
Additional	946	952	1,080	1,092	
Specific Provision/Existing Provision (%)	42.5	44.2	52.3	52.9	
Existing Provision/ Loan Operations (%)	6.4	6.2	6.6	6.8	
AA C Rated Loan Operations / Loan					
Operations (%)	92.6	93.1	92.4	92.3	
D Rated Operations Under Risk Management /					
Loan Operations (%)	2.2	2.0	2.0	1.9	
E H Rated Loan Operations / Loan Operations					
(%)	5.2	4.9	5.6	5.8	
D Rated Loan Operations D Rated Existing Provision for Loan	1,537	1,496	1,769	1,733	
Operations	363	352	467	455	
D Rated Provision/ Loan Operations (%)	23.6	23.5	26.4	26.2	
D H Rated Loan Operations Overdue	2,815	2,911	4,518	4,742	
Total Provision/D H Rated Loan Operations Overdue (%)	158.1	159.6	129.1	131.1	
E H Rated Loan Operations Existing Provision for E H Rated Loan	3,609	3,681	4,928	5,329	
Operations	3,080	3,159	4,271	4,647	
Provision/ E H Rated Loan Operations (%)	85.3	85.8	86.7	87.2	
E H Rated Loan Operations Overdue	2,257	2,426	3,708	3,984	

Total Provision/E H Rated Loan Operations Overdue (%)	197.2	191.5	157.3	156.0
Total Provision / Non Performing Loans (*)	198.2	198.5	156.6	159.8

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

In the 3^{rd} quarter, we noticed the continuity of the expansion of the loan portfolio of Bradesco Conglomerate, followed by the stability of the general delinquency ratios. This proceeding was already estimated, due to the seasonality of this period, as observed in the last years. The maintenance of adequate provision levels could absorb such fluctuations with a significant margin, maintaining all performance indicators with comfortable coverage indices.

It is worth pointing out that the Individual Clients portfolio growth results mainly from vehicles financing and consigned loan operations and/or linked to payrolls which provide this operations with low credit risk level due to its guarantees and characteristics.

For the last quarter of 2006, Bradesco remains prepared to take full advantage of all business opportunities, focused on increasing the loan portfolio, while respecting the established loan granting parameters, based on the traditional concepts of security, consistency, selectivity and diversification.

Funding

Composition of Deposits by Maturity

R\$ million

2006

Deposits	June		September				
	Total	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days	Total	
Demand	16,646	17,599				17,599	
Savings	24,835	25,415				25,415	
Interbank	163	173				173	
Time	36,435	2,854	3,654	4,377	24,490	35,375	
Other Deposits	277	291				291	
Total	78,356	46,332	3,654	4,377	24,490	78,853	

Demand Deposits R\$ billion

Checking Accounts

The balance of Checking Accounts of Bradesco Organization at the end of the 3rd quarter of 2006 was R\$17.6 billion.

In accordance with the social-environmental responsibility commitment, Bradesco check books started being printed in recycled paper, the consumption of which is estimated at 100 tonnes/month, with good results for the conservation of the environment.

Savings Accounts

The balance of Bradesco Organization Savings Accounts, at the end of the 3rd quarter of 2006, was R\$25.4 billion in deposits, corresponding to an 18.3% market share in the Brazilian Savings and Loan System (SBPE) and secured the leadership of Bradesco among all private banks in the Brazilian Financial System.

Savings Account Deposits R\$ billion

New investment opportunities were offered by Bradesco and arouse its clients interest in transferring resources from their savings account to other products inside the Bradesco Organization itself, such as Investment Funds and CDB.

Share of SBPE in percentage

Number of Savings Accounts million

Asset Management

Highlight as Fund Manager in Exame Magazine

Guia Exame 2006, the most traditional award of investment fund managers of the Brazilian market pointed out Bradesco as the best fund manager of stock funds.

Guia Exame is published by Exame magazine with technical support of Fundação Getulio Vargas.

Besides being considered as the best stock fund manager, Bradesco totaled 16 funds in the best rating of 5 stars.

Multimarket Funds

The Multimarket category had in 2006 a net funding of around R\$23 billion until September, reaching a 19.12% share of the total Investment Funds in Brazil. The reduction of interest rates and the higher disposition to risk by investors contributed to this funding. Aware of the growth of this market, BRAM created a specific board of executive officers comprised by a team focused on the management of this Fund category.

Stockholders Equity

R\$ million

	2005		2006	
	June	September	June	September
Investment Funds	96,024	101,697	121,640	127,572
Managed Portfolios	7,583	7,782	10,400	7,337
Third-Party Fund Quotas	4,883	5,177	5,608	5,313
Total	108,490	114,656	137,648	140,222

Asset Distribution

R\$ million

	2005		2006	
	June	September	June	September
Investment Funds Fixed Income	93,368	98,387	117,776	123,645
Investment Funds Floating Rate	2,656	3,310	3,864	3,927
Investment Funds Third-Party	4,712	4,922	5,245	5,269
Total	100,736	106,619	126,885	132,841
Managed Portfolio Fixed Income	5,840	5,996	8,392	5,246
Managed Portfolio Floating Rate	1,743	1,786	2,008	2,091
Managed Portfolios Third-Party Funds	171	255	363	44
Total	7,754	8,037	10,763	7,381
Total Fixed Income	99,208	104,383	126,168	128,891
Total Floating Rate	4,399	5,096	5,872	6,018
Total Third-Party Funds	4,883	5,177	5,608	5,313
Overall Total	108,490	114,656	137,648	140,222

Total Assets Under Management according to ANBID s Global Ranking R\$ million (*)

Number of Funds, Portfolios and Quotaholders

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	Septe	mber 2005	Ju	ne 2006	Septe	mber 2006
	Quantity	Quotaholders	Quantity	Quotaholders	Quantity	Quotaholders
Investment Funds	507	3,385,475	530	3,388,288	550	3,376,350
Managed Portfolios	112	343	103	481	102	446
Total	619	3,385,818	633	3,388,769	652	3,376,796
89						

4 - Operating Companies

Grupo Bradesco de Seguros e Previdência

Insurance Companies

Consolidated Balance Sheet (*)

R\$ million

	200)5	200	06
	June	September	June	September
Assets				
Current and Long-Term Assets	43,109	45,511	53,790	56,044
Securities	40,137	42,380	50,429	52,445
Insurance Premiums Receivable	1,014	1,008	1,093	1,144
Other Receivables	1,958	2,123	2,268	2,455
Permanent Assets	666	662	1,111	1,154
Total	43,775	46,173	54,901	57,198
Liabilities				
Current and Long-Term Liabilities	39,286	41,229	48,484	50,386
Tax, Civil and Labor Contingencies	1,105	1,131	1,522	1,555
Payables on Operations of Insurance, Private	,	,	,	,
Pension Plans and Certificated				
Savings Plans	450	483	436	436
Other Liabilities	1,198	1,380	2,579	2,676
Technical Provisions for Insurance	3,402	3,526	4,146	4,272
Technical Provisions for Life and Private	,	,	,	,
Pension Plans	31,079	32,574	37,574	39,166
Technical Provisions for Certificated Savings	,	,	,	,
Plans	2,052	2,135	2,227	2,281
Minority Interest	66	74	112	60
Stockholders Equity	4,423	4,870	6,305	6,752
Total	43,775	46,173	54,901	57,198
Consolidated Statement of Income (*)				
		R\$ millio	n	

		2005			2006			
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD		
Net Premiums Written Reinsurance Premiums and	3,811	4,314	11,741	4,249	4,714	13,360		

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Redeemed Premiums	(810)	(768)	(2,398)	(962)	(907)	(2,807)
Insurance, Private Pension Plans and						
Certificated Savings Plans Retained						
Premiums	3,001	3,546	9,343	3,287	3,807	10,553
Variation in Technical Provisions	(280)	(739)	(1,437)	(466)	(901)	(1,946)
Fee and Commission Income	100	109	304	126	139	392
Retained Claims	(1,443)	(1,463)	(4,292)	(1,476)	(1,490)	(4,475)
Certificated Savings Plans Draws and						
Redemptions	(313)	(338)	(898)	(288)	(306)	(879)
Private Pension Plans Benefits and						
Redemptions	(642)	(615)	(1,988)	(567)	(525)	(1,819)
Selling Expenses	(230)	(249)	(708)	(255)	(261)	(763)
Other Operating Income (Expenses)	17	(12)		(77)	(85)	(237)
Personnel and Administrative Expenses	(183)	(246)	(648)	(249)	(255)	(748)
Tax Expenses	(38)	(46)	(124)	(51)	(36)	(135)
Financial Result	537	702	1,739	722	654	2,144
Operating Income	526	649	1,291	706	741	2,087
Equity Result	61	18	437	1	82	126
Non-Operating Income	(54)	28	(21)	115	(9)	101
Minority Interest	(2)	(1)	(2)	(1)	(8)	(11)
Income before Taxes and						
Contributions	531	694	1,705	821	806	2,303
Taxes and Contributions on Income	(162)	(269)	(480)	(241)	(256)	(712)
Net Income	369	425	1,225	580	550	1,591

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

Performance Ratios in percentage

	2005			2006			
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD	
Claims Ratio (1)	84.5	79.9	81.4	79.9	77.8	78.3	
Selling Ratio (2)	11.4	11.4	11.4	11.4	11.3	11.3	
Administrative Expense Ratio (3)	8.5	11.9	10.5	11.8	11.0	11.3	
Combined Ratio (4)	101.6	101.5	101.4	101.9	95.3	98.2	
Expanded Combined Ratio (5)	88.8	86.9	89.2	85.4	82.5	84.2	

N.B.: For the purposes of comparison, in the 2nd quarter of 2005 and from January to September 2005 we excluded the additional provisions for Health Insurance, at the amount of R\$324 million. In 2006, we excluded R\$95 million in the 2nd quarter, totaling R\$244 million from January to September 2006. We also excluded in the first nine months of 2006 the exceeding provision (IBNR DPVAT), at the amount of R\$32 million.

(2) Selling Expenses/Earned Premiums.

(3) Administrative Expenses/Earned Premiums.

(4) (Retained Claims + Selling Expenses + Administrative Expenses +

Taxes + Other Operating Expenses)/ Earned Premiums.

(5) (Retained Claims + Selling Expenses + Administrative Expenses + Taxes + Other Operating Expenses)/ (Earned Premiums + Financial

Result).

Insurance Premiums Market Share (%)

In the insurance segment, according to information published by SUSEP and ANS data, up to August 2006, Bradesco secured R\$9.6 billion in premiums and maintained its leadership in the ranking with a 25.2% market share. The insurance sector obtained a total of R\$38.1 billion in premiums up to August 2006.

Growth in Technical Provisions for Insurance R\$ million

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

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

		2005		2006			
Insurance Line	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD	
Health	495	885	2,540	929	955	2,808	
Auto/RCF	493	520	1,473	510	517	1,555	
Life/AP/VGBL	312	337	944	276	346	970	
Basic Lines	88	94	274	90	88	257	
DPVAT	31	28	112	70	57	194	
Total	1,419	1,864	5,343	1,875	1,963	5,784	

In September 2006, there was an increase of 8.3% in premiums earned in the insurance segment, if compared to the same period of the previous year.

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

Retained Claims by Insurance Line R\$ million

		2005		2006			
Insurance Line	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD	
Health	796	805	2,390	794	800	2,376	
Auto/RCF	370	400	1,107	391	383	1,153	
Life/AP/VGBL	222	212	592	219	246	695	
Basic Lines	64	53	181	41	47	145	
DPVAT	22	20	80	54	51	157	
Total	1,474	1,490	4,350	1,499	1,527	4,526	

Claims Ratio by Insurance Line (%)

Selling Expenses by Insurance Line R\$ million

		2005			2006	
Insurance Line	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Health	24	25	76	26	28	81
Auto/RCF	89	93	263	93	94	282
Life/AP/VGBL	68	74	215	79	80	235
Basic Lines	16	21	56	15	19	51
DPVAT	1		1	1	1	2
Total	198	213	611	214	222	651

Selling Ratios by Insurance Line (%)

Number of Insured in thousands

Until September 2006, there was an increase of 7.8% in the customer base compared to September, 2005.

When comparing 3Q06 to the same period of the prior year, Bradesco Saúde maintained its noteworthy market position (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. At present, Bradesco Saúde has more than 2.5 million customers, of which 2.2 million pertain to the corporate segment.

The large share of corporate insurance in the total portfolio of Bradesco Saúde (88.26% in September/2006) 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.

More than 12 thousand companies in Brazil have acquired Bradesco Saúde insurance products. Out of Brazil s 100 largest companies in terms of revenues, 29 are Bradesco s insurance clients and out of the country s 50 largest companies, 30% are Bradesco Saúde s clients. (source: Exame magazine s Maiores e Melhores de julho de 2006 Biggest and Best List, July 2006).

Finally, emphasis should also be given to the user-friendly nature of the Bradesco Saúde Portal (www.bradescosaude.com.br), which, in addition to providing information on available products, also offers access to a number of services for the insured, prospects and brokers.

Until August 2006, Bradesco maintained an outstanding position among the main insurance companies in the Brazilian Basic Line (RE) Insurance market, with an 8.2% share of total market sales in this area.

In the Asset Risks segment, Bradesco Auto/RE insures the assets of a significant number of large companies of the country related to the home-building, steel, petrochemical, pulp and paper, aircraft, automotive and food sectors by means of issuances of insurance policies for Operational Risks, Named, Oil, Port Operator, Civil Liability, Engineering Risks, (Domestic and International) Transport, Hull and Aircraft.

In the area of Domestic and International Transport insurance, from the implementation of several visits to clients of the segments Corporate and Companies, mainly in the south, mid-west and southeast, we got more trading frequency with some important corporate groups.

We also point out that the relation of Bradesco Auto/RE with Bradesco Corporate and Bradesco Empresas (Middle Market), including with own structure, has allowed greater closeness with Bradesco s clients and enabled the achievement and renew of policies of large companies installed in the country.

In the mass market insurance segment, whose products are focused on individuals, small and medium-sized (SME s) companies, we maintained a meaningful number of customers, in particular those of the Residential Insurance line.

Another high profitability segment was the Diverse Risks directed to equipment, mainly the insurance arising from operations of leasing, FINAME and CDC of Banco Bradesco.

The continuous upgrading of products provides the improvement of the services rendered to our clients and contributed significantly for the increase in income of the current period.

In the Auto/RCF line, the market was characterized by intense competition in big metropolitan areas, aggravated by a small growth in insured vehicle market.

During the period, we maintained our technically correct pricing policy, with a view to reaching a balanced portfolio results. We consolidated our pricing policy based on the insured specific characteristics, after one year it was launched. We also maintained differentiated services, which add value to our products, such as discounts given through the nationwide customer service networks and auto glass repair, as well as the increase in the number of electronic relationships with brokers and those insured, which are carried out via the Internet.

Bradesco s market share of the Auto/RCF portfolio, up to August, 2006 was 15.6%.

Operating Risk

Grupo Bradesco de Seguros, integrating Bradesco Organization, in its permanent commitment to obtain conformity with the laws and regulations, has adapted its processes and activities, by means of the utilization of methodologies and resources aligned with the best market practices, mainly those related to risk management.

Within this aspect, for adequacy to the guidance brought by the New Capital Basel Agreement (Basel II), provisions of the monetary authority and alignment to future definitions related to Solvability II we are carrying out the survey and analysis of the events related to operating risk, enabling the improvement in the management and knowledge of losses and their causes. Thus, the plan of accounts of the companies of the Insurance Group was fully reviewed and specific accounting accounts were opened for the registration of events of operating risk loss, resulting from business interruption, failure of systems, errors, omissions, frauds or external events, thus enabling the determination of the regulatory capital calculation for Operating Risk according to the methodology adopted by Bradesco Organization. The disseminations of the operating risk management culture in several levels, the disclosure of corporate policies and establishment of continuous monitoring procedure of exposure levels are inserted in this context.

Awards/Recognition

- 1 Bradesco Seguros was elected the most remembered brand and the preferred one in the Insurance category in the eighth edition of Pesquisa Marcas de Quem Decide (Brand Research of Who Decides), conducted by Jornal do Comércio/ RS in partnership with QualiData Institute. The research was carried out with 330 businessmen and professionals of Rio Grande do Sul and recognized as the most complete study about brands in the south region of the country.
- 2 The President of Grupo Bradesco Seguros e Previdência, Luiz Carlos Trabuco Cappi, was elected 2005 National Business Leader in the Finance Sector Insurance and Private Pension Plans of the 29tition of the Gazeta Mercantil Forum of Business Leaders. Promoted by Gazeta Mercantil newspaper, the members of the Forum are elected by subscribers, businessmen and executives, in a free voting and without pre-candidature. The main purpose is, by means of the main business leaderships, to discuss and analyze structural themes of high relevance for the Brazilian development.
- 3 Bradesco Seguros received The Best Insurance Companies of Brazil award, from Conjuntura Econômica magazine, of Fundação Getulio Vargas, as the Largest Insurance Company by Net Income and Stockholders Equity . The award is promoted by the Brazilian Institute of Economy (Ibre) of Fundação Getulio Vargas, which considers the companies

economic-financial performance in 2005, according to a study prepared by the Data Management Division of the own Institute.

- 4 Bradesco Seguros e Previdência received, by the fifth consecutive year, the iBEST 2006 award, the maximum award granted to a website in Brazil. The insurance company was the winner in the Insurance category according to the public vote (popular jury).
- 5 Bradesco Seguros e Previdência received the 2006 Top of Marketing award. The Association of Sales and Marketing Managers of Brazil (ADVB) granted the award by the case Christmas Tree of Bradesco Seguros e Previdência 10 Years of Light and Emotion . The award is one of the most important ones of the market and has as purpose to consider the organizations that care for the best sustenance of their product, service or brand, by means of innovative and consistent marketing strategies.
- 6 Bradesco Seguros received the trophy Gaivota de Ouro 2006, granted by Seguro Total magazine. The company was highlighted in the Excellence in Total Insurance category in the VI 2006 Insurance Market Award.
- 7 Bradesco Seguros e Previdência received the award Best Insurance Company granted by the yearbook Balanço Financeiro. The yearbook, published by Gazeta Mercantil, recognized the results achieved in 2005.
- 8 Bradesco Seguros e Previdência received the award Highlights of the Year in the category Insurance Company of the Year granted by Clube de Vida em Grupo do Rio de Janeiro (CVG RJ). The award, considered the Insurance Oscar , was carried out this year at Museu Histórico Nacional, in Rio de Janeiro.

Sponsorships

- 1 Bradesco Seguros was the official insurance company of the 1th edition of the International Book Biennial carried out in the Exposition Lodge of Anhembi, in São Paulo, in the period from March 9 to 19.
- 2 Bradesco Seguros e Previdência was one of the sponsors of the Pennacchi 100 anos exposition, carried out in the Pinacoteca of the State of São Paulo, from May 13 to June 25. The work of Pennacchi, one of the masters of the Brazilian plastic arts, is divided into the themes sacred, scenes, people, sculptures and advertising sketches produced in Italy and Brazil. The event paid homage to the centenary of the birth of the great artist.
- 3 Bradesco Seguros e Previdência was the sponsor of the Regional Meeting of Insurance Brokers of Rio Grande do Sul (ENCOR), carried out in the Center of Events ExpoGramado, in the city of Gramado, in May 25 and 26. The 7th ENCOR was promoted by the Union of Brokers of Rio Grande do Sul (Sincor RS).
- 4 Bradesco Seguros e Previdência sponsors the 2006 edition of the Social Calendar of Sincor RS(Union of Insurance Brokers of the State of Rio Grande do Sul).
- 5 Bradesco Seguros e Previdência was one of the sponsors of the 32d edition of Conarh (National Congress on People Management) carried out at Transamérica Expo Center in São Paulo. Conarh is considered the largest and the most important Brazilian congress of this sector.
- 6 Bradesco Seguros e Previdência was one of the sponsors of the 1th Conec (State Congress of Insurance Brokers), carried out at Palácio de Convenções do Anhembi, in São Paulo. This year, the event organized by Sincor SP (Union of Insurance Brokers of the State of São Paulo), gathered around 5 thousand professionals of the sector.
- 7 Bradesco Seguros e Previdência sponsored the & Forum of Debates of Sincor MG (Union of Insurance Brokers of the State of Minas Gerais).
- 8 In the special edition of Guia Exame-Você S/A, published in September under the title 150 Best Companies toWork , Bradesco Saúde was pointed out as the best option of health benefit of companies.

Highlights

- 1. Bradesco Auto/RE is the official insurance company of Cirque du Soleil during the performances of its first tour in Brazil. The Canadian circus is known worldwide by its artistic quality.
- 2. Bradesco Auto/RE is the official insurance company of the 2006 edition of Casa Cor in Rio de Janeiro, one of the Country s most important events of architecture and design.

2005

Private Pension Plans

Statement of Income

Balance Sheet

R\$ million

2006

	200	05	200	JU	
	June	September	June	September	
Assets					
Current and Long-Term Assets	32,876	34,719	40,132	42,042	
Funds Available	59	46	35	49	
Securities	32,077	33,876	39,417	41,333	
Insurance Operations and Other Receivables	740	797	680	660	
Permanent Assets	803	918	161	164	
Total	33,679	35,637	40,293	42,206	
Liabilities					
Current and Long-Term Liabilities	32,099	33,697	38,499	40,159	
Tax, Civil and Labor Contingencies	629	740	632	626	
Operating Liabilities for Insurance and Private					
Pension Plans	97	114	67	86	
Other Liabilities	294	269	226	281	
Technical Provisions	31,079	32,574	37,574	39,166	
Stockholders' Equity	1,580	1,940	1,794	2,047	
Total	33,679	35,637	40,293	42,206	

R\$ million

	2005			2006			
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD	
Retained Premiums	285	294	883	345	346	1,018	

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Variations in Premium Reserves	(5)		(16)	(67)	(26)	(110)
Earned Premiums	280	294	867	278	320	908
Fee and Commission Income	100	109	304	126	139	392
Retained Claims	(206)	(189)	(563)	(209)	(222)	(653)
Expenses with Benefits VGBL	(17)	(28)	(58)	(22)	(38)	(83)
Selling Expenses Insurance	(56)	(63)	(175)	(65)	(65)	(191)
Other Operating Income (Expenses)	6	(14)	(18)	(43)	(4)	(112)
Income from Withholding Contributions						
and VGBL Premiums	1,450	1,869	4,659	1,825	2,108	5,802
Technical Provisions Variation Private						
Pension Plans and VGBL	(178)	(659)	(847)	(323)	(748)	(1,401)
Benefits/Redemptions Expenses	(611)	(588)	(1,930)	(544)	(488)	(1,736)
Redemptions Expenses VGBL	(637)	(600)	(1,843)	(780)	(728)	(2,240)
Selling Expenses Private Pension Plans						
and VGBL	(40)	(44)	(126)	(50)	(50)	(144)
Personnel and Administrative Expenses	(60)	(66)	(183)	(73)	(75)	(213)
Tax Expenses	(17)	(22)	(52)	(26)	(27)	(81)
Interest Income	1,140	1,180	3,505	1,203	1,209	3,790
Interest Expenses	(874)	(845)	(2,645)	(922)	(893)	(2,841)
Equity Income	93	89	588	9	3	14
Non-Operating Income	(8)	(1)	(14)	(2)	(46)	(51)
Income before Taxes and Contributions	365	422	1,469	382	395	1,160
Taxes and Contributions on Income	(90)	(111)	(297)	(125)	(130)	(384)
Net Income	275	311	1,172	257	265	776

Income from Private Pension Plans and VGBL Market Share (%)

Until September 2006, total income from private pension plans totaled R\$5,802 million.

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

Until September, total income from net premiums written amounted to R\$1,082 million.

Increase in Technical Provisions R\$ million

Total technical provisions of Bradesco Vida e Previdência in September 2006 was of R\$39,166 million comprised R\$21,008 million for supplementary private pension plans, R\$16,636 million for VGBL, R\$1,429 million for life and personal accident, R\$89 million for DPVAT and R\$4 million for retro assignment.

Private Pension Plans and VGBL Investment Portfolios Market Share (%)

In September 2006, the Investment Portfolio reached R\$40,020 million.

Increase in Number of Participants in thousands

Increase in Life Insurance Policyholders and Personal Accidents in thousands

Thanks 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 37.9% share of income from private pension plans and VGBL and a 16.1% share of life insurance premiums and personal accident.

Bradesco is also sole leader in VGBL plans with a 42.3% share and a 33.3% share in PGBL (source: ANAPP (Brazilian Association of Private Pension Plan) August/2006 accumulated data).

The number of BradescoVida e Previdência customers reached 9.9%, in September 2006, compared to September 2005, surpassing the record of 1.7 million private pension plan and VGBL participants and 8.9 million life insurance and personal accident holders. This significant increase was prompted by the strength of the Bradesco Brand name and by the use of an appropriate management and sales policies.

Technical provisions totaled R\$39.2 billion in September 2006, an increase of 20.2% as compared to September 2005. The Portfolio of Investments in Private Pensions Plans and VGBL totaled R\$40 billion, comprising 42.7% of all market resources.

Awards/Recognition

The quality of services rendered by Bradesco Vida e Previdência was recognized, with the achievement of the following awards:

Prêmio Segurador Brasil (Brazil Insurer Award)

Ranking 2005 "Best Performance in Private Pension Plan";

Performance/Category Highlight "Highest Leverage and Results Group Life"; and

Marketing 10 - Prev Jovem.

Best and Biggest Companies 2006 Yearbook, Exame magazine

The Best Supplementary Private Pension Company;

The Biggest Brazilian Insurer in Net Awards;

The Biggest Insurer in Net Income;

The Highest Net Equity Profitability; and

The BiggestWealth Created.

Top of Mind Brazil Mato Grosso do Sul.

Gaivota de Ouro Award

Best Life and Pension Company; and

Best Product Marketing Campaign with Prev Jovem .

Valor 1000 Magazine

The Largest Life and Insurance Company (Maior Empresa deVida e Previdência).

Highlight in the year of 2005/2006 (CVG Clube Vida em Grupo of Rio de Janeiro).

Operating Risk

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

Within this aspect, for adequacy to the guidance brought by the New Capital Basel Agreement (Basel II), provisions of the monetary authority and alignment to future definitions related to Solvability II we carried out the survey and analysis of the events related to operating risk, enabling the improvement in the management and knowledge of losses and their causes. Thus, the plan of accounts was fully reviewed and specific accounting accounts were opened for the registration of events of operating risk loss, resulting from business interruption, failure of systems, errors, omissions, frauds or external events, thus enabling the determination for the regulatory capital calculation for Operating Risk according to the methodology adopted by Bradesco Organization. The disseminations of the operating risk management culture in several levels, the disclosure of corporate policies and establishment of continuous monitoring procedure of exposure levels are inserted in this context.

Certificated Savings Plans Companies(1)

Balance Sheet R\$ million

	June	September	June	September
Assets				
Current and Long-Term Assets	2,749	2,940	2,952	3,092
Securities	2,658	2,811	2,826	2,964
Accounts Receivable and Other Receivables	91	129	126	128
Permanent Assets	34	80	21	21
Total	2,783	3,020	2,973	3,113
Liabilities				

2,352

192

108

431

2,052

2,783

2005

2,461

194

132

559

2,135

3,020

2005

2006

2,522

228

67 2,227

451

2006

2,973

2,598

2,281

3,113

515

232

85

1) Bradesco Capitalização and Atlântica Capitalização are included.

Statement of Income R\$ million

Current and Long-Term Liabilities Tax, Civil and Labor Contingencies

Other Liabilities

Total

Technical Provisions

Stockholders' Equity

September September 2nd Qtr. 2nd Qtr. 3rd Otr. **YTD** 3rd Otr. **YTD** Income from Certificated Savings Plans 357 393 1,034 340 352 1,018 **Technical Provisions Variation** 21 (9) (3) (9)(16)(4) **Draws and Redemption of Bonds** (313)(898)(288)(306)(879)(338)Redemptions (304)(279)(328)(870)(296)(852)Draws (9) (10)(28)(9) (10)(27)Selling Expenses (3) (5) (12)(4) (6) (13)Other Operating Income (Expenses) 1 1 224 Financial Result 71 100 242 83 66 Administrative Expenses/Tax Expenses (12)(40)(12)(16)(40)(15)**Equity Result** 49 1 6 Non-Operating Income 8 8 7 7 **Income before Taxes and Contributions** 121 127 375 119 92 314 Taxes and Contributions on Income (39)(43)(30)(105)(108)(40)82 **79 62** 209 **Net Income** 84 267

¹⁾ Bradesco Capitalização and Atlântica Capitalização are included.

¹⁰⁴

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 in line with potential consumer demand.

Regionally, the company holds a leadership position in two Brazilian states, according to the latest figures for August 2006 published by SUSEP. The company s market share was of 29.65% in Amazonas and 37.35% in São Paulo.

In pursuit of a bond which is suited to its customers—different profiles and budgets, a number of products were developed, which vary in accordance with the type of payment (single or monthly), contribution terms, regularity of draws and related prize amounts. This phase was important due to the closeness to the public, by means of the consolidation of Pé Quente Bradesco—family products.

We can highlight the performance of products with a social-environmental character such as Pé Quente

Bradesco SOS Mata Atlântica which, in addition to enabling the formation of a financial reserve, contributes for reforestation projects of Fundação SOS Mata Atlântica and Pé Quente Bradesco GP Ayrton Senna, launched in July 2005, whose great differential is the destination of a percentage of the amount collected with securities to social projects of Instituto Ayrton Senna. Thus, in addition to competing for prizes, the product allows the client to help to develop the potential of new generations and participate in the construction of a better Brazil. As the most recent Company s launching, we can highlight the Pé Quente Bradesco o Câncer de Mama no Alvo da Moda (the Breast Cancer in the Fashion Target), launched in March 2006. Upon acquiring this product, the client contributes to the development of projects of prevention, precocious diagnosis and treatment of cancer in Brazil, for a part of the amount collected is given to IBCC Brazilian Institute of Cancer Control.

Rating

Standard & Poor s increased the rating from brAA to brAA+ of Bradesco Capitalização, the only company of the certificated savings plans segment with this rating. The solid financial and equity protection standard that Bradesco Capitalização ensures to its clients contributed to the result.

Quality Management System

Bradesco Capitalização S.A. was the first private certificated savings plans company in Brazil to receive ISO 9002 Certification. In December 2005, it received again the certification of its quality management system, in the ISO 9001: 2000 version within the scope of Bradesco Certificated Savings Plans Management . Granted by Fundação Vanzolini, it 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 Certificates Market Share (%)

Technical Provisions Market Share (%)

Growth in Technical Provisions R\$ million

Due to the growing strengthening of Technical Provisions volume, Bradesco Capitalização reached the amount of R\$2.3 billion in September 2006 and according to August 2006 data, released by SUSEP, it holds 20.6% of the total volume of Technical Provisions in the market.

All these results deliver safety and reaffirm the financial solidity and the ability to honor the commitments assumed with clients.

Number of Clients in thousands

As a result of a customer loyalty building policy, focused on the quality customer service and the offer of innovative products, Bradesco Capitalização ended 3Q06 amounting to 2.4 million of clients.

Outstanding Traditional Certificated Savings Plans in thousands

Outstanding Certificated Savings Plans With Transfer of Draw Participation Rights in thousands

Outstanding Certificated Savings Plans in thousands

The outstanding certificated savings plans portfolio increased from 12.3 million in September 2005 to 13.9 million in September 2006. Out of this total, 67.0% comprise bonds with Transfer of Draw Participation Rights modality, including: Bradesco Cartões, Bradesco Vida e Previdência, Banco Finasa etc.

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, since these are low-priced bonds, they are sold with reduced terms and grace periods and at a lower unit purchase price.

Awards/Recognition

- 1 Bradesco Capitalização received the Segurador Brasil 2006 Award, as a highlight in the Certificated Savings Plans segment. The award is promoted by Segurador Brasil magazine and has as purpose to acknowledge the leadership, performance and achievements of the companies of the sector in 2005, in addition to showing a scenario involving the importance of companies and entities in the implementation and in the development of concepts, products and services for the Brazilian insurance market.
- 2 Bradesco Capitalização received two Top Social 2006 awards, promoted by the Association of Sales and Marketing Managers of Brazil (ADVB-SP). The cases awarded were Pé Quente Bradesco SOS Mata Atlântica and Pé Quente Bradesco GP Ayrton Senna . The award is one of the most important ones in the sector and has as purpose to evaluate and highlight the socially responsible actions.
- 3 Bradesco Capitalização received three Gaivota de Ouro 2006 trophies, granted by Seguro Total magazine. The company was highlighted in the Best Certificated Savings Plans Company , Certificated Savings Plans Product highlighted in 2005 and Companies which have contributed to Entities in Social Works categories in the VI 2006 Insurance Market Award .
- 4 Bradesco Capitalização received the award of Best Certificated Savings Plans Company granted by the yearbook Balanço Financeiro. The yearbook, published by Gazeta Mercantil, recognized the results achieved in 2005.

Consolidated Balance Sheet

R\$ million

	200)5	2006		
	June	September	June	September	
Assets					
Current and Long-Term Assets	11,883	14,015	17,438	18,479	
Funds Available	10	7	13	13	
Interbank Investments	245	232	186	277	
Securities and Derivative Financial					
Instruments	59	53	55	63	
Interbank Accounts	33	29	41	34	
Loan and Leasing Operations	11,048	13,249	16,665	17,533	
Allowance for Doubtful Accounts	(329)	(432)	(764)	(863)	
Other Receivables and Other Assets	817	877	1,242	1,422	
Permanent Assets	1,739	1,785	1,918	1,739	
Total	13,622	15,800	19,356	20,218	
Liabilities					
Current and Long-Term Liabilities	12,927	15,034	18,228	19,191	
Demand, Time and Interbank Deposits	12,487	14,620	17,875	18,788	
Borrowings and Onlendings	10	9	4	3	
Derivative Financial Instruments	83	52	9	4	
Other Liabilities	347	353	340	396	
Future Taxable Income	51	47	33	26	
Stockholders Equity	644	719	1,095	1,001	
Total	13,622	15,800	19,356	20,218	

Consolidated Statement of Adjusted Income

R\$ million

		2005			2006	
			September			September
	2 nd Qtr.	3 rd Qtr.	YTD	2 nd Qtr.	3 rd Qtr.	YTD
Income from Financial Intermediation	849	1,028	2,613	1,317	1,378	3,904
Financial Intermediation Expenses	(513)	(629)	(1,564)	(759)	(809)	(2,291)
Net Interest Income	336	399	1,049	558	569	1,613
Allowance for Doubtful Accounts	(102)	(138)	(318)	(262)	(256)	(725)

Gross Income from Financial Intermediation

	234	261	731	296	313	888
Other Operating Income (Expenses)	(168)	(180)	(498)	(227)	(232)	(673)
Operating Income	66	81	233	69	81	215
Non-Operating Income		(1)				(1)
Income before Taxes and Contributions	66	80	233	69	81	214
Taxes and Contributions on Income	(6)	(6)	(27)	(10)	(13)	(27)
Adjusted Net Income(*)	60	74	206	59	68	187

^(*) The corporate result of the nine months of 2006, of R\$29 million, was adjusted by the full goodwill amortization in the amount of R\$239 million (R\$158 million net of tax effects).

Profile

Banco Finasa offers financing lines of direct loan to consumer for acquisition of light vehicles, transportation and other goods and services, in addition to leasing and personal loan operations, operating as the financing company of Bradesco.

Thus, Banco Finasa contracts the services of Finasa Promotora de Vendas Ltda., its wholly-owned subsidiary, responsible for the business prospect, through its 330 branches established nationwide, in addition to counting on a structure of business partners, represented in September, 2006 by 17,953 auto dealers and 23,271 stores selling furniture and

home décor, auto parts, IT programs and equipment, home improvement material, tires, tourism and telephony, amongst others. At the end of the quarter, Finasa Promotora de Vendas recorded 4,565 employees, 77% of which were directly performing in new businesses prospect.

As a strategy to add more potential to Bradesco s solid operation in the granting of financing, Banco Finasa continued with the policy to enter into operational agreements with large car makers, auto and truck resale and implements, in addition to important store chains.

We can highlight in the period the acquisition of Capital Promotora de Vendas Ltda., which belonged to Amex Group, by Finasa Promotora, with an structure of 6 branches, 1,046 registered stores and 172 employees, operating in a preponderant manner in the acquisition of financings in the areas of Mobile Telephony, Tourism, Tires and Furniture and Home Décor. On September 30, 2006, Finasa Promotora incorporated Capital Promotora deVendas Ltda.

In addition, in the 3^{rd} quarter of 2006, goodwill was fully amortized in the acquisition of the companies of Zogbi (in February 2004) and of Morada (April 2005), totaling R\$157.904 million, net of taxes, was anticipated.

In compliance with the concepts in the New Basel Capital Accord, Banco Finasa, Finasa Promotora and Bradesco s Risk Management and Compliance Department (DGRC) started, in June 2005, the identification and collection works of operating losses resulting from events of Operating Risk within the scope of both Banco Finasa and Finasa Promotora. This joint work provides for the treatment of historical data in statistical studies, conducted with the purpose of risk mitigation.

Operating Performance

The differentiated form of trading of products, with a specialized and focused team, enabled Finasa a loan portfolio growth of 32.33% in the last twelve months. The production of new businesses increased, on average, from R\$1.120 billion/month in the first nine months of 2005 to R\$1.299 billion/month in 2006, with a growth of 15.98%.

The balances of Bradesco s loan operations in September 2006 showed the following growth by financing line, when compared to 2005:

Finasa Portfolio R\$ million

I · en ·	Septen	ıber	Evolution	Share (*)
Line of Business	2005 2006			
Individual	12,029	15,417	28.2	
CDC Vehicles	9,565	12,676	32.5	20.5
CDC Other Assets	1,938	1,888	(2.6)	19.3
Personal Loan	356	625	75.6	
Leasing	170	228	34.3	
Corporate	1,220	2,116	73.4	
CDC	965	1,206	25.0	
Vehicles	837	1,107	32.3	
Other Assets	128	99	(22.7)	
Leasing	255	910	258.2	
Overall Total	13,249	17,533	32.3	
(*) Source: RACEN				

(*) Source: BACEN

The share of balance of Allowance for Doubtful Accounts on Loan and Leasing Operations, in September 2006, was 4.92%, above the 3.26% reached in the same period of 2005, due to the larger share of products of Personal Loan and Other Assets and Services in the portfolio composition, to the market behavior in the first nine months of 2006 and to the provision criterion of the Organization, more conservative and above the minimum required by BACEN which grants a higher coverage level to the investment of Stockholders.

In the 3rd quarter of 2006, a stabilization in the provision curve was observed.

In the accumulated nine months of 2006, the Bank reached an Adjusdted Net Income of R\$186.701 million against the R\$206.198 million recorded in the same period of 2005, which considers:

the impact of strong investments made in acquisitions and physical expansion in the last 15 months, which naturally provided a return in the medium and long term; and

the increase in delinquency in a generalized way in the market in the 9 months of 2006, jointly with the criterion already mentioned of the Organization concerning additional provisions.

The corporate result, in this same period, was R\$28.797 million, which considers the full amortization of goodwill in the acquisition of the companies Zogbi and Morada.

Banco Finasa ended September of 2006 with a Stockholders Equity of R\$1.0 billion, which included the capitalization of R\$162 million with the subscription of capital by controlling stockholder, carried out in December 2005 and the anticipation of goodwill amortization in September 2006.

Leasing Companies

On September 30, Bradesco Organization controlled the following leasing companies: Bradesco Leasing S.A. Arrendamento Mercantil, Zogbi Leasing S.A. Arrendamento Mercantil and Bankpar Arrendamento Mercantil S.A., besides the leasing portfolio of Banco Finasa S.A., which is directly shown in its financial statements.

On June 28, 2006, under #CVM/SRE/PRO/2006/003, The Second Program of Public Distribution of Debentures of Bradesco Leasing S.A. Arrendamento Mercantil was filed at the CVM, limited to the amount of R\$10.0 billion with duration term of up to 2 years, from which the following issuance was registered:

Under #CVM/SRE/DEB/2006/024, 65,000,000 simple debentures (4 issuance), with unit value of R\$100.00, with issuance date on February 1, 2005, totaling R\$6.5 billion, with a 20-year term, with payment of compensation interest on the maturity date of the debentures, restated by CDI totaling R\$8.5 billion, counted from the issuance date, 50.0% of which were traded on July 27, 2006.

Aggregated Balance Sheet

R\$ million

	200	05	2006		
	June	September	June	September	
Assets					
Current and Long-Term Assets	13,000	13,558	19,648	24,572	
Funds Available			8		
Interbank Investments	10,135	10,558	15,991	20,626	
Securities and Derivative Financial					
Instruments	668	725	858	886	
Leasing Operations	1,673	1,785	2,268	2,437	
Allowance for Doubtful Accounts	(82)	(91)	(98)	(104)	
Other Receivables and Other Assets	606	581	621	727	
Permanent Assets	86	97	87	59	
Total	13,086	13,655	19,735	24,631	
Liabilities					
Current and Long-Term Liabilities	10,803	11,296	17,234	22,092	

Federal Funds Purchased and Securities Sold				
under Agreements to Repurchase				
and Funds Received from Issuance of				
Securities	9,465	9,916	15,696	20,503
Borrowings and Onlendings	177	185	188	210
Derivative Financial Instruments	4	2		
Subordinated Debt	629	629	623	622
Other Liabilities	528	564	727	757
Stockholders' Equity	2,283	2,359	2,501	2,539
Total	13,086	13,655	19,735	24,631

Aggregated Statement of Income

R\$ million

	2005			2006		
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Income from Financial Intermediation	595	843	1,841	959	1,087	3,040
Financial Intermediation Expenses	(479)	(699)	(1,486)	(833)	(960)	(2,662)
Net Interest Income	116	144	355	126	127	378
Allowance for Doubtful Accounts		(10)	6	(5)	(6)	(11)
Gross Income from						
Financial Intermediation	116	134	361	121	121	367
Other Operating Income (Expenses)	(50)	(17)	(82)	(20)	(37)	(96)
Operating Income	66	117	279	101	84	271
Non-Operating Income	1		1	(6)	(9)	(14)
Income before Taxes and Contributions	67	117	280	95	75	257
Taxes and Contributions on Income	(20)	(41)	(94)	(33)	(19)	(83)
Ajusted Net Income (*)	47	76	186	62	56	174

^(*) This refers to the result of the nine months of 2006 of R\$174 million, adjusted by the full goodwill amortization of R\$27 million (R\$18 million net of tax effects).

Leasing Performance Aggregated Bradesco

Leasing operations are carried out by Bradesco Leasing S.A. Arrendamento Mercantil and Banco Finasa S.A.

On September 30, leasing operations brought to present value totaled R\$3.6 billion, with a balance of R\$8.4 million receivable in operating leases.

The Bradesco Organization s leasing companies are positioned amongst sector leaders, according to ABEL (Brazilian Association of Leasing Companies), with an 11.84% share of this market (reference date:

August 2006). This good performance is rooted in its Branch Network integrated operations and the maintenance of its diversified business strategies in various market segments, in particular, the implementation of operating agreements with major industries, mainly in the transportation vehicles and machinery/equipment industries.

The following graph presents the breakdown of Bradesco's aggregated leasing portfolio by type of asset:

Portfolio by Type of Asset

Bradesco Consórcios (Consortium Purchase System)

Management Company

Balance Sheet

R\$ thousand

	200)5	2006		
	June	September	June	September	
Assets					
Current and Long-Term Assets	116,074	142,513	199,956	235,932	
Funds Available	9			350	
Securities	114,002	140,332	195,161	230,876	
Other Receivables	2,063	2,181	4,795	4,706	
Permanent Assets	706	715	2,821	4,892	
Total	116,780	143,228	202,777	240,824	
Liabilities					
Current and Long-Term Liabilities	37,918	44,976	55,635	65,241	
Dividends Payable	18,581		29,039	29,039	
Amounts Refundable to Former Groups Now					
Closed	6,081	6,234	6,630	6,749	
Other Liabilities	13,256	38,742	19,966	29,453	
Stockholders Equity	78,862	98,252	147,142	175,583	
Total	116,780	143,228	202,777	240,824	

Statement of Income

R\$ thousand

	2005			2006	
2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
33,427	39,674	102,894	48,048	52,308	144,374
(3,337)	(4,056)	(10,304)	(5,088)	(5,592)	(15,264)
4,501	5,700	13,521	6,250	7,187	20,095
(4,112)	(5,538)	(12,963)	(5,346)	(6,094)	(17,066)
(5,907)	(6,297)	(14,540)	(9,144)	(5,839)	(19,314)
746	837	2,013	1,192	1,685	3,837
25,318	30,320	80,621	35,912	43,655	116,662
(8,841)	(10,930)	(28,509)	(11,304)	(15,213)	(39,197)
	33,427 (3,337) 4,501 (4,112) (5,907) 746 25,318	2 nd Qtr. 3 rd Qtr. 33,427 39,674 (3,337) (4,056) 4,501 5,700 (4,112) (5,538) (5,907) (6,297) 746 837 25,318 30,320	2nd Qtr. 3rd Qtr. September YTD 33,427 39,674 102,894 (3,337) (4,056) (10,304) 4,501 5,700 13,521 (4,112) (5,538) (12,963) (5,907) (6,297) (14,540) 746 837 2,013 25,318 30,320 80,621	2nd Qtr. 3rd Qtr. September YTD 2nd Qtr. 33,427 39,674 102,894 48,048 (3,337) (4,056) (10,304) (5,088) 4,501 5,700 13,521 6,250 (4,112) (5,538) (12,963) (5,346) (5,907) (6,297) (14,540) (9,144) 746 837 2,013 1,192 25,318 30,320 80,621 35,912	2nd Qtr. 3rd Qtr. September YTD 2nd Qtr. 3rd Qtr. 33,427 39,674 102,894 48,048 52,308 (3,337) (4,056) (10,304) (5,088) (5,592) 4,501 5,700 13,521 6,250 7,187 (4,112) (5,538) (12,963) (5,346) (6,094) (5,907) (6,297) (14,540) (9,144) (5,839) 746 837 2,013 1,192 1,685 25,318 30,320 80,621 35,912 43,655

Net Income 16,477 19,390 52,112 24,608 28,442 77,465

Consortium Groups

Balance Sheet

R\$ thousand

	200)5	2006		
	June	September	June	September	
Assets					
Current and Long-Term Assets	377,010	437,245	1,859,700	2,043,187	
Amount Offset	9,495,099	10,263,261	11,878,924	12,232,279	
Total	9,872,109	10,700,506	13,738,624	14,275,466	
Liabilities					
Current and Long-Term Liabilities	69,131	83,050	1,859,700	2,043,187	
Stockholders Equity	307,879	354,195			
Amount Offset	9,495,099	10,263,261	11,878,924	12,232,279	
Total	9,872,109	10,700,506	13,738,624	14,275,466	
In 2006, amounts are shown as per Circular Lette	r 3,147/2004 of th	ne Brazilian Centra	l Bank.		

Operating Overview

Bradesco Consórcios on December 9, 2002 started to sell consortium purchase plan quotas to its employees, and on January 21, 2003, started to sell to its account holders and non-account holders, both for individuals and corporations.

Bradesco Consórcios sells automobile, trucks, tractors, agricultural implements and real properties plans, according to the rules of Brazilian Central Bank.

Referring to the sale of plans offered, the Company relies on the Banco Bradesco Branches network, liable for higher Bradesco Consórcios share in the consortium purchase plan market. The extensive nature and security associated with the Bradesco Brand name are added advantages for expanding consortium purchase plan sales.

Segmentation

The Banco Bradesco s entry into this market is part of its strategy to offer the most complete range of product and services options to its clients, with a view to providing all social classes with the opportunity to purchase items at accessible prices through the consortium quota system, and filling a market lacuna, especially taking into account that, in relation to real estate product, there is currently high housing deficit in country.

Operating Performance

The different way of negotiation of products (Real State, Automobiles and Trucks), with a specialized and focused team, provided Bradesco Consórcios with a growth of 114.8% in the first 9 months of 2006 when compared to the same period of the previous year.

Operating Risk

Bradesco Consórcios and DGRC (Department of Risk Management and Compliance) started in February 2005 the works related to the identification and collection of operating losses. Accounting accounts specific for accounting of losses resulting from operating risk events were opened.

We understand that these actions meet the concepts introduced by the New Basel Capital Agreement, and this work aims to establish a statistic basis for modeling of the operating risk, with the purpose of lower allocation of capital required, as well as increase the mitigation capacity of risks identified.

Representation

Market Share Real Estate Consortium in percentage

Market Share Automobile Consortium in percentage

Bradesco has been playing an important role in the consortium purchase plan industry, enabling to the population access to loan for the acquisition of personal and real property. The freedom to select an asset is one of the main characteristics of the plans sold by Bradesco Consórcios, since the consortium member is free to select a preferred automobile or real property when he/she wins the draw.

In 3Q06, 58 groups were inaugurated and 31.2 thousand consortium quotas were sold. On September 30, we recorded total accumulated sales exceeding 270.9 thousand consortium quotas, summing up sales exceeding R\$8.3 billion and recording 85.8 thousand draws, 65.5 thousand properties delivered and 1,384 active groups.

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Leadership

According to a strategy defined by the Organization, Bradesco Consórcios leads the automobile and real estate segments and has been searching for a highlighting position in the segment of Trucks and Tractors.

In the real estate segment, Bradesco ended September 2006 with 98,627 active quotas. In the Automobile segment, Bradesco ended with 146,226 active quotas, surpassing consortium management companies associated with car makers, consolidated in the market, such as Volkswagen, Fiat and General Motors.

Leadership (Real Estate and Auto) is conquered and consolidated as a result of ongoing and determined efforts, motivated by the enthusiasm and strength of the Bradesco Branch Network.

Total Quotas Sold
Number of active participants comprising the 10 largest real estate consortium management companies
Number of active participants comprising the 10 largest auto segment consortium management companies
117

Bradesco S.A. Corretora de Títulos e Valores Mobiliários

Balance Sheet

R\$ thousand

	200)5	2006		
	June	September	June	September	
Assets					
Current Assets	87,810	471,985	1,425,207	237,983	
Funds Available	49	33	33	33	
Interbank Investments	14,325	8,670	33,800	67,632	
Securities	47,611	52,310	56,388	75,644	
Other Loans	25,729	410,876	1,334,927	94,512	
Other Assets	96	96	59	162	
Long-Term Assets	13,471	20,214	20,801	21,231	
Securities	4,016	9,213	4,946	5,120	
Other Loans	9,455	11,001	15,855	16,111	
Permanent Assets	28,926	29,955	34,232	35,352	
Investments	26,770	27,861	32,325	33,443	
Property, Plant and Equipment	1,408	1,333	1,099	1,050	
Deferred Assets	748	761	808	859	
Total	130,207	522,154	1,480,240	294,566	
Liabilities					
Current Liabilities	28,151	413,509	1,339,498	146,658	
Other Liabilities	28,151	413,509	1,339,498	146,658	
Long-Term Liabilities	31,039	31,685	37,920	38,905	
Other liabilities	31,039	31,685	37,920	38,905	
Stockholders' Equity	71,017	76,960	102,822	109,003	
Total	130,207	522,154	1,480,240	294,566	

Statement of Income

R\$ thousand

	2005			2006		
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Income from Financial Intermediation	3,565	3,379	8,229	6,236	4,220	18,932
Other Operating Income (Expenses)	2,180	3,596	10,924	5,350	3,520	13,069
Operating Income	5,745	6,975	19,153	11,586	7,740	32,001
Non-Operating Income	(7)		(7)	(3)		(3)
Income before Taxes and Contributions	5,738	6,975	19,146	11,583	7,740	31,998

Taxes and Contributions on Income	(1,912)	(2,357)	(7,247)	(4,108)	(2,657)	(11,248)
Net Income	3,826	4,618	11,899	7,475	5,083	20,750

Bradesco Corretora ended 3rd quarter of 2006 in the 13th position of São Paulo Stock Exchange BOVESPA of the 94 participant brokers. 21,801 investors were served in such period, executing 213,444 stock call and put orders, summing up a volume corresponding to R\$5,908 million. Bradesco Corretora has been participating with BOVESPA in the event *Bovespa vai até você* (Bovespa reaches you), with a view to popularizing the stock market.

This quarter, Bradesco Corretora traded 615 thousand contracts at the Brazilian Mercantil & Futures Exchange BM&F, with a financial volume of R\$45,682 million, reaching the 27th position in the ranking of top 71 participant brokers. It has been driving its efforts to proceed with the expansion of businesses, as well as to disseminate future markets.

Concerning the agricultural sector, Bradesco Corretora has been directly acting in the main producing regions of the country, through visits, lectures, and participation in agribusiness fairs and exhibitions. Jointly with BM&F, it has been sponsoring the clients—visit from various regions of the country to São Paulo, for visits to BM&F and Bradesco Corretora. It has also been receiving producers, teachers, opinion makers and dealers of goods physical market. It also takes part in the trading of future mini-contracts of Bovespa Index, U.S. dollar and *boi gordo* (live cattle) and coffee through the Web Trading system, with a view to offering an alternative to carry out derivative operations of price protection, directly at the trading floor. The intermediation of futures markets operations is certified by NBR ISO 9001:2000.

In operations made through the internet we obtained a volume of R\$1,029 million. Our operations through the internet in relation to the market were positive, and when compared to competitors we can see an evolution in the ranking from the 6th position in the first two months of the quarter to the 3rd position in September, one of the brokers with the highest growth in average volume daily traded. This evolution in the ranking may also be shown by means of operations made in the period, which added up to 152,352 executed orders. In the quarter the client base increased 8.72%, with 4,539 new registrations, and 14,977 e-mails received. The brokerage rate of the operations made through the internet has been the main difference to conquer clients in the Market. Home Broker intermediation of stocks through the internet (Shopinvest) is certified by NBR ISO 9001:2000 and GoodPriv@cy Data Protection Label (2002 edition).

Bradesco Corretora maintained its highlighting position in the market, operating in Public Offerings for Share Purchase, Primary and Secondary Public Distribution and Special Operations and Privatization Auctions. The total volume traded was R\$39 million, assisting a total of 448 clients among individuals and legal entities, in the Public Distributions.

Bradesco Corretora offers to its customers a complete investment analysis service with coverage of the main sectors and companies of the Brazilian market. Our team of analysts is comprised of sector specialists who disclose their opinions to clients in an equitable way by means of follow-up reports and guides of stocks. Moreover, clients also count on analyses of the team of economists of Banco Bradesco, one of the most important ones of the Brazilian market.

In addition, it offers non-resident investors representation service in operations conducted in the financial and capital markets, under the terms of the CMN (Brazilian Monetary Council) Resolution # 2,689, as of January 26, 2000.

It also offers the *Tesouro Direto* (Direct Treasury) Program, which allows the individual client to invest in federal government bonds via the Internet; he/she just have to register himself/herself at Bradesco Corretora via theWebsite www.bradesco.com.br.

In compliance with the concepts introduced by the New Basel Capital Agreement, Bradesco S.A. Corretora de Títulos e Valores Mobiliários in partnership with the Department of Risk Management and Compliance (DGRC), started in August 2005 a work of identification and registration of events of operating losses taking place in the intermediation of operations carried out in the capital markets as well as other events classified as Operating Risk. The development of this work will provide the treatment of historic data and the performance of statistic studies with the purpose of risk mitigation and constant improvement of internal controls.

The Net Income recorded in the quarter amounted to R\$5,083 thousand.

The Stockholders Equity, at the end of the quarter, amounted R\$109,003 thousand, equivalent to 37% of total assets, which added up to R\$294,566 thousand.

Information Trading on BM&F and BOVESPA

	2005			2006		
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
BM&F						
Ranking	21st	20^{th}	19 th	25 th	27 th	29 th
Contracts Traded (thousand)	915	1,145	2,937	688	615	1,813

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Financial Volume (R\$ million)	90,279	111,997	308,646	57,153	45,682	150,296
Stock Exchange						
Ranking	24 th	12 th	12 th	15 th	13 th	14 th
Number of Investors	15,609	16,358	40,286	23,376	21,801	46,359
Number of Orders Executed	120,367	143,441	405,387	212,611	213,444	595,110
Financial Volume (R\$ million)	2,696	5,048	12,837	5,596	5,908	17,194
Home Broker						
Ranking	8 th	8 th	7^{th}	6 th	6 th	6 th
Registered Clients	32,584	35,021	35,021	52,036	56,575	56,575
Orders Executed	62,853	75,012	210,864	154,269	152,352	417,951
Financial Volume (R\$ million)	359	502	1,322	1,096	1,029	2,998
119						

Bradesco Securities, Inc.

Balance Sheet

R\$ thousand

	2005		2006	
	June	September	June	September
Assets				
Current and Long-Term Assets	53,752	50,893	48,245	48,759
Funds Available	7,275	7,428	7,120	7,327
Interbank Investments			244	248
Securities and Derivative Financial				
Instruments	46,442	43,418	40,786	41,059
Other Receivables and Other Assets	35	47	95	125
Permanent Assets	16	12	278	542
Total	53,768	50,905	48,523	49,301
Liabilities				
Current and Long-Term Liabilities	581	404	536	611
Other Liabilities	581	404	536	611
Stockholders' Equity	53,187	50,501	47,987	48,690
Total	53,768	50,905	48,523	49,301
Chatamant of Income				

Statement of Income

R\$ thousand

	2005			2006		
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Gross Income from Financial						
Intermediation	2,392	710	2,352	209	1,387	2,129
Other Operating Income (Expenses)	(488)	(529)	(1,536)	(757)	(907)	(2,434)
Operating Income	1,904	181	816	(548)	480	(305)
Net Income (Loss)	1,904	181	816	(548)	480	(305)

Bradesco Securities, Inc., a wholly-owned subsidiary of Banco Bradesco, operates as a broker dealer in the United States. The company's activities are focused on the intermediation of stock purchases and sales, with emphasis on ADR operations. The company is also authorized to operate with Bonds, Commercial Paper and Certificates of Deposit, among others, and to provide Investment Advisory services. This Bradesco initiative was motivated by the

more than 90 ADR programs of Brazilian companies traded in New York and by the growing interest of foreign investors in the emerging markets, which is designed to offer support for global economy investors who invest part of this flow in countries such as Brazil.

Banco Bradesco obtained the Financial Holding Company status from the Board of Governors of the Federal Reserve System, on January 30, 2004, which will allow the expansion of Bradesco Securities activities.

This status, given based on a rigorous analysis of various aspects determined in US banking legislation, including Banco Bradesco s high level of capitalization and the quality of its Management, will allow the Bank, either directly or through its subsidiaries, to operate in the US market, whenever considered convenient, carrying out financial activities under the same conditions as local banks, in particular the following:

Securities trading (underwriting, private placement and market-making);

Acquisitions, mergers, portfolio management and financial services (merchant banking);

Mutual funds portfolio management; and

Sale of insurance.

Accordingly, Banco Bradesco has strengthens its role in the Investment Banking segment, increasing opportunities for exploiting various financial activities in the US market and contributing to the increase in the volume of transactions carried out with Brazilian companies.

5 - Operating Structure

Corporate Organization Chart

Major Stockholders

(1) Bradesco s management (Board of Executive Officers and Board of Directors) comprises the Preseding Board of Fundação Bradesco, maximum Deliberative Body of this Entity. Reference: 9.30.2006.

Main Subsidiaries and Affiliated Companies

Administrative Body

Reference Date: 10.6.2006

			Fitch l	Ratings						
	International Scale Domestic Scale						Internati			
		Foreign Currency (1)		Local Curi	Local Currency (1)		Domestic (1)		Currency posit	Foreign D
Individual	Support	IDR - Delinquency Probability of Issuer Long-term	Short-term	IDR - Delinquency Probability of Issuer Long-term	Shor-term	Long-term	Short-term	Long-term (2)	Short-term	Long-term (2)
A	1	AAA	F1	AAA	F1	AAA (bra)	F1+ (bra)	Aaa	P-1	Aaa
A/B	2	AA	F2	AA	F2	AA+ (bra)		Aa	P-2	Aa
В	3	A	F3	A	F3	A (bra)	F3 (bra)	A	P-3	A
B/C	4	BBB	В	BBB	В	BBB (bra)	B (bra)	Baa	NP	Baa
C	5	BB+	C	BB+	C	BB (bra)	C (bra)	Ba3	3	Ba1
C/D		В	D	В	D	B (bra)	D (bra)	B1		В
D		CCC		CCC		CCC (bra)		Caa	l	Caa
D/E		CC		CC		CC (bra)		Ca	l	Ca
Е		С		C		C (bra)		C	1	C
		RD		RD		DDD (bra)				
		D		D		DD (bra)				
						D (bra)				

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

⁽¹⁾ Signs of plus (+) and minus (-) are used to identity a better or worse position within a same rating scale.

⁽²⁾ Numeric modifiers 1, 2 and 3 are added to each generic rating from Aa to Caa, meaning lower or higher risk in the same category.

⁽³⁾ This is the first governance rating granted in Latin America. The evaluation recognizes that Bradesco adopts great corporate governance practices, with a relationships policy highlighted by a high quality, transparency and ethics level.

Main Ratings Insurance and Certificated Savings Plans Companies

		Insurance			Certified Savings Plans
Fitch	ratings	Standard & Poor s	SR Ra	ting	Standard & Poor s
Domestic Scale	International Scale	Domestic Scale (1)			Domestic Scale (1)
of Financial	Financial Strength	Counterparty Rating	International Scale	Domestic Scale	Counterparty Rating
AAA (bra)) AAA	brAAA	AAA ^{SR}	brAAA	brAAA
AA+ (bra)		brAA+	$AA+^{SR}$	brAA+	brAA+
A (bra)		brA	AASR	brAA	brA
BBB (bra)		brBBB	AA^{SR}	brAA	brBBB
BB (bra)		brBB	A+SR	brA+	brBB
B (bra)		brB	$\mathbf{A}^{\mathbf{SR}}$	brA	brB
CCC (bra)	CCC	brCCC	\mathbf{A}^{SR}	brA	brCCC
CC (bra)	CC	brCC	BBB+SR	brBBB+	brCC
C (bra)	C	brSD	BBB^{SR}	brBBB	brSD
DDD (bra)	DDD	brD	BBB^{SR}	brBBB	brD
DD (bra)	DD		$BB+^{SR}$	brBB+	
D (bra)	D		BB^{SR}	brBB	
			BB^{SR}	brBB	
			B+ ^{SR}	brB+	
			\mathbf{B}^{SR}	brB	
			B^{SR}	brB	
			CCCSR	brCCC	
			CC^{SR}	brCC	
			C^{SR}	brC	
			D^{SR}	brD	

⁽¹⁾ Signs of plus (+) and minus (-) are used to identity a better or worse position within a same rating scale.

Major Rankings

Source		Criterion	Position	Reference Date	
Forbes the World s Leading Companies	Research	Banks/Forbes 2000*	2 nd (Brazil)	March 2006	
Forbes the World s Leading Companies	Research	Banks/Forbes 2000*	40th (Worldwide)	March 2006	

Overall/Forbes

Forbes the World s Leading Companies Research 2000* 3rd (Brazil) March 2006

Overall/Forbes

Forbes the World s Leading Companies Research 2000* 187th (Worldwide) March 2006

(*) Forbes 2000: companies comprising World s Leading Companies list are rated based on a combination of criteria which takes into consideration income, profit, assets and market value.

Market Segmentation

Bradesco operates on a segmented service basis, i.e., seeks to match its different products and services to the different profiles and size of its target public. In line with a world market trend, Bradesco's structure allows to grouping together customers with similar profiles, facilitating superior quality customer service and extending business opportunities, with a greater focus on relationship actions.

Bradesco Corporate Banking

Mission and Values

Bradesco Corporate's mission is to meet client s needs, developing long-term ethical and innovative relationship in harmony with stockholders' interest.

The area s principal values and which permeate its day-to-day activities comprise the following:

teamwork;

ongoing pursuit of innovation and excellence in customer service; transparency in all actions; commitment to self-development; adherence to strategic guidelines; creativity, flexibility and initiative; and agile customer delivery.

Background and Achievements

The Corporate Banking segment was introduced in 1999, designed to serve companies from its target market based on a customer, rather than product standpoint, under a centralized relations management, offering as well as traditional products, structured, Tailor-made and Capital Markets solutions, through specific Managers who have a clear vision of risk, market, economic industries and relationship.

Among the various significant achievements obtained, we point out the ISO 9001:2000 quality certification received by all areas of the Corporate Banking structure, including its Corporate Banking exclusive customer service platforms, as well as the partnerships entered into with international banks: UFJ Japan, BBVA Spain and BES Portugal.

Brazilian Desk

Bradesco was the first Brazilian bank to carry out an operating agreement with a Japanese bank allowing the inclusion of approximately 300 thousand Brazilians living and working in Japan.

This partnership between the different professionals from the two Banks, which was carried out during two years, offers checking accounts, products and services destined to meet the needs of this community.

Customers have access to an exclusive UFJ-Bradesco Branch 7-days-a-week with bilingual (Japanese and Portuguese) employees who answer via Automated Consulting and Contract Machines ACMs, which are fully integrated with the UFJ Branch Network, for local bank services and remittances to Brazil.

These facilities are also available via 6,000 ATMs with screens in Portuguese, offering ease and convenience to customers.

Such operational agreement sets forth a strategic alliance between Bradesco and the UFJ Bank, which after its merger with Banco Tokyo Mitsubishi as from January 1, 2006, became the world's largest bank: Bank of Tokyo Mitsubishi-UFJ (MUFG).

BES

The partnership with Banco Espírito Santo (BES) to provide for funds remittance services from Portugal to Brazil directly benefits more than 100 thousand Brazilians living and working in that Country.

Besides processing the remittance service, the agreement also provides for the opening of checking accounts of Brazilians, allowing their banking inclusion. The opening of checking accounts gives access to various financial products, such as debit card, savings accounts and life insurance.

The funds remittance from Brazilians working in Portugal represents nearly 300 million Euros per year. Brazilians using the remittance service offered by the partnership Bradesco/BES have competitive cost and more processing alternatives, such as the Internet and 10 thousand ATMs, besides the telephone and the Internet Banking. Inflow of funds occurs and these will be distributed to the beneficiaries in Brazil by Bradesco.

Another example of a solution with significant added value for the Institution are the partnerships entered into with major retail networks for consumer sales financing, made feasible as a result of the relationship and familiarity with this industry's production chain and the synergy which exists among the Bank's various segments.

The resources comprising assets (credit, bonds and guarantees) and liabilities (deposits, funds and portfolios) amount to R\$79.9 billion.

Target Market

The 1,267 Economic Groups comprising Bradesco Corporate starget market, which is mostly comprised of large corporations which record sales results in excess of R\$180 million per annum, are located in the states of São Paulo, both the capital and inner state, Rio de Janeiro, Minas Gerais, Paraná, Rio Grande do Sul, Santa Catarina, Goiás, Pernambuco and Bahia.

Specialized Structures

In addition to the teams specialized in the different economic sectors, this service also maintains structures entirely dedicated to the management of specific clients:

Euro Desk this structure is focused on the management of customers of Spanish origin and the development of financial solutions for Bradesco Corporate companies, prospecting business synergies in Europe and Latin America.

Asian Desk this desk serves Asian descendent clients, by developing financial solutions as an economic financial advisor in businesses with Japan and the entire Asia.

Bradesco Empresas (Middle Market)

Bradesco's Middle Market segment (Bradesco Empresas) was implemented with a view to offering services to companies with annual sales results from R\$15 million to R\$180 million, through 66 exclusive branches in the main Brazilian capitals.

Bradesco Empresas aims at offering the best business management, such as: Loans, Investments, Foreign Trade, Derivatives, Cash Management and Structured Operations, targeting customers satisfaction and results to Bradesco.

The 66 branches are strategically distributed throughout Brazil as follows: Southeast (41), South (16), Mid-West (4), Northeast (3) and North (2).

Bradesco Empresas is formed by a team of 364 Relationship Managers, who are included in the ANBID Certification Program, serving on average 30 economic groups per Manager, on a tailor-made concept, encompassing 22,239 companies from all sectors of the economy.

Bradesco Private Banking

Bradesco Private Banking, through its highly qualified and specialized professionals, offers the Bank's high-income individual customers with minimum funds available for investment of R\$1 million, an exclusive line of products and services aimed at increasing their equity by maximizing returns. Therefore, the most appropriate financial solution is sought, considering each client s profile, under the Tailor-Made concept, providing advisory services for asset allocation and fiscal, tax and successor advisory services. Aiming the proximity to its customer base, Bradesco Private Banking has two offices in the cities of São Paulo and Rio de Janeiro, as well as 9 service units in Porto Alegre, Blumenau, Curitiba, Belo Horizonte, Brasília, Salvador, Recife, Fortaleza and Uberlândia. Bradesco Private Banking is also certified by ISO 9001:2000 with scope on the Relationship Management of High Net Wealth Individuals , as well as with the certification GoodPriv@cy (Data Protection Label 2002 Edition) granted by IQNet (The International Qualit Network), in the Management of Privacy of Data Used in the Relationship with High NetWealth Clients .

Bradesco Prime

Aligned with the commitment to providing all its clients with a Complete Bank, Bradesco Prime operates in the segment of High Income clients, having as target-public individuals with income of R\$4 thousand or higher or with investments of R\$50 thousand or higher.

Bradesco Prime s Mission is to be the first client s bank, focusing on relationship quality and in offering appropriate solutions to their needs, with prepared staff, adding value to stockholders and employees, within high ethical and professional standards.

Attesting its commitment to quality, Bradesco Prime Department was granted the NBR ISO 9001:2000 certification by Fundação Carlos Alberto Vanzolini, under the scope Bradesco Prime Segment Management , enhancing even more Bradesco s commitment to continuously improving processes and pursuing clients satisfaction.

Bradesco Prime s customers are provided with:

VIP facilities specifically designed to provide comfort and privacy;

Customized service by the Relationship Managers who, due to their small client portfolios, are able to dedicate special attention to each client;

Differentiated products and services, amongst them, the Bradesco Prime Checking Account , a loyalty program which is designed to add value and provide incentives to the client s relationship with Bradesco through the offer of increasing benefits, the chat on-line , real time financial consultant, besides investments funds exclusively created for Bradesco Prime clients.

Bradesco Prime has the largest Branch Network exclusive for the high income public, with 205 Branches throughout Brazil. Furthermore, clients use unique Internet Banking and Call Center facilities, in addition to the extensive Bradesco Customer Service Network, which includes its nationwide Branches and ATM equipment.

Some Prime branches also offer differentiated services, such as:

Prime Digital Branch: focused on customer service via call center with a team of managers available at extended business hours (from 8:00 am to 8:00 pm, 7 days-a-week, including bank holidays).

Prime Branch at Cidade de Deus, Latin America's first Wireless Branch, where managers use remoteconnected equipment, enabling client to conduct his/her business from his/her own facilities.

The Relationship Managers are continually enhancing their professional qualifications to meet the financial needs of their clients. Moreover, all Bradesco Prime s Managers are included in the ANBID Certification Program.

Bradesco Retail

Bradesco maintains its Retail specialty, serving with high quality service all segments of the Brazilian population regardless of income level. The Bank has more than 16 million individuals and corporate customers account holders, who carry out millions of transactions daily at our Branches, Service Branches, Banco Postal (Post-Office Branches) and Bradesco Expresso, comprising Brazil's largest Customer Service Network, besides thousands of teller machines, providing ease and convenient services over extended hours.

In addition to the extensive service network, clients are offered the comfort of alternative service channels such as Fone Fácil (Easy Phone) service and Internet Banking, which are already used for a significant portion of daily transactions.

Micro, small and medium-sized companies (SME), as well as individuals, are given special attention through oriented management.

The Retail segment has been focusing on the development of financial products, tailor-made to meet the customers' profile in an ongoing effort to offer quality, agile and reliable services to all customers, in particular, bearing in mind the value of customer relations.

The main focus of this segment is directed towards meeting the diverse customer demands, which include the offer of microcredit, onlending, foreign exchange and a complete range of financing products for individuals, which allied with the Bradesco Brand Name and nationwide Branch Network comprise an important source for increasing Bradesco's results.

Significant investments have been made in staff training, aiming at qualifying employees for customized and efficient customer service, seeking to preserve relations and increase the customers' loyalty to the Bank.

Bradesco Retail not only has more than 2,700 Branches and 2,400 Service Branches (PAB/PAE), but also makes available a Digital Branch, operating in a virtual environment and offering courier service. The Digital Branch has a team of managers who serve its clients, regardless of location, from 8:00 am to 10:00 pm, seven days a week.

Banco Postal

Banco Postal is a brand through which the Brazilian Post Office Company ECT renders services as Correspondent Bank in partnership with Bradesco. Banco Postal is present in more than 4,800 cities of Brazil, and aims at serving the low income population, especially in 1,700 cities where there are no other financial institution.

Thanks to Banco Postal, millions of Brazilians, who before were excluded from the banking system, now have the possibility of opening a bank account and obtaining loan with a regulated institution. In addition, Banco Postal enables a greater economic development of the cities, fomenting new entrepreneurs, hence, improving peoples lives. It also enables the replacement of physical money with debit and credit cards, reducing risks and easing funds management.

Number of Branches

Bradesco Expresso

Bradesco has increased its share in the segment with the expansion of Bradesco Expresso Network, by means of partnerships entered into with supermarkets, drugstores, department stores and other retail chains.

For clients and community in general, Bradesco Expresso offers a convenient banking service, closer to the residence or workplace. For Bradesco, this is the best way to reach low income clients, especially the population deprived of bank services, and promoting the inclusion of millions of Brazilians in the banking system, which would not be possible by means of traditional banking branches, in view of high installation and operational costs. Concerning shopkeepers, Bradesco Expresso foments a higher flow of clients and encourages them to visit the establishment many times, opening possibilities for loyalty and sales increase.

Number of Transactions Made in Correspondent Banks (Banco Postal + Bradesco Expresso) in thousands

Customer Service Network

2005	2006
2003	2000

	September			June			September		
	Branches	PABs	PAEs	Branches	PABs	PAEs	Branches	PABs	PAEs
Consolidated	2,916	937	1,453	2,993	1,044	1,469	3,002	1,040	1,415
Bradesco	2,915	937	1,453	2,992	1,044	1,469	3,001	1,040	1,415
Banco Finasa	1			1			1		
Banco Postal	5,439			5,533			5,548		
Branches Abroad	3			3			3		
Subsidiaries Abroad	5			5			5		
ATMs	22,658			23,551			23,716		
ATM Network Assisted Terminals Banco 24 Horas (24 hour bank)					2,657			2,796	
ATM Network Outplaced Terminals	2,164			2,327			2,413		
ATM Equipment Banco 24 Horas					2,841			2,986	
Finasa Promotora de Vendas 224 270 330 PAB (Corporate Site Branch) and PAE (Electronic Banking Branch).									

Customer Service Network Branches

Client/Branch Ratio thousand

Bradesco and Market Share

	S	eptember 200	05	September 2006			
Region/State	Bradesco	Total Banks in Market	Market Share (%)	Bradesco	Total Banks in Market	Market Share (%)	
North							
Acre	5	33	15.2	5	35	14.3	
Amazonas	58	135	43.0	59	145	40.7	
Amapá	4	24	16.7	4	27	14.8	
Pará	49	279	17.6	49	292	16.8	
Rondônia	18	89	20.2	18	89	20.2	
Roraima	2	17	11.8	2	18	11.1	
Tocantins	13	85	15.3	13	86	15.1	
Total	149	662	22.5	150	692	21.7	
Northeast							
Alagoas	11	125	8.8	11	126	8.7	
Bahia	209	733	28.5	207	759	27.3	
Ceará	29	371	7.8	92	367	25.1	
Maranhão	67	226	29.6	67	227	29.5	
Paraíba	17	174	9.8	18	173	10.4	
Pernambuco	63	478	13.2	62	480	12.9	
Piauí	8	115	7.0	8	115	7.0	
Rio Grande do Norte	13	144	9.0	14	149	9.4	
Sergipe	12	158	7.6	12	162	7.4	
Total	429	2,524	17.0	491	2,558	19.2	
Mid-West							
Federal District	30	307	9.8	31	310	10.0	
Goiás	106	550	19.3	106	561	18.9	
Mato Grosso	62	241	25.7	62	245	25.3	
Mato Grosso do Sul	56	224	25.0	57	227	25.1	
Total	254	1,322	19.2	256	1,343	19.1	
Southeast							
Espírito Santo	40	330	12.1	40	367	10.9	
Minas Gerais	276	1,828	15.1	281	1,844	15.3	
Rio de Janeiro	$257^{(2)}$	1,652	15.6	$256^{(2)}$	1,697	15.1	
São Paulo	1,073	5,639	19.0	1,085	5,824	18.6	
Total	1,646	9,449	17.4	1,662	9,732	17.1	
South							

Paraná Rio Grande do Sul Santa Catarina	171 157 110	1,265 1,427 833	13.5 11.0 13.2	172 159 112	1,278 1,458 848	13.5 10.9 13.2
Total	438	3,525	12.4	443	3,584	12.4
Overall Total	2,916	17,482	16.7	3,002	17,909	16.8

⁽¹⁾ Source: UNICAD Information on Entities of Interest to the Brazilian Central Bank.

Customer Service Network Branches Market Share

⁽²⁾ It includes 1 Banco Finasa s branch.

Bradesco Dia&Noite (Day&Night) Customer Service Channels

Bradesco s clients are able to consult their banking transactions, carry out financial transactions and purchase products and services available via state-of-the-art technology through the following alternative channels: Auto-Atendimento (ATM Network), Fone Fácil (Easy Phone) and Internet Banking.

Reassuring the commitment with social responsibility, the Assistance Channels Bradesco Dia&Noite (Day&Night) provide access to people with special needs, as follows:

Internet Banking for visually impaired people;

Personalized assistance for hearing impaired people, by means of the digital language in Fone Fácil (Easy Phone);

Access to visually impaired people and wheelchair users in Auto-Atendimento (ATM Network) is being expanded; and

Electronic security key (Token) for visually impaired people.

Bradesco Dia&Noite (Day&Night) ATM Network

This ATM network is distributed in strategic points throughout Brazil, with 23,716 machines on 09.30.2006, providing fast and practical access to diverse range of products and services. Besides, Bradesco s clients who have debit cards in checking accounts or savings accounts can use 2.986 Banco24Horas machines for withdrawal, balance and bank statement transactions.

Distribution of Own ATM Network Productivity from January to September 2006

ATM Network Number of Transactions thousands

ATM Network Financial Volume Evolution R\$ million

ATM Network Highlights millions

		2005			2006	
Items	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Quantity of Cash Withdrawal Transactions	109.1	111.8	328.4	109.1	113.0	330.9
Quantity of Deposit Transactions	48.5	59.1	154.8	44.9	46.6	137.5
	2005		2006			
T4						
Items			June S	September	June	September

3rd Quarter of 2006 Highlights

Growth of 28.0% in the quantity and of 36.6% in the amounts of personal loans compared to the same period of 2005;

Replacement of 274 machines for technological update and increase in the number of machines by 165;

In the Banco24Horas Network 7.2 million transactions were made by Bradesco clients; and

Installation of machines with universal assistance concept. These machines enable assistance to clients who are physically and visually disabled.

Bradesco Dia&Noite (Day&Night) Fone Fácil (Easy Phone Service)

Nationwide 24-hour call-center access, 7 days a week, where the client by means of Electronic and Personalized Assistance can obtain information, make transactions and acquire products and services related to his/her Checking Account, Savings Account, Credit Cards and other products available in this channel.

By means of specific numbers, the client has access to several centers. The main ones are: Internet Banking, Net Empresa, Consortium, Private Pension Plan, Finasa, Collection and also Alô Bradesco to make complaints, criticisms and compliments.

Fone Fácil Calls Evolution million

Fone Fácil Number of Transactions thousands

Fone Fácil Financial Volume Evolution R\$ million

3Q06 Highlights

Availability of security devices (Token and TanCode) to transact in the Channel. Its utilization is initially optional; and

Consumidor Moderno Magazine Award in the Premium Bank category in the Fone Fácil Bradesco Prime service.

Bradesco Dia&Noite (Day&Night) Internet Banking

Bradesco Dia&Noite (Day&Night) Internet Banking manages a Portal, which contains links to 42 related websites, 29 of which are institutional, and 13 are transactional. Since it was first launched, Bradesco Internet Banking has innovated and made available the largest number of online services as possible to its clients.

Bradesco Internet Banking currently offers its clients 658 different services, of which 368 for individuals and 290 for corporate clients, which can be accessed around-the-clock, seven days a week from anywhere.

Internet Banking thousands of registered users

Internet Banking Number of Transactions in thousands (*)

(*) Number of transactions made via Internet Banking, ShopInvest, Cards, ShopCredit, Net Empresa and Net Empresa WebTA (Web File Transmission) and Cidadetran.

Internet Banking Evolution of Financial Movement R\$ million (*)

(*) Financial Volume transacted through the Internet Banking, ShopInvest, Cards, ShopCredit, Net Empresa and Net Empresa WebTA (File Web Transmission) and Cidadetran.

Services

3rd quarter of 2006

Bradesco Internet Banking 7.6 million registered users.

(www.bradesco.com.br) 75.7 million transactions carried out.

ShopInvest Bradesco 1,114 thousand registered users.

(www.shopinvest.com.br) 546.0 thousand transactions carried out.

ShopCredit

(www.shopcredit.com.br)

4.8 million transactions/operations carried out.

Bradesco Net Empresa 451,373 registered companies.

(<u>www.bradesco.com.br</u>) 10.8 million transactions/operations carried out.

Bradesco Cartões

(www.bradescocartoes.com.br)

9.1 million transactions carried out.

Net Empresa WebTA

(Web Transmissão de Arquivos)

121.9 million transactions/operations carried out.

Bradesco Cidadetran

(www.cidadetran.com.br)

2.2 million transactions/operations carried out.

3Q06 Highlights

Launch of Bradesco Electronic Commerce and Bradesco Social-Environemental Responsibility websites;

Request of Bradesco Security Key Electronic and Card for use in Electronic Commerce and Bradesco Pocket;

Bradesco Net Empresa Check Management Check Custody Portfolio; and

2006 Global Finance Award Best:

Internet Banking for Individuals of Brazil Website for Individuals in Security Initiatives of Latin America; and Corporate Internet Banking of Brazil.

Investments in Infrastructure, Information Technology and Telecommunications

The investments for expanding the capacity of infrastructure, IT and telecommunications at Bradesco Organization are designed to maintain a modern, practical and secure customer service network, characterizing Bradesco as one of the world's most contemporary companies and creating a unique advantage for its clients and users at home and abroad.

Investments Evolution

R\$ million

Years

						September YTD
	2001	2002	2003	2004	2005	2006
Infrastructure	509	613	469	230	245	247
IT/Telecommunications	743	947	1,225	1,302	1,215	1,055
Total	1,252	1,560	1,694	1,532	1,460	1,302
139						

Risk Management and Compliance

Credit Risks, Operational Risks, Market Risks, Internal Controls and Compliance

Activity and Structure

The risk management activity plays a significant role, not only as a result of a growing complexity of services and products offered by the Organization, but also in view of the globalization of its activities. Therefore, Bradesco has improved its risk management-related activities, in pursuit of the best internationally used practices, however duly adjusted to Brazil s reality.

Bradesco deems the risk management a generating factor of competitive advantage employed by the Organization with a view to adding value to Bradesco Brand, to the extent this enables support to the business areas in the planning of their activities, optimizing the utilization of own funds and of third parties, in benefit of stockholders and the company. In this regard, Bradesco foments the technical improvement of its team on a permanent basis and particularly, the professionalization of those connected with the risk management and control.

The organizational structure of the Risk Management and Compliance Department DGRC reflects the Organization s commitment to the issue, once the integration of three risks into one independent Department brings great advantages to risk management, meeting the concepts enacted by the New Capital Accord (Basel II) and the best Corporate Governance practices.

Organizational Structure of the Risk Management and Compliance Department:

The structure of the Risk Management and Compliance Department also aims at ensuring the necessary focus to such activities and generate a solid added value. Robust investments are made, especially in the qualification of employees, to enhance the quality of risk management of the Conglomerate, not restricted to the banking activities, but on the contrary, extended with the same relevance to the other activities of the Organization.

Additionally, the Risk Management and Compliance Department coordinates all the actions necessary to comply with the regulations issued by the Brazilian Central Bank, as regards the New Capital Accord (Basel II). These works are directed by an Executive Committee designated by the Board of Directors, under the coordination of the Organization s President.

The Department also has as attribution the responsibility for the compliance with the Resolution # 2,554 of the Brazilian Central Bank (Internal Controls) and with the provisions of the Sarbanes-Oxley Act, Section 404.

Risk Management Process

Bradesco adopts a comprehensive and integrated approach for managing all risks inherent to its activities, based on the support from its Internal Controls and Compliance structure. This integrated view allows the improvement of its risk management models, filling possible gaps, which could jeopardize the correct identification and assessment.

Credit Risk Management

Credit Risk is the possibility of a counterparty of a loan or financial operation might neither intend nor suffer any change in its ability to comply with its contractual liabilities, thus may generate any loss for the Organization.

As part of its Credit Risk Management improvement process, Bradesco is working uninterruptedly to improve the procedures for gathering and controlling portfolio information, developing and improving loss estimation models to examine and prepare the rating inventories used in the follow-up of credit analysis, granting and settlement processes, monitoring credit concentration and identifying new components offering credit risks and preparing risk mitigation strategies.

Efforts, which are focused on the utilization of advanced models, used to assess the risks and improve processes, have demanded exhaustive works by all areas comprising the loan chain, and on the other hand, have reflected on the quality and performance of the portfolio seen over the past quarters, both in terms of results and solidity to various past and future scenarios.

We also point out the following actions and events:

The Executive Committee of Credit Risk Management holds a monthly meeting, enabling the follow-up and the participation of the Top Management in the major facts and decisions referring to credit risk;

incentives to improve risk rating models of clients within particular characteristics in the business segments Bradesco operates;

participation in the evaluation of credit risks upon review of formalization of products;

implementation of expected and unexpected losses calculation system, besides the allocation of corresponding capital;

a periodical review of projects related to the compliance with best practices and requirements of New Capital Basel Accord, by monitoring actions in progress and identifying new gaps and needs emerged for the improvement of management process, preparing action plans;

backtesting of the models used for measuring loan portfolio s risks;

optimization of the manageable information systems in order to meet the current approach of department and customers segmentation, emphasizing decision-making process and loan portfolio s management;

follow-up of critical risks: periodical monitoring of the main events of default, by means of individual analysis based on the growth of clients balances and recovery estimates; and

continuous review and restructuring of the internal processes, including roles and responsibilities, qualification, organizational structures review and IT demands.

Operational Risk Management

Under the corporate scope, Bradesco Organization defines operational risk as a manifestation of events resulting in the business interruption, systems failure, errors, omissions, frauds, or events in various activities, with impacts over clients and the Institution.

The operational risk management is based on the preparation and implementation of methodologies, using a standardization specific system of collection format and treatment of operating loss historical data and is aligned to best practices of operational risk management. We point out that we are under the conditions to meeting the guidelines enacted by the New Capital Basel Accord and to the schedule set forth by the Brazilian Central Bank, by means of Notice #12,746, issued in December 2004.

The National Monetary Council issued by means of the Central Bank on June 29, 2006 the Resolution 3380 which provides for the implementation of the operational risk management structure. Since 2003, the Bank is fully aligned with this guidance about operational risk management in all Bradesco Organization.

We have been conducting quarterly theoretical calculations of operational risk capital allocation, using the Basic Indicator Approach (BIA), Standardized Approach (STA) and the Alternative Standardized Approach (ASA), as defined by Basel II and Notice 12,746 of the Brazilian Central Bank. Through such studies, we verified a lower utilization of capital with the Alternative Approach (ASA), when compared to the others, according to the table below:

Participation among Approaches in the Calculation of Capital Allocation for Operational Risk

Approach	3Q06 (*)
Basic Indicator (BIA)	100.0%
Standardized (STA)	94.7%
Alternative Standardized (ASA)	55.1%
(*) Calculated according to the Brazilian Central Bank criteria, considering the	Financial Consolidated.

In 2005, Bradesco concluded an exhaustive process of reviewing the corporate accounts plan, which included the review of the Organization s products and services. As a result of such work, Bradesco opened specific accounting items, improved the records and the analysis of events related to operational risk, by also resulting in the improvement of internal processes, associating them to the lines of business enacted by Basel II, which on their turn, are aligned to the concepts used in the credit risk management.

Aiming at synergy and rationalization of resources, an identical work is also under development in the Insurance Group. These efforts focus on the convergence of implementation of concepts of Basel II and Solvability II, concerning the knowledge and development of the advanced (operating losses) and intermediate (based on gross result) methodology for unification of the criteria within Bradesco Organization, in conformity with Resolution 3380

in terms of financial economic consolidated.

In addition, in the 1st half of 2006 we maintained efforts to identify operational losses occurred with loan instruments, by observing the concepts of Basel II, and solid results in the Retail Segment s businesses.

Bradesco Organization s goal is to obtain qualification for the Advanced Measurement Approach (AMA). The data to prepare the calculations required are obtained by means of book accounts opened for registration of Operational Risk loss events. This structure enables a better understanding of the events, as well as a detailed evaluation of their occurrences by means of inferences about the operational data base.

When determining the regulatory capital for Operational Risk, by the Advanced Methodology, we measure the expected losses (EL), not only in compliance with Basel II rules, but also an assistance for the establishment of operational losses provisions necessary with statistical assistance.

Those losses not classified as expected (EL), i.e., the unexpected losses (UL) are calculated by using the LDA (Loss Distribution Approach) methodology, which comprises the estimate of distribution of severity (loss amount), frequency (number of losses events) and the calculation of VaR (Value at Risk), which represents a maximum loss with 99.9% of chance of occurring. Therefore, we consider as unexpected loss (UL), the difference obtained between the expected loss and the VaR measure, which will reflect on future capital allocations.

In addition, a new systemic business platform is under validation process, which will integrate into a single data base, the Operational Risk and Internal Controls information (quantitative and qualitative portion of the risk), and will comprise the requirements set forth by the U.S. Sarbanes-Oxley Act.

Market Risk Management

Market risk is related to the possibility of the loss of income from fluctuating rates caused by mismatched maturities, currencies and indexes of the Institution's asset and liability portfolios. This risk has been accompanied by growing strictness by the market, with significant technical evolvement over the past years, with a view to avoiding, or at least, minimizing, eventual losses to institutions, due to higher complexity in operations carried out domestically and internationally.

At Bradesco, market risks are managed through methodologies and models, which are consistent with local and international market realities, ensuring that the Organization's strategic decisions are implemented with speed and a high level of reliability.

The Organization adopts a conservative policy regarding market risk exposure; VaR (Value at Risk) limits are defined by Senior Management, and compliance therewith is daily monitored by an independent area to the portfolio management. The methodology used to determine VaR has a reliability level of 97.5%. The volatilities and correlations used by the models are calculated on a statistical basis and used in processes based on future prospects in accordance with economic studies. The methodology applied and current statistical models are validated daily using backtesting techniques.

Risk Management and Compliance

R\$ mil

Risk Factors	2005				2006			
	March	June	September	December	March	June	September	
Pre-fixed	8,806	18,621	7,172	13,589	4,527	15,114	13,402	
IGP-M	2,689	3,808	3,942	2,152	12,038	10,343	7,401	
IPCA	731	624	975	21,866	40,900	40,855	45,753	
TR	5,226	3,297	12,481	10,961	7,223	6,164	4,036	
Domestic Exchange								
Coupon	33,051	11,673	44,659	28,767	3,410	8,609	745	
Foreign Currency	9,699	3,100	7,133	10,129	8,331	851	5,734	
Variable Income	839	773	183	149	2,053	2,935	1,198	
Sovereign/Eurobonds								
and								
Treasuries	57,844	30,361	26,456	36,695	32,251	41,098	16,998	
Other	810	436	775	5,267	3,413	1,002	250	
Correlated Effect	(41,466)	(24,862)	(39,901)	(59,897)	(50,799)	(41,206)	(18,765)	
VaR	78,229	47,831	63,875	69,678	63,347	85,765	76,752	
Average VaR in the								
Quarter	70,082	58,896	63,357	69,371	60,495	71,419	75,632	
Minimum VaR in the								
Quarter	59,765	36,923	43,873	58,796	44,856	37,556	52,850	
Maximum VaR in								
the Quarter	78,229	78,036	80,911	82,457	74,138	100,305	107,750	

Investments abroad protected by hedge operations are not considered in the VaR calculation, since these are strategically managed differently, with amounts taking into account the tax effects, which minimize the sensitivity to risks and corresponding impacts on results, as well as foreign securities positions, which are funding-matched.

Besides the follow-up and control via VaR, a Sensitivity Analysis is made daily, which measures the effect on domestic interest rate curve portfolio

and exchange coupon curve movement (differential of interest paid above the exchange variation), as well as possible impacts on stress scenarios positions are periodically assessed.

Complementing the market risk monitoring, control and management structure and in accordance with Central Bank regulations, a daily verification is made of the values at risk for the pre-fixed and foreign exchange positions of the Organization's entire portfolio and of remaining capital requirements.

Management of Internal Controls and Compliance

The Organization is continually developing policies, systems and internal controls to mitigate possible potential losses generated by its exposure to risk, destined to optimize processes and procedures, among which we point out the following:

Internal Control System based on 25 Basel Internal Control Principles and in the methodology of Committee of Sponsoring Organizations COSO, in

the businesses areas, referring to control environment components, risk assessment, control activities, information, communication and monitoring and Control Objectives for Information and related Technology COBIT, for the information technology areas. This system reinforces the ongoing improvement in the identification process and assessment of controls used in risks mitigation, also in compliance with the Sarbanes-Oxley Act, Section 404.

SPB Management Brazilian Payment System, has the purpose of ensuring the execution of the messages among the Banks of the Organization and all the entities participating in this system. The activity is supported by monitoring tools of the Organization s information systems, aligned with the continuous training and professional qualification, with the purpose of ensuring full operationality and availability of the system. Additionally, the Organization has a PCN Operational Continuity Plan for SPB, documented in a specific tool and with corporate access, comprising predefined scenarios and actions, which enables the reduction of systemic unavailability risk. The areas involved in the process also count on a physical environment located in Alphaville, for operational continuity of the SPB processes, in the occurrence of a possible claim (fire, landslide, strike etc.), in the facilities of the Headquarters or Nova Central, which hinder the performance of activities. PCN SPB is continuously tested and the evidences are published in standard reports disclosed in our corporate intranet.

Measures preventing and combating Money Laundering observe the best market practices and are based on the policy Conheça seu Cliente (Know your Client). Training and awareness programs are exhaustively provided to all employees and the use of technological tools to monitor financial transactions are constantly upgraded, with a view to protecting the Institution and Management, Stockholders, Clients and Employees and avoid the use of Organization in transactions or situations, which may be directly or indirectly related to crimes preceding money laundering, characterized in Law 9,613/98.

Information Security Management, consolidated in the Security Policy, is designed to protect client and corporate information. Bradesco Organization has a formal structure, with specific objectives and responsibilities, for defining, maintaining and improving information security in the corporate environment, which is based on the Corporate Information Security Policy and Standards approved by the Executive Information Security Committee. The following policies are adopted in relation to client information:

Information is collected ethically and legally and under the clients awareness, for specific purposes and are duly informed;

The information received by Bradesco are treated and stored safely and fully, with cryptography methods or digital certification, when applicable;

The information will only be accessed by persons legally authorized and qualified;

The information may be available to companies contracted for services rendering, however it is required that such organizations comply with our guidelines for security and privacy of data;

Clients information only will be provided to third parties, by means of previous authorization of the client or to comply with a legal or regulatory requirement;

The information for the purposes of evaluation of credit, checking and risk management, may only be exchanged with respectable reference sources and clearing services; and

The information and data included in our records, as well as other requests to ensure legal or contractual rights will only be provided to those interested, by means of formal request, observing the prevailing legal requirements.

Liquidity Risk Management

Liquidity risk management is designed to control the different mismatched settlement terms of the Institution's rights and obligations, as well as the liquidity of the financial instruments used to manage the financial positions.

Knowledge and monitoring of this risk are critical since they enable the Organization to settle transactions on a timely and secure manner.

At Bradesco, liquidity risk management involves a series of controls, mainly with respect to the establishment of technical limits, with constant assessment of the positions assumed and the financial instruments used.

Capital Risk Management

The Organization's capital is managed to optimize the risk to return ratio, in such a way to minimize losses through the implementation of well-defined business strategies and maximizing efficiency in the combination of factors which impact on the Capital Adequacy Ratio (Basel).

Capital Adequacy Ratio (Basel) September 2006 R\$ million

Calculation Statement

Calculation Basis	Financial consolidated ⁽¹⁾	Total consolidated ⁽²⁾
Stockholders' Equity	21,773	21,773
Minority Interest/Other	139	55
Decrease in Tax Credits pursuant to BACEN Resolution 3,059	(149)	(149)
Reference Stockholders Equity Level I	21,763	21,679
Reference Stockholders Equity Level II (Subordinated		
Debt/Others)	10,265	10,266
Total Reference Stockholders Equity (Level I + Level II)	32,028	31,945
Risk-Weighted Assets	174,394	197,669
Capital Adequacy Ratio (%)		
Tier I	12.48	10.97
Tier II	5.89	5.19
Ratio Variation (in percentage) Ratio in September 2005	17.73	15.50
Movement in Stockholders Equity:	5.68	4.87
Net Income for the Period	3.51	3.07
Interest on Own Capital/Dividends	(1.25)	(1.09)
Mark-to-Market Adjustment Securities and Derivatives	0.36	0.31
Subordinated Debt	3.06	2.67
Other		(0.09)
Variation in Weighted Assets:	(5.04)	(4.21)
Securities	(0.05)	(0.88)
Loan Operations	(1.93)	(1.37)
Tax Credit	(0.03)	(0.20)
Risk (Swap, Market, Interest Rate and Foreign Exchange)	(0.89)	(0.69)
Memorandum Accounts	(0.57)	(0.45)
Other Assets	(1.57)	(0.62)
Ratio in September 2006	18.37	16.16

- (1) Financial companies only.
- (2) Financial and non-financial companies only.

Loan Policy

The Organization's Loan Policy complies with resolutions of the Board of Executive Officers and Brazilian Central Bank, besides guiding their actions by goals of security, quality, liquidity and diversification in the assets utilization.

In a continuous search to offer agile and profitable business, we apply appropriate methodology directed to each Bradesco s business segment, as well as guiding the establishment of operating limits and the granting of loan operations.

Within rules and Loan Policy, the Branches maintain their limit values variable, according to the size and guarantees of operations, and the automatic classification is verified against global risk of client/ economic group.

The loan proposals pass through an automated system and under parameters in a continuous improvement process, with a view to supplying indispensable subsidies for analysis, granting and follow-up of loans granted, minimizing the risks inherent to loan operations.

For the granting of mass loan, the specialized Credit Scoring systems enable to attain greater agility and reliability, besides the standardization of procedures in the credit analysis and granting processes.

The Executive Loan Committee located at Bradesco's Headquarters aims at joint decision-making processes within its skills referring to consultations about limits or operations proposed by the Branches (Prime, Private, Varejo (Retail) and Corporate) and by

the Departments (Corporate and Exchange), including External Branches, previously analyzed and with opinion of the Loan Department.

Operations are diversified, non-selective and focused on individuals and corporate customers with sound payment capacity and proven creditworthiness. Care is taken to ensure that the underlying guarantees are sufficient to cover the risks assumed, considering the purpose and terms of the loan granted.

Methodology Used for Loan Portfolio and Client Classification

The credit risk assessment methodology, besides delivering data to establish minimum parameters in the loan granting and risk management, also enables to define differentiated loan policies in view of characteristics and size of client, providing grounds not only for the correct pricing of operations, but also the definition of adequate guarantees according to each situation.

Concerning the internal policy, the risk ratings of Bradesco s clients are given on a corporate basis and periodically followed-up, with a view to preserving the quality of loan portfolio, according to the following levels:

Classification Corporate

Rating	Bradesco	% Provision	Concept
AA	Excellent	0.0	Premium clients, with size, tradition and market leadership, with excellent reputation and economic and financial position.
A	Very good	0.5	Clients with size, sound economic and financial position, operating in markets with good prospects and/or potential for expansion.
В	Good	1.0	Clients, which, regardless of size, have a good economic and financial position.
С	Acceptable	3.0	Clients with a satisfactory economic and financial position but with performance sensitive to economic scenario variations.
D	Fair	10.0	Clients with economic and financial position in decline or unsatisfactory accounting information, under risk management.
Е	Deficient	30.0	
F	Bad	50.0	Loan operations with any expectation of not being paid or in
G	Critical	70.0	default, classified under the possibility of loss.
Н	Uncollectible	100.0	· •

In the case of individuals, the risk ratings mentioned above are mainly defined based on their registered reference variables which include: income, equity, restrictions and indebtedness, besides standard and past relationship with Bradesco.

Cards

Million

	2005			2006		
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Number of Cards	48.5	50.9	50.9	52.5	53.3	53.3
Credit	7.5	7.8	7.8	10.6	10.9	10.9
Debit	40.8	41.7	41.7	38.9	38.8	38.8
Private Label/Hybrid	0.2	1.4	1.4	3.0	3.6	3.6
Amount Billed R\$	6,039.9	6,519.6	18,424.4	8,390.1	10,612.8	26,391.8
Credit	3,227.4	3,490.0	9,835.3	4,905.8	6,881.5	15,741.3
Debit	2,801.5	2,953.1	8,501.2	3,272.6	3,441.6	10,002.4
Private Label/Hybrid	11.0	76.5	87.9	211.7	289.7	648.1
Number of Transactions	116.0	123.9	353.2	142.7	159.5	437.4
Credit	51.6	54.5	156.7	67.1	78.9	207.1
Debit	64.2	68.1	195.0	72.9	76.3	221.4
Private Label/Hybrid	0.2	1.3	1.5	2.7	4.3	8.9

Credit Cards

Bradesco has been increasing its share in the segment showing an evolution of the most complete service line in the country. It provides Visa, Mastercard, American Express and Private Label Credit Cards, which are pointed out for the range of benefits and convenience offered to its associates.

In 3Q06, Bradesco increased by 39.7% its credit card base in relation to the same period of 2005 and the number of transactions climbed 44.8% in relation to 3Q05.

Sales for 3Q06 reached the amount of R\$6,881.5 million, a growth of 97.2% as compared to the same period of 2005 and the average ticket (billing per transaction) increased from 36.2% compared to the 3rd quarter of the previous year.

Credit Cards Base million

Credit Cards Sales R\$ million

Debit Cards

Bradesco showed a base of 38.8 million Debit Cards in the 3rd quarter of 2006, due to the debugging process of the base, started in 4Q05 and which resulted in the exclusion of inactive Eletron cards and is showing a better quality of the base. The average quantity of transactions per card grew 20.4% compared to the same period of the previous year, and the total quantity of transactions made by debit card in 3Q06 was 76.3 million, a 12.0% growth compared to 3Q05.

In terms of sales results, in 3Q06, there was an increase of 16.5% over the same period of 2005. The financial volume reached R\$3,441.6 million versus R\$2,953.1 million in 3Q05.

These two indicators clearly demonstrate that Brazilians are changing their payment habits, replacing checks and cash for the use of cards, especially debit cards.

Debit Cards Base million

Debit Cards Billing R\$ million

Cards Private Label/Hybrid

In this market, Bradesco operates in the segments of supermarkets through partnerships with the stores Comper, Dois Irmãos, Carone, Coop and Grupo G. Barbosa. In the segment of Retail stores in partnerships with Casas Bahia, LeaderCard and Lojas Esplanada (Grupo Deib Otoch); and in the Clothing segment in partnership with Lojas Hering and Luigi Bertolli.

This quarter, Bradesco launched the Private Label Card Panvel in partnership with Panvel drugstore chain, which has 204 stores in Rio Grande do Sul and 6 in Santa Catarina.

It ended the 3rd quarter of 2006 with 3.6 million cards, revenue of R\$289.7 million and 4.3 million transactions.

Meal Cards

In partnership with other issuers and Visa International, Bradesco actively participated in the distribution of VisaVale cards.

The value proposal for this business, besides reducing the operational cost with 100% of electronic transactions, it offers higher security and agility for companies and workers.

Bradesco contributed with a base of 1.2 million Visa Vale cards in 3Q06, representing a growth of 6.1% compared to the same period of 2005. Revenue in the quarter added up to R\$434.6 million, a growth of 37.1% compared to the same period of 2005.

Income from Cards

Card services revenue reached, from January to September 2006, R\$1,216.6 million, with a growth of 30.9% compared to the same period of 2005, mainly in revenues of commissions on purchases made with Credit and Debit Cards and several fees of services provided to clients which are card holders and affiliated establishments.

From January to September 2006, interest income increased 32.4% compared to the same period of 2005, reaching R\$927.0 million.

Credit Card Assets

In 3Q06 2006, Credit Card assets, which include financings to the bearer, advances to establishments and credits for cash purchases and by installments increased 79.4% compared to the same period in 2005, ending the quarter with R\$6,950.1 million.

Credit Card Assets R\$ million

International Area

The International Area operates under the following framework:

7 Units Abroad (Branches and Subsidiaries)

Branches:

NovaYork Bradesco Grand Cayman Bradesco Nassau Boavista

Subsidiaries:

Buenos Aires Banco Bradesco Argentina S.A. Luxemburgo Banco Bradesco Luxembourg S.A. Tóquio Bradesco Services Co., Ltd. Grand Cayman Cidade Capital Markets Ltd.

12 Operational Units in Brazil

Belo Horizonte (with support platform in Brasília), Blumenau, Campinas (with support platforms in Franca, Ribeirão Preto and Sorocaba), Curitiba, Fortaleza, Manaus (with support platform in Belém), Porto Alegre, Recife, Rio de Janeiro, Salvador, São Paulo (with support platforms in Guarulhos and Santos) and Vitória.

Bradesco Organization, by means of its International Area, reaffirms once again the commitment assumed in the past years for the expansion, strengthening and consolidation of the Brazilian foreign trade.

The performance reached in the first nine months of the year show this commitment.

Export exchange closings carried out by Bradesco from January to September 2006 reached US\$24.4 billion, showing an evolution of 33.3% compared to the same period of 2005, while the evolution shown by the market stood at 17.0%

The market share recorded from January to September of 2006, stood at 22.9%, surpassing by 2 percentage point the best performance ever recorded by the International Area, which was recorded in the same period of 2004.

The closings of import exchange agreements showed the amount of US\$9.4 billion in the January to September YTD, representing an evolution of 23.3% compared to the same period of 2005.

The market share in this market, considering the period of the first three quarters of the year stands exactly at 15.0%, the best historic figure for the segment.

As the 3rd quarter of 2006 has ended, the International Area records in its Portfolio the expressive balance of US\$7.7 billion when taking into account the total of Export and Import financings, Foreign Collateral Provided and Loans to Brazilian companies abroad, as well as committed lines. When compared to the same period of 2005, the balance had evolution of 65.7%.

Volume of Foreign Currency Trade US\$ billion

Export Market

Import Market

With the purpose of offering a larger support to companies operating in the exchange market and foreign trade or those that try to operate in this market, Bradesco is investing in the expansion of its structure, creating exchange platforms in the main export centers of the country. These platforms are located jointly with the segment Bradesco Empresas and count on professionals specialized in exchange and foreign trade.

It is also worth pointing out that Bradesco already uses a Digital Certification system for foreign exchange contracts. This service allows the customer to electronically sign exchange contracts, which, besides making the clients transaction easier, speeds up the exchange contracting flow, reducing operational risks and costs.

The portfolio of Export and Import Financing, Foreign Collateral Provided, Loans to Brazilian companies headquartered abroad and committed lines ended September recording the following balances:

Fancian Tuada Dantfalia	Septemb	er 2005	September 2006		
Foreign Trade Portfolio	US\$ million	US\$ million R\$ million		R\$ million	
Export Financing					
Advance on Foreign Exchange Contracts					
Undelivered Bills	1,512.9	3,360.7	2,010.5	4,369.6	
Advance on Foreign Exchange Contracts					
Delivered Bills	526.2	1,168.9	699.5	1,520.3	
Export Prepayments	1,252.1	2,782.2	1,834.7	3,987.6	
Onlending of Funds Borrowed from					
BNDES/EXIM	421.2	935.7	1,046.3	2,274.1	
Exports Credit Note NCE	106.1	235.7	162.6	353.3	
Documentary Drafts and Bills of Exchange in					
Foreign Currency	3.6	8.0	1.6	3.4	
Indirect Exports	5.9	13.1	8.0	17.5	
Total Export Financing	3,828.0	8,504.3	5,763.2	12,525.8	
Import Financing					
Foreign Currency	272.7	605.9	369.9	803.8	
Imports Draft Discounted	192.1	426.8	308.8	671.0	
Open Import Credit	73.6	163.5	92.7	201.5	
Total Import Financing	538.4	1,196.2	771.4	1,676.3	
Collateral					
Foreign Collateral Provided	157.7	350.3	419.4	911.5	
Total Foreign Collateral Provided	157.7	350.3	419.4	911.5	
Total Foreign Trade Portfolio	4,524.1	10,050.8	6,954.0	15,113.6	
Loans via Branches Abroad	149.9	333.1	515.7	1,120.9	
Committed Lines			274.5	596.5	
Overall Total	4,674.0	10,383.9	7,744.2	16,831.0	

Part of the funding for Foreign Trade financing is obtained by means of credit lines from correspondent Banks abroad and at the end of September 2006, 88 U.S., European and Asian Banks had extended credit lines to Bradesco.

The spreads paid by Bradesco in the first nine months of 2006 are between 10 and 18 basis points above Libor for a period between 180 days and 360 days, respectively.

We present below the book balance of Assets and Stockholders' Equity of the foreign units on respective dates:

US\$ million

September 2005 September 2006

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Foreign Branches and Subsidiaries	Total Assets	Stockholders Equity	Total Assets	Stockholders Equity
Bradesco New York	1,181.4	146.5	1,202.5	156.0
Bradesco Grand Cayman	7,378.1	1,983.7	8,333.9	2,729.1
Boavista Nassau	8.4	8.4	8.7	8.7
Cidade Capital Markets Ltd. Grand Cayman	32.0	31.9	33.5	33.5
Bradesco Services Co., Ltd. Tokyo	0.2		0.4	0.4
Banco Bradesco Argentina S.A.	19.0	16.8	18.4	16.6
Banco Bradesco Luxembourg S.A.	350.9	134.1	476.9	141.9
Total	8,970.0	2,321.4	10,074.3	3,086.2

The core objective of the Foreign Branches and Subsidiaries is to obtain financing to the Brazilian foreign trade.

In the end of 3Q06, besides the short-term funds obtained with correspondent Banks for Brazilian foreign trade financing, Bradesco Organization obtained the amount of US\$334.6 million in the international capital markets by means of public and private, medium and long-term placements, earmarked for foreign trade financing and working capital loans.

Foreign Public Issuances Outstanding Reference Date: September/2006 (Amounts Exceeding US\$50.0 million)

Issuanc	es Currency	Million	Date issued	Maturity
Subordinated Debt	US\$	150.0	12.17.2001	12.15.2011
Subordinated Debt (US\$133.2 million)	Yen	17,500.0	4.25.2002	4.17.2012
Subordinated Debt	US\$	500.0	10.24.2003	10.24.2013
Subordinated Debt (US\$ 275.9 million)	Euro	225.0	4.15.2004	4.15.2014
FIRN	US\$	125.0	12.11.2004	12.11.2014
FIRN	US\$	100.0	8.8.2005	8.4.2015
FxRN	US\$	100.0	12.26.2003	12.26.2006
FxRN	US\$	100.0	2.3.2004	1.3.2007
FxRN BRL (US\$225.9 million) (1)	R\$	577.7	12.10.2004	12.10.2007
FxRN BRL (US\$100.0 million)	R\$	226.8	10.3.2005	1.4.2010
FxRN	US\$	100.0	2.10.2005	1.2.2008
Securitization MT 100 Series 2003-1				
Fixed (*)	US\$	165.2	8.20.2003	8.20.2010
Securitization MT 100 Series 2004-1				
Fixed (*)	US\$	100.0	7.28.2004	8.20.2012
Perpetual Securities (%)	US\$	300.0	6.3.2005	Perpetual
Public Issuance	US\$	2,509.9		
Private Issuance	US\$	334.4		
Overall Total (in US\$)	US\$	2,844.3		

⁽¹⁾ This includes the issuance as of 1.30.2006 in the amount of R\$116.0 million.

Capital Markets

Underwriting Transactions

During 3Q06, Bradesco coordinated important stock, debentures and promissory notes transactions, which amounted to R\$10.2 billion. This volume accounts for 22.88% of the total amount of stock, debentures and promissory notes issuance recorded by the Brazilian Securities and Exchange Commission (CVM) in the same period.

Among the operations we took part, we can highlight the public offering of stocks of Abyara Planejamento Imobiliário S.A., in the amount of R\$188.0 million and the public offerings of debentures of Brasil Telecom S.A., in the amount of R\$1.080 billion, and Tam S.A., in the amount of R\$500.0 million.

In addition to the local market, Bradesco also operates in the international capital markets, originating and structuring underwriting transactions of fixed income (commercial papers, notes and bonds) for placement with foreign investors.

^(*) International Diversified Payment Rights Company.

^(%) Perpetual Non-cumulative Junior Subordinated Securities.

Special Operations Mergers, Acquisitions, Corporate Reorganizations and Privatization Operations

Bradesco has a specialized team for the financial advisory services in mergers, acquisitions, spin-offs, joint ventures, corporate restructuring and privatizations operations.

Project Finance Operations

Bradesco has a solid track record being the financial structuring company and advisor for several greenfield projects in the categories Project and Corporate Finance. The team of specialists has a close relationship with BNDES and several development bodies.

In the 3rd quarter of 2006, Bradesco was authorized to be the financial advisor in the bidding process of concession granting of energy transmission public service.

Structured Operations

The Structured Operations area is responsible for:

development of structures used to segregate credit risks, through Special Purpose Entities (SPEs), Credit acquisitions, Credit Right Investment Funds (FIDCs) and Certificates of Real Estate Receivables (CRIs);

structuring of properly protected medium and long-term financings based on pre-defined cash flows pursuant to specific covenants and guarantees, which minimize the risks of each transaction; and

coordination of syndicated loan processes, including the extension of debts, which can be refinanced, structured by the Bank or by third parties.

Among structured operations developed during 3Q06 we can highlight the FIDC CESP III, in the amount of R\$650.0 million.

Cash Management Solutions

Cash management solutions are dealt with by means of the performance of the team of experts which conducts the analysis and implementation of customized and parameterized solutions, conditioned to the needs of cash management of the companies, maximizing results in the mutual view of businesses offered and operated with clients, with a technological synergy of the products and channels involved.

Among the key product and service solutions made available by Bradesco, we point out the following:

Receivables Solutions

Bradesco Online Collection

The high efficiency standards of Bradesco's online collection service generate confidence, minimizing costs and maximizing customer returns, covering all of their Accounts Receivable management needs.

As a result of these features, Bradesco Collection is the market leader, generating other business opportunities for the Organization.

Tax Payment and Collections

Developed based on high standards of efficiency and quality, Bradesco's tax payment and collections serve a dual purpose. On the one hand, they seek to provide customer satisfaction with appropriate and innovative solutions for the

settlement of taxes, duties and contributions. On the other hand, they effectively interact with the different Government Departments in the federal, state and local scope and with Public Utility concessionaires. These are emphasized for the speed and security in processed information and amounts collected.

Cash Management Solutions

Payment Solutions

Pag-For (Suppliers Payment), Bradesco Net Empresa and PTRB (Electronic Payment of Taxes)

Based on the same efficiency commitment, Bradesco's payment solutions available via the Net Empresa, Pag-For and PTRB products, meet all clients needs, enabling supplier payments, tax settlements and wire transfers, via online or through the transmission of files with maximum speed and security.

In 3Q06, payment solutions accounted for R\$394.1 billion, corresponding to 104.8 million payment transactions, enabling the management of Accounts Payable of more than 401 thousand companies.

Corporate Solutions

Bradesco Digital Certificate

Attentive to the market trends, Bradesco is accredited as Register Authority to issue the Digital Certificate, which is an electronic identification document ensuring integrity, authenticity and the irreversibility of any transaction or message, assisting to maintain the confidential data protected, in addition to allowing documents storage.

Bradesco Digital Certificate is legally valid and is digitally signed by a Certifying Authority, and may be used for documents digital signature.

Government Authority Solutions

The activities of the Government Authority area comprise a differentiated service to Entities and bodies of the Executive, Legislative and Judiciary Branches, within the federal, state and municipal scopes, in addition to Independent Governmental Agencies, Public Foundations, Government and Mixed Companies, Armed Forces (Army, Navy and Air Force) and Auxiliary Forces (Federal, Military and Civil Police), identifying business opportunities and structuring customized solutions, also counting on a portal on the Internet (www.bradescopoderpublico.com.br), which shows the solutions of accounts receivable, payable and administrative, in addition to a place exclusive for Public Servants and Military Policemen, detailing products and services Bradesco also makes available to these clients.

Statistical Data

		К\$ В	illion		
	2005			2006	
2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD

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Receipt Solutions (1)	229.5	234.6	680.3	239.0	250.5	723.4
Payment Solutions	115.6	118.7	345.7	130.8	141.4	394.1
Total	345.1	353.3	1,026.0	369.8	391.9	1,117.5
Taxes	27.3	27.5	82.5	29.8	30.7	90.4
Water, Electricity, Telephone and Gas	5.4	5.6	16.2	5.9	6.3	18.0
Social Security Payments	5.8	6.1	17.5	6.5	8.0	20.6
Total Public Sector (*)	38.5	39.2	116.2	42.2	45.0	129.0

Cash Management Solutions

Number of transactions - millions

106.9

38.8

203.4

45.3

13.5

77.8

2006

45.3

14.0

80.1

125.1

40.7

227.6

	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD
Receipt Solutions (1)	234.8	234.7	690.6	232.9	245.4	705.6
Payment Solutions	31.6	33.0	94.3	34.3	37.6	104.8
Total	266.4	267.7	784.9	267.2	283.0	810.4
Taxes	18.0	18.8	57.7	19.0	20.8	61.8

2005

36.8

13.0

68.6

(1) Total movement (funding, written-off, credits etc.).

35.2

12.9

66.1

Payments by means of automatic debit

Water, Electricity, Telephone and Gas

Social Security Payments (2)

Total Public Sector (*)

37.728 million from January to September, 2005

37.801 million from January to September, 2006

Growth Receipt and Payment Solutions

Growth - Public Sector

⁽²⁾ Total of beneficiaries: more than 4.669 million of retirees and pensioners (corresponds to 19.03% of the population subject to INSS).

^(*) Includes public and privatized utility service concessionaires:

Assets Bookkeeping Services and Qualified Custody Services

Bradesco is one of main suppliers of Qualified Services for the Capital Markets. By means of modern infrastructure and specialized team, Bradesco proposes innovative solutions, expanding services options and generating operating flexibility to its clients.

Our services:

Assets Bookkeeping

In this segment, Bradesco offers Bookkeeping Services for Stocks, Debentures, Investment Fund Quotas and Brazilian Depositary Receipt BDR. We point out the participation of Bradesco as the Depository Financial Institution of the Companies Stocks, in the going public operations Public Offering of Stocks (IPO), whose market share was 40.74% share among the operations structured in 2006. In the operations of issuance of debentures and promissory notes we reached a 30.67% market share, with volume of issuances in the amount of R\$15.2 billion.

Main Indicators in September of 2006:

180 companies, with market value of R\$293.2 billion, combining 2.5

Book-Entry Stocks million stockholders.

Book-Entry Debentures 48 companies with 65 issues, totalizing an amount of R\$49.1 billion.

Book-Entry Quotas 41 funds closed, with restated amount of R\$16.8 billion.

Brazilian Depositary Receipt BDR 2 Programs, with market value of R\$200 million.

The investors have access to Bradesco s branch network, besides the online access, via the Internet Banking, related to their positions under custody at Bradesco and CBLC (Brazilian Clearing and Depositary Corporation).

Custody, Controllership and Asset Management

Targeted at Companies, Assets, Foundations, Insurance Companies and Private Pension Plan Entities, the provision of service for this segment has continuously grown. Part of this growth may be verified in the evolution graphic of Assets under Custody, whose increase was 5.4% in the 3rd quarter.

Main Indicators in September of 2006:

R\$234.5 billion in assets under custody (Funds, Portfolios, DRs and Receivable

Custody Funds).

R\$277.2 billion distributed in 747 Investment Funds and Portfolios under

Controllership Management.

Depositary Receipt DR R\$44.4 billion in 8 Programs.

Assets Bookkeeping Services and Qualified Custody Services

Assets under Custody Growth R\$ billion

Business Processes

Ombudsman Area

Bradesco Organization always had the philosophy of giving voice to its clients and users of banking products and services, innovatively creating in April 1985, the service Alô Bradesco (Hello Bradesco), which was the first financial market communication channel for suggestions and complaints, five years prior to the launching of Consumer Defense Code. This channel contributed to enhance these relations and has been an important strategic tool for relations transparency.

We implemented the Ombudsman area, dealing with all manifestations, whether these stem from Alô Bradesco service, which answers by phone and e-mail, or those deriving from Brazilian Central Bank, Procon (Consumer Protection Agency) and Press. It is incumbent upon the Ombudsman to manage these manifestations, follow-up term and quality of answers offered, provide the managers of products, services and processes with updated information so that they can learn from these warnings received and anticipate compatible solutions with needs and demands of our clients.

Quality Management NBR ISO 9001:2000 Certifications

To successfully conduct and operate an organization it is necessary to direct it and control it in a transparent and systematic manner. The success may result in the implementation and maintenance of a management system.

The Organization counts on a group of highly qualified professionals, responsible for the methodology definition of Bradesco Quality Management System (SGQB) and implementation process management.

Bradesco Quality Management System has as purpose to continuously improve the performance of processes, taking into consideration, at the same time, the needs of all interested parties. By means of SGQB, the Premises show their capacity to provide products/services that meet the client s requirements and the applicable regulatory requirements, aiming to increase the client s satisfaction.

Bradesco Organization, in the permanent search to provide its clients and users with the easiness and commodity that only a Complete Bank can offer, reached this acknowledgement in 128 processes certified in NBR ISO 9001:2000 related to Products and Services.

The ISO 9001:2000 certifications are formal evidences that all the activities related to the quality of the product or service certified were planned, implemented and controlled according to an international acknowledgment rule.

Accordingly, the certifications are an important competitiveness instrument ensured only to companies that show their commitment to quality.

The ISO 9001:2000certifications motivated the Organization to advance in the quality management practices, thus adopting the Excellence Criteria Worldwide Class, which, undoubtedly represent a great differential in business management, as well as they highly contribute to issues of sustainability and corporate governance.

Protection Seal and Data Privacy GoodPriv@cy

<u>GoodPriv@cy</u> Data Protection and Privacy Seal is a standard established internationally, comprising requirements for the management of data protection and privacy at the organizations.

Bradesco Data Protection Management System has as purpose to standardize data protection management at Bradesco Organization and minimize risks related to violation in data protection and failures in information security, by means of the compliance with the legal and internal requirements and the continuous improvement of data protection and privacy processes.

As Bradesco Organization is a pioneer in technological innovation, it constantly invests in IT, concerning about information security in all levels, establishing procedures in the ethical treatment of personal data collected for any purpose, including the establishment of Information Security Corporate Rules and Policy. The certifications show this practice and reassure the Organization s permanent concern about data protection of its clients and users.

At present, Bradesco Organization has 8 certifications:

Fax Fácil			
Fone Fácil			
Home Broker			
Internet Banking			
Private			
Custody	Liabilities Dockets		
Custody	Assets Dockets		
Custody	Report Data Privacy		

Methodology for Mapping and Documentation Processes

This methodology is designed to codify and standardize processes mapping and documentation works carried out by the Organization's different departments on a stage-by-stage basis which, in conjunction with the information on related products, services and activities, ensures that these processes are effectively analyzed, in the pursuit for ongoing improvement, as well as meeting the demand generated by the needs of the documentation required by the Internal Controls and Compliance System, the Bradesco Quality Management System based on the NBR ISO 9001:2000, the Activity-Based Costing System ABC and Section 404 of the Sarbanes-Oxley Act.

Activity-Based Costing ABC

Designed to support the Bank in its actions to improve processes and optimize production resources, such as practices recommended for decreasing costs, Bradesco adopts the Activity-Based Costing System ABC, which measures the cost and performance of its activities, resources and cost centers.

The knowledge of the Bank's activities, as well as the correct measurement of the resources consumed by these activities, allows a more accurate analysis of the cost/benefit ratio of each of the Organization's productive processes and results centers.

We stress that as a result of the application of Activity-Based Costing, the Bank is now meeting the following targets: improved allocation of costs to products, channels and customers; support to qualification studies and negotiation of bank fees; subsidy to product, unit and client profitability systems; support to studies concerning outsourcing, incorporation and equipment sharing, as well as support to cost rationalization studies.

Activity-Based Management Program

Seeking to explore the potential applications of the information base of the Activity-Based Cost , we are to adopt a Cost Management model by means of the Activity-Based Management ABM, which will rapidly lead to the prevention of costs and a proactive approach regarding the identification of opportunities.

Accordingly, as processes are improved, operating performances can be seamlessly integrated with Bradesco's strategic goals, designed to create and/or sustain Bradesco's competitive advantages and add value both for clients and stockholders.

Thus, the future mission of Activity-Based Management is to provide permanent support to the planning and control of the Bank's business processes, ensuring that tactical and operational issues are continually improved, as well as supporting their strategic gearing.

Expenses Assessment Committee

In the pursuit of assisting the Board of Executive Officers in cost control and the adoption of strategies, policies and measures designed to restrain expenses, in March 2004, Bradesco created the Expenses Assessment Committee, responsible for monitoring administrative and personnel expenses, as well as fixed assets, analyzing the corresponding processes with the related managing areas, seeking to obtain a maximum cost/benefit ratio.

In line with good Corporate Governance practices, the Committee is an important tool, as a result of its permanent activity and capacity to anticipate events, for improving and enhancing processes, capable of carrying out an in-depth analysis of Bradesco's costs, from all standpoints and producing savings which reflect positively on the Organization's results.

Integrated Management System ERP

For purposes of providing permanent and appropriate support for its operations and in the pursuit of improved results, as well as extending its capacity to manage the Organization's resources, Bradesco adopts one of the most modern concepts for integrating organizational processes, using SAP's Integrated Management System, mySAP Business Suite solution.

This system s implementation represents an innovation in the treatment of the value chain supporting Bradesco's financial industry, comprising analyses dimensions focused on Processes, People, Organizational Structure and Technology.

Initially, the system will integrate processes in the Human Resources, Training, Material and Service Purchases, Accounts Payable, Physical and Fiscal Receiving, Fixed Assets and Accounting, in addition to the Availability Control process, for the effective follow-up of the Bank s administrative expenses.

Currently, the processes of Works Management, Maintenance Management, Currency Management, Real Estate Management, Supplies Management (Auction and Electronic Quotation), Banking Accounting and Consolidation of Financial Statements.

The adoption of the Integrated Management system by the areas integrated through this technology enabled them to renew processes and review organizational structures and nearly 78 thousand system users will be qualified via presence and e-learning training.

As a result of the implementation of the Integrated Management System, Bradesco will benefit most from the organization and standardization of the processes carried out in different areas, agile decision-making, secure data processing, as well as decreased operating costs and increased productivity. These factors are crucial for the Organization's growth, especially in view of current financial area competition, prompting us to pursue increasingly effective management methods designed to ensure that all of Bradesco's business potential is properly leveraged.

Acknowledgments

The Chairman of Bradesco s Board of Directors, Lázaro de Mello Brandão, was honored by Centro de Integração Empresa-Escola (CIEE) with the title of Meritorious Member and the Integration Trophy in acknowledgment to the Organization s significant contribution to the Brazilian education.

Bradesco is the Country's first Bank in the ranking of Fortune magazine, which shows a list of the world's 500 largest companies in 2006. With revenues of US\$22.9 billion, the Bank went up from the 376th position in 2005 to the 269th position in the general classification of this year.

According to The Top 1000 World Banks, list of the world s largest and most solid Banks, published by The Banker magazine, Bradesco is the Bank with the largest capitalization of Latin America by the concept of own funds. Also according to the September issue of the magazine, Bradesco is the Bank with the largest stockholders equity of Latin America.

Bradesco is the Bank which grew the most in the corporate ethics and sustainability ranking prepared by the Spanish consulting firm Management & Excellence (M&E) and Latin Finance magazine, climbing from the tenth position in 2005 to the second position in 2006.

Bradesco s Internet won three categories of the award promoted by the US magazine Global Finance. It was elected the best website for Individuals in Security Initiative in Latin America, the Best Internet Banking for Individuals and the Best Corporate Internet Banking of Brazil.

Bradesco headed the ranking of Latin American Banks by the stockholders equity criterion, according to Bank Atlas 2006, from Euromoney magazine.

According to an innovative study disclosed by the international risk agency Standard & Poor s (S&P), Bradesco is the leader in market share in all performance indicators. The study was published in Valor Econômico newspaper.

Bradesco consolidated its leadership of the private financial system in the 2006 edition of the Yearbook Valor 1000, published by Valor Econômico newspaper. The publication points out Bradesco Seguros e Previdência in the ranking general leadership of open supplementary pension plans and in the health segment.

For the third consecutive year, Bradesco received the award of Best Retail Bank, in a study carried out by the consulting firm Austin Rating and published in Gazeta Mercantil newspaper. Bradesco also received the award of Best Insurance Company and Best Certified Savings Plans Company.

Guia Exame 2006, award of the Brazilian market s investment fund manager, pointed out Bradesco as the winner in the category Best Fund Manager in the Stock Segment.

Bradesco Corretora achieved a highlighting position in Guia Exame de Investimento Pessoais 2006, being the best Brazilian capital Brokerage Firm among the 133 institutions registered with the BOVESPA.

Bradesco is, for the seventh time, in the list of Guia Exame Você S/A The Best Companies toWork and, for the fourth time, among the Best Companies for Woman toWork.

According to the evaluation of Great Place to Work Institute, Bradesco is one of the 100 Best Companies to Work in Brazil. The survey was published in Época magazine.

Bradesco is the most remembered brand of the banking sector, according to the Top of Mind research, carried out by the Brazilian Association of Advertisers (ABA), under technical guidance of Top Brands Consultoria e Gestão de

Marcas.

6 - Social-environmental Responsibility

Bradesco Organization and the Social-environmental Responsibility

Bradesco believes that successful companies are those that generate good results for all the community, adopting long-term policies whose purpose is to foment the country s sustainable development and the better wealth distribution.

The Organization also understands that environmental preservation and social inclusion are great challenges of the modern world, crucial for the human development and for the corporate continuity.

In conformity with these premises and, sensible to this condition, Bradesco consolidates its social-environmental policy, showing the concern with the sustainable development of the planet, the respect to the ecosystems and human dignity, also undertaking to disseminate a culture based on actions of social-environmental responsibility.

Bradesco Organization s Social-environmental Responsibility Corporate Policy has as:

1. Purpose

- a) to define the social-environmental guidelines which must be complied with in Bradesco Organization environment;
- b) to be a permanent consultation source for implementation of all and any measure or action that may impact the social-environmental matter, by means of ensuring principles adopted by the Organization; and
- c) to be a guidance source to our staff, as well as its awareness as to Bradesco Organization s social-environmental role.

2. Principles

2.1 As to Sustainable Development

- a) Bradesco Organization, aware of the importance of the country s development, is aligned with the best world practices of sustainability and corporate governance. Thus, it considers sustainable growth, represented by economic, environmental and social development, an important component of corporate responsibility, adding value in corporate management and fomenting Social-environmental Responsibility.
- b) Bradesco Organization shows its firm commitment to practicing, encouraging and valuing Social-environmental Responsibility, searching for convergence of its corporate goals with the desires and interests of the community in which it has a presence, exercising sustainable growth in a healthy environment and using ethical and transparent methods.
- c) Bradesco Organization will make all efforts for the preservation of the ecosystems and for the optimization of the use of resources, mainly non-renewable ones.

2.2 As to Social-environmental Responsibility

a) Values

Bradesco Organization considers Social-environmental Responsibility one of its corporate values.

- b) Vocation/Citizenship
- b.1) Bradesco Organization exercises its corporate citizenship to value Social-environmental Responsibility.
- b.2) The valuation of educational, sport and social work activities are really important for Bradesco Organization, for instance the work done by Fundação Bradesco, reaching different regions of the country, providing children, youngsters and adults with free and professional education, being a social-cultural reference to the communities where it has a presence.
- b.3) Bradesco Organization repudiates slave and child labor.

2.3. As to the Social-environmental Legislation

Bradesco Organization considers as a fundamental responsibility the compliance with the applicable legislation.

2.4. As to Social-environmental Commitments

Bradesco Organization also considers indispensable the compliance with the commitments, guidelines and safeguards set forth in national and international Principles, Protocols, Agreements and Treaties, related to social environmental responsibility, to which Bradesco Organization has been signatory or has adhered to their terms.

3. Guidelines

The Guidelines in the Principles already detailed, which must guide all social-environmental actions or measures at Bradesco Organization, are:

- a) to search for convergence of its business goals with social-environmental responsibility aspects, adding value to all interested parties;
- b) to develop and sell products and services, as well as offer credit facilities to clients who respect the social-environmental awareness spirit, in order to ratify the Organization s corporate responsibility commitment;
- c) to encourage partnerships, supports and cooperation with governmental entities, NGOs and market entities aiming at developing and promoting social-environmental responsibility actions in several segments of the civil society;
- d) to consider, when choosing suppliers and service providers, those who are engaged and practice social-environmental responsibility, in conformity with the principles defined in this document;
- e) to maintain and promote an ethical and transparent posture in all levels of activities and business relationships, repudiating and fighting against any means of illegality, such as corruption or bribery;
- f) to ensure conformity of the applicable legislation with the social-environmental issues in the development and performance of Bradesco Organization s economic activities;
- g) to adopt responsible policies of loan concession to clients and respective internal procedures, imposing, when deemed necessary, preventive, reconstructing or repairing measures of environmental impacts, rating, in these cases, risks in financing of business projects;
- h) to estipulate, for borrowers of funds whose projects have potential social-environmental risks, the obligation to maintain an action plan of risk mitigation, following the stages of the project while the respective financing lasts;
- i) to adopt internal policies with a view to rationalizing the use of non-renewable resources, use recycled material, give adequate treatment to scrap and disposable material and encourage the environment preservation;
- j) to make employees aware and train them and guide service providers for social-environmental issues, reinforcing citizenship, ecology and responsibility concepts;
- k) to make all efforts for the society to share globalization benefits, by means of a more inclusive and equal market;
- l) to defend social justice principles and human rights, repudiating exploitation of people through labor, in particular child labor;

- m) to support education and professionalization of children, youngsters and adults, increasing job opportunities and citizenship;
- n) to adopt internal policies of diversity valuation, aiming at promoting balance in the Organization s relations with its different publics;

- o) to propagate, value and support projects targeted at the practice of sport activities in the communities it has a presence, providing, through sport, respect to each other, union, teamwork, dedication, persistence and overcoming;
- p) to develop, implement and maintain a social-environmental management system that normalizes, dimensions and follows the performance of social-environmental actions of Bradesco Organization; and
- q) to disclose its achievements by means of the social balance sheet and make available to interested parties relevant information related to possible happenings and social and environmental actions carried out by the Organization.

And, ratifying the premises of its policy, Bradesco structured the Social-environmental Responsibility Executive Committee, which is permanent and has decision-making powers.

This Committee is comprised of nine (9) Directors and representatives of the following Facilities: Fiscal Audit Department; Risk Management and Compliance Department; General Inspectorate Department; Organization and Methods Department; Assets Department; Human Resources Department; Market Relations Department; General Secretariat; and Fundação Bradesco.

The Social-environmental Responsibility Area, which composes the Market Relations Department, was created to assist the Executive Committee and has as main mission to interact and integrate the several Areas of Bradesco Organization in order to sensitize them as to social-environmental issues, in addition to encouraging and following initiatives related to the matter, considering the premises of Bradesco Organization s Social-environmental Responsibility Corporate Policy and the best market practices.

Equator Principles

In September 2004, Bradesco adhered to Equator Principles, a set of social-environmental measures based on criteria defined by the International Finance Corporation (IFC), used in the evaluation and concession of financing of infrastructure projects known as project finance.

Bradesco ratified, in July 2006, its adhesion to the new version of Equator Principles, whose scope comprises all project finance, its assistance, new ones or in expansion, with total capital cost higher or equal to US\$10 million.

It is important to point out that the adoption of these principles is voluntary, with no dependence or support of IFC or the World Bank. Thus, the institutions which will adopt them must take them as basis for the development of practices and internal and individual policies.

By adhering to Equator Principles, Bradesco increases its commitment to the sustainable development and reaffirms its role as one of the largest financing companies of the country s economic activity.

Global Compact

Bradesco, at the beginning of November 2005, aligned with the corporate responsibility guidelines, adhered to Global Compact principles, assuming the commitment to promote actions to contribute for the development of an inclusive and sustainable economy, increasing its performance within the social-environmental scope.

Global Compact is a result of an invitation made by the Secretary-General of the UN, Kofi Annan, at the World Economic Forum in Davos, in January 1999, to companies, NGOs and other governmental and civil entities, to follow and disclose the ten principles that guide it, concerning Human and Labor Rights, Environmental Protection and corruption combat.

ISE Corporate Sustainability Index

Bradesco, as from December 2005, started integrating ISE, Sustainability Index of BOVESPA São Paulo Stock Exchange.

This index was created with the purpose of providing visibility to the sustainable companies, so that investors may invest their funds.

To evaluate the performance of the companies eligible to ISE, the Sustainability Study Center of FGV-EAESP was contracted and developed a questionnaire with the triple bottom line concept, which comprises the evaluation of economic, social and environmental elements in an integrated way.

The index is comprised by a select group of companies which have the best performances in the economic-financial, social and corporate governance dimensions.

The choice of Bradesco s common and preferred stocks to comprise ISE strengthens the Organization s commitment to the good corporate governance practices in the relationship with stockholders, clients, investors, employees and the general public.

This positioning gives priority to ethics by quality and clarity of information disclosed in order to enable a closer follow-up of the Organization s performance.

The selection of Bradesco in ISE reaffirms its concern with liquidity, transparency, stability and social and environmental responsibility.

DJSI Dow Jones Sustainability World Index

In September 2006, Banco Bradesco started taking part in the selected group which comprises the Dow Jones Sustainability World Index portfolio.

Currently DJSI is comprised of 318 companies that materially have corporate sustainability rooted in their initiatives, practices and business management.

In this context, Bradesco s social-environmental actions are integrated in its business strategies and result in the conviction that a good company is that which works and grows in a society and develops itself with harmony.

Rating in Sustainability (Management & Excellence)

Banco Bradesco is Latin America s first company to receive AAA+ rating in Sustainability, from Management & Excellence (M&E).

The largest Brazilian private Bank, Banco Bradesco obtained the best possible rating, AAA+, as it met the 433 sustainability, corporate governance, social responsibility, ethics and transparency criteria. This evaluation, subject to annual reviews and with a three-year validity, was made by Management & Excellence (M&E), a respected sustainability research and evaluation company, based in Madrid.

M&E s evaluation reflects the conformity with most standards established in Brazil and Abroad, which classified more than 100 companies in the whole world and is a pioneer in the sustainability area.

Launch of the Social-environmental Responsibility website

Bradesco launched its Social-environmental responsibility website, one more important tool in the availability of key information and in the construction of a relationship more and more positive with the market.

A result of months of work and of the effective interaction among several areas, departments and suppliers, the new website brings a detailed outlook of the Organization s operation in all the segments of the social-environmental responsibility, showing a Bradesco beyond leadership, pioneer in technology and innovation in the offer of products, services and financial solutions.

To faciliate the obtainment of information, the website makes available the best in navigation solutions, ideas that bring agility, easiness and creativity. Also to speed up the research of internet users, Bradesco s several initiatives were structured in eight large areas: values, shareholders and investors, clients, employees, community, government, suppliers and environment.

In addition to pictures and links, the new website makes easier the access to documents such as the Quality Policy, the Code of Ethics and the Human Resources Policy. Permanently updated, soon it intends to be one of the main references of the Country in the availability of information about social-environmental responsibility.

Visit the new site at www.bradesco.com.br/rsa.

Social Stock Exchange Program of BOVESPA

Aiming at the social and banking inclusion, Bradesco collaborates with the **Social Stock Exchange Program of BOVESPA**, which was launched in June 2003 by BOVESPA and its brokers as a social initiative to raise funds for non-governmental organizations, acknowledged by UNESCO as the first one in the world. The idea is to gather institutions of the Third Sector that need financial resources and investors (donors) willing to provide them. Thus, the NGOs strengthen investments as social profit, i.e. making society fairer, where thousands of children and youngsters may enjoy better opportunities.

ISO 14001 and OHSAS 18001 Certifications Building

In May Bradesco obtained the ISO 14001 and OHSAS 18001 certificates for the building at Avenida Paulista, in the city of São Paulo. This is a 12-story building with three basements totally refurbished and adapted, aiming at complying with all the specifications and rules required for the referred certificates.

Bradesco s Contribution to Preserve the Environment

Aware of the need of maintaining adequate facilities, without disregarding the social and environmental aspects, Bradesco has adopted practical measures contributing to preserve the environment.

In this regard, we permanently seek to apply new technologies minimizing the impact on ecosystems. In addition, the contracted companies commitment to our social and environmental goal and a continued awareness of our staff in pursuit of eco-efficiency, reinforces our commitment to foment sustainability. Below, we present some measures already adopted or under implementation.

1) Resources consumption rationalization

With a view to rationing electricity and water consumption, we destined an area to manage the consumption of these strategic resources. Its attributions consist of managing agreements of demand for electricity with the concessionaires

and permanent research of efficient and intelligent new technologies for our equipment, observing the environment preservation policy.

The Branches Network awareness about this issue has been deserved continual attention by indicating consumption targets for our units, based on size, quantity of equipment installed and headcount, as well as release of articles about the rational use of electricity and water.

a. Electricity

Timing machines were installed in our premises for the automatic turning-off of lamps and lights, allowing an easy utilization at scheduled hours. The turning-off of illuminations, non-used areas, and the employment of natural light have been encouraged.

Similar care is adopted in the acquisition and installation of air-conditioning systems, such as thermo-accumulation devices, which reduce the energy consumption in peak hours, and water treatment in its towers, without using chemical products.

We recommend the optimization in the use of lifts and air conditioning, as well as in the use of other energy consuming equipment.

The replacement of 50% of 255 mercury lamps by other sodium steam lamps, in 178 posts installed on the streets of Cidade de Deus (headquarters), and the exchange over the past 3 years of approximately 30,000 40 Watts lamps for 32 Watts has substantially reduced the energy consumption, without loosing the lighting efficiency.

b. Water

Same concern is expressed as to the rational use of water. Thus, our Premises are periodically guided concerning the monthly follow-up of consumption and maintenance aiming at correcting possible leakage in valves, flushings and faucets. In addition, technical measures contributing to the water consumption reduction have been adopted, for instance, the replacement of mechanical faucets with automatic ones for use at headquarters premises.

The adequate garden watering, observing the best hour and periodicity, has also been deserved attention. There is a feasibility study related to the reuse of water that comes from the partial sewage treatment generated at headquarters, with the purpose of watering and usage in the air conditioning towers.

2) Solid Residues Destination

a. Solid Residues derived from Civil Works

Concerned with the impact on environment caused by residues produced in site office (debris, wood, plastic, metal etc.), all contracted construction companies undertake to comply with Resolution 307, of the Environment National Council concerning the correct destination of residues, upon refurbishments and alterations in layouts of our premises. Referring to the maintenance of buildings at the headquarters and Avenida Paulista, the agreements were added with a specific clause on the correct destination of painting residues (inks, glue, paint brush used etc.)

This responsibility includes the submission of a document recording that residues were deposited in licensed landfills, in the cities served thereby.

b. Paper and Cardboard

Currently, approximately 100 tons of paper and cardboard are collected monthly in some of our administrative centers, which are submitted to a selective process. It has been examined the possibility of its implementation in other regions. Methods to assess the quantity of paper consumed by the Organization is under study, both office paper and forms, with a view to knowing which are the possible measures that may be adopted aiming at reducing such consumption.

c. Metal, Glass and Plastics

At the headquarters and in four other administrative centers the selective collection of metal, glass and plastics is implemented. This practice has been encouraged and improved by means of in-house campaigns and actions, in the expectation of increasing to other centers, as well as to increase the quantity of recycled products. In order to improve our concern in this regard, we have been using at the headquarters and main administrative centers biodegradable plastic bags with colors corresponding to waste collected.

The expansion to the other facilities is in the final implementation stage.

A measure adopted nearly 4 years ago is the utilization of remanufactured cartridges as consumption items for our premises, aiming besides cost savings, the benefits of reducing pollution. Out of the 51 types of toner cartridges composing our consumption list, 34 are remanufactured products.

d. Lamps

We have more than 36 thousand lamps at our headquarters buildings and monthly more than 600 lamps are replaced. Concerned with the appropriate destination of this material, the maintenance agreements contain an specific clause about the service company s obligation to conduct the ecologically correct discard.

e. Other residues

At Cidade de Deus, our headquarters, we maintain approximately 115,000 m² of green area, with more than 3 thousand trees cataloged under the replacement and planting program. We have been using equipment for grind of dried leaves, which are used in gardening, totaling nearly 1.5 tonne/month. We have also been reintegrating the parings of grass to the soil as input.

3) Recycled Paper Usage Program

Now we hold a special initiative, whether due to its dimension and comprehensiveness, or due to a positive standing towards the environment preservation: Recycled Paper Usage Program at Bradesco Organization.

This Program, a result of Bradesco s belief that it is able to highly contributing to disseminate theory and practice of environmental responsibility, has been implemented gradually in our Organization. The option to use Recycled Paper was made after long negotiations with suppliers, and even if it does not mean costs optimization, we are aware that the result will be beneficial for the environmental. Recycled paper is used in the production of internal and external communication material, such as posters, magazines, business cards and statements distributed to clients and in check books.

4) Biodegradable Products for Cleaning

At Bradesco s headquarters, the Company started the cleaning and maintenance services by using biodegradable products. Contracted companies are being encouraged to use products of such type, which then will be one of the requirements to be considered in a further agreement renewal. Such measure integrates an improvement program seeking to standardize the biodegradable products, the appropriate dilution, in conformity with the manufacturer s guidance and the obligation to present information about chemical products applied in our premises.

Bradesco s Contributions to Social Issues

Finasa Sports Program

Bradesco Organization demonstrates its support to sports activities through the FINASA ESPORTES (Finasa sports) program, successor of the BCN Sports Program. This initiative, with more than 18 years of activity, gained momentum as from 1997, following its integration with Bradesco's other social projects. Along its history, the program was known by its seriousness and has become a benchmark for assistance in the education of young people, using volleyball and basketball as instruments for social inclusion. At present, 2,800 girls from 9 to 17 years of age, enrolled at school and attending classes on a regular basis are included in the program. Approximately 70% of these girls derive from deprived backgrounds and are considered to be in a social risk situation.

Presently, FINASA ESPORTES, in accordance with its new concept, is structured in 51 training centers, which comprise a total of 138 classes, consisting of 69 classes for sports initiation practice, 20 for basketball and 49 for volleyball, installed on the premises of state and local schools, at Osasco's city hall sports centers, at Fundação Bradesco school, at a SESI unit and at three private schools, all located in

the municipality of Osasco, in Greater São Paulo. Acting in partnership with the local government, Bradesco Organization offers a full support structure which includes the supply of sports and learning materials, as well as a team of more than 73 professional instructors, including local and state coordinators and teachers.

The community integration has been the outstanding feature of this work. The PROGRAM is designed to transform sports practice into a powerful tool for strengthening the ties with citizenship values. At the FINASA ESPORTES training centers, 2 classes every week are dedicated to counseling on various topics, such as notions of hygiene, teen pregnancy, stress, drug abuse and adolescence, always emphasizing the importance of team spirit.

The training centers are also used to disseminate values that favor healthy living in society, including respect for others, union, dedication, persistence and excellence. Classes also stress the importance of having a positive and participative attitude, emphasizing the need to foster activities related to the recycling of materials, the rational use of water and electricity and the promotion of campaigns related to social issues, such as collecting donations in food and clothing.

The FINASA ESPORTES program considers the sports practice much more than a way to discover vocations or create athletes, it also lays the basis for the formation of citizens, who are the essence of a better country for everyone.

Social-cultural Events

In the 3rd quarter of 2006, Bradesco decisively collaborated for the cultural enrichment of the Brazilian society supporting several projects throughout Brazil. It sponsored the coming of the Canadian group Cirque du Soleil to the Country, the world s most important and respected circus. For the first time in Brazil, the troupe presented to the Brazilian audience the spectacle Saltimbanco, already seen by more than 9 million people in 19 countries. During the quarter, more than 250 thousand people saw the spectacle only in São Paulo.

For the second consecutive year, by means of Bradesco Prime, it sponsored the 37th Winter Festival of Campos do Jordão, in the countryside of São Paulo. During the event there was a performance of Students from Fundação Bradesco School of Osasco-SP.

It also supported many other events, such as the Book Biennal of Ceará, in Fortaleza-CE; the Quadro de Luz Exposition, of Jô Soares, in Rio de Janeiro-RJ; Expointer International Exposition of Animals, in Esteio-RS; the spectacles for children O Casamento de Dona Baratinha, in Rio de Janeiro-RJ, and O Senhor do Tempo, in São Paulo-SP; the 22nd World Conference of Open and Distance Education, in Rio de Janeiro-RJ; the Open Games of the Countryside, in São Bernardo do Campo-SP; and Salonpas CUP, in São Paulo-SP with the participation of the volleyball team of Finasa Osasco.

Human Resources

Since the inception of Bradesco s activities, the Company acknowledges the value of its team s performance and achievement potential as the foundation to sustain Bradesco Organization s businesses.

The Company offers its employees ongoing professional development opportunities, in a healthy, safe and ethical environment, with transparent commitments and goals.

Bradesco believes in its ability to promote a sustained growth for people and through these people.

The Company seeks to maintain an excellence model in Human Resources Management, guided by respect and transparency in its relations, continuous development investment, sharing of information and human being value, without discrimination.

Bradesco maintains a closed-career policy, whereby the admission occurs at apprentice levels. All the growth opportunities are destined to employees, allowing access to all hierarchical levels.

This assurance of opportunity for professional development and growth, where employees see the possibility of holding all the positions, not only the positions of managers, but also the high management, is a motivational factor for all the staff, stimulating creativity, innovation and the ceaseless search for knowledge and updating.

We may say that when a youngster joins our Organization, whose closed carrier system privileges, incentives and strongly invests in the growth and development of its employees, this professional starts a carrier full of opportunities, connected with his/her effort and dedication.

To encourage our professionals to exceed their limits and stimulate their creativity in search for solutions, aiming at self satisfaction, clients—satisfaction and business expansion, have been a priority for the Bank and is one of the assumptions of our Human Resources Management Policy, established in 2005, by the Board of Directors.

Only creative and innovative teams, highly skilled, with ensured carrier opportunities, could surpass the achievement of goals and show excellent results that have highlighted our Organization.

Bradesco s performance is disseminated and is continuously expanded throughout the country, enabling job opportunities in all the operation segments.

Bradesco is a bank which takes into account, by means of its clients and partners, the diversity which is the own expression of the Brazilian social structure, with a fundamental commitment to respecting cultural and ethnical diversity. The respect to the Brazilian diversity is part of the Company strategic vision towards good performance, since Bradesco is inserted throughout the Brazilian territory.

Certification in International Rules

Searching for what is best done in the worldwide level, we achieved the certification of Rule OHSAS 18001 of Occupational Safety and Health which allows to establish and develop conditions that contribute to a safe and healthy work environment.

Great Place to Work

Bradesco s employees contribute to the achievement of the outstanding position we hold in the financial market, maintaining the excellence in all group s activities.

The Company seeks to promote transparency, so that to ensure a motivating and challenging organizational environment. Evidence is that Bradesco was listed for the seventh time in Guia Exame-Você S/A As Melhores Empresas para Você Trabalhar (The Best Companies to Work for).

In addition to being ranked among the 150 best companies to work in Brazil, Bradesco was also acknowledged among the 50 best companies for women to work for, for the forth consecutive year.

Guia Exame is considered the best and most comprehensive study on the work environment in Brazil. Based on employees opinion, the study assessed the working environment, benefits, remuneration, professional development opportunities, ethics, citizenship values and social responsibility of companies.

Bradesco was also elected one of the 100 Best Companies to Work in Brazil, in a research prepared by Great Place To Work Institute, published in a special edition of Época Magazine.

For the third consecutive year, Bradesco stood out in the survey As Melhores na Gestão de Pessoas (The Best Companies in People Management) of Valor Carreira magazine, edited by Valor Econômico newspaper. The selection was made by means of evaluation of companies internal environment, as from questionnaires and interviews with

employees who gave their opinion about issues such as training, benefits, safety and work conditions, credibility, motivation, performance and development planning.

These results show the acknowledgment to our commitment not only to clients, but also to our employees. Improving talents with professional training, stimulating education and maintaining a fair and dynamic organizational structure, we try to offer conditions so that each employee can grow and build a solid career, from a relationship policy based on respect and valuation.

Human Resources Management Policy of Bradesco Organization

We reaffirmed the commitment with our employees formalizing guidelines for the management and development of our human resources, by means of the Human Resources Management Policy of Bradesco Organization. Basic assumptions:

- 1. To comply with all the requirements, regulating rules and legal conventions concerning work relations and environment, applicable to our activities;
- 2. To assume the public commitment of defense and protection of Human Rights, Children s Rights and Labor Fundamental Rights, in line with national and international Principles, Standards and Treaties;
- 3. To respect the diversity and dignity of the human being, preserving the individuality and privacy, not admitting the practice of discriminatory acts of any nature in the work environment in all our relations, with the internal and external public;
- 4. To ensure the good relationship among all professionals of the Organization, maintain a safe and healthy work environment and provide conditions for great performance and productivity levels;
- 5. To contribute to the improvement in the quality of life of employees, offering conditions for the balance among work, health and family;
- 6. To encourage our professionals to surpass their limits and stimulate creativity in search for solutions, aiming at the self-achievement, clients—satisfaction and business expansion;
- 7. To promote the constant development and improvement of technical and behavioral potentialities of our employees and make available favorable mechanisms which allow them to manage their personal and professional plan growth, in order to ensure the continuous improvement of management processes; and
- 8. To ensure opportunity priority for the professional growth of people, by the permanent investment and development of internal competences, by the valuation and respect to knowledge and professional qualification acquired during the career.

In-house Communication

We strongly invest in our internal communication so that our employees are effective participants of the Organization s expansion strategy of results.

Simultaneously and from any location in the country, Bradesco s employees receive key information via Intranet and e-mail.

The Company makes available, day to day, the newsletter Sempre em Dia (Always Updated), with issues about the Bank's strategic direction, launch of products, quality practices and business focus.

Brochures and magazines are periodically published and addressed to each employee.

Produced according to the best quality standards, the editions in video of Bradesco TV comprise, monthly, institutional messages and technical guidance. Created in 1990, Bradesco TV is one of the country s oldest corporate television projects.

The annual goals and strategies are disclosed at meetings with the Presidency, where Directors, Regional Managers, Managers of Branches and Departments of the Organization take part. All the issues are referred to respective teams.

With the purpose of making the communication between the Human Resources Department and the staff closer, more agile and transparent, we have created $AL\hat{O}$ RH, an effective and fast communication channel that guides about benefits, legislation, policies and practices of human resources, in addition to suggestions and complaints.

People Management

Bradesco maps the Organization s human capital through individual interviews and with leaders, aiming at identifying corporate and essential competencies.

The Company also currently records 20,000 employees profiles in this process.

Based on this knowledge, leaders and employees are gained conditions to share actions focused on improving their performance, with professional improvement and short, medium and long-term results.

The maintenance of such work is the management of competencies with the employee s involvement, by means of incentive, guidance and follow-up of leaderships, focusing on constant feedback.

Respect to Diversity Social Inclusion

Bradesco respects the diversity and self-respect of human being, by preserving the individuality and privacy, not accepting the practice of discriminatory acts of any nature: at the work environment and in all the Company s relations with internal and external public.

In 2005, Bradesco created the Diversity Appreciation Work Group, composed of professionals of different areas, with a view to effectively contributing to an improved relationship of the Company with different people, as well as to maintaining a balanced internal demography, both in the admission and retention of talents.

The issue is broadly supported in the Code of Ethics, Human Resources Management Policy and Social-environmental Policy of the Organization.

Ethnical Groups

Bradesco entered into a partnership with Faculdade Cidadania Zumbi dos Palmares Unipalmares, by means of a professional qualification program which aims to contract interns to work in important business areas of Bradesco.

Unipalmares mission, by means of NGO Afrobrás, is to promote the inclusion of black people into higher education of the country.

The program is divided into various modules, with 2-year duration and also relies on a partnership with renowned institutions, such as FGV, USP, FIPE, FIPECAFI and FIA.

The program, which started with 30 interns, was increased and currently counts on 60 students.

Inclusion Policy for Disabled People

Aiming at the contracting and retention of disabled people at the Organization, Bradesco set forth partnerships with specialized entities and focused on inclusion of such professionals, qualifying them and creating job opportunities in the Organization. We have in our Call Center a specific part with visually impaired employees.

Bradesco was one of the Banks which sponsored Febraban Professional Qualification Program which qualified professionals with deficiency to exercise activities in the job market.

By means of Bradesco s Website, in the link Career Opportunities, the Company offers an exclusive channel for the collection of disabled people s curriculums.

Bradesco has a staff of 800 disabled people.

Opportunities for Women

Bradesco ended the 3^{rd} quarter of 2006 with a quota of 37,153 women employees, corresponding to 47% of the functional staff.

In the Prime segment, 71% of staff is women.

In leading positions, Bradesco has 15,750 women, including in the Board of Executive Officers and the Board of Directors.

Internship Program

Aiming at providing real professional development opportunities, Bradesco Organization offers internship program to all operation and business areas, allowing the student to relate the academic learning with the practical activity. The program currently benefits 864 students.

Traineeship Programs

Information Technology students of Fundação Bradesco have the opportunity to start their professional career in the systems development area of the Organization by means of a structure program of trainees. In addition, all students approved in the selection process have been contracted.

In 2006, the Organization s First Traineeship Program was established, in a business area, specific for Bradesco Prime business area segment, aiming at the technical and practical qualification of future Relationship Managers of this segment.

The program had an 8-month duration. There are currently 23 new Prime Managers at the Organization.

Youth Apprentice Program

The Youth Apprentice Program was implemented by Bradesco Organization in 2004, executed in partnership with Fundação Bradesco and other qualified entities, encompassing the administrative centers throughout the country.

The program estimates the contracting of youngsters from 14 to 18 years old, having as purpose to provide personal and professional development to adolescents.

We ended September 2006 with 727 Apprentices and we have already provided the program for about 1,241 youngsters.

Young Citizen Program

With a view to reinforcing Bradesco s actions in the Social Responsibility area, as from October 2005, the Company entered into a partnership with São Paulo State Government by means of the Young Citizen Program My First Job.

The purpose is to provide students with their first professional experience opportunity, those studentsoriginated from families with higher social vulnerability, between 18 and 21 years old, regularly enrolled and effectively attending high school classes of the state public school system, preparing them to exercise the citizenship, by means of paid internship.

Currently we count on 191 contracted youngsters.

Occupational Health and Safety Policies

Bradesco is a company that develops actions in health, disease prevention, safety and work conditions.

We offer our employees an appropriate work environment and conditions for a complete physical, mental and emotional well-being.

Bradesco invests in programs and methodologies allowing to map and identify the causes of symptoms and diseases occurred in the work environment and relations, viewing to promoting health and disease prevention, on a broadly basis.

The issues addressed include Repetitive Stress Injury, Stress, Chemical Addiction (Alcoholism/Drugs/ Tobacco), Obesity, Cardiovascular Diseases, Sexually Transmitted Diseases, AIDS and others. Those campaigns are carried out monthly through Interação magazine and in the SIPAT (Internal Week of Occupational Accident Prevention).

Since contracting, Bradesco s employees receive information and guidance on behavior and conduct adequate to the maintenance of health and improvement of life quality.

Bradesco has been an active member of the National Business Council for HIV-AIDS Prevention CEN, which is destined to promote and strengthen the combat against such epidemic in the work environment and has been providing information to a considerable portion of workers, family members and the community as a whole about the safe ways to prevent the infection by HIV virus.

Another outstanding issue related to life quality is the balance between the employee s personal and professional life. We are permanently concerned with the working hours, so that the contract time is not surpassed, guaranteeing that employees have time for their personal commitments and leisure.

In order to offer an appropriate environment and extra emotional support to employees, the Bank created in its Call Center at the Santa Cecília building, in the city of São Paulo, a room for winding down. It is a reserved room with a different infrastructure from all other Organization environments, offering comfort and material that help to relax and soften the impacts of the caused by the day-to-day activities in and out of the call center. The room is open to all the employees of that section in the event they go through situations related to psychological and emotional aspects.

In June 2006, we conquered the certification of Rule OHSAS 18001, internationally recognized, which establishes an Occupational Safety and Health System Management. Thus, we reassure the commitment to the safety and health of our employees, with the adoption of ergonomic management and awareness programs about the importance of safety and health in the work environment.

Benefits

The concession of benefits is based on the Organization s Human Resources Management Policy.

Transmitting safety and trust to our employees, this management strategy contributes to a healthier, more productive and participative work environment, providing conditions for great performance levels and better results.

Besides the aspects provided for by the law, Bradesco s employees and their dependents enjoy a combination of benefits viewing to ensure the best life quality.

Health and Dental Care Insurance

Our employees and their dependents have access to health and dental care plans paid for in full by the Bank. The healthcare insurance includes non-traditional treatments, such as dialysis, organ transplants, acupuncture, homeopathy, myopia correction, GPR (Global Postural Re-education), heart valve, physiotherapy and also treatment for AIDS (with reimbursement of expenses for medicine prescriptions).

The Dental Care Insurance includes preventive and surgical treatment, oral rehabilitation, child dentistry, endodontics, periodontology and prosthodontics. Implants are offered at costs lower than the market, by means of agreements.

In the 3rd quarter of 2006, there were 961,679 medical/hospital consultations and 169,338 dental consultations.

Supplementary Private Pension Plan

Bradesco makes available for all its employees a Supplementary Private Pension Plan, which Bradesco contributes with 50% of the monthly installments, including in the 13th salary.

The plan guarantees coverage to the retiree, the retiree s widow or widower and their children under the age of 21, or up to the age of 24, if they are undergraduate.

Group Life Insurance

All Bradesco s employees have access to Group Life and Personal Accidents Insurance, with subsidized costs. The employees retired by INSS, who left the company without cause, are offered the option to maintain the policy, with subsidized costs.

Social Service and Psychological Assistance

Bradesco s employees and dependents are provided with follow-up of Social Service and Psychological Assistance under situations of need and emergency.

Services are offered in most varied situations: medical treatment, accidents, decease in the family and release of special loans.

Such initiative shows Bradesco s concern with its employees well-being when facing personal problems.

Snack Supply

Bradesco s employees receive snacks on a free basis all working days.

Up to September 2006, we invested around R\$25 million, distributing approximately 19 million snacks.

Medicine

For the states of São Paulo and Rio de Janeiro, Bradesco offers agreements with the drugstores Drogasil and Drogasmil, for the acquisition of medicine at a cost lower than that practiced in the market.

Influenza Vaccination

Bradesco carries out a vaccination campaign against influenza, offering the vaccination free of charge to all its employees and at subsidized prices to their dependents. This year 54,098 doses of the vaccine were applied during the campaign, with a cost higher than R\$1.3 million.

Leisure Activities

Bradesco maintains in Cidade de Deus, in the city of Osasco, an area with swimming pools, racetrack, soccer field, basketball, volleyball, soccer, tennis and squash courts, destined to leisure and recreation activities to employees and dependents.

During 2006, around 43,000 people attended the facilities.

Social Loan

By means of Caixa Beneficente (Benefits Fund), the Company offers financial assistance to its employees, granting loans with subsidized fees, destined to emergency conditions, education expenditures, acquisition of orthopedic instruments, glasses, funerals, psychologists, psychiatrists, phonoaudiologists, among others.

Credit Facilities for Acquisition of Computers, Vehicles, Real Properties and Personal Expenses

Bradesco offers loans to its employees with subsidized fees for acquisition of computers, vehicles and personal expenses. Employees and their first relatives may also finance the acquisition of residential real properties with lower interest rates.

Fee Exemption

Bradesco exempts its employees to pay various fees, such as: check account maintenance, fee to open credit, issuance and annuity of credit and debit cards, financial transactions on teller machines, access to Fone Fácil, issuance of bank statements in electronic terminals and utilization of single check sheets.

Online Shopping Channel

The ShopFácil Funcionário is a differentiated online shopping channel, by which Bradesco negotiates special discounts directly with various products suppliers.

Other Benefits provided for in the Collective Convention of Bank Employees:

Day Care/Baby Sitter Assistance Transportation Voucher Meal Voucher Food Voucher Funeral Assistance Professional Requalification Allowance

Human Resources September 2006

On September 30, 2006, Bradesco's employees, including staff at the subsidiaries, totaled 78,319. The increase in 2006 was prompted by the acquisition of Banco BEC in January and of companies of Amex Brasil in September.

The following table presents the variation of Bradesco s headcount in the last years:

	December			September		
	2001	2002	2003	2004	2005	2006
Banco Bradesco	51,633	53,732	59,430	62,013	61,347	62,680
Subsidiaries	6,943	8,729	9,407	11,631	12,534	13,028
Subtotal Bradesco	58,576	62,461	68,837	73,644	73,881	78,708
Banco BCN	5,857	6,105	5,203			
Subsidiaries	1,280	1,504	1,741			
Subtotal BCN	7,137	7,609	6,944			
Banco Mercantil		3,970				
Subsidiaries		353				
Subtotal Mercantil		4,323				
Amex Brasil						2,611
Total	65,713	74,393	75,781	73,644	73,881	78,319

September 2006

Age	Gender		Education Backgrou		Years of Ser with Brade		Managerial Po	sition
Younger than 30	47%				Less than 5 years From 6 to 10	41%		
From 31 to 40	32% Men	53%	High School	20%	years From 11 to 20	15%	Non-commissione	ed 52%
From 41 to 50 Older than de	18% Women	47%	University	79%	years More than 20	29%	Commissioned	48%
50	3%		Other	1%	years	15%		

Personnel Expenses

For the last nine months of 2006, Bradesco s personnel expenses reached R\$4,472 million, including in such total expenses related to salaries, social charges, benefits, training, employees profit sharing, among others.

The following pie graph shows the percentage share of each item in relation to total Bradesco s personnel expenditure in the periods.

Breakdown of Personnel Expenses

Personnel Expenses by Business Segment

Training

The Staff Training Department is responsible for the training actions of Bradesco Organization, aligned to the corporate and appropriate strategies to the quickness of changes required by the market. The training programs meet Bradesco s commitment to provide development opportunities to all its employees regardless the hierarchical level, essential for Bradesco s generation of results.

The Gestão de Treinamento da Organização Bradesco (Bradesco Organization Training Management) process was granted the NBR ISO 9001:2000 certification in December 2002 and the Company was certified again in December 2005, which ensures an ongoing improvement of processes and the quality of actions of training, reinforcing its commitment to contributing to the development and appreciation of the staff and the employees.

For 2006, a budget of R\$63.7 million was made available, 26% higher than the average of investments in the past 5 years, to continue with the main training programs targeted at several areas of the Organization and at the implementation of new programs aimed at meeting corporate business strategies.

In this different context of knowledge management, Bradesco Organization has strongly invested in training programs that contribute to the strengthening of internal competences and to the development of talents, as a support to the mission described in the internal policy of people management:

Recognizing that people are the sustaining basis of our business, we have as mission to attract, develop, recognize, manage, esteem and stimulate Bradesco Organization s talents, by means of the permanent construction of an integrated value relation among corporate activities.

From January to September 2006, training had 1,002,084 participations in the 1,121 different courses made available. Investments, in presence and long-distance courses, added up to R\$39.0 million.

Presence Courses

This year, with a strong growth mainly in the last three months, we reached more than 81 thousand participations in presence courses, mainly actions for Retail comprising nearly 29 thousand participants in several programs such as Client Management, which comprises themes such as analysis of the profile, potential and needs of the portfolio for the adequate relationship, planning of strategic actions and presentation of financial alternatives that may meet the clients expectations and that generate loyalty and the increase of assets and results of Branches.

We also point out the Loan in Retail program, in partnership with Sebrae, focused on loan analysis and grant for micro and small-sized companies, with a view to contribute with the financial growth and strengthening of such public in the competitive market, the Real Estate Loan course, which provides conceptual knowledge for the sale of the product, as well as operating aspects of contracting, with the purpose of meeting the current needs and demands of the market, and facilitating the achievement of goals of investment of funds proposed by the Organization, as well as the increase of results of Branches.

Other highlights are the courses Assistance A New Business View and Pre-Assistance with specific focus on the quality of Assistance and on the preparation and awareness of the teams directly connected to the assistance of new clients, concerning the continuous search for excellence in the provision of our services.

The process of qualifying Managers of the Prime segment continued with the Managerial Development Program which comprises, among other aspects, the improvement of the business and relationship management process, the optimization of funds and the leverage of results for the clients and segments. In August, the first group of Trainees Assistant Managers Program was concluded, which promoted integration of participants at Bradesco Organization, specially at the Prime Segment, facilitating the understanding of culture and several focuses of operation in the market and in the segment and qualify participants for the development of activities related to their attributions, by means of the improvement of skills and technical and behavioral competences and abilities. We also point out the courses of Stocks and Futures Markets Investments, in addition to the Loan Products that rescue technical and commercial aspects essential to trading, so that clients see Bradesco as a Complete Bank.

The continuity of assistance to the Companies Segment was made with the participation of employees in courses of Managerial Development and also in the course of Certification in Investment Products, in addition to other operating programs.

In the Corporate segment we qualified the Assistant Managers with the purpose of promoting the integration with the Organization s departments involved in the operations of the segment and loan management focused on the corporate client.

The course Development of the Administrative Management for the Corporate segments was also carried out with the purpose of qualifying administrative management professionals, of the Branches of the two segments, Companies and Corporate, to exercise in an adequate manner the people, processes, risks and assistance management functions, aiming at the administrative efficiency, increase of results, optimization of resources and quality in assistance.

The training actions to Departments and Affiliated Companies were also shown by means of attendances in external and internal events, made available by specialized companies, which offer vacancies to the general public and also by teams of instructors, employees of the Organization, which provided 49,223 participations in several courses.

The assistance to the needs of Finasa Promotora de Vendas generated 2,179 participations in 50 managerial and operational programs, such as: Professional Management in Sales, targeted at managers and assistants; Corporate Tune, Supervisors and Assistants, with focus on the assistance for results and the Sensibilization program Project 5S.

For the Support team of Scopus Tecnologia we carried out an event with the purpose of developing and stimulating the behavior of leaders. Several meetings were conducted and at the end we noticed that there was a greater commitment, aligned vision and mission, in addition to a more enterprising posture of each participant, fully achieving the goal.

Intensifying the relationship with Fundação Bradesco, we developed a program with the purpose of improving the management skills in the team of principals of schools distributed throughout Brazil, considering each one of them a business unit, valuing their characteristics and adding value in the community where they are inserted.

Training for Information Technology areas continued, with some highlights such as: IT Improvement Project, with technical, operational and behavioral training, comprising themes about service management, commitment and alignment of professionals, in the implementation of this large project of the Organization, which may assist 1,240 participations and OBB - PLUS training, which aims to qualify professionals in the new architecture tool of Office Banking Bradesco and which comprised 228 employees.

Also in the IT areas, the certification processes were implemented, maintaining the staff qualification and qualifying them among the most modern techniques of the market. In this context, we can highlight the Software Quality Certification, which is new in the country and has several software engineering techniques and concepts about product quality, involving 40 professionals, and the Specialist in Function Points Certification, which qualifies employees for measurement of systems according to the standard technique of the international market, in which 35 employees have already been certified.

In this continuous search for professional improvement and technological updating, 97 professionals participated in the event CIAB Information Technology Congress and Exposition of the Financial Institutions, with a view at knowing and using the best market practices in IT. Moreover, to provide solutions that ensure quality to the technology systems, we qualified 133 professionals in the training about Management of IT Projects and currently 40 professionals are participating in the course. We also qualified 240 employees in the mainframe platform to give support and develop systems in large computers. In order to align and renew the motivation of employees involved in the IT Improvement Project, 900 employees participated in a motivational event promoting the opening of the Technical and Behavioral Qualification Plan to this public. Currently 30 trainees participate in IT Qualification Programs, coming from Fundação Bradesco and 10 interns from renowned universities.

Partnership with University and Colleges

Since 1996, in partnership with educational institutions, such as FIA, FIPE, FIPECAFI, FGV and IBMEC, 1,385 Bradesco s employees obtained MBAs, Post-Graduate, Specialization courses and Masters Degree certificates, important for the maintenance of quality of information provided and for the qualification of the staff to be aligned with the most modern management practices. Two classes of MBA Negócios Bancários (FGV) and one class of MBA Negócios Bancários on-line (FGV-RJ) were concluded, in groups made exclusively for Bradesco, and a new MBA Controller (FIPECAFI) class is in progress, amounting to 130 professionals of different areas of the Organization.

Insurance Group

Projects for Bradesco Seguros e Previdência are in progress supported by the UniverSeg (Insurance Knowledge Universe) brand, which aims to provide all the action of training for employees, insurance brokers and dealerships, targeted at the insurance segment, as a single, corporate project, contributing to the Insurance Company to be the best place for the broker set his/her production, the best place for the insured insure his/her life, health, assets and the best place to work for.

New projects are under development for UniverSeg with highlights to Universeg on the Stage, using the interactive theater methodology, which works with themes connected to the performance of insurance brokers and dealerships that sell products of Bradesco Seguros within the scope of our Branches. The outcome of the project has been surprising and significant, for it meets all the goals proposed by the Insurance Company and, in view of this experience, this program may be offered to the internal public, focusing actions on quality of assistance and on the improvement of professional performance.

This year, more than 50,000 professionals were qualified in programs developed by means of several training media: TreiNet, Videotraining, Brochures, Presence and Post-university Courses (MBA), in addition to qualification to third parties, where we had more than 19,000 participations of brokers/ dealerships and 500 of other service providers. The emphasis of the projects developed was on the assistance of Branches with the following projects: Auto/RE Seminar Leadership through Distribution in which the commercial area shared knowledge about the team management by means of leadership, planning, control and organization; for Assistance Center for the Insurance Group with the training Performance in Assistance by Telephone and for the training From Broker to Broker, an initiative that aims to provide brokers that sell products of Bradesco Auto/RE with the main sales arguments that differentiate our product from competitors and add value to the insured. In all proposals, we search for specific alternatives to align the development needs of the employees and brokers with the satisfaction of the client/insured, in the continuous search for efficiency of our service provision.

We also continued with the Movere Project, started in October 2005, resulting from a mapping carried out in the team of managers of the Headquarters. The work is being focused on the development of competences: guidance for Learning and Change, Strategic View and Planning, and People Management and Leadership, using as methodology courses, lectures, workshops and meetings. The project is innovative in view that it was exclusively designed for the development of teams and the training and development actions are always focused on the sales team.

Certification in Investment Products

Programs that prepare for the exam of Certification in Investment Products are in progress and are specially prepared for employees who need to obtain a certification, after study of the material previously made available. From January to September of 2006, three certification exams were made in which 3,176 professionals were certified.

The average approval index reached by Bradesco in all exams was 79%, while the market index stood at 70%. This fact consolidates the concern the Organization has to adequately prepare professionals and also the involvement shown by employees during the certification process.

These figures enabled the certification, until September, of more than 10,500 professionals directly involved in the assistance to clients of the Branches Network and to qualified investors in conformity with the compliance with the Resolution 3,158/03, of the Brazilian Monetary Council.

The CFPTM Certified Financial Planner exam was also performed and 15 professionals were approved in the Private Banking area and had their ratification processes concluded, assuring the quality of assistance also in this segment.

TreiNet On-line Training

In June, TreiNet was the winner of e-Learning Brazil 2006 award, in the Corporate Diamond category, reinforcing that the resources offered by the tool make possible the dissemination of a new knowledge in an indistinct way, becoming a difference for our employees, who in addition to meeting the Organization s interests, may plan their learning actions according to their needs, respecting their personal preferences of time, places and time of assimilation of contents.

Bradesco reached more than 1.5 million participations in the 73 courses available, since its implementation in 2000. This year, more than 20 new titles were launched, with 221 thousand participations in financial, operational and information technology issues.

On-line training is also used in the implementation of new business or back-office tools, for example the recent implementation of SAP, which this year recorded nearly 628 thousand participations in the 27 courses made available for the use of the tool. It would not be possible to adequately train 78 thousand presence employees in the same period and the use of other distance training media, such as videotraining or even brochures, and would not allow the same results.

In English learning, on-line training has also been a differential, enabling the participation of around 1,000 employees in courses from basic to advanced level.

In partnership with Fundação Bradesco, TreiNet courses are available for clients who hold a Bradesco University Account. Moreover, by means of the website 100% broker of Bradesco Seguros e Previdência, TreiNet is also available for brokers and dealerships who sell the Organization s insurance products.

Evolution of courses launched in TreiNet

Brochures and Videotraining

Based on the demands of Bradesco areas of standard and operational issues, with a view at the awareness of employees, in this period we made available six Brochures about the following themes: Alert System (SALE), with the purpose of providing employees with a basic view of the Alert System, in order to facilitate the understanding of how the system organizes information coming from the data base and how to use this information for loan analysis and management; Management of Administrative Expenses, pointing out the importance of the effective follow-up and control of administrative expenses in all premises of Bradesco; Pé Quente Certificated Savings Plans Products; Banking Client Defense Code, which was reedited with the purpose of training employees about the main rules and procedures defined in Resolution 2878; Real Estate Financing, also reedited to guide employees about operations which, due to their long term, allow to increase our clients loyalty, and Social Responsibility SA 8000, which has as purpose to inform employees about the conditions of the work environment and of the Organization s relations with all the parties involved: employees, community, suppliers, clients and other publics, aiming at the commitment to human being valuation.

Other three new videotrainings were also launched: A Matter of Posture, which makes employees aware of the importance of posture in the prevention of occupational diseases; the video Code of Defense of the Bank Client New Edition, which was reedited with the purpose of training employees about the main rules and procedures defined in the Resolution 2878 Code of Defense of the Bank Client, and the video ISO 14001, OHSAS 18001 and SA 8000 Management System, which was prepared comprising the main items of the certifications mentioned, searching for a language that makes the employee aware of the importance of the commitment and participation of each one, in their contexts, for issues of environmental management, occupational safety and health management and the social responsibility system.

Social and Corporate Responsibility

We continued with the projects that focus on human valuation such as: Youth Apprentice Program, Young Citizen Program and Internship Programs, among them, the Bradesco Program Unipalmares (Universidade Zumbi dos Palmares). These programs benefit youngsters in the beginning of their careers, with qualification, social inclusion, as well as personal and professional development. Also under this context, Bradesco developed preparatory training in Libras (the sign language for deaf-mute people), for employees providing direct services to disabled clients, in order to guarantee this public accessibility to our Branches.

Evolution in Employee Training Participation thousands

Total Amount Invested in Training R\$ million

Fundação Bradesco The Bradesco Organization s Social Action

Background

Fundação Bradesco, a non-profit entity, headquartered at Cidade de Deus, Osasco, SP, was founded in 1956 and declared to be of Federal Public Utility by Decree 86,238, on July 30, 1981.

Aware that education lies on the roots of equal opportunities and personal and collective fulfillment, Fundação Bradesco currently holds 40 schools installed as priority in the country's most underprivileged regions, in all Brazilian states and in the Federal District.

Objectives and Goals

Through the pioneer action of private social investment, the main mission of Fundação Bradesco is to provide formal quality education to children, young people and adults, so that they achieve personal fulfillment through their work and the effective exercise of citizenship.

Accordingly, the reach of Fundação Bradesco has been expanded yearly, increasing the number of enrolled students from 13,080 to more than 107,944 over the last twenty-five years. The schools of Fundação Bradesco run free education for Kindergarten, Primary School and High School, Continued and Preliminary Education of Workers as well as High School Technical Professional Education in IT, electronics, industry, management and agribusiness. Distance learning is also offered as part of the Youth and Adult Basic Education Equivalency programs via Teleeducation and the Virtual Classroom site.

Areas and Methods of Action

Basic Education

Basic Education comprises the Kindergarten, Elementary School (first to eight grades) and High School, comprising more than 43.61% of all students on courses provided on a free basis by Fundação Bradesco each year. In addition, the students receive free school materials, uniforms, meals and health and dental care.

Fundação Bradesco is always evaluating the contemporary learning trends and, therefore, is always bringing new challenges for learning practices so that the conclusions are spread throughout all school units and that propose ongoing interactions among them.

The schools are understood as a privileged environment for citizenship values and for regarding students as original and creative human beings, who learn through experiences in both school and society. Hence, their potential and needs to interact and reflect on the diversity of knowledge are essential.

The multi-disciplinary learning seeks to provide students with access to practical and theoretical cognitive content, based on the principle that the development process is both dialectic and constructive and that their role in learning is faced as a producer of knowledge.

On this intent, Fundação Bradesco offers various continued education opportunities to educators, including long-distance courses.

These resources have resulted in the compilation of diverse learning materials, including text books used up to the fourth grade of Primary School, Philosophy for High School and Cultural Diversity as well as other supporting materials.

Technical Professional Education

Based on the commitment of offering technical professional education capable of guaranteeing to the student the continuous right to develop their skills for a fruitful and social life, Fundação Bradesco is in consonance to a new model of technical education in force in Brazil. Bradesco structured the subjects of the course, prioritizing the demands from the market and the society from a brand new perspective, offering work preparation.

High School Technical Education

Based on the professional areas of Agribusiness, Management, Industry (Electronics) and Information Technology, a number of courses were developed and offered according to the specific needs of the communities in which the school units are located.

The content of these courses aims to ensure a strict relation among work, knowledge and citizenship. The final target is to bring out creative, productive and business-minded citizens, as well as showing students the importance of permanent education.

When offering to students, who arise from underprivileged backgrounds, courses whose content will facilitate their entry and re-entry into the labor market, Fundação Bradesco provides access to the emerging and fast-changing business world.

Preliminary and Continued Qualification of Workers

Fundação Bradesco offers on a free of charge basis this mode of education, designed for the needs of update, qualification and re-qualification of workers with different school levels. There are more than 100 options for free courses, presenting flexible programs, in the same track of the labor market conditions, in the following professional areas: Management, Personal Image, (Fashion and Personal Beauty Care), Industry (Electrical, Electronics and Printing Technology), IT, Leisure and Social Development, Tourism and Hospitality (Tourism, Hospitality and Catering Services). In the Agribusiness Area, Fundação Bradesco offers courses which include Artificial Insemination techniques.

Youth and Adult Education

These students come from different regions but often have similar life histories and comprise in their majority, workers and housewives who were unable to attend or remain at school when they were supposed to. At Fundação Bradesco, they are given adult literacy courses and graduate at both Elementary and High School levels, apply for university entry, in order to improve their employment prospects and most importantly to increase their skills.

Youth and Adult Education courses are given in two segments: Youth and Adult Literacy and Tele-education for Elementary and High School Equivalency.

The Tele-education courses are offered in the own schools of the Fundação or on the premises of the companies that have entered into operating agreements with it, with flexible timetables to suit the different work shifts, once the classrooms are taken up to the companies, respecting the different working hours and avoiding the need for students to travel to the school units. Another reason for the good performance is related to the investments made by Fundação Bradesco in learning technology resources.

Developed for the parents of students who attend the schools of Fundação Bradesco, the Adult Literacy Course is structured around a socio-constructive concept, whereby the student becomes an active subject in the learning process. The topics addressed during classes awake the interests and motivate learners, guaranteeing the success of the course.

The main purpose of the Fundação Bradesco is to prepare students to improve their life conditions, based on the acquisition of organized knowledge, since according to Bradesco s philosophy education alone is capable of forming citizens who are participative and aware of their role in society.

Material Facts

A partnership was entered into between Fundação Bradesco and Bovespa, to offer Educar Bovespa Program, whose goal is to enable students to ponder about financial, school and family education, relating them to the theme Work and Consumption in Basic Education and with Financial Management in High School Technical Professional Education, making possible the development of citizenship in a conscious and critical way and the preparation of personal and economic improvement plans.

A total of 36,500 students from Elementary to High School and High School Technical Professional Education will be assisted.

Fundação Bradesco sponsored Expo T&C (Technology and Science Exposition), an event which took place simultaneously with the 58th SBPC Annual Meeting. Works from schools of Laguna/SC, Maceió/AL, Osasco Unit I and Teresina/PI were shown in Florianópolis/SC.

The School Unit of Conceição do Araguaia-PA placed the Social Forum The UN and the Indigenous People during the II Indigenous Traditional Games of Pará. The event was aimed at discussing matters related to Digital Inclusion, Human Rights, Environment, Cultural Identity, and others.

Five nurseries for the production of seedlings from the atlantics forest were inaugurated in the schools of Gravataí-RS, João Pessoa-PB, Laguna-SC, Maceió-AL and Paranavaí-PR, adding up to those already built in Osasco-SP, Registro-SP, Campinas-SP, Marília-SP and Vila Velha-ES. Teachers and students of Fundação Bradesco received technical qualification from Fundação SOS Mata Atlântica for the management of the species and promotion of environmental education and reforestation actions in partnership with local social actors.

The Board of Executive Officers of Fundação Bradesco participated in the official launch of Everybody for Education Commitment at Museu do Ipiranga, in São Paulo, which counted on the presence of political, corporate and third-sector leaderships.

The event also counted on the participation of the Choir from Fundação Bradesco Osasco Unit I/SP.

The purpose of the commitment is to move the population and encourage it to reclaim a improvement in the quality of education in the country, from the fact that nowadays school for everybody still does not mean education for everybody and from the principle that every person must play his/her part - in an integrated and synergic manner - so that until 2022, two hundred years after Brazil s Independence, every child and youngster have a quality education.

The Conference If life goes through changes, school must also change with Domenico de Masi, Work Sociology teacher at University of Rome, highlighted the celebration of the 50 years of Fundação Bradesco, gathering officers and employees from Fundação Bradesco, businessmen and managers from social and educational organizations.

Main Acknowledgments

Treasures of Brazil Contest: Fundação Bradesco of Laguna/SC was awarded with the project Kuaray Ouá (Sunrise) developed by Elementary School students, chosen to be part of the Book Treasures of Brazil. The School Unit of Manaus will also be part of the publication with the project Ruins of Paricatuba, developed by High School students.

49th Scientist of Tomorrow Contest: Fundação Bradesco of Teresina/PI conquered the Fiocruz Award with the project Factors that Contribute to Self-medication , developed by Elementary School students. The School Unit of Maceió/AL received an Honorable Mention for the project Bus Stops: Technology and Accessibility , developed by High School students.

Victor Civita 2006 Award - Grade A Educator: Teacher Marli Aparecida Salum Benjamin Melillo, from the School Unit of Laguna/SC, was elected one of the ten Grade A Educators, with the project Mullets in Laguna .

IT Leaders 2006 Award: the sixth edition of the award pointed out IT professionals who conquered a place in the corporate environment. Fundação Bradesco ranked 2^{nd} in the education segment.

Literacy Week: Fundação Bradesco was honored during the opening of the 2006 Literacy Week for the partnership with Alfabetização Solidária Program, focused on the reduction of illiteracy in Brazil.

School s Location

The majority of the Fundação Bradesco s educational units are located in the outskirts of major cities or in rural areas where there is a significant lack of educational and welfare assistance. Thousands of students all over Brazil are given the opportunity to study at these schools.

Schools	Students	Schools	Students
Aparecida de Goiânia GO	2,251	Maceió AL	2,270
Bagé RS	2,181	Manaus AM	2,429
Boa Vista RR	2,387	Marília SP	3,200
Bodoquena MS	1,197	Natal RN	2,245
Cacoal RO	2,370	Paragominas PA	2,295
Campinas SP	4,618	Paranavaí PR	1,889
Canuanã TO	1,287	Pinheiro MA	2,156
Caucaia CE	2,230	Propriá SE	2,127
Ceilândia DF	3,180	Registro SP	2,321
Cidade de Deus Osasco SP		Rio Branco AC	2,826
Unit I	4,099	Rio de Janeiro RJ	4,118
Unit II	2,816	Rosário do Sul RS	1,072
Education Offices of Youngsters and Adults	7,816	Salvador BA	2,159
Preliminary and Continued Qualification of			
Workers	4,500	São João Del Rei MG	2,224
Conceição do Araguaia PA	2,532	São Luis MA	2,400
Cuiabá MT	2,530	Teresina PI	2,280
Feira de Santana BA	808	Vila Velha ES	2,071
Garanhuns PE	843		
Gravataí RS	3,450		
		Preliminary and Continued Qualification	
Irecê BA	2,494	of	
		Workers Rural Area Artificial	
Itajubá MG	2,656	Insemination	
Jaboatão PE	2,517		
Jardim Conceição SP	2,695	Campo Grande MS	200
João Pessoa PB	2,240		
Laguna SC	2,073		
Macapá AP	2,028	Total (*)	108,080
		(*) Assistance estimated for 2006.	

Fundação Bradesco An Educational Project as large as Brazil

Financing

Funds for the financing of the activities of Fundação Bradesco derive from income, exclusive of its own Stockholders Equity.

Investments in the last 10 years R\$ 1.164 billion Investments in 2005 R\$167.061 million Investments estimated for 2006 R\$184.011 million

Courses Grades

Assistance Estimate for 2006

	Students	% of Total
Kindergarten	488	0.45
Elementary School	33,398	30.90
High School	13,247	12.26
Youth and Adult Education	21,705	20.08
Preliminary and Continued Qualification of Workers	35,576	32.92
High School Technical Professional Education	3,666	3.39
Total	108,080	100

Student Profile Rendering of Services Basis in 2005

Increase in the Number of Students

Social Report 9-month period ended September 30, 2006 and 2005

1) Calculation basis

4) Environmental indicators

N	line months of 2006 R\$ thousand		onths of 20 thousand	005		
Net revenue (NR) (1)	11,850,652		11,115,	558		
Operating income (OI) (2)	6,731,502		5,979,			
Gross payroll (GP)	4,472,207		3,950,	205		
2) Internal social indicators						
	R\$ thousand	% on GP	% on NR	R\$ thousand	% on GP	% on NR
Meals	368,978	8.2	3.1	337,034	8.5	3.0
Compulsory social charges	774,627	17.3	6.5	711,305	18.0	6.4
Private pension plans	222,854	5.0	1.9	192,283	4.9	1.7
Healthcare insurance	218,390	4.9	1.8	190,697	4.8	1.7
Occupational health and safety Education Culture						
Professional qualification and training	39,049	0.9	0.3	39,252	1.0	0.4
On-site child care and child-care benefi	,	0.7	0.3	32,510	0.8	0.3
Employee profit sharing	344,736	7.7	2.9	223,042	5.7	2.0
Other Total Internal social indicators	76,641 2,075,037	1.7 46.4	0.6 17.4	71,654 1,797,777	1.8 45.5	0.6 16.1
3) External social indicators						
	R\$ thousand	% on OI	% on NR	R\$ thousand	% on OI	% on NR
Education (*)	1,074			443		
Culture	7,715	0.1	0.1	4,951	0.1	
Health and basic sanitation	1,868			216		
Sports				5		
Prevention of hunger and food security	7.011	Λ 1	0.1	100	Λ 1	Λ 1
Other Total contribution to society	7,011 17,668	0.1 0.2	0.1 0.2	7,583 13,298	0.1 0.2	0.1 0.1
Taxes (excluding social charges)	3,618,037	53.8	30.5	3,173,039	53.1	28.6
Total External social indicators	3,635,705	54.0	30.7	3,186,337	53.3	28.7

	R\$ thousand	% on OI	% on NR	R\$ thousan	% on d OI	% on NR
Investments related to company production/operation Investments in external programs and/or projects						
Total investments in environmental protection						
As regards the establishment of "annual goals" for minimizing waste, general production/operation consumption and the	() has no e complies 5	stablished go 1 to 75%	oals ()		established 51 to 75%	goals ()
efficient use of natural resources, the company:	() complies 70		()	_	ies 0 to 50% 76 to 100%	()
5) Employees indicators						
	Nin	e months of	2006	Ni	ne months o	f 2005
Employees at the end of the period			78,319			73,556
Admissions during the period			6,093			5,229
Outsourced employees			7,818			7,564
Trainees/interns			864			492
Employees older than 45			7,159			5,787
Women employees			37,153			34,069
% of management positions held by women			42.0			41.1
Black employees			9,311			6,231
% of management positions held by blacks	-1		12.7			7.2
Disabled employees or employees with speci	iai		000			764
needs			800			764
6) Key information regarding the level of bus	siness citizensl	hip				
Nine r	months of 2006	6		Targets	Nine montl	ns of 2007
Ratio between maximum and minimum salary:	20.7				N/A	
Total number of occupational accidents:	162		Staff	awareness	for avoiding work place	accidents in the
* *	x) directors d managers	()all employees	() din		(x) director and manager	

Occupational safety and health standards were defined by:	() directors	() all employees	(x) all + Cipa	() directors	() all employees	(x) all + Cipa
As regards freedom of trade union activities, collective bargaining rights and internal employee representation, the company:	(x) does not interfere	() complies with OIT rules	() encourages activities and complies with OIT rules	(x) does not interfere	() complies with OIT rules	() encourages activities and complies with OIT rules
Private pension plans are offered to:	() directors	() directors and managers	(x) all employees	() directors	() directors and managers	(x) all employees
The company's profit sharing plan is distributed to:	() directors	() directors and managers	(x) all employees	() directors	() directors and managers	(x) all employees
When selecting suppliers, the ethical, social and environmental responsibility standards adopted by the company:	() are not considered	() are suggested	(x) are required	() are not considered	() are suggested	(x) are required
As regards the participation of employees in voluntary work programs, the company:	() does not interfere	(x) gives support	() organizes and encourages participation	() does not interfere	(x) gives support	() organizes and encourages participation
Total number of consumer s complaints and critics:	In company: N/D	At Procon: N/D	At court: N/D	In company: N/D	At Procon: N/D	At court: N/D
% of complaints solved:	In company: N/D	At Procon: N/D	At court: N/D	In company: N/D	At Procon: N/D	At court: N/D
Total added value to be (in R\$ thousand):		ne months of 200	06: R\$ 10,715,489	Nine months	s of 2005: R\$ 11	,266,417
Distribution of added va (DVA):	ilue gov	29.2% vernment 19.9% vkholders	39.5% taxpayers 11.4% withheld	13.7%		30.7% taxpayers 22.3% withheld

7) Other information

The information contained in the Social Report was reviewed by PricewaterhouseCoopers Auditores Independentes.

(1) Net Revenue (NR) is considered Gross (2) Adjusted by the extraordinary items N/D Not N/A Income from Financial Intermediation. in the 3^{rd} quarter of 2006. available Non-applicable.

^{*} The information above does not include funds invested by Fundação Bradesco (one of Bradesco s parent companies), which totaled R\$167.1 million in education in 2005 and with estimate of R\$184.0 million in 2006.

7 - Report of Independent Auditors

(A free translation from the original in Portuguese)

Report of Independent Auditors on Limited Review of Supplementary Accounting Information contained in the Report on Economic and Financial Analysis and in the Statement of Social Responsibility

To the Board of Directors Banco Bradesco S.A.

- 1. In connection with our limited review of the Quarterly Information of Banco Bradesco S.A. and its subsidiaries (consolidated) as of September 30, 2006, on which we issued a report without exceptions dated November 1, 2006, we carried out a review of the supplementary accounting information contained in the Report on Economic and Financial Analysis and in the Statement of Social Responsibility. This supplementary information was prepared by the Bank s management for the purpose of additional analysis and is not a required part of the quarterly information.
- 2. Our work was carried out in accordance with the specific standards established by the Institute of Independent Auditors of Brazil IBRACON, in conjunction with the Federal Accounting Council CFC, for the purpose of reviewing the supplementary accounting information described in paragraph one and mainly comprised: (a) inquiries of and discussions with management responsible for the accounting, financial and operating areas of the Bank and its subsidiaries with regard to the main criteria used for the preparation of this additional accounting information and (b) a review of the significant information and the subsequent events which have, or could have significant effects on the financial position and operations of the Bank and its subsidiaries.
- 3. Based on our limited review, we are not aware of any material modifications which should be made to the supplementary information, referred to above, in order that such information be fairly presented in all material respects in relation to the Quarterly Information taken as a whole, referred to in paragraph one.
- 4. The Quarterly Information referred to in paragraph one also includes accounting information for the quarters and periods ended September 30, 2005 and December 31, 2005. The limited reviews of the Quarterly Information for these quarters and periods, as well as the audit of the financial statements for the year ended December 31, 2005, were conducted by other independent auditors, whose reports on the limited reviews dated November 4, 2005 and February 21, 2006, respectively and audit report dated February 21, 2006, were issued without exceptions.
- 5. As described in Note 15, the goodwill on investments in associated and subsidiary companies was amortized during the third quarter of 2006.

São Paulo, November 1, 2006

Auditores Independentes CRC 2SP000160/O-5

Washington Luiz Pereira Cavalcanti Contador CRC 1SP172940/O-6

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

Management Report

Dear Stockholders,

We are pleased to present the Consolidated Financial Statements of Banco Bradesco S.A. for the period ended September 30, 2006, pursuant to the Brazilian Corporate Law.

Among the material events in the period at Bradesco Organization, we point out the following:

- on August 25, Bradesco was rated AAA+ by Management & Excellence, a renowned sustainability research and evaluation firm, located in the city of Madrid, Spain. It is the first Latin American company to be awarded such rating, meeting the criteria of worldwide standard in sustainability, corporate governance, social responsibility, ethics and transparency;
- on September 6, partnership with Panvel Farmácias, the pharmaceutical industry leader in the State of Rio Grande do Sul, Brazil, for the launch of Panvel Private Label and Panvel Clube do Aposentado (Retirees Club) Cards;
- on September 18, Bradesco joined the Dow Jones Sustainability World Index portfolio, consisting of a distinct group of 318 companies from all over the world which are attested, materially, to bear corporate sustainability in their initiatives, practices and corporate management. In that context, Bradesco s social-environmental practices interact with its corporate strategies and result from the strong belief that a good company works and grows in a society which develops in harmony;
- in addition to that, on October 2, the Bank joined the FTSE LATIBEX BRASIL, the new index released by Spanish Stock Exchanges and Markets (BME) and FTSE Group (FTSE), the only Euro-denominated index which rates the main Brazilian stocks by market capitalization. Consisting of 13 companies, Bradesco s share represents 20.06%, which is the largest private capital share in the index; and
- on October 5, Special Stockholders Meeting which approved the proposal of Capital Stock increase by R\$1.200 billion, upon the issuance of 21,818,182 new registered, book-entry stocks at R\$55.00 per stock, to be subscribed by stockholders between 10.19.2006 and 11.21.2006, at the ratio of 2.226746958% on the stockholder position at the time (10.05.2006), to be paid up in cash on 12.07.2006, and, on the same date, approval of the payment to stockholders, of the Supplementary Interest on Own Capital and Dividends, to be carried out on 12.7.2006, which represent together approximately 41.3 times the interest monthly also paid, at the amount of R\$1.391 billion.

From January 1 to September 30 2006, Bradesco recorded a Net Income of R\$3.351 billion, impacted by the advanced amortization of existing goodwill, net of taxes, in the total of R\$1.392 billion, which would be carried out until 2016. Thus, the ajusted Net Income corresponded to R\$4.743 billion, representing R\$4.84 per stock and annualized profitability of 30.05% on the final Stockholders Equity and of 31.49% on the average Stockholders Equity. The annualized return on Total Assets was 2.61% compared to 2.68% on the same period of the previous year.

From January 1 to September 30, 2006, Goodwill was amortized which, net of taxes, totaled R\$1.678 billion, and, if we would not consider these effects, we would have Net Income of R\$5.029 billion, representing an annualized profitability of 31.93% on the final Stockholders Equity and of 33.23% on the average Stockholders Equity.

The advanced amortization, carried out in the third quarter of 2006 despite not being computed into the Dividends and/or Interest on Own Capital calculation distributed this year, will positively affect future results, as the expense

previously mentioned will not be recorded in these results and, consequently, in the stockholders capital compensation for those periods.

Taxes and contributions amounted to R\$4.393 billion, equivalent to 92.61% of Net Income, including paid or accrued pension taxes and contributions, resulting from the main activities carried out by Bradesco Organization in the first nine months of the year.

The Operating Efficiency Ratio IEO, accumulated for 12 months, was 42.39% on September 30 against 43.23% in June 2006. The improvement reflects the strict control of administrative expenses and the permanent effort for the increase in revenues.

At the end of the quarter, the paid-up Capital Stock was R\$13 billion. Added up to Equity Reserves of R\$8.773 billion, it comprised the Stockholders Equity of R\$21.773 billion, with an evolution of 19.23% compared to the same period of the previous year, corresponding to the equity value of R\$22.24 per stock.

The Managed Stockholders Equity represents 8.98% of the consolidated Assets, which added up to R\$243.192 billion, an increase of 20.44% over September/2005. Thus, the capital adequacy ratios reached 18.37% in the financial consolidated and 16.16% in the economic-financial consolidated, therefore higher than the minimum of 11% set forth by Resolution 2,099, as of 8.17.1994, of the National Monetary Council, in conformity with the Basel Committee. At the end of the quarter, the stockholders' equity to fixed assets ratio, compared to the Consolidated Reference Stockholders Equity, was 46.04% in the financial consolidated and 11.89% in the economic-financial consolidated, placed in the maximum limit of 50%.

In compliance with the provisions in Article 8 of Circular 3,068, as of 11.8.2001, of the Brazilian Central Bank, Bradesco states it has financial capacity and intention to hold to maturity securities rated in the securities held to maturity category.

The global volume of funds raised and managed by Bradesco Organization, on September 30, totaled R\$358.557 billion, 21.34% higher than the same period of the previous years, namely:

	R\$ 115.117	billion in Demand Deposits, Time Deposits, Interbank Deposits, Other Deposits, Open Market and Savings Accounts;
	R\$ 140.222	billion in assets under management, comprising Investment Funds, Managed Portfolios and Quotas of Third-Party Funds, a 22.30% growth compared to Septmeber/2005;
	R\$ 51.926	billion recorded in the Exchange Portfolio, Borrowings and Onlendings, Own Working Capital, Tax Payment and Collection of Related Taxes, Funds From Issuance of Securities and Subordinated Debt in the country;
	R\$ 45.719	billion recorded in Technical Provisions for Insurance, Supplementary Private Pension Plans and Certificated Savings Plans, with an increase of 19.57% when compared to the previous year;
	R\$ 5.573	billion in Foreign Funding, by means of public and private issuances, Subordinated Debt and Securitization of Future Financial Flows, representing US\$2.563 billion.
At	the end of the po	eriod, loan operations recorded a balance of R\$92.013 billion, including in this amount:
	R\$ 5.487	billion in Advances on Foreign Exchange Contracts, for a total Portfolio of US\$5.763 billion of

K\$ 3.487	Export Financing;
US\$ 771.338	million of operations in Import Financing in Foreign Currencies;
R\$ 3.575	billion in Leasing;
R\$ 7.221	billion in businesses in the Rural Area;
R\$ 33.706	billion in Consumer Financing;
R\$ 9.048	billion referring to onlending operations of external and internal funds, mainly coming from BNDES Brazilian Development Bank.

In the first nine months of the year, for the activities of Real Estate Loan, the Organization destined funds for house construction and acquisition in the amount of R\$1.561 billion, corresponding to 14,100 properties.

With a highlighted performance in the Capital Markets Area, Bradesco supported the capitalization of companies intermediating operations of public placement of stocks, debentures, promissory notes and Credit Right Investment Funds, which, since the beginning of the year, added up to R\$19.677 billion, 24.83 % of the total volume of issuances registered at the CVM Brazilian Securities and Exchange Commission. The Bank was also highlighted in assisted special operations, comprising mergers and acquisitions, project finance and corporate and financial restructurings.

Grupo Bradesco de Seguros e Previdência, with a strong operation in the Insurance, Supplementary Pension Plans and Certificated Savings Plans areas, recorded on September 30 a Net Income of R\$1.591 billion and Stockholders Equity of R\$6.752 billion. Net premiums issued reached R\$13.360 billion, with a 13.79% growth compared to the same period of the previous year.

Bradesco Organization s Network, made available for clients and users, on September 30, was comprised of 13,756 outlets with 23,716 machines of Bradesco Dia&Noite (Day&Night) ATM Network, 22,391 of them working even on the weekends and holidays. In addition, more 2,986 machines of Banco24Horas (24-hour Bank) were made available for Bradesco clients for withdrawal operations, issuance of statements and balance consultation:

3,002	Branches in the country (3,001 Bradesco and 1 Banco Finasa);
3	Branches Overseas, 1 in New York, 1 in Grand Cayman and 1 in Nassau, in Bahamas (Boavista);
5	Subsidiaries Overseas (Banco Bradesco Argentina S.A., in Buenos Aires, Banco Bradesco Luxembourg S.A., in Luxembourg, Bradesco Securities, Inc., in New York, Bradesco Services Co., Ltd., in Tokyo and Cidade Capital Markets Ltd., in Grand Cayman);
5,548	Banco Postal Branches;
2,455	Corporate Site Branches;
2,413	Outplaced Terminals of Bradesco Dia&Noite (Day&Night) ATM Network;
330	Branches of Finasa Promotora de Vendas, a company present in 17,953 car dealers and 23,271 stores trading furniture and home décor, tourism, auto parts, information technology programs and equipment, home building material and telephony, among others.

In the quarter, it is worth mentioning that Bradesco Organization, in compliance with Instruction 381, issued by the Brazilian Securities and Exchange Commission, neither contracted nor had services rendered by PricewaterhouseCoopers Auditores Independentes unrelated to the independent audit in levels higher than 5% of total costs thereof. The policy adopted complies with the principles preserving the auditor—s independence, pursuant to the internationally accepted criteria, such as: the auditor shall neither audit his own work, nor perform management duties with his client or promote his interests.

We point out the improvement of ratings attributed to Bradesco in the period. In accordance with Standard&Poor s Rating Services, Bradesco is a level above the sovereign credit rating and a level under the Investment Grade. Fitch Ratings increased Bradesco s individual rating and Issuer Default Rating (IDR) of foreign currency long-term debt and Moody s Investors Service increased Bradesco s issued bonuses rating, placing them as investment grade.

In the social area, the Organization continues with its wide educational program developed by means of Fundação Bradesco, which completes 50 years of activities with 40 schools set up mainly in regions with social-economic needs, in all Brazilian States and in the Federal District. The program provides more than 108 thousand students with totally free education, including education courses targeted at youngsters and adults and initial and continued education of workers. More than 50 thousand students of the kindergarten, elementary, high schools and technical professional courses receive, also on a free basis, food, uniform, school supply and medical and dental assistance.

It is worth pointing out Bradesco s support to Finasa Esportes Project, with volleyball and basketball training centers at Fundação Bradesco in Osasco, SP, and in local schools and sports centers in the city. It currently assists 2,800 girls from 9 to 17 years of age.

In the Human Resources area, searching for a permanent evolution in the quality of assistance and in the level of the services provided, the Bank maintains its wide training program, aiming at the qualification and professional development of the staff. From January to September, 1,121 courses were carried out, with 1,002,084 participations. The assistance benefits aimed at the improvement of the quality of life, well being and safety of the employees and their dependents comprised 175,070 lives, at the end of the quarter.

The record of all these facts makes evident Bradesco s commitment to always offer superior products and services. For the achievements and advances reached, we thank our stockholders and clients for their support and trust and our employees for their dedicated work.

Cidade de Deus, November 1, 2006.

Board of Directors and Board of Executive Officers

Consolidated Balance Sheet R\$ thousand

(A free translation from the original in Portuguese)

	200	2005	
Assets	September	June	September
Current assets	179,391,216	179,631,457	155,449,912
Funds available (Note 6)	3,947,307	3,161,288	2,599,967
Interbank investments (Notes 3b and 7)	33,945,665	27,094,311	23,581,473
Investments in federal funds purchased and securities sold under			
agreements to repurchase	27,757,919	22,191,566	16,865,804
Interbank deposits	6,187,773	4,902,818	6,716,686
Allowance for losses	(27)	(73)	(1,017)
Securities and derivative financial instruments (Notes 3c, 3d,			
8 and 32b)	50,691,832	57,596,912	52,007,983
Own portfolio	48,748,054	55,189,516	44,085,556
Subject to repurchase agreements	430,306	224,671	386,997
Derivative financial instruments	495,997	477,785	1,229,233
Restricted deposits Brazilian Central Bank	182,083	681,478	4,261,564
Privatization currencies	1	1	1
Subject to collateral provided	835,391	1,023,461	2,037,544
Securities purpose of unrestricted purchase and sale			
commitments			7,088
Interbank accounts	17,434,782	17,660,635	16,127,954
Unsettled receipts and payments	388,405	649,614	644,561
Restricted credits: (Note 9)			
Restricted deposits Brazilian Central Bank	16,992,847	16,948,478	15,429,744
National Treasury rural credit	578	578	578
SFH	8,657	9,433	12,485
Correspondent banks	44,295	52,532	40,586
Interdepartmental accounts	120,170	160,420	78,641
Internal transfer of funds	120,170	160,420	78,641
Loan Operations (Notes 3e, 10 and 32b)	50,197,314	49,459,243	43,613,317
Loan operations:			
Public sector	103,049	201,031	345,390
Private sector	54,499,653	53,320,302	46,302,111
Allowance for doubtful accounts (Notes 3e, 10f, 10g and 10h)	(4,405,388)	(4,062,090)	(3,034,184)
Leasing operations (Notes 2, 3e, 10 and 32b)	1,658,568	1,483,979	1,211,876
Leasing receivables:			
Public sector	43,114	40,527	1,553
Private sector	3,228,289	2,936,284	2,352,976
Leasing receivables	(1,544,112)	(1,431,106)	(1,093,495)
Provision for leasing losses (Notes 3e, 10f, 10g and 10h)	(68,723)	(61,726)	(49,158)
Other receivables	20,181,052	21,821,491	15,158,776
Receivables on guarantees honored (Note 10a-2)	15	15	10
Foreign exchange portfolio (Note 11a)	8,620,302	10,123,315	8,140,427
Receivables	220,705	174,639	204,982
Negotiation and intermediation of amounts	412,324	1,629,657	675,125

Insurance premiums receivable	1,180,921	1,123,600	1,040,347
Sundry (Note 11b)	9,819,647	8,901,473	5,245,330
Allowance for other doubtful accounts (Notes 3e, 10f, 10g and			
10h)	(72,862)	(131,208)	(147,445)
Other receivables and assets (Note 12)	1,214,526	1,193,178	1,069,925
Other receivables and assets	372,169	386,611	416,842
Provision for mark-to-market adjustments	(191,732)	(190,327)	(207,801)
Prepaid Expenses (Note 12b)	1,034,089	996,894	860,884
Long-term receivables	60,087,082	47,525,220	41,932,996
Interbank investments (Notes 3b and 7)	416,964	475,085	568,004
Investments in federal funds purchased and securities sold under			
agreements to repurchase		8,167	
Interbank deposits	416,964	466,918	568,233
Allowance for losses			(229)

Assets	2000	2003	
Assets	September	June	September
Securities and derivative financial instruments (Notes 3c, 3d,			
8 and 32b)	22,330,036	12,785,236	12,239,517
Own portfolio	17,629,194	9,314,152	9,947,348
Subject to repurchase agreements	1,940,449	1,393,101	1,584,235
Derivative financial instruments	28,746	17,661	53,344
Restricted deposits Brazilian Central Bank	1,185,566	657,612	239,874
Privatization currencies	70,386	69,984	94,366
Subject to collateral provided	1,475,695	1,332,726	320,350
Interbank accounts	393,762	390,869	251,743
Restricted credits: (Note 9)	ŕ	ŕ	•
SFH	393,762	390,869	251,743
Loan Operations (Notes 3e, 10 and 32b)	26,280,022	24,171,593	19,770,118
Loan operations:			
Public sector	699,842	702,976	440,063
Private sector	27,163,760	24,969,308	20,688,674
Allowance for doubtful accounts (Notes 3e, 10f, 10g and 10h)	(1,583,580)	(1,500,691)	(1,358,619)
Leasing operations (Notes 2, 3e, 10 and 32b)	1,771,508	1,563,317	897,182
Leasing receivables:			
Public sector	102,399	118,140	5,078
Private sector	3,479,564	3,110,423	2,015,284
Unearned income from leasing	(1,733,800)	(1,596,524)	(1,072,941)
Allowance for leasing losses (Notes 3e, 10f, 10g and 10h)	(76,655)	(68,722)	(50,239)
Other receivables	8,235,947	7,587,056	7,764,680
Receivables	1,623	1,623	222
Negotiation and intermediation of amounts	58,602	64,702	
Sundry (Note 11b)	8,183,707	7,529,492	7,771,926
Allowance for other doubtful accounts (Notes 3e, 10f, 10g and			
10h)	(7,985)	(8,761)	(7,468)
Other receivables and assets (Note 12)	658,843	552,064	441,752
Other receivables and assets	8,174	8,153	11,349
Provision for mark-to-market adjustments	(765)	(1,547)	(1,891)
Prepaid expenses (Note 12b)	651,434	545,458	432,294
Permanent assets	3,713,339	5,778,429	4,530,314
Investments (Notes 3h, 13 and 32b)	1,019,427	1,044,832	1,038,040
Ownership in affiliated and subsidiary companies:	101.265	420.022	440.712
Local	404,365	430,923	440,713
Other investments	1,015,915	1,014,284	937,918
Allowance for losses Property, plant and againment in use (Notes 3; and 14)	(400,853)	(400,375) 2 075 400	(340,591)
Property, plant and equipment in use (Notes 3i and 14)	2,067,028	2,075,400	2,043,277
Buildings in use Other property plant and equipment in use	1,062,948	1,104,263	1,296,720
Other property, plant and equipment in use	3,977,945	3,939,088	3,562,387
Accumulated depreciation	(2,973,865) 15,109	(2,967,951) 15,911	(2,815,830) 10,760
Leased assets (Note 14) Leased assets	33,238	31,872	23,159
Accumulated depreciation	(18,129)	(15,961)	(12,399)
Deferred charges (Notes 2, 3j and 15)	611,775	2,642,286	1,438,237
Organization and expansion costs	1,533,796	1,471,572	1,267,542
organization and expansion costs	1,555,170	1,771,572	1,207,572

Accumulated amortization	(922,021)	(883,907)	(732,828)
Goodwill on acquisition of subsidiaries, net of amortization			
(Note 15a)		2,054,621	903,523
Total	243,191,637	232,935,106	201,913,222

The Notes are an integral part of the Financial Statements.

Liabilities	200	2005	
Liabilities	September	June	September
Current liabilities	139,901,103	135,925,689	125,858,252
Deposits (Notes 3k and 16a)	54,363,143	54,965,814	51,144,521
Demand deposits	17,598,600	16,645,884	14,773,886
Savings deposits	25,415,133	24,834,740	24,791,357
Interbank deposits	172,912	162,763	88,791
Time deposits (Note 32b)	10,885,657	13,044,998	11,311,381
Other deposits	290,841	277,429	179,106
Federal funds purchased and securities sold under			
agreements to			
repurchase (Notes 3k and 16b)	21,295,955	17,511,529	19,479,959
Own portfolio	4,226,432	2,392,521	3,654,131
Third-party portfolio	17,067,469	14,541,625	15,818,740
Unrestricted portfolio	2,054	577,383	7,088
Issuance of securities (Notes 16c and 32b)	1,778,268	1,830,993	1,461,518
Mortgage notes	854,692	838,006	829,104
Debentures	156,757	62,959	206,185
Securities issued abroad	766,819	930,028	426,229
Interbank accounts	173,892	192,729	201,705
Correspondent banks	173,892	192,729	201,705
Interdepartmental accounts	1,739,834	1,769,833	1,680,925
Third-party funds in transit	1,739,834	1,769,833	1,680,925
Borrowings (Notes 17a and 32b)	5,449,804	5,142,653	5,990,676
Local borrowings official institutions	293	320	317
Local borrowings other institutions	67,180	21,691	13,031
Borrowings abroad	5,382,331	5,120,642	5,977,328
Local onlendings official institutions (Notes 17b and 32b)	4,238,106	3,891,582	3,354,846
National Treasury	95,885	17,535	50,824
BNDES	1,968,926	1,835,986	1,459,129
CEF	9,883	9,368	7,566
FINAME Other institutions	2,162,739	2,027,855	1,836,549
Other institutions Foreign enlandings (Notes 17h and 32h)	673 341	838 182	778 4,380
Foreign onlendings (Notes 17b and 32b) Foreign onlendings	341	182	4,380
Derivative financial instruments (Notes 3d and 32)	503,301	394,764	1,040,374
Derivative financial intruments (Notes 3d and 32)	503,301	394,764	1,040,374
Technical provisions for insurance, private pension plans	303,301	374,704	1,040,574
and certificated	22 (05 125	21 074 074	27.004.662
savings plans (Notes 3l and 21)	33,607,135	31,874,874	27,094,663
Other liabilities	16,751,324	18,350,736	14,404,685
Charge and Collection of taxes and other contributions	1,588,482	1,413,591	1,238,627
Foreign exchange portfolio (Note 11a)	3,290,222	4,678,807	4,042,150
Social and statutory payables	881,272	1,105,747	1,118,908
Fiscal and pension plans (Note 20a)	2,426,705	2,115,936 1,650,679	1,705,039 575,753
Negotiation and intermediation of amounts	251,648		313,133
Financial and Development Funds Subordinated debts (Notes 19 and 32b)	2,051 114,332	1,618 63,492	122,158
Sundry (Note 20b)	8,196,612	7,320,866	5,602,050
Sundry (11010 200)	0,170,012	1,520,000	3,002,030

Long-term liabilities	81,288,317	75,335,398	57,684,116
Deposits (Notes 3k and 16a)	24,490,025	23,390,007	19,950,976
Long-term deposits (Note 32b)	24,490,025	23,390,007	19,950,976

	200	2005	
Liabilities	September	June	September
Federal funds purchased and securities sold under			
agreements to			
repurchase (Notes 3k and 16b)	14,967,873	11,746,125	5,058,124
Own portfolio	14,967,873	11,746,125	5,058,124
Funds from issuance of securities (Notes 16c and 32b)	4,318,994	4,370,047	4,699,497
Mortgage loans	12,335	7,227	273
Debentures	2,552,100	2,552,100	2,552,100
Liabilities of securities abroad	1,754,559	1,810,720	2,147,124
Borrowings (Notes 17a and 32b)	316,759	359,374	479,437
Local borrowings official institutions	555	614	845
Local borrowings other institutions	9	9	9
Borrowings abroad	316,195	358,751	478,583
Local onlendings official institutions (Notes 17b and 32b)	6,635,097	6,091,661	5,412,002
BNDES	3,295,608	2,839,220	2,364,615
CEF	58,655	55,382	42,906
FINAME	3,279,476	3,195,498	3,002,391
Other institutions	1,358	1,561	2,090
Derivative financial instruments (Notes 3d and 32)	4,879	1,780	2,723
Derivative financial instruments	4,879	1,780	2,723
Technical provisions for insurance, private pension plans			
and certificated			
savings plans (Notes 3l and 21)	12,111,573	12,071,664	11,140,118
Other liabilities	18,443,117	17,304,740	10,941,239
Fiscal and pension plans (Note 20a)	4,997,649	5,119,734	3,823,078
Negotiation and intermediation of amounts	17,751		
Subordinated debts (Notes 19 and 32b)	11,652,801	10,839,720	6,376,829
Sundry (Note 20b)	1,774,916	1,345,286	741,332
Future taxable income	172,941	158,274	55,272
Future taxable income	172,941	158,274	55,272
Minority interest in consolidated subsidiaries (Note 22)	55,921	55,055	53,989
Stockholders' equity (Note 23)	21,773,355	21,460,690	18,261,593
Capital:			
Local residents	12,007,879	11,991,527	9,031,476
Foreign residents	992,121	1,008,473	968,524
Capital reserves	36,550	36,456	35,884
Income reserves	7,875,574	7,877,422	7,972,090
Mark-to-market adjustment securities and derivatives	901,786	585,572	416,638
Treasury Stock (Notes 23e and 32b)	(40,555)	(38,760)	(163,019)
Stockholders' equity managed by parent company	21,829,276	21,515,745	18,315,582
Total	243,191,637	232,935,106	201,913,222
The Notes are an integral part of the Financial Statements.			
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Consolidated Statement of Income R\$ thousand

(A free translation from the original in Portuguese)

			2005	
	3 rd Quarter	2 nd Quarter	September	September
Revenues from financial intermediation	9,608,986	9,689,267	28,379,507	23,760,872
Loan operations (Note 10i)	5,258,086	5,166,814	14,942,366	11,483,992
Leasing operations (Note 10i)	174,990	151,474	460,362	315,742
Securities (Note 8f)	1,793,642	1,532,264	4,373,865	3,315,154
Financial result on insurance, private pension	,	, ,	, ,	, ,
plans and certidicated savings plans				
(Nota 8f)	1,591,834	1,622,810	5,047,213	4,749,475
Derivative financial instruments (Note 8f)	288,324	538,613	1,912,434	2,444,561
Foreign exchange results (Note 11a)	167,557	349,797	631,596	320,810
Compulsory deposits (Note 9b)	334,553	327,495	1,011,671	1,131,138
Expenses from financial intermediation	5,924,838	5,845,248	16,528,855	12,645,314
Funding operations (Note 16e)	3,430,965	3,016,360	8,983,735	7,571,790
Price-level restatement and interest on				
technical provisions for insurance,				
private pension plans and certificated				
savings plans (Note 16e)	907,865	915,781	2,866,294	2,713,586
Borrowings and onlendings (Note 17c)	415,788	794,801	1,450,325	616,036
Leasing operations (Note 10i)	2,176	2,320	6,029	7,256
Allowance for doubtful accounts (Notes 3e,				
10g and 10h)	1,168,044	1,115,986	3,222,472	1,736,646
Gross result from financial intermediation	3,684,148	3,844,019	11,850,652	11,115,558
Other operating income (expenses)	(3,957,779)	(1,753,956)	(7,536,748)	(5,135,596)
Fee and commission income (Note 24)	2,342,847	2,090,735	6,474,130	5,339,316
Retained premiums from insurance, private				
pension plans and certificated				
saving plans (Notes 31 and 21d)	3,807,017	3,287,286	10,552,657	9,343,304
Net premiums written	4,714,041	4,249,174	13,359,756	11,740,973
Reinsurance premiums and redeemed				
premiums	(907,024)	(961,888)	(2,807,099)	(2,397,669)
Change in technical provisions for insurance,				
private pension plans and				
certificated savings plans (Note 31)	(901,468)	(465,746)	(1,946,372)	(1,437,169)
Retained claims (Note 31)	(1,489,845)	(1,476,763)	(4,475,243)	(4,291,790)
Certificated savings plans draws and				
redemptions (Note 31)	(305,545)	(288,144)	(878,242)	(897,370)
Insurance, private pension plans and				
certificated savings plans selling				
expenses (Note 31)	(259,861)	(251,020)	(754,006)	(697,693)
Expenses with private pension plans benefits				
and redemptions (Note 31)	(525,154)	(566,213)	(1,818,708)	(1,988,605)
Personnel expenses (Note 25)	(1,584,533)	(1,468,665)	(4,472,207)	(3,950,205)
	(308,875)		(308,875)	

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Supplementary provision for labor proceedings (Note 18b)				
Other administrative expenses (Note 26)	(1,506,957)	(1,374,340)	(4,198,756)	(3,702,674)
Tax expenses (Note 27)	(530,284)	(533,774)	(1,607,856)	(1,377,008)
Equity in the earnings of affiliated companies	, , ,	, , ,	, , , , ,	
(Note 13c)	7,587	29,786	42,067	68,869
Other operating income (Note 28)	418,941	316,150	989,807	797,020
Other operating expenses (Note 29)	(1,012,926)	(1,053,248)	(3,026,421)	(2,341,591)
Full goodwill amortization (Note 15)	(2,108,723)		(2,108,723)	
Operating income	(273,631)	2,090,063	4,313,904	5,979,962
Non-operating income (Note 30)	40,570	11,330	20,074	(36,756)
Income before taxes on profit and interest	(233,061)	2,101,393	4,333,978	5,943,206
Income on taxes (Notes 34a and 34b)	454,270	(499,512)	(975,350)	(1,887,683)
Minority interest in consolidated				
subsidiaries	(2,393)	245	(7,427)	(4,002)
Net income	218,816	1,602,126	3,351,201	4,051,521
The Notes are an integral part of the Statements of	f Income.			

Consolidated Statement of Changes in Stockholdesr's

Equity R\$ thousand

(A free translation from the original in Portuguese)

	Restated Capital Reserves		erves	Profit Reserves		Mark-To-Market Adjustment-TVM and Derivatives		Tre	
Events	Capital Stock	Unrealized Capital	Tax Incentives From Income Tax	Others	Legal	Statutory	Own	Affiliated and Subsidiaries	Ste
Balances as of 12.31.2004 Capital increase through	7,700,000	(700,000)	2,103	8,750	1,067,637	6,678,076	(48,013)	506,093	
subscription Capital increase by stock merger Capital	11,856	700,000							
increase with reserves Restatement of exchange membership	2,288,144				(308,451)	(1,979,693)			
certificales Aquisition of treasury stocks Goodwill in stock				781					(163
subscription Mark-to-market adjustment securities available for				24,250					
sale Net income Allocations: Reserves Interest on own capital					131,065	1,565,114	(38,606)	(2,836)	
Saldos em 30.9.2005	10,000,000		2,103	33,781	890,251	6,263,497	(86,619)	503,257	(163
Balances as of 6.30.2006 Exchange membership	13,000,000		2,103	34,353 94	1,191,509	6,685,913	(108,071)	693,643	(38

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certificates restatements Treasury stocks Mark-to-market adjustment securities available for sale							46,717	269,497	(1
Net income Allocations: Reserves Interest on own capital						(1,848)			
Balances as of 9.30.2006	13,000,000		2,103	34,447	1,191,509	6,684,065	(61,354)	963,140	(40
Balances as of 12.31.2005 Exchange membership	13,000,000		2,103	33,929	1,034,889	4,860,325	(71,097)	579,056	(29
certificates restatements Treasury stocks				518					(13
Cancellation of treasury stocks Mark-to-market adjustment securities						(2,577)			
available for sale Net income Allocations:							9,743	384,084	
Reserves Interest on own capital					156,620	1,826,317			
Balances as of 9.30.2006 The Notes are an in	13,000,000 ntegral part of	the Statements of In		34,447	1,191,509	6,684,065	(61,354)	963,140	(40

Consolidated Statement of Changes in Financial Position

R\$ thousand

(A free translation from the original in Portuguese)

			2005	
	3rd 2nd			
	Quarter	Quarter	September	September
Financial resources were provided by:	14,793,879	18,818,898	39,476,070	20,695,221
Net income	218,816	1,602,126	3,351,201	4,051,521
Adjustments to net income	2,246,714	408,388	2,921,282	616,269
Depreciation and amortization	128,675	113,264	351,196	335,439
Goodwill amortization	2,108,723	314,829	2,542,225	270,327
Provision (reversal) for interbank investment losses and				/
investments	432	34,735	50,883	(27,319)
Equity in the earnings of affiliated companies	(7,587)	(29,786)	(42,067)	(68,869)
Other	16,471	(24,654)	19,045	106,691
Change in future taxable income	14,667	78,411	120,809	10,672
Change in minority interest	866	(16,948)	(2,138)	(16,601)
Mark-to-market adjustment - securities available for sale	316,214	94,915	393,827	(41 442)
Stockholders	310,214	94,915	393,827	(41,442) 736,106
Capital increase through subscription				700,000
Capital increase by stock merger				11,856
Premium in stocks subscription				24,250
Third parties' funds provided by:				24,230
Increase in liabilities sub-items	10,541,982	16,343,877	32,276,884	14,727,164
Deposits	497,347	3,873,324	3,447,526	2,452,170
Federal funds purchased and securities sold under	,	-,-,-,-	-,,	_,,
agreements to repurchase	7,006,174	5,221,032	11,624,944	1,651,680
Funds from issuance of securities	, ,	, ,	, ,	1,103,523
Interbank accounts		35,535	34,699	27,639
Interdepartmental accounts		502,030		
Borrowings and onlendings	1,154,655		77,026	
Derivative financial instruments	111,636		269,707	869,450
Technical provisions for insurance, private pension plans				
and certificated				
savings plans	1,772,170	1,391,365	4,856,153	4,566,127
Other liabilities		5,320,591	11,966,829	4,056,575
Decrease in assets sub-items	1,312,079	164,922	52,661	68,896
Interbank investments	222,960			
Interdepartamental accounts	40,250	164,922	52,661	68,896
Other receivables	1,048,869			.==.
Sale (write-off) of assets and investments	141,229	134,562	309,465	478,658
Non-operating assets	53,846	63,716	145,932	142,566
Property, plant and equipment in use and leased assets	53,714	4,658	62,852	187,076
Investments	32,868	36,396	70,048	140,674
Sale (write-off) of deferred charges	801	29,792	30,633	8,342
Interest on own capital and dividends received from				
affiliated				

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companies and subsidiaries	1,312	8,645	52,079	63,978
Financial resources were used for	14,007,860	18,670,313	38,891,804	20,734,514
Interest on own capital paid and/or declared	220,664	608,600	1,368,264	1,537,000
Stock buyback	1,795	3,410	13,201	163,019
Capital expenditures in	193,968	395,392	740,685	472,130
Non-operating assets	41,755	71,384	151,214	103,757
Property, plant and equipment in use and leased assets	149,089	184,365	442,450	260,116
Investments	3,124	139,643	147,021	108,257
Deferred charges	117,650	1,129,326	1,897,498	289,330
Increase in assets sub-items	12,860,158	15,570,050	34,604,453	17,490,208
Interbank investments	6,793,187	3,810,133	9,356,186	1,801,037
Securities and derivative financial instruments	2,639,720	1,701,009	8,559,052	1,825,842
Interbank accounts		1,115,238	906,379	292,595
Loan operations	2,846,500	2,953,461	8,148,534	11,492,548
Leasing operations	382,780	422,937	1,018,777	552,737
Other receivables		5,465,488	6,203,067	1,206,546
Insurance premiums receivable	57,321	35,224	107,919	52,318
Other receivables and assets	140,650	66,560	304,539	266,585
Decrease in liabilities sub-items	613,625	963,535	267,703	782,827
Funds from issuance of securities	103,778	106,219	106,624	
Interbank accounts	18,837			
Interdepartmental accounts	29,999		161,079	64,796
Borrowings and Onledings		125,447		718,031
Derivative financial instruments		731,869		
Other Liabilities	461,011			
Increase (decrease) in funds available	786,019	148,585	584,266	(39,293)
Changes in At the beginning of the period	3,161,288	3,012,703	3,363,041	2,639,260
financial At the end of the period	3,947,307	3,161,288	3,947,307	2,599,967
position Increase (decrease) in funds available	786,019	148,585	584,266	(39,293)
The Notes are an integral part of the Financial Statements.				

Consolidated Cash Flow R\$ thousand

(A free translation from the original in Portuguese)

		2006		2005
	3 rd Quarter	2 nd Quarter	September	September
Operating activities:				
Net income	218,816	1,602,126	3,351,201	4,051,521
Adjustments to reconcile net income to net funds from				
(used in) operating activities:	3,414,758	1,524,374	6,143,754	2,352,915
Allowance for doubtful accounts	1,168,044	1,115,986	3,222,472	1,736,646
Provision (Reversal of) for losses on interbank				
investments and investments	432	34,735	50,883	(27,319)
Depreciation and amortization	128,675	113,264	351,196	335,439
Goodwill amortization	2,108,723	314,829	2,542,225	270,327
Equity in the earnings of affiliated companies	(7,587)	(29,786)	(42,067)	(68,869)
Others	16,471	(24,654)	19,045	106,691
Adjusted Net Income	3,633,574	3,126,500	9,494,955	6,404,436
Change in assets and liabilities:	(11,830,835)	(10,344,784)	(24,793,166)	(10,526,385)
Decrease (increase) in interbank investments	(6,793,187)	(3,810,133)	(9,356,186)	(1,801,037)
Decrease (increase) in securities and derivative				
financial instruments	(2,528,084)	(2,432,877)	(8,289,344)	(956,392)
Decrease (increase) in interbank accounts	248,492	(304,878)	(323,699)	(531,366)
Decrease (increase) in interdepartmental accounts	10,251	666,952	(108,418)	4,100
Decrease (increase) in loan operations	(3,272,687)	(3,370,387)	(9,338,718)	(11,996,915)
Decrease (increase) in leasing operations	(397,710)	(437,899)	(1,057,096)	(547,919)
Decrease (increase) in insurance premiums receivable	(57,321)	(35,224)	(107,919)	(52,318)
Decrease (increase) in other receivables	1,107,991	(5,461,153)	(6,129,544)	(1,208,553)
Decrease (increase) in other assets	(140,650)	(66,560)	(304,539)	(266,585)
Amounts written-off against the allowance for doubtful				
accounts	(786,049)	(688,434)	(2,067,493)	(1,235,090)
Increase (decrease) in technical provisions for insurance,				
private pension plans and certificated savings plans	1,772,170	1,391,365	4,856,153	4,566,127
Increase (decrease) in other liabilities	(1,324,932)	4,031,118	6,919,001	3,530,333
Increase (decrease) in future taxable income	14,667	78,411	120,809	10,672
Mark-to-market adjustment securities available for				
sale	316,214	94,915	393,827	(41,442)
Net cash provided by (used in) operating activities	(8,197,261)	(7,218,284)	(15,298,211)	(4,121,949)
Investment activities:				
Decrease (increase) in compulsory deposits Brazilian				
Central Bank	(44,369)	(774,825)	(547,981)	266,410

Sale of non-operating assets	53,846	63,716	145,932	142,566
Sale of investments	32,868	36,396	70,048	140,674
Sale of property, plant and equipment in use and leased				
assets	53,714	4,658	62,852	187,076
Decrease in deferred charges	801	29,792	30,633	8,342
Acquisition of non-operating assets	(41,755)	(71,384)	(151,214)	(103,757)
Acquisition of investments	(3,124)	(139,643)	(147,021)	(108,257)
Acquisition of property, plant and equipment in use and				
leased assets	(149,089)	(184,365)	(442,450)	(260,116)
Deferred charges	(117,650)	(1,129,326)	(1,897,498)	
Interest on own capital / dividends received	1,312	8,645	52,079	63,978
interest on o the suprement of the suprement of	1,612	3,0.12	02,079	00,570
Net cash provided by (used in) investing activities	(213,446)	(2,156,336)	(2,824,620)	47,586
Financing activities:				
Increase (decrease) in deposits	497,347	3,873,324	3,447,526	2,452,170
Increase (decrease) in federal funds purchased and				
securities sold under				
agreements to repurchase	7,006,174	5,221,032	11,624,944	1,651,680
Increase (decrease) in funds from issuance of securities	(103,778)	(106,219)	(106,624)	1,103,523
Increase (decrease) in borrowings and onlendings	1,154,655	(125,447)	77,026	(718,031)
Subordinated debt	863,921	1,289,473	5,047,828	526,242
Capital increase through subscription				700,000
Goodwill in the stock subscription				24,250
Interest on own capital paid and/or accrued	(220,664)	(608,600)	(1,368,264)	(1,537,000)
Stock buyback	(1,795)	(3,410)	(13,201)	
Variation/acquisition in minority interest	866	(16,948)	(2,138)	(4,745)
Net cash provided by (used in) financing activities	9,196,726	9,523,205	18,707,097	4,035,070
Increase/(decrease) in funds available, net	786,019	148,585	584,266	(39,293)
Changes in At the beginning of the period	3,161,288	3,012,703	3,363,041	2,639,260
funds At the end of the period	3,947,307	3,161,288	3,947,307	2,599,967
available, net Increase (decrease) in funds available	786,019	148,585	584,266	(39,293)
The Notes are na integral part of the Financial Statements	,	,	,	. , ,

Consolidated Value Added Statement R\$ thousand

(A free translation from the original in Portuguese)

					Consolidated Bradesco			
			2006				2005	
	3rd Quai	rter	2nd Qua	rter	Septemb	oer	Septemb	oer
	R\$	%	R\$	%	R\$	%	R\$	%
Value Added Breakdown								
Gross Income from Financial								
Intermediation Fee and Commission	3,684,148	168.4	3,844,019	93.7	11,850,652	110.6	11,115,558	98.7
Income Other Operating	2,342,847	107.1	2,090,735	50.9	6,474,130	60.4	5,339,316	47.4
Income/Expenses Total	(3,838,757) 2,188,238	(175.5) 100.0	(1,830,677) 4,104,077	(44.6) 100.0	(7,609,293) 10,715,489	(71.0) 100.0	(5,188,457) 11,266,417	(46.1) 100.0
Value Added Distribution								
Employees	1,700,736	77.7	1,285,196	31.3	4,231,912	39.5	3,461,817	30.7
Remuneration	754,361	34.5	716,167	17.5	2,148,155	20.0	2,007,059	17.8
Benefits	315,929	14.4	298,492	7.3	916,625	8.6	824,178	7.3
FGTS	76,527	3.5	74,618	1.8	225,457	2.1	222,917	2.0
Other Charges	553,920	25.3	195,919	4.7	941,675	8.8	407,663	3.6
Government	268,686	12.3	1,216,755	29.6	3,132,376	29.2	3,753,079	33.4
Tax Expenses	530,284	24.3	533,774	13.0	1,607,856	15.0	1,377,008	12.3
Taxes on Income	(454,270)	(20.8)	499,512	12.2	975,350	9.1	1,887,683	16.8
INSS	192,672	8.8	183,469	4.4	549,170	5.1	488,388	4.3
Interest on Own Capital Paid and/or Acrrued								
(1)	971,971	44.4	608,600	14.8	2,119,571	19.9	1,537,000	13.6
Profit Reinvestment	(753,155)	(34.4)	993,526	24.3	1,231,630	11.4	2,514,521	22.3
Total	2,188,238	100.0	4,104,077	100.0	10,715,489	100.0	11,266,417	100.0

⁽¹⁾ This includes Interest on Own Capital and Supplementary Dividends, approved at the Special Meeting of the Board of Directors of October 5, 2006 (Note 23c).

The Notes are an integral part of the Financial Statements.

(A free translation from the original in

Index of Notes to the Financial Statements

Portuguese)

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

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Notes to the Financial Statements

(A free translation from the original in Portuguese)

1) Operations

Banco Bradesco S.A. (Bradesco) is a private-sector publicly-held company which, operating as a Multiple Bank, carries out all types of authorized banking activities through its commercial, foreign exchange, consumer financing, housing loan and credit card portfolios. The Bank also operates in a number of other activities through its direct and indirect subsidiary companies, particularly in Leasing, Investment Bank, Consortium Management, Insurance, Private Pension Plan and Certificated Savings Plans activities. Operations are conducted within the context of the companies comprising the Bradesco Organization, working in an integrated manner in the market.

In this context, Bradesco carried out the following operations in the period of 2006:

- On December 21, 2005 Bradesco acquired the stock control of Banco do Estado do Ceará S.A. BEC and its subsidiary, whose process was concluded on January 3, 2006.
- On March 28, 2006 Bradesco, Fidelity National Information Services, Inc. (Fidelity National) and Banco ABN AMRO Real S.A. (Banco Real) entered into an agreement to make a partnership with the purpose of providing card processing services.
- On March 20, a partnership was entered into with American Express Company, by means of which Bradesco took over its credit card operations and similar activities in Brazil (Amex Brasil), starting to have exclusivity right for the issuance of cards of the Centurion line for a minimum term of 10 years, and the management of the network of accredited establishments of Amex Cards. The operation was ratified by the Brazilian Central Bank (BACEN) on 6.28.2006.
- On May 15, 2006, Bradesco and Bradespar entered into a Purchase and Sale Agreement of Stocks Issued by Bradesplan Participações S.A., by means of which Bradespar sold to Bradesco 100% of the stocks issued by Bradesplan Participações S.A.

2) Presentation of the Financial Statements

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

Accordingly, for preparation purposes, intercompany investments, asset and liability account balances, revenue, expenses and unrealized profit were eliminated from these financial statements, as well as the portions of the net income and the stockholders—equity referring to the interest of minority stockholders were highlighted. In the case of investments which are jointly controlled with other stockholders, asset, liability and income components were included in the consolidated financial statements in proportion to the parent company's percentage capital ownership of each investee. Goodwill on the acquisition of investments in subsidiaries and in the jointly controlled investments was presented in deferred assets until June 30, 2006, and was fully amortized in 3Q06 (Note 15). The exchange variation arising from transactions of foreign branches and subsidiaries was allocated to the statement of income accounts according to the corresponding assets and liabilities from which it was originated.

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

We highlight the main ownerships included in the Consolidated Financial Statements:

		Total Ownership			
	Activity	2006	2005		
	Activity	September	June	September	
		30	30	30	
Financial area local	Danish .	00.000	00.000	00 000	
Banco Alvorada S.A. (1)	Banking	99.88%	99.88%	99.88%	
Banco Bankpar S.A. (2) (3)	Banking	99.99%	99.99%	100 000	
Banco Bradesco BBI S.A. (1) (4)	Investment Bank	100.00%	100.00%	100.00%	
Banco BEC S.A. (5) (6) Banco Boavista Interatlântico S.A.	Banking	100.00%	99.54%		
(1)	Banking	100.00%	100.00%	100.00%	
Banco Finasa S.A. (1)	Banking	100.00%	100.00%	100.00%	
Banco Mercantil de São Paulo S.A.	2	100.0076	100.0076	100.0070	
(1)	Banking	100.00%	100.00%	100.00%	
Bankpar Arrendamento Mercantil	6				
S.A. (2) (7)	Leasing	99.99%	99.99%		
Bankpar Banco Múltiplo S.A. (2)					
(8)	Banking	99.99%	99.99%		
Bradesco Administradora de	6				
Consórcios Ltda. (1) (9)	Consortium Management	99.99%	99.99%	99.99%	
Bradesco Leasing S.A.					
Arrendamento Mercantil (1)	Leasing	100.00%	100.00%	100.00%	
Bradesco S.A. Corretora de Títulos	6				
e Valores Mobiliários (1) (10)	Brokerage	100.00%	100.00%	99.99%	
BRAM Bradesco Asset					
Management S.A. DTVM (1)	Assets under Management	100.00%	100.00%	100.00%	
Bradesco Templeton Asset	C				
Management Ltda. (1) (11)	Assets under Management			50.10%	
Companhia Brasileira de Meios de	C				
Pagamento					
VISANET (1) (12) (13) (14)	Service Provision	39.67%	39.67%	39.67%	
Financial area abroad	-	22.22	00.00~	00.00~	
Banco Bradesco Argentina S.A.	Banking	99.99%	99.99%	99.99%	
Banco Bradesco Luxembourg S.A.	5	100.000	100.00	400.000	
$\begin{array}{c} (1) \\ \end{array}$	Banking	100.00%	100.00%	100.00%	
Banco Boavista Interatlântico S.A.	D 11	100.000	100.000	100.000	
Nassau Branch (1)	Banking	100.00%	100.00%	100.00%	
Banco Bradesco S.A. Grand	D 1:	100.000	100 000	100.000	
Cayman Branch (1) (15)	Banking	100.00%	100.00%	100.00%	
Banco Bradesco S.A. New York	D 11	100.000	100.000	100.00%	
Branch (1)	Banking	100.00%	100.00%	100.00%	
Bradesco Securities, Inc. (1)	Brokerage	100.00%	100.00%	100.00%	
Insurance, private pension and					
certificated savings plans area					
Atlântica Capitalização S.A. (1)	Certificated savings plans	100.00%	100.00%	100.00%	
Áurea Seguros S.A. (1) (12) (13)	Insurance	27.50%	27.50%	27.50%	
(1) (12)	Insurance	99.90%	99.90%	99.90%	

Bradesco Argentina de Seguros				
S.A.				
Bradesco Auto/RE Companhia de				
Seguros (1)	Insurance	100.00%	100.00%	100.00%
Bradesco Capitalização S.A. (1)	Certificated savings plans	100.00%	100.00%	100.00%
Bradesco Saúde S.A. (1)	Insurance/Health	100.00%	100.00%	100.00%
Bradesco Seguros S.A. (1)	Insurance	100.00%	100.00%	100.00%
Bradesco Vida e Previdência S.A.				
(1)	Private Pension Plans/Insurance	100.00%	100.00%	100.00%
Finasa Seguradora S.A. (1)	Insurance	100.00%	100.00%	100.00%
Indiana Seguros S.A (1) (13) (16)	Insurance	40.00%	40.00%	40.00%
Seguradora Brasileira de Crédito à				
Exportação S.A. (1) (12) (13)	Insurance	12.09%	12.09%	12.09%
Other activities				
Átria Participações S.A. (1)	Holding	100.00%	100.00%	100.00%
Bankpar Participações Ltda. (2)	Holding	99.99%	99.99%	
Bradescor Corretora de Seguros				
Ltda. (1)	Insurance Brokerage	99.87%	99.87%	99.87%
Bradesplan Participações S.A. (17)	Holding	100.00%	100.00%	
Cia. Securitizadora de Créditos				
Financeiros Rubi (1)	Credit Acquisition	100.00%	100.00%	100.00%
Cibrasec Companhia Brasileira de				
Securitização (1) (12) (13)	Credit Acquisition	9.08%	9.08%	9.08%
CPM Holdings Limited (12)	Holding	49.00%	49.00%	49.00%
Nova Paiol Participações S.A. (1)	Holding	100.00%	100.00%	100.00%
Scopus Tecnologia Ltda. (1)	Information Technology	99.87%	99.87%	99.87%
Serasa S.A. (12) (18)	Services Provision	26.41%	26.41%	26.36%
Tempo Serviços Ltda. (2) (19)	Services Provision	99.99%	99.99%	
União Participações Ltda. (1)	Holding	99.99%	99.99%	99.99%

- (1) Companies whose audit services in 2005 were carried out by other independent auditors;
- (2) Company acquired in June 2006;
- (3) Current name of Banco American Express S.A. (Note 1);
- (4) Current name of Banco BEM S.A.;
- (5) Company acquired in December 2005 and consolidated as from January 2006 (Note 1);
- (6) Company become wholly-owned subsidiary in the 3rd quarter of 2006;
- (7) Current name of Inter American Express Arrendamento Mercantil S.A. (Note 1);

- (8) Current name of American Express Bank (Brazil) Banco Múltiplo S.A. (Note 1);
- (9) Current name of Bradesco Consórcios Ltda.;
- (10) Increase in the share due to the transfer of stocks of minority stockholders;
- (11) The company is no longer consolidated as from April 2006 in view of the partial sale of the investment, and, in July 2006, the remaining balance was sold;
- (12) Companies proportionally consolidated, in conformity with Resolution 2,723 of CMN and CVM Instruction 247:
- (13) Companies whose audit/review (revisão) services in 2006 are carried out by other independent auditors;
- (14) The entity of specific purpose called Brazilian Merchant Voucher Receivables Limited is being consolidated, a company which takes part in the securitization operation of the future flow of credit card bills receivables of clients domiciled abroad (Note 16d);
- (15) The specific purpose entity called International Diversified Payment Rights Company is being consolidated, a company which takes part in the securitization operation of future flow of payment orders received from overseas (Note 16d);
- (16) Company considered subsidiary in view of equity interest of 51% in the voting capital;
- (17) Company acquired in May 2006;
- (18) Interest increase due to the acquisition of Banco BEC S.A; and
- (19) Current name of American Express do Brasil Tempo Ltda. (Note 1).

Supplementary Information to Financial Statements:

With the purpose of providing supplementary information, we present the cash flow statement by the indirect method and the value added statement, not required by BACEN, which have been prepared in conformity with the structure set forth in the chart of accounts for National Financial System Institutions (COSIF).

3) Significant Accounting Policies

a) Determination of net income

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

The insurance and coinsurance premiums and commissions, net of premiums assigned in coinsurance and reinsurance and corresponding commissions, are appropriated to results upon issuance of the corresponding insurance policies and invoices and are deferred for appropriation on a straight-line basis over the terms of the insurance policies, during the risk coverage period, by means of recording and reversal of unearned premiums reserve and deferred selling expenses. The accepted coinsurance and retrocession operations are recorded based on the information received from other companies and the Brazilian Institute of Reinsures (IRB), respectively.

The supplementary private pension plans contributions and life insurance premiums covering survival are recognized in income when effectively received.

The revenue from certificated savings plans is recognized at the time it is effectively received. The expenses for placement of bonds, classified as Selling Expenses, are recorded as they are incurred. Brokerage expenses are recorded when the saving bonds contributions are effectively received. The payment for draw redemptions is considered as expenses of the month when these occur.

The expenses for technical provisions for private pension plans and certificated savings plans are recorded at the same time as the corresponding revenues there from are recognized.

b) Interbank investments

Purchase and sale commitments subject to unrestricted movement agreements are adjusted to mark-to-market. Other assets are recorded at acquisition cost, including income earned up to the balance sheet date, net of loss accrual, when applicable.

c) Securities

Trading securities securities which are acquired for the purpose of being actively and frequently traded are adjusted to mark-to-market as a counter-entry to income for the period;

Securities available for sale securities which are not specifically intended for trading purposes or as held to maturity are adjusted to mark-to-market as a counter-entry to a specific account in stockholders' equity, at amounts net of tax effects; and

Securities held to maturity securities for which there exists intention and financial capacity for maintenance through to maturity are recorded at acquisition cost, plus income earned, as a counter-entry to income for the period.

d) Derivative financial instruments (assets and liabilities)

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

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

e) Loan and leasing operations, advances on foreign exchange contracts, other receivables with characteristics of loan granting and allowance for doubtful accounts.

Loan and leasing operations, advances on foreign exchange contracts and other receivables with characteristics of loan granting are classified at their corresponding risk levels in compliance with: (i) the parameters established by CMN Resolution 2682, at nine levels from AA (minimum risk) to H (maximum risk); and (ii) management s risk level assessment. This assessment, which is carried out on a periodic basis, considers current economic conditions, and past loan loss experience, as well as specific and general risks relating to operations, borrowers and guarantors. Moreover, the length of the delay in payment defined in CMN Resolution 2682 is also taken into account for customer risk classification purposes as follows:

		Customer
	Past-due period	classification
; From 15 to 30 days		В
; From 31 to 60 days		C
; From 61 to 90 days		D
; From 91 to 120 days		E
; From 121 to 150 days		F
; From 151 to 180 days		G
; More than 180 days		Н

The accrual of these operations past due up to 59 days is recorded in revenues and subsequent to the 60th day, in unearned income.

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

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

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

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

f) Taxes on income (asset and liability)

Tax credits on taxes on income, calculated on tax losses, negative basis of social contribution and temporary additions are recorded in Other receivables Sundry, and the provision for deferred tax liabilities on excess depreciation and mark-to-market adjustments of securities is recorded in Other liabilities. Fiscal and pension plan activities.

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

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

g) Prepaid expenses

This records investments of resources in prepayments, whose benefits or service provision will take place in subsequent years.

h) Investments

The investments in subsidiaries, shared control subsidiaries and affiliated companies, when relevant, are valuated by the equity accounting method. The financial statements of the foreign branches and subsidiaries are adjusted to comply with the accounting practices adopted in Brazil, translated into Reais and their related effects recognized in income for the period.

The exchange membership certificates of Stock Exchanges, the Custody and Settlement Chamber (CETIP) and the Mercantile and Futures Exchange (BM&F) are recorded at their unaudited book values, informed by the corresponding exchanges, and fiscal incentives and other investments are recorded at acquisition cost, less the provision for losses, when applicable.

i) Fixed assets

This is shown at acquisition cost, net of respective accumulated depreciations, calculated by the straight-line method according to the estimated useful-economic life of assets of which: real estate in use 4% p.a.; furnishings and fixtures, machinery and equipment 10% p.a.; transport systems 20% p.a.; and data processing systems 20% to 50% p.a.

j) Deferred charges

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

Goodwill in the acquisition of investments in subsidiary companies and shared control subsidiaries, based on future profitability expectation, had an amortization of 10% to 20% per annum and was recorded in deferred assets until June 30, 2006.

Goodwill was reviewed by the Management Bodies and was fully amortized in 3Q06, as mentioned in Note 15.

k) Deposits and federal funds purchased and securities sold under agreements to repurchase

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

1) Technical provisions relating to insurance, private pension plans and certificated savings plans activities

Technical provisions are calculated according to actuarial technical notes approved by SUSEP and ANS, and criteria set forth by CNSP Resolution 120/2004.

• Insurance of basic lines, life and health

The provision of unearned premiums is comprised of retained premiums which are deferred during the term of effectiveness of the insurance agreements, determining the pro-rata day value of the unearned premium of the period of the risk to accrue (future risk of policies in effect).

The provision of claims incurred but nor reported (IBNR) is calculated on an actuarial basis to quantify the amount of claims incurred and not reported by those insured/beneficiaries. The provision is established net of recoveries of co-insurance and re-insurance

The provision of unsettled claims is established based on the estimates of payments of indemnities, net of recoveries of co-insurance and re-insurance, pursuant to notices of claims received from those insured until the balance sheet date.

The provision is monetarily restated and includes all the claims under litigation.

• Supplementary private pension plans and life insurance covering survival

The mathematical provision of benefits to be granted refers to participants whose benefits have not started yet. The mathematical provision of benefits granted refers to participants already using the benefits. Mathematical provisions related to private pension plans known as traditional represent the difference between the current value of the future benefits and the current value of the future contributions, corresponding to the obligations assumed under the form of supplementary pension plans, disability, pension and savings funds. They are calculated according to the methodology and premises set forth in Actuarial Technical Notes. The provisions linked to life insurance covering survival (VGBL) and to the private pension plans of the unrestricted benefits generating (PGBL) category represent the amount of the contributions made by the participants, net of loadings and other contractual charges, plus financial earnings generated by the investment of resources in investment funds specially established (FIEs).

The contribution insufficiency provision is constituted to complement the mathematical provisions of benefits to be granted and granted, should they not be sufficient to guarantee future commitments. The provision is calculated on an

actuarial basis and takes into consideration the actuarial table AT-2000.

The financial fluctuation provision is established until the limit of 15% of the mathematical provision of benefits to be granted related to the private pension plans in the category of variable contribution with guarantee of earnings to meet possible financial fluctuations.

The administrative expenses provision is constituted to cover administrative expenses of the defined benefit and variable contribution plans. It is calculated in conformity with the methodology set forth in the Actuarial Technical Note.

• Certificated savings plans

The mathematical provision for redemptions is calculated on nominal amounts of certificated savings plans and monetarily restated, when applicable, based on Actuarial Technical Notes approved by SUSEP.

The provisions for redemptions are established by the values of the expired certificated savings plans and also by the values of the certificated savings plans which have not expired but whose redemption has been early required by the clients. The provisions are monetarily restated based on the indexes estimated in each plan.

The provisions for unrealized and payable draws are constituted to meet premiums arising from future draws (unrealized) and also to premiums arising from draws in which clients were already selected (payable).

m) Contingent Assets and Liabilities and Legal Liabilities Tax and Social Security

The recognition, measuring and disclosure of contingent assets and liabilities and legal liabilities are made according to the criteria defined in CVM Resolution 489/05.

- Contingent Assets: They are not recognized on an accounting basis, except when the Management has total control of the situation or when there are real guarantees or favorable judicial decisions, on which more resources are not provided for, characterizing the gain as practically certain. The contingent assets with probability of probable success are only disclosed in the financial statements.
- Contingent Liabilities: They are established taking into consideration the opinion of the legal advisers; the nature of the lawsuits; similarity with previous processes; complexity; and, in the positioning of our Courts, whenever the loss is evaluated as probable, what would cause a probable outflow of resources for the settlement of liabilities and when the amounts involved are measurable with enough safety. The contingent liabilities classified as possible losses are not recognized on an accounting basis, and they must only be disclosed in the notes, and those classified as remote do not require provision and disclosure.
- Legal Liabilities Tax and Social Security: They result from judicial proceedings related to tax liabilities, whose purpose of contestation is their legality or constitutionality, which regardless of the evaluation about the probability of success, have their amounts fully recognized in the financial statements.

n) Other assets and liabilities

Borrowings and onlendings

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

4) Information For Comparison Purposes

As of June 30, 2006, Bradesco started consolidating Amex Brasil and subsidiaries in its financial statements (Note 1).

a) We present the main balance sheet and statement of income on 9.30.2006:

	thousand Amex Brasil and subsidiaries
Assets	
Current and long-term assets	2,304,025
Funds available	70,585
Interbank investments	163,926
Securities and derivative financial instruments	121,074
Interbank and interdepartmental accounts	2,761
Loan operations and other loans with loan granting characteristics	179,640
Other receivables and other assets	1,766,039
Permanent Assets	62,958
Investments	484
Property, plant and equipment	59,386
Deferred charges	3,088
Total	2,366,983
Liabilities	
Current and long-term liabilities	1,956,118
Demand, time and other deposits	203,910
Interbank and interdepartmental accounts	27

76,770

R\$

Derivative financial instruments	1,834
Other liabilities	1,673,577
Future taxable income	52,596
Stockholders equity	358,269
Total	2,366,983

Statement of Income	Amex Brasil and subsidiaries
Revenues from financial intermediation	35,317
Expenses from financial intermediation	(9,601)
Gross income from financial intermediation	25,716
Other operating income (expenses)	(29,237)
Operating income	(3,521)
Non-operating income	(398)
Income before taxes on profit and interests	(3,919)
Taxes on income	(11,435)
Loss	(15,354)

b) Loan operations and other receivables with loan concession features on 9.30.2006:

Loan operations	263,278
Other receivables	13,873
Total	277,151
Normal course	178,075
Abnormal course	99,076
Allowance for doubtful accounts	97,511

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

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

a) Balance sheet

	Financial (1) (2)		Insurance (2) (Other activities (2)	Amount eliminated	Consolidated Total
	Local	Foreign	Local	Foreign	(2)	(4)	
Assets							
Current and long-term							
assets	167,985,955	20,351,303	56,391,233	23,489	1,157,999	(6,431,681)	239,478,298
Funds available	3,843,847	77,086	86,276	22,197	23,461	(105,560)	3,947,307
Interbank investments	31,637,421	3,578,000				(852,792)	34,362,629
Securities and derivative							
financial instruments	13,242,364	7,705,191	52,697,205	59	724,329	(1,347,280)	73,021,868
Interbank and							
interdepartmental							
accounts	17,936,573	12,141					17,948,714
Loan and leasing							
operations	74,026,266	8,572,594				(2,691,448)	79,907,412
Other receivables and							
other assets	27,299,484	406,291	3,607,752	1,233	410,209	(1,434,601)	30,290,368
Permanent assets	16,941,590	401,075	1,209,659	30	205,882	(15,044,897)	3,713,339
Investments	14,712,638	397,593	929,874		24,219	(15,044,897)	1,019,427
Property, plant and							
equipment in use and							
leased assets	1,679,105	2,996	235,663	30	164,343		2,082,137
Deferred charges	549,847	486	44,122		17,320		611,775
Total on September 30,							
2006	184,927,545	20,752,378	57,600,892	23,519	1,363,881	(21,476,578)	243,191,637
Total on June 30, 2006	177,852,804	19,519,634	54,747,760	25,046	1,413,721	(20,623,859)	232,935,106
Total on September 30,							
2005	152,086,856	19,110,415	45,738,413	29,669	951,943	(16,004,074)	201,913,222

Liabilities

R\$ thousand

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Current and long-term liabilities Deposits Federal funds purchased and securities sold under	162,975,242 75,201,045	13,751,937 4,619,743	50,381,302	12,073	500,547	(6,431,681) (967,620)	221,189,420 78,853,168
agreements to repurchase	35,031,707	1,489,522				(257,401)	36,263,828
Funds from issuance of securities Interbank and	5,116,740	2,300,887				(1,320,365)	6,097,262
interdepartmental accounts Borrowings and	1,912,525	1,201					1,913,726
onlendings Derivative financial	17,423,295	1,658,056	11		10,267	(2,451,522)	16,640,107
instruments Technical provisions for insurance, private pension plans and	403,644	104,259			277		508,180
certificated savings plans			45,707,969	10,739			45,718,708
Other liabilities: Subordinated debt Others Future taxable income Stockholders equity/minority interest	8,715,055 19,171,231 172,941	3,052,078 526,191	4,673,322	1,334	490,003	(1,434,773)	11,767,133 23,427,308 172,941
in consolidated subsidiaries	6,007	7,000,441	7,219,590	11,446	863,334	(15,044,897)	55,921
Stockholders equity, parent company Total on September 30,	21,773,355						21,773,355
2006 Total on June 30, 2006 Total on September 30,	184,927,545 177,852,804	20,752,378 19,519,634	, ,	23,519 25,046	1,363,881 1,413,721	(21,476,578) (20,623,859)	243,191,637 232,935,106
2005	152,086,856	19,110,415	45,738,413	29,669	951,943	(16,004,074)	201,913,222
219							

b) Statement of income

						Ko tilousaliu	
	Financial		Insuranc	e group	Other activities	Amount	Consolidated
	(1)	(2)	(2) (3)			eliminated	Total
	Local	Foreign	Local	Foreign	(2)	(4)	
Revenues from financial							
intermediation	22,413,171	1,036,895	5,047,503	717	71,041	(189,820)	28,379,507
Expenses from financial					•		, ,
intermediation	13,214,527	637,620	2,866,294		129	(189,715)	16,528,855
Gross income from							
financial							
intermediation	9,198,644	399,275	2,181,209	717	70,912	(105)	11,850,652
Other operating income							
(expenses)	(7,445,389)	(34,008)	(21,361)	(2,459)	(33,636)	105	(7,536,748)
Operating income	1,753,255	365,267	2,159,848	(1,742)	37,276		4,313,904
Non-operating income	(99,547)	11,163	125,831	(268)	(17,105)		20,074
Income before taxes on							
profit and interests	1,653,708	376,430	2,285,679	(2,010)	20,171		4,333,978
Taxes on income	(269,820)	(3,387)	(690,191)	(387)	(11,565)		(975,350)
Minority interest in							
consolidated subsidiaries	(1,862)		(5,315)		(250)		(7,427)
Accumulated net							
income on September							
30, 2006	1,382,026	373,043	1,590,173	(2,397)	8,356		3,351,201
Accumulated net							
income on September	2.265.544	400 460	4.44.7.000	4 = 40	40.004		4.054.504
30, 2005	2,367,541	420,460	1,215,999	4,540	42,981		4,051,521
Net income in the 3 rd	(510 (25)	240.502	5.45.0.43	(1.660)	(40.205)		210.017
quarter of 2006	(519,635)	240,583	547,842	(1,669)	(48,305)		218,816
Net Income in the 2 nd quarter of 2006	957,400	37,772	581,477	(894)	26,371		1,602,126

- (1) The Financial segment comprises: financial institutions; holding companies (which are mainly responsible for managing financial resources), as well as credit card management and asset management companies;
- (2) The balances of equity accounts, revenues and expenses are being eliminated among companies from the same segment;
- (3) The Insurance Group segment comprises insurance, private pension plans and certificated savings plans companies, whose financial information are adapted to the accounting policies of the holding company; and
- (4) Amounts eliminated among companies from different segments as well as operations carried out in the country and abroad.

6) Funds Available

	R\$ thousand
2006	2005

R\$ thousand

	September 30	June 30	September 30
Local currency	3,502,518	2,737,930	2,416,331
Foreign currency	444,744	423,313	183,600
Investments in gold	45	45	36
Total	3,947,307	3,161,288	2,599,967

7) Interbank Investments

a) Composition and terms

]	R\$ thousand
			20	06			2005
	Up to 30 days	From 31 to 180 days	From 181to 360 days	More than 360 days	September 30	June 30	September 30
Investments in the open							
market							
Own portfolio position	4.079.501	6.607.261			10.686.762	7.076.674	1.045.914
Financial treasury bills	680.103	161			680.264	114.806	29.777
National treasury notes	1.141.967	((07 100			1.141.967	414.787	1.017.135
National treasury bills	2.257.431	6.607.100			8.864.531	6.489.511	1.016.137
Others						57.570	
Third-party portfolio	17 071 157				17 071 157	15 122 050	15 010 000
position	17.071.157 6.869.131				17.071.157 6.869.131	15.123.059 3.991.188	15.819.890 2.520.436
Financial treasury bills National treasury bills	7.698.354				0.809.131 7.698.354	3.991.188 8.804.851	13.209.200
· ·	2.503.672				2.503.672	2.326.421	90.254
National treasury notes Others	2.303.072				2.505.072	2.320.421 599	90.254
Subtotal	21.150.658	6.607.261			27.757.919	22.199.733	16.865.804
Interbank deposits:	21.130.030	0.007.201			21.131.919	22.177.733	10.003.004
Interbank deposits	4.436.607	764.730	986.436	416.964	6.604.737	5.369.736	7.284.919
Provisions for losses	(27)	704.730	700.430	T10.70T	(27)	(73)	(1.246)
Subtotal	4.436.580	764.730	986.436	416.964	6.604.710	5.369.663	7.283.673
Total on September 30,	4.450.500	704.750	700.450	410.704	0.004.710	2.202.003	7.203.073
2006	25.587.238	7.371.991	986.436	416.964	34.362.629		
%	74,5	21,4	2,9	1,2	100,0		
Total on June 30, 2006	22.022.729	4.350.546	721.036	475.085	,-	27.569.396	
%	79,9	15,8	2,6	1,7		100,0	
Total on September 30,	,	,	,	,		,	
2005	22.105.540	863.585	612.348	568.004			24.149.477
%	91,5	3,6	2,5	2,4			100,0
	·	,	,	,			ŕ
220							

b) Income from interbank investments

Classified in the statement of income as income on securities transactions

				thousand	
		2006			
	3 rd Quarter	2 nd Quarter	September 30 YTD	September 30 YTD	
Income on investments in purchase and sale commitments:					
Own portfolio position	288,070	202,414	714,765	151,455	
Third-party portfolio position	617,900	484,636	1,648,708	2,070,222	
Subtotal	905,970	687,050	2,363,473	2,221,677	
Income from interbank deposits	128,524	119,574	369,340	317,332	
Total (Note 8f)	1,034,494	806,624	2,732,813	2,539,009	

8) Securities and Derivative Financial Instruments

Find below the information related to securities and derivative financial instruments:

- a) Summary of the consolidated classification of securities by business segment and issuer;
- b) Consolidated portfolio breakdown by issuer;
- c) Consolidated classification by category, days to maturity and business segment:
 - I) Trading securities;
 - II) Securities available for sale; and
 - III) Securities held to maturity.
- d) Breakdown of the portfolios distributed by publication items;
- e) Derivative financial instruments:
 - I) Amounts of instruments recorded in balance sheet and memorandum accounts;
 - II) Breakdown of derivative financial instruments (assets and liabilities), stated at restated cost and market value;
 - III) Futures, option, forward and swap contracts;
- IV) Types of margin granted as collateral for derivative financial instruments, comprising mainly futures contracts;

R\$

- V) Net revenue and expense amounts; and
- VI) Overall amounts of the derivative financial instruments, broken down by trading place.
- f) Income on securities transactions, financial income on insurance, private pension plans and certificated savings plans and derivative financial instruments.

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

R\$ thousand

				2005						
	Financial	Insurance/ Certificated savings plans	Private Pension Plans	Other Activities	September 30	%	June 30	%	September 30	%
Trading securities (4)	7,089,386	6,956,213	24,217,814	434,885	38,698,298	57.9	37,468,406	57.5	42,379,389	75.7
Government securities	4,291,702	4,229,640	170,501	388,089	9,079,932	13.5	7,938,868	12.2	21,075,851	37.6
Corporate bonds Derivative	2,272,941	2,726,573	2,286,764	46,796	7,333,074	11.0	7,823,160	12.0	8,600,681	15.4
financial instruments (1) PGBL / VGBL	524,743				524,743	0.8	495,446	0.8	1,282,577	2.3
restricted bonds Securities			21,760,549		21,760,549	32.6	21,210,932	32.5	11,420,280	20.4
available for sale (4)	9,581,315	3,236,819	10,981,685	22,923	23,822,742	35.6	23,434,736	35.9	9,377,433	16.7
Government securities	6,394,682	2,625,923	9,543,278		18,563,883	27.7	18,527,787	28.4	5,681,201	10.1
Corporate bonds Securities	3,186,633	610,896	1,438,407	22,923	5,258,859	7.9	4,906,949	7.5	3,696,232	6.6
held to maturity	1,043,805		3,269,733		4,313,538	6.5	4,303,511	6.6	4,253,103	7.6
Government securities	1,043,655		3,269,733		4,313,388	6.5	4,266,655	6.5	4,209,840	7.5
Corporate bonds Subtotal Purchase and	150 17,714,506	10,193,032	38,469,232	457,808	150 66,834,578	100.0	36,856 65,206,653	0.1 100.0	43,263 56,009,925	0.1 100.0
sale commitments (2) Overall total	2,152,466 19,866,972	808,811 11,001,843	3,226,013 41,695,245	457,808	6,187,290 73,021,868		5,175,495 70,382,148		8,237,575 64,247,500	
Government securities	11,730,039	6,855,563	12,983,512	388,089	31,957,203	47.7	30,733,310	47.1	30,966,892	55.3
Corporate bonds	5,984,467	3,337,469	3,725,171 21,760,549	69,719	13,116,826 21,760,549		13,262,411 21,210,932		13,622,753 11,420,280	24.3 20.4

PGBL / VGBL restricted bonds Subtotal	17,714,506	10,193,032	38,469,232	457,808	66,834,578	100.0	65,206,653	100.0	56,009,925	100.0
Purchase an	d									
sale										
commitments										
(2)	2,152,466	808,811	3,226,013		6,187,290		5,175,495		8,237,575	
Overall total	19,866,972	11,001,843	41,695,245	457,808	73,021,868		70,382,148		64,247,500	

b) Consolidated portfolio breakdown by issuer

bonds

sale

Subtotal

Purchase and

734,139

4,452,338

3,431,147 5,180,731 12,414,532

9,345,056 8,199,332 44,837,852

50,509 3,682,607

2,454,174

2006

21,760,549 21,760,549

66,834,578 65,405,983

6,187,290 6,187,290

Securities (3)				Septer	nber 30			
	Up to 30 day	From 31 to 180 days	From 181 to 360 days	More than 360 days	Mark-to-market book value (6) (7) (8)	Restated	Mark-to-market	Mark-to-ma book val (6) (7) (8
Government securities Financial	281,696	3,887,902	1,449,052	26,338,553	31,957,203	31,171,271	785,932	30,733
treasury bills National	101,075	1,629,148	707,938	1,782,052	4,220,213	4,220,998	(785)	4,272
treasury bills National	105,274	1,111,776	724,905	2,031,219	3,973,174	3,965,644	7,530	3,709
notes Brazilian	1,667	1,127,543		17,828,682	18,957,892	18,575,337	382,555	17,172
foreign debt notes Privatization			16,209	4,499,394	4,515,603	4,118,596	397,007	5,289
currencies Foreign	1			187,834	187,835	188,631	(796)	184
government securities Central bank	73,679	17,407		9,288	100,374	99,924	450	104
notes Others Corporate		2,028		84	2,112	2,141	(29)	2
bonds Certificates of	3,436,503	2,026,007	1,569,549	6,084,767	13,116,826	12,474,163	642,663	13,262
bank deposit Stocks	173,790 2,256,507	1,890,376	1,542,493	1,922,877	5,529,536 2,256,507	5,529,536 1,630,135	626,372	6,451 1,807
Debentures Foreign	4,052	34,158	216	1,504,179	1,542,605	1,582,026	(39,421)	1,265
securities Derivative financial	21,025	68,887	8,748	1,997,670	2,096,330	2,030,164	66,166	2,162
instruments Others PGBL / VGBL	453,020 528,109	25,018 7,568	17,959 133	28,746 631,295	524,743 1,167,105	517,200 1,185,102	7,543 (17,997)	495 1,080
restricted								

1,428,595

21,210

65,206

5,175

commitments

(2)

Overall

Total 4,452,338 11,799,230 8,249,841 48,520,459 73,021,868 71,593,273 1,428,595 70,382

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

I) Trading Securities

Securities (3) (4)		Jun						
	Up to 30 day	From 31 to 180 days	From 181 to 360 days	More than 360 days	Mark-to-market book value (6) (7) (8)	Restated	e Mark-to-market	Mark-to-market book value (6) (7) (8)
	1,131,579	1,855,184	659,527	3,443,096	7,089,386	7,065,202	24,184	6,939,883
National								
treasury	70.041	461 147	400 107	1 254 227	2 204 502	2.207.072	7.520	2 271 259
bills Financial	79,841	461,147	409,187	1,354,327	2,304,302	2,296,972	7,530	2,371,258
Financial treasury								!
bills	39,449	1,197,143	179,168	242,811	1.658.571	1,658,076	495	1,824,893
Certificates	٠,	1,1/,,1	1,2,100	2 12,011	1,000,00	1,000,075	• • •	1,0-1,02-
of bank								l
deposit	89	94,648	30,572	591,116	716,425	716,425		823,401
Derivative								l
financial								!
instruments	452 020	25.019	17.050	20 746	524 742	517 200	7.542	405 446
(1) Debentures	453,020 769		-	28,746 419,616	· · · · · · · · · · · · · · · · · · ·	,	·	·
Brazilian	/02	33,402		417,010	433,101	434,704	(311)	1/0,0+3
foreign debt								I
notes			13,893	121,200	135,093	132,506	2,587	54,393
National								1
treasury								I
notes				102,450	102,450	101,724	726	158,965
Foreign								
corporate securities	17,044	26,375	8,748	394,252	446,419	440,166	6,253	444,396
Foreign	1 / ,044	20,373	0,740	374,434	440,417	440,100	0,233	444,370
government								
securities	73,679	17,407			91,086	91,059	27	90,783
Stocks	12,374				12,374	12,374		7,340
Central bank								
notes				100 -	C 12 02 C	- : -		100.265
Others	455,314	44		188,578	643,936	643,936		490,365
Insurance and								
anu certificated								
savings								
plans	200,457	1,648,291	1,756,665	3,350,800	6,956,213	6,956,217	(4)	5,983,497
-	18,981	251,316	419,968	1,221,709	1,911,974	1,911,978		

Financial treasury bills National treasury bills Certificates	9,994	600,529	299,123	563,618	1,473,264	1,473,264	643,546
of bank							
deposit National treasury	59,279	796,356	1,037,574	500,778	2,393,987	2,393,987	2,666,637
notes				844,402	844,402	844,402	813,395
Stocks	67,320			- , -	67,320	67,320	69,902
Debentures Foreign securities Central bank	3	90		152,686	152,779	152,779	146,684
notes Others	44,880			67,607	112,487	112,487	108,121
224							

2006

Securities (3) (4)

September 30

	Up to 30 day	From 31 to 180 days	From 181 to 360 days	More than 360 days	Mark-to-market book value (6) (7) (8)	Restated	Mark-to-market	Mark-to-ma book valu (6) (7) (8
Private	947 221	4 410 020	5 62A 571	13 205 092	24 217 914	24 217 014		24 166
pension plans Financial	807,331	4,419,930	5,034,3/1	13,295,982	24,217,014	24,217,814		24,166
treasury bills National	1,907	22,664	243	6,164	30,978	30,978		5
treasury notes Certificates of				9,520	9,520	9,520		
bank deposit National	74,487	965,957	453,428	380,582	1,874,454	1,874,454		2,403
treasury bills		17	169	12,369	12,555	12,555		4
Stocks Privatization	56,798				56,798	56,798		55
currencies				117,448	117,448	117,448		114
Debentures Central bank notes PGBL / VGBL restricted		145		179,801	179,946	179,946		186
bonds	734 139	3 431 147	5 180 731	12,414,532	21 760 549	21,760,549		21,210
Others Other	137,137	3,731,177	3,100,731	175,566		175,566		185
activities	42,439	111,988	63,169	217,289	434,885	435,621	(736)	378
Financial								
treasury bills Certificates of	8,833	50,666	•	102,997	202,306	202,306		114
bank deposit National	1,994	3,705	6,724	2,736	15,159	15,159		30
treasury bills	15,439	50,083			182,556	182,556		187
Debentures National		10	209	9,268	9,487	9,487		1
treasury notes	1,667			1,560		3,227		20
Others	14,506	7,524		120	*	22,886	(736)	
Subtotal	2,241,806	8,035,393	8,113,932	20,307,167	38,698,298	38,674,854	23,444	37,468
Purchase and sale commitments								
(2)		2,454,174	50,509	3,682,607	6,187,290	6,187,290		5,175
Financial		995,523	50,509	1,156,943	2,152,466&			3,173