

BANK BRADESCO
Form 6-K
January 31, 2008

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

FORM 6-K

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

For the month of January, 2008

Commission File Number 1-15250

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

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

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

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

Form 20-F Form 40-F

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

Yes No

Banco Bradesco S.A.

Corporate Taxpayer's ID
(CNPJ) 60.746.948/0001-12

Bovespa

BBDC3
(common)
BBDC4
(preferred)

NYSE BBD

Latibex
XBBDC

Main Indicators (%)

Indicators	2006			2007		
	3rd Qtr.	4th Qtr.	Year	3rd Qtr.	4th Qtr.	Year
CDI	3.51	3.12	15.03	2.79	2.62	11.81
Ibovespa	(0.49)	22.01	32.93	11.16	5.66	43.65
USD Commercial Rate	0.46	(1.66)	(8.66)	(4.52)	(3.68)	(17.15)
IGP-M	0.84	1.54	3.83	2.57	3.54	7.75
IPCA IBGE	0.45	1.12	3.14	0.89	1.43	4.46
TJLP	1.82	1.67	7.87	1.53	1.53	6.37
TR	0.57	0.47	2.04	0.34	0.24	1.45
Savings Deposits	2.09	1.98	8.33	1.85	1.75	7.70
Number of Business Days	64	61	249	64	62	250

Closing Amount

Indicators	2006		2007	
	September	December	September	December
USD Commercial Rate for Sale (R\$)	2.1742	2.1380	1.8389	1.7713
Euro (R\$)	2.7575	2.8202	2.6237	2.6086
Country Risk (Points)	233	193	185	210
Selic Copom Base Rate (% p.a.)	14.25	13.25	11.25	11.25
Pre-BM&F Rate 1 year (% p.a.)	13.56	12.53	11.38	11.87

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

Deposits	2006		2007		Items	2006		2007	
	3rd Qtr.	4th Qtr.	3rd Qtr.	4th Qtr.		3rd Qtr.	4th Qtr.	3rd Qtr.	4th Qtr.
Demand Deposits ⁽¹⁾	45	45	45	45	Income Tax	25	25	25	25
Additional ⁽²⁾	8	8	8	8	Social Contribution	9	9	9	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
					Legal Reserve on Net Income	5	5	5	5

Savings Account (4)	20	20	20	20	Maximum Fixed Assets (3)	50	50	50	50
Additional (2)	10	10	10	10	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 Compensation by Selic rate. (2) The rate applicable to non-financial and similar companies is 7.60% (non-cumulative Cofins).
- (3) Restricted Securities From the amount calculated at 15%, R\$300 million is deducted. (3) Maximum Fixed Assets are applied over Reference Equity.
- (4) Cash deposit Compensation by 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 relative 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, do not guarantee future performance and involve risks and uncertainties, which could be beyond our control. Furthermore, certain forward-looking statements are based on assumptions which, depending on future events, may prove to be inaccurate. Therefore, actual results may differ materially from the plans, objectives, expectations, projections and intentions expressed or implied in such 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 in loan operations, with the consequent increase in the allowance for loan losses; loss of funding capacity; loss of clients or revenues; our capacity to sustain and improve performance; changes in interest rates which could, among 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 of the date they were prepared. Except as required under applicable legislation, we assume no obligation whatsoever to update these statements, whether as a result of new information, future events or any other motive.

Risk Factors and Critical Accounting Practices

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

Risks Relating to Brazil

1) Brazilian political and economic conditions have direct impact on our business and on the market value of our 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 the Brazilian economy, which in the past has been characterized both by frequent intervention of the Brazilian Government and volatile economic cycles. In addition, our financial condition and the market value of our stocks and ADSs may also be adversely affected by changes in policies involving exchange and tax controls, as well as factors such as: fluctuations in exchange rates, interest rates, inflation rates and other political, diplomatic, social and economic events inside and outside Brazil that affect the country.

We cannot control or predict which measures or policies the Brazilian Government may take in response to the current or future situation of the Brazilian economy or how these measures or policies may 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 value of our stocks and ADSs may be reduced

In the last 15 years, Brazil has faced periods of extremely high inflation rates, with extremely high annual rates (IGP DI from Fundação Getulio Vargas) reaching, like in 1993, 2,708%. More recently, Brazil's inflation rates were 1.2% in 2005, 3.8% in 2006 and 7.9% in 2007. 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 measures has 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 curtail our ability to access foreign financial markets and may occasionally lead to further government interventions in the economy, including the implementation of policies that may adversely affect the overall performance of the Brazilian economy.

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

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

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

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

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

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving, and the 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 banking and insurance industries may adversely affect our business prospects

We face significant competition in all of our principal areas of operation from other large Brazilian banks and public and private insurance companies. Brazilian regulations raise limited barriers only to market entry and do not differentiate between local or foreign commercial and investment banks and insurance companies. As a result, the growing presence of foreign banks and insurance companies in Brazil, some of which have greater resources than we do, has grown the competition both in the banking and insurance industries. The privatization of publicly-owned banks has also made the Brazilian markets for banking and other financial services more competitive.

The increased competition may 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 the foreign investment opportunity.

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

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

On December 31, 2007 Cidade de Deus Companhia Comercial de Participações held 48.22% of our common stocks and Fundação Bradesco directly and indirectly held 48.22% 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, which may not be beneficial to our other stockholders.

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Critical Accounting Practices

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

Our relevant accounting policies are outlined in note 3 to the consolidated financial statements included in chapter 8 of this Report.

In terms of materiality, the following 5 items outline the accounting policies deemed as critical, as well as areas requiring a greater judgment and estimate or involving a higher level of complexity, which may affect our financial condition and the results of our operations. The accounting estimates made under such context impel us to make assumptions on 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, which include leasing operations and other operations with loan characteristic, based on the analysis of our portfolio, including probable losses estimate in these segments at the end of each period.

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

- general economic conditions in Brazil and conditions of relevant sector;
- previous experience with borrower or relevant sector of economy, including losses recent experience;
- credit quality trends;
- guarantees amounts and quality of a loan operation;
- volume, composition and growth of our loan operations portfolio;
- Brazilian Government's monetary policy; and
- any delays when receiving information necessary to assess loan operations or confirm the deterioration of existing credit.

Our determination of allowance for loan losses is influenced by the risk rating of each loan operation. By assuming a positive fluctuation of 1% in delinquency ratio expected for our loan operations portfolio in full performance on December 31, 2007, the allowance for loan losses would increase approximately R\$50 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance and, thus, must not be considered as an observation of our expectations for future determinations of risk rating or future alterations in loss severity. In view of the procedures we observe, in order to determine our risk rating of loan portfolio and our assessment of loss severity, we believe that the current risk rating and the estimate of loss severity for our loan portfolio are appropriate.

For further information about our practices referring to the allowance for loan losses, see content of loan operations included in chapter 3 and notes 3e and 10 included in the chapter 8 hereof.

2) Classification of Securities and Derivatives

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 classification upon their acquisition.

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

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

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3) Assessment of Securities and Derivatives

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

We estimate the fair value by using market-quoted prices when available. We observe that the fair value may be affected by the volume of stocks traded and also may not reflect the control premiums resulting from stockholder 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 and 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 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. Generally, our assessment requires us to estimate the future values of deferred tax assets and taxes on income. 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 unpredictable occurrences or circumstances, influencing the determination of the value of our tax liabilities.

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

For further information about Bradesco's taxes on income, see Notes 3f and 34 to our financial statements included in chapter 8 of this Report.

5) Use of Estimates

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

Commercial Strategy

We understand that the expansion of the Brazilian economy, jointly with a strong growth of the Brazilian population, will increase the demand for our products 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, maximize value to our stockholders and generate 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 their first option towards 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 a retail bank, supported by a staff with more than 82 thousand employees, a wide Service Network, including our Branches, Corporate Site Branches, Banco Postal and Bradesco Expresso (Correspondent Banks), besides the ATMs (Own, Banco24Horas and sharing of the Network with Banco do Brasil), 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 are also focused on the frequent improvement of products/services and distribution channels. It is 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 and sustainability practices.

The key elements of our business strategy are:

- to search for convergence of business goals with social-environmental responsibility aspects;
- expansion by means of organic growth;
- performance based on the Bank-Insurance Model, which is a business model of a large banking institution, having as subsidiary an important insurance company, with a view to maintaining our profitability and consolidating our leadership in the insurance industry;
- increase of revenues, profitability and value to our stockholders, by consolidating our loan operations, our main activities and the expansion of new products and services;
- maintenance of our commitment to the technological innovation;
- profitability and return to the stockholders by means of improved efficiency ratio;
- maintenance of 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 products/services distribution, by using creativity in developing new products/services, solidly employing non-traditional means, for instance, expanding our credit cards offer and extension of loan granting to stores, by utilizing alliances with such stores and rendering services via Banco Postal;

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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 and services;
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 and services by clients, so that to drive them to the appropriate sale, delivery and commercialization platforms; and
developing varied products and services, 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 for 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 products and services and other financial activities in order to sell our traditional banking products and services and insurance and private pension products and services, by means of our branch network, our brokers and dealerships network, distribution services via 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 premiums 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 services; 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 as to set out the mismatch between the real inflation index and provisions for adjustments of interest rates and inflation in long-term agreements;
- entering into reinsurance agreements with renowned reinsurance companies, executed by means of IRB-Brasil Resseguros, viewing to reducing the exposure to great risks; and
- using reinsurance contracts with important reinsurance companies.

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

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

carrying 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;
building our customer base, legal entities and individuals, by offering and products and services meeting the needs of specific clients, including foreign exchange products and services and import/export financing;
intensively seeking the development of paid services based on fees, such as collection and payment processing for current and potential clients;
expanding 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;
increasing our revenues from asset management and private pension plans; and
continuously building our high-income and wealthy customer base, by providing a varied range of tailor-made financial products and services, and offering maximum efficiency in asset 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 and with satisfactory levels of security. We maintain the commitment of being ahead in the banking automation process, by creating opportunities for 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 operating 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 of 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 the organic growth over the next years. In addition, we believe that acquisition opportunities will be smaller size institutions available. 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 acquisition proposals, and other forms, which offer potential opportunities to Bradesco increases 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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<p>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.</p>
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List of Main Abbreviations

AACD	Association of Assistance to Disabled Children	IBNR	Incurred But Not Reported
ABC	Activity-Based Costing	Ibovespa	São Paulo Stock Exchange Index
Abecs	Brazilian Association of Credit Card Companies and Services	Ibracon	Brazilian Institute of Independent Auditors
ABEL	Brazilian Association of Leasing Companies	IBRE	Brazilian Economy Institute
ABM	Activity-Based Management	IDEC	Brazilian Institute for the Defense of the Consumer
ACC	Advances on Foreign Exchange Contracts	IEO	Operating Efficiency Ratio
ADR	American Depositary Receipt	IFC	International Finance Corporation
ADS	American Depositary Share	IFT	Quarterly Financial Information
ADVB	Association of Sales and Marketing Managers of Brazil	IGP-DI	General Price Index Internal Availability
Anbid	National Association of Investment Banks	IGP-M	General Price Index Market
ANS	National Agency for Supplementary Healthcare	Inmetro	National Institute of Metrology, Standardization and Industrial Quality
AP	Personal Accident	INSS	Social Security National Institute
Apimec	Association of the Capital Markets Investment Analysts and Professionals	IPCA	Extended Consumer Price Index
Bacen	Brazilian Central Bank	IPO	Initial Public Offering
BDR	Brazilian Depositary Receipt	IPTU	Municipal Real Estate Tax
BM&F	Mercantile and Futures Exchange	IR	Income Tax
BNDES	National Bank for Economic and Social Development	IRRF	Withholding Income Tax
Bovespa	São Paulo Stock Exchange	ISE	Corporate Sustainability Index
CBLC	Brazilian Settlement and Custody Company	ISS	Tax on Services
CDB	Bank Deposit Certificate	IT	Information Technology
CDC	Consumer Sales Financing	JCP	Interest on Own Capital
CDI	Interbank Deposit Certificate	Latibex	Latin American Stock Exchange Market in Euros (Spain)
CEF	Federal Savings Bank	LOMA	Life Office Management Association (North-American institution which develops courses, examinations and researches in life, health and social security insurance segments)
Cetip	Clearing House for the Custody and Financial Settlement of Securities	MBA	Master of Business Administration
CIAB	Information Technology Congress and Exposition of the Financial Institutions	MUFG	Mitsubishi UFJ Financial Group
CMN	National Monetary Council	NBR	Registered Brazilian Rule
CNSP	National Private Insurance Council	NGO	Non-Governmental Organization
Cobit	Control Objectives for Information and Related Technology	NPL	Non-Performing Loans
Cofins	Contribution for Social Security Financing	NYSE	New York Stock Exchange
Conanda	National Council for the Rights of Children and Adolescents	OHSAS	Occupational Health and Safety Assessment Series
Copom	Monetary Policy Committee	OIT	International Labor Organization

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Cosif	Chart of Accounts for National Financial System Institutions	ON	Common Stocks
COSO	Committee of Sponsoring Organizations	PAA	Advanced Service Branch
CPMF	Provisory Contribution on Financial Transactions	PAB	Banking Service Branch
CRI	Certificate of Real Estate Receivables	PAE	Electronic Service Branch in Companies
CS	Social Contribution	PDD	Allowance for Doubtful Accounts
CVM	Brazilian Securities Commission	PGBL	Unrestricted Benefits Generating Plan
DJSI	Dow Jones Sustainability World Index	PIS	Social Integration Program
DPV	Available for Sale (Securities)	PL	Stockholders Equity
Dpvat	Compulsory Vehicle Insurance	PLR	Employee Profit Sharing
DR	Depository Receipt	PN	Preferred Stocks
DRE	Statement of Income for the Year	PPNG	Unearned Premiums Provision
DTVM	Securities Dealer	RCF	Optional Third-Party Liability
DVA	Value-Added Statement	RE	Basic lines (of Insurance Products)
EPE	Specific Purpose Entities	ROA	Return on Assets
ERP	Enterprise Resource Planning	ROAA	Return on Average assets
EXIM	Export and Import BNDES Financing Line	ROAE	Return on Average Equity
Fenaprevi	National Federation of Life and Private Pension Plans	ROE	Return on Equity
FGV	Fundação Getulio Vargas	SA 8000	Social Accountability
FIA	Management Institute Foundation	SAP	Systems Applications and Products
FIDC	Credit Right Funds	SBPE	Brazilian Savings and Loan System
FIE	Exclusive Investment Fund	Sebrae	Brazilian Micro and Small Business Support Service
Fiesp	Federation of the Industries of the State of São Paulo	SEC	U.S. Securities and Exchange Commission
Finabens	Financing Line of other Assets and Services	Selic	Special Clearance and Custody System
Finame	Fund for Financing the Acquisition of Industrial Machinery and Equipment	SESI	National Industry Social Service
FIPE	Economic Research Institute Foundation	SFH	National Housing System
Fipecafi	Accounting, Actuarial and Financial Research Institute Foundation	Sipat	Internal Week of Labor Accident Prevention
FIRN	Floating Rate Note	Susep	Superintendence of Private Insurance
FxRN	Fixed Rate Note	TAC	_ Loan Opening Rate
IBCC	Brazilian Institute of Cancer Control	TJLP	Long-term Interest Rate
IBGE	Brazilian Institute of Geography and Statistics	TR	Reference Rate
Ibmec	Brazilian Capital Markets Institute	TVM	Securities
		UN	United Nations
		VaR	Value at Risk
		VGBL	Long-term Life Insurance

1 Bradesco Line by Line

Net Income

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

	R\$ million			
	2007		Years	
	3rd Quarter	4th Quarter	2006	2007
Reported Net Income	1,810	2,193	5,054	8,010
Extraordinary Events in the Period:				
(-) Partial sale of Investment in Usiminas			(219)	
(+) Extraordinary non-Technical Provision of Health Insurance			387	
(-) Total Sale of Investment in Arcelor				(354)
(-) Partial Sale of Investment in Serasa				(599)
(-) Total Sale of Investment in Indiana Seguros		(64)		(64)
(-) Partial Sale of Bovespa's securities	(75)	(178)		(253)
(-) Partial Sale of BM&F's securities		(227)		(227)
(+) Full goodwill amortization	631	140	2,109	953
(+) Supplementary labor provision		232	309	232
(-) Activated tax credit of previous periods	(376)	(300)	(398)	(718)
(+) Civil provision economic plans	126	74		274
(-) Other	(51)	(36)		(87)
(+/-) Fiscal effects	(215)	20	(879)	43
Adjusted Net Income	1,850	1,854	6,363	7,210

Returns on Stockholders' Equity Adjusted Net Income in percentage

	2007		
	3rd Quarter	4th Quarter	Year
Return on Equity ROE	27.8	26.8	23.8
Return on Average Equity ROAE	29.3	27.5	26.3
Return on Equity ROE (without mark-to-market adjustment reserve TVM and Derivatives)	29.9	28.3	25.0
Return on Average Equity ROAE (without mark-to-market adjustment reserve TVM and Derivatives)	31.4	29.4	28.3
Return on Equity ROE (straight-line calculation)	25.3	24.4	23.8
Return on Average Equity ROAE (straight-line calculation)	26.5	25.1	26.3
Return on Assets ROA	2.4	2.2	2.1
Return on Total Average Assets ROAA	2.5	2.3	2.4

Reported Net Income x Net Income Adjusted by Extraordinary Events and Goodwill Amortizations R\$ million

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Summarized Analysis of the Statement of Income

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

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

2006 x 2007 R\$ million

	2006			2007			Variations			
	Reported Statement of Income	Adjustments		Adjusted Statement of Income	Reported Statement of Income	Adjustments		Adjusted Statement of Income	Amount	%
		Fiscal Hedge (1)	Other			Fiscal Hedge (1)	Other			
Net Interest Income (a)	20,394	(337)	(219) (2)	19,838	23,530	(876)	(354) (7)	22,300	2,462	12.4
Allowance for Doubtful Accounts PDD (b)	(4,412)			(4,412)	(5,498)			(5,498)	(1,086)	24.6
Intermediation Gross Income	15,982	(337)	(219)	15,426	18,032	(876)	(354)	16,802	1,376	8.9
Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations (c)	638		387 (3)	1,025	711			711	(314)	(30.6)
Fee and Commission Income (d)	8,898			8,898	10,806			10,806	1,908	21.4
Personnel Expenses (e)	(5,932)			(5,932)	(6,570)			(6,570)	(638)	10.8
Supplementary Labor Provision Other	(309)		309 (4)		(232)		232 (4)			
Administrative Expenses (e)	(5,870)			(5,870)	(6,912)			(6,912)	(1,042)	17.8
Tax Expenses (e)	(2,192)	42		(2,150)	(2,499)	110		(2,389)	(239)	11.1
Other Operating Income/Expenses	(2,731)			(2,731)	(3,042)		223 (8)	(2,819)	(88)	3.2
Full Goodwill Amortization	(2,109)		2,109 (5)		(953)		953 (5)			

Operating Income	6,375	(295)	2,586	8,666	9,341	(766)	1,054	9,629	963	11.1
Non-Operating Income							(1,179)			
IR/CS and	(9)			(9)	1,203		(9)	24	33	
Minority Interest	(1,312)	295	(1,277) ⁽⁶⁾	(2,294)	(2,534)	766	(10)	(2,443)	(149)	6.5
Net Income	5,054		1,309	6,363	8,010		(800)	7,210	847	13.3

- (1) partial result of derivatives used for hedge effect of investments abroad, which in terms of Net Income, simply annuls the fiscal and tax effect (IR/CS and PIS/Cofins) of this hedge strategy;
- (2) positive result determined in the sale of our share in Usiminas in 4Q06;
- (3) extraordinary non-technical provision in the Individual Health portfolio related to the differences between the readjustments of the plans and correspondent medical and hospital costs;
- (4) supplementary provision for labor proceedings due to the improvement in the calculation methodology in 2007;
- (5) full goodwill amortization in subsidiaries;
- (6) fiscal effect of adjustments in the amount of R\$879 million and activation of the fiscal credits of previous periods, in the amount of R\$398 million;
- (7) positive result recorded in the sale of our share in Arcelor;
- (8) basically, for the constitution of civil provision economic plans, in the amount of R\$(274) million and recovery of fiscal credits (PIS), in the amount of R\$51 million;
- (9) positive result recorded in the sale of part of our share in Serasa, in the amount of R\$599 million, in Bovespa, in the amount of R\$253 million, in BM&F, in the amount of R\$227 million and in Indiana Seguros, in the amount of R\$64 million; and
- (10) fiscal effect of adjustments in the amount of R\$(43) million and activation of the fiscal credits of previous periods in the amount of R\$718 million.

Bradesco's Net Income, in 2007, reached R\$7,210 million, accounting for a 13.3% increase in relation to Net Income of 2006. Bradesco's Stockholders' Equity amounted to R\$30,357 million as of December 31, 2007, equivalent to a 23.2% increase compared to the balance as of December 31, 2006. Consequently, the annualized return on Average Stockholders' Equity (*) (ROAE) reached 28.3%. Total consolidated assets reached R\$341,184 million as of December 31, 2007, accounting for a 28.5% growth in relation to the balance of same date of the previous year.

The annualized return on Average Assets (ROAA), in the period of 2007, was 2.4%. Earnings per stock reached R\$3.57. The main items influencing net income in 2007, compared to the previous period, can be seen below:

(a) Net Interest Income R\$2,462 million

Such growth is mainly due to interest component, with a share of R\$1,965 million (R\$4,147 million due to the increase in business volume, and R\$2,182 million to the decrease in spreads), and to the non-interest result in the amount of R\$497 million, due to higher gains with loan recovery and treasury, pointing out a 35.0% increase in the volume of loan operations for individuals carried out in 2007, mainly concerned with consumer sales and personal loan financing, the spread of which is higher if compared to corporate loans.

(b) Allowance for Doubtful Accounts Expenses R\$(1,086) million

The variation is mostly due to a 36.5% increase in the volume of loan operations in 2007, pointing out the individual client operations, mainly under the type consumer financing, with an increase of 35.0%, which, in view of its specific characteristic, requires a higher volume of provision.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations R\$(314) million

The variation is mostly due to higher expenses related to constitution of technical provisions in the Health Plan portfolio in the amount of R\$225 million.

(d) Fee and Commission Income R\$1,908 million

The increase in the period is mainly due to a higher volume of operations and to the Amex Brasil and BMC consolidation, pointing out the items Income from Cards R\$691 million, Loan Operations R\$391 million, Checking Accounts R\$273 million, Assets under Management R\$194 million, Charging R\$107 million, Custody and Brokerage Services R\$83 million and Consortium Management R\$34 million.

(e) Personnel, Administrative and Tax Expenses R\$(1,919) million

Out of such amount, R\$638 million of personnel expenses is due to: (i) the increase in salary levels resulting from the collective bargaining agreement of 2006 (3.5%); (ii) the increase in salary levels resulting from the collective bargaining agreement of 2007 (6.0%) R\$108 million (R\$26 million of restatement of labor liabilities, R\$66 million of payroll increase and R\$16 million of food allowance); (iii) higher expenses with management and employee profit sharing (PLR) in the amount of R\$188 million; and (iv) the consolidation of companies acquired in the period in the amount of R\$93 million.

In 2007, the variation of R\$1,042 million in other administrative expenses basically refers to: (i) the effects on increased volume of business; (ii) the investments in the improvement and optimization of the technological platform (IT Improvements Project); (iii) the contractual adjustments; and (iv) the consolidation of companies acquired R\$215 million.

The R\$239 million of tax expenses derives basically from (i) the increase in PIS/Cofins expenses R\$189 million, due to the increase in taxable income; and (ii) the increase in ISS expenses R\$48 million.

(*) It does not consider the mark-to-market effects of securities available for sale.

3Q07 x 4Q07 R\$ million

	3Q07			4Q07				Variations		
	Reported Statement of Income	Adjustments		Adjusted Statement of Income	Reported Statement of Income	Adjustments		Adjusted Statement of Income	Amount	%
		Fiscal Hedge (1)	Other			Fiscal Hedge (1)	Other			
Net Interest Income (a)	5,785	(205)	5,580	6,156	(159)		5,997	417	7.5	
Allowance for Doubtful Accounts PDD (b)	(1,438)		(1,438)	(1,556)			(1,556)	(118)	8.2	
Intermediation Gross Income	4,347	(205)	4,142	4,600	(159)		4,441	299	7.2	
Insurance, Private Pension Plans and Certificated Savings Plans Operating Income (c)	208		208	147			147	(61)	(29.3)	
Fee and Commission Income (d)	2,742		2,742	2,896			2,896	154	5.6	
Personnel Expenses (e)	(1,640)		(1,640)	(1,821)			(1,821)	(181)	11.0	
Supplementary Labor Provision Other Administrative Expenses (e)	(1,755)		(1,755)	(1,973)			(1,973)	(218)	12.4	
Tax Expenses (e)	(625)	26	(599)	(643)	20		(623)	(24)	4.0	
Other Operating Income/Expenses	(714)		(639)	(663)		74 (7)	(589)	50	(7.8)	
Full Goodwill Amortization	(631)			(140)		140 (3)				
Operating Income	1,932	(179)	706	2,459	(139)	446	2,478	19	0.8	
Non-Operating Income	76			526		(505) (8)	21	20		
IR/CS and Minority Interest	(198)		(591) (5)	(610)	(504)	139 (9)	(645)	(35)	5.7	
Net Income	1,810		40	1,850	2,193	(339)	1,854	4	0.2	

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

(2) constitution of civil provision economic plans in the amount of R\$(126) million and recovery of fiscal credits (PIS) in the amount of R\$51 million;

- (3) full goodwill amortization in subsidiaries;
- (4) positive result recorded in the sale of part of our share in Bovespa;
- (5) fiscal effect of adjustments in the amount of R\$215 million and activation of the fiscal credits of previous periods in the amount of R\$376 million;
- (6) supplementary provision for labor proceedings due to the improvement in the calculation methodology;
- (7) constitution of civil provision economic plans;
- (8) basically, for the positive result recorded in the sale of part of our interest in Bovespa in the amount of R\$178 million, in BM&F, in the amount of R\$227 million, and in Indiana Seguros, in the amount of R\$64 million; and
- (9) fiscal effect of adjustments in the amount of R\$(20) million and activation of the fiscal credits of previous periods in the amount of R\$300 million;

In the 4th quarter of 2007, Bradesco's Net Income reached R\$1,854 million, against R\$1,850 million in the 3rd quarter of 2007. Bradesco's Stockholders' Equity amounted to R\$30,357 million on December 31, 2007, a 3.9% increase in relation to September 30, 2007. Total consolidated assets reached R\$341,184 million as of December 31, 2007, growing 7.4% in 4Q07.

The main items influencing net income in the 4th quarter of 2007 compared to the previous quarter can be seen below:

(a) Net Interest Income R\$417 million

Such variation is due to the increase in the result of interest-bearing operations in the amount of R\$265 million (R\$476 million due to the increase in business volume, especially due to consumer financing operations, and R\$211 million to the decrease in spreads) and to the increase in the non-interest income in the amount of R\$152 million, in view of the higher gains with loan recoveries, TVM and treasury.

(b) Allowance for Doubtful Accounts Expenses R\$(118) million

The increase in the expense in 4Q07 is consistent with the growth of our loan portfolio (by R\$14,950 million or 12.8%) and mainly with the growth of operations with individual clients, which, due to its characteristic, require higher provisioning volume.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations R\$(61) million

The variation is basically due to the higher expenses with technical provisions and the increase in the volume of claims, ratio of which increased from 73.8% in 3Q07 to 75.7% in 4Q07.

(d) Fee and Commission Income R\$154 million

The increase is mostly due to an expansion in the volume of operations in the quarter, reflecting substantially in the following items: Income from Cards R\$65 million; Checking Account Income R\$18 million; Loan Operations R\$17 million; Collection Income R\$10 million; and Assets under Management Income R\$8 million.

(e) Personnel, Administrative and Tax Expenses R\$(423) million

Personnel expenses increased R\$181 million in the quarter basically as a result of: (i) higher expenses with provisions for labor proceedings in the amount of R\$47 million; and (ii) higher expenses with management and employee profit sharing (PLR) in the amount of R\$131 million.

The R\$218 million of other administrative expenses refers basically to higher expenses with: (i) Advertising R\$96 million; (ii) Third-party Services R\$48 million; (iii) Assets Leasing R\$14 million; (iv) Communications R\$12 million; (v) Transportation R\$10 million; and (vi) Data Processing R\$8 million.

The R\$24 million of tax expenses are basically due to the increase of PIS/Cofins expenses R\$9 million, due to the increase of tax income and increase in CPMF expenses in the amount of R\$16 million.

Highlights**Income**

	R\$ million					
	Years		Variation	2007		Variation
	2006	2007	%	3 rd Qtr.	4 th Qtr.	%
Adjusted Net Interest Income	19,838	22,300	12.4	5,580	5,997	7.5
Allowance for Doubtful Accounts Expenses	4,412	5,498	24.6	1,438	1,556	8.2
Fee and Commission Income	8,898	10,806	21.4	2,742	2,896	5.6
Insurance, Private Pension Plans and Certificated Savings Plans Retained Premiums	15,180	16,432	8.2	4,146	4,837	16.7
Personnel Expenses	5,932	6,570	10.8	1,640	1,821	11.0
Other Administrative Expenses	5,870	6,912	17.8	1,755	1,973	12.4
Operating Income	8,666	9,629	11.1	2,459	2,478	0.8
Adjusted Net Income	6,363	7,210	13.3	1,850	1,854	0.2

Balance Sheet

	R\$ million					
	December		Variation	2007		Variation
	2006	2007	%	September	December	%
Total Assets	265,547	341,184	28.5	317,648	341,184	7.4
Securities and Derivative Financial Instruments	97,250	114,452	17.7	108,098	114,452	5.9
Loan Operations (Expanded Concept)	116,225	161,407	38.9	140,094	161,407	15.2
Loan and Leasing Operations	96,219	131,307	36.5	116,357	131,307	12.8
Sureties and Guarantees (Accounted for in Memorandum Accounts)	14,791	24,296	64.3	18,471	24,296	31.5
Credit Cards (Purchases in Cash and Store Payment in Installments)	5,215	5,804	11.3	5,266	5,804	10.2
Permanent Assets	3,492	3,670	5.1	3,539	3,670	3.7
Deposits	83,905	98,323	17.2	86,736	98,323	13.4
Borrowings and Onlendings	17,419	23,410	34.4	20,735	23,410	12.9
Technical Provisions	49,129	58,526	19.1	55,319	58,526	5.8
Stockholders Equity	24,636	30,357	23.2	29,214	30,357	3.9

Change in Number of Outstanding Stocks

	Common stocks	Preferred stocks	Total
Number of Outstanding Stocks on December 31, 2006	500,071,456	500,811,468	1,000,882,924
Stocks Acquired and not Cancelled	(76,700)	(1,411,124)	(1,487,824)
Shares issued for Banco BMC Merger	9,299,618	9,299,514	18,599,132
100% Bonus	500,042,656	500,637,068	1,000,679,724
Number of Outstanding Stocks on December 31, 2007	1,009,337,030	1,009,336,926	2,018,673,956

Stock Performance (*)

	R\$					
	Years		Variation	2007		Variation
	2006	2007	%	3 rd Qtr.	4 th Qtr.	%
Net Income per Stock	3.18	3.57	12.3	0.92	0.92	
Dividends/JCP per Stock Common (after Income Tax)	0.938	1.223	30.4	0.317	0.371	17.0
Dividends/JCP per Stock Preferred (after Income Tax)	1.032	1.346	30.4	0.349	0.408	16.9
Book Value per Stock (Common and Preferred)	12.31	15.04	22.2	14.47	15.04	3.9
Last Business Day Price Common	41.48	51.50	24.2	52.60	51.50	(2.1)
Last Business Day Price Preferred	43.25	56.95	31.7	53.60	56.95	6.3
Market Value (R\$ million) (**)	84,801	109,463	29.1	107,222	109,463	2.1

(*) For comparison purposes, in 2007 there was a 100% stock bonus, which was applied to 2006.

(**) Number of stocks (disregarding the treasury stocks) x closing price of Common and Preferred stocks of the last day of the period.

Cash Generation (*)

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Net Income	1,611	1,620	6,363	1,850	1,854	7,210
Equity in the Earnings of Affiliated Companies	(7)	(30)	(72)	(16)	(10)	(42)
Allowance for Doubtful Accounts	1,169	1,189	4,412	1,438	1,556	5,498
Allowance/Reversal for Depreciation		(42)	9		1	1
Depreciation and Amortization	128	130	481	135	137	538
Goodwill Amortization			433			
Other	16	7	26	18	11	63
Total	2,917	2,874	11,652	3,425	3,549	13,268

(*) It considers the Adjusted Net Income.

Added Value with Hedge Adjustment and without Extraordinary Events

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Added Value (A+B+C)	4,311	4,187	16,731	4,696	4,940	18,601
A Gross Income from Financial Intermediation	3,698	3,856	15,426	4,142	4,441	16,802
B Fee and Commission Income	2,343	2,424	8,898	2,742	2,896	10,806
C Other Operating Income/Expenses	(1,730)	(2,093)	(7,593)	(2,188)	(2,397)	(9,007)
Distribution of Added Value (D+E+F+G)	4,311	4,187	16,731	4,696	4,940	18,601
D Employees	1,391	1,273	5,196	1,426	1,594	5,741
E Government Contribution	1,309	1,294	5,172	1,420	1,492	5,650
F JCP/Dividends to Stockholders (paid and provisioned) (*)	972	40	2,160	743	683	2,823
G Profit Reinvestment	639	1,580	4,203	1,107	1,171	4,387
Distribution of Added Value percentage	100.0	100.0	100.0	100.0	100.0	100.0
Employees	32.4	30.4	31.1	30.4	32.3	30.9
Government Contribution	30.4	30.9	30.9	30.2	30.2	30.4
JCP/Dividends to Stockholders (paid and provisioned)	22.5	1.0	12.9	15.8	13.8	15.2
Profit Reinvestments	14.7	37.7	25.1	23.6	23.7	23.5

(*) In 3Q06, it considers the provisions of the Board of Directors Meeting held on 10.5.2006.

Fixed Assets to Stockholders Equity Ratio Calculation

	R\$ million			
	2006		2007	
	September	December	September	December
Stockholders Equity + Minority				
Stockholders	21,829	24,694	29,390	30,513
Subordinated Debts	10,265	10,411	10,028	11,750
Tax Credits	(149)	(59)	(79)	(81)
Exchange Membership Certificates	(80)	(84)	(69)	(35)
Other Adjustments			(1,171)	(733)
Reference Equity (A) (*)	31,865	34,962	38,099	41,414
Permanent Assets	8,642	8,912	12,193	14,963
Fixed Assets and Leasing	(4,844)	(5,334)	(8,561)	(11,203)
Unrealized Leasing Losses	(100)	(102)	(106)	(102)
Other Adjustments	92	799	2,083	2,329
Total Fixed Assets (B) (*)	3,790	4,275	5,609	5,987
Fixed Assets to Stockholders Equity Ratio				
(B/A) %	11.9	12.2	14.7	14.5
Margin	12,142	13,206	13,441	14,720

(*) 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 Resolution 2,283.

Performance Ratios (annualized) in percentage

		2006			2007		
		3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Return on Stockholders	Equity (total)	33.0	29.0	25.8	27.8	26.8	23.8
Return on Stockholders	Equity (average)	32.7	32.3	30.0	29.3	27.5	26.3
Return on Stockholders	Equity (total) without						
	mark-to-market						
adjustment reserve	TVM and Derivatives	32.8	31.3	27.7	29.9	28.3	25.0
Return on Stockholders	Equity (average)						
	without						
mark-to-market adjustment reserve	TVM						
and Derivatives	and Derivatives	32.5	34.3	31.1	31.4	29.4	28.3
Return on Stockholders	Equity (total)						
straight-line calculation		29.6	26.3	25.8	25.3	24.4	23.8
Return on Stockholders	Equity (average)						
straight-line calculation		29.3	29.0	30.0	26.5	25.1	26.3
Return on Total Assets (total)		2.7	2.5	2.4	2.4	2.2	2.1
Return on Total Assets (average)		2.7	2.6	2.7	2.5	2.3	2.4
Stockholders	Equity on Total Assets	9.0	9.3	9.3	9.2	8.9	8.9
Capital Adequacy Ratio (Basel)	Financial						
Consolidated (*)	Consolidated (*)	18.4	18.8	18.8	16.3	15.6	15.6
Capital Adequacy Ratio (Basel)	Total						
Consolidated (*)	Consolidated (*)	16.2	16.5	16.5	14.2	14.0	14.0
Fixed Assets to Stockholders' Equity Ratio							
Financial Consolidated		46.0	48.0	48.0	48.9	45.8	45.8
Fixed Assets to Stockholders' Equity Ratio							
Total Consolidated		11.9	12.2	12.2	14.7	14.5	14.5
Combined Ratio	Insurance	88.9	86.7	92.1	92.6	93.1	95.3
Efficiency Ratio (YTD)		42.4	42.1	42.1	41.8	41.8	41.8
Coverage Ratio (YTD)		74.0	75.4	75.4	80.6	80.2	80.2

(*) If we choose the prerogative provided for in article 9 of Circular 3,367 of Bacen, the indexes of December 2007 would be 18.9% in the financial consolidated and 16.6% in the total consolidated.

Market Share Consolidated in percentage**2006****2007**

	September	December	September	December
Banks Source: Bacen				
Time Deposit	9.6	9.4	8.3	N/A
Savings Deposit	14.6	14.7	13.9	N/A
Demand Deposit	17.4	16.8	17.4	N/A
Loan Operations	12.5	12.2	12.6	12.8 (*)
Number of Branches	16.8	16.6	16.6	17.3(**)
Banks Source: Anbid				
Investment Funds + Portfolios	14.7	14.9	14.1	14.1
Banks Source: Federal Revenue Secretariat				
CPMF	19.8	19.8	19.5	19.7
Insurance, Private Pension Plans and Certificated Savings Plans Source: Susep and ANS				
Insurance, Private Pension Plans and Certificated Savings Plans Premiums	25.1	25.8	25.2	25.3 (*)
Insurance Premiums (including VGBL)	25.3	26.3	25.4	25.5 (*)
Income on VGBL Premiums	42.9	43.8	41.4	41.2 (*)
Revenues from Pension Plans Contributions (excluding VGBL)	28.6	27.9	28.8	28.4 (*)
Revenues from Certificated Savings Plans	19.8	19.9	20.3	20.5 (*)
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	37.1	37.1	36.0	35.9 (*)
Insurance and Private Pension Plans Source: Fenaprevi				
Revenues from PGBL Contributions	32.7	30.6	27.3	26.3 (*)
Private Pension Plans Investment Portfolios (including VGBL)	42.6	42.0	41.0	41.0 (*)
Credit and Debit Card Source: Abecs				
Credit and Debit Card Revenue	16.6	17.0	18.6	18.6 (*)
Leasing Source: Abel				
Active Operations	11.8	11.5	12.2	12.5 (*)
Banco Finasa Source: Bacen				
Finabens (Portfolio)	20.7	18.8	16.6	15.7 (*)
Auto (Portfolio) This includes Banco Bradesco	25.8	25.8	25.8	26.0 (*)
Consortia Source: Bacen				
Real Properties	26.3	27.3	26.5	27.3 (*)
Auto	18.8	20.2	20.9	21.2 (*)
Trucks, Tractors and Agricultural Implements	5.8	6.3	6.9	6.9 (*)
International Area Source: Bacen				
Export Market	22.8	22.3	20.4	20.5 (**)
Import Market	15.0	15.4	15.8	16.1 (**)

(* Reference date: November 2007.

(**) Previous data.

N/A Not available

Other Information

	2007		Variation	December		Variation
	September	December	%	2006	2007	%
Funding and Assets Managed in R\$ million	452,698	484,265	7.0	386,586	484,265	25.3
Number of Employees	81,943	82,773	1.0	79,306	82,773	4.4
Number of Branches	3,067	3,160	3.0	3,008	3,160	5.1
Savings Account Holders thousand Credit, Private Label and Debit Card	32,146	34,623	7.7	35,175	34,623	(1.6)
Base thousand	67,228	70,469	4.8	57,942	70,469	21.6

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

	December				2007	
	2003	2004	2005	2006	September	December
Common	958,036	953,405	978,900	1,000,143	1,009,337	1,009,337
Preferred	944,328	944,327	979,878	1,001,623	1,009,904	1,009,337
Subtotal Outstanding Stocks	1,902,364	1,897,732	1,958,778	2,001,766	2,019,241	2,018,674
Treasury Stocks	344		464	758	1,679	2,246
Total	1,902,708	1,897,732	1,959,242	2,002,524	2,020,920	2,020,920

(*) For comparison purposes, 100% stock bonuses occurred in 2005 and 2007 were applied for previous years. Until 2004, the number of stocks was adjusted at 200% due to their splitting.

On December 31, 2007, Bradesco's capital stock was R\$19 billion, composed of 2,020,920,180 stocks, of which 1,010,165,730 are common and 1,010,754,450 are preferred, non-par and book-entry stocks. The largest stockholder is the holding company Cidade de Deus Participações, which directly holds 48.22% of our voting capital and 24.12% of our total capital. Cidade de Deus Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações. Nova Cidade de Deus is 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 128).

Number of Stockholders Domiciled in the Country and Abroad

	December				2007	
	2003	2004	2005	2006	September	December
Individuals	2,158,808	1,254,044	1,244,572	1,248,275	1,250,454	1,248,310
Corporate	180,559	116,894	116,225	116,040	115,914	115,710
	2,339,367	1,370,938	1,360,797	1,364,315	1,366,368	1,364,020

**Subtotal of Residents in the
Country**

Residents Abroad	465	3,780	3,701	3,689	3,691	3,699
Total	2,339,832	1,374,718	1,364,498	1,368,004	1,370,059	1,367,719

Concerning Bradesco's stockholders, domiciled in the country and overseas, on December 31, 2007, 1,364,020 stockholders were domiciled in Brazil, accounting for 99.73% of total stockholders' base and holding 71.28% of Bradesco's outstanding stocks.

Whereas the number of stockholders living abroad was 3,699, representing 0.27% of total stockholders' base and holding 28.72% of Bradesco's outstanding stocks.

Market Value R\$ million

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

Market Value / Stockholders Equity

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

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

Dividend Yield in percentage (YTD)

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

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 (gross of IR), which is divided by net income adjusted by legal reserve (5% of net income).

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

Source: Economática

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Earnings per Share R\$ (YTD) (*)

(*) For comparison purposes, in 2007 there was a 100% stock bonus, which was applied for previous years. In 2005 there was also a 100% stock bonus, which was applied for previous years. Until 2004, the number of stocks was adjusted at 200% due to their splitting. Adjusted Net Income was used.

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

Source: Economática

Bradesco Stock Performance

In 4Q07, Bradesco's preferred stocks appreciated by 6.4% (adjusted by dividends), surpassing Ibovespa's performance, which had a gain of 5.7%. In 2007, the accrued appreciation of Bradesco's stocks was 32.9% (adjusted by dividends), whereas Ibovespa's gain was 43.7% in the period.

The Brazilian stock market had a good performance until the beginning of the 2nd half, but concerns regarding subprime real estate loans in the United States and lately the economy's performance affected the performance of the markets, especially the securities of the financial sector due to the decreased exposure of foreign investors to the sector, even those without exposure to subprime, such as Bradesco.

Statement of Income

	R\$ million					
	Years		Variation	2007		Variation
	2006	2007	%	3rd Qtr.	4th Qtr.	%
Revenues from Financial Intermediation	37,665	40,375	7.2	10,283	10,901	6.0
Loan Operations	20,055	21,057	5.0	5,315	5,811	9.3
Leasing Operations	653	917	40.4	248	284	14.5
Securities Transactions	6,090	6,334	4.0	1,717	1,568	(8.7)
Financial Income on Insurance, Private Pension Plans and Certificated Savings Plans	6,888	7,501	8.9	1,889	2,068	9.5
Derivative Financial Instruments	1,923	2,675	39.1	688	629	(8.6)
Foreign Exchange Transactions	730	647	(11.4)	122	232	90.2
Compulsory Deposits	1,326	1,244	(6.2)	304	309	1.6
Expenses From Financial Intermediation (not including PDD)	17,827	18,075	1.4	4,703	4,904	4.3
Market Funding Operations	11,995	11,996		3,159	3,221	2.0
Price-Level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	4,005	4,617	15.3	1,188	1,288	8.4
Borrowings and Onlendings	1,819	1,453	(20.1)	354	393	11.0
Leasing Operations	8	9	12.5	2	2	
Net Interest Income	19,838	22,300	12.4	5,580	5,997	7.5
Allowance for Doubtful Accounts Expenses	(4,412)	(5,498)	24.6	(1,438)	(1,556)	8.2
Gross Income from Financial Intermediation	15,426	16,802	8.9	4,142	4,441	7.2
Other Operating Income/Expenses	(6,760)	(7,173)	6.1	(1,683)	(1,963)	16.6
Fee and Commission Income	8,898	10,806	21.4	2,742	2,896	5.6
Operating Income from Insurance, Private Pension Plans and Certificated Savings Plans	1,025	711	(30.6)	208	146	(29.8)
(+) Net Premiums Issued	19,022	21,479	12.9	5,448	6,175	13.3
(-) Reinsurance Premiums and Redeemed Premiums	(3,842)	(5,047)	31.4	(1,302)	(1,338)	2.8
(=) Retained Premiums from Insurance, Private Pension Plans and Certificated Savings Plans	15,180	16,432	8.2	4,146	4,837	16.7
Retained Premiums from Insurance	8,083	8,490	5.0	2,307	2,143	(7.1)
Private Pension Plans Contributions	5,679	6,386	12.4	1,445	2,277	57.6
Income on Certificated Savings Plans	1,418	1,556	9.7	394	417	5.8

Variation in Technical Provisions for Insurance,						
Private Pension Plans and Certificated Savings Plans	(3,515)	(5,047)	43.6	(1,322)	(1,965)	48.6
Variation in Technical Provisions for Insurance	(622)	(1,254)	101.6	(499)	(250)	(49.9)
Variation in Technical Provisions for Private Pension Plans	(2,880)	(3,804)	32.1	(818)	(1,709)	108.9
Variation in Technical Provisions for Certificated Savings Plans	(13)	11		(5)	(6)	20.0
Retained Claims	(6,127)	(6,014)	(1.8)	(1,488)	(1,595)	7.2
Certificated Savings Plans Draws and Redemptions	(1,222)	(1,378)	12.8	(346)	(378)	9.2
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(1,023)	(1,084)	6.0	(274)	(288)	5.1
Insurance Products Selling Expenses	(816)	(849)	4.0	(217)	(218)	0.5
Private Pension Plans Selling Expenses	(190)	(218)	14.7	(53)	(65)	22.6
Certificated Savings Plans Selling Expenses	(17)	(17)		(4)	(5)	25.0
Expenses with Private Pension Plans Benefits and Redemptions	(2,268)	(2,198)	(3.1)	(508)	(465)	(8.5)
Personnel Expenses	(5,932)	(6,570)	10.8	(1,640)	(1,821)	11.0
Other Administrative Expenses	(5,870)	(6,912)	17.8	(1,755)	(1,973)	12.4
Tax Expenses	(2,150)	(2,389)	11.1	(599)	(623)	4.0
Equity in the Earnings of Affiliated Companies	72	42	(41.7)	16	10	(37.5)
Other Operating Income	1,420	1,436	1.1	376	424	12.8
Other Operating Expenses	(4,223)	(4,297)	1.8	(1,031)	(1,022)	(0.9)
Operating Income	8,666	9,629	11.1	2,459	2,478	0.8
Non-Operating Income	(9)	24		1	21	
Income before Taxes on Profit and Profit Sharing	8,657	9,653	11.5	2,460	2,499	1.6
Taxes on Income	(2,285)	(2,432)	6.4	(607)	(642)	5.8
Minority Interest in Subsidiaries	(9)	(11)	22.2	(3)	(3)	
Net Income	6,363	7,210	13.3	1,850	1,854	0.2
Annualized Return on Stockholders Equity (*) (%)	31.1	28.3		31.4	29.4	

(*) Refers to average Stockholders Equity and does not consider the mark-to-market effects on securities available for sale.

Analysis of the Statement of Income R\$ million

Income from Loan Operations and Leasing Result

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
20,700	21,965	6.1	5,561	6,093	9.6

In the year, income was up mainly as result of: (i) the increase in the volume of the loan portfolio, which totaled R\$131,307 in December/07 against R\$96,219 in December/06, i.e., a 36.5% increase. We highlight the corporate portfolio, with an increase of 37.5%, focusing on BNDES Onlending, Guaranteed Account, Operations Abroad, Working Capital and Leasing products. In the individual portfolio, the growth was 35.0%, with focus on the products connected to consumer financing; partially **mitigated** by: (ii) higher exchange loss variation of 17.2% in the year/07, against an exchange loss variation of 8.7% in the year/06, 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); and (iii) decrease in average interest rates, observing the 11.8% CDI variation in the year/07, against 15.0% in the year/06.

The variation in income in the quarter was mainly due to: (i) the increase of 12.8% in the loan portfolio volume, which reached the amount of R\$131,307 in December/07, against R\$116,357 in September/07, considering that in the corporate portfolio there was an increase of 16.0%, with focus on the Operations Abroad, Working Capital, and Leasing products, whereas in the individual portfolio the increase was 8.5%, with focus on products linked to consumer financing; (ii) the lower exchange loss variation of 3.7% in 4Q07, against exchange loss variation of 4.5% in 3Q07, 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 the drop in the average interest rates, observing the 2.6% CDI variation in 4Q07, against 2.8% in 3Q07.

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

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
8,013	9,009	12.4	2,405	2,197	(8.6)

The increase in income in the year is mainly due to: (i) the increase in the portfolio's average volume; which was partially **offset** by: (ii) the

The variation in income in the quarter is mainly due to: (i) the increase in the portfolio's average volume; (ii) the lower exchange loss variation of 3.7% in 4Q07, against

higher exchange loss variation of 17.2% in the year/07, against an exchange loss variation of 8.7% in the year/06, impacting on the foreign currency indexed and/or denominated operations, comprising 5.0% of the portfolio; (iii) the lower non-interest income gains in the amount of R\$102 in the year/07; and (iv) the reduction in the average interest rates, observing the 11.8% CDI variation in the year/07, against 15.0% in the year/06.

exchange loss variation of 4.5% in 3Q07, impacting on the foreign currency indexed and/or denominated operations, comprising 5.0% of the portfolio; **offset** by: (iii) the lower non-interest income gains in the amount of R\$35 in 4Q07; and (iv) the reduction in the average interest rates, observing the 2.6% CDI variation in 4Q07, against 2.8% in 3Q07.

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

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
6,888	7,501	8.9	1,889	2,068	9.5

The variation in the year was basically due to: (i) the increase in the portfolio's average volume; (ii) the higher IGP-M variation of 7.8% in the year/07, against 3.8% in the year/06; (iii) the higher non-interest income of R\$311 in the year/07; partially offset: (iv) by the reduction in the average interest rates, observing the 11.8% CDI variation in the year/07, against 15.0% in the year/06.

The variation in the quarter was substantially due to: (i) the increase in the portfolio's average volume; (ii) the higher non-interest income of R\$67 in 4Q07; (iii) the higher IGP-M variation of 3.5% in 4Q07, against 2.6% in 3Q07; partially offset: (iv) by the reduction in average interest rates, observing the 2.6% CDI variation in 4Q07, against 2.8% in 3Q07.

Foreign Exchange Transactions

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
730	647	(11.4)	122	232	90.2

For a better analysis, 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\$345 in the year/06 and R\$378 in the year/07, basically due to the increase in foreign exchange portfolio volume.

For a better analysis, 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\$101 in 3Q07 and R\$113 in 4Q07, basically due to the increase in foreign exchange portfolio volume.

Compulsory Deposits

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
1,326	1,244	(6.2)	304	309	1.6

The decrease in the year is basically due to: (i) the variation in CDI of 11.8% in the year/07, against 15.0% in the year/06, used to remunerate the additional compulsory deposit; (ii) the drop in TR Reference Rate, used to remunerate the compulsory on savings deposits; which was **offset**: (iii) by the increase in the average volume of deposits in the year.

The variation in the quarter is basically due to: (i) the increase in the average volume of deposits in the quarter; which was **offset**: (ii) by the variation in CDI of 2.6% in 4Q07, against 2.8% in 3Q07, used to remunerate the additional compulsory deposit; and (iii) the drop in TR Reference Rate, used to remunerate the compulsory on savings deposits.

Market Funding Operations Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
11,995	11,996		3,159	3,221	2.0

The variation in the year is mostly due to: (i) the higher exchange loss variation of 17.2% in the year/07, against exchange loss variation of 8.7% in the year/06, impacting the foreign currency indexed and/or denominated funding; (ii) the reduction in the average interest rates, observing the 11.8% CDI variation in the year/07, against 15.0% in the year/06, mainly affecting the time deposits expenses; and **offset** by: (iii) the increase in the average funding volume.

The variation in the quarter derives basically from: (i) the increase in the average volume of the portfolio; (ii) the lower exchange loss variation of 3.7% in 4Q07, against exchange loss variation of 4.5% in 3Q07, impacting on the foreign currency indexed and/or denominated funding; and **offset**: (iii) by the reduction in the average interest rates, following the CDI variation of 2.6% in 4Q07, against 2.8% in 3Q07, mainly affecting time deposit expenses.

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

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
4,005	4,617	15.3	1,188	1,288	8.4

The variation in the year is basically due to: (i) the higher average volume of technical provisions, especially the VGBL product; (ii) the higher IGP-M variation of 7.8% in the year/07, against 3.8% in the year/06, one of the indexes which also remunerates the technical provisions; **mitigated:** (iii) by the reduction in the average interest rates, observing the 11.8% CDI variation in the year/07, against 15.0% in the year/06.

The variation in the quarter is mostly due to: (i) the higher average volume of technical provisions, especially the VGBL product; (ii) the higher IGP-M variation of 3.5% in 4Q07, against 2.6% in 3Q07, one of the indexes which also remunerates the technical provisions; partially **offset** by: (iii) the drop in the average interest rates, observing the 2.6% CDI variation in 4Q07, against 2.8% in 3Q07.

Borrowings and Onlendings Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
1,819	1,453	(20.1)	354	393	11.0

The variation in the year is basically due to: (i) the higher exchange loss variation of 17.2% in the year/07, against exchange loss variation of 8.7% in the year/06, impacting on foreign currency indexed and/or denominated borrowings and onlendings, which represent 41.1% of the Borrowings and Onlendings portfolio; (ii) the decrease in average interest rates, according to the 11.8% CDI variation in the year/07, against 15.0% in the year/06; which was **mitigated:** (iii) by the increase in the average funding volume, mainly represented by Finame and BNDES operations.

The variation in the quarter is substantially due to the lower exchange loss variation of 3.7% in 4Q07, against exchange loss variation of 4.5% in 3Q07, impacting on foreign currency indexed and/or denominated borrowings and onlendings, which represent 41.1% of the Borrowing and Onlending portfolio.

Net Interest Income

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
19,838	22,300	12.4	5,580	5,997	7.5

The variation of R\$2,462 in net interest income is basically due to: (i) the increase in the result of interest-bearing operations of R\$1,965, R\$4,147 due to a growth in the average business volume and R\$2,182 due to the decrease in spreads; and (ii) the higher non-interest income of R\$497, basically derived from the loan recovery and higher treasury gains.

The variation of R\$417 in net interest income is due to: (i) the growth in the result of interest-bearing operations in the amount of R\$265, R\$476 due to the increase in the average business volume and R\$211 to the decrease in spreads; and (ii) the higher non-interest income of R\$152, (basically derived from the loan recovery R\$91 and from higher treasury gains).

Allowance for Doubtful Accounts Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
4,412	5,498	24.6	1,438	1,556	8.2

The increase in the year of R\$1,086 is compatible with the growth of our loan portfolio (36.5% or R\$35,088 in the year/07) and with the relevant participation of individual which, due to its characteristic, requires higher provisioning volume, whose growth in the year was 35.0% or R\$13,863.

The variation in the quarter is compatible with the growth of our loan portfolio and mainly with the 8.5% growth in the operations with individual clients which, due to their characteristic, require higher provisioning volume.

Fee and Commission Income

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
8,898	10,806	21.4	2,742	2,896	5.6

The increase of income in the year is mainly due to a hike in the volume of operations, with focus on: (i) income from cards R\$691, which includes the consolidation of Amex Brasil in the amount of R\$275; (ii) loan operations R\$391; (iii) checking account R\$273; (iv) assets management R\$194; (v) charging R\$107; (vi) custody and brokerage services R\$83; and (vii) consortium management R\$34.

The variation of income in the quarter is mostly due to the expansion of businesses, substantially reflecting on: (i) income from cards R\$65 (ii) loan operations R\$17; and (iii) assets management R\$8.

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

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
15,180	16,432	8.2	4,146	4,837	16.7

The growth in the year is detailed in the charts below:

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

a) Retained Premiums from Insurance

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
8,083	8,490	5.0	2,307	2,143	(7.1)

The variation in the year is due to: (i) the increase in Health insurance production R\$328 (substantially in the corporate, health and dental insurance, due to annual restatement by medical, hospital and dental costs variation, and also due to portfolio technical balance); of Life line R\$165; of Basic lines R\$79; and **offset** by: (ii) the drop in Auto segments R\$23, due to the sale of interest in Indiana Seguros S.A. in 4Q07, and due to the recording, in the year/06 of premiums of effective and non-issued risks in the Auto segment R\$97; Basic lines R\$23; and in other segments R\$22.

The variation in the quarter is due to the decrease in the production of: (i) the Auto segment R\$155, partially due to the sale of interest in Indiana Seguros S.A. in 4Q07; the Basic lines R\$23; other segments R\$5; and also: (ii) the recording of premiums of effective and non-issued risks in the Auto segment R\$26; and **offset**: (iii) by the growth in Health segment R\$45.

b) Private Pension Plans Contributions

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
5,679	6,386	12.4	1,445	2,277	57.6

The increase in the period is due to: (i) the sales of VGBL product R\$1,734 and VGBL product R\$790 and PGBL/Traditional products R\$176; **mitigated** R\$134; **mitigated**: (ii) by the increase in the volume of redemption of VGBL R\$92. N.B.1: in 4Q07 seasonality redemption of VGBL R\$1,203. N.B.: according to Susep, the recording of VGBL bonus). N.B.2: according to Susep, the recording of redemptions reduces the retained contributions.

c) Income on Certificated Savings Plans

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
1,418	1,556	9.7	394	417	5.8

The variation in the year is mainly due to the higher sale of the certificated savings plans: (i) Pé Quente Bradesco R\$1,000; (ii) Pé Quente Bradesco Prime R\$100; and (iii) those plans connected to sustainability actions (SOS Mata Atlântica, Instituto Ayrton Senna and IBCC).

The variation in the quarter is mainly due to the higher sale of certificated savings plans: (i) Pé Quente Bradesco R\$1,000; and (ii) those plans connected to sustainability actions (SOS Mata Atlântica Empresarial and Instituto Ayrton Senna Empresarial).

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

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(3,515)	(5,047)	43.6	(1,322)	(1,965)	48.6

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

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

a) Variation in Technical Provisions for Insurance

Years			2007		
2006 (622)	2007 (1,254)	Variation % 101.6	3 rd Qtr. (499)	4 th Qtr. (250)	Variation % (49.9)

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The variations occurred in the year/07 were comprised of: the higher constitution of provision in the Health insurance R\$938, Life segment R\$252; Basic lines R\$28, and Auto segment R\$45; **mitigated**: by the reversion of provision for effective and non-issued risks (PPNG) in Auto segment R\$9. The variations occurred in the year/06 were comprised of: (i) the higher constitution of technical provision in the Health portfolio R\$357, Life segment R\$132, Auto segment R\$20 and Basic lines R\$15; (ii) constitution of provision for effective and non-issued risks (PPNG) in the Auto R\$76 and Basic lines R\$22 segments.

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The variations occurred in 4Q07 were comprised of: (i) the higher constitution of provision in the Health insurance R\$181, Auto segment R\$27, Life segment R\$49; **mitigated**: (ii) by the reversion of provision for effective and non-issued risks (PPNG) in the Auto segment R\$7. The variations occurred in 3Q07 were comprised of: (i) higher constitution of provision in the Health insurance R\$259; Auto segment R\$114, Life segment R\$96; Basic lines R\$16; (ii) higher constitution of provision for effective and non-issued risks (PPNG) in Auto segment R\$14.

b) Variation in Technical Provisions for Private Pension Plans

Years			2007		
2006 (2,880)	2007 (3,804)	Variation % 32.1	3 rd Qtr. (818)	4 th Qtr. (1,709)	Variation % 108.9

Variations in technical provisions are directly related to production, combined with benefits and redemptions. The variations in the year are due to the higher recording of provision for the VGBL R\$571 and PGBL/Traditional R\$332 products, due to the increase in production in the year/07.

Variations in technical provisions are directly related to production, combined with benefits and redemptions. The variations in the quarter are due to the higher recording of provision for the VGBL R\$601 and PGBL/Traditional R\$290 products, due to the increase in production in 4Q07.

c) Variation in Technical Provisions for Certificated Savings Plans

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(13)	11		(5)	(6)	20.0

The variation is mainly due to the reversion of technical provision for contingencies.

The variation is mainly due to the increase in production of securities of sole payment.

Retained Claims

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(6,127)	(6,014)	(1.8)	(1,488)	(1,595)	7.2

The decrease of claims in the year is mainly due to: (i) the decrease in reported claims in the Life R\$197 and Auto R\$69 segments mainly due to the sale of interest in Indiana Seguros S.A. in 4Q07; **mitigated:** (ii) by the increase of reported claims of Health segment R\$160.

The increase of claims in the quarter is mainly due to: (i) the increase in reported claims in the Health segment R\$109; in the life segment R\$22; **mitigated:** (ii) by the decrease in reported claims in the Auto segment R\$53, partially due to the sale of interest in Indiana Seguros S.A. in 4Q07.

Certificated Savings Plans Draws and Redemptions

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(1,222)	(1,378)	12.8	(346)	(378)	9.2

The redemptions are directly related to revenue. The variation in the year is due to the increase in revenues from certificated savings plans.

The redemptions are directly related to revenue. The variation in the quarter is due to higher revenues from certificated savings plans.

Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(1,023)	(1,084)	6.0	(274)	(288)	5.1

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

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

a) Insurance Products Selling Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(816)	(849)	4.0	(217)	(218)	0.5

The variation in the year is due to the increase of insurance production.

In nominal terms, selling expenses have remained stable, with a slight decrease when compared to the earned premiums.

b) Private Pension Plans Selling Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(190)	(218)	14.7	(53)	(65)	22.6

The variation in the year is basically a result of the increase in sales of the VGBL product and, consequently, in selling expenses. The variation in the quarter is basically a result of the increase in sales of the VGBL R\$5 and PGBL/Traditional R\$5 products.

c) Certificated Savings Plans Selling Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(17)	(17)		(4)	(5)	25.0

In nominal terms, expenses remained steady in the year/07.

In nominal terms, expenses remained steady in 4Q07.

Private Pension Plans Benefits and Redemptions Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(2,268)	(2,198)	(3.1)	(508)	(465)	(8.5)

The variation in the year was derived from: (i) the lower volume of redemptions in Traditional Plans R\$270; (ii) the higher volume of redemptions in PGBL/Traditional plans R\$45.

mitigated by: (i) the higher volume of redemptions in PGBL plans R\$90; and (iii) the higher volume of benefits paid R\$110.

Personnel Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(5,932)	(6,570)	10.8	(1,640)	(1,821)	11.0

The growth in the year is basically due to: (i) the increase in salary levels resulting from the 2006 collective bargaining agreement (3.5%); (ii) the increase in salary levels resulting from the 2007 collective bargaining agreement (6.0%), with a variation of R\$108 (of which R\$26 was labor liabilities restatement, R\$66 was payroll increase and R\$16 was food allowance); (iii) the higher expenses with management and employee profit sharing (PLR) R\$188, due to higher results in 2007; (iv) the consolidation of Amex Brasil, Credifar and BMC R\$93; and (v) the higher expenses with provisions for labor proceedings R\$17.

Personnel expenses, in 4Q07, have suffered an increment of R\$181, highlighting: (i) the increase in provisions for labor proceedings R\$47; and (ii) the increase with management and employee profit sharing (PLR) in the amount of R\$133.

Other Administrative Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(5,870)	(6,912)	17.8	(1,755)	(1,973)	12.4

The increase in the year is basically due to: (i) the increase in businesses; (ii) the contractual adjustments; (iii) the investments in the improvement and optimization of the technological platform (IT Improvements Project); and (iv) the consolidation of companies acquired.

The variation in the quarter is basically due to increased expenses with: (i) advertising expenses R\$96; (ii) third-party services R\$48; (iii) assets leasing R\$14; (iv) communication R\$12; and (v) transportation R\$10.

Tax Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(2,150)	(2,389)	11.1	(599)	(623)	4.0

The increase in the year mainly derives from: (i) the PIS/Cofins increased expenses in the amount of R\$189 in view of the increase of taxable income; and (ii) the ISS increased expenses R\$48.

The variation in the quarter is essentially due to: (i) the increased CPMF expenses R\$16, in view of the financial investments with the result of the sale of financial investments of the guaranteeing assets of technical provisions; and (ii) the PIS/Cofins increased expenses R\$9 in view of the increase of taxable income.

Equity in the Earnings of Affiliated Companies

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
72	42	(41.7)	16	10	(37.5)

The variation in the year is due to the lower results in affiliated companies in the year/07.

The variation in the quarter mainly derives from lower results obtained in the affiliated companies in 4Q07, basically IRB-Brasil Resseguros.

Other Operating Income

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
1,420	1,436	1.1	376	424	12.8

The increase in the year is mainly due to: (i) higher reversions of operating provisions R\$278; **mitigated by:** (ii) lower financial revenues R\$206; and (iii) lower recoveries of charges and expenses R\$72.

The variation in the quarter is mainly due to: (i) higher results with sale of goods R\$27; (ii) higher financial revenues R\$ 14.

Other Operating Expenses

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(4,223)	(4,297)	1.8	(1,031)	(1,022)	(0.9)

The increase in the year is mostly due to: (i) the higher financial expenses R\$307; **mitigated**: (ii) by the reduction of goodwill amortization expenses R\$242.

The variation in the quarter basically derives from: (i) the lower financial expenses R\$28; and **offset by**: (ii) the higher costs of services rendered R\$14.

Operating Income

Years			2007		
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
8,666	9,629	11.1	2,459	2,478	0.8

The increase in the year derives from: (i) the higher net interest income R\$2,462; (ii) the increased fee and commission income R\$1,908; **mitigated** by: (iii) the increased personnel and administrative expenses R\$1,680; (iv) the higher allowance for doubtful accounts expenses R\$1,086; (v) the decrease in the result of insurance, private pension plans and certificated savings plans operations R\$314; (vi) the higher tax expenses R\$239; (vii) the increased operating expenses (net of income)R\$58; and (viii) the decrease in the equity in the earnings of affiliated companies R\$30.

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

The variation in the quarter derives from: (i) the increased net interest income R\$417; (ii) the increased fee and commission income R\$154; (iii) the higher operating expenses (net of income) R\$57; **mitigated** by: (iv) the increase in personnel and administrative expenses R\$399; (v) the higher expenses with allowance for doubtful accounts R\$118; (vi) the decreased result in insurance, private pension plans and certificated savings plans R\$62; (vii) the higher tax expenses R\$24; and (viii) the decrease in the equity in the earnings of affiliated companies R\$6.

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

Non-Operating Income

	Years			2007	
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(9)	24		1	21	

The variation in the year is mainly due to higher results in the sale of assets and investments.

The variation in the quarter is mainly due to higher results in the sale of assets and investments.

Taxes on Income

	Years			2007	
2006	2007	Variation %	3 rd Qtr.	4 th Qtr.	Variation %
(2,285)	(2,432)	6.4	(607)	(642)	5.8

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

Comparative Balance Sheet

R\$ million						
Assets	December		Variation	2007		Variation
	2006	2007	%	September	December	%
Current and Long-Term Assets	262,055	337,514	28.8	314,109	337,514	7.5
Funds Available	4,762	5,487	15.2	4,100	5,487	33.8
Interbank Investments	25,989	37,622	44.8	39,856	37,622	(5.6)
Securities and Derivative Financial Instruments	97,250	114,452	17.7	108,098	114,452	5.9
Interbank and Interdepartmental Accounts	19,311	24,466	26.7	20,968	24,466	16.7
Restricted Deposits:						
Brazilian Central Bank	18,665	23,539	26.1	19,989	23,539	17.8
Other	646	927	43.5	979	927	(5.3)
Loan and Leasing Operations	83,467	116,258	39.3	102,294	116,258	13.7
Loan and Leasing Operations	90,012	123,974	37.7	109,626	123,974	13.1
Allowance for Doubtful Accounts	(6,545)	(7,716)	17.9	(7,332)	(7,716)	5.2
Other Receivables and Assets	31,276	39,229	25.4	38,793	39,229	1.1
Foreign Exchange Portfolio	7,946	9,837	23.8	11,621	9,837	(15.4)
Other Receivables and Assets	23,431	29,502	25.9	27,269	29,502	8.2
Allowance for Other Doubtful Accounts	(101)	(110)	8.9	(97)	(110)	13.4
Permanent Assets	3,492	3,670	5.1	3,539	3,670	3.7
Investments	697	604	(13.3)	604	604	
Property, Plant and Equipment in Use and Leased Assets	2,152	2,295	6.6	2,209	2,295	3.9
Deferred Charges	643	771	19.9	726	771	6.2
Deferred Charges	643	771	19.9	726	771	6.2
Total	265,547	341,184	28.5	317,648	341,184	7.4
Liabilities						
Current and Long-Term Liabilities	240,673	310,483	29.0	288,084	310,483	7.8
Deposits	83,905	98,323	17.2	86,736	98,323	13.4
Demand Deposits	20,527	28,495	38.8	22,134	28,495	28.7
Savings Deposits	27,612	32,813	18.8	30,231	32,813	8.5
Interbank Deposits	290	373	28.6	197	373	89.3
Time Deposits	34,925	35,717	2.3	33,483	35,717	6.7
Other Deposits	551	925	67.9	691	925	33.9
Federal Funds Purchased and Securities						
Sold under Agreements to Repurchase	47,676	73,634	54.4	68,621	73,634	7.3
Funds from Issuance of Securities	5,636	6,497	15.3	6,597	6,497	(1.5)
Securities Issued Abroad	2,175	3,000	37.9	3,042	3,000	(1.4)
Other Funds	3,461	3,497	1.0	3,555	3,497	(1.6)
Interbank and Interdepartmental						

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Accounts	2,232	2,538	13.7	1,765	2,538	43.8
Borrowings and Onlendings	17,419	23,410	34.4	20,735	23,410	12.9
Borrowings	5,778	8,066	39.6	7,305	8,066	10.4
Onlendings	11,641	15,344	31.8	13,430	15,344	14.3
Derivative Financial Instruments	519	952	83.4	2,332	952	(59.2)
Technical Provisions for Insurance, Private Pension Plans and Certificated						
Savings Plans	49,129	58,526	19.1	55,319	58,526	5.8
Other Liabilities	34,157	46,603	36.4	45,979	46,603	1.4
Foreign Exchange Portfolio	2,387	3,467	45.2	6,091	3,467	(43.1)
Taxes and Social Security Contributions,						
Social and Statutory Payables	8,206	12,035	46.7	12,030	12,035	
Subordinated Debt	11,949	15,850	32.6	13,441	15,850	17.9
Sundry	11,615	15,251	31.3	14,417	15,251	5.8
Future Taxable Income	181	189	4.4	173	189	9.2
Minority Interest in Subsidiaries	57	155	171.9	177	155	(12.4)
Stockholders Equity	24,636	30,357	23.2	29,214	30,357	3.9
Total	265,547	341,184	28.5	317,648	341,184	7.4

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

December			2007		
2006	2007	Variation %	September	December	Variation %
4,762	5,487	15.2	4,100	5,487	33.8

The variation in the period is due to: (i) the increased volume in domestic currency R\$407; and (ii) the increased volume of funds available in foreign currency R\$318.

The variation in the quarter is basically due to: (i) the increased volume in domestic currency R\$1,148; and (ii) the increased volume of funds available in foreign currency R\$239.

Interbank Investments

December			2007		
2006	2007	Variation %	September	December	Variation %
25,989	37,622	44.8	39,856	37,622	(5.6)

The variation in the period derives from: (i) the increase in the financed position in the amount of R\$26,611; (ii) the increase sold position R\$1,172; (iii) the increase in investments in interbank deposits R\$235; and **offset** by: (iv) the decrease in own portfolio position in the amount of R\$16,385.

The variation in the quarter is due to: (i) the increase in the financed position in the amount of R\$2,942; (ii) the increase in the sold R\$1,180; **offset** by: (iii) the reduction in the own portfolio position R\$3,150; (iv) the decrease in unrestricted bonds R\$2,801; and (v) the decrease in investments in interbank deposits R\$405.

Securities (TVM) and Derivative Financial Instruments

December			2007		
2006	2007	Variation %	September	December	Variation %
97,250	114,452	17.7	108,098	114,452	5.9

The increase in the period is substantially due to: (i) the additional funds derived from the increase in funding, particularly technical provisions for insurance, private pension plans and certificated savings plans, as well as the issuance of subordinated debts of R\$3,236; (ii) the variation in average interest rates, observing the 11.8% CDI variation in 2007; partially **mitigated** by: (iii) the exchange loss variation of 17.2% in 2007, impacting on foreign currency indexed and/or denominated securities, which comprise 5.0% 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 65.4%; Securities Available for Sale 22.0%; and Securities Held to Maturity 12.6%. In December/07, 55.9% of the total portfolio (excluded from purchase and sale commitments) was represented by Government Bonds, 16.8% by Private Securities and 27.3% by PGBL and VGBL fund quotas.

The variation in the quarter partially reflects: (i) the additional funds arising from increased funding, especially the technical provisions for insurance, private pension plans and certificated savings plans, as well as the issuance of subordinated debts in the amount of R\$2,240; (ii) the variation in average interest rates, observing the 2.6% CDI variation in 4Q07; partially **mitigated** by: (iii) the redemption/maturity of securities; and (iv) exchange loss variation of 3.7% in 4Q07, impacting on foreign currency indexed and/or denominated securities, which comprise 5.0% of the portfolio.

Interbank and Interdepartmental Accounts

December			2007		
2006	2007	Variation %	September	December	Variation %
19,311	24,466	26.7	20,968	24,466	16.7

The variation in the period is mainly due to: (i) the The variation in the quarter is basically due to: (i) the

increase in volume of compulsory demand deposits R\$2,497, due to an expansion in average balance of these deposits, basis for payment in respective years, from R\$21,304 in December/06 to R\$28,887 in December/07; (ii) the increase in the volume of the compulsory of savings accounts deposits in the amount of R\$1,114 due to the increase in the balance of the savings deposits by 18.8% in the year; and (iii) the increase in the additional compulsory on deposits R\$1,262.

increase in the volume of compulsory demand deposits R\$2,118; (ii) the increase in the volume of the compulsory of savings accounts deposits R\$514; and (iii) the increase in the additional compulsory on deposits in the amount of R\$917.

N.B.: The increase in compulsory deposits is a result of the volume increase of demand and savings deposits, which are the basis to calculate and collect compulsory deposits.

Loan and Leasing Operations

December			2007		
2006	2007	Variation %	September	December	Variation %
96,219	131,307	36.5	116,357	131,307	12.8

The increase in the period is basically due to: (i) the individual client portfolio, with a 35.0% growth, in particular in the Auto products, up by 30.3% and Personal Loan, up by 29.2%. The growth of 37.5% recorded in the corporate portfolio is the result of the 45.2% increase in micro, small and medium-sized companies portfolio, coupled with a 29.5% increase in the portfolio of large companies (Corporate). In the corporate portfolio we point out Operations Abroad, up by 31.0%, BNDES Lending up by 26.2% and Working Capital with an increase of 72.8%, as a result of the maintenance of the economic activity level; partially offset by: (ii) exchange loss variation of 17.2% in 2007, impacting on foreign currency indexed and/or denominated contracts, comprising 9.2% of the total portfolio. In December/07, the portfolio was distributed at 59.3% for corporate (24.5% of which was directed to industry, public and private sectors, 14.3% to commerce, 18.4% to services, 1.2% to agribusiness and 0.9% to financial intermediation) and 40.7% for individuals. In terms of concentration, the 100 largest borrowers accounted for 21.4% of the portfolio in December/06 and for 20.6% in December/07. The Loan Portfolio under Normal Course reached the amount of R\$121,339 in December/07. Out of this total, 30.0% is falling due within up to 90 days.

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

N.B.2: for a better understanding of these operations, see item loan operations, on page 77.

The variation in the quarter is mainly due to: (i) the 16.0% growth recorded in the corporate portfolio resulting from the 17.6% increase in the portfolio of micro, small and medium-sized companies and also the increase of 14.3% in the portfolio of large companies (Corporate). It is worth pointing out the increase of 38.7% in Working Capital, 50.3% in Resolution 63 and 19.2% in Leasing, as a result of the maintenance of the economic activity level. The 8.5% growth in the individual client portfolio, especially in the Auto products, with a 8.3% increase and Personal Loan, with a 4.3% increase, is a result of a stable economic scenario; offset: (ii) by the exchange loss variation of 3.7% in 4Q07, impacting foreign currency indexed and/or denominated contracts, which account for 9.2% of the total portfolio. In terms of concentration, the 100 largest borrowers accounted for 20.0% of the portfolio in September/07 and 20.6% in December/07.

N.B.1: 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.

N.B.2: for a better understanding of these operations, see item loan operations, on page 77.

Allowance for Doubtful Accounts (PDD)

December			2007		
2006	2007	Variation %	September	December	Variation %
(6,646)	(7,826)	17.8	(7,428)	(7,826)	5.4

The variation in the PDD balance for the period was mostly due to a 36.5% increase in the volume of loan operations and in the improvement of loan evaluation tools. PDD ratio in relation to the loan portfolio increased from 6.9% in December/06 to 6.0% in December/07. Provision coverage ratios in relation to the loan portfolio under abnormal course, respectively, rated between E and H, decreased from 151.4% in December/06 to 148.3% in December/07 and, between D and H, reduced from 127.2% in December/06 to 125.7% in December/07. However, the preventive maintenance of current provision levels made all performance indicators remain in adequate levels. In 2007, PDD in the amount of R\$5,498 was recorded, R\$71 was incorporated arising from acquired institutions and R\$4,389 was written off. The exceeding PDD volume in relation to the minimum required increased from R\$1,100 in December/06 to R\$1,128 in December/07.

The increase in the PDD balance in the quarter basically reflects a 12.8% growth of the loan portfolio in the quarter, particularly, individual client with an 8.5% growth. The PDD ratio in relation to the loan portfolio decreased from 6.4%, in September/07, to 6.0% in December/07. The provision coverage ratios in relation to the loan portfolio under abnormal course, respectively, rated from E to H, decreased from 147.5%, in September/07, to 148.3%, in December/07, and those rated from D to H decreased from 125.9%, in September/07, to 125.7%, in December/07. In the quarter, PDD in the amount of R\$1,556 was recorded and R\$1,158 was written off. The exceeding PDD volume in relation to the minimum required increased from R\$1,112 in September/07 to R\$1,128 in December/07.

Other Receivables and Assets

December			2007		
2006	2007	Variation %	September	December	Variation %
30,873	38,788	25.6	38,368	38,788	1.1

The variation in the period is mainly due to: (i) the increase of foreign exchange operations R\$1,891; (ii) the increase in tax credit balances R\$1,502, basically as a result of temporary provisions; (iii) the increase in the balance of trading and intermediation operations of R\$669; (iv) the increase in the balance of debtors by guarantee deposits R\$1,005; and (v) the increase in prepaid expenses commission in the placement of financing R\$688 and agreement in the provision of banking services R\$714.

The variation in the quarter is basically due to: (i) the increase in the balance of credit card operations R\$538, not included in the loan operations portfolio; (ii) the increase of debtors by guarantee deposit R\$315; (iii) the increase in prepaid expenses commission in the placement of financing R\$241 and agreement in the provision of banking services R\$604; (iv) the increase of securities and credits receivable R\$246; **mitigated:** (v) by the reduction of foreign exchange portfolio R\$1,784.

N.B.: balances are deducted (net of corresponding PDD)

N.B.: balances are deducted (net of corresponding PDD) of R\$425 in September/07 and R\$441 in December/07, of R\$403 in December/06 and of R\$441 in December/07, allocated to the Loan and Leasing Operations and allocated to the Loan and Leasing Operations and Allowance for Doubtful Accounts items.
Allowance for Doubtful Accounts items.

Permanent Assets

December			2007		
2006	2007	Variation %	September	December	Variation %
3,492	3,670	5.1	3,539	3,670	3.7

The variation in the year is due to: (i) the increase of the investment in the associated company, resulting from the equity in the earnings of subsidiary and associated companies; (ii) the increase in property, plant and equipment in use and leased assets and deferred charges; and **mitigated:** (iii) by the sale of part of the investment in BM&F and Bovespa.

The variation in the quarter is due to: (i) the increase of the investment in the associated company, resulting from the equity in the earnings of subsidiary and associated companies; (ii) the increase in property, plant and equipment in use and leased assets R\$ 87 and deferred charges R\$ 45; and **mitigated:** (iii) by the sale of part of the investment in BM&F and Bovespa.

Deposits

December			2007		
2006	2007	Variation %	September	December	Variation %
83,905	98,323	17.2	86,736	98,323	13.4

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

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

a) Demand Deposits

December			2007		
2006	2007	Variation %	September	December	Variation %
20,527	28,495	38.8	22,134	28,495	28.7

The evolution of R\$7,968 in the year is composed: of the increase in funds from individuals R\$2,226 and from corporate clients R\$5,742. The balance increase is mainly due to the last week of December 2007, influenced by the extinction of CPMF, which caused funds to be held in current account for future investment.

The variation of R\$6,361 in the quarter is due to the increase in funds stemming from individuals R\$1,238 and corporate clients R\$5,123. The balance increase is mainly due to the last week of December 2007, influenced by the extinction of CPMF, which caused funds to be held in current account for future investment.

b) Savings Deposits

December			2007		
2006	2007	Variation %	September	December	Variation %
27,612	32,813	18.8	30,231	32,813	8.5

The increase is mainly due to: (i) the deposits made in the year; and (ii) the deposit remuneration (TR + 0.5% p.m.) reaching 7.7% in 2007.

The variation is basically due to: (i) the deposits made in the quarter; and (ii) the deposit remuneration (TR + 0.5% p.m.), reaching 1.7% in 4Q07.

c) Time Deposits

December			2007		
2006	2007	Variation %	September	December	Variation %
34,925	35,717	2.3	33,483	35,717	6.7

The variation in the period is mostly due to: (i) the remuneration of deposits; **mitigated**: (ii) by the migration of funds to other forms of investment (debentures) by institutional investors.

The increase in the quarter is substantially due to: (i) the income appropriated; and (ii) the increase in the volume raised in the quarter.

d) Interbank Deposits and Other Deposits

December			2007		
2006	2007	Variation %	September	December	Variation %
841	1,298	54.3	888	1,298	46.2

The variation in the year mainly results from: (i) the increase in the Other Deposits Investment Account account in the amount of R\$374 and (ii) from the increase in the volume of the Interbank Deposits account in the amount of R\$83.

The variation in the quarter is due to: (i) a hike in the Other Deposits Investment Account account in the amount of R\$234; and (ii) the increase in the volume of the Interbank Deposits accounts in the amount of R\$176.

Federal Funds Purchased and Securities Sold under Agreements to Repurchase

December			2007		
2006	2007	Variation %	September	December	Variation %
47,676	73,634	54.4	68,621	73,634	7.3

The variation in the year derives from: (i) the increase in funding volume, using as base government and private securities of the own portfolio in R\$1,269; (ii) the increase of third-party portfolio R\$26,107; **offset:** (iii) by the reduction of the free movement portfolio R\$1,418.

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\$8,771 in December/06 and R\$10,198 in December /07.

The variation in the quarter derives from: (i) the increase in the third-party portfolio of R\$3,710; (ii) the increase in funding volume, using as base the own portfolio R\$2,816; **offset:** (iii) by the reduction of the free movement portfolio R\$1,513.

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\$12,107 in September/07 and R\$10,198 in December/07.

Funds from Issuance of Securities

December			2007		
2006	2007	Variation %	September	December	Variation %
5,636	6,497	15.3	6,597	6,497	(1.5)

The variation in the year basically derives from: (i) the increased balance of securities issued abroad, mainly in view of funding of securitization securities of the future flow MTN100; **offset** by: (ii) the redemption of securities issued abroad (Eurobonds) R\$215; and (iii) the exchange loss variation of 17.2% in 2007.

In the quarter, the reduction mainly derives from: (i) the exchange loss variation of 3.7% in 4Q07, affecting the balance of securities issued abroad and funding of MTN Program Issues; and **offset:** (ii) by the funding of securitization securities of the future flow MTN100.

Interbank and Interdepartmental Accounts

December			2007		
2006	2007	Variation %	September	December	Variation %
2,232	2,538	13.7	1,765	2,538	43.8

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

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

Borrowings and Onlendings

December			2007		
2006	2007	Variation %	September	December	Variation %
17,419	23,410	34.4	20,735	23,410	12.9

The variation in the year is basically due to: (i) the increase in the volume of funds from foreign and domestic loans and onlendings at the amount of R\$3,589 and R\$2,402, respectively (mainly by means of BNDES and Finame); which was **offset**: (ii) by exchange loss variation of 17.2% in the year/07, which affected the foreign currency indexed and/or denominated borrowings and onlendings liabilities, the balances of which were R\$6,096 in December/06 and R\$9,621 in December/07.

The variation in the quarter mainly results from: (i) the increase in the volume of funds from foreign and domestic borrowings and onlendings at the amount of R\$2,013 and R\$662, respectively (mainly by means of Finame); which was **offset**: (ii) by the exchange loss variation of 3.7% in 4Q07, which affected the foreign currency indexed and/or denominated borrowings and onlendings liabilities, the balances of which were R\$7,644 in September/07 and R\$9,621 in December/07.

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

December			2007		
2006	2007	Variation %	September	December	Variation %
49,129	58,526	19.1	55,319	58,526	5.8

The increase in the year is basically due to: (i) the increase in sales of supplementary pension plans and insurance policies; and (ii) the price-level restatement and interest of technical provisions. The main variations occurred: (a) in the private pension plan segment, in the VGBL R\$5,771 and PGBL/Traditional R\$2,244 plans; and (b) in the insurance segments, in the Health line R\$952, substantially due to the recording of additional provisions related to the amount necessary to readjust Health insurance premiums, and in the provisions of the Life segment R\$459; **mitigated**: by the sale of interest in Indiana Seguros S.A., in 4Q07, partially in the Auto segment R\$204.

The increase in the quarter is basically due to: (i) the price-level restatement and interest of technical provisions; and (ii) the increase in sales of supplementary pension plans and insurance policies. The main variations occurred: (a) in the private pension plan segment, in the VGBL R\$2,172 and PGBL/Traditional R\$921 plans; and (b) in the insurance segments, in the Health R\$195 and Life R\$33 lines; **mitigated**: by the sale of interest in Indiana Seguros S.A., in 4Q07 partially in the Auto segment R\$192.

Other Liabilities, Derivative Financial Instruments and Future Taxable Income

December			2007		
2006	2007	Variation %	September	December	Variation %
40,560	54,526	34.4	54,694	54,526	(0.3)

The variation in the year mostly derives from: (i) the issuance of Subordinated Debt R\$3,236; (ii) the increase in the balance of items Tax and Social Security R\$1,825; (iii) the increase in Credit Cards operations R\$1,544; (iv) the increase in the Derivative Financial Instruments R\$433; (v) the increase in the Exchange Portfolio R\$2,159; and (vi) the increase in social and statutory liabilities R\$2,005.

N.B.: excludes advances on foreign exchange contracts of R\$5,703 and R\$6,782, allocated to the specific item in loan operations in December/06 and December/07, respectively.

The variation in the quarter is mainly due to the increase in the items: (i) issuance of Subordinated Debt R\$2,240; and (ii) Credit Cards Operations R\$932; **mitigated** by the reduction in the items: (iii) Exchange Portfolio R\$2,052; (iv) Tax and Social Security R\$564; and (v) Derivative Financial Instruments R\$1,380.

N.B.: excludes advances on foreign exchange contracts of R\$6,210 and R\$6,782, allocated to the specific item in loan operations in September/07 and December/07, respectively.

Minority Interest in Subsidiaries

December			2007		
2006	2007	Variation %	September	December	Variation %
57	155	171.9	177	155	(12.4)

The variation in the year is mainly due to: (i) the minority stockholders of Andorra Holdings S.A. R\$144; **mitigated**: (ii) by the sale of Indiana Seguros S.A., in December/07.

The variation in the quarter is mainly due to the sale of Indiana Seguros S.A., in December/07.

Stockholders Equity

December			2007		
2006	2007	Variation %	September	December	Variation %
24,636	30,357	23.2	29,214	30,357	3.9

The variation in the period is due to: (i) the appropriation of reported net income in the amount of R\$8,010; (ii) the increase in capital in the amount of R\$790; which was **offset** by: (iii) the reduction of the mark-to-market adjustment reserve of TVM and Derivatives R\$175; (iv) the interest on own capital/dividends paid and provisioned R\$2,823; and (v) the acquisition of own stocks for treasury R\$81.

The variation in the quarter is due to: (i) the appropriation of reported net income in the amount of R\$2,193; **offset** by: (ii) interest on own capital/dividends paid and provisioned R\$683; (iii) the reduction of the mark-to-market adjustment reserve of TVM and Derivatives R\$336; and (iv) the acquisition of own stocks for treasury R\$31.

2-Main Statement of Income Information

Consolidated Statement of Adjusted Income R\$ thousand

	Years				
	2007	2006	2005	2004	2003
Revenues from Financial Intermediation	40,374,045	37,666,266	32,968,153	26,203,227	28,033,866
Loan Operations	21,056,446	20,055,120	16,704,318	12,731,435	12,294,528
Leasing Operations	916,745	653,260	444,389	300,850	307,775
Operations with Securities	6,333,978	6,090,822	5,552,008	4,921,179	7,832,965
Financial Income on Insurance, Private Pension Plans and Certificated Savings Plans	7,501,995	6,887,472	6,171,213	5,142,434	5,359,939
Derivative Financial Instruments	2,675,294	1,923,358	1,983,152	1,238,890	55,192
Foreign Exchange Transactions	646,352	729,647	617,678	691,302	797,702
Compulsory Deposits	1,243,235	1,326,587	1,495,395	1,177,137	1,385,765
Expenses from Financial Intermediation (Excluding PDD)	18,074,641	17,827,105	16,419,196	12,972,347	14,752,199
Market Funding Operations	11,996,743	11,994,711	11,285,324	8,486,003	10,535,497
Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	4,616,356	4,004,823	3,764,530	3,215,677	3,120,342
Borrowings and Onlendings	1,453,221	1,819,413	1,360,647	1,253,175	1,083,379
Leasing Operations	8,321	8,158	8,695	17,492	12,981
Net Interest Income	22,299,404	19,839,161	16,548,957	13,230,880	13,281,667
Allowance for Doubtful Accounts Expenses	5,497,709	4,412,413	2,507,206	2,041,649	2,449,689
Gross Income from Financial Intermediation	16,801,695	15,426,748	14,041,751	11,189,231	10,831,978
Other Operating Income (Expenses)	(7,172,136)	(6,759,505)	(6,543,186)	(7,071,120)	(7,278,870)
Fee and Commission Income	10,805,490	8,897,882	7,348,879	5,824,368	4,556,861
Operating Income on Insurance, Private Pension Plans and Certificated Savings Plans	711,512	1,025,221	620,991	(60,645)	(148,829)
Insurance, Private Pension Plans and Certificated Savings Plans Retained Premiums	16,432,092	15,179,418	13,647,089	13,283,677	11,726,088
Net Premiums Issued	21,478,969	19,021,852	16,824,862	15,389,170	13,111,896
Reinsurance Premiums and Redeemed Premiums	(5,046,877)	(3,842,434)	(3,177,773)	(2,105,493)	(1,385,808)
Variation in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	(5,047,097)	(3,515,047)	(2,428,589)	(3,964,106)	(3,670,163)
Retained Claims	(6,014,455)	(6,126,664)	(5,825,292)	(5,159,188)	(3,980,419)
Certificated Savings Plans Draws and Redemptions	(1,377,758)	(1,221,626)	(1,228,849)	(1,223,287)	(1,099,554)
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(1,083,800)	(1,022,737)	(961,017)	(867,094)	(762,010)
Private Pension Plans Benefits and Redemptions Expenses	(2,197,470)	(2,268,123)	(2,582,351)	(2,130,647)	(2,362,771)
Personnel Expenses	(6,569,547)	(5,932,406)	(5,311,560)	(4,969,007)	(4,779,491)

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Other Administrative Expenses	(6,911,514)	(5,870,030)	(5,142,329)	(4,937,143)	(4,814,204)
Tax Expenses	(2,388,815)	(2,149,905)	(1,827,337)	(1,464,446)	(1,054,397)
Equity in the Earnings of Affiliated Companies	42,268	72,324	76,150	163,357	5,227
Other Operating Income	1,435,192	1,420,217	1,096,968	1,198,532	1,697,242
Other Operating Expenses	(4,296,722)	(4,222,808)	(3,404,948)	(2,826,136)	(2,741,279)
Operating Income	9,629,559	8,667,243	7,498,565	4,118,111	3,553,108
Non-Operating Income	24,550	(8,964)	(106,144)	(491,146)	(841,076)
Income before Taxes on Profit and Interest	9,654,109	8,658,279	7,392,421	3,626,965	2,712,032
Taxes on Income	(2,432,630)	(2,286,765)	(1,869,516)	(554,345)	(396,648)
Minority Interest in Subsidiaries	(11,213)	(9,007)	(8,831)	(12,469)	(9,045)
Net Income	7,210,266	6,362,507	5,514,074	3,060,151	2,306,339

Return on the (average) Stockholders'

Equity without market value adjustment

reserve TVM and Derivatives	28.30%	31.12%	32.70%	22.48%	19.24%
Net Interest Income Interest (*)	8.34%	9.01%	8.97%	8.20%	9.00%

(*) (Net Interest Income Interest) / (Total Average Assets Permanent Assets Purchase and Sale Commitments).

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	2007				2006			
	4 th Quarter							
	3 rd Quarter	2 nd Quarter	1 st Quarter	4 th Quarter	3 rd Quarter	2 nd Quarter	1 st Quarter	
Revenues from Financial Intermediation	10,901,042	10,283,148	9,876,267	9,313,588	9,566,436	9,624,065	9,678,900	8,796,865
Loan Operations	5,810,695	5,315,114	4,994,278	4,936,359	5,112,754	5,258,086	5,166,814	4,517,466
Leasing Operations	283,874	248,354	192,700	191,817	192,898	174,990	151,474	133,898
Operations with Securities	1,568,961	1,716,378	1,566,915	1,481,724	1,716,957	1,793,642	1,532,264	1,047,959
Financial Income on Insurance, Private Pension Plans and Certificated Savings Plans	2,068,229	1,889,168	1,859,454	1,685,144	1,840,259	1,591,834	1,622,810	1,832,569
Derivative Financial Instruments	629,225	687,902	805,048	553,119	290,601	303,403	528,246	801,108
Foreign Exchange Operations	231,895	121,888	143,305	149,264	98,051	167,557	349,797	114,242
Compulsory Deposits	308,163	304,344	314,567	316,161	314,916	334,553	327,495	349,623
Expenses from Financial Intermediation (Excluding PDD)	4,903,742	4,703,578	4,172,818	4,294,503	4,520,722	4,756,794	4,729,262	3,820,327
Market Funding Operations	3,221,750	3,158,699	2,731,654	2,884,640	3,010,976	3,430,965	3,016,360	2,536,410
Price-level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	1,287,681	1,188,122	1,096,964	1,043,589	1,138,529	907,865	915,781	1,042,648
Borrowings and Onlendings	393,051	354,384	341,203	364,583	369,088	415,788	794,801	239,736
Leasing Operations	1,260	2,373	2,997	1,691	2,129	2,176	2,320	1,533
Net Interest Income	5,997,300	5,579,570	5,703,449	5,019,085	5,045,714	4,867,271	4,949,638	4,976,538
	1,555,779	1,438,305	1,343,964	1,159,661	1,189,941	1,168,044	1,115,986	938,442

Allowance for Doubtful Accounts Expenses								
Gross Income from Financial Intermediation Other Operating Income (Expenses)	4,441,521	4,141,265	4,359,485	3,859,424	3,855,773	3,699,227	3,833,652	4,038,096
Fee and Commission Income	2,895,760	2,742,006	2,608,536	2,559,188	2,423,752	2,342,847	2,090,735	2,040,548
Operating Income of Insurance, Private Pension Plans and Certificated Savings Plans	146,407	208,341	115,334	241,430	345,135	325,144	239,400	115,542
Insurance, Private Pension Plans and Certificated Savings Plans Retained Premiums	4,837,265	4,146,188	3,842,668	3,605,971	4,626,761	3,807,017	3,287,286	3,458,354
Net Premiums Issued	6,174,894	5,448,219	5,054,748	4,801,108	5,662,096	4,714,041	4,249,174	4,396,541
Reinsurance Premiums and Redeemed Premiums	(1,337,629)	(1,302,031)	(1,212,080)	(1,195,137)	(1,035,335)	(907,024)	(961,888)	(938,187)
Variation of Technical Provisions of Insurance, Private Pension Plans and Certificated Savings Plans	(1,964,826)	(1,321,789)	(1,097,267)	(663,215)	(1,568,675)	(901,468)	(465,746)	(579,158)
Retained Claims Certificated Savings Plans Draws and Redemptions	(1,594,955)	(1,488,084)	(1,503,530)	(1,427,886)	(1,651,421)	(1,489,845)	(1,476,763)	(1,508,635)
Insurance, Private Pension	(378,480)	(345,729)	(352,506)	(301,043)	(343,384)	(305,545)	(288,144)	(284,553)

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Plans and Certificated Savings Plans Selling Expenses	(288,631)	(273,375)	(261,961)	(259,833)	(268,731)	(259,861)	(251,020)	(243,125)
Private Pension Plans Benefits and Redemption Expenses	(463,966)	(508,870)	(512,070)	(712,564)	(449,415)	(525,154)	(566,213)	(727,341)
Personnel Expenses	(1,820,181)	(1,640,132)	(1,649,408)	(1,459,826)	(1,460,199)	(1,584,533)	(1,468,665)	(1,419,009)
Other Administrative Expenses	(1,972,778)	(1,755,090)	(1,644,146)	(1,539,500)	(1,671,274)	(1,506,957)	(1,374,340)	(1,317,459)
Tax Expenses	(622,899)	(599,256)	(581,290)	(585,370)	(577,132)	(532,175)	(532,474)	(508,124)
Equity in the Earnings of Affiliated Companies	9,771	16,403	4,505	11,589	30,257	7,587	29,786	4,694
Other Operating Income	424,016	374,964	298,938	337,274	430,410	418,941	316,150	254,716
Other Operating Expenses	(1,020,767)	(1,031,214)	(1,101,965)	(1,142,776)	(1,196,387)	(1,012,926)	(1,053,248)	(960,247)
Operating Income	2,480,850	2,457,287	2,409,989	2,281,433	2,180,335	2,157,155	2,080,996	2,248,757
Non-Operating Income	21,425	1,710	4,129	(2,714)	(29,038)	40,570	11,330	(31,826)
Income before Taxes on Profit and Interest	2,502,275	2,458,997	2,414,118	2,278,719	2,151,297	2,197,725	2,092,326	2,216,931
Taxes on income	(644,495)	(605,489)	(612,311)	(570,335)	(530,168)	(584,759)	(490,445)	(681,393)
Minority Interest in Subsidiaries	(3,678)	(3,018)	(1,450)	(3,067)	(1,580)	(2,393)	245	(5,279)
Net Income	1,854,102	1,850,490	1,800,357	1,705,317	1,619,549	1,610,573	1,602,126	1,530,259
Return on the (average) Stockholders Equity without market value adjustment reserve								
TVM and derivatives	29.38%	31.42%	32.90%	32.55%	34.28%	32.50%	35.78%	35.81%
Net Interest Income Interest (*)	8.69%	8.56%	8.67%	8.60%	8.91%	9.39%	9.37%	9.64%

(*) (Net Interest Income - Interest) / (Total Average Assets - Permanent Assets - Purchase and Sale Commitments).
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Profitability

Bradesco's Adjusted Net Income reached R\$7,210 million in 2007, against R\$6,363 million reached in 2006, which corresponds to a 13.3% increase. Stockholders' Equity amounted to R\$30,357 million on December 31, 2007, with a growth of 23.2% compared to the balance as of December 31, 2006. Accordingly, the Return on Average Stockholders' Equity (ROAE) reached 28.3% (*). Total Assets added up to R\$341,184 million at the end of December 31, 2007, growing 28.5% when compared to the balance of December 31, 2006. The annualized Return on Average Assets (ROAA) in 2007 was 2.4%. Earnings per stock reached R\$3.57.

In 4Q07, the income was R\$1,854 million, representing an increase of R\$4 million or 0.2% when compared to the Net Income in 3Q07. The annualized Return on Average Stockholders' Equity (ROAE) reached 29.4% (*) in the quarter and the Return on Average Assets (ROAA), in 4Q07, was 2.3%. Earnings per stock reached R\$0.92.

4Q07 showed an increase in the income composing the Net Interest Income, in the amount of R\$417 million, mainly composed of the result with interest, which reached R\$5,229 million, a R\$265 million increase (R\$476 million related to business volume increase and R\$211 million related to spread reduction). That increase is mainly due to the growth in business volume, particularly the 12.8% growth in the volume of loan operations for individual and corporate clients that was offset by the fall in the interest rates, which had a negative impact on the result of several Bradesco's assets and liabilities which generate interest. Non-interest result amounted to R\$768 million, an R\$152 million increase when compared to 3Q07, mainly due to the higher gains with loan recovery and treasury.

In 4Q07, the allowance for doubtful accounts expenses was R\$1,556 million, an increase of R\$118 million when compared to the previous quarter. This variation is due to the growth of our loan portfolio and mainly to the growth in the operations with individual clients, which requires a higher provision volume due to its characteristic.

The Operating Efficiency Ratio in 2007 was 41.8%, which remained steady when compared to the ratio of the 12-month period ended on September 30, 2007, increased 0.3 percentage point when compared to 2006, principally as a result of the combination of strict expense control with permanent efforts for increase in revenue.

The Coverage Ratio in 2007 (fee and commission income)/(personnel expenses + administrative expenses) was 80.2% in December 2007, against 80.6% in the twelve-month period ended in September 30, 2007, and increased 4.8 percentage points when compared to the 75.4% of 2006.

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

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

2007 compared to 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.

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4th Quarter of 2007 compared to the 3rd Quarter of 2007 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

2007 compared to 2006 R\$ million

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

4th Quarter of 2007 compared to the 3rd Quarter of 2007 R\$ million

- (1) Includes Revenues from Loan Operations + Income on Leasing Operations + Income on Foreign Exchange Transactions (Note 11a).
- (2) Includes Market Funding Expenses, excluding Expenses from Purchase and Sale Commitments + Expenses from 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 + 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

R\$ million	Years		2007	
	2006	2007	3 rd Qtr.	4 th Qtr.
Loan Operations	79,267	98,588	100,038	109,536
Leasing Operations	3,185	5,480	5,584	7,264
Advances on Exchange	5,483	6,135	6,169	6,496
1 Total Average Balance (Quarterly)	87,935	110,203	111,791	123,296
2 Income (Loan Operations, Leasing and Exchange) (**)	20,864	22,241	5,638	6,163
3 Average Rate Annualized Exponentially (2/1)	23.7%	20.2%	21.8%	21.5%

(*) Does not include other loans.

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

Securities (TVM) x Income on TVM

R\$ million	Years		2007	
	2006	2007	3 rd Qtr.	4 th Qtr.
Securities	74,727	104,182	105,838	111,275
Interbank Investments	27,328	32,493	33,625	38,739
Purchase and Sale Commitments	(32,374)	(58,917)	(61,188)	(71,127)
Derivative Financial Instruments	(558)	(1,356)	(2,228)	(1,642)
4 Total Average Balance (Quarterly)	69,123	76,402	76,047	77,245
5 Income on Securities (Net of Purchase and Sales Commitments Expenses) (*)	10,408	10,357	2,574	2,639
6 Average Rate Annualized Exponentially (5/4)	15.1%	13.6%	14.2%	14.4%

(*) 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

R\$ million	Years		2007	
	2006	2007	3 rd Qtr.	4 th Qtr.
7 Total Assets Average Balance (Quarterly)	232,982	299,378	304,108	329,416
8 Income from Financial Intermediation	37,666	40,374	10,283	10,901
9 Average Rate Annualized Exponentially (8/7)	16.2%	13.5%	14.2%	13.9%

Funding x Expenses

R\$ million	Years		2007	
	2006	2007	3 rd Qtr.	4 th Qtr.
Deposits	78,168	87,145	84,668	92,530
Funds from Acceptance and Issuance of Securities	6,089	6,251	6,621	6,547
Interbank and Interdepartmental Accounts	1,915	2,082	1,846	2,151
Subordinated Debt	10,191	13,318	13,322	14,646
10 Total Funding Average Balance (Quarterly)	96,363	108,796	106,457	115,874
11 Expenses (*)	6,357	4,612	1,167	1,264
12 Average Rate Annualized Exponentially (11/10)	6.6%	4.2%	4.5%	4.4%

(*) Funding Expenses without Purchase and Sale Commitment, 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	Years		2007	
	2006	2007	3 rd Qtr.	4 th Qtr.
13 Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans Average Balance (Quarterly)	44,442	53,305	54,109	56,923
14 Expenses (*)	4,005	4,616	1,188	1,288
15 Average Rate Annualized Exponentially (14/13)	9.0%	8.7%	9.1%	9.4%

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

Borrowings and Onlendings (Local and Foreign) x Expenses

R\$ million	Years		2007	
	2006	2007	3 rd Qtr.	4 th Qtr.
Borrowings	6,039	6,929	6,923	7,686
Onlendings	10,299	12,943	13,028	14,387
16 Total Borrowings and Onlendings Average Balance (Quarterly)	16,338	19,873	19,951	22,073
17 Expenses for Borrowings and Onlendings (*)	1,071	1,070	277	254
18 Average Rate Annualized Exponentially (17/16)	6.6%	5.4%	5.7%	4.7%

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

Total Assets x Net Interest Income

R\$ million	Years		2007	
	2006	2007	3 rd Qtr.	4 th Qtr.
19 Total Assets Average Balance (Quarterly)	232,982	299,378	304,108	329,416
20 Net Interest Income (*)	19,838	22,300	5,580	5,997
21 Average Rate Annualized Exponentially (20/19)	8.5%	7.4%	7.5%	7.5%

(*) Gross Income from Financial Intermediation excluding PDD.

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 by the fact that the foreign exchange variation of investments abroad is not deductible when there is loss and not taxable when there is gain, while the derivatives 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 item, and in the Tax Expenses and Taxes on Income items, the respective taxes, as shown below:

Hedge Fiscal Effect of Investments Abroad R\$ million

Effect in the Items	Effect in 2006				Effect in 2007			
	Net Interest Income	Tax Expenses	IR/CS	Net Income	Net Interest Income	Tax Expenses	IR/CS	Net Income
Partial Result of the Hedge of Investments Abroad	907	(42)	(295)	570	2,363	(110)	(766)	1,487
Variation of Investments Abroad	(570)			(570)	(1,487)			(1,487)
Total	337	(42)	(295)		876	(110)	(766)	
Effect in the Items	Effect in the 3 rd Quarter of 2007				Effect in the 4 th Quarter of 2007			
	Net Interest Income	Tax Expenses	IR/CS	Net Income	Net Interest Income	Tax Expenses	IR/CS	Net Income
Partial Result of the Hedge of Investments Abroad	553	(26)	(179)	348	429	(20)	(139)	270
Variation of Investments Abroad	(348)			(348)	(270)			(270)
Total	205	(26)	(179)		159	(20)	(139)	

For a better understanding 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, as well as the sale of our stake in Usiminas, in 2006 and in Arcelor, in 2007, as follows:

Adjusted Net Interest Income

	Years		Variation	2007		Variation
	2006	2007		3 rd Qtr.	4 th Qtr.	
	R\$ million					
Reported Net Interest Income	20,394	23,530	3,136	5,785	6,156	371
(-) Sale of Arcelor		(354)	(354)			
(-) Sale of Usiminas	(219)		219			
(-) Hedge/Exchange Variation	(337)	(876)	(539)	(205)	(159)	46
Adjusted Net Interest Income	19,838	22,300	2,462	5,580	5,997	417
Average Adjusted Net Interest Income Rate (%) (*)	10.1	9.4		9.7	9.8	

(*) (Adjusted Net Interest Income) / (Total Average Assets - Permanent Assets - Purchase and Sale Commitments).

b) Comments on the Adjusted Net Interest Income Variation

In 2007, the net interest income reached R\$22,300 million, a 12.4% increase on the R\$19,838 million recorded in 2006. Quarter-over-quarter, the result in 4Q07 was R\$5,997 million, representing a 7.5% increase over 3Q07. The analytical opening of the net interest income result among interest and non-interest results is shown below:

Adjusted Net Interest Income Breakdown

	Years		Variation	2007		Variation
	2006	2007		3 rd Qtr.	4 th Qtr.	
	R\$ million					
Interests due to volume			4,147			476
Interests due to spreads			(2,182)			(211)
(=) Net Interest Income - Interest	17,668	19,633	1,965	4,964	5,229	265
(+) Net Interest Income - Non-Interest	2,170	2,667	497	616	768	152
(=) Adjusted Net Interest Income	19,838	22,300	2,462	5,580	5,997	417

The interest net interest income in 2007 amounted to R\$19,633 million against R\$17,668 million recorded in the previous year, accounting for an increase of 11.1% or R\$1,965 million. This variation had a strong impact due to the increase in the volume of operations, which positively contributed to the net interest income in R\$4,147 million. This result more than offset the effect in the margin due to the decrease of spreads in the amount of R\$2,182 million.

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Comparing 4Q07 and 3Q07, the increase in interest net interest income amounted to R\$265 million. This variation was positively impacted in R\$476 million as a result of the increase in volumes, while the decrease in spreads had an adverse effect on the net interest income in R\$211 million.

Below we show the net interest entry among the main business lines of Bradesco:

	R\$ million					
	Years		Variation	2007		Variation
	2006	2007		3 rd Qtr.	4 th Qtr.	
Credit	11,059	13,159	2,100	3,384	3,567	184
Funding	2,545	2,201	(344)	556	541	(15)
Insurance	2,431	2,147	(284)	486	497	11
TVM/Other	1,633	2,126	493	538	624	85
(=) Net Interest Income Interest	17,668	19,633	1,965	4,964	5,229	265

Among the main products which contributed to the increase in net interest income, related to the comparison between the quarters and between the years, the loan portfolio was the one which recorded greater increase reaching R\$2,100 million in 2007 and R\$184 million in the last quarter alone.

The increase in loan operations for individual clients was an important factor for the net interest income increase in the analyzed periods. The main products of the individual segment which contributed to the increase of the net interest income were payroll deductible loan operations, strengthened this year with the acquisition of Banco BMC, as well as vehicle financing operations, Private Label card operations, mainly in the revolving credit line and the material leasing product increase.

In relation to the loan operations for corporate clients, a strong growth mainly in micro, small and medium-sized companies operations is observed, due to the excellent strategic positioning of Banco Bradesco, which has shown a consistent growth in this business segment by means of its commercial actions and selling efforts. The products which contributed the most to the net interest income in the corporate segment were the working capital operations, guaranteed checking account and foreign exchange operations, i.e., mainly the lines related to the business flow.

It must be highlighted that in spite of the reduction in the margin of Funding and Insurance products throughout 2007, the business volume increase was an important factor to mitigate the drop of the Selic interest rates, which had a negative impact on spreads in these operations, and the quarterly comparison shows a lower growth in the margin of these products, since the Selic interest rate also had a lower growth among the periods.

In relation to TVM and Treasury operations, the increase presented in the comparison between the quarters and in 2006 and 2007 YTD reflects the good positioning of Bradesco's portfolio.

Below, we can observe the interest net interest income comparing the quarterly history since 2006:

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

The annualized interest net interest income rate amounted to 8.5% in 4Q07, a slight decrease when compared to the 8.6% observed in the previous quarter. The increase in loan volumes and funding, as shown above, was essential to mitigate the effect of this decrease, as the accumulated CDI rate reached 11.8% in 2007, against the 15.0% rate in 2006.

It is worth pointing out, considering the growth in operations portfolios for individual clients, that the spreads in these operations are higher than those with corporate clients. They require, however, higher allowance for doubtful accounts, due to the higher delinquency level.

Quarter-over-quarter, the adjusted net interest income coming from non-interest results reached R\$768 million in 4Q07 against R\$616 million in the previous quarter when comparing 2007 and 2006, a growth of R\$497 million is observed due to the higher loan recovery that increased R\$245 million between 2006 and 2007 and higher treasury and TVM gains.

Allowance for Doubtful Accounts (PDD)

PDD Evolution

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Opening Balance	5,833	6,215	4,959	7,033	7,428	6,646
Amount Recorded	1,168	1,190	4,412	1,438	1,556	5,498
Amount Written-off	(786)	(759)	(2,827)	(1,105)	(1,158)	(4,389)
Balance Derived from Acquired Institutions			102	62		71
Closing Balance	6,215	6,646	6,646	7,428	7,826	7,826
Specific Allowance	3,290	3,635	3,635	4,196	4,413	4,413
Generic Allowance	1,833	1,911	1,911	2,120	2,285	2,285
Exceeding Allowance	1,092	1,100	1,100	1,112	1,128	1,128
Credit Recoveries	166	197	638	197	288	882

PDD over Loan and Leasing Operations

	R\$ million			
	2006		2007	
	September	December	September	December
PDD (A)	6,215	6,646	7,428	7,826
Loan Operations (B)	92,013	96,219	116,357	131,307
PDD over Loan Operations (A/B)	6.8%	6.9%	6.4%	6.0%

Coverage Ratio PDD/Abnormal Course Loans (E to H) R\$ million

R\$ million

	2006		2007	
	September	December	September	December
(1) Total Allowance	6,215	6,646	7,428	7,826
(2) Abnormal Course Loans (E-H)	3,984	4,390	5,034	5,277
Coverage Ratio (1/2)	156.0%	151.4%	147.5%	148.3%

Coverage Ratio Non Performing Loans (NPL) (*)

	R\$ million			
	2006		2007	
	September	December	September	December
(1) Total Allowance	6,215	6,646	7,428	7,826
(2) Non Performing Loans	3,889	4,284	4,939	5,277
NPL Ratio (1/2)	159.8%	155.1%	150.4%	148.3%

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

For further information on PDD, see pages 157, 158 and 159 of this Report.

Fee and Commission Income

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Income from Cards	514	541	1,758	623	688	2,449
Checking Accounts	532	547	2,084	591	609	2,357
Loan Operations	393	411	1,543	504	521	1,934
Assets under Management	327	309	1,245	376	384	1,439
Charging	191	198	752	217	227	859
Interbank Fees	70	76	289	81	85	321
Collection	66	68	254	63	56	255
Consortium Management	52	58	202	61	65	236
Custody and Brokerage Services	39	42	158	64	71	241
Other	159	174	613	162	190	715
Total	2,343	2,424	8,898	2,742	2,896	10,806

In 2007, Fee and Commission Income increased by 21.4%, totaling R\$10,806 million, representing an increase of R\$1,908 million when compared to 2006, which totaled R\$8,898 million.

The main items that influenced the expansion of Fee and Commission Income between the years were:

the growth of 39.3%, represented by the increase of R\$691 million in the item Income from Cards, related to the increase of 21.6% of the cards base, from 57,942 thousand, on December 31, 2006, to 70,469 thousand, on December 31, 2007, influenced by the consolidation of Amex Brasil;

the strategy of client segmentation (Private, Prime, Corporate, Middle Market and Retail), jointly with the tariff realignment and client base growth, which boosted the item Checking Accounts , up by R\$273 million;

the increase in the volume of Loan Operations, especially to individuals, with highlights to the products Personal Loan and Vehicles , which was the major factor for the increase in the item Revenues from Loan Operations , with a R\$391 million improvement; and

the volume growth of 20.7% in assets under management, from R\$147.1 billion on December 31, 2006 to R\$177.5 billion on December 31, 2007, which was the main reason for the growth in the item Assets under Management , which increased by R\$194 million.

When compared to the previous quarter, Fee and Commission Income showed an increase of 5.6% . The R\$154 million growth was a result of the increased volume of businesses in 4Q07, pointing out increase in the items Income from Cards R\$65 million, Checking Accounts R\$18 million, Loan Operations R\$17 million, Collection R\$10 million and Assets under Management R\$8 million.

Administrative and Personnel Expenses

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Administrative Expenses						
Third-Party Services	343	353	1,232	426	474	1,618
Communication	203	213	792	238	250	940
Advertising	114	223	534	133	229	598
Depreciation and Amortization	129	130	481	135	137	538
Financial System Services	113	121	459	138	142	532
Transportation	127	139	502	132	142	522
Data Processing	67	87	268	106	114	407
Rentals	92	94	350	102	104	402
Maintenance and Repairs	74	74	291	76	82	296
Assets Leasing	53	52	215	63	77	231
Materials	45	45	172	52	52	197
Security and Vigilance	46	45	173	50	50	193
Water, Electricity and Gas	37	41	160	39	45	174
Travel	17	19	71	19	20	70
Other	47	35	170	46	55	194
Total	1,507	1,671	5,870	1,755	1,973	6,912
Personnel Expenses						
Structural	1,267	1,261	4,879	1,381	1,380	5,295
Remuneration/Social Charges	951	940	3,641	1,028	1,033	3,956
Benefits	316	321	1,238	353	347	1,339
Non Structural	317	199	1,053	259	441	1,275
Management and employee profit sharing (PLR)	202	95	583	141	272	771
Provision for Labor Proceedings	74	61	310	75	122	327
Training	16	19	58	22	24	75
Rescission Cost	25	24	102	21	23	102
Total	1,584	1,460	5,932	1,640	1,821	6,570
Total Administrative and Personnel Expenses	3,091	3,131	11,802	3,395	3,794	13,482

In 2007, Administrative and Personnel Expenses showed an R\$1,680 million increase when compared to 2006, reaching R\$13,482 million against R\$11,802 million in 2006. The nominal variation of Administrative Expenses between the years showed a R\$1,042 million increase, reaching R\$6,912 million, mainly due to: (i) the increase in businesses; (ii) the contractual adjustments in the year; (iii) the investments in the improvement and optimization of the technological platform (IT Improvements Project); and (iv) the consolidation of companies acquired.

In 2007, Personnel Expenses increased R\$638 million when compared to 2006, reaching R\$6,570 million. The portion considered as Structural increased R\$416 million, mainly: (i) the increase in the salary levels, resulting from the

collective Bargaining Agreement of 2006 (3.5%); (ii) the increase in the salary levels, resulting from the Collective Bargaining Agreement of 2007 (6.0%), having a variation of R\$108 million (of which R\$26 million was labor liabilities restatements, R\$66 million was payroll increase and R\$16 was food allowance); and (iii) the consolidation of Amex Brasil, Credifar and BMC, R\$93 million. In relation to the portion considered as Non-structural, the increase was R\$222 million, mainly due to: (i) the higher expenses with employee and management profit sharing (PLR) in the amount of R\$188 million due to the higher results recorded in 2007; and (ii) the higher expenses with provisions for labor proceedings of R\$17 million.

When compared to the previous quarter, Administrative and Personnel Expenses increased R\$399 million in 4Q07, a hike of 11.8%, going from R\$3,395 to R\$3,794 million.

Administrative Expenses increased by R\$218 million when compared to the previous quarter, basically due to the increase in expenses with: (i) advertisement of R\$96 million; (ii) third-party services, R\$48 million; (iii) assets leasing, R\$14 million; (iv) communication, R\$12 million; and (v) transportation, R\$10 million.

Personnel Expenses in 4Q07, in the portion considered as Structural, remained steady, whereas the Non-structural portion had an increase, mainly: (i) higher expenses with provisions of labor proceedings, amounting to R\$47 million; and (ii) higher expenses with management and employee profit sharing (PLR) in the amount of R\$ 131 million.

Operating Efficiency

	R\$ million (*)					
	Years				2007	
	2003	2004	2005	2006	September	December
Personnel Expenses	4,779	4,969	5,312	5,932	6,209	6,570
Employee Profit Sharing	(170)	(182)	(287)	(415)	(442)	(521)
Other Administrative Expenses	4,814	4,937	5,142	5,870	6,610	6,912
Total (1)	9,423	9,724	10,167	11,387	12,377	12,961
Net Interest Income	13,282	13,231	16,550	19,838	21,348	22,300
Fee and Commission Income	4,557	5,824	7,349	8,898	10,334	10,806
Insurance, Private Pension Plans and Certificated Savings Plans Subtotal	(149)	(60)	621	1,025	909	711
Insurance, Private Pension Plans and Certificated Savings Plans Retained Premiums	11,726	13,284	13,647	15,180	16,222	16,432
Variation in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	(3,670)	(3,964)	(2,429)	(3,515)	(4,651)	(5,047)
Retained Claims	(3,980)	(5,159)	(5,825)	(6,127)	(6,071)	(6,014)
Certificated Savings Plans Draws and Redemptions	(1,100)	(1,223)	(1,229)	(1,222)	(1,344)	(1,378)
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	(762)	(867)	(961)	(1,023)	(1,065)	(1,084)
Expenses with Private Pension Plan Benefits and Redemptions	(2,363)	(2,131)	(2,582)	(2,268)	(2,182)	(2,198)
Equity in the Earnings of Affiliated Companies	5	163	76	72	62	42
Other Operating Expenses	(2,741)	(2,826)	(3,405)	(4,223)	(4,472)	(4,297)
Other Operating Income	1,697	1,198	1,097	1,420	1,442	1,436
Total (2)	16,651	17,530	22,288	27,030	29,623	30,998
Operating Efficiency Ratio (%) = (1/2)	56.6	55.5	45.6	42.1	41.8	41.8

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

Operating Efficiency Ratio in percentage

The Operating Efficiency Ratio in 2007 was 41.8%, remaining steady over the 12-month period ended in September 2007. It is also worth mentioning the higher net interest income in R\$952 million, basically stemming from the interest component, stimulated by an increment in business volume, with highlights to an increase in the volume of loan operations for individuals, mainly focused on consumer financing, the profitability of which is higher if compared to the corporate loans, and to an increased fee and commission income, in R\$472 million, as a result of the increase in the average volume of operations.

The Coverage Ratio in 2007 (fee and commission income)/(personnel expenses + administrative expenses) went from 80.6% in the twelve-month period ended in September 2007 to 80.2% in December 2007, and increased 4.8 percentage points when compared to the 75.4% of 2006.

Administrative + Personnel Expenses and Fee and Commission Income

Other Indicators

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3-Main Balance Sheet Information

Consolidated Balance Sheet R\$ thousand

Assets	December				
	2007	2006	2005	2004	2003
Current and Long-term Assets	337,514,243	262,054,823	204,325,065	180,038,498	171,141,348
Funds Available	5,486,606	4,761,972	3,363,041	2,639,260	2,448,426
Interbank Investments	37,622,125	25,989,190	25,006,158	22,346,721	31,724,003
Open Market Investments	32,014,861	20,617,520	19,615,744	15,667,078	26,753,660
Interbank Deposits	5,617,413	5,372,658	5,390,726	6,682,608	4,970,343
Allowance for Losses	(10,149)	(988)	(312)	(2,965)	
Securities and Derivative Financial Instruments	114,451,709	97,249,959	64,450,808	62,421,658	53,804,780
Own Portfolio	84,079,171	72,052,850	59,324,858	51,255,745	42,939,043
Subject to Repurchase Agreements	11,731,427	15,352,073	1,051,665	4,807,769	5,682,852
Derivative Financial Instruments	1,207,040	549,065	474,488	397,956	232,311
Restricted Deposits – Brazilian Central Bank	8,273,662	440,235	2,506,172	4,512,563	3,109,634
Privatization Currencies	79,535	70,716	98,142	82,487	88,058
Subject to Collateral Provided	4,070,210	765,129	995,483	1,365,138	1,752,882
Securities Purpose of Unrestricted Purchase and Sale Commitments	5,010,664	8,019,891			
Interbank Accounts	24,036,514	19,124,806	16,922,165	16,087,102	14,012,837
Unsettled Receipts and Payments	36,332	50,945	39,093	22,075	20,237
Restricted Credits:					
Restricted Deposits – Brazilian Central Bank	23,538,587	18,664,706	16,444,866	15,696,154	13,580,425
National Treasury – Rural Credit	578	578	578	578	578
SFH	452,899	405,465	396,089	335,320	391,871
Correspondent Banks	8,118	3,112	41,539	32,975	19,726
Interdepartmental Accounts	429,362	186,338	172,831	147,537	514,779
Internal Transfer of Funds	429,362	186,338	172,831	147,537	514,779
Loan Operations	108,295,627	79,714,969	68,328,802	51,890,887	42,162,718
Loan Operations:					
Public Sector	763,973	784,870	821,730	536,975	186,264
Private Sector	115,001,602	85,315,248	72,205,630	55,242,348	45,768,970
Allowance for Doubtful Accounts	(7,469,948)	(6,385,149)	(4,698,558)	(3,888,436)	(3,792,516)
Leasing Operations	7,962,395	3,751,558	2,411,299	1,556,321	1,306,433
Leasing Receivables:					
Public Sector	134,197	152,125	66,237		
Private Sector	13,802,117	7,231,519	4,896,717	3,237,226	2,859,533
Unearned Income from Leasing	(5,728,551)	(3,472,246)	(2,444,596)	(1,576,690)	(1,438,534)
Allowance for Leasing Losses	(245,368)	(159,840)	(107,059)	(104,215)	(114,566)
Other Receivables	35,829,910	29,302,217	22,106,013	21,664,592	24,098,765
Receivables on Sureties and Guarantees					
Honored	12,181	38		811	624
Foreign Exchange Portfolio	9,836,732	7,946,062	6,937,144	7,336,806	11,102,537

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Receivables	371,427	175,570	183,015	197,120	331,064
Negotiation and Intermediation of Amounts	1,378,130	709,034	1,124,197	357,324	602,543
Insurance Premiums Receivable	1,276,612	1,257,298	1,073,002	988,029	889,358
Sundry	23,065,328	19,315,264	12,941,687	12,937,408	11,324,857
Allowance for Other Doubtful Accounts	(110,500)	(101,049)	(153,032)	(152,906)	(152,218)
Other Assets	3,399,995	1,973,814	1,563,948	1,284,420	1,068,607
Other Assets	389,856	369,099	367,688	477,274	586,994
Provisions for Devaluations	(179,097)	(189,591)	(180,941)	(230,334)	(257,185)
Prepaid Expenses	3,189,236	1,794,306	1,377,201	1,037,480	738,798
Permanent Assets	3,670,161	3,492,450	4,357,865	4,887,970	4,956,342
Investments	604,076	696,582	984,970	1,101,174	862,323
Interest in Affiliated Companies:					
Local	467,944	403,033	438,819	496,054	369,935
Foreing					
Other Investments	487,365	651,568	895,836	971,311	857,985
Allowance for Losses	(351,233)	(358,019)	(349,685)	(366,191)	(365,597)
Property, Plant and Equipment in Use	2,284,078	2,136,783	1,985,571	2,270,497	2,291,994
Buildings in Use	1,076,053	1,055,640	1,115,987	1,357,063	1,398,735
Other Property, Plant and Equipment in Use	4,347,693	4,101,918	3,644,874	3,604,741	3,480,636
Accumulated Depreciation	(3,139,668)	(3,020,775)	(2,775,290)	(2,691,307)	(2,587,377)
Leased Assets	11,421	16,136	9,323	18,951	34,362
Leased Assets	20,777	25,142	23,161	58,463	63,812
Accumulated Depreciation	(9,356)	(9,006)	(13,838)	(39,512)	(29,450)
Deferred Charges	770,586	642,949	1,378,001	1,497,348	1,767,663
Organization and Expansion Costs	1,850,219	1,593,771	1,315,881	1,170,866	1,124,058
Accumulated Amortization	(1,079,633)	(950,822)	(785,364)	(699,710)	(572,620)
Goodwill on Acquisition of Subsidiaries, Net of Amortization			847,484	1,026,192	1,216,225
Total	341,184,404	265,547,273	208,682,930	184,926,468	176,097,690

The Notes are an integral part of the Financial Statements.

Consolidated Balance Sheet R\$ thousand

Liabilities	December				
	2007	2006	2005	2004	2003
Current and Long-term Liabilities	310,482,501	240,673,011	189,163,465	169,596,632	162,406,307
Deposits	98,323,446	83,905,213	75,405,642	68,643,327	58,023,885
Demand Deposits	28,495,555	20,526,800	15,955,512	15,297,825	12,909,168
Savings Deposits	32,812,974	27,612,587	26,201,463	24,782,646	22,140,171
Interbank Deposits	372,473	290,091	145,690	19,499	31,400
Time Deposits	35,717,178	34,924,541	32,836,656	28,459,122	22,943,146
Other Deposits	925,266	551,194	266,321	84,235	
Federal Funds Purchased and Securities Sold under					
Agreements to Repurchase	73,633,649	47,675,433	24,638,884	22,886,403	32,792,725
Own Portfolio	37,864,704	36,595,268	12,690,952	8,248,122	6,661,473
Third-party Portfolio	29,578,200	3,471,383	11,947,932	14,430,876	17,558,740
Unrestricted Portfolio	6,190,745	7,608,782		207,405	8,572,512
Issuance of Securities	6,496,782	5,636,279	6,203,886	5,057,492	6,846,896
Exchange Acceptances	406				
Mortgage Notes	901,641	857,697	847,508	681,122	1,030,856
Debentures Funds	2,594,921	2,603,194	2,624,899		7,291
Securities Issued Abroad	2,999,814	2,175,388	2,731,479	4,376,370	5,808,749
Interbank Accounts	16,632	5,814	139,193	174,066	529,332
Interbank Onlendings					159,098
Correspondent Banks	16,632	5,814	139,193	174,066	370,234
Interdepartmental Accounts	2,521,233	2,225,711	1,900,913	1,745,721	1,782,068
Third-party Funds in Transit	2,521,233	2,225,711	1,900,913	1,745,721	1,782,068
Borrowings	8,065,830	5,777,906	7,135,327	7,561,395	7,223,356
Local Borrowings Official Institutions	450	778	1,088	1,376	2,070
Local Borrowings Other Institutions	373	44,447	18	11,756	4,010
Foreign Currency Borrowings	8,065,007	5,732,681	7,134,221	7,548,263	7,217,276
Local Onlending Official Institutions	14,086,436	11,640,969	9,427,571	8,355,398	7,554,266
National Treasury	50,881	99,073	52,318	72,165	51,398
BNDES	6,147,703	5,532,018	4,237,973	3,672,007	3,403,462
CEF	101,280	69,909	59,588	395,820	459,553
FINAME	7,785,347	5,938,037	5,075,232	4,211,762	3,638,966
Other Institutions	1,225	1,932	2,460	3,644	887
Foreign Onlendings	1,257,281	170	183	42,579	17,161
Foreign Onlendings	1,257,281	170	183	42,579	17,161
Derivative Financial Instruments	951,733	519,004	238,473	173,647	52,369
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	58,526,265	49,129,214	40,862,555	33,668,654	26,408,952
Other Liabilities	46,603,214	34,157,298	23,210,838	21,287,950	21,175,297
Collection of Taxes and Other Contributions	228,722	175,838	156,039	204,403	130,893
Foreign Exchange Portfolio	3,467,189	2,386,817	2,206,952	3,011,421	5,118,801
Social and Statutory Payables	2,195,653	190,916	1,254,651	900,266	851,885

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Fiscal and Pension Plans Activities	9,839,791	8,014,520	5,041,312	4,495,387	4,781,458
Negotiation and Intermediation of Amounts	657,700	422,232	893,957	312,267	595,958
Financial and Development Funds	1,851	876			
Subordinated Debt	15,850,464	11,949,457	6,719,305	5,972,745	4,994,810
Sundry	14,361,844	11,016,642	6,938,622	6,391,461	4,701,492
Future Taxable Income	189,147	180,460	52,132	44,600	31,774
Future Taxable Income	189,147	180,460	52,132	44,600	31,774
Minority Interest in Subsidiary	155,412	57,440	58,059	70,590	112,729
Stockholders' Equity	30,357,344	24,636,362	19,409,274	15,214,646	13,546,880
Capital:					
Local Residents	17,693,485	13,162,481	11,914,375	6,959,015	6,343,955
Foreign Residents	1,306,515	1,037,519	1,085,625	740,985	656,045
Realizable Capital				(700,000)	
Capital Reserves	55,624	55,005	36,032	10,853	8,665
Profit Reserves	9,963,593	8,787,106	5,895,214	7,745,713	6,066,640
Mark-to-market Adjustment TVM and Derivatives	1,469,976	1,644,661	507,959	458,080	478,917
Treasury Stock	(131,849)	(50,410)	(29,931)		(7,342)
Stockholders' Equity Managed by Parent Company	30,512,756	24,693,802	19,467,333	15,285,236	13,659,609
Total	341,184,404	265,547,273	208,682,930	184,926,468	176,097,690

The Notes are an integral part of the Financial Statements.

Total Assets by Currency and Maturity

Total Assets by Currency R\$ million

Total Assets by Maturity R\$ million

Securities

Summary of the Classification of Securities

R\$ million

	Financial	Insurance/ Certificated Savings Plans	Pension Plans	Other Activities	Total	%
Trading Securities	34,057	4,839	28,973	258	68,127	65.4
Securities Available for Sale	9,343	1,139	12,494	11	22,987	22.0
Securities Held to Maturity	880	5,386	6,874		13,140	12.6
Subtotal	44,280	11,364	48,341	269	104,254	100.0
Purchase and Sale Commitments	2,371	1,947	5,880		10,198	
Total on December 31, 2007	46,651	13,311	54,221	269	114,452	
Total on September 30, 2007	43,201	13,243	51,261	393	108,098	
Total on December 31, 2006	40,464	11,401	44,893	492	97,250	

Composition of Securities by Issuance

R\$ million

Securities	2006		2007	
	September	December	September	December
Government	31,957	51,479	51,380	58,284
Private	13,117	14,831	17,935	17,535
PGBL/ VGBL	21,761	22,169	26,676	28,435
Subtotal	66,835	88,479	95,991	104,254
Purchase and Sale Commitments:	6,187	8,771	12,107	10,198
Funds	3,611	3,996	7,448	4,703
PGBL/VGBL	2,576	4,775	4,659	5,495
Total	73,022	97,250	108,098	114,452

Classification of Securities by Segment in percentage

N.B.: The composition of Securities Portfolio consolidated by issuer, maturity, business segment and category can be found in Note 8.

Loan Operations

The consolidated balance of loan operations (according to the concept defined by Bacen which does not include debentures, guarantees, loans to be granted, credit letters, interbank deposit certificates etc.) reached at the end of 4Q07 a total of R\$131.3 billion, representing a 12.8% increase in the quarter and a 36.5% growth in the year of 2007.

We highlight the increase of the loan portfolio of Bradesco Conglomerate in the quarter and in the last twelve months, which was influenced by the favorable macroeconomic and credit environment, characterized by salary raise, interest drop and extended terms for loans and financings. These factors promote the increase in consumption and in company's investments.

Loan Operations Total Portfolio

In December 2007, the balance of loans and onlendings indexed and/or denominated in foreign currency (excluding ACCs) reached the total of U\$6.8 billion, showing a growth of 10.8% in dollars and of 6.8% in reais in the quarter, due to the appreciation of this currency in the period, which caused a decrease in their interest in the total loan portfolio. In the year of 2007, the growth was 59.3% and 31.9%, respectively.

Real Estate Loan

The balance of real estate financings at the end of 4Q07 was R\$3.3 billion, a 68.1% increase when compared to December 2006, whereas in the year of 2007 the number of operations contracted showed a 107.9% growth when compared to the same period of 2006. Some actions carried out have been responsible for the portfolio performance in 2007, such as term extension of operations, and the creation of the website www.bradescoimoveis.com.br, aimed at rendering services to help those interested in the acquisition of their own house by means of partnerships with construction companies, developers and real estate agencies, which are clients of the Bank.

BNDES

It is worth pointing out Bradesco's leadership in BNDES onlending operations for the fifth consecutive year. Out of the total operations sold up to November 2007, 41.0% of the amount, representing 90.5% of contracts, were directed to SMEs, including operations carried out for individuals.

Rural

It is worth pointing out the creation of the website www.bradescorural.com.br, aiming at subsidizing this sector with information related to agribusinesses, products and credit services.

Loan Operations By Purpose

The performance of the loan portfolio for individuals showed an upturn in the quarter and in the last twelve months of 8.5% and 35.0%, respectively. The main products responsible for the portfolio growth in these periods were the vehicles financing, personal loan and leasing.

Loan Operations Individual

In the graph below, the types related to the consumer financing for individuals were considered (vehicles, personal loan, leasing, assets financing and credit card; in the latter, the amounts related to cash and credit purchases store owners and which are not in the total loan operations are included). The balance reached the amount of R\$48.1 billion in December 2007, representing a 9.8% growth in the quarter and 36.4% in the last twelve months. We point out the vehicle financing and the payroll-deductible loans that are linked to payroll charges types, for its guarantees and characteristics, provided the portfolio with an adequate loan risk level. Thus, these two portfolios represented, at the end of 4Q07, 56.0% of the total consumer financing balance.

Loan Operations Consumer Financing

The pace of the growth in loans granted to companies was significant in the quarter and in the last twelve months, increasing 16.0% and 37.5%, respectively.

In these periods, we point out the types of working capital operations and operations carried out in branches and subsidiaries abroad.

Loan Operations Corporate

The following graph shows the growth of the main five types of products destined to corporate entities services, which represented 63.1% of the total loan portfolio in December 2007. We highlight the increase in working capital of 38.7% in the quarter and 72.8% in the last twelve months.

Loan Operations Main Types Corporate

We point out below the increase in the relative share in the micro, small and medium-sized companies loan portfolio in the quarter and in the last twelve months, which has exceeded the total portfolio.

Loan Operations Client Characteristics

Client Characteristics	R\$ billion							
	2006		2007		Variation (%)			
	December	%	September	%	December	%	Quarter	Year
Large Companies	27.7	28.8	31.4	27.0	35.9	27.3	14.3	29.5
Micro, Small and Medium-Sized Companies	28.9	30.0	35.7	30.7	41.9	32.0	17.6	45.2
Individuals	39.6	41.2	49.3	42.3	53.5	40.7	8.5	35.0
Total	96.2	100.0	116.4	100.0	131.3	100.0	12.8	36.5

In the table below, the evolution in the representativeness of the Conglomerate's business segments is observed, in which it is worth highlighting the Companies segment, which showed an evolution higher than the total portfolio in the quarter and in the last twelve months. It is important to notice that the increase in Others over the past twelve months was motivated by the BMC merger in September 2007.

Loan Operations By Business Segment

Business Segment	R\$ billion							
	2006		2007		Variation (%)			
	December	%	September	%	December	%	Quarter	Year
Corporate	31.1	32.3	35.2	30.3	39.7	30.2	12.7	27.8
Retail / Postal/Prime	33.6	34.9	38.9	33.4	43.1	32.8	10.6	28.3
Finasa	18.4	19.2	22.8	19.6	25.0	19.1	9.6	35.7
Companies	12.3	12.8	15.9	13.7	18.7	14.3	18.0	52.5
Other	0.8	0.8	3.6	3.0	4.8	3.6	33.5	466.8
Total	96.2	100.0	116.4	100.0	131.3	100.0	12.8	36.5

Loan Operations By Type

We highlight in the quarter and in the last twelve months, the growth in interest in discounted trade receivables and other loans operations and in leasing operations due to its performance, which is higher than the growth of the portfolio.

We present below the total loan operations, including Sureties and Guarantees and Credit Cards (cash and credit

purchases store owners), which presented a growth of 15.2% in 4Q07 and 38.9% in 2007.

Types	R\$ million			
	2006		2007	
	September	December	September	December
Loans and Discounted Securities (1)	40,773	43,155	52,776	60,792
Financings	34,472	35,347	41,523	45,777
Rural and Agribusiness Loans	7,221	7,599	9,008	9,197
Leasing Operations	3,575	3,911	6,319	8,208
Advances on Foreign Exchange Contracts	5,487	5,703	6,210	6,782
Subtotal of Loans Operations	91,528	95,715	115,836	130,756
Other Loans	485	504	521	551
Total Loan Operations (2)	92,013	96,219	116,357	131,307
Sureties and Guarantees Recorded in				
Memorandum Accounts	13,820	14,791	18,471	24,296
Credit Cards (3)	4,464	5,215	5,266	5,804
Total	110,297	116,225	140,094	161,407

(1) It includes revolving credit of credit cards.

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

(3) Cash and credit purchases store owners.

Loan Operations Net Interest Income

In 2007, Net Interest Income of Loan Operations had an increase of 14.3% when compared to the previous year, as shown in the graph below:

Loan Operations Delinquency

In December 2007, the delinquency ratio in the consolidated portfolio, despite the slight increase in delinquency in the segment of large companies, presented a drop when compared to the previous quarter.

Loan Operations Delinquency over 90 days (in percentage)

Loan Operations Portfolio Movement

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

Loan Operations Portfolio Movement between December 2006 e 2007

Loan Operations Portfolio Movement by Rating between December 2006 and 2007

Rating	Borrowers Remaining from December 2006		New Borrowers between January and December 2007		Total Loans in December 2007	
	R\$ million	%	R\$ million	%	R\$ million	%
AA C	96,918	92.9	25,636	94.8	122,554	93.3
D	1,736	1.7	324	1.2	2,060	1.6
E H	5,623	5.4	1,070	4.0	6,693	5.1
Total	104,277	100.0	27,030	100.0	131,307	100.0

Loan Operations Portfolio Indicators

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

R\$ million (except percentages)

Items	2006		2007	
	September	December	September	December
Total Loan Operations	92,013	96,219	116,357	131,307
Individual	38,834	39,611	49,285	53,474
Corporate	53,179	56,608	67,072	77,833
Existing Provision	6,215	6,646	7,428	7,826
Specific	3,290	3,635	4,196	4,413
Generic	1,833	1,911	2,120	2,285
Additional	1,092	1,100	1,112	1,128
Specific Provision/Existing Provision (%)	52.9	54.7	56.5	56.4
Existing Provision/ Loan Operations (%)	6.8	6.9	6.4	6.0
AA - C Rated Loan Operations / Loan Operations (%)	92.3	92.1	92.8	93.3
D Rated Operations under Risk Management / Loan Operations (%)	1.9	1.9	1.7	1.6
E - H Rated Loan Operations / Loan Operations (%)	5.8	6.0	5.5	5.1
D Rated Loan Operations	1,733	1,831	1,981	2,060
Existing Provision for D Rated Loan Operations	455	483	526	544
D Rated Provision/Loan Operations (%)	26.2	26.4	26.5	26.4
D - H Rated Loan Operations Overdue	4,742	5,225	5,900	6,227
Existing Provision/D - H Rated Loan Operations Overdue (%)	131.1	127.2	125.9	125.7
E - H Rated Loan Operations	5,329	5,757	6,434	6,693
Existing Provision for E - H Rated Loan Operations	4,647	5,041	5,619	5,848
E - H Rated Provision/Loan Operations (%)	87.2	87.6	87.3	87.4
E - H Rated Loan Operations Overdue	3,984	4,389	5,034	5,277
Existing Provision/E - H Rated Loan Operations Overdue (%)	156.0	151.4	147.5	148.3
Non Performing Loans (*) / Loan Operations (%)	4.2	4.5	4.2	4.0
Existing Provision/ Non Performing Loans (*) (%)	159.8	155.1	150.4	148.3

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

For the year of 2008, 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 security, consistency, selectivity, diversification and adequate assessment of the risk/return ratio.

Funding

Composition of Deposits by Maturity

Deposits	R\$ million					
	2007					
	September		December			Total
Total	Up to 30 days	From 31 to 180 days	From 181 to 360 days	More than 360 days		
Demand	22,134	28,495				28,495
Savings	30,231	32,813				32,813
Interbank	197	219	83	63	8	373
Time	33,483	2,302	6,423	4,473	22,519	35,717
Other Deposits	691	925				925
Total	86,736	64,754	6,506	4,536	22,527	98,323

Funding

Demand Deposits R\$ billion

Checking Accounts

The balance of the Checking Accounts of Bradesco Organization at the end of the year was R\$28.5 billion, representing an increase of 39% compared to the balance of December 2006, which was R\$20.5 billion.

In order to standardize information disclosed to investors, pursuant to the one disclosed by the market, as from this report, we present the number of Checking Account Holders . With this new approach, information is now more assertive, due to the effectively statement of the number of clients that relate to Bradesco and hold a checking account.

Pursuant to the Organization's Social-Environmental Responsibility Policy, in November 2007 Braille Bank Statements and in Enlarged Print were launched. They are the first bank statements specifically for visually impaired people in the Brazilian market.

Number of Checking Accounts Individuals and Corporate

Savings Accounts

The balance of Bradesco Organization Savings Accounts, at the end of 2007, totaled R\$32.8 billion, with a 18.8% growth, in the same period, corresponding to a 17.4% market share in the Brazilian Savings and Loan System (SBPE) and ensured the leadership of Bradesco among all private banks in the Brazilian Financial System.

Savings Account Deposits R\$ billion

The fall in the interest rates observed in the market made savings accounts more appealing, which added to the increase of the workers' income, resulted in the historical funding record of this product.

Share of SBPE in percentage

Savings Accounts

Number of Savings Accounts in thousands

Assets under Management

2007 Highlights

For the second consecutive year, Bradesco was elected the Best Stock Funds Manager according to Guia Exame-FGV.

BRAM Bradesco Asset Management, company which manages Bradesco Investment Funds, was elected the best Stock Funds manager by Guia Exame de Investimentos Pessoais 2007 (September/2007), based on detailed analysis of the Finance Study Center of Fundação Getulio Vargas.

Bradesco is Top Fund Management by ValorInveste

Bradesco is a complete bank always seeking best results. Bearing witness to that, BRAM Bradesco Asset Management, company managing Bradesco Investment Funds, conquered in May 2007 the award Top Gestão de Fundos 2007 in the Mixed Income category, granted by ValorInveste in partnership with Standard & Poor's.

Bradesco is pointed out in the GazetaInveste managers ranking

BRAM Bradesco Asset Management, company managing Bradesco Investment Funds, received the Best Manager award in three of six categories analyzed Fixed Income, Variable Income and Exchange in the ranking published by GazetaInveste magazine in partnership with the consulting company Austin Rating (March/2007). In this same ranking, Bradesco was also the institution presenting the highest number of 5-diamond funds.

Bradesco is the second Best Bank to Invest in 2007

Bradesco was elected the second Best Bank for you to invest, according to an annual survey carried out by Você S/A magazine (December/2007) and by the Finance Study Center of Fundação Getulio Vargas. BRAM Bradesco Asset Management had a fierce competition for the 1st place, and had only 0.27 percentage point less than the winner.

Assets under Management

Best Variable Income Fund Manager 2007

For the second time, the Executive Superintendent of Variable Income of BRAM – Bradesco Asset Management, Herculano Anibal Alves, was elected the Best Variable Income Fund Manager by Investidor Institucional magazine (December/2007).

Stockholders' Equity

	R\$ million			
	2006		2007	
	September	December	September	December
Investment Funds	127,572	135,837	153,439	157,383
Managed Portfolios	7,337	6,938	7,646	12,597
Third-party Fund Quotas	5,313	4,333	6,502	7,506
Total	140,222	147,108	167,587	177,486

Asset Distribution

	R\$ million			
	2006		2007	
	September	December	September	December
Investment Funds – Fixed Income	123,645	130,609	141,871	143,214
Investment Funds – Variable Income	3,927	5,228	11,568	14,169
Investment Funds – Third-Party Funds	5,269	4,068	5,670	6,580
Total	132,841	139,905	159,109	163,963
Managed Portfolio – Fixed Income	5,246	4,265	4,387	4,952
Managed Portfolio – Variable Income	2,091	2,673	3,259	7,645
Managed Portfolios – Third-Party Funds	44	265	832	926
Total	7,381	7,203	8,478	13,523
Total Fixed Income	128,891	134,874	146,258	148,166
Total Variable Income	6,018	7,901	14,827	21,814
Total Third-Party Funds	5,313	4,333	6,502	7,506
Overall Total	140,222	147,108	167,587	177,486

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

(*). Considering third-party fund quotas.

Number of Funds, Portfolios and Quotaholders

	December 2006		September 2007		December 2007	
	Number	Quotaholders	Number	Quotaholders	Number	Quotaholders
Investment Funds	563	3,333,002	625	3,317,969	666	3,312,565
Managed Portfolios	104	449	108	516	121	540
Total	667	3,333,451	733	3,318,485	787	3,313,105

4- Operating Companies

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

Consolidated Balance Sheet (*)

	R\$ million			
	2006		2007	
	September	December	September	December
Assets				
Current and Long-Term Assets	56,044	59,267	68,889	72,215
Securities	52,445	55,297	64,618	67,718
Insurance Premiums Receivable	1,144	1,232	1,289	1,225
Other Receivables	2,455	2,738	2,982	3,272
Permanent Assets	1,154	1,291	1,107	1,103
Total	57,198	60,558	69,996	73,318
Liabilities				
Current and Long-Term Liabilities	50,386	53,249	61,038	64,647
Tax, Civil and Labor Contingencies	1,555	1,629	1,724	1,710
Payables on Operations of Insurance, Private Pension Plans and				
Certificated Savings Plans	436	440	496	468
Other Liabilities	2,676	2,438	3,499	3,943
Technical Provisions for Insurance	4,272	4,397	5,496	5,492
Technical Provisions for Life and Private Pension Plans	39,166	42,038	47,405	50,543
Technical Provisions for Certificated Savings Plans	2,281	2,307	2,418	2,491
Minority Interest	60	59	73	24
Stockholders Equity	6,752	7,250	8,885	8,647
Total	57,198	60,558	69,996	73,318

Consolidated Statement of Income (*)

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Premiums Written of Insurance, Private Pension Plan Contribution and Certificated						

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Savings Plan Revenues	4,714	5,662	19,022	5,448	6,175	21,479
Premiums Earned of Insurance, Private Pension Plan Contribution and Certificated Savings Plan Revenues	2,906	3,058	11,909	3,064	3,038	12,240
Financial Result of the Operations	553	851	2,894	681	758	2,981
Sundry Operating Revenues	157	245	641	200	248	861
Retained Claims	(1,490)	(1,653)	(6,128)	(1,488)	(1,595)	(6,014)
Draws/Benefits and Redemptions	(831)	(792)	(3,490)	(854)	(843)	(3,576)
Selling Expenses	(261)	(269)	(1,032)	(274)	(287)	(1,085)
General and Administrative Expenses	(255)	(277)	(1,025)	(301)	(305)	(1,120)
Other Operating Expenses	(2)	(27)	(167)	42	(57)	(86)
Tax Expenses	(36)	(58)	(193)	(51)	(25)	(180)
Additional Provision Health		(386)	(630)	(239)	(166)	(855)
Operating Income	741	692	2,779	780	766	3,166
Equity Result	82	50	176	51	29	221
Non-operating Income	(9)	(42)	59	(2)	67	72
IR/CS and Minority Interest	(264)	(132)	(855)	(281)	(280)	(1,104)
Net Income	550	568	2,159	548	582	2,355

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

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Performance Ratios in percentage

	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Claims Ratio (1)	77.8	81.5	79.1	73.8	75.7	75.4
Selling Ratio (2)	11.3	11.0	11.2	11.4	11.2	11.4
Administrative Expense Ratio (3)	5.4	4.9	5.4	5.5	5.1	5.3
Combined Ratio (4)	88.9	86.7	92.1	92.6	93.1	95.3

N.B.: For calculation purposes, the expanded ratio would be 86.0%, if we exclude the exceeding provision in Health Insurance in 2007.

(1) Retained Claims/Earned Premiums.

(2) Selling Expenses/Net Premium Written.

(3) Administrative Expenses/Net Premiums Written.

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

Insurance Premiums Market Share (%)

According to information published by Susep and ANS, up to November 2007, in the insurance segment, Bradesco collected R\$15.8 billion in premiums and maintained its leadership in the ranking with a 25.5% market share. The insurance sector obtained a total of R\$61.8 billion in premiums in the same period.

Increase 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

Insurance Line	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Health	955	999	3,807	1,045	1,096	4,162
Auto/RCF	517	523	2,078	536	464	2,017
Life/AP/VGBL	346	364	1,334	329	469	1,339
Basic Lines	88	114	371	111	108	440
Other Lines	57	57	251	51	45	230
Total	1,963	2,057	7,841	2,072	2,182	8,188

N.B.: As of 4Q07, we do not consider premiums related to Indiana Seguros S.A., whose interest sale was approved by Susep - Superintendence of Private Insurance on December 12, 2007.

In 2007, there was an increase of 4.4% in premiums earned in the insurance segment, if compared to 2006.

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

Retained Claims by Insurance Line R\$ million

Insurance Line	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Health	800	939	3,315	872	981	3,475
Auto/RCF	383	375	1,528	375	322	1,459
Life/AP/VGBL	246	249	944	188	228	802
Basic Lines	47	67	212	52	77	245
Other Lines	51	47	204	42	43	195
Total	1,527	1,677	6,203	1,529	1,651	6,176

Claims Ratio by Insurance Line (%)

Selling Expenses by Insurance Line R\$ million

Insurance Line	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Health	28	29	110	36	39	137
Auto/RCF	94	98	380	101	90	386
Life /AP/VGBL	80	77	312	81	95	327
Basic Lines	19	23	74	19	21	85
Other Lines	1		2			
Total	222	227	878	237	245	935

Selling Ratios by Insurance Line (%)

Number of Insured in thousands

N.B.: As of 4Q07, we do not consider insured related to Indiana Seguros S.A., whose interest sale was approved by Susep - Superintendence of Private Insurance on December 12, 2007.

In 2007, there was an increase of 39.8% in the client base compared to the same period of 2006.

Operational Risk

Grupo Bradesco de Seguros e Previdência, integrating Bradesco Organization, in permanent commitment to comply 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, in order to comply with the guidelines established by the New Capital Basel Accord (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. The disseminations of the operating risk management culture on several levels, the disclosure of corporate policies and establishment of ongoing monitoring procedure of exposure levels are inserted in this context.

Awards/Recognition

1 Bradesco Seguros e Previdência was elected the most remembered company and the preferred one in the Insurance Company category by the research *Marcas de Quem Decide* (Brands of People Who Decide), conducted by QualiData Institute in partnership with Jornal do Comércio do Rio Grande do Sul. In its ninth edition, the survey was carried out with businessmen and self-employed professionals of Rio Grande do Sul, and encompassed 100 categories of products, services and companies.

2 Bradesco Seguros e Previdência received the Segurador Brasil 2007 award, in the Best Global Performance category. The award was promoted by Segurador Brasil magazine and its purpose is to acknowledge leadership, performance and achievements of companies of the sector in the previous year, 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.

3 Bradesco Seguros e Previdência received the *As Melhores Seguradoras do Brasil* award, for being appointed as the Largest Insurance Group in Brazil by Awards Earned, Net Income, Stockholders Equity and Total Assets. Fundação Getulio Vargas (FGV) award, by means of *Conjuntura Econômica* magazine, issued by the Brazilian Institute of Economy (IBRE), of FGV, considered the companies economic and financial performance in 2006.

4 For the sixth consecutive year, Bradesco Seguros e Previdência conquered in 2007 the Folha Top of Mind award, promoted by Datafolha Institute, as the most remembered company by consumers in the Insurance category. The award is granted once a year to the most remembered brands among consumers based on survey with thousands of people throughout the country and is considered the most important of its kind in Brazil.

Sponsorships

1 Bradesco Seguros e Previdência was one of the sponsors of the *III Seminário de Petróleo e Gás* (Third Oil and Gas Seminar), promoted by the Brazilian Institute of Economy IBRE and *Conjuntura Econômica* magazine, of Fundação Getulio Vargas, on March 20, 2007, at the Stock Exchange Auditorium, in Rio de Janeiro. The event gathered approximately 250 professionals, among officers and executives of the Oil and Gas sector.

2 Bradesco Seguros e Previdência was one of the major supporting companies of the campaign *Vote Cristo. Ele é uma Maravilha* (Vote Christ. He's a Wonder), which had the purpose of electing the Christ Redeemer as one of the seven new wonders in an international election, promoted by the Swiss institution New 7 Wonders Foundation, which aims at protecting and disclosing the humanity's heritage.

3 Bradesco Seguros e Previdência promoted, on May 20 and December 16, two phases of the circuit Race and Walk for Longevity, in Rio de Janeiro and Florianópolis, respectively. The initiative intends to arouse interest for the theme and stimulate people to increase their quality of life by practicing physical exercises.

4 Since August 2007, Bradesco Seguros e Previdência participates in the Second Life. The brand is displayed through the placement of two advertising panels on the streets of Brazil Island I and Brazil Island II communities with the purpose of increasing the brand's visibility in this virtual environment which is increasingly attracting supporters in Brazil. Second Life is a real life simulator in a totally three-dimensional (3D) virtual world, having as purpose to encourage every participant to find a way of survival and to learn to develop profitable activities, which will interfere directly in their purchasing power within this virtual environment.

5 Bradesco Seguros e Previdência is the leading company in the ranking of Valor 1000 Yearbook, of Valor Econômico newspaper, in the General Insurance Lines category. The newspaper, which publishes the one thousand largest companies of the country in different sectors of the economy, assesses companies according to sustainable growth, net income and social involvement, among other criteria.

6 In September, Bradesco Seguros e Previdência Ombudsman Area completed 4 years of operations. To celebrate, it launched the second edition of Ombudsman Excellent Service Award. Employees can describe the service rendered to insured or brokers with quality and efficiency, without the participation of Ombudsman, through a form.

7 Bradesco de Seguros e Previdência was one of the sponsors of the XV Brazilian Congress of Insurance Brokers, which occurred between October 11 and 13, in the Convention Center, in Vitória (state of Espírito Santo). The event, promoted by Fenacor (Brazilian Federation of Brokers), comprised approximately two thousand insurance brokers in order to discuss on the current situation of the market and its trends. Grupo Bradesco was in the event to disclose its products and interact with brokers.

8 Bradesco Seguros e Previdência sponsored the IX Best Companies to Work for Meeting , in the American Chamber of Commerce (Amcham), in São Paulo, on October 25. The event had the participation of executives of the Insurance Company and companies classified by Guia Exame - Você S/A as The Best Companies to Work for 2007 .

9 Bradesco Seguros e Previdência sponsored the Race and Walk against the Breast Cancer of IBCC, which took place on November 4, in São Paulo. The initiative of the Breast Cancer in the Fashion Target campaign tried to stimulate people to take part in the event and thus promote the awareness on care with the women's health and the importance in the early detection of the disease diagnosis. IBCC brought doctors to lecture about breast, gynecologic and skin cancer.

Bradesco Saúde

Health Insurance Premiums - Market Share (%)

Source: ANS

Net Premiums Written - R\$ million

Insurance Lines	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Corporate Plan	739	782	2,937	805	851	3,224
Individual Plan	246	251	981	260	260	1,022
Total	985	1,033	3,918	1,065	1,111	4,246

Growth in Technical Provisions for Health R\$ million

Number of Insured of the Health Insurance Lines in thousands

When comparing December 2007 to the same period of 2006, 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 the end of 2007, Bradesco Saúde has more than 2.8 million customers, of which almost 2.6 million pertain to the corporate segment.

More than 18 thousand companies in Brazil have acquired Bradesco Saúde insurance products. Out of Brazil's 100 largest companies in terms of revenues, 38 are Bradesco's insurance clients (source: Exame magazine's *Melhores e Maiores de Agosto de 2007* Best and Biggest List, August 2007).

The large market share of corporate insurance in Bradesco Saúde's total portfolio (90.6% in December 2007) 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.

Awards/Recognition

- 1 Bradesco Saúde was elected the best company in the Health Insurance category and featured among the ten best companies in the survey The Top 100 Best HR Suppliers in Brazil, promoted by Gestão & RH Editora. The survey was conducted among Human Resources managers of the one thousand largest and best companies to work for, according to Exame magazine.
- 2 Bradesco Saúde received the *Gaivota de Ouro* trophy for Excellence in Health Portfolio. Promoted by Seguro Total magazine, the award aims at recognizing the companies, products, services, innovative actions and people who contributed to the growth and strengthening of the insurance market.
- 3 Bradesco Saúde won the award The Companies that Most Respect Consumer in Brazil 2007, promoted by Consumidor Moderno magazine, with research and methodology of TNS/Interscience, in the Health line. The survey carried out in the main cities of Brazil assessed criteria such as service, quality of products and social responsibility, among others.
- 4 Bradesco Saúde won the 10th Top of Mind HR Suppliers, in the Health Insurance category. The award is promoted by Profissional e Negócios magazine.

Highlights

- 1 Bradesco Saúde was one of the sponsors of the Supplementary Health Forum, promoted by Sincor SP, on June 14, at Hotel Maksoud Plaza, in São Paulo. Debates and lectures on important issues, such as available products, individual plans, plans for small and medium-sized companies and opportunities for brokers were carried out.
- 2 Bradesco Saúde is once again the leading company in the ranking of Valor 1000 yearbook of Valor Econômico newspaper, in the Health Insurance Line category. The newspaper, which publishes the one thousand largest companies of the country in different sectors of the economy, assesses companies as for sustainable growth, net income and social involvement, among other criteria.
- 3 Bradesco Saúde was pointed out for the second consecutive year as First Quality Benefit in the Health Insurance category, in the special edition of Guia Você S/A Exame The 150 Best Companies to Work For. In this year's edition, the research, based on studies of Fundação Instituto de Administração da Universidade de São Paulo (FIA), was conducted with the employees of the companies.
- 4 Bradesco Saúde was one of the sponsors of the event celebrating the 70 years of INCA (Brazilian Institute of Cancer), which was carried out on December 18, in Rio de Janeiro. Since the institution is part of the Ministry of Health, it is responsible for creating and ensuring the implementation of actions to control cancer in Brazil.

Bradesco Auto/RE

Insurance Premiums of Auto/RE Market Share (%)

Source: Susep

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

N.B.1: In 2004, the Auto/RE portfolio of Bradesco Seguros was merged.

N.B.2: as of 4Q07, we do not consider the technical provisions related to Indiana Seguros S.A., whose interest sale was approved by Susep Superintendence of Private Insurance on December 12, 2007.

Net Premiums Written R\$ million

Insurance Lines	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Auto/RE	765	774	2,916	912	653	2,862

N.B.: as of 4Q07, we do not consider the premiums related to Indiana Seguros S.A., whose interest sale was approved by Susep Superintendence of Private Insurance on December 12, 2007.

Number of Auto/RE Insured in thousands

N.B.: as of 4Q07, we do not consider the premiums related to Indiana Seguros S.A., whose interest sale was approved by Susep - Superintendence of Private Insurance on December 12, 2007.

Grupo Bradesco maintained an outstanding position among the main insurance companies in the Brazilian Basic Line (RE) Insurance Market, with an 8.1% share of total market sales in November 2007 in this area.

The improvement of investors' trust in the solidity of the Brazilian economy and the consistent increase in the internal consumption reaffirm the scenario of increasing internal and external investments. In addition, the intention of the Government to improve the infrastructure (by means of Public and Private Partnerships - PPPs) and investments for the enlargement of the settled industrial park are an excellent source of new businesses in the Great Risks area.

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

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

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

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

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In the Auto/RCF Lines, despite the strong competition, the Insurance Company has increased its client base, mainly due to the current products improvement and to the creation of products for specific publics, such as Bradesco Seguro Exclusivo Cliente Bradesco, for Banco Bradesco's account holders, Auto Mulher, for the female public, and Auto Corretor, for insurance brokers. One of the positive factors is the maintenance perspective of the growth in sales of new vehicles, which contributes to increase the insurance production of this line.

Bradesco Group's market share of the Auto/RCF portfolio, up to November 2007, was 15.2% .

Awards/Recognition

1 Bradesco Auto/RE Companhia de Seguros received the Segurador Brasil 2007 award, in the Best Performance in Residential Risks category. The award is promoted by Segurador Brasil magazine and its purpose is to acknowledge the leadership, performance and achievements of the companies of the sector in 2006, in addition to showing a scenario involving the importance of companies and entities in the implementation and development of concepts, products and services for the Brazilian insurance market.

2 Bradesco Auto/RE Companhia de Seguros received the Top de Marketing ADVB 2007 award. The Brazilian Association of Sales and Marketing Managers (ADVB) granted this award due to *Bradesco Seguro Auto Mulher Um Produto Exclusivo e Diferenciado Para o Público Feminino* (an exclusive and special product for the female public) case. The award aims at recognizing organizations which stimulate the creation and permanence of its products, services or brands by means of innovative and consistent marketing strategies.

3 Bradesco Auto/RE Companhia de Seguros received the *Gaivota de Ouro* trophy for Excellence in Auto Portfolio . Promoted by Seguro Total magazine, the award aims at recognizing the companies, products, services, innovative actions and people who contributed to the growth and strengthening of the insurance market.

Highlights

1 Bradesco Auto/RE Companhia de Seguros entered into an agreement of operational risk insurance with four companies of AES Group. The policy covers AES Eletropaulo, AES Tietê, AES Minas PCH and AES Uruguaiana equipment for property damage. AES Eletropaulo, Latin America's largest supplying company and responsible for the supply of electric power to more than 5 million customers in the city of São Paulo and metropolitan region, also provides services to transformers and mobile substations. The policy also covers the machinery of the hydroelectric power plant of AES Tietê in the state of São Paulo and the thermoelectric power plant of AES Uruguaiana, in the state of Rio Grande do Sul, in addition to small hydroelectric centers (PCH) of AES Minas.

2 In September, Bradesco Auto/RE Companhia de Seguros inaugurated its second Bradesco Auto Center (BAC). After the center inaugurated in Porto Alegre last February, São Paulo can benefit from a modern auto center, totally wireless. In case of car accident, BAC provides a reserve car, car inspection, installation of antitheft equipment and glass repair or change. The insured of Bradesco Seguro Auto and all the other types of Bradesco insurance, except trucks, are provided with these services.

3 Bradesco Auto/RE Companhia de Seguros promoted on November 13, in São Paulo, the Risk Forum Bradesco Auto/RE . The pioneering initiative aimed at stimulating the discussion about mankind's actions in the environment, evidenced by the global warming, the violence and degradation of the main urban centers and the lingering lack of habitation in many Brazilian regions, among other issues. The meeting targeted professionals from several economy sectors.

4 Bradesco Auto/RE Companhia de Seguros entered into an agreement for the construction and installation of the Floating Unit of Production, Storage and Transshipment (FPSO) of Campo de Frade, controlled by Chevron Brasil Ltda. The agreement enabled the Company to rank first in the special risks insurance ranking, which comprises oil, satellites and nuclear risks. The floating structure of Chevron, Petrobras and Frade Japão is planned to start its operations at the beginning of 2009 in Bacia de Campos, north of Rio de Janeiro.

5 Bradesco Auto/RE Companhia de Seguros entered into an insurance agreement with Linave, a navigation company operating in the Amazon basin. The agreement sets forth the coverage of civil responsibility of ship-owner for load transportation.

6 Bradesco Auto/RE Companhia de Seguros entered into a agreement with Concer. The concessionaire manages a 180 km extension of BR-040 Highway, which connects Rio de Janeiro to Juiz de Fora (state of Minas Gerais). The agreement sets forth the coverage for material damages, engineering risks and revenue loss which may occur.

Bradesco Vida e Previdência

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

Source: Susep

Up to December 2007, total income from private pension plans totaled R\$10.643 billion.

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

Source: Susep

Up to December 2007, total income from net premiums issued amounted to R\$1.660 billion.

Growth in Technical Provisions R\$ million

Total technical provisions of Bradesco Vida e Previdência in December 2007 was R\$50.5 billion. That amount was comprised of R\$24.5 billion for VGBL, R\$23.9 billion for supplementary private pension plans, R\$2.1 billion for life and personal accident and other lines.

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

Source: Fenaprevi

In December 2007, the Private Pension Plans and VGBL Investment Portfolio reached R\$51.9 billion, and the Life and Personal Accidents Investment Portfolio reached R\$2.4 billion, totaling R\$54.3 billion.

Increase in Number of Participants in thousands

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Increase in Life Insurance and Personal Accidents Insured 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 37.6% share of income from private pension plans and VGBL and a 15.8% share of personal insurance premiums. Bradesco is also sole leader in VGBL plans, with a 41.3% share, and a 26.3% share in PGBL (sources: Fenapevi Data accumulated up to November 2007).

The number of Bradesco Vida e Previdência clients reached a growth of 51.0% in December 2007 compared to December 2006, surpassing the record of 1.9 million private pension plans and VGBL participants and 14.8 million life insurance and personal accident insured. This significant increase was prompted by the strength of the Bradesco Brand name and by the use of appropriate management and sales policies.

Technical provisions totaled R\$50.5 billion in December 2007, an increase of 20.2% when compared to December 2006. In November 2007, the Portfolio of Investments in Private Pensions Plans and VGBL totaled R\$50.4 billion, comprising 41.0% 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:

- 1 Bradesco Vida e Previdência conquered the Fixed Income Fund and Fixed Income with Credit Award, from Gazeta Mercantil with the fund Bradesco Master II Previdência FI Renda Fixa. The fund received the maximum grade of five diamonds in a ranking prepared by Austin Rating for the newspaper.
- 2 Bradesco Vida e Previdência is pointed out as the Best company in the Life and Private Pension Plan segment in 4 items: largest company in net income; largest company in insurance and/or private pension plans income; largest in net premiums; highest profitability on equity. It was published in Valor Financeiro magazine, which analyzed publicly-held entities of private pension plans, insurance companies operating in the private pension plans segment and insurance companies mainly operating in People line.
- 3 Bradesco Vida e Previdência conquered the Best Private Pension Plan award. Balanço Financeiro 2007 magazine, edited by Gazeta Mercantil, granted the awards to financial institutions which best performed in 13 segments, according to a ranking prepared by the consulting company Austin Rating.

4 Bradesco Vida e Previdência, for the 5th consecutive year, was considered the largest insurance company by premiums in Brazil. The award was granted by Exame Melhores e Maiores magazine. All companies awarded were chosen by Exame based on information obtained from their accounting statements published in the Official Gazette of the States.

5 Bradesco Vida e Previdência was pointed out as the largest company of Life and Private Pension Plans, according to Valor 1000 magazine, from Valor Econômico newspaper. The analysis was carried out among 1000 companies with the highest income in 2006.

6 Bradesco Vida e Previdência was elected for the second consecutive year as Benefício de Primeira by the 150 Best Companies to Work for of Guia Você S/A Exame. When analyzing benefits offered by the best companies to work for, Bradesco Vida e Previdência was the outstanding company, since it provides Private Pension Plans for most of them.

Bradesco Capitalização

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

Regionally, Bradesco Capitalização is a leading company in two Brazilian states, according to the latest figures for October 2007 published by Susep. The company's market share was 29.4% in Amazonas and 27.2% in São Paulo.

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

Continuing with the consolidation process of traditional products, in November 2007, the Product Premium Cash was launched through Partnership between Bradesco Capitalização and American Express.

The new product of monthly payment brings as attraction the flexibility of the monthly payments from R\$30.00 to R\$300.00, in multiples of R\$10.00, and offers several chances of weekly, monthly, quarterly and annual draws. The Commercialization Channel will be exclusively opened by means of Active and Receptive Telemarketing of American Express.

We also point out the important performance of social-environmental products, such as Pé Quente Bradesco SOS Mata Atlântica, which, in addition to enabling the formation of a financial reserve, contributes to reforestation projects of Fundação SOS Mata Atlântica, as well as Pé Quente Bradesco GP Ayrton Senna, whose great competitive advantage is the destination of a percentage of the amount collected with bonds to social projects of Instituto Ayrton Senna and Fashion Targets Breast Cancer. Upon acquiring this last product, the client contributes to the development of projects for prevention, early diagnosis and treatment of cancer in Brazil, since part of the amount collected is given to IBCC - Brazilian Institute of Cancer Control.

Rating

Standard & Poor's increased from brAA+/Positive to brAAA/Stable the rating of Bradesco Capitalização, which is 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.

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Quality Management System

Bradesco Capitalização S.A. was the first private certificated savings plans company in Brazil to receive ISO 9002 Certification. In 2007, it maintained its quality management system, in the ISO 9001:2000 version within the scope of Bradesco Certificated Savings Plans Management . This certificate granted by Fundação Vanzolini shows the quality of its internal processes and confirms the principle which is the origin of Bradesco Certificated Savings Plans: good products, good services and permanent evolution.

Income from Certificated Savings Plans Market Share (%)

Source: Susep

Technical Provisions for Certificated Savings Plans Market Share (%)

Source: Susep

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

Due to the growing strengthening of the Technical Provisions volume, Bradesco Capitalização reached the amount of R\$2.5 billion in December 2007, and, according to October 2007 data released by Susep, it holds 21.1% of the total volume of Technical Provisions in the market.

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

Number of Clients of Certificated Savings Plans in thousands

As a result of a policy of building customer loyalty, focused on the quality of the customer service and on the offer of innovative products, Bradesco Capitalização ended 4Q07 amounting to 2.3 million 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 14.2 million in December 2006 to 14.3 million in December 2007. Out of this total, 68.6% comprise bonds with Transfer of Draw Participation Rights modality, including: Bradesco Cartões, Bradesco Vida e Previdência, Bradesco Auto/RE etc. Considering that the purpose of this type of certificated savings plans is to add value to partners products or even to provide incentives for customer due payments, these bonds are sold with reduced terms and grace periods and at a lower unit purchase price.

Awards/Acknowledgment

1 Bradesco Capitalização received the Top of Quality 2007 award from the Ordem dos Parlamentares do Brasil (OPB), an institute with a 30-year tradition. The award was created by OPB to acknowledge, distinguish and reward the work of companies that contribute to the country's social-economic development.

2 Bradesco Capitalização received the Troféu Desbravadores (Pathfinders Trophy), for the Company's pioneering nature, and the Troféu Segurador Ambiental (Environmental Insurer Trophy), for its actions in the preservation of the environment with the certificated savings plan Pé Quente Bradesco SOS Mata Atlântica, at the ceremony of the Prêmio Segurador Brasil 2007. The award, promoted by Segurador Brasil magazine, aims at acknowledging the leadership, performance and achievements of the companies of the sector in the previous year, in addition to showing a scenario involving the importance of companies and entities in the implementation and development of concepts, products and services for the Brazilian insurance market.

3 Bradesco Capitalização received the Balanço Financeiro award, as the best company in the Certificated Savings Plans category. The award, promoted by Gazeta Mercantil newspaper based on study of Consultoria Austin Rating, considers the growth, performance and results obtained in 2006.

4 Bradesco Capitalização received the Top Social 2007 award of the Brazilian Association of Sales and Marketing Managers (ADVBS - SP). The case awarded was Pé Quente Bradesco o Câncer de Mama no Alvo da Moda (Breast Cancer in the Fashion Target). This award is one of the most important in the sector and intends to evaluate and point out socially responsible actions.

5 Bradesco Capitalização was awarded with the Anabel Environmental Responsibility award, granted by the Personal Hygiene and Cosmetics Products National Trade Association (Anabel) due to the partnerships maintained with Fundação SOS Mata Atlântica, Instituto Ayrton Senna and Brazilian Institute of Cancer Control. The award has as purpose to stimulate commercial businesses and companies to worry about social and environmental causes.

6 Bradesco Capitalização was the winner of the 2007 edition of Brazil of Environment award, in the category Best Social Communication in Environment Action, with Pé Quente Bradesco SOS Mata Atlântica. Promoted by Editora JB, the award promotes the great initiatives towards the Environment of the country and aims to strengthen the discussions about environmental issues, sustainable development and social responsibility.

7 Bradesco Capitalização won the 2007 Marketing Best award, granted by Editora Referência, for the case Innovative certificated savings plans with a social-environmental profile push the businesses of Bradesco Capitalização. The award pays homage to the cases/companies that were outstanding in the planning and execution of marketing strategies.

Banco Finasa

Consolidated Balance Sheet

	R\$ million			
	2006		2007	
	September	December	September	December
Assets				
Current and Long-Term Assets	18,479	19,492	24,376	29,867
Funds Available	13	1	3	1
Interbank Investments	277	466	537	3,580
Securities and Derivative Financial Instruments	63	78	173	189
Interbank Accounts	34		34	4
Loan and Leasing Operations	17,533	18,455	22,832	25,022
Allowance for Doubtful Accounts	(863)	(986)	(1,190)	(1,260)
Other Receivables and Other Assets	1,422	1,478	1,987	2,331
Permanent Assets	1,739	1,770	1,976	2,057
Total	20,218	21,262	26,352	31,924
Liabilities				
Current and Long-Term Liabilities	19,191	20,177	24,926	30,420
Demand, Time and Interbank Deposits	18,788	19,753	24,207	29,472
Borrowings and Onlendings	3	2	1	1
Derivative Financial Instruments	4	2	1	
Other Liabilities	396	420	717	947
Future Taxable Income	26	22	18	18
Stockholders Equity	1,001	1,063	1,408	1,486
Total	20,218	21,262	26,352	31,924

Consolidated Statement of Income

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Income from Financial Intermediation	1,378	1,424	5,328	1,720	1,928	6,698
Financial Intermediation Expenses	(809)	(844)	(3,135)	(1,020)	(1,195)	(3,978)
Net Interest Income	569	580	2,193	700	733	2,720
Allowance for Doubtful Accounts Expenses	(256)	(289)	(1,014)	(322)	(324)	(1,230)
Gross Income from Financial Intermediation	313	291	1,179	378	409	1,490
Other Operating Income/Expenses	(232)	(233)	(906)	(173)	(225)	(833)
Operating Income	81	58	273	205	184	657

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Non-Operating Income		(4)	(5)	(4)	(19)	(28)
Income before Taxes and Contributions	81	54	268	201	165	629
Taxes and Contributions on Income	(13)	(3)	(30)	(45)	(12)	(94)
Net Income	68	51	238	156	153	535

Profile

Banco Finasa offers financing lines of direct loan to consumer for acquisition of passenger vehicles, transportation and other goods and services, in addition to leasing and personal loan operations.

Operating in a special way, by means of partnerships with stores and resale, Banco Finasa complements the distribution network of Bradesco Organization's financing products.

Combined with Bradesco's innate vocation for the granting of financing, the policy to enter into operational agreements with large car makers, auto and truck resale and implements, in addition to important retail chains, is consolidated.

For the new business prospect, Banco Finasa contracts the services of Finasa Promotora de Vendas, its wholly-owned subsidiary which, through its 375 branches established nationwide and a structure of business partners.

Operating Performance

At the end of 2007, the Bank amounted to R\$25.022 billion in financing portfolio, leasing and personal loan, a growth of 35.7% over the same period in 2006, pointing out the leasing portfolio which grew by 210.1%, from R\$1.344 billion to R\$4.168 billion, as a result of the increase in granting of financing in this type. The production of new businesses increased, on average, from R\$1.310 billion/month in 2006 to R\$1.696 billion/month in 2007, a growth of 29.5%.

The corporate result in 2007 was R\$535 million, against R\$238 million recorded in 2006, growth of 124.8%, ending 2007 with a Stockholders' Equity of R\$1.486 billion.

Banco Bradesco BBI

Balance Sheet (1)

	R\$ thousand			
	2006		2007	
	September	December	September	December
Assets				
Current and Long-Term Assets	1,612,964	1,680,664	2,244,179	1,607,369
Funds Available	2	2	4	20
Interbank Investments	898,664	966,528	537,529	537,631
Securities and Derivative Financial Instruments	564,904	563,409	1,541,129	896,930
Interdepartmental Accounts	175	475	137	292
Other Receivables and Other Assets	149,219	150,250	165,380	172,496
Permanent Assets	244,590	230,685	268,957	378,392

Total	1,857,554	1,911,349	2,513,136	1,985,761
Liabilities				
Current and Long-Term Liabilities	670,215	705,994	1,183,069	559,322
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	581,609	599,863	1,015,592	242,819
Derivative Financial Instruments			57,752	123,458
Other Liabilities	88,606	106,131	109,725	193,045
Stockholders Equity	1,187,339	1,205,355	1,330,067	1,426,439
Total	1,857,554	1,911,349	2,513,136	1,985,761

(1) The corporate name of Banco Bradesco BBI S.A. was approved at the Special Stockholders Meeting held on May 31, 2006, after the incorporation by Banco BEM S.A. of stocks issued by Bram Bradesco Asset Management S.A. Distribuidora de Títulos e Valores Mobiliários and Bradesco S.A. Corretora de Títulos e Valores Mobiliários.

Statement of Income (1)

	R\$ thousand					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Income from Financial Intermediation	50,293	46,424	203,927	53,543	47,291	167,445
Financial Intermediation Expenses	(19,818)	(18,265)	(78,791)	(19,145)	(19,672)	(50,572)
Gross Income from Financial Intermediation	30,475	28,159	125,136	34,398	27,619	116,873
Other Operating Income/Expenses	4,536	10,937	41,812	22,830	46,098	88,627
Operating Income	35,011	39,096	166,948	57,228	73,717	205,500
Non-Operating Income	104	118	500	118	378	737
Income before Taxes and Contributions	35,115	39,214	167,448	57,346	74,095	206,237
Taxes and Contributions on Income	(9,809)	(8,666)	(38,525)	(14,831)	(19,760)	(44,327)
Adjusted Net Income (2)	25,306	30,548	128,923	42,515	54,335	161,910

(1) The corporate name of Banco Bradesco BBI S.A. was approved at the Special Stockholders Meeting held on May 31, 2006, after the incorporation by Banco Bem S.A. of stocks issued by BRAM Bradesco Asset Management S.A. Distribuidora de Títulos e Valores Mobiliários and Bradesco S.A. Corretora de Títulos e Valores Mobiliários.

(2) In 4Q07 and 2007, income was adjusted by the partial sale of our interest in BM&F, in the amount of R\$91,840 thousand.

Bradesco BBI S.A. is the company responsible for the development of operations in the Variable Income, Fixed Income, Structured Operations, Mergers and Acquisitions, Project Financing and Treasury segments.

In 2007, BBI coordinated important variable and fixed income transactions, which amounted to R\$25.4 billion. That volume represents 17.92% of the total amount of stocks issues, stocks deposit certificates, debentures and promissory notes recorded by the Brazilian Securities and Exchange Commission (CVM) in the same period.

Variable Income

We point out our participation as Lead Managers and joint bookrunner in the public offerings of stocks of Bolsa de Mercadorias & Futuros BM&F S.A., in the amount of R\$6.0 billion, and Helbor Empreendimentos S.A., in the amount of R\$251.8 million. As joint bookrunner, we coordinate public offerings of Marfrig Frigoríficos e Comércio de Alimentos S.A., in the amount of R\$1.0 billion, Multiplan Empreendimentos Imobiliários S.A., in the amount of R\$924.5 million, Banco Panamericano S.A., in the amount of R\$700.4 million, and Drogasil S.A., in the amount of R\$392.7 million. As contracted coordinators, we highlight the operation of Bovespa Holding S.A., in the amount of R\$6.6 billion, JBS S.A., in the amount of R\$1.6 billion and LOG-IN Logística Intermodal S.A., in the amount of R\$848.2 million.

Fixed Income

In the operations that involved issuance of fixed-income securities, BBI had an important market share in 2007, operating as Lead Manager in several operations, such as the public offering of debentures of Eletropaulo

Metropolitana Eletricidade de S.Paulo S.A., in the amount of R\$200.0 million, the offering of Ultrapar Participações S.A., first and second tranches, in the amount of R\$675.0 million and R\$214.0 million, respectively, in the issuances of debentures of Rossi Residencial S.A., in the amount of R\$300.0 million and in the issuance of PDG Realty S.A. Empreendimentos e Participações, in the amount of R\$250.0 million. In the condition of Coordinator, we highlight the issuance of debentures of BNDESPAR - BNDES Participações S.A., in the amount of R\$1.3 billion, mostly distributed in retail investors, Via Oeste S.A., in the amount of R\$650.0 million, Companhia Brasileira de Distribuição, in the amount of R\$779.6 million and in the issuance of debentures of Cyrela Brazil Realty S.A., in the amount of R\$500.0 million.

In addition to the local market, BBI also operates in the international capital markets, originating and structuring debt transactions (commercial papers, notes and bonds) for placement with foreign investors. We highlight CVRD's bond in the total amount of US\$3.8 billion, and the Minerva Overseas Ltd. bond, in the amount of US\$150.0 million, with the subsequent reopening in a further US\$50.0 million.

Structured Operations

BBI develops structures used to segregate credit risks, through securitization, using Special Purpose Entities (SPEs), Loan Grants with shared risk, Credit Right Investment Funds (FIDCs), Certificates of Real Estate Receivables (CRIs) and Medium and Long-term Financing Structuring, structured based on receivables and/or other collaterals. Additionally, BBI structures pre-IPO financing and has an outstanding position in acquisition finance.

In structured operations we highlight the financings for the acquisition of Companhia Açucareira Vale do Rosário by Grupo Santa Elisa, in the amount of R\$1.3 billion; Plaza Shopping Trust SPCO Ltda. by Brascan Shopping Centers Ltda.; Dipemar Revistas e Eventos by Fispal Feiras e Produtos Comerciais and for Glopapak by ISP. We also participated as leading institution of FIDC CESP IV, Cesp Companhia Energética de São Paulo, in the amount of R\$1.3 billion, of FIDC Hiper, Supermercados G. Barbosa, in the amount of R\$155.0 million and of the 3rd tranche of the 1st issuance of CRI of Aetatis Securitizadora S.A. (Prosperitas), in the amount of R\$34.9 million.

Mergers and Acquisitions

BBI is also responsible for financial advisory services in mergers, acquisitions, spin-offs, joint ventures, corporate restructuring and privatization.

In 2007, we took part in the acquisition of Banco BMC S.A. by Bradesco S.A. and the sale of part of the stake held by Bradesco Organization at Serasa S.A.; we also advised B5 S.A. in the acquisition of Companhia Açucareira Vale do Rosário, Brascan Shopping Centers in the acquisition of Plaza Shopping Trust SPCO Ltda., Louis Dreyfus Commodities Bioenergia S.A. in the acquisition of the sugar and alcohol businesses of Grupo Tavares de Mello, CPM S.A. in the merger with Braxis Tecnologia da Informação S.A. and Odebrecht Investimentos em Infra-Estrutura Ltda., in the acquisition of Ecosama Empresa Concessionária de Saneamento de Mauá S.A.

Project Financing

BBI has a solid track record playing the role of financial advisor and structurer for several projects in the Project and Corporate Finance categories, always seeking the best financing solution for projects. It operates in the most important sectors of the economy and has an excellent relationship with several different promotion agencies, such as BNDES, BID and IFC.

This year, BBI operated as Financial Structurer and Advisor for important projects of different sectors of the economy, being successful in the obtainment of adequate financing solutions, such as: i) Foz do Chapecó Hydroelectric Power Plant, with capacity of 855 MW, with total financing of R\$1.6 billion, in which BBI operated as Financial Structurer and Advisor; ii) PCH Terra Santa (27.4 MW) and PCH Pampeana (28 MW), where financings were made feasible in the amount of R\$98.8 million and R\$88.5 million, respectively; and iii) M&G Polímeros, implementation and operation project of PET plant, with financing of R\$460 million, in which BBI was responsible for the long-term financing structuring, sindacalization and leadership in the negotiation process of the terms and conditions of the financing with the other banks.

BBI also participated in the joint advisement provided to Consórcio Madeira Energia, lead by Odebrecht and Furnas, in the bidding of Santo Antônio Hydroelectric Power Plant, with installed capacity of 3,150 MW, in which it was the winner; operation of BBI as financial advisor of Odebrecht in the Concession auction of the Public-Private Partnership

(PPP) for the expansion of the sanitary sewage system of Rio das Ostras (RJ), in which the company was the winner in January 2007, and the obtainment, in November 2007, of the mandate of Financial Structurer and Advisor for LLX Logística, a holding company focused on port logistics projects, whose main scope is the obtainment of financings for the implementation of three port complexes in the Southeast region of the country.

Treasury

BBI's Treasury operates in the following areas:

Clients: present in local and foreign markets, the Treasury is able to distribute fixed income products in the primary market and, more strongly, in the secondary markets. The interest rates, currencies, commodities and loan derivatives are also part of a range of products offered to clients;

Markets: performance in different markets, focusing on product pricing for customers; and

Structuring: capacity of originating and developing tailor-made products for the different types of clients.

In 2007, BBI took part in the distribution of several new issuances, among which it is worth pointing out the BNDES operation, in which BBI executed a Market Maker agreement. BBI is negotiating with some other companies to act as a price maker of issuances in the secondary market. One of the purposes of these negotiations is to stimulate the domestic fixed income secondary market.

BBI's treasury stands out due to price indexes derivative operations and in the domestic and foreign fixed income secondary market.

It is possible to notice in treasury operations for BBI's Private Bank the increasing volume of structured notes operations.

Leasing Companies

On December 31, 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 portfolios of Banco Finasa S.A. and Banco BMC S.A., which are directly shown in its financial statements.

Aggregated Balance Sheet

	R\$ million			
	2006		2007	
	September	December	September	December
Assets				
Current and Long-Term Assets	24,572	32,610	35,474	36,257
Interbank Investments	20,626	28,428	30,182	30,387
Securities and Derivative Financial Instruments	886	911	1,093	1,091
Leasing Operations	2,437	2,568	3,451	4,040
Allowance for Doubtful Accounts	(104)	(106)	(121)	(133)
Other Receivables and Other Assets	727	809	869	872
Permanent Assets	59	60	55	57

Total	24,631	32,670	35,529	36,314
Liabilities				
Current and Long-Term Liabilities	22,092	30,033	32,704	33,450
Federal Funds Purchased and Securities Sold under Agreements to Repurchase and Funds Received from Issuance of Securities	20,503	28,376	30,730	31,360
Borrowings and Onlendings	210	252	424	484
Subordinated Debt	622	620	618	616
Other Liabilities	757	785	932	990
Stockholders' Equity	2,539	2,637	2,825	2,864
Total	24,631	32,670	35,529	36,314

Aggregated Statement of Income

	R\$ million					
	2006			2007		
	3 rd Qtr.	4 th Qtr.	Year	3 rd Qtr.	4 th Qtr.	Year
Income from Financial Intermediation	1,087	1,111	4,151	1,354	1,375	5,354
Financial Intermediation Expenses	(960)	(982)	(3,644)	(1,226)	(1,246)	(4,855)
Net Interest Income	127	129	507	128	129	499
Allowance for Doubtful Accounts Expenses	(6)	(2)	(13)	(10)	(13)	(32)
Gross Income from Financial Intermediation	121	127	494	118	116	467
Other Operating Income/Expenses	(37)	(36)	(132)	(15)	(6)	(44)
Operating Income	84	91	362	103	110	423
Non-Operating Income		(2)	(7)	(2)	(3)	9
Income before Taxes and Contributions	84	89	355	101	107	432
Taxes and Contributions on Income	(28)	(21)	(113)	(28)	(34)	(136)
Net Income	56	68	242	73	73	296

Leasing Performance Aggregated Bradesco

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

On December 31, aggregated leasing operations brought to present value totaled R\$8.2 billion (*).

Bradesco Organization's leasing companies are positioned amongst sector leaders, according to ABEL (Brazilian Association of Leasing Companies), with a 12.52% share of this market (reference date: November 2007). 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

(*) It includes Leasing operations of Banco Finasa.

Bradesco Consórcios**Management Company**

Balance Sheet

	R\$ thousand			
	2006		2007	
	September	December	September	December
Assets				
Current and Long-Term Assets	235,932	256,159	359,900	384,597
Funds Available	350			1
Securities	230,876	248,735	353,154	374,172
Other Receivables	4,706	7,424	6,746	10,424
Permanent Assets	4,892	5,483	7,808	9,790
Total	240,824	261,642	367,708	394,387
Liabilities				
Current and Long-Term Liabilities	65,241	70,305	123,747	111,600
Dividends Payable	29,039	25,409	75,409	50,000