

BANK BRADESCO
Form 6-K
November 09, 2007

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

FORM 6-K

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

For the month of November, 2007

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			
	2 nd Qtr.	3 rd Qtr.	September YTD	2 nd Qtr.	3 rd Qtr.	September YTD	12 months accumulated
CDI	3.58	3.51	11.54	2.89	2.79	8.96	12.36
Ibovespa	(3.48)	(0.49)	8.95	18.74	11.16	35.94	65.86
Commercial Rate	(0.37)	0.46	(7.11)	(6.05)	(4.52)	(13.98)	(15.41)
IGP-M	0.71	0.84	2.27	0.34	2.57	4.06	5.67
IPCA - IBGE	0.10	0.45	2.00	0.81	0.89	2.99	4.15
TJLP	1.98	1.82	6.10	1.59	1.53	4.77	6.52
TR	0.47	0.57	1.56	0.39	0.34	1.21	1.69
Savings Deposits	1.98	2.09	6.22	1.91	1.85	5.85	7.96
Number of Business Days	61	64	188	62	64	188	249

Closing Amount

Indicators	2006		2007	
	June	September	June	September
USD Commercial Rate for Sale (R\$)	2.1643	2.1742	1.9262	1.8389
Euro (R\$)	2.7681	2.7575	2.6073	2.6237
Country Risk (Points)	246	233	160	185
Selic Copom Base Rate (% p.a.)	15.25	14.25	12.00	11.25
Pre-BM&F Rate 1 year (% p.a.)	14.78	13.56	10.77	11.38

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

Deposits	2006		2007		Items	2006		2007	
	2 nd Qtr.	3 rd Qtr.	2 nd Qtr.	3 rd Qtr.		2 nd Qtr.	3 rd Qtr.	2 nd Qtr.	3 rd Qtr.
Demand Deposits ⁽¹⁾	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

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Additional ⁽²⁾	8	8	8	8	Cofins ⁽²⁾	4	4	4	4
Savings Account ⁽⁴⁾	20	20	20	20	Legal Reserve on Net Income	5	5	5	5
Additional ⁽²⁾	10	10	10	10	Maximum Fixed Assets ⁽³⁾	50	50	50	50
					Capital Adequacy Ratio (Basel) ⁽⁴⁾	11	11	11	11

- (1) Cash deposit No remuneration. (1) The rate applicable to non-financial and similar companies is 1.65% (non-cumulative PIS).
- (2) Cash deposit 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, 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 at 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 adherence 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 assessment of these risks.

Risks Relating to Brazil

1) Brazilian political and economic conditions have direct impact on our business and on the market value of our 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 by frequent intervention by 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 policy involving exchange controls, tax and other matters, as well as factors such as: fluctuations in exchange rates, interest rate, inflation rates, and other political, diplomatic, social and economic developments 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 undergone extremely high inflation rates, with annual rates (IGP-DI from Fundação Getulio Vargas) reaching as high as 2,708% in 1993. More recently, Brazil's inflation rates were 1.2% in 2005, 3.8% in 2006 and 4.4% in the nine-month period of 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 actions 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 introduction 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 in the market value of the Brazilian companies' securities. Crises in other emerging countries or economic policies in other countries, specially 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 September 30, 2007 Cidade de Deus Companhia Comercial de Participações held 48.01% of our common stocks and Fundação Bradesco directly and indirectly held 47.88% 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.

III

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 September 30, 2007, the allowance for loan losses would increase approximately R\$47 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance for loan losses 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.

IV

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, 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.

V

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 and 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 81 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 activity, 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;

VI

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, 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 premium or amounts deposited, as observed as follows:

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

Contents

List of Main Abbreviations		10
1 Bradesco Line by Line		11
Net Income	12	Statement of Income 22
Summarized Analysis of the Statement of Income	13	Analysis of the Statement of Income 23
Highlights	15	Comparative Balance Sheet 40
Bradesco's stocks	18	Equity Analysis 41
2 Main Information on Statement of Income		53
Consolidated Statement of Adjusted Income Profitability	54	Allowance for Doubtful Accounts 67
Results by Business Segment	56	Fee and Commission Income 68
Change in the Main Items of Statement of Income	58	Administrative and Personnel Expenses 69
Change in Net Interest Income Items plus Exchange Adjustment	58	Operating Efficiency 70
Analysis of the Adjusted Net Interest Income and Average Rates	59	Other Indicators 72
	60	
3 Main Information on Balance Sheet		73
Consolidated Balance Sheet	74	Funding 84
Total Assets by Currency and Maturities	76	Checking Accounts 84
Securities	77	Savings Accounts 85
Loan Operations	78	Assets under Management 86
4 Operating Companies		89
Grupo Bradesco de Seguros e Previdência	90	Banco Bradesco BBI 112
Insurance Companies (Consolidated)	90	Leasing Companies (Consortium Purchase Plans) 115
Bradesco Saúde	97	Bradesco Consórcios 117
Bradesco Auto/RE	99	Bradesco S.A. Corretora de Títulos e Valores Mobiliários 123
Bradesco Vida e Previdência	103	Bradesco Securities, Inc. 126
Bradesco Capitalização	106	
Banco Finasa	111	
5 Operational Structure		127
Corporate Organization Chart	128	Customer Service Network 139
Administrative Body	130	Bradesco Day & Night Customer Service Channels 141
Risk Ratings	131	Investments in Infrastructure, Information Technology and Telecommunications 145
Ranking	132	
Market Segmentation	133	Risk Management and Compliance 146

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Bradesco Corporate	133	Cards	165
Bradesco Empresas (Middle Market)	134	Internacional Area	168
Bradesco Private	134	Cash Management Solutions	173
Bradesco Prime	135	Qualified Services for Capital Markets	176
Bradesco Varejo (Retail)	136	Business Processes	177
Banco Postal	136	Acknowledgments	181
6 Social-environmental Responsibility			183
Bradesco Organization and the Social-environmental Responsibility Human Resources	184 192	Fundação Bradesco Social Report	213 220
7 Independent Auditors Report			221
Report of Independent Auditors on Limited Review of Supplementary Accounting Information included in the Report on Economic and Financial Analysis and in the Social Report			222
8 Financial Statements, Independent Auditors Report and Fiscal Council s Report			223
Management Report	224	Consolidated Cash Flow	235
Consolidated Balance Sheet	228	Consolidated Added Value Statement	236
Consolidated Statement of Income	232	Index of Notes to the Financial Statements	237
Consolidated Statement of Changes in Stockholders Equity	233	Notes to the Financial Statements	238
		Management Bodies	294
Consolidated Statement of Changes in Financial Position	234	Independent Auditors Report on Special Review	295
		Fiscal Council s Report	296
Glossary of Technical Terms			
Cross Reference Index			300

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

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

1 Bradesco Line by Line

Net Income

The Reported Net Income of 3Q07 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			
	2006	2007		
	Nine Months	2 nd Quarter	3 rd Quarter	Nine Months
Reported Net Income	3,351	2,302	1,810	5,817
Extraordinary Events in the Period:				
(-) Total Sale of Investment in Arcelor		(354)		(354)
(-) Partial Sale of Investment in Serasa		(599)		(599)
(-) Partial Sale of Bovespa's securities			(75)	(75)
(+) Full goodwill amortization ⁽¹⁾	2,109	182	631	813
(+) Supplementary labor provision	309			
(-) Activated tax credit of previous periods	(204)	(41)	(376)	(417)
(+) Civil provision ⁽²⁾		74	126	200
(-) Recovery of tax credits (PIS)			(51)	(51)
(+/-) Fiscal effects	(822)	237	(215)	22
Adjusted Net Income	4,743	1,801	1,850	5,356

(1) It refers to the full goodwill amortization calculated in the period by the acquisition of investments, basically represented by Josema Administração e Participação S.A. (Parent company of Credifar S.A. Crédito, Financiamento e Investimento) in 2Q07 and by Banco BMC S.A. and subsidiaries (Banco BMC) in 3Q07; and

(2) Refers to economic plans' reconstitution of inflation rates excluded.

Returns on Stockholders' Equity - Adjusted Net Income - in percentage

	2007		
	2 nd Quarter	3 rd Quarter	Nine Months
Return on Equity - ROE	28.9	27.8	25.2
Return on Average Equity - ROAE	29.5	29.3	27.7
Return on Equity - ROE (without mark-to-market adjustment TVM and Derivatives)	31.3	29.9	26.9
Return on Average Equity - ROAE (without mark-to-market adjustment TVM and Derivatives)	32.9	31.4	30.0
Return on Equity - ROE (straight-line calculation)	26.2	25.3	24.4
Return on Average Equity - ROAE (straight-line calculation)	26.7	26.5	26.8
Return on Assets - ROA	2.5	2.4	2.3

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

12

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.

September YTD/2006 x September YTD/2007 R\$ million

	Nine Months of 2006			Nine Months of 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)	15,073	(280)		14,793	17,374	(717)	(354) (5)	16,303	1,510	10.2
Allowance for Doubtful Accounts PDD (b)	(3,223)			(3,223)	(3,942)			(3,942)	(719)	22.3
Intermediation Gross Income	11,850	(280)		11,570	13,432	(717)	(354)	12,361	791	6.8
Insurance, Private Pension Plans and Certificated Savings Plans Operating Income	681			681	565			565	(116)	(17.0)
Fee and Commission Income (c)	6,474			6,474	7,910			7,910	1,436	22.2
Personnel Expenses (d)	(4,472)			(4,472)	(4,749)			(4,749)	(277)	6.2
Supplementary Labor Provision Other	(309)		309 (2)							
Administrative Expenses (d)	(4,199)			(4,199)	(4,939)			(4,939)	(740)	17.6
Tax Expenses (d)	(1,608)	35		(1,573)	(1,856)	90		(1,766)	(193)	12.3

Other Operating Income/Expenses (e)	(1,994)		(1,994)	(2,380)	149 ⁽⁶⁾	(2,231)	(237)	11.9		
Full Goodwill Amortization	(2,109)	2,109 ⁽³⁾		(813)	813 ⁽³⁾					
Operating Income	4,314	(245)	2,418	6,487	7,170	(627)	608	7,151	664	10.2
Non-Operating Income	20		20	677		(674) ⁽⁷⁾	3	(17)	(85.0)	
IR/CS and Minority Interest	(983)	245	(1,026) ⁽⁴⁾	(1,764)	(2,030)	627 ⁽⁸⁾	(1,798)	(34)	1.9	
Net Income	3,351		1,392	4,743	5,817	(461)	5,356	613	12.9	

(1) partial result of derivatives used for hedge (5) positive result recorded in the sale of our share in Arcelor in the effect of investments abroad, which in terms of 2nd quarter of 2007;

Net Income, simply annuls the fiscal and tax (6) constitution of civil provision economic plans in the amount of effect (IR/CS and PIS/Cofins) of this hedge R\$(200) million and recovery of fiscal credits (PIS strategy;

(2) supplementary provision for labor proceedings, pursuant to CVM Resolution no. 489;

(3) full goodwill amortization in subsidiaries;

(4) fiscal effect of adjustments in the amount of R\$822 million and activation of the fiscal credits of previous periods, in the amount of R\$204 million;