

BANK BRADESCO
Form 6-K
November 13, 2006

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

FORM 6-K

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

For the month of November, 2006

Commission File Number 1-15250

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

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

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

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

Form 20-F Form 40-F

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

Yes No

Banco Bradesco S.A.

Corporate Taxpayer s
ID CNPJ 60.746.948/0001-12

BOVESPA

BBDC3
(common)
and
BBDC4
(preferred)

NYSE BBD

LATIBEX
XBBDC

Main Indicators (%)

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

Closing Amount

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

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

Deposits	2005				2006				Items	2005				2006			
	2nd Qtr.	3rd Qtr.	2nd Qtr.	3rd Qtr.	2nd Qtr.	3rd Qtr.	2nd Qtr.	3rd Qtr.		2nd Qtr.	3rd Qtr.	2nd Qtr.	3rd Qtr.	2nd Qtr.	3rd 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) Savings Account (4)	8	8	8	8	COFINS (2) Legal Reserve on Net Income	4	4	4	4
Additional (2)	10	10	10	10	Maximum Fixed Assets (3) Capital Adequacy Ratio Basel (4)	50	50	50	50
						11	11	11	11

(1) Cash deposit No remuneration.

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

(2) Cash deposit SELIC rate.

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

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

(3) Maximum fixed assets are applied over Reference Equity.

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

(4) Reference Equity may not be lower than 11% of Weighted Assets.

Forward-Looking Statements

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

Factors which could modify actual results include, among others, changes in regional, national and international commercial and economic conditions; inflation rates; increase in customer delinquency on the account of borrowers and any other delays in loan operations; increase in the allowance for loan losses; loss of funding capacity; loss of clients or revenues; our capacity to sustain and improve performance; changes in interest rates which could, among others, adversely affect our margins; competition in the banking sector, in financial services, credit card services, insurance, asset management and other related sectors; government regulations and fiscal matters; disputes or adverse legal proceedings or ruling; as well as credit risks and other loan and investment activity risks.

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

Risk Factors and Critical Accounting Practices

We transcribe below the annual report filed with the SEC Risk Factors and Critical Accounting Practices sections of Form 20-F, to assure Bradesco's adherence to best international practices for transparency and corporate governance, describing the risk factors and the critical accounting practices which we consider most significant and which could affect our daily business, the results of our operations or our financial position. We stress that Bradesco addresses the management of all risks inherent to its activities in a complete and integrated manner. This integrated approach facilitates the improvement of risk management models and avoids the existence of any gap that could jeopardize the correct identification and assessment of these risks.

Risks Relating to Brazil

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

All of our operations and clients are mainly located in Brazil. Accordingly, our financial condition and results of operations are substantially dependent on Brazil's economy, which in the past has been characterized by frequent intervention by the Brazilian Government and volatile economic cycles. In addition, our financial condition and the market price of our stocks and ADSs may also be adversely affected by changes in policy involving exchange controls, tax and other matters, as well as factors such as: fluctuations in exchange rates, interest rate, inflation rates, and other political, diplomatic, social and economic developments within and outside of Brazil that affect the Country.

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

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

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

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

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

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

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

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

Risks Relating to Bradesco and the Brazilian Banking and Insurance Industries

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

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

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving. Existing laws and regulations could be amended. Besides, the enforcement or interpretation of laws and regulations could change, and new laws and regulations could be adopted. Such changes could materially affect in a negative manner our operations and our results.

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

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

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

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

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

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

On September 30, 2006 Cidade de Deus Companhia Comercial de Participações held 48.44% of our common stocks and Fundação Bradesco directly and indirectly held 46.59% of our common stocks. As a result, these stockholders have the power to prevent a change in control of our company, even if a transaction of that nature would be beneficial to our other stockholders, as well as to approve related-party transactions or corporate reorganizations.

Critical Accounting Practices

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

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

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

1) Allowance for Loan Losses

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

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

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

Our determination of allowance for loan losses is influenced by the risk rating of each loan operation. By assuming a positive fluctuation of 1.0% in delinquency rate expected for our loan operations portfolio in full performance on September 30, 2006, the allowance for loan losses would increase approximately R\$37 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance for loan losses. The analysis should not be considered as an observation of our expectations for future determinations of risk rating or future alterations in loss severity. In view of the procedures we observe, in order to determine our risk rating of loan portfolio and our assessment of loss severity, we believe that the current risk rating and the estimate of loss severity for our loan portfolio are appropriate.

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

2) Assessment of Securities and Derivatives

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

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

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

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

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

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

3) Classification of Securities

The classification of securities occurs in three categories: for trading, available for sale and held to maturity. This classification is based on the Management's intent, on the date of acquisition of securities, of maintaining or trading such securities. The accounting treatment of securities held depends on our decision to classify them upon their acquisition. Circumstantial changes may modify our strategy related to a specific security, which will require a transfer among the three categories. The classification of securities can be found in the note 8 included in the Chapter 8 of this Report.

4) Taxes on Income

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

Constantly we monitor and assess the impact of new tax laws on our liabilities, which could affect the assessments and assumptions of our analysis about the possibility of realizing deferred tax assets. For further information about Bradesco's taxes on income, see notes 3f and 34 to our financial statements included in the Chapter 8 of this Report.

5) Use of Estimates

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

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

Corporate Strategy

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

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

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

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

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

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

The key elements of our business strategy are:

- expansion by means of organic growth;
- performance based on the business model of a large banking institution, having as subsidiary an important insurance company, which we name as Modelo Banco-Seguros (Insurance Bank Model), with a view to maintaining our profitability and consolidate our leadership in the insurance industry;
- increase of revenues, profitability and value to stockholders, by consolidating our loan operations, our main activity, and the expansion of new products and services;
- maintenance of our commitment to the technological innovation;
- obtain profitability and return to the stockholders by means of improved efficiency ratio;
- maintain acceptable risk levels in our operations; and expansion by means of strategic alliances and selective acquisitions, when these are beneficial.

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

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

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

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

using the distribution channels in benefit of the Bank, including our traditional branch network and technology to access the Internet in order to identify demand for new products;
offering our customer base, broadly, our products and services;
using the systems of our branches, with a view to assessing and monitoring the use of our products by clients, so that to drive them to the appropriate commercialization platforms; and
developing varied products, in compliance with the needs of our current and potential clients.

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

Our goal is to be the priority bank of our clients, thus increasing attendance according to their banking, insurance and private pension needs. We believe to be in a privileged position to capitalize the synergy among banking, insurance, private pension services and other financial activities in order to sell our traditional banking products and insurance and private pension products, by means of our branch network, our brokers and dealerships network, distribution services via the Internet and our creativity in developing new distribution channels.

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

- maintaining our current policy of carefully assessing the car insurance risks and rejecting them in events where risks are too high;
- intensively trading our products; and
- maintaining acceptable risk levels in our operations by means of a strategy of :

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

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

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

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

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

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

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

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

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

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

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

4) To maintain Bradesco's commitment to technological innovation

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

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

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

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

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

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

We intend to improve our efficiency levels:

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

by consolidating the synergies enabled by our recent acquisitions;

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

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

6) To maintain acceptable risk levels in our operations

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

7) To enter into strategic alliances and selective acquisitions

We understand that the expansion phase of Brazilian financial institutions will occur due to organic growth over the next years. In addition, we believe that acquisition opportunities will be smaller size institutions, mainly available by means of privatizations. Notwithstanding, we deem that certain institutions, susceptible to be acquired, could present niche opportunities, such as consumer financing, credit cards and investment bank. Therefore, we continuously evaluate potential strategic alliances as well as consolidation opportunities, including privatization and acquisitions proposals, and other forms, which offer potential opportunities to Bradesco increase its market share or improve its efficiency. Besides focusing on the value and the quality of assets, Bradesco takes into account potential operating synergies, crossed sales opportunities, know-how acquisitions and other advantages of potential alliance or acquisition. Our analysis of potential opportunities is guided by the impact these would have over our results.

Contents

List of Main Abbreviations			10
1 Bradesco Line by Line			11
Net Income	12	Statement of Adjusted Income	22
Summarized Statement of Adjusted Income		Analysis of the Statement of Adjusted Income	23
Analysis	13	Comparative Balance Sheet	40
Highlights	15	Equity Analysis	41
Bradesco's stocks	18		
2 Main Information on Statement of Income			53
		Analysis of the Adjusted Net Interest	
Consolidated Statement of Adjusted Income	54	Income and	
Adjusted Profitability	56	Average Rates	60
Results by Business Segment	58	Allowance for Doubtful Accounts	67
Variation in the Main Statement of Income			
Items	58	Fee and Commission Income	68
Variation in Items Composing the Net Interest Income		Administrative and Personnel Expenses	69
with Exchange Adjustment	59	Operating Efficiency	70
		Other Indicators	72
			73
3 Main Information on Balance Sheet			
Consolidated Balance Sheet	74	Funding	86
Total Assets by Currency and Maturities	76	Checking Accounts	87
Securities	77	Savings Accounts	87
Loan Operations	78	Assets under Management	88
4 Operating Companies			91
Grupo Bradesco de Seguros e Previdência	92	Leasing Companies	111
Insurance Companies	92	Bradesco Consórcios (Consortium Purchase	
Private Pension Plans	99	Plans)	113
Certificated Savings Plans	104	Bradesco S.A. Corretora de Títulos e	
Banco Finasa	109	Valores Mobiliários	118
		Bradesco Securities, Inc.	120
5 Operational Structure			121
Corporate Organization Chart	122	Risk Management and Compliance	140
Administrative Body	124	Credit Risks, Operating Risks, Market	
Risk Ratings	125	Risks, Internal	
Ranking	126	Controls and Compliance	140
Market Segmentation	127	Liquidity Risk Management	146
Bradesco Corporate	127	Capital Risk Management	146
		Cards	149

Edgar Filing: BANK BRADESCO - Form 6-K

Bradesco Empresas (Middle Market)	128	International Area	153
Bradesco Private	129	Capital Market	156
Bradesco Prime	129	Cash Management Solutions	157
Bradesco Varejo (Retail)	130	Bookkeeping of Assets and	
Banco Postal	130	Qualified Custody Services	160
Customer Service Network	132	Business Processes	161
Bradesco Day & Night Customer Service Channels	134	Acknowledgments	165
Investments in Infrastructure, Information Technology and Telecommunications	139		
6 Social-environmental Responsibility			167
Bradesco Organization and the Social-environmental Responsibility	168	Fundação Bradesco Social Report	190 195
Human Resources	175		
7 Independent Auditors Report			197
Report of Independent Auditors on Limited Review of Supplementary Accounting Information included in the Report on Economic and Financial Analysis and in the Social Balance Sheet.			198
8 Financial Statements, Independent Auditors Report and Fiscal Council s Report			199
Management Report	200	Consolidated Added Value Statement	211
Consolidated Balance Sheet	203	Index of Notes to the Financial Statements	212
Consolidated Statement of Income	207	Notes to the Financial Statements	213
Statement of Changes in Stockholders Equity	208	Management Bodies	271
Consolidated Statement of Changes in Financial Position	209	Independent Auditors Report on Special Review	272
Consolidated Cash Flow	210	Fiscal Council s Report	273
Glossary of Technical Terms			274
Cross Reference Index			277

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.

Edgar Filing: BANK BRADESCO - Form 6-K

List of Main Abbreviations

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

Edgar Filing: BANK BRADESCO - Form 6-K

Export and Import BNDES Financing
Line

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

1 - Bradesco Line by Line

Net Income

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

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

	R\$ million	
	2006	
	3rd Quarter	Nine Months
Reported Net Income	219	3,351
(+) Full Goodwill Amortization (3 rd quarter/06)	2,109	2,109
(-) Fiscal Effect of Full Goodwill Amortization	(717)	(717)
Adjusted Net Income (without full Goodwill Amortization effects)	1,611	4,743
(+) Goodwill Amortization (1 st half/06)		433
(-) Fiscal Effect of Goodwill Amortization		(147)
Net Income without Amortization effects	1,611	5,029

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

	2006	
	3rd Quarter	Nine Months
Return on Equity ROE	33.0%	31.9%
Return on Average Equity ROAE	32.7%	33.2%
Return on Assets ROA	2.7%	2.8%
Return on Average Total Assets ROAA	2.7%	3.0%

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

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

Summarized Statement of Adjusted Income Analysis

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

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

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

	Nine Months										
	Reported Statement of Income		Adjustments					Adjusted Statement of Income		Variation	
			2005		2006						
	2005	2006	Fiscal Hedge (1)	Belgo-Mineira (2)	Fiscal Hedge (1)	Labor (3)	Goodwill (4)	2005	2006	Amount	%
Net Interest Income (a)	12,852	15,073	(580)	(327)	(280)			11,945	14,793	2,848	23.8
Allowance for Doubtful Accounts PDD (b)	(1,737)	(3,223)						(1,737)	(3,223)	(1,486)	85.5
Intermediation Gross Income	11,115	11,850	(580)	(327)	(280)			10,208	11,570	1,362	13.3
Insurance, Private Pension Plan and Certificated Savings Plans Operating Income (c)	31	681		327				358	681	323	90.2
Fee and Commission Income (d)	5,339	6,474						5,339	6,474	1,135	21.3
Personnel Expenses (e)	(3,950)	(4,472)						(3,950)	(4,472)	(522)	13.2
Supplementary Labor Provision (3)		(309)				309					
Other Administrative Expenses (e)	(3,703)	(4,199)						(3,703)	(4,199)	(496)	13.4
Tax Expenses (e)	(1,377)	(1,608)	73		35			(1,304)	(1,573)	(269)	20.6
Other Operating Income/Expenses	(1,475)	(1,994)						(1,475)	(1,994)	(519)	35.2
Full Goodwill Amortization (4)		(2,109)								2,109	

Edgar Filing: BANK BRADESCO - Form 6-K

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2nd Quarter/06 x 3rd Quarter/06 R\$ million

2006

	Reported Statement of		Adjustments				Adjusted Statement of		Variation	
	Income		2 nd Qtr.	3 rd Qtr.		Income		Amount	%	
	2 nd Qtr.	3 rd Qtr.	Fiscal Hedge (1)	Fiscal Hedge (1)	Labor (2)	Goodwill (3)	2 nd Qtr.			3 rd Qtr.
Net Interest Income (a)	4,961	4,852	(10)	15			4,951	4,867	(84)	(1.7)
Allowance for Doubtful Accounts PDD (b)	(1,116)	(1,169)					(1,116)	(1,169)	(53)	4.7
Intermediation Gross Income	3,845	3,683	(10)	15			3,835	3,698	(137)	(3.6)
Insurance, Private Pension Plan and Certificated Savings Plans Operating Income (c)	240	326					240	326	86	35.8
Fee and Commission Income (d)	2,091	2,343					2,091	2,343	252	12.1
Personnel Expenses (e)	(1,469)	(1,584)					(1,469)	(1,584)	(115)	7.8
Supplementary Labor Provision (2)		(309)			309					
Other Administrative Expenses (e)	(1,375)	(1,507)					(1,375)	(1,507)	(132)	9.6
Tax Expenses (e)	(534)	(530)	1	(2)			(533)	(532)	1	(0.2)
Other Operating Income/Expenses	(708)	(586)					(708)	(587)	121	(17.1)
Full Goodwill Amortization (3)		(2,109)				2,109				
Operating Income	2,090	(273)	(9)	13	309	2,109	2,081	2,157	76	3.7
Non-Operating Income	12	40					12	41	29	241.7
Income on Taxes and Minority Interest	(500)	452	9	(13)	(309)	(717)	(491)	(587)	(96)	19.6
Net Income	1,602	219				1,392	1,602	1,611	9	0.6

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Highlights

Adjusted Income

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

Balance Sheet

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

Change in Number of Outstanding Stocks

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

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

Stock Performance

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

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

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

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

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

Cash Generation

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

(*) It considers the adjusted net income.

Added Value with Hedge Adjustment/Full Goodwill Amortization

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

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

Fixed Assets to Stockholders Equity Ratio Calculation

	R\$ million			
	2005		2006	
	June	September	June	September
Stockholders Equity + Minority				
Stockholders	17,502	18,316	21,516	21,829
Subordinated Debts	6,185	6,077	9,650	10,265
Tax Credits	(82)	(82)	(149)	(149)
Exchange Membership Certificates	(64)	(66)	(78)	(80)
Reference Equity (A) (*)	23,541	24,245	30,939	31,865
Permanent Assets	7,259	7,576	10,170	8,642
Fixed Assets and Leasing	(2,614)	(2,960)	(4,301)	(4,844)
Unrealized Leasing Losses	(96)	(96)	(106)	(100)
Other Adjustments	(64)	(66)	(689)	92
Total Fixed Assets (B) (*)	4,485	4,454	5,074	3,790
Fixed Assets to Stockholders Equity Ratio				
(B/A) %	19.1	18.4	16.4	11.9
Excess	7,286	7,669	10,396	12,142

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

Edgar Filing: BANK BRADESCO - Form 6-K

Performance Ratios (annualized) in percentage (*)

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

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

Market Share Consolidated in percentage

	2005		2006	
	June	September	June	September
Banks Source: BACEN				
Time Deposit	10.8	10.0	9.8	N.A.
Savings Deposit	15.4	15.3	14.8	N.A.
Demand Deposit	17.4	17.5	17.3	N.A.
Loan Operations	12.3	12.7	12.7	12.6
Number of Branches	16.7	16.7	16.8	16.8
Banks Souce: ANBID				
Investment Funds + Portfolios	15.2	15.2	15.2	14.7
Banks Source: Federal Revenue Secretariat				
CPMF	20.1	20.0	20.0	19.8
Insurance, Private Pension Plans and Certificated Savings Plans Source: SUSEP				

and ANS

Insurance, Private Pension Plans and Certificated Savings Plans Premiums	24.2	25.0	24.6	25.0 (*)
Insurance Premiums (1)	24.6	25.3	24.7	25.2 (*)
Revenues from Pension Plans Contributions (2)	26.2	27.2	28.6	28.6 (*)
Revenues from Certificated Savings Plans Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	19.3	20.3	19.6	19.8 (*)
	38.2	38.0	37.3	37.2 (*)

Insurance and Private Pension Plans**Source: ANAPP**

Revenues from VGBL Premiums	41.1	43.6	42.7	42.3 (*)
Revenues with PGBL Contributions	23.8	25.3	33.1	33.8 (*)
Private Pension Plans Investment Portfolios (1)	45.0	44.7	43.0	42.7 (*)

Credit Card Source: ABECS

Credit Card Revenue	10.8	10.7	12.9	14.8
---------------------	------	------	------	------

Leasing Source: ABEL

Active Operations	11.3	11.4	11.8	11.8 (*)
-------------------	------	------	------	----------

Banco Finasa Source: BACEN

Finabens (Portfolio)	13.6	20.9	20.1	19.9 (*)
Auto (Portfolio) This includes Banco Bradesco	26.6	27.2	26.4	25.6

Consortia Source: BACEN

Real Properties	19.1	21.4	25.4	26.3
Auto	14.5	15.2	18.3	17.1

International Area Source: BACEN

Export Market	21.0	20.1	22.6	22.9
Import Market	14.8	14.7	14.5	15.0

(1) Includes VGBL.

(2) Excludes VGBL.

(*) Reference date: August 2006.

N.A.: Not available.

Other Information

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

Edgar Filing: BANK BRADESCO - Form 6-K

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

17

Bradesco's Stocks

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

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

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

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

Quantity of Stockholders Resident in the Country and Abroad

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

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

Market Value R\$ million

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

18

Market Value/Stockholders' Equity

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

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

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

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

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

Payout Index in percentage

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

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

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

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

Source: Economática

20

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

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

(**) Adjusted earnings was used.

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

Source: Economática

Bradesco Stock Performance

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

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

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

Statement of Adjusted Income

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

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

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

Analysis of the Statement of Adjusted Income R\$ million

Income from Loan Operations and Leasing Result

	September YTD			2006	
2005	2006	Variation %	2nd Qtr.	3rd Qtr.	Variation %
11,793	15,396	30.6	5,317	5,430	2.1

In the period, income was up basically as a result of: (i) the increase in the volume of the loan portfolio, which totaled R\$92,013 in September/06 against R\$75,244 in September/05, i.e., a 22.3% increase, particularly in the individual client portfolio, up by 27.0%, which shows higher profitability than corporate portfolio, pointing out Auto and Personal Loan products, while in the corporate portfolio there was an increase of 19.1%, pointing out BNDES Onlending and Operations Abroad products; (ii) lower exchange loss variation of 7.1% in the period/06, against an exchange loss variation of 16.3% in the period/05, affecting foreign currency indexed and/or denominated operations, which comprise 9.2% of total Loan and Leasing Operations, basically derived from corporate portfolio (excluding Advances on Foreign Exchange Contracts (ACC)); which was partially offset: (iii) by the decrease in average interest rates, observing the 11.5% CDI variation in the period/06, against 14.1% in the period/05.

The variation in income in the quarter was mainly due to: (i) an increase of 3.8% in the loan portfolio volume, which reached the amount of R\$92,013 in September/06, against R\$88,643 in June/06, pointing out the individual client portfolio, with a growth of 3.4%, which shows higher profitability than the corporate portfolio, pointing out the products connected to the consumer financing, while in the corporate portfolio, there was an increase of 4.1%, pointing out Operations Abroad and BNDES Onlendings products, and (ii) lower exchange gain variation of 0.5% in 3Q06, against exchange loss variation of 0.4% in 2Q06, affecting our foreign currency indexed and/or denominated operations, comprising 9.2% of total Loan and Leasing Operations, basically derived from the corporate portfolio (excluding Advances on Foreign Exchange Contracts (ACC)), which was partially mitigated: (iii) by a drop in the average interest rates, observing the 3.5% CDI variation in 3Q06, against 3.6% in 2Q06.

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

	September YTD			2006	
2005	2006	Variation %	2nd Qtr.	3rd Qtr.	Variation %
5,180	6,006	15.9	2,061	2,097	1.7

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

The variation in income in the quarter is mainly due to: (i) the lower exchange gain variation of 0.5% in 3Q06, against exchange loss variation of 0.4% in 2Q06, impacting on the foreign currency indexed and/or denominated operations, comprising 9.1% of the portfolio; offset by: (ii) a reduction in the average interest rates, observing the 3.5% CDI variation in 3Q06, against 3.6% in 2Q06; and (iii) lower non-interest income gains, basically due to the negative adjustment of mark-to-market of derivative financial instruments used as market risk hedge of loan operations in the country.

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

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

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

The decrease in the quarter was substantially due to: (i) a decrease in the average interest rates, observing the 3.5% CDI variation in 3Q06, against 3.6% in 2Q06; (ii) the \$124 drop of non-interest income resulting from lower gains with securities; partially mitigated: (iii) by increase in the volume of securities portfolio, mainly comprising federal government bonds, which are linked to technical provisions, especially VGBL and PGBL products.

Foreign Exchange Transactions

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

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

This item should be analyzed deducted from expenses with foreign funding, used for import/export operation financing, in accordance with Note 11a. After such deductions, the result would be R\$86 in 2Q06 and R\$96 in 3Q06, mostly influenced by an increase in the average volume of foreign exchange portfolio in the quarter.

Compulsory Deposits

	September YTD			2006	
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
1,131	1,012	(10.5)	327	335	2.4

The variation in the period is basically due to: (i) a reduction in the SELIC rate of 11.5% in the period/06, against 14.1% in the period/05, used to remunerate the additional compulsory deposit; (ii) a reduction in Reference Rate TR from 1.6% in the period/06 against 2.2% in the period/05, which composes the remuneration of compulsory deposit over savings deposits; which was offset: (iii) by the increase in the average volume of deposits in the period.

The variation in the quarter is basically due to: (i) an increase in the average volume of deposits in the quarter; (ii) an increase in Reference Rate TR from 0.5% in 2006 to 0.6% in 3Q06; offset: (iii) by the reduction in SELIC rate from 3.6% in 2Q06 to 3.5% in 3Q06, used to remunerate the additional compulsory deposit.

Market Funding Operations Expenses

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

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

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

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

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

The increase in the period is basically due to: (i) higher average balance of technical provisions, especially PGBL and VGBL products; (ii) higher IGP-M variation of 2.3% in the period/06, against 0.2% in the period/05, one of the indexes which also remunerates the technical provisions; partially mitigated: (iii) by the reduction in the average interest rates, observing the 11.5% CDI variation in the period/06, against 14.1% in the period/05.

The decrease in the quarter is basically due to: (i) the drop in the average interest rates, observing the 3.5% CDI variation in 3Q06, against 3.6% in 2Q06; partially mitigated by: (ii) higher average balance of technical provisions, especially PGBL and VGBL products.

Borrowings and Onlendings Expenses

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

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

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

Net Interest Income

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

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

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

Allowance for Doubtful Accounts Expenses

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

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

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

Fee and Commission Income

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

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

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

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

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

The growth is detailed in the charts below:

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

a) Retained Premiums from Insurance

	September YTD			2006		
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %	
5,493	5,973	8.7	1,903	2,074	9.0	

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

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

b) Private Pension Plans Contributions

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

The increase in the period is due to: (i) the recovery in the sales of VGBL R\$1,170; mitigated by: (ii) the increase in the volume of redemption of VGBL R\$398. The period/2005 was influenced by uncertainties generated by changes in the tax legislation, temporarily affecting business in that period.

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

29

The growth in the quarter is mainly due to the higher sale of VGBL product R\$321.

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

c) Income on Certificated Savings Plans

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

The variation in the period largely shows the reduction in the sales volume of the single payment products of R\$1,000.00 and R\$100.00.

The growth in the quarter is mainly due to the larger volume of sale of Pé Quente GP Ayrton Senna (in partnership with Instituto Ayrton Senna), Pé Quente Bradesco SOS Mata Atlântica (in partnership with Fundação SOS Mata Atlântica) and Pé Quente Bradesco 1000 products, as well as the launching of Pé Quente Bradesco SOS Mata Atlântica 300 product.

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

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

The variation is detailed in the charts below:

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

a) Variation in Technical Provisions for Insurance

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

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The premium variations occurred in the period/06 were comprised of: (i) higher constitution of premium provisions in the Health portfolio R\$320 (R\$244 of additional provision in the portfolio of Individual Health), Life R\$111 and Basic Lines segments R\$25; (ii) constitution of provision of effective and non-issued risks (PPNG), previously recorded in memorandum accounts in compliance with the Circular SUSEP 314 in the Auto segment R\$82 and Basic Lines R\$30; mitigated: (iii) by the reversal of provision of the Auto segment R\$31.

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The main variation occurred in 3Q06 were comprised of: (i) higher constitution of technical provision in the Auto segment R\$54, Health portfolio R\$30, Life segment R\$27 and Basic Lines R\$8; and (ii) complement of the establishment of provision of effective and non-issued risks (PPNG), previously recorded in memorandum accounts in compliance with the Circular SUSEP 314, in the Auto segment R\$32.

b) Variation in Technical Provisions for Private Pension Plans

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

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

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

c) Variation in Technical Provisions for Certificated Savings Plans

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

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

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

Retained Claims

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

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

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

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

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

Certificated Savings Plans Draws and Redemptions

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

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

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

Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses

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

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

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

a) Insurance Products Selling Expenses

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

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

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

b) Private Pension Plans Selling Expenses

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

The variation in the period is mainly a result of the increase in selling expenses of the traditional plans R\$18.

In nominal terms, sales expenses remained practically stable in 3Q06 compared to 2Q06.

c) Certificated Savings Plans Selling Expenses

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

In nominal terms, selling expenses remained steady in the period/06 in relation to the period/05.

The variation in the quarter derives from higher selling expenses due to the use of Fundação SOS Mata Atlântica brand.

Private Pension Plans Benefits and Redemptions Expenses

	September YTD			2006	
2005	2006	Variation %	2nd Qtr.	3rd Qtr.	Variation %
(1,989)	(1,819)	(8.5)	(567)	(525)	(7.4)

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

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

Personnel Expenses

	September YTD			2006	
2005	2006	Variation %	2nd Qtr.	3rd Qtr.	Variation %
(3,950)	(4,472)	13.2	(1,469)	(1,584)	7.8

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

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

Other Administrative Expenses

	September YTD			2006	
2005	2006	Variation %	2 nd Qtr.	3 rd Qtr.	Variation %
(3,703)	(4,199)	13.4	(1,375)	(1,507)	9.6

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

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

Tax Expenses

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

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

In nominal terms, tax expenses remained practically stable in 3Q06 compared to 2Q06.

Equity in the Earnings of Affiliated Companies

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

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

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

Other Operating Income

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

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

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

Other Operating Expenses

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

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

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

Operating Income

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

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

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

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

Non-Operating Income

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

The variation in the period is mainly due to higher reversals of non-operating provisions R\$55.

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

Taxes on Income

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

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

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

Comparative Balance Sheet R\$ million

Assets	R\$ million					
	September		Variation %	2006		Variation %
	2005	2006		June	September	
Current and Long-Term Assets	197,383	239,479	21.3	227,156	239,479	5.4
Funds Available	2,600	3,947	51.8	3,161	3,947	24.9
Interbank Investments	24,150	34,363	42.3	27,569	34,363	24.6
Securities and Derivative Financial Instruments	64,248	73,022	13.7	70,382	73,022	3.8
Interbank and Interdepartmental Accounts	16,458	17,949	9.1	18,212	17,949	(1.4)
Restricted Deposits:						
Brazilian Central Bank	15,430	16,993	10.1	16,948	16,993	0.3
Other	1,028	956	(7.0)	1,264	956	(24.4)
Loan and Leasing Operations	65,492	79,907	22.0	76,678	79,907	4.2
Loan and Leasing Operations	69,984	86,041	22.9	82,371	86,041	4.5
Allowance for Doubtful Accounts	(4,492)	(6,134)	36.6	(5,693)	(6,134)	7.7
Other Receivables and Assets	24,435	30,291	24.0	31,154	30,291	(2.8)
Foreign Exchange Portfolio	8,140	8,620	5.9	10,123	8,620	(14.8)
Other Receivables and Assets	16,450	21,752	32.2	21,171	21,752	2.7
Allowance for Other Doubtful Accounts	(155)	(81)	(47.7)	(140)	(81)	(42.1)
Permanent Assets	4,530	3,713	(18.0)	5,779	3,713	(35.8)
Investments	1,038	1,019	(1.8)	1,045	1,019	(2.5)
Property, Plant and Equipment in Use and Leased Assets	2,054	2,082	1.4	2,092	2,082	(0.5)
Deferred Charges	1,438	612	(57.4)	2,642	612	(76.8)
Deferred Charges	534	612	14.6	587	612	4.3
Goodwill on Acquisition of Subsidiaries,						