

BANK BRADESCO
Form 6-K
February 22, 2005

**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 February, 2005

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

Edgar Filing: BANK BRADESCO - Form 6-K

Banco Bradesco S.A.

Bradesco Seguros S.A.

Notice of Material Fact

In compliance with the provisions in the Instruction 319 issued by CVM (Securities and Exchange Commission of Brazil), dated 12.3.99, Banco Bradesco S.A. (Bradesco), Corporate Taxpayer's ID (CNPJ) #60.746.948/0001-12 and Bradesco Seguros S.A. (Seguros), Corporate Taxpayer's ID (CNPJ) #33.055.146/0001-93, announce to the market, its stockholders and clients that in the Special Stockholders' Meetings to be held on 3.10.2005, the Merger of Stocks of Seguros' Minority Stockholders by Bradesco will be proposed, in conformity with the provisions in the Articles 224, 225, 252 and 264 of the Law 6,404/76, as per the Instrument of Protocol and Justification settled into by the referred Companies on 2.21.2005.

Once authorized the operation, it shall have the following characteristics:

1.
 - a) it aims at preserving the value of investments of Seguros' minority stockholders, enabling them to directly participate in the capital stock of Bradesco, controlling company of Seguros, and this shall confer higher liquidity to their stocks and transparency to information;
 - b) it aims at promoting the corporate reorganization by rationalizing and consequently reducing the operational, administrative and legal costs, by converting Seguros to a wholly-owned subsidiary of Bradesco;
2. a cost of approximately R\$1 million;
3. this will be effective from 3.10.2005;
4. according to specific Balance Sheets of the Companies, drawn up as of 1.31.2005, the following equity by book value were obtained: Bradesco - R\$15,236,445,812.31; and Seguros - R\$3,037,012,597.10, considering in the calculation of the Seguros, 1,341 stocks held in treasury, resulting, the following book value per share: Bradesco - R\$32.1150548084; Seguros - R\$4,839.6293358087;
5. for the purposes foreseen in the Article 264 of the Law 6,404/76, considering the Companies' net equity, obtained based on assets evaluated by market prices on 1.31.2005, Bradesco's market price is R\$15,484,433,236.31 (R\$32.6377574001 per stock), and Seguros' market price R\$3,381,918,641.03 (R\$5,389.2541249502 per stock);
6. considering the book value by market price mentioned in item 5, the exchange value, as of the stocks incorporation of Seguros into Bradesco, will be of 165,12329750137 stocks to be emitted by Bradesco for each stock of Seguros, being 82,95659669277 common and 82,16670080860 preferred, to be able to maintain the same proportion of common and preferred stocks currently existing into Bradesco's capital stock;
7. once approved the operation:
 - a) Bradesco's Capital Stock will be increased in the amount of R\$11,856,359.07, increasing it from R\$7,700,000,000.00 to R\$7,711,856,359.07, issuing of 363,271 non-par book-entry registered new stocks, of which 182,504 are common stocks and 180,767 are preferred stocks to be attributed to Seguros' stockholders, in the proportion set forth in the item 6, resulting in the amendment to the caput of the Article 6 of Bradesco's Bylaws, which will take effect with the following wording: Article 6) The Capital Stock is R\$7,711,856,359.07 (seven billion, seven hundred, eleven million, eight hundred, fifty-six thousand, three hundred, fifty-nine reais and seven cents), divided into 492,296,396 (four hundred, ninety-two millions, two hundred, ninety-six thousand, three hundred and ninety-six) non-par book-entry registered stocks, of which 247,325,690 (two hundred, forty-seven millions, three hundred, twenty-five thousand, six hundred and ninety) are common stocks and 244,970,706 (two hundred, forty-four millions, nine hundred, seventy thousand, seven hundred and six) are preferred stocks ;
 - b) Seguros will be transformed into a wholly-owned subsidiary of Bradesco, and its Bylaws will be reformulated, and thereafter carrying out its consolidation, emphasizing the extinguishment of the Board of Directors;

Edgar Filing: BANK BRADESCO - Form 6-K

8. the stocks to be issued in Bradesco and attributed to the minority stockholders of Seguros will have the following rights and advantages: Common stocks – voting right; their inclusion in public offering stemming from possible disposal of Company's control, ensuring its titleholders to receive one hundred per cent (100%) of the amount paid per common stock held by the controlling stockholders; Preferred stocks – non-voting right; priority in the capital stock refund in the event the Company is liquidated; dividends and/or interest on own capital ten per cent (10%) higher than those attributed to the common stocks; their inclusion in public offering stemming from potential disposal of Company's control, ensuring its titleholders to receive price equal to eighty per cent (80%) of the amount paid per common stock, integrating the control block;

9. the stocks held by Seguros – stockholders, which by applying the swap ratio provided for in the item 6, result in stock fractions, not ensuring the right to receive one stock of Bradesco, will be refunded by the equity book value by market price, mentioned in the item 5, R\$5.389,2541249502 per stock, proportionally to the held fraction;

10. Bradesco's stockholders, owning common stocks and Seguros – stockholders, under the terms of the Articles 137, 230 and 252 of the Law 6,404/76, have the right to withdraw from the Companies by means of refund of the equity book value at market prices, as following:

- a) Bradesco: R\$32.6377574001 per stock;
- b) Seguros: R\$5,389.2541249502 per stock;

11. Bradesco's stocks to be attributed to Seguros – stockholders will be fully entitled to dividends and/or interest on own capital to be declared from the date the process is approved by the appropriate authorities. They will also be fully entitled to advantages, which may be attributed to the other stocks from that date;

12. the valuations of the Stockholders' Equity of the Companies were carried out based on the Balance Sheets drawn up by the Companies as of 1.31.2005, as follows:

- a) Bradesco: by book value, KPMG Auditores Independentes, CRC (Regional Accounting Council) 2SP014428/O-6; and by market prices, Trevisan Auditores Independentes - CRC 2SP013439/O-5;
- b) Seguros: by book value and market prices, GSRA Consultoria Empresarial - CRC - RJ 003160-0;

13. the companies liable for the valuations above mentioned declare that they neither have any conflict nor pooling of interests, whether current or potential, with controlling stockholders or minority stockholders of Bradesco and of Seguros, or related to any other company involved in the operation, and its respective partners, nor with the operation, purpose of this Notice of Material Fact;

14. the operation will be submitted to the approval of the Central Bank of Brazil and Superintendency of Private Insurance - SUSEP.

The Call Notices, this Notice of Material Fact, the Board of Directors' proposals, the Instrument of Protocol and Justification and its attachments are made available to the stockholders at the Stocks and Custody Department of Bradesco, Depositary Financial Institution of the Companies Stocks, located at Cidade de Deus, Prédio Amarelo, Vila Yara, in the city of Osasco, State of São Paulo, and at the São Paulo Stock Exchange located at Rua XV de Novembro, 275, Centro, in the city of São Paulo, State of São Paulo, and they can also be viewed on the Website www.bradesco.com.br - Investor Relations section.

