BANK BRADESCO
Form 6-K
May 05, 2008

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

FORM 6-K

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

For the month of May, 2008

Commission File Number 1-15250

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

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

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

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

Form 20-F ___X___ 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 ___X____

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	2006	2007		2008	
	4th Qtr.	1st Qtr.	4th Qtr.	1st Qtr.	YTD
CDI	3.12	3.03	2.62	2.57	11.32
Ibovespa	22.01	2.99	5.66	(4.57)	33.10
USD Commercial Rate	(1.66)	(4.10)	(3.68)	(1.25)	(14.69)
IGP-M	1.54	1.11	3.54	2.38	9.10
IPCA IBGE	1.12	1.26	1.43	1.52	4.73
TJLP	1.66	1.60	1.54	1.54	6.36
TR	0.47	0.48	0.24	0.17	1.13
Savings Deposits	1.98	1.99	1.75	1.68	7.37
Number of Business Days	61	62	62	61	249

Closing Amount

Indicators	2006	2007		2008
	December	March	December	March
USD Commercial Selling Rate (R$)	2.1380	2.0504	1.7713	1.7491
Euro (R$)	2.8202	2.7389	2.6086	2.7606
Country Risk (Points)	192	167	221	284
Selic Copom Base Rate (% p.a.)	13.25	12.75	11.25	11.25
Pre-BM&F Rate 1 year (% p.a.)	12.38	11.85	12.05	12.69

N.B.: country risk refers to EMBI+Brasil calculated by the Bank JP Morgan.

Compulsory Deposit Rates (%)

Deposits	2006	2007		2008
	4th Qtr.	1st Qtr.	4th Qtr.	1st Qtr.
Demand (1)	45	45	45	45
Additional (2)	8	8	8	8
Time (3)	15	15	15	15
	8	8	8	8

Rates and Limits (%)

Items	2006	2007		2008
	4th Qtr.	1st Qtr.	4th Qtr.	1st Qtr.
Income Tax	25	25	25	25
Social Contribution	9	9	9	9
PIS (1)	0.65	0.65	0.65	0.65
Cofins (2)	4	4	4	4
	5	5	5	5

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

(1) Cash deposit No remuneration.

(2) Cash deposit Compensation by Selic rate.

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

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

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

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

(3) Maximum Fixed Assets are applied over Reference Equity.

(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. Such statements are based on management s current expectations, estimates and projections about future events and financial trends, which could affect our business. Words such as: believes , anticipates , plans , expects , intends , aims , predicts , foresees , projects , guidelines , should and similar expressions are intended to identify forward-looking statements. These statements, however, do not guarantee future performance and involve risks and uncertainties, which could be beyond our control. Furthermore, certain forward-looking statements are based on assumptions which, depending on future events, may prove to be inaccurate. Therefore, actual results may differ materially from the plans, objectives, expectations, projections and intentions expressed or implied in such forward-looking statements.

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

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

Economic Scenario

Problems in the USA credit market continued to catch the eyes of the international financial markets. The review of the expectation for the monetary policy was the main change in the domestic scenario.

The problems involving the US economy and financial system continued as the main determining factors of the macroeconomic scenario in 1Q08. The US credit crisis increased during the period, and gradually reduced after the actions taken by the Federal Reserve, which promoted significant drops in the basic interest rate and implemented a policy of wide liquidity provision to the local financial system. The country risk increase was due to the global deterioration of the credit conditions. We point out that the country risk increase was moderately small when compared to other credit assets, such as credit spreads to US companies.

The deterioration of the perspectives for the activity and the significant decrease in US interest rates resulted in a general US dollar devaluation compared to other currencies, mainly Euro. The currencies from several emerging countries also reflected the dollar s devaluation trend.

The hypothesis that the slowdown in the US internal demand is mainly offset by the strong growth in other regions, chiefly Asia, has been confirmed. The proof is that, despite the high volatility in the last weeks of 1Q08, the prices of the main commodities had a significant increase in the period (the CRB Reuters index, which includes a wide number of commodities, had a 7.9% increase) and remained in a quite high level. In one hand, it contributed to continue the concerns about the inflation increase worldwide. On the other hand, it favors the external accounts of countries exporting commodities. To Brazil, commodity prices were an advantage, for it resulted in the review of the contribution related to external prices to exports in 2008. The main change in the domestic scenario was another expectation for the monetary policy this year. Even the current inflation and the analysts expectations remained close to the target of 4.5%, there was an increase in risks for the inflation scenario and a sign of a preventive action by the Central Bank, confirmed at the Copom (Monetary Policy Committee) meeting in April.

The GDP growth ended 2007 at 5.4%, with an outstanding and considerable growth in investments (13.4%) and in the family consumption (6.5%) . The economic activity indices for the 1st quarter showed that the growth rate remained in a significant level. Thus, we increased our GDP growth expectation for 2008 from 4.5% to 4.8% . The increase in loans, government expenses and, mainly, income and employment may continue to support the increase in the family consumption. The liquidity decrease in the international capital markets has not affected the intention of resources or their availability so as to continue a significant growth of the companies investments (an increase of 12% in gross fixed assets is expected for 2008).

The inflation to the consumer had not different amounts as expected for the 1st quarter; however, the commodities prices, the pressure on prices in wholesale and the higher growth in the GDP than the expectations for this year led us to slightly increase the estimate of IPCA from 4.7% to 4.9% . Thus, we expect an additional increase in interest rates during the next months and estimate a Selic rate of 13.0% at the end of the year.

Risk Factors and Critical Accounting Practices

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

II

Risks Relating to Brazil

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

All of our operations and clients are mainly located in Brazil. Accordingly, our financial condition and results of operations are substantially dependent on the Brazilian economy, which in the past has been characterized both by frequent intervention of the Brazilian Government and volatile economic cycles. In addition, our financial condition and the market value of our shares and ADSs may also be adversely affected by changes in policies involving exchange and tax controls, as well as factors such as: fluctuations in exchange rates, interest rates, inflation rates, and other political, diplomatic, social and economic events inside and outside Brazil that affect the country.

We cannot control or predict which measures or policies the Brazilian Government may take in response to the current or future situation of the country s economy or how these measures or policies may affect the Brazilian economy and, both directly and indirectly, our operations and revenues.

2) Should Brazil undergo a period of high inflation in the future, our revenues and the market value of our shares and ADSs may reduce

For the past 15 years, Brazil has faced periods of extremely high inflation rates, with extremely high annual rates (IGP DI from Fundação Getulio Vargas) reaching as high as 2,708% in 1993. More recently, Brazil s inflation rates were 1.2% in 2005, 3.8% in 2006, 7.9% in 2007 and 2.1% in the first quarter of 2008. Inflation and governmental measures to combat it have had in past years significant negative effects on the Brazilian economy. In addition, public speculation about possible future actions has also contributed to economic uncertainty in Brazil and to heightened volatility in the Brazilian securities markets. Should Brazil suffer 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 shares and ADSs may drop. Inflationary pressures may curtail our ability to access foreign financial markets and may occasionally lead to further government interventions in the economy, including the implementation of policies that may adversely affect the overall performance of the Brazilian economy.

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

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

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

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

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

Risks Relating to Bradesco and the Brazilian Banking and Insurance Industries

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

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

The regulatory structure governing Brazilian banks and insurance companies is continuously evolving; laws and regulations may be amended, and more, they may be changed according to their enforcement or interpretation, causing the adoption of new laws and regulations.

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

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

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

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

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

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

On March 31, 2008 Cidade de Deus Companhia Comercial de Participações held 48.22% of our common shares and Fundação Bradesco directly and indirectly held 50.93% of our common shares. As a result, these shareholders 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 shareholders, as well as to approve related-party transactions or corporate reorganizations, which may not be beneficial to our other shareholders.

IV

Critical Accounting Practices

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

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

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

1) Allowance for Loan Losses

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

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

general economic conditions in Brazil and conditions of relevant sector;

previous experience with borrower or relevant sector of economy, including losses recent experience;

credit quality trends;

guarantees amounts and quality of a loan operation;

volume, composition and growth of our loan operations portfolio;

Brazilian Government s monetary policy; and

any delays when receiving information necessary to assess loan operations or confirm the deterioration of existing credit.

Our determination of allowance for loan losses is influenced by the risk rating of each loan operation. By assuming a decrease of 1% in delinquency ratio expected for our loan operations portfolio in full performance, on March 31, 2008, the allowance for loan losses would increase, approximately, R$52 million. Such sensitivity analysis is hypothetical and intends to illustrate the risk rating and loss severity impact on our allowance and, thus, must not be considered as an observation of our expectations for future determinations of risk rating or future alterations in loss severity. In view of the procedures we observe, in order to determine our risk rating of loan portfolio and our assessment of loss severity, we believe that the current risk rating and the estimate of loss severity for our loan portfolio are appropriate.

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

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2) Classification of Securities and Derivatives

The classification of securities and derivatives occurs in three categories: for trading, available for sale and held to maturity. This classification is based on the Management s intent, on the date of acquisition of securities, of maintaining or trading such securities. The accounting treatment of securities held depends on our classification upon their acquisition.

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

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

3) Assessment of Securities and Derivatives

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

We estimate the fair value by using quoted-market 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 shareholder agreements, those holding significant investments. However, the Management believes that quoted-market prices are the fair value best indicators.

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

In the determination of fair value, when quoted-market 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 held to maturity or available for sale security is not temporary, so that to require we recognize a devaluation of up-to-date cost and we may reflect such reduction as expense. In the assessment, if devaluation is not temporary, the Management decides the historical period to be considered and the level of severity of a loss.

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

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

4) Income tax and social contribution

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

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

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

5) Use of Estimates

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

Commercial Strategy

We understand that the expansion of the Brazilian economy, jointly with a strong growth of the Brazilian population, will increase the demand for our products services. Under such context, our main objective is to maintain the focus on the domestic market and take advantage of our position as the largest private bank in Brazil, to expand profitability, maximize value to our shareholders and generate higher returns compared to other Brazilian financial institutions.

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

In the banking segment, we aim at rendering the most varied range of services as a retail bank, supported by a staff with more than 83 thousand employees, a wide Service Network, including our Branches, Corporate Site Branches, Postal Bank and Bradesco Expresso (Correspondent Banks), besides the ATMs (Own, Banco24Horas and sharing of the Network with Banco do Brasil), always concerned with the expansion of business volume. We are also focused on expanding our businesses as a wholesale bank in all its aspects (investment bank and corporate business) and expand our private banking business.

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

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

We understand that the essence of business success in the financial sector consists of the combination between winning the client and a team highly qualified and devoted to the rendering of services, permanently trained and with rigid discipline standards at work. Our growth plans are not only translated into seeking the addition of new clients but are also focused on the frequent improvement of products/services and distribution channels. It is fundamental to promote the business, the treatment given to our team in terms of qualification, promotion and creation of a solidarity culture at work, with a view to fomenting an environment where our employees may develop a career which endures their professional life.

Finally, the main component of our philosophy is to conduct the business according to the highest ethical standards. Therefore, our strategy is always guided by seeking the best Corporate Governance and sustainability practices.

The key elements of our business strategy are:

to search for convergence of business goals with social-environmental responsibility aspects;

expansion by means of organic growth;

performance based on the Insurance Bank Model , which is a business model of a large banking institution, having as subsidiary an important insurance company, with a view to maintaining our profitability and consolidating our leadership in the insurance industry;

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

maintenance of our commitment to the technological innovation;

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

maintenance of acceptable risk levels in our operations; and

expansion by means of strategic alliances and selective acquisitions, when these are beneficial.

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

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

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

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

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

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

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

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

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

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

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

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

intensively trading our products and services; and

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

- setting priorities to insurance underwriting opportunities, according to the risk spread between the revenue expected pursuant to the terms of insurance agreement and the amount of projected claims (statistically) to be due under the terms of such agreement;
- carrying out hedge transactions, so as to set out the mismatch between the real inflation index and provisions for adjustments of interest rates and inflation in long-term agreements;
- entering into reinsurance agreements with renowned reinsurance companies, executed by means of IRB-Brasil Resseguros, viewing to reducing the exposure to great risks; and
- using reinsurance contracts with important reinsurance companies.

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

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

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

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

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

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

increasing our revenues from asset management and private pension plans; and

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

4) To maintain our 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, we resolved to reinforce such strategy with the challenge of changing our technological model, with a view to definitively maintaining our market leadership in the industry in terms of technology. Thus, we set a task force devoted to the advance of our profile and public perception towards technology.

We believe that technology offers unequalled opportunities to reach our clients efficiently in terms of costs and with satisfactory levels of security. We maintain the commitment of being ahead in the banking automation process, by creating opportunities for Brazilians to contact us via the Internet. We expect that the number of clients and operations carried out through the Internet continues to grow and, thus, we count on 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 shareholders by improving the efficiency ratio

We intend to improve our efficiency levels:

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

by consolidating the synergies enabled by our recent acquisitions;

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

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

6) To maintain acceptable risk levels in our operations

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

7) To enter into strategic alliances and selective acquisitions

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

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Contents

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

List of Main Abbreviations

AACD	Association of Assistance to Disabled Children
ABC	Activity-Based Costing
Abecs	Brazilian Association of Credit Card Companies and Services
ABEL	Brazilian Association of Leasing Companies
ABM	Activity-Based Management
ACC	Advances on Foreign Exchange Contracts
ADR	American Depositary Receipt
ADS	American Depositary Share
ADVB	Association of Sales and Marketing Managers of Brazil
Anbid	National Association of Investment Banks
ANS	National Agency for Supplementary Healthcare
AP	Personal Accident
Apimec	Association of the Capital Markets Investment Analysts and Professionals
Bacen	Brazilian Central Bank
BDR	Brazilian Depositary Receipt
BM&F	Mercantile and Futures Exchange
BNDES	National Bank for Economic and Social Development
Bovespa	São Paulo Stock Exchange
CBLC	Brazilian Settlement and Custody Company
CDB	Bank Deposit Certificate
CDC	Consumer Sales Financing
CDI	Interbank Deposit Certificate
CEF	Federal Savings Bank
Cetip	Clearing House for the Custody and Financial Settlement of Securities
CIAB	Information Technology Congress and Exposition of the Financial Institutions
CMN	National Monetary Council
CNSP	National Private Insurance Council
Cobit	Control Objectives for Information and Related Technology
Cofins	Contribution for Social Security Financing
Conanda	National Council for the Rights of Children and Adolescents
Copom	Monetary Policy Committee

IBNR	Incurred But Not Reported
Ibovespa	São Paulo Stock Exchange Index
Ibracon	Brazilian Institute of Independent Auditors
IBRE	Brazilian Economy Institute
IDEC	Brazilian Institute for the Defense of the Consumer
IEO	Operating Efficiency Ratio
IFC	International Finance Corporation
IFT	Quarterly Financial Information
IGP-DI	General Price Index Internal Availability
IGP-M	General Price Index Market
Inmetro	National Institute of Metrology, Standardization and Industrial Quality
INSS	Social Security National Institute
IPCA	Extended Consumer Price Index
IPO	Initial Public Offering
IPTU	Municipal Real Estate Tax
IR	Income Tax
IRRF	Withholding Income Tax
ISE	Corporate Sustainability Index
ISS	Tax on Services
IT	Information Technology
JCP	Interest on Shareholders Capital
Latibex	Latin American Stock Exchange Market in Euros (Spain)
LOMA	Life Office Management Association (North-American institution which develops courses, examinations and researches in life, health and social security insurance segments)
MBA	Master of Business Administration
MUFG	Mitsubishi UFJ Financial Group
NBR	Registered Brazilian Rule
NGO	Non-Governmental Organization
NPL	Non-Performing Loans
NYSE	New York Stock Exchange
OHSAS	Occupational Health and Safety Assessment Series
OIT	International Labor Organization

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

1 Bradesco   Line by Line

Net Income

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

	R$ million		
	2007		**2008**
	1st Quarter	**4th Quarter**	**1st Quarter**
Reported Net Income	**1,705**	**2,193**	**2,102**
Extraordinary Events in the Period:			
(-) Partial Sale of Equity Interest Visa Inc.			(352)
(+) Full Goodwill Amortization		140	53
(-) Total Sale of Investment in Indiana Seguros		(64)	
(-) Partial Sale of Bovespa s Securities		(178)	
(-) Partial Sale of BM&F s Securities		(227)	
(+) Supplementary Labor Provision		232	
(-) Activated Tax Credit of Previous Periods		(300)	
(-) Other		38	21
(+/-) Fiscal Effects		20	83
Adjusted Net Income	**1,705**	**1,854**	**1,907**

Returns on Shareholders' Equity Adjusted Net Income percentages

	2007		**2008**
	1st Quarter	**4th Quarter**	**1st Quarter**
Return on Shareholders Equity ROE	28.9	26.8	25.3
Return on Average Shareholders Equity ROAE	30.2	27.5	27.3
Return on Shareholders Equity ROE (without adjustment to market value reserve TVM and Derivatives)	31.5	28.3	26.5
Return on Average Shareholders Equity ROAE (without adjustment to market value reserve TVM and Derivatives)	32.6	29.4	28.7
Return on Shareholders Equity ROE (straight-line calculation)	26.2	24.4	23.2
Return on Average Shareholders Equity ROAE (straight-line calculation)	27.2	25.1	24.9
Return on Assets ROA	2.4	2.2	2.2
Return on Average Assets ROAA	2.5	2.3	2.2

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

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Summarized Analysis of the Statement of Income

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

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

1Q07 x 1Q08 R$ million

	1Q07			1Q08				Variations	
	Reported Statement of Income	**Adjustments** **Fiscal Hedge** [1]	**Adjusted Statement of Income**	**Reported Statement of Income**	**Adjustments** **Fiscal Hedge** [1]	**Other**	**Adjusted Statement of Income**	**Amount**	**%**
Financial Margin **(a)**	5,231	(212)	5,019	6,096	(46)		6,050	1,031	20.5
Allowance for Loan Losses PDD **(b)**	(1,160)		(1,160)	(1,667)			(1,667)	(507)	43.7
Intermediation Gross Income	**4,071**	**(212)**	**3,859**	**4,429**	**(46)**		**4,383**	**524**	**13.6**
Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations **(c)**	241		241	515			515	274	113.7
Fee and Commission Income **(d)**	2,559		2,559	2,803			2,803	244	9.5
Personnel Expenses **(e)**	(1,460)		(1,460)	(1,737)			(1,737)	(277)	19.0
Other Administrative Expenses **(e)**	(1,540)		(1,540)	(1,815)			(1,815)	(275)	17.9
Tax Expenses **(e)**	(612)	27	(585)	(611)	6		(605)	(20)	3.4
Other Operating Income/Expenses	(793)		(793)	(1,032)		56 [2]	(976)	(183)	23.1
Full Goodwill Amortization				(53)		53 [3]			
	2,466	**(185)**	**2,281**	**2,499**	**(40)**	**109**	**2,568**	**287**	**12.6**

Operating Income									
Non-Operating Income	(3)		(3)	402		(387) [4]	15	18	
IR/CS and Minority Interest	(758)	185	(573)	(799)	40	83 [5]	(676)	(103)	18.0
Net Income	**1,705**		**1,705**	**2,102**		**(195)**	**1,907**	**202**	**11.8**

(1) partial result of derivatives used for hedge effect of investments abroad, which in terms of Net Income, simply annuls the fiscal and tax effect (IR/CS and PIS/Cofins) of this hedge strategy;
(2) constitution of operating provisions civil contingencies;
(3) full goodwill amortization in subsidiaries;
(4) mainly due to the positive result recorded in the partial sale of our interest in Visa Inc.; and
(5) fiscal effect of adjustments.

Bradesco s Net Income, in the three-month period ended on March 31, 2008, reached R$1,907 million, accounting for an 11.8% increase in relation to the same period of the previous year. Bradesco s Shareholders Equity amounted to R$32,909 million as of March 31, 2008, equivalent to a 26.4% increase compared to the balance as of March 31, 2007. Consequently, the annualized return on Average Shareholders Equity (*) (ROAE) reached 28.7%. Total consolidated assets reached R$355,517 million as of March 31, 2008, accounting for a 26.1% growth in relation to the balance of same date of the previous year. The annualized return on Average Assets (ROAA), in 1Q08, was 2.2%. Earnings per share reached R$0.62.

The main items influencing net income in 1Q08, compared to the previous period, can be seen below:

(a) Financial Margin R$1,031 million

Such growth is mainly due to interest component, with a share of R$941 million (R$1,519 million due to the increase in business volume, and R$578 million to the decrease in spreads), and to the non-interest result in the amount of R$90 million, resulting mostly from higher gains with TVM, treasury and loan recovery.

(b) Provision for Loan Losses R$(507) million

The variation is mostly due to a 37.0% increase in the volume of loan operations in the 12-month period ended on March 31, 2008. Pointing out the individual client operations, mainly under the type consumer financing , with an increase of 36.9%, which, in view of its specific characteristic, requires a higher volume of provision.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations R$274 million

The variation is mostly due to the better result assessed in the health line, resulting from the non-constitution of additional provision in 2008, as well as the better result obtained from the Life line, due to the 60.5% increase of the client base.

(d)Fee and Commission Income R$244 million

The increase in the period is mainly due to a higher volume of operations, pointing out the item Card Income R$120 million, Loan Operations R$58 million, Assets under Management R$51 million, Custody and Brokerage Services R$23 million, and Collection R$21 million.

(e)Personnel, Administrative and Tax Expenses R$(572) million

Out of such amount, R$277 million of personnel expenses is mainly due to: (i) the expansion of the customer service network and the consequent hiring of employees, as well as the increase in salary levels resulting from the collective bargaining agreement of 2007 (6.0%), benefits and others, in the amount of R$117 million; (ii) higher expenses with management and employee profit sharing (PLR) in the amount of R$62 million; and (iii) higher expenses with labor proceeding in the amount of R$83 million; and (iv) the consolidation of acquired companies (Credifar and BMC)R$15

million.
The variation of R$275 million in other administrative expenses in the period basically refers to: (i) the organic growth; (ii) the effects on increased volume of business; (iii) the investments in the improvement and optimization of the technological platform (IT Improvements Project); and (iv) the contractual adjustments. The R$20 million of tax expenses derives basically from (i) the increase in PIS/Cofins expenses R$72 million, due to the increase in taxable income; which was partially mitigated: (ii) by the reduction in CPMF expenses, in the amount of R$58 million.

(f) Other Operating Income/Expenses R$(183) million

The increase in the period is due to: (i) the consolidation of the acquired companies (Credifar and BMC) in the amount of R$97 million; and (ii) higher operating provisions.

(*) It does not consider the mark-to-market effects of Available for Sale Securities.

4Q07 x 1Q08 R$ million

	4Q07				1Q08				Variations	
	Reported	Adjustments		Adjusted	Reported	Adjustments		Adjusted		
	Statement of Income	Fiscal Hedge [1]	Other	Statement of Income	Statement of Income	Fiscal Hedge [1]	Other	Statement of Income	Amount	%
Financial Margin **(a)**	6,156	(159)		5,997	6,096	(46)		6,050	53	0.9
Allowance for Loan Losses PDD **(b)**	(1,556)			(1,556)	(1,667)			(1,667)	(111)	7.1
Intermediation Gross Income	**4,600**	**(159)**		**4,441**	**4,429**	**(46)**		**4,383**	**(58)**	**(1.3)**
Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations **(c)**	146			146	515			515	369	252.7
Fee and Commission Income **(d)**	2,896			2,896	2,803			2,803	(93)	(3.2)
Personnel Expenses **(e)**	(1,821)			(1,821)	(1,737)			(1,737)	84	(4.6)
Supplementary Labor Provision	(232)		232[2]							
Other Administrative Expenses **(e)**	(1,973)			(1,973)	(1,815)			(1,815)	158	(8.0)
Tax Expenses **(e)**	(643)	20		(623)	(611)	6		(605)	18	(2.9)
Other Operating Income/Expenses **(f)**	(662)		74 [3]	(588)	(1,032)		56 [3]	(976)	(388)	66.0
Full Goodwill Amortization	(140)		140 [4]		(53)		53 [4]			
Operating Income	**2,171**	**(139)**	**446**	**2,478**	**2,499**	**(40)**	**109**	**2,568**	**90**	**(28.6)**
Non-Operating Income	526		(505) [5]	21	402		(387) [7]	15	(6)	
	(504)	139		(645)	(799)	40	83[8]	(676)	(31)	4.8

IR/CS and Minority Interest		(280) (6)						
Net Income	**2,193**	**(339)**	**1,854**	**2,102**	**(195)**	**1,907**	**53**	**2.9**

(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 provision for labor proceedings; due to the improvement in the calculation methodology;
(3) constitution of operating provisions civil contingencies;
(4) fully goodwill amortization in subsidiaries;
(5) mainly due to the positive result recorded in the sale of part of our interest in Bovespa in the amount of R$178 million, in BM&F in the amount of R$227 million and in Indiana Seguros in the amount of R$64 million;
(6) fiscal effect of adjustments in the amount of R$(20) million and activation of the tax credits of previous periods in the amount of R$300 million;
(7) mainly by the positive result assessed in the partial sale of our interest in Visa Inc.; and
(8) tax effect of adjustments.

In the 1st quarter of 2008, Bradesco s Net Income reached R$1,907, against R$1,854 million in the 4th quarter of 2007, a 2.9% increase in the quarter. Bradesco s Shareholders Equity amounted to R$32,909 million on March 31, 2008, a 8.4% increase in relation to December 31, 2007. Total consolidated assets reached R$355,517 million as of March 31, 2008, growing 4.2% in 1Q08.

The main items influencing net income in the 1st quarter of 2008 compared to the previous quarter can be seen below:

(a) Financial Margin R$53 million

Such variation is due to the increase in the result of interest-bearing operations in the amount of R$315 million (R$421 million due to the increase in business volume, especially the consumer financing operations, and R$106 million to the decrease in spreads), mitigated by the decrease in the non-interest income in the amount of R$262 million, in view of the lower gains with loan recoveries, TVM and treasury in 1Q08.

(b) Provision for Loan Losses R$(111) million

The increase in the expense in 1Q08 is consistent with the growth of our loan portfolio (by R$7,712 million or 5.9%) and mainly with the growth of operations with individual clients (by R$3,495 million or 6.5%), which, due to its characteristic, require higher provisioning volume.

(c) Income from Insurance, Private Pension Plans and Certificated Savings Plans Operations R$369 million

The variation is basically due to the better result assessed in the health line, resulting from the non- constitution of additional provision in 2008, as well as the better result obtained from the decrease of claims in 1Q08 (from 75.0% to 73.4%).

(d) Fee and Commission Income R$(93) million

The reduction is due to: (i) a lower volume of capital market operations in view of the economy scenario R$36 million; (ii) the realignment of individual checking accounts fees R$31 million; (iii) a lower loan operation revenue due to a reduction in the Loan Opening Fee (TAC) R$22 million; and (iv) a higher volume of card transactions in the 4Q07 R$11 million.

(e) Personnel, Administrative and Tax Expenses R$260 million

Personnel expenses decreased R$84 million in the quarter basically as a result of: (i) lower expenses due to the vacation concentration R$21 million; (ii) lower expenses with management and employee profit sharing (PLR) in the amount of R$49 million; (iii) lower expenses for training R$13 million; and (iv) lower expenses with provision for labor proceedings R$10 million. The R$158 million decrease of other administrative expenses is mainly due to lower expenses with: (i) Advertising R$107 million; (ii) Third-party Services R$28 million; and (iii) Data Processing R$17 million.

The R$18 million variation of tax expenses is basically due to the: (i) decrease in CPMF expenses in the amount of R$74 million, which was partially offset; (ii) increase of PIS/Cofins expenses R$37 million, due to the increase of tax income; and (iii) increase in IPTU expenses in the amount of R$11 million.

(f) Other Operating Revenues and Expenses R$(388) million

The increase in the quarter is basically due to the: (i) increase in interest expenses, net of revenues, in the amount of R$80 million; (ii) increase in expenses with operating provisions in the amount of R$139 million, including the constitution of the provision for restitution of the advanced settlement rate (TLA); and (iii) lower reversion of operating provisions R$93 million.

Highlights

Income

	R$ million					
	1st Qtr.		Variation	2007	2008	Variation
	2007	2008	%	4th Qtr.	1st Qtr.	%
Adjusted Financial Margin	5,019	6,050	20.5	5,997	6,050	0.9
Provision for Loan Losses	1,160	1,667	43.7	1,556	1,667	7.1
Fee and Commission Income	2,559	2,803	9.5	2,896	2,803	(3.2)
Insurance, Private Pension Plans and Certificated Savings Plans Retained Premiums	4,643	5,285	13.8	6,052	5,285	(12.7)
Personnel Expenses	1,460	1,737	19.0	1,821	1,737	(4.6)
Other Administrative Expenses	1,540	1,815	17.9	1,973	1,815	(8.0)
Operating Income	2,281	2,568	12.6	2,478	2,568	3.6
Adjusted Net Income	**1,705**	**1,907**	**11.8**	**1,854**	**1,907**	**2.9**

Balance Sheet

	R$ million					
	March		Variation	2007	2008	Variation
	2007	2008	%	December	March	%
Total Assets	281,944	355,517	26.1	341,184	355,517	4.2
Securities and Derivative Financial Instruments	97,534	105,167	7.8	114,452	105,167	(8.1)
Loan Operations (Expanded Concept)	122,355	169,408	38.5	161,407	169,408	5.0
Loan and Leasing Operations	101,473	139,019	37.0	131,307	139,019	5.9
Sureties and Guarantees (Accounted for in Memorandum Accounts)	15,969	25,080	57.1	24,296	25,080	3.2
Credit Cards (Cash purchases and credit purchases from store owners)	4,913	5,309	8.1	5,804	5,309	(8.5)
Permanent Assets	3,557	3,903	9.7	3,670	3,903	6.3
Deposits	84,162	106,710	26.8	98,323	106,710	8.5
Borrowings and Onlendings	18,634	24,013	28.9	23,410	24,013	2.6
Technical Provisions	50,653	59,722	17.9	58,526	59,722	2.0
Shareholders Equity	26,029	32,909	26.4	30,357	32,909	8.4

Change in Number of Outstanding Shares

	Common shares	Preferred shares	Total
Number of Outstanding Shares on December 31, 2007	**1,009,337,030**	**1,009,336,926**	**2,018,673,956**
Shares Acquired and not Cancelled	(1,600)	(1,600)	(3,200)
Shares Subscription	13,953,489	13,953,488	27,906,977
50% stock bonus	511,644,460	511,644,407	1,023,288,867
Number of Outstanding Shares on March 31, 2008	**1,534,933,379**	**1,534,933,221**	**3,069,866,600**

Share Performance (*)

		R$					
		1st Qtr.		Variation	2007	2008	Variation
		2007	2008	%	4th Qtr.	1st Qtr.	%
Net Income per Share		0.57	0.62	8.8	0.61	0.62	1.6
Dividends/JCP per Common Share (net of Income Tax)		0.162	0.198	22.2	0.247	0.198	(19.8)
Dividends/JCP per Preferred Share (net of Income Tax)		0.178	0.218	22.5	0.272	0.218	(19.9)
Book Value per Share (Common and Preferred)		8.67	10.72	23.6	10.03	10.72	6.9
Last Business Day Price	Common	27.63	28.47	3.0	34.33	28.47	(17.1)
Last Business Day Price	Preferred	28.00	32.53	16.2	37.97	32.53	(14.4)
Market Value (R$ million) (**)		83,507	93,631	12.1	109,463	93,631	(14.5)

(*) For comparison purposes, in 2008 there was a 50% stock bonus, which was applied for 2007.

(**) Number of shares (disregarding treasury shares) x closing price of common and preferred shares of the last day of the period.

Cash Generation (*)

	R$ million			
	2006	2007		2008
	4th Qtr.	1st Qtr.	4th Qtr.	1st Qtr.
Net Income	1,620	1,705	1,854	1,907
Equity in Earnings (Losses) of Unconsolidated Companies	(30)	(12)	(10)	(32)
Allowance for Loan Losses	1,189	1,160	1,556	1,667
Provision/Reversal for Devaluation	(42)		1	(10)
Depreciation and Amortization	130	133	137	138
Other	7	17	11	57
Total	**2,874**	**3,003**	**3,549**	**3,727**

(*) It considers the Adjusted Net Income.

Value Added with Hedge Adjustment and without Extraordinary Events

	R$ million			
	2006	2007		2008
	4th Qtr.	1st Qtr.	4th Qtr.	1st Qtr.
Value Added (A+B+C)	**4,187**	**4,320**	**4,940**	**4,921**
A Gross Income from Financial Intermediation	3,856	3,859	4,441	4,383
B Fee and Commission Income	2,424	2,559	2,896	2,803
C Other Income/Expenses	(2,093)	(2,098)	(2,397)	(2,265)
Distribution of Value Added (D+E+F+G)	**4,187**	**4,320**	**4,940**	**4,921**
D Employees	1,273	1,278	1,594	1,523
E Government Contribution	1,294	1,337	1,492	1,491
F JCP/Dividends to Shareholders (paid and provisioned)	40	601	683	740
G Profit Reinvestment	1,580	1,104	1,171	1,167
Distribution of Value Added percentage	**100.0**	**100.0**	**100.0**	**100.0**
Employees	30.4	29.6	32.3	30.9
Government Contribution	30.9	30.9	30.2	30.3
JCP/Dividends to Shareholders (paid and provisioned)	1.0	13.9	13.8	15.0
Profit Reinvestments	37.7	25.6	23.7	23.8

Calculation of Fixed Assets to Shareholders' Equity Ratio

	R$ million			
	2006	2007		2008
	December	March	December	March
Shareholders Equity + Minority Shareholders	**24,694**	**26,090**	**30,513**	**33,068**
Subordinated Debts	10,411	9,550	11,750	11,269
Tax Credits	(59)	(79)	(81)	(102)
Exchange Membership Certificates	(84)	(88)	(35)	(32)
Other Adjustments		(26)	(733)	(827)
Reference Equity (A) (*)	**34,962**	**35,447**	**41,414**	**43,376**
Permanent Assets	8,912	9,342	14,963	19,277
Premises and Equipment and Leasing	(5,334)	(5,702)	(11,203)	(15,286)
Unrealized Leasing Losses	(102)	(100)	(102)	(99)
Other Adjustments	799	517	2,329	1,342
Total Premises and Equipment (B) (*)	**4,275**	**4,057**	**5,987**	**5,234**
Fixed Assets to Shareholders Equity Ratio (B/A) %	**12.2**	**11.4**	**14.5**	**12.1**
Margin	**13,206**	**13,666**	**14,720**	**16,454**

(*) For the calculation of Premises and Equipment to Shareholders Equity Ratio, the Exchange Membership Certificates are excluded from the Reference Equity and Premises and equipment, as per Bacen Resolution 2,283.

Performance Ratios (annualized)   percentages

	2006	2007		2008
	4th Qtr.	1st Qtr.	4th Qtr.	1st Qtr.
Return on Shareholders Equity (total)	29.0	28.9	26.8	25.3
Return on Average Shareholders Equity	32.3	30.2	27.5	27.3
Return on Shareholders Equity (total) without adjustment to market value reserve TVM and Derivatives	31.3	31.5	28.3	26.5
Return on Average Shareholders Equity without adjustment to market value reserve TVM and Derivatives	34.3	32.6	29.4	28.7
Return on Shareholders Equity (total) straight-line calculation	26.3	26.2	24.4	23.2
Return on Average Shareholders Equity straight-line calculation	29.0	27.2	25.1	24.9
Return on Total Assets (total)	2.5	2.4	2.2	2.2
Return on Average Total Assets	2.6	2.5	2.3	2.2
Shareholders Equity on Total Assets	9.3	9.2	8.9	9.3
Capital Adequacy Ratio (Basel) Financial Consolidated (*)	18.8	17.8	15.6	15.6
Capital Adequacy Ratio (Basel) Total Consolidated (*)	16.5	15.7	14.0	13.9
Fixed Assets to Shareholders' Equity Ratio Financial Consolidated	48.0	49.2	45.8	47.7
Fixed Assets to Shareholders' Equity Ratio Total Consolidated	12.2	11.4	14.5	12.1
Combined Ratio Insurance	93.7	95.9	92.8	83.9
Efficiency Ratio (in the previous 12 months)	42.1	42.1	41.8	41.7
Coverage Ratio (Fee and Commission Income / Administrative and Personnel Expenses) (in the previous 12 months)	75.4	78.0	80.2	78.7

(*) If we choose the prerogative provided for in article 9 of Circular 3,367 of Bacen, the indexes of March 2008 would be 19.0% in the financial consolidated and 16.7% in the total consolidated.

Market Share   Consolidated   percentages

	2006	2007		2008
	December	March	December	March
Banks Source: Bacen				
Time Deposit	9.4	9.4	9.4	I
Savings Deposit	14.7	14.2	14.0	I
Demand Deposit	16.8	17.5	16.4	I
Loan Operations	12.2	12.4	13.1	13.2 (*)
Number of Branches	16.6	16.7	17.3 (**)	17.3 (**)
Banks Source: Anbid				
Investment Funds + Portfolios	14.9	14.5	14.1	14.1
Banks Source: Internal Revenue Service				
CPMF	19.8	19.7	19.7	N/A
Insurance, Private Pension Plans and Certificated Savings Plans Source: Susep and ANS				
Insurance, Private Pension Plans and Certificated Savings Plans Premiums	25.8	24.4	25.5	24.1 (*)
Insurance Premiums (including VGBL)	26.3	24.4	25.8	23.8 (*)
Revenues from Pension Plans Contributions (excluding VGBL)	27.9	29.0	27.9	32.3 (*)
Revenues from Certificated Savings Plans	19.9	19.0	19.9	18.4 (*)
Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	37.1	36.8	36.4	35.1 (*)
Insurance and Private Pension Plans Source: Fenaprevi				
Income on VGBL Premiums	43.4	43.4	41.9	39.1 (*)
Revenues from PGBL Contributions	30.6	30.9	26.1	32.3 (*)
Private Pension Plans Investment Portfolios (including VGBL)	42.0	41.4	40.9	40.2 (*)
Credit and Debit Card Source: Abecs				
Credit Card Revenue	15.4	18.2	18.1	18.2
Debit Card Revenue	20.5	20.1	19.8	18.8
Leasing Source: Abel				
Active Operations	11.5	11.0	12.9	13.9 (*)
Banco Finasa Source: Bacen				
Finabens (Portfolio)	18.8	18.8	14.8	13.1 (*)
Auto (Portfolio) Including Banco Bradesco	25.8	25.4	26.0	25.6 (*)
Consortia Source: Bacen				
Real Estate	27.3	25.9	27.1	27.2 (*)
Auto	20.2	20.0	21.1	21.2 (*)
Trucks, Tractors and Agricultural Implements	6.3	6.3	6.8	6.7 (*)

International Area	**Source: Bacen**			
Export Market	22.3	19.8	20.4	21.1 (**)
Import Market	15.4	16.6	16.1	15.2 (**)

(*) Reference date: February 2008, (in the health insurance case, the ANS indexes were estimated).
(**) Previous data.

NA Not available.
I Inapplicable.

Highlights

Other Information

	March 2007	March 2008	Variation %	December 2007	March 2008	Variation %
Funding and Assets Managed in R$ million	406,970	506,808	24.5	484,265	506,808	4.7
Number of Employees	79,686	83,124	4.3	82,773	83,124	0.4
Number of Branches	3,015	3,169	5.1	3,160	3,169	0.3
Savings Account Holders thousand	31,329	32,213	2.8	34,623	32,213	(7.0)
Credit, Private Label and Debit Cards Base thousand	60,254	72,971	21.1	70,469	72,971	3.6

Bradesco s Shares

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

	December 2003	December 2004	December 2005	December 2006	December 2007	March 2008
Common	1,437,054	1,430,107	1,468,350	1,500,214	1,514,006	1,534,934
Preferred	1,416,492	1,416,491	1,469,817	1,502,435	1,514,006	1,534,933
Subtotal Outstanding Shares	**2,853,546**	**2,846,598**	**2,938,167**	**3,002,649**	**3,028,012**	**3,069,867**
Treasury Shares	516		696	1,137	3,368	3
Total	**2,854,062**	**2,846,598**	**2,938,863**	**3,003,786**	**3,031,380**	**3,069,870**

(*) For comparison purposes, the shares had 50% bonus in 2008 which were applied for previous years. Likewise, 100% bonus occurred in 2005 and 2007, as well as 200% in 2004.

On March 31, 2008, Bradesco's capital stock was R$23 billion, composed of 3,069,869,800 shares, of which 1,534,934,979 are common and 1,534,934,821 are preferred, non-par and book-entry shares. The largest shareholder is the holding company Cidade de Deus Participações, which directly holds 48.22% of our voting capital and 24.12% of our total capital. Cidade de Deus Participações is controlled by the Aguiar Family, Fundação Bradesco and another holding company, Nova Cidade de Deus Participações. Nova Cidade de Deus Participações is owned by Fundação Bradesco and Elo Participações e Investimento, which has as shareholders the majority of members of Bradesco's Board of Directors and Statutory Executive Board (see page 128).

Number of Shareholders Domiciled in the Country and Abroad

December 2002	December 2003	December 2004	December 2005	December 2006	December 2007	March 2008

Individuals	2,153,800	2,158,808	1,254,044	1,244,572	1,248,275	1,248,310	1,257,120
Corporations	179,609	180,559	116,894	116,225	116,040	115,710	115,738
Subtotal of Domiciled in the Country	**2,333,409**	**2,339,367**	**1,370,938**	**1,360,797**	**1,364,315**	**1,364,020**	**1,372,858**
Domiciled Abroad	373	465	3,780	3,701	3,689	3,699	3,727
Total	**2,333,782**	**2,339,832**	**1,374,718**	**1,364,498**	**1,368,004**	**1,367,719**	**1,376,585**

Concerning Bradesco's shareholders, domiciled in the country and overseas, on March 31, 2008, 1,372,858 shareholders were domiciled in Brazil, accounting for 99.73% of total shareholders' base and holding 71.17% of Bradesco's shares. The number of shareholders living abroad was 3,727, representing 0.27% of total shareholders' base and holding 28.83% of Bradesco's outstanding shares.

Market Value R$ million

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

Market Value/Shareholders Equity

Market Value/Shareholders Equity: indicates the number of times Bradesco s market value is higher than its accounting shareholders equity.
Formula used: number of common and preferred shares multiplied by the closing price of common and preferred shares of the last business day of the period. The amount is divided by the accounting shareholders equity of the period.

Dividend Yield percentages (in the previous 12 months)

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

Payout Index   percentages (in the previous 12 months)

Payout Index: indicates the percentage of net income paid as dividends/interest on shareholders   capital.
Formula used: amount received by shareholders as dividends and/or interest on shareholders   capital (gross of IR), which is divided by net income adjusted by legal reserve (5% of net income).

Financial Volume   Bradesco PN x Ibovespa

Source: Economática

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Net Earnings per Share R$ (in the previous 12 months) (*)

(*) For comparison purposes, the amounts were adjusted according to bonus and splits occurred in the period.

Appreciation Index Bradesco PN (BBDC4) x Ibovespa (percentages)

Source: Economática

Bradesco s Share Performance

In 1Q08, Bradesco’s preferred shares depreciated by 12.4% (adjusted by dividends), having a lower performance than Ibovespa’s, which had a 4.6% loss in the period.
The shares of the financial sector continued to be affected, in a global scale, by news about the subprime real estate loans in the United States, including those with a null exposition to subprime, like Bradesco. In the Brazilian market, measures taken by the Ministry of Finance to offset the end of CPMF payment (CSLL increase of the financial sector from 9% to 15% and IOF by 0.38 p.p.) and the creation of a compulsory deposit on CDIs raised from leasing companies were other factors that contributed to the weak performance of the segment in the quarter.

Statement of Income

	R$ million					
	1st Qtr		Variation	4th Qtr.	1st Qtr	Variation
	2007	2008	%	2007	2008	%
Revenues from Financial Intermediation	**9,568**	**11,693**	**22.2**	**11,163**	**11,693**	**4.7**
Loan Operations	5,233	6,571	25.6	6,073	6,571	8.2
Leasing Operations	192	373	94.3	284	373	31.3
Securities Transactions	1,795	1,820	1.4	1,807	1,820	0.7
Insurance, Private Pension Plans and Certificated Savings Plans	1,685	1,676	(0.5)	2,068	1,676	(19.0)
Derivative Financial Instruments	198	528	166.7	390	528	35.4
Foreign Exchange Transactions	149	396	165.8	232	396	70.7
Compulsory Deposits	316	329	4.1	309	329	6.5
Expenses from Financial Intermediation (not including PDD)	**4,549**	**5,643**	**24.0**	**5,166**	**5,643**	**9.2**
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	3,295	3,818	15.9	3,523	3,818	8.4
Price-Level Restatement and Interest on Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	1,043	1,024	(1.8)	1,288	1,024	(20.5)
Borrowings and Onlendings	209	800	282.8	353	800	126.6
Leasing Operations	2	1	(50.0)	2	1	(50.0)
Financial Margin	**5,019**	**6,050**	**20.5**	**5,997**	**6,050**	**0.9**
Provision for Loan Losses	(1,160)	(1,667)	43.7	(1,556)	(1,667)	7.1
Gross Income from Financial Intermediation	**3,859**	**4,383**	**13.6**	**4,441**	**4,383**	**(1.3)**
Other Operating Income/Expenses	**(1,578)**	**(1,815)**	**15.0**	**(1,963)**	**(1,815)**	**(7.5)**
Fee and Commission Income	2,559	2,803	9.5	2,896	2,803	(3.2)
Operating Income from Insurance, Private Pension Plans and Certificated Savings Plans	**241**	**515**	**113.7**	**146**	**515**	**252.7**
(+) Net Premiums Issued	**4,801**	**5,367**	**11.8**	**6,175**	**5,367**	**(13.1)**
(-) Reinsurance Premiums	(158)	(82)	(48.1)	(123)	(82)	(33.3)
(=) Retained Premiums from Insurance, Private Pension Plans and Certificated Savings Plans	**4,643**	**5,285**	**13.8**	**6,052**	**5,285**	**(12.7)**
Retained Premiums from Insurance	1,993	2,268	13.8	2,187	2,268	3.7
Private Pension Plans Contributions	2,307	2,645	14.7	3,448	2,645	(23.3)

Income from Certificated Savings Plans	343	372	8.5	417	372	(10.8)
Variation in Technical Provisions for Insurance, Private Pension Plans and Certificated Savings Plans	**(2,413)**	**(2,533)**	**5.0**	**(3,644)**	**(2,533)**	**(30.5)**
Variation in Technical Provisions for Insurance	(251)	(55)	(78.1)	(293)	(55)	(81.2)
Variation in Technical Provisions for Private Pension Plans	(2,174)	(2,480)	14.1	(3,345)	(2,480)	(25.9)
Variation in Technical Provisions for Certificated Savings Plans	12	2	(83.3)	(6)	2	
Retained Claims	(1,428)	(1,640)	14.8	(1,595)	(1,640)	2.8
Certificated Savings Plans Draws and Redemptions	(301)	(318)	5.6	(379)	(318)	(16.1)
Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses	**(260)**	**(279)**	**7.3**	**(288)**	**(279)**	**(3.1)**
Insurance Products Selling Expenses	(206)	(222)	7.8	(218)	(222)	1.8
Private Pension Plans Selling Expenses	(50)	(56)	12.0	(65)	(56)	(13.8)
Certificated Savings Plans Selling Expenses	(4)	(1)	(75.0)	(5)	(1)	(80.0)
Personnel Expenses	(1,460)	(1,737)	19.0	(1,821)	(1,737)	(4.6)
Other Administrative Expenses	(1,540)	(1,815)	17.9	(1,973)	(1,815)	(8.0)
Tax Expenses	(585)	(605)	3.4	(623)	(605)	(2.9)
Equity in Earnings of Unconsolidated Companies	12	32	166.7	10	32	220.0
Other Operating Income	337	330	(2.1)	424	330	(22.2)
Other Operating Expenses	(1,142)	(1,338)	17.2	(1,022)	(1,338)	30.9
Operating Income	**2,281**	**2,568**	**12.6**	**2,478**	**2,568**	**3.6**
Non-Operating Income	(3)	15		21	15	(28.6)
Income before Taxes on Income and Profit Sharing	**2,278**	**2,583**	**13.4**	**2,499**	**2,583**	**3.4**
Income Tax and Social Contribution	(570)	(672)	17.9	(642)	(672)	4.7
Minority Interest in Subsidiaries	(3)	(4)	33.3	(3)	(4)	33.3
Net Income	**1,705**	**1,907**	**11.8**	**1,854**	**1,907**	**2.9**
Annualized Return on Shareholders Equity (*) (%)	**32.6**	**28.7**		**29.4**	**28.7**	

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

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Analysis of the Statement of Income R$ million

Income from Loan and Leasing Operations

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
5,423	**6,943**	**28.0**	**6,355**	**6,943**	**9.3**

In the period, income was up mainly as result of: (i) the increase in the volume of the loan portfolio, which totaled R$139,019 in March/08 against R$101,473 in March/07, i.e., a 37.0% increase. We highlight the corporate portfolio, with an increase of 37.1%, due to BNDES Onlending , Guaranteed Account , Financing to Export , Working Capital and Leasing products. In the individual portfolio, the growth was 36.9%, with focus on the products connected to consumer financing; partially **mitigated:** (ii) by the decrease in average interest rates, observing the 2.6% CDI variation in 1Q08, against 3.0% in 1Q07.

The variation in income in the quarter was mainly due to: (i) the increase of 5.9% in the volume of the loan portfolio, which reached the amount of R$139,019 in March/08, against R$131,307 in December/07, considering that in the corporate portfolio there was an increase of 5.4%, with focus on the Financing to Export , Working Capital and Leasing products, whereas in the individual portfolio the increase was 6.5%, with focus on products linked to consumer financing.

Income from Securities (TVM) and Derivative Financial Instruments

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
1,993	**2,348**	**17.8**	**2,197**	**2,348**	**6.9**

The increase in income in the period is mainly due to: (i) the increase in the average volume of the portfolio (TVM, Derivative Financial Investments and Interbank Investments); (ii) the higher non-interest income gains in the amount of R$60 in 1Q08; partially **offset** by: (iii) the reduction in the average interest rates, observing the 2.6% CDI variation in 1Q08, against 3.0% in 1Q07.

The variation in income in the quarter is mainly due to: (i) the increase in the average volume of the portfolio (TVM, Derivative Financial Instruments and Interbank Investments); partially **mitigated:** (ii) by lower non-interest income gains in the amount of R$15.

Income from Insurance, Private Pension Plans and Certificated Savings Plans

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
1,685	**1,676**	**(0.5)**	**2,068**	**1,676**	**(19.0)**

The variation in the period was basically due to: (i) the lower non- interest income of R$18; (ii) the reduction in the average interest rates, observing the 2.6% CDI variation in 1Q08, against 3.0% in 1Q07; **offset** by: (iii) the increase in the average volume portfolio; and (iv) the higher IGP-M variation of 2.4% in 1Q08, against 1.1% 1Q07.

The variation in the quarter was substantially due to: (i) the lower non- interest income of R$188; (ii) the lower IGP-M variation of 2.4% in 1Q08, against 3.5% in 4Q07; **offset** by: (iii) the increase in the average volume of the portfolio.

Income from Foreign Exchange Transactions

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
149	**396**	**165.8**	**232**	**396**	**70.7**

For a better analysis, this item should be analyzed deducted from expenses with foreign funding, used for import/export operation financing, in accordance with Note 11a. After the deductions, the result would be R$72 in 1Q07 and R$135 in 1Q08, basically due to the increase in foreign exchange portfolio volume.

For a better analysis, this item should be analyzed deducted from expenses with foreign funding used for import/export operation financing, in accordance with Note 11a. After such deductions, the result would be R$113 in 4Q07 and R$135 in 1Q08, basically due to the increase in foreign exchange portfolio volume.

Income from Compulsory Deposits

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
316	329	4.1	309	329	6.5

The variation in the period is basically due to: (i) the increase in the average volume of deposits in the period; mitigated by: (ii) the CDI variation of 2.6% in 1Q08, against 3.0% in 1Q07, used to remunerate the additional compulsory deposit; and (iii) the drop in TR Reference Interest Rate, used to remunerate the compulsory on savings deposits.

The variation in the quarter is basically due to the increase in the average volume of time deposits in the quarter.

Expenses with Federal Funds Purchased and Securities Sold under Agreements to Repurchase

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
3,295	3,818	15.9	3,523	3,818	8.4

The variation in the period is mostly due to: (i) the increase in the average funding volume; **offset** by: (ii) the reduction in the average interest rates, observing the 2.6% CDI variation in 1Q08, against 3.0% in 1Q07, mainly affecting the time deposits expenses.

The variation in the quarter derives basically from the increase in the average volume of the portfolio.

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

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
1,043	1,024	(1.8)	1,288	1,024	(20.5)

The variation in the period is basically due to: (i) the reduction in the average interest rates, observing the 2.6% CDI variation in 1Q08, against 3.0% in 1Q07; mitigated by: (ii) the higher average volume of technical provisions, especially the VGBL product, and (iii) the higher IGP-M variation of 2.4% in 1Q08, against 1.1% in 1Q07, one of the indexes which also remunerates the technical provisions.

The variation in the quarter is mostly due to: (i) the lower IGP-M variation of 2.4% in 1Q08, against 3.5% in 4Q07, one of the indexes which also remunerates the technical provisions; **offset** by: (ii) the higher average volume of technical provisions, especially the VGBL product.

Borrowings and Onlendings Expenses

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
209	800	282.8	353	800	126.6

The variation in the period is basically due to: (i) the increase in the average funding volume, mainly represented by Finame and BNDES operations; (ii) the lower exchange loss variation of 1.3% in 1Q08, against 4.1% in 1Q07, having an effect on foreign exchange funding; **mitigated:** (iii) by the decrease in average interest rates, according to the 2.6% CDI variation in 1Q08, against 3.0% in 1Q07, affecting funding in foreign currency.

The variation in the quarter is mainly due to: (i) the increase in the average volume of fundings, substantially represented by Finame operations; and (ii) the lower exchange loss variation of 1.3% in 1Q08, against 3.7% in 4Q07, effecting the foreign exchange funding.

Financial Margin

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
5,019	6,050	20.5	5,997	6,050	0.9

The variation of R$1,031 in financial margin is basically due to: (i) the increase in the result of interest-bearing operations of R$941, R$1,519 due to a growth in the average business volume and R$578 due to the decrease in spreads; and (ii) the higher non-interest income of R$90, basically derived from the loan recovery and higher treasury gains.

The variation of R$53 in financial margin is due to: (i) the growth in the result of interest-bearing operations in the amount of R$315, R$421 due to the increase in the average business volume and R$106 to the decrease in spreads; mitigated (ii) by the decrease in the non-interest income of R$262, basically derived from the lower gains with loan recovery, TVM and treasury.

Provision for Loan Losses Expenses

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
1,160	1,667	43.7	1,556	1,667	7.1

The increase in the period of R$507 is compatible with the growth of our loan portfolio (37.0% or R$37,546 in the 12-month period and with the relevant participation of individuals which, due to their characteristic, require higher provisioning volume, whose growth in the period was 36.9% or R$15,341.

The variation in the quarter is compatible with the growth of our loan portfolio and mainly with the 6.5% growth in the operations with individual clients which, due to their characteristic, require higher provisioning volume.

Fee and Commission Income

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
2,559	**2,803**	**9.5**	**2,896**	**2,803**	**(3.2)**

The increase of income in the period is mainly due to a hike in the volume of operations, with focus on: (i) card income R$120; (ii) loan operations R$58; (iii) assets management R$51; (iv) custody and brokerage services R$23; and (v) collection R$21.

The reduction of income in the quarter is mostly due to: (i) a lower volume of capital market operations in view of the economy scenario of R$36; (ii) the realignment of individual checking accounts fees R$31; (iii) a lower loan operation revenue due to a reduction in the collection of Loan Opening Fee (TAC) R$22; and a higher volume of card transactions in the 4Q07 R$11.

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

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
4,643	5,285	13.8	6,052	5,285	(12.7)

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

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

a) Retained Premiums from Insurance

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
1,993	2,268	13.8	2,187	2,268	3.7

The variation in the period is due to: (i) the increase in the production of: (i) Health line R$124 (substantially in the corporate, health and dental insurance, due to annual restatement by medical, hospital and dental costs variation, and also due to portfolio technical balance); (ii) Life line R$87; (iii) Auto line R$36; (iv) Basic lines R$10; and (v) other segments R$18.

N.B. 1: in 2008, there was an increase, even not considering Indiana Seguros, due to its sale.

N.B. 2: in order to comply with Susep Circular no. 356, Individual Life redemption was reclassified to technical provision variation .

The variation in the quarter is due to the increase in the production of: (i) the Life line R$26; (ii) the Health line R$22; (iii) the Basic lines R$12; (iv) other lines R$46, due to the Dpvat insurance payment, in which there is a concentration in 1Q08; **offset**: (iv) by the drop in the Auto Line production R$25.

N.B.: in order to comply with Susep Circular no. 356, Individual Life redemption was reclassified to technical provision variation .

b) Private Pension Plans Contributions

1st Qtr./2007	**1st Qtr./2008**	**Variation %**	**4th Qtr./2007**	**1st Qtr./2008**	**Variation %**
2,307	**2,645**	**14.7**	**3,448**	**2,645**	**(23.3)**

The increase in the period is due to the higher sale of the following products: (i) VGBL R$233; and (ii) PGBL/Traditional R$105;

N.B.: in order to comply with Susep Circular no. 356, VGBL redemption was reclassified to technical provision variation .

The variation in the quarter is due to the seasonality of 4Q07, for the economy has received resources, impacting the sale of the VGBL product R$871.

N.B.: in order to comply with Susep Circular no. 356, Life redemption was reclassified to technical provision variation .

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c) Income on Certificated Savings Plans

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
343	**372**	**8.5**	**417**	**372**	**(10.8)**

The variation in the period is mainly due to the higher sale of certificated savings plans: (i) Pé Quente Bradesco 1000; (ii) Pé Quente Bradesco 1000 Reaplic ; Pé Quente Bradesco Pessoa Jurídica (launch); and (iv) those plans connected to sustainability actions Pé Quente Bradesco *O Câncer de Mama no Alvo da Moda* (Breast Cancer in the Fashion Target).

The variation in the quarter is mainly due to the higher sale of certificated savings plans in 4Q07 due to seasonality, mainly when compared to the 1st quarter.

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

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(2,413)	**(2,533)**	**5.0**	**(3,644)**	**(2,533)**	**(30.5)**

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

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

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a) Variation in Technical Provisions for Insurance

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(251)	**(55)**	**(78.1)**	**(293)**	**(55)**	**(81.2)**

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The variations occurred in 1Q08 were comprised of: higher constitution of provision in the Life line R$55; in the Health insurance R$16; in the Basic lines R$10; **offset**: by the decrease in the Auto line R$26; The variations occurred in 1Q07 were comprised of higher constitutions of provision: (i) in the Health insurance R$262; (ii) Life line R$77; (iii) Basic lines R$2; **mitigated:** (iv) by the lower constitution of provision in the Auto line R$90.
N.B.: in order to comply with Susep Circular 356, there was a reclassification of Individual Life Plan redemptions.

The variation in technical provisions is directly related to the sale of insurance in their respective effectiveness periods. The variations occurred in 1Q08 were comprised of: the higher constitution of provision in the Life line R$55; in the Health insurance R$16; in the Basic lines R$10; **offset**: by the decrease in the Auto line R$26; The variations occurred in 4Q07 were mainly comprised of: (i) higher constitution of provision: (i) in the Health Line R$181; (ii) Auto line R$19; and (iii) Life line R$94.
N.B.: In order to comply with Susep Circular 356, there was a reclassification of Individual Life Plan redemptions.

b) Variation in Technical Provisions for Private Pension Plans

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(2,174)	**(2,480)**	**14.1**	**(3,345)**	**(2,480)**	**(25.9)**

Variations in technical provisions are directly related to production. The variations in the period are due to the higher recording of provision for the VGBL R$194 and PGBL/Traditional R$112 products, due to the increase in production in the period/08.
N.B.: In order to comply with Susep Circular 356, there was a reclassification of Individual Life Plan redemptions.

Variations in technical provisions are directly related to production. The variations in the quarter are due to the lower recording of provision for the VGBL R$827 and PGBL/Traditional R$38 products, due to the higher production in 4Q07, as a result of the seasonality.
N.B.: In order to comply with Susep Circular 356, there was a reclassification of Individual Life Plan redemptions.

c) Variation in Technical Provisions for Certificated Savings Plans

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
12	2	(83.3)	(6)	2	

The variation in the period is mainly due to the reversion of technical provision for contingency.

The variation in the quarter is mainly due to the reversion of technical provision for contingency.

Retained Claims

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(1,428)	(1,640)	14.8	(1,595)	(1,640)	2.8

The increase of claims in the period is due to the increase in production and the resulting growth in the volume of reported claims: (i) in the Health line R$205, (ii) in the Life line R$27; (iii) other lines R$18; **mitigated:** by the decrease in reported claims: (iv) in the Auto line R$29, mainly due to the sale of interest in Indiana Seguros S.A.; and (v) in the Basic lines R$9.

N.B.: claim ratios were recalculated due to new resolutions of Susep Circular 356.

The increase of claims in the quarter is due to the increase in production and the resulting growth in the volume of reported claims: (i) in the Auto line R$31; (ii) in the Life line R$13; (iii) other lines R$34; **mitigated:** by the decrease in reported claims: (iv) in the Basic lines R$23; and (v) in the Health line R$10.

N.B.: claim ratios were recalculated due to new resolutions of Susep Circular 356.

Analysis of the Statement of Income R$ million

Certificated Savings Plans Draws and Redemptions

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(301)	(318)	5.6	(379)	(318)	(16.1)

The redemptions are directly related to revenue. The variation in the period is due to the increase in revenues.

The redemptions are directly related to revenue. The variation in the quarter is due to lower revenues.

Insurance, Private Pension Plans and Certificated Savings Plans Selling Expenses

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(260)	(279)	7.3	(288)	(279)	(3.1)

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

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(206)	(222)	7.8	(218)	(222)	1.8

The variation in the period is due to the increase of insurance production, mainly in the Health line R$12.
N.B.: Selling ratios were recalculated due to new resolutions of Susep Circular 356.

In nominal terms, selling expenses have remained stable, with a slight decrease when compared to the earned premiums.
N.B.: Selling ratios were recalculated due to new resolutions of Susep Circular 356.

b) Private Pension Plans Selling Expenses

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(50)	(56)	12.0	(65)	(56)	(13.8)

The variation in the period is basically a result of the increase in sales of private pension plan products and, consequently, in selling expenses.

The variation in the quarter is basically a result of the increase in sales of the VGBL product in 4Q07.

c) Certificated Savings Plans Selling Expenses

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(4)	(1)	(75.0)	(5)	(1)	(80.0)

The variation is basically due to the decreased expenses related to Pé Quente Bradesco campaigns.

The variation is basically due to the decreased expenses related to Pé Quente Bradesco campaigns.

Personnel Expenses

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(1,460)	(1,737)	19.0	(1,821)	(1,737)	(4.6)

The growth in the period is basically due to: (i) the expansion of the customer service network and the consequent hiring of employees, as well as the increase in salary levels resulting from the 2007 collective bargaining agreement (6.0%), benefits and others R$117; (ii) the higher expenses with provisions for labor proceedings R$83; (iii) the higher expenses with management and employee profit sharing R$62; and (iv)the consolidation of acquired companies (Credifar and BMC) R$15.

Personnel expenses, in 1Q08, have suffered a reduction of R$84, highlighting: (i) the lower expenses with management and employee profit sharing R$49; (ii) the lower expenses related to higher number of employees in vacation in 1Q08 R$21; (iii) the lower training expenses R$13; and (iv) the lower expenses with provisions for labor proceedings R$10.

Other Administrative Expenses

1st Qtr./2007	1st Qtr./2008	Variation %	4th Qtr./2007	1st Qtr./2008	Variation %
(1,540)	(1,815)	17.9	(1,973)	(1,815)	(8.0)

The increase in the period is basically due to: (i) the organic growth; (ii) the increase in the volume of businesses; (iii) the contractual adjustments; and (iv) the investments in the improvement and optimization of the technological platform (IT Improvements Project).

The decrease in the quarter is mainly due to: (i) the higher seasonal volume of advertising expenses in 4Q07 R$107; and (ii) the higher expenses with third-party services and data processing in 4Q07 R$45, as a result of the higher business volume characteristic of that period.

Tax Expenses

1st Qtr./2007	1st Qtr./2008	Variation %