

BANK BRADESCO  
Form 6-K  
April 27, 2011

---

**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 April, 2011  
Commission File Number 1-15250**

---

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

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

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

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

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

Yes  No

---



## Highlights

The main figures obtained by Bradesco in the first quarter of 2011 are presented below:

1. Adjusted Net Income<sup>(1)</sup> in the first quarter of 2011 was R\$2.738 billion (an increase of 27.5% compared to R\$2.147 billion in the same period of 2010), corresponding to earnings per share of R\$2.72 in the last 12 months and Return on Average Shareholders' Equity<sup>(2)</sup> of 24.2%.
2. Adjusted Net Income was composed of R\$1.977 billion from banking activities, which represented 72% of the total, and R\$761 million from insurance, private pension plans and savings bond operations, which accounted for 28% of the total.
3. On March 31, 2011, Bradesco's market capitalization stood at R\$117.027 billion<sup>(3)</sup>, while the value of preferred shares rose by 15.7%<sup>(4)</sup> in the last 12 months, against a 2.5% depreciation of the Ibovespa index.
4. Total Assets stood at R\$675.387 billion in March 2011, an increase of 26.8% from the balance in the same period in 2010. Return on Average Assets was 1.7%.
5. The Expanded Loan Portfolio<sup>(5)</sup> stood at R\$304.374 billion in March 2011, up 22.6% from the same period in 2010. Operations with individuals totaled R\$100.079 billion (up 16.4%), while operations with companies totaled R\$204.295 billion (up 25.9%).
6. Total Assets under Management stood at R\$919.007 billion, an increase of 24.2% from March 2010.
7. Shareholders' Equity stood at R\$51.297 billion in March 2011 and included a capital increase in the amount of R\$1.511 billion, up by quarter of 2011, of which R\$104 million as monthly dividends paid and R\$820 million provisioned.
9. The Financial Margin reached R\$9.362 billion, up 21.8% in comparison to the first quarter of 2010.
10. The Delinquency Ratio over 90 days stood at 3.6%, down 0.8 p.p. from March 2010.
11. The Efficiency Ratio<sup>(6)</sup> stood at 42.7% (41.2% in March 2010) and in the concept of "adjusted-to-risk" ratio stood at 52.1% in March 2011 (55.4% in March 2010).
12. Insurance Written Premiums, Pension Plan Contributions and Savings Bond Income totaled R\$7.850 billion in the first quarter of 2011, up by 9.1% over the same period in 2010. Technical provisions stood at R\$89.980 billion, equal to 30.4% of the Brazilian insurance market (reference date: January/11).
13. Investments in infrastructure, information technology and telecommunication amounted to R\$865 million in the first quarter of 2011, for growth of 13.1% when compared to the same period in the previous year.
14. Taxes and contributions, including social security, paid or provisioned, amounted to R\$4.973 billion, of which R\$1.745 billion corresponded to taxes withheld and collected from third parties and R\$3.228 billion based on the activities of Bradesco Organization, equivalent to 117.9% of Adjusted Net Income<sup>(1)</sup>.
15. Banco Bradesco has an extensive distribution network in Brazil, with 6,619 Service Points (3,651 Branches, 1,308 PABs and 1,660 PAAs). Customers can also use 1,588 PAEs, 27,649 Bradesco Expresso

19.1% on the balance of March 2010. The Capital Adequacy Ratio (Basel II) stood at 15.0% in March 2011, 13.4% of which under Tier I Capital.

service points, 6,218 Banco Postal (Postal Bank) branches, 32,514 own ATMs in the Bradesco *Dia&Noite* network and 11,749 ATMs shared with other banks<sup>(7)</sup>.

8. Interest on Shareholders' Equity and Dividends were paid and provisioned to shareholders, in the amount of R\$924 million related to the first

(1) According to non-recurring events described on page 08 of this Report on Economic and Financial Analysis; (2) Excludes mark-to-market effect of available-for-sale securities recorded under Shareholders' Equity; (3) R\$ 127.474 billion considering the closing price of preferred shares (most traded share); (4) Includes reinvestment of dividends/interest on shareholders' equity; (5) Includes sureties and guarantees, advances of credit card receivables and credit assignments (receivables-backed investment funds and mortgage-backed receivables) and operations with Credit Risk – Commercial Portfolio (expanded criteria), which includes debentures and promissory notes; (6) Accumulated over 12 months; and (7) Banco24Horas ATMs + ATM terminals shared among Bradesco, Banco do Brasil and Banco Santander.

16. Employee payroll, plus charges and benefits, totaled R\$2.080 billion. Social benefits provided to the 96,749 employees of the Bradesco Organization and their dependents amounted to R\$495.444 million, while investments in training and development programs totaled R\$19.282 million.
17. On April 7, 2011, Fitch raised Bradesco's long and short-term IDRs, reflecting the Bank's sound financial strength. Bradesco's long term foreign currency IDR moved from 'BBB' to 'BBB+', while the long-term domestic currency IDR rating moved from 'BBB +' to 'A -' and the short term IDR in domestic currency increased from 'F2' to 'F1.' Bradesco Seguros' Issuer Financial Strength (IFS) rating was raised from 'BBB+' to 'A-'.
18. On March 25, 2011, Bradesco requested authorization by the Brazilian Central Bank to create an ADR program backed by common shares on the American market, which included an increase in the limit on foreign interest that will not change its corporate structure or control.
19. As of April 4, 2011, Bradesco, Banco do Brasil and Caixa Econômica Federal began to offer cards through the Brazilian brand Elo. The new brand's goal is to reach 15% of the domestic market in up to 5 years and become the most complete and modern means of payment platform in the country.
20. Main Awards and Recognitions in the first quarter of 2011:
  - 6<sup>th</sup> most valuable brand in the global banking sector. This is the first time that a bank from an emerging economy has reached this position (Brand Finance Global Banking 500 – 2011 *The Banker* magazine);
  - The most valuable brand in Brazil, a position Bradesco has held since 2007, according to a survey released by the consultant Brand Finance. In a global ranking of 500 companies, Bradesco came in 28<sup>th</sup> ;
  - One of the 100 most sustainable companies in the world, according to the 7<sup>th</sup> edition of the "Global 100" ranking (*Corporate Knights* magazine);
  - Bradesco Seguros was the winner of the 18<sup>th</sup> edition of the "Top of Quality 2010" prize in the "Insurance and Pension Plan" category (*Top of Business* magazine and CNEP); and
  - Bradesco Asset Management (Bram) received the "Top Management" Prize from *Valor Investe* magazine, published by the *Valor Econômico* newspaper, a recognition of the best fund managers in the country (Standard & Poor's).
21. With Regards to sustainability, Bradesco divides its actions into three pillars: (i) Sustainable Finances, with a focus on banking inclusion, social and environmental variables for loan approvals and the offering of social and environmental products; (ii) Responsible Management, focused on valuing professionals, improving the workplace and adopting eco-efficient practices; and (iii) Social and Environmental Investments, focused on education, the environment, culture and sports. The highlight in this area is Fundação Bradesco, which has been developing an extensive social and educational program that operates 40 schools throughout Brazil. In 2011, a forecasted budget of R\$307.994 million will help serve more than 526 thousand people, 111 thousand of which through its own schools, in Basic Education, from Kindergarten to High School and Vocational Training - High School Level; Education for Youth and Adults; and Preliminary and Continued Education. In the Virtual School - Fundação Bradesco's e-learning portal - , at the CIDs – Digital Inclusion Centers and through programs conducted under strategic partnerships, like *Educa+Ação*, over 415 thousand students will be served. The more than 50 thousand Basic Education students receive uniforms, school supplies, meals and medical and dental assistance free of charge. For 54 years, Fundação Bradesco has provided more than 2 million students with quality formal education free of charge, who, together with

participants in in-class and distance courses,  
bring the number of participants to over 4  
million people.

## Main Information

	1Q11	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	Variation % 1Q11 x1Q11 x 4Q10 1Q10	
Statement of Income for the Period R\$ million										
Book Net Income	2,702	2,987	2,527	2,405	2,103	2,181	1,811	2,297	(9.5)	28.5
Adjusted Net Income	2,738	2,684	2,518	2,455	2,147	1,839	1,795	1,996	2.0	27.5
Total Financial Margin	9,362	9,018	8,302	8,047	7,689	7,492	7,587	7,560	3.8	21.8
Gross Loan Financial Margin	6,180	6,143	5,833	5,757	5,630	5,373	5,150	4,979	0.6	9.8
Net Loan Financial Margin	3,820	3,848	3,774	3,596	3,442	2,678	2,242	1,861	(0.7)	11.0
Expenses with Allowance for Loan Losses	(2,360)	(2,295)	(2,059)	(2,161)	(2,188)	(2,695)	(2,908)	(3,118)	2.8	7.9
Fee and Commission Income	3,510	3,568	3,427	3,253	3,124	3,125	2,857	2,911	(1.6)	12.4
Administrative and Personnel Expenses	(5,576)	(5,790)	(5,301)	(4,976)	(4,767)	(4,827)	(4,485)	(4,141)	(3.7)	17.0
Premiums from Insurance, Private Pension Plan Contributions and Income from Savings Bonds	7,850	9,022	7,697	7,163	7,196	8,040	6,685	6,094	(13.0)	9.1
Balance Sheet - R\$ million										
Total Assets	675,387	637,485	611,903	558,100	532,626	506,223	485,686	482,478	5.9	26.8
Securities	217,482	213,518	196,081	156,755	157,309	146,619	147,724	146,110	1.9	38.3
Loan Operations <sup>(1)</sup>	284,695	274,227	255,618	244,788	235,238	228,078	215,536	212,768	3.8	21.0
- Individuals	100,079	98,122	92,905	89,648	86,012	82,085	75,528	74,288	2.0	16.4
- Corporate	184,616	176,105	162,713	155,141	149,226	145,993	140,008	138,480	4.8	23.7
Allowance for Loan Losses (ALL)	(16,740)	(16,290)	(16,019)	(15,782)	(15,836)	(16,313)	(14,953)	(13,871)	2.8	5.7
Total Deposits	203,822	193,201	186,194	178,453	170,722	171,073	167,987	167,512	5.5	19.4
Technical Provisions	89,980	87,177	82,363	79,308	77,685	75,572	71,400	68,828	3.2	15.8
Shareholders' Equity	51,297	48,043	46,114	44,295	43,087	41,754	38,877	37,277	6.8	19.1
Assets Under Management	919,007	872,514	838,455	767,962	739,894	702,065	674,788	647,574	5.3	24.2
Performance Indicators (%) on Adjusted Net Income (except when stated otherwise)										
Adjusted Net Income per Share - R\$ <sup>(2)</sup>	2.72	2.61	2.38	2.19	2.07	2.02	2.04	2.06	4.2	31.4
Book Value per Share (Common and Preferred) - R\$	13.42	12.77	12.26	11.77	11.45	11.10	10.49	10.04	5.1	17.2
Annualized Return on Average Shareholders' Equity <sup>(3)(4)</sup>	24.2	22.2	22.5	22.8	22.2	20.3	21.5	23.3	2.0 p.p	2.0 p.p
Annualized Return on Average Assets <sup>(4)</sup>	1.7	1.7	1.7	1.7	1.7	1.6	1.6	1.7	-	-
Average Rate - (Adjusted Financial Margin / Total Assets) Annualized	8.2	8.3	7.9	8.2	8.1	8.1	8.3	8.2	(0.1) p.p	0.1 p.p
Fixed Assets Ratio - Total Consolidated	17.4	18.1	16.7	20.9	19.8	18.6	15.4	15.1	(0.7) p.p	(2.4) p.p

Edgar Filing: BANK BRADESCO - Form 6-K

Combined Ratio - Insurance (5)	86.1	85.1	85.3	84.7	85.2	85.3	88.9	85.5	1.0	p.p	0.9	p.p
Efficiency Ratio (ER) (2)	42.7	42.7	42.5	42.0	41.2	40.5	40.9	41.5	-	1.5	p.p	
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) <sup>(2)</sup>	63.6	64.2	65.1	64.9	66.0	66.5	66.4	67.3	(0.6)	p.p	(2.4)	p.p
Market Capitalization - R\$ million (6)	117,027	109,759	114,510	87,887	100,885	103,192	98,751	81,301	6.6		16.0	
Loan Portfolio Quality % (7)												
ALL / Loan Portfolio	7.0	7.1	7.4	7.6	8.0	8.5	8.3	7.7	(0.1)	p.p	(1.0)	p.p
Non-Performing Loans (>60 days) <sup>(8)</sup> / Loan Portfolio	4.4	4.3	4.6	4.9	5.3	5.7	5.9	5.6	0.1	p.p	(0.9)	p.p
Delinquency Ratio (> 90 days) <sup>(8)</sup> / Loan Portfolio	3.6	3.6	3.8	4.0	4.4	4.9	5.0	4.6	-		(0.8)	p.p
Coverage Ratio (> 90 days) <sup>(8)</sup>	193.6	197.6	191.8	188.5	180.8	174.6	166.5	169.1	(4.0)	p.p	12.8	p.p
Coverage Ratio (> 60 days) <sup>(8)</sup>	159.1	163.3	162.0	155.8	151.3	148.6	139.4	137.9	(4.2)	p.p	7.8	p.p
Operating Limits %												
Capital Adequacy Ratio - Total Consolidated	15.0	14.7	15.7	15.9	16.8	17.8	17.7	17.0	0.3	p.p	(1.8)	p.p
- Tier I	13.4	13.1	13.5	13.9	14.3	14.8	14.3	14.3	0.3	p.p	(0.9)	p.p
- Tier II	1.7	1.7	2.3	2.1	2.6	3.1	3.5	2.8	-		(0.9)	p.p
- Deductions	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	-		-	-



Edgar Filing: BANK BRADESCO - Form 6-K

	Mar11	Dec10	Sept10	Jun10	Mar10	Dec09	Sept09	Jun09	Variation %	
									Mar11 x Dec10	Mar11 x Mar10
Structural Information Units										
Service Points	57,185	54,884	52,015	49,154	46,570	44,577	42,563	41,003	4.2	22.8
- Branches	3,651	3,628	3,498	3,476	3,455	3,454	3,419	3,406	0.6	5.7
- PAAs <sup>(9)</sup>	1,660	1,660	1,643	1,592	1,451	1,371	1,338	1,260	-	14.4
- PABs <sup>(9)</sup>	1,308	1,263	1,233	1,215	1,200	1,190	1,194	1,192	3.6	9.0
- PAEs <sup>(9)</sup>	1,588	1,557	1,559	1,565	1,564	1,551	1,539	1,528	2.0	1.5
- Outplaced Bradesco										
ATMNetwork Terminals <sup>(10)</sup>	3,921	3,891	4,104	3,827	3,664	3,577	3,569	3,516	0.8	7.0
- ATM Terminals in the Shared										
Network <sup>(10)</sup> <sup>(11)</sup>	10,326	9,765	8,113	7,358	6,912	6,486	5,980	5,558	5.7	49.4
- Banco Postal (Postal Bank)	6,218	6,203	6,194	6,177	6,110	6,067	6,038	6,011	0.2	1.8
- Bradesco Expresso										
(Correspondent Banks)	27,649	26,104	24,887	23,190	21,501	20,200	18,722	17,699	5.9	28.6
- Bradesco Promotora de										
Vendas	853	801	773	743	702	670	753	822	6.5	21.5
- Branches / Subsidiaries										
Abroad <sup>(12)</sup>	11	12	11	11	11	11	11	11	(8.3)	-
ATMs	44,263	43,072	41,007	39,766	38,772	37,957	37,178	36,430	2.8	14.2
- Own Network	32,514	32,015	31,759	31,387	30,909	30,657	30,414	30,191	1.6	5.2
- Shared Network <sup>(11)</sup>	11,749	11,057	9,248	8,379	7,863	7,300	6,764	6,239	6.3	49.4
Credit and Debit Cards <sup>(13)</sup> - in										
million	147.5	145.2	140.7	137.8	135.6	132.9	88.4	86.3	1.6	8.8
Employees <sup>(14)</sup>	96,749	95,248	92,003	89,204	88,080	87,674	85,027	85,871	1.6	9.8
Employees and Interns	10,321	9,999	9,796	8,913	9,605	9,589	9,606	9,439	3.2	7.5
Foundation Employees <sup>(15)</sup>	3,788	3,693	3,756	3,734	3,713	3,654	3,696	3,645	2.6	2.0
Customers in millions										
Checking Accounts	23.5	23.1	22.5	21.9	21.2	20.9	20.7	20.4	1.7	10.8
Savings Accounts <sup>(16)</sup>	39.4	41.1	38.5	37.1	36.2	37.7	35.1	33.9	(4.1)	8.8
Insurance Group	37.0	36.2	34.6	33.9	33.8	30.8	30.3	29.1	2.2	9.5
- Policyholders	32.1	31.5	30.0	29.3	29.2	26.3	25.8	24.6	1.9	9.9
- Pension Plan Participants	2.1	2.0	2.0	2.0	2.0	2.0	2.0	2.0	5.0	5.0
- Savings Bond Customers	2.8	2.7	2.6	2.6	2.6	2.5	2.5	2.5	3.7	7.7
Bradesco Financiamentos	2.9	3.3	3.4	3.5	3.8	4.0	4.1	4.0	(12.1)	(23.7)

- (1) Includes sureties and guarantees, advances of credit card receivables and credit assignments (receivables-backed investment funds and mortgage-backed receivables). If operations with Credit Risk – Commercial Portfolio (expanded criteria) were also included, covering debentures and promissory notes, the balance of the expanded loan portfolio would be R\$304,374 million in March 2011, R\$293,555 million in December 2010 and R\$248,282 million in March 2010;
- (2) In the last 12 months;
- (3) Excludes mark-to-market effect of available-for-sale securities recorded under Shareholders' Equity;
- (4) Adjusted net income in the period;
- (5) Excluding additional provisions;
- (6) Number of shares (less treasury shares) multiplied by the closing price of the common and preferred shares on the period's last trading day;
- (7) Excludes Sureties and Guarantees, advanced payment of credit card receivables and loan assignments (mortgage-backed receivables and receivables-backed investment funds);

Edgar Filing: BANK BRADESCO - Form 6-K

- (8) Credits overdue;
- (9) PAB: Branch located on the premises of a company and with Bradesco employees; PAE: ATM located on the premises of a company; PAA: service point located in a municipality without a Bank branch;
- (10) Including overlapping ATMs within the Bank's own and shared network: in March 2011 – 2,024; December 2010 – 1,999, September 2010 – 1,670, June 2010 – 1,547, March 2010 – 1,490, December 2009 – 1,455, September 2009 – 1,452 and June 2009 – 1,431;
- (11) Shared ATM network: Banco24Horas ATMs + ATM terminals shared among Bradesco, Banco do Brasil and Banco Santander, since November 2010;
- (12) In January 2011, the Nassau Branch of Banco Bradesco S.A. was merged into Bradesco Grand Cayman branch;
- (13) Includes pre-paid, Private Label, Banco Ibi as of December 2009 and Ibi México as of December 2010;
- (14) It started including Ibi Promotora employees as of December 2009;
- (15) Fundação Bradesco, Digestive System and Nutritional Disorder Foundation (Fimaden) and Bradesco Sports and Recreation Center (ADC Bradesco); and
- (16) Number of accounts.

7

---

## Ratings

### Main Ratings

Fitch Ratings							
International Scale						Domestic Scale	
Individual	Support	Domestic Currency			Foreign Currency	Domestic	
B/C	3	Long-Term A -	Short-Term F1	Long-Term BBB +	Short-Term F2	Long-Term AAA (bra)	Short-Term F1 + (bra)

Moody's Investors Service								
Financial Strength						R&I Inc.		
International Scale				Domestic Scale				
Foreign Currency Debt		Domestic Currency Deposit		Foreign Currency Deposit		Domestic Currency		Issuer Rating
B -	Long-Term Baa2	Long-Term A1	Short-Term P- 1	Long-Term Baa3	Short-Term P-3	Long-Term Aaa.br	Short-Term BR - 1	BBB -

Standard & Poor's						Austin Rating			
International Scale - Counterparty Rating				Domestic Scale		Corporate Governance	Corporate Governance	Domestic Scale	
Foreign Currency		Domestic Currency		Counterparty Rating		Score	Score	Long-Term	Short-Term
Long-Term BBB	Short-Term A - 3	Long-Term BBB	Short-Term A - 3	Long-Term brAAA	Short-Term brA - 1	GAMMA -7 Score	AA	AAA	A -1

### Net Income vs. Adjusted Net Income

The main non-recurring events that impacted net income in the periods below are presented in the following comparative chart:

	1Q11	4Q10	1Q10	R\$ million
<b>Book Net Income</b>		<b>2,702</b>	<b>2,987</b>	<b>2,103</b>
<b>Non-Recurring Events</b>		<b>36</b>	<b>(303)</b>	<b>44</b>
- Partial Divestment <sup>(1)</sup>		-	(59)	-
- ALL - Change in Drag Calculation Parameters		-	(220)	-
- Records of Tax Credits		-	(94)	(242)
- Provision for Tax Contingencies		-	-	397
- Provision for Civil Contingencies - Economic Plans		54	86	36
- Other <sup>(2)</sup>		-	(73)	-
- Tax Effects		(18)	57	(147)
<b>Adjusted Net Income</b>		<b>2,738</b>	<b>2,684</b>	<b>2,147</b>
<b>ROAE % (*)</b>		<b>23.8</b>	<b>28.2</b>	<b>21.7</b>
<b>ROAE (ADJUSTED) % (*)</b>		<b>24.2</b>	<b>25.1</b>	<b>22.2</b>

(\*) Annualized;

(1) Gross gain related to investments at BM&FBovespa; and

(2) In 4Q10: refers to the R\$86 million capital gain in Fidelity; and net effect of payment of taxes, through an installment program and payment in one lump sum of tax debt - Law 11,941/09 (REFIS), in the amount of R\$14 million, offset by R\$27 million in impairment expenses.



## Summarized Analysis of Adjusted Income

To provide for better understanding, comparison and analysis of Bradesco's results, we use the Adjusted Statement of Income for the analyses and comments contained in this Report on Economic and Financial Analysis, which is obtained from adjustments made to the Book Statement of Income, detailed at the end of this

Press Release, which includes adjustments to non-recurring events shown in the previous page. Note that the Adjusted Statement of Income is the basis adopted for the analyses and comments made in chapters 1 and 2 of this report.

	R\$ million							
	Adjusted Statement of Income				Variation			
	1Q11	4Q10	1Q11 x 4Q10 Amount	%	1Q11	1Q10	1Q11 x 1Q10 Amount	%
<b>Financial Margin</b>	<b>9,362</b>	<b>9,018</b>	<b>344</b>	<b>3.8</b>	<b>9,362</b>	<b>7,689</b>	<b>1,673</b>	<b>21.8</b>
- Interest	8,849	8,553	296	3.5	8,849	7,406	1,443	19.5
- Non-Interest	513	465	48	10.3	513	283	230	81.3
ALL	(2,360)	(2,295)	(65)	2.8	(2,360)	(2,188)	(172)	7.9
<b>Gross Income from Financial Intermediation</b>	<b>7,002</b>	<b>6,723</b>	<b>279</b>	<b>4.1</b>	<b>7,002</b>	<b>5,501</b>	<b>1,501</b>	<b>27.3</b>
Income from Insurance, Private Pension Plan and Savings Bond Operations <sup>(*)</sup>	785	700	85	12.1	785	583	202	34.6
Fee and Commission Income	3,510	3,568	(58)	(1.6)	3,510	3,124	386	12.4
Personnel Expenses	(2,436)	(2,533)	97	(3.8)	(2,436)	(2,120)	(316)	14.9
Other Administrative Expenses	(3,140)	(3,257)	117	(3.6)	(3,140)	(2,647)	(493)	18.6
Tax Expenses	(880)	(858)	(22)	2.6	(880)	(749)	(131)	17.5
Equity in the Earnings (Losses) of Unconsolidated Companies	34	60	(26)	(43.3)	34	29	5	17.2
Other Operating Income/Expenses	(922)	(646)	(276)	42.7	(922)	(550)	(372)	67.6
<b>Operating Income</b>	<b>3,953</b>	<b>3,757</b>	<b>196</b>	<b>5.2</b>	<b>3,953</b>	<b>3,171</b>	<b>782</b>	<b>24.7</b>
Non-Operating Income	(4)	10	(14)	-	(4)	4	(8)	-
Income Tax / Social Contribution	(1,138)	(1,059)	(79)	7.5	(1,138)	(1,010)	(128)	12.7
Minority Interest	(73)	(24)	(49)	204.2	(73)	(18)	(55)	305.6
<b>Adjusted Net Income</b>	<b>2,738</b>	<b>2,684</b>	<b>54</b>	<b>2.0</b>	<b>2,738</b>	<b>2,147</b>	<b>591</b>	<b>27.5</b>

(\*) Result of Insurance, Private Pension Plans and Savings Bond Operations = Insurance, Private Pension Plans and Savings Bond Retained Premiums - Variation in the Technical Provisions of Insurance, Private Pension Plans and Savings Bonds - Retained Claims - Drawings and Redemption of Savings Bonds - Selling Expenses with Insurance Plans, Private Pension Plans and Savings Bonds.

## **Summarized Analysis of Adjusted Income**

### **Adjusted Net Income and Profitability**

In the first quarter of 2011, Bradesco's adjusted net income stood at R\$2,738 million, an increase of 2.0% or R\$54 million from the previous quarter, which was primarily impacted by: (i) a growth in financial margin, due to the increased volume of operations; (ii) lower personnel and administrative expenses; offset by: (iii) an increase in the allowance for loan losses; (iv) lower fee and commission income; and (v) an increase in other operating expenses (net of other operating revenue).

In the first quarter of 2011 versus the same period of previous year, adjusted net income increased R\$591 million, or 27.5%. The main reasons for this result are described below in the analysis of the main income statement items.

Shareholders' Equity stood at R\$51.297 billion in March 2011 and included a capital increase in the amount of R\$1.511 billion, up by 19.1% on the balance of March 2010. The Capital Adequacy Ratio stood at 15.0%, of which 13.4% was under Tier I Capital.

Total assets stood at R\$675,387 million in March 2011, up 26.8% over March 2010, driven by the expansion of business volume. Return on Average Assets (ROAA) remained stable, hovering near 1.7%.

## Efficiency Ratio (ER)

The ER calculated on an “adjusted-to-risk” basis to reflect the impact of risk in loan operations<sup>(2)</sup> dropped for the fifth consecutive quarter, reaching 52.1% in the first quarter of 2011, up 0.3 p.p. compared to the previous quarter and 3.3 p.p. year-on-year. This behavior is in line with the results of previous quarters, mainly due to decreased delinquency.

The ER – accumulated over 12 months<sup>(1)</sup> remained stable in relation to the previous quarter.

The quarterly ER decreased from 44.0% in the fourth quarter of 2010 to 42.0% in the first quarter of 2011, mainly due to: (i) reduced personnel expenses due to vacation periods concentrated in the first quarter; (ii) lower administrative expenses; and (iii) increased financial margin, driven by growth in business volume.

(1) Efficiency Ratio (ER) = (Personnel Expenses – Employee Profit Sharing (PLR) + Administrative Expenses) / (Financial Margin + Fee and Commission Income + Income from Insurance + Equity in the Earnings (Losses) of Unconsolidated Companies + Other Operating Income – Other Operating Expenses). Considering the ratio between: (i) total administrative costs (Personnel Expenses + Administrative Expenses + Other Operating Expenses + Tax Expenses not related to revenue generation) and (ii) revenue net of related taxes (not considering Claims Expenses from the Insurance Group), our Efficiency Ratio in the first quarter of 2011 would be 43.5%.

(2) Including ALL expenses, adjusted for granted discounts, loan recovery and sale of foreclosed assets, among others.

**Financial Margin**

The R\$344 million increase between the first quarter of 2011 and the fourth quarter of 2010 was due to:

- the increase in income from interest-earning operations by R\$296 million, mainly the result of: (i) higher income from funding margin; and (ii) higher income from insurance margin; and
- higher income from non-interest margin, in the amount of R\$48 million.
- growth in income from interest-earning operations of R\$1,443 million, mainly due to (i) higher income from loan operations, resulting from increase in business volumes; (ii) higher income from funding margin; and (iii) higher income from insurance margin; and
- greater income from the non-interest margin, in the amount of R\$230 million, due to higher treasury/securities gains.

The financial margin posted a R\$1,673 million improvement between the first quarter of 2011 and the same period in 2010, which corresponds to a 21.8% growth, mainly driven by:



### **Total Loan Portfolio**

In March 2011, Bradesco's loan operations (considering sureties, guarantees, advances of credit card receivables and assignment of receivables-backed investment funds and mortgage-backed receivables) totaled R\$284.7 billion. The expansion of 3.8% in the quarter was due to: (i) 5.3% growth in Large Corporate portfolio; (ii) 4.3% in the SME portfolio; and (iii) 2.0% in the Individuals portfolio.

Year on year, the portfolio expanded by 21.0%, the result of growth of: (i) 29.4% in the SME portfolio, (ii) 19.0% in the Large Corporate portfolio; and (iii) 16.4% in the Individuals portfolio.

In the Individuals segment, the products that posted the strongest growth in the last twelve months were: (i) real estate financing; (ii) the payroll-deductible loan portfolio; and (iii) BNDES/Finame onlending operations. In the Corporate segment, growth was led by: (i) BNDES/Finame onlending operations; (ii) credit card; and (iii) vehicle financing - CDC.

### **Allowance for Loan Losses (ALL)**

In the first quarter of 2011, expenses with the allowance for loan losses stood at R\$2,360 million, up 2.8%. This increase was mainly the result of the 4.0% growth in loan operations – Bacen concept.

The first quarter of 2011 compared to the same period of 2010, ALL expenses posted a 7.9% increase, causing an expansion of generic provisions and partially offset by a decline in delinquency and higher income from loan recovery of 20.7% in the period, totaling R\$613 million. Loan operations – Bacen concept grew by 21.1% in the same period, demonstrating growth

Including other operations bearing credit risk from the Corporate portfolio<sup>(1)</sup> (expanded criteria), operations with credit risk would have amounted to R\$304.4 billion in March 2011 (R\$248.3 billion in March 2010), up 3.7% in the quarter and 22.6% over the last 12 months. These operations mainly comprise debentures and promissory notes with Large Corporations.

(1) For more information, see page 36 of Chapter 2 of this Report.

accompanied by quality in Bradesco's loan portfolio.

**Delinquency Ratio > 90 days**

After five consecutive quarters in decline, the delinquency ratio over 90 days was stable in the first quarter of 2011.

**Coverage Ratios**

The graph below presents the evolution of the coverage ratio of the Allowance for Loan Losses for loans overdue more than 60 and 90 days. In March 2011 these ratios reached 159.1% and 193.6%, respectively, providing the Bank with comfortable levels of coverage.

The balance of Allowance for Loan Losses (ALL) of R\$16.7 billion, in March 2011, was made up of: (i) R\$13.7 billion in Brazilian Central Bank requirements; and (ii) R\$3.0 billion in additional provisions.

**Results of Insurance, Private Pension Plans and Savings Bonds Operations**

Net Income in the first quarter of 2011 came to R\$761 million (R\$779 million in the fourth quarter of 2010), posting a 28.3% Return on Average Shareholders' Equity. In the comparison of the first quarter of 2011 with the same period in 2010, Net Income posted an 8.3% increase.

	R\$ million (except when indicated otherwise)									
	1Q11	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	Variation %	
									1Q11 x 4Q10	1Q11 x 1Q10
Net Income	761	779	721	701	703	602	607	638	(2.3)	8.3
Insurance Written Premiums, Private Pension Plan Contributions and Savings Bonds Income (*)	7,850	9,022	7,697	7,163	7,196	8,040	6,685	6,094	(13.0)	9.1
Technical Provisions	89,980	87,177	82,363	79,308	77,685	75,572	71,400	68,828	3.2	&nbs