

BANK BRADESCO
Form 6-K
February 04, 2003

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

FORM 6-K

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

For the month of February, 2003

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

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PRESS RELEASE

Disclosure of Accumulated Results (12 months)
December 2002

Banco Bradesco, (BOVESPA: BBDC4 and BBDC3; Latibex: XBBDC; NYSE: BBD), Brazil's largest private group in revenues for the fourth year in a row and Brazil's largest bank in equity, according to the 2002 issue of Exame Magazine's The Best and the Biggest Guide, announced today its results for the year 2002 (12M02). The Bank reported net income of R\$ 2,023 million, or R\$ 1.42 per thousand shares, decreases of 6.8% and 6.0%, as compared to results for 2001 (12M01) of R\$ 2,170 million and R\$ 1.51, respectively. Returns on Stockholders' Equity and Total Assets were 18.65% and 1.42%, respectively, compared to 22.22% and 1.97% for 12M01.

2002 was marked by the following important events:

Acquisition of the share control of Banco Mercantil de São Paulo S.A.;

Acquisition of the share control, through a privatization auction, of Banco do Estado do Amazonas S.A., now under the name of Banco BEA S.A.;

Acquisition of Banque Banespa International S.A., now known as Banco Bradesco Luxembourg S.A.;

Acquisition of the share control of Banco Cidade S.A.;

Acquisition of the total capital of Ford Leasing S.A. - Arrendamento Mercantil, now under the name of Potenza Leasing S.A. - Arrendamento Mercantil, and of the receivables and other consumer financing portfolio rights of Banco Ford S.A.;

Acquisition of Deutsche Bank Investimentos DTVM S.A. and its investment fund administration and management portfolio;

Increase in the percentage ownership of Banco Espírito Santo S.A. to 3%;

Opening on March 25 of the first Banco Postal branch, which had 2,500 units in operation at the year-end;

Start-up of Bradesco Consórcio Ltda.

Financial Statements.

The following financial and operating information, except where otherwise indicated, is presented on a consolidated basis and in reais, in accordance with Brazilian corporate legislation. The full report can be downloaded directly from the Investor Relations page on the Bank's website (www.bradesco.com.br).

1. Highlights in 2002

Net Income was R\$ 2,023 million for 12M02, a 6.8% decrease as compared to net income for 12M01.

- Financial Activity results were R\$ 1,174 million, 12.9% lower than results for 12M01.

- The Insurance Group (Insurance, Private Pension Plans and Savings Bond

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companies) contributed with results of R\$ 745 million, an increment of 24.0% compared to 12M01.

- The results of other activities totaled R\$ 104 million.

Operating Income was R\$ 2,310 million, a 16.8% decrease compared to 12M01.

The financial margin was R\$ 13,714 million, a growth rate of 35.7% as compared to 12M01. In relation to average total assets, the annualized financial margin increased to 10.8% as compared to 9.9% in 12M01. Adjusting the additional provision for market risk fluctuation recorded/reversed for the periods, the annualized financial margin would be 10.0% in 12M02 and in 12M01.

Income from financial intermediation totaled R\$ 10,895 million, a 34.5% increase as compared to 12M01.

The efficiency ratio was 54.6%, a slight variation compared to the ratio of 54.3% in 12M01, mainly as a result of acquisitions in 1H02.

Consolidated Assets amounted to R\$ 142,773 million, a 29.7% increase as compared to 12M01.

The Basel capital adequacy ratio was 17.9% on a consolidated financial basis and 15.8% on a total consolidated basis, compared to 15.4% and 13.8%, respectively in 12M01.

The permanent assets to stockholders' equity ratio was 48.3% on a consolidated financial basis and 37.2% on a total consolidated basis, compared to 53.9% and 48.4%, respectively for 12M01.

The expanded combined insurance ratio was 94.6%, an improvement compared with the ratio of 95.4% for 12M01.

2. Analysis of Consolidated Results

2.1 Income from Lending and Trading Activities

Income from Credit and Leasing Operations totaled R\$ 16,136 million, an increase of 34.1% as compared to 12M01, mainly derived from (i) an increase in exchange variation of 52.27% reflected on a portion of the portfolio in 2002 as compared with 18.67% in 2001; (ii) an increase in average interest rates in 2002; and (iii) an increase in the credit portfolio derived from acquisitions in 1H02 (Mercantil, BEA and Cidade).

Results of Securities and Derivative Financial Instruments amounted to R\$ 10,726 million, a 51.1% increase compared to 12M01, mainly derived from: (i) additional resources obtained from increased funding in 2002, particularly technical reserves; (ii) acquisitions in 1H02; (iii) exchange variation increase in 2002; and (iv) the increase in average interest rates in 2002.

Results of Foreign Exchange Transactions amounted to R\$ 4,456 million, exceeding by 117.9% results for 12M01, mainly due to: (i) exchange gains in 2002; and (ii) acquisitions in 1H02. This account balance should be analyzed net of foreign funding expenses used to finance import/export operations as described in Note 14a to the Financial Statements.

2.2 Expenses for Lending and Trading Activities

Market Funding Expenses totaled R\$ 10,993 million, an increase of 57.4 %

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compared to 12M01, mainly derived from: (i) the increase in the average volume of funding; (ii) the increase in the average interest rates for 2002; and (iii) the impact of foreign exchange differences in 2002, particularly on securities issued abroad.

Expenses for Borrowings and Onlendings totaled R\$ 7,194 million, an increase of 66.6% compared to 12M01, mainly as a result of: (i) the impact of foreign exchange differences in 2002; (ii) increase in average interest rates in 2002; and (iii) to a lesser degree, the increase in the average volume of borrowings and onlendings.

Provision for Loan Losses totaled R\$ 2,819 million, a 40.2% increase compared to 12M01, mainly as a result of: (i) the increase in the average balance of the credit portfolio, partially derived from acquisitions in 1H02; (ii) additional provisions of R\$ 273 million recorded in 2002 compared with R\$ 130 million in 2001; and (iii) an increase in customer defaults following the economic slowdown in 2002.

2.3 Other Operating Income and Expenses

Income on Commissions and Fees totaled R\$ 3,712 million for 12M02, a 6.9% growth rate compared to 12M01. The increase in 2002 was due to: (i) acquisitions in 1H02 - approximately R\$ 106 million; (ii) Credit Cards - R\$ 91 million; (iii) Credit Operations - R\$ 69 million, mainly comprising the contracting and opening of credit lines; (iv) Other Income - R\$ 35 million, mainly technical assistance in non-financial subsidiaries; and offset (v) by a decrease in income on fund management of R\$ 94 million.

Income from Insurance Premiums, Private Pension Plans and Savings Bonds totaled R\$ 10,135 million in 12M02, an increase of 13.1% compared to 12M01, mainly derived from: (i) the improved performance of insurance and private pension plan products in 2002, especially "VGBL", introduced in the first quarter of 2002; and (ii) the improved performance of the Health line portfolio in 2002.

Variations in Technical Reserves for Insurance, Pension Plans and Savings Bonds totaled R\$ 5,026 million for 12M02, a 43.9% increase as compared to 12M01, mainly due to: (i) growth in income on insurance and private pension plan products, such as "VGBL"; and (ii) appropriation of interest and price-level restatement of reserves relating to private pension plans and savings bonds.

Insurance claims totaled R\$ 3,615 million, an 11.2% growth rate compared to 12M01, mainly as a result of increased insurance sales in 2002, even though the ratio of claims to premiums decreased in comparison with the prior year.

Personnel Expenses for the year increased by 14.8% to R\$ 4,076 million, when compared to 12M01, mainly due to: (i) salary increases as a result of the collective bargaining agreement; (ii) the increase in the number of employees as a result of the acquisitions in 1H02, with expenses of some R\$ 226 million; and (iii) an increase in the level of provisions for labor claims of R\$ 113 million.

Administrative Expenses for the year increased by 17.2% to R\$ 4,028 million, when compared to 12M01, mainly as a result of customer service network expansion, especially: (i) the effect of acquisitions in 1H02 of some R\$ 224 million; (ii) third-party services - R\$ 108 million; (iii) Communications (including outsourcing of the BUS network) - R\$107 million; (iv) publicity and advertising - R\$ 93 million; and (v) Rents - R\$ 22 million, mainly from rents of the branches auctioned as from June 2002.

2.4 Taxes and Contributions

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Taxes and contributions paid and accrued, including social security dues, totaled R\$ 2,354 million for the year, corresponding to 1.16 times net income for 12M02. In 12M01, taxes and contributions corresponded to 0.95 times net income.

3. Analysis of the Consolidated Balance Sheet

3.1 Securities

Securities totaled R\$ 37,003 million, a decrease of 8.7% compared to 12M01 and are classified as follows: 69.3% are "Trading Securities", 15.7% are "Available for Sale", 14.4% are "Held to Maturity", and 0.6% are Derivative Financial Instruments. The securities portfolio includes restricted securities and technical reserves of the Organization's insurance, private pension plan and savings bond companies. Securities comprised 25.9% of the total consolidated assets in 12M02, as compared to 36.8% in 12M01.

As compared to June 30, 2002, NBCs and exchange NTNs were reclassified from securities available for sale to securities held to maturity, the remaining balance of which at December 31, 2002, was R\$ 246 million, decreasing results by R\$ 14 million, net of tax effects.

3.2 Credit Operations

The Credit Portfolio totaled R\$ 50,801 million, an increase of 14.3% as compared to 12M01.

AA to C rated credit transactions totaled R\$ 46,164 million and represent 90.9% of the Credit Portfolio for the year, compared to 90.6% for 12M01.

The balance of the Allowance for Loan Losses (PDD) totaled R\$ 3,665 million, a 24.6% increase in relation to 12M01 and corresponding to 7.2% of the credit portfolio, as compared with 6.6% in 12M01.

Charge-offs for the period amounted to R\$ 2,329 million, an increase of 47.8% over 12M01, corresponding to 4.6% of the credit portfolio, compared to 3.5% in 12M01.

The abnormal course Credit Portfolio comprising D to H ratings (credits past due for more than 60 days, plus respective future installments) totaled R\$ 2,676 million, corresponding to an increase of 1.8% over the amount for 12M01. The total allowance (R\$ 3,665 million) covers 137.0% of this portfolio. In 12M01, coverage was 111.9%.

3.3 Funds Obtained

Total Deposits amounted to R\$ 56,363 million, a 37.2% increase compared to 12M01. Deposits comprise R\$ 13,370 million in demand deposits, R\$ 20,730 million in savings deposits, R\$ 22,239 million in time deposits, and R\$ 24 million in interbank deposits.

Borrowings and Onlendings amounted to R\$ 16,438 million, an increase of 17.1% compared to 12M01.

Subordinated Debt totaled R\$ 3,322 million, 69.8% in local currency and 30.2% in foreign currency.

Technical Reserves for Insurance, Savings Bonds and Private Pension Plans amounted to R\$ 19,155 million, an increase of 38.3% compared to 12M01.

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3.4 Stockholders' Equity

Stockholders' Equity totals R\$ 10,846 million, an 11.0% increase compared to 12M01.

Managed Stockholders' Equity is R\$ 11,117 million corresponding to 7.8% of Consolidated Assets, compared to 9.0% in 12M01.

Total Reference Equity (capital base) is R\$ 14,396 million, a 32.4% increase over 12M01.

Net equity per thousand shares is R\$ 7.60.

4. Funds under Management

Funds under management by Bradesco Asset Management totaled R\$ 64,269 million, R\$ 45,416 million of which in Investment Funds and R\$ 18,853 million in Customer Portfolios, increases of 8.4% and 10.0% , respectively, compared to 12M01.

5. Customer Service Network

In 2002, the investments for expanding operating capacity and the IT and telecommunications infrastructure totaled R\$ 1,560 billion. At the same time, through the program implemented to dispose of non-operating assets, mainly through public auctions and also for investors, the Bank raised approximately R\$ 741 million, generating both administrative gains and maintenance cost savings.

At the end of 2002, Bradesco Customer Service Network had:

- 2,954 Branches in Brazil (Bradesco - 2,507, Banco BCN - 227, Banco Mercantil - 219, and Banco Finasa - 1);
- 6 Foreign Branches: one in New York (Bradesco), 4 in Grand Cayman (Bradesco, BCN, Mercantil, and Banco Boavista), and one in Nassau, Bahamas (Boavista);
- 7 Foreign Subsidiaries: Banco Bradesco Argentina S.A., in Buenos Aires, Banco Bradesco Luxembourg S.A., and Banco Mercantil de São Paulo International S.A., both in Luxembourg, Boavista Banking Ltd., in Nassau, Cidade Capital Markets Ltd., in the Grand Cayman, Bradesco Services Co., Ltd., in Tokyo, and Bradesco Securities, Inc., in New York;
- 2,500 Banco Postal branches;
- 1,849 Banking Service Posts and outlets in companies (Bradesco - 1,469, BCN - 179, and Mercantil - 201);
- 1,662 Outplaced BDN Network ATM terminals
- 51 Branches of Finasa Promotora de Vendas, present in more than 13,324 vehicle dealerships and 1,306 furniture and decoration, cellphone and computer stores;
- 21,210 BDN Network ATM terminals, 10,406 of which also operate at weekends and on bank holidays;
- 9.292 Million transactions carried out daily by our customers and

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users, on average, 2.190 million by our cashiers and 7.102 million (76.43%) through our convenience channels, particularly BDN, Internet and Fone Fácil.

Bradesco Internet Banking had more than 4.7 million registered users, who carried out 264 million transactions, a 45% increase in the number of transactions as compared to 12M01.

ShopInvest achieved significant results with 594,000 registered users, who carried out 302,000 transactions, a 29.5% increase as compared to 12M01.

ShopCredit, the Bank's Loan and Financing website, computed 409,000 transactions/operations at the end of 12M02.

The Bradesco Net Empresa corporate website has 56,400 registered businesses, who carried out 1.7 million transactions.

6. Human Resources

The Bradesco Organization's headcount totals 74,393 employees, with 53,732 employed by Bradesco and 20,661 by its subsidiary companies.

Among the management instruments of the Human Resources policy, we highlight the benefits directly focused on improving the quality of life, well being and security of the Organization's employees and their dependents, covering 185,150 persons. Among which we cite the following:

- Medical and Hospital Healthcare Plan
- Dental Assistance Plan
- Supplementary retirement and private pension plan
- Group life and group personal accident insurance policies
- Collective automobile insurance policy.

Bradesco was ranked for the fourth time running among the "100 Best Companies in which to Work" published by the Exame magazine's Guia Exame, based on a survey carried out among employees. This distinction confirms, yet again, the motivation of our employees with their workplace, benefits and the possibilities for personal and professional development offered by the Organization.

R\$ 49 million was invested this year in Training Programs with 316,177 participations.

R\$ 336 million was spent on the Meals Program, which served 85 thousand light meals and distributed 71,000 meal vouchers daily

3 million medical and hospital consultations during the year

700 thousand dental appointments in 2002.

7. The Bradesco Organization Social Activities

The Bradesco Foundation maintains 38 Schools located in 25 of the 26 Brazilian States, and in the Federal District. These schools provide education completely free of charge. This year, over 103,000 students attended these schools, including those enrolled on the youth and adult educational and professional training courses. The Foundation also provides free meals, uniforms, school materials and medical/dental care to more than 48,000 infant, junior, middle and technical school students. For the last six years, the pass rate in our Foundation Schools has remained at an average 96%, which is equivalent to the best international pass rates.

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In 2003 the Foundation's 39th school will be opened in Boa Vista, Capital of the State of Roraima, with the capacity to attend 1,200 students. This means that the Bradesco Foundation will now be present in all of Brazil's states.

The Bradesco Foundation investments and activities are funded exclusively by resources from its own income and donations made by the Bradesco Organization Companies.

R\$ 123 million total investments in 2002 and a budget for 2003 of R\$ 129 million, to attend more than 105 thousand students.

8. Subsequent Events

a) Signature of the commitment to transfer to Bradesco the share control of Banco Bilbao Vizcaya Argentaria Brasil S.A. and subsidiary companies, on January 10, 2003.

b) On January 27, 2003, the Bank entered into an "Agreement for the Assignment of Rights and Obligations, and other Covenants" with Banco J.P. Morgan S.A. to acquire the Securities and Investment Fund Portfolios Administration and Management Activities carried out by JPMorgan Fleming Asset Management.

9. Market Indicators (%)

10. Forthcoming Events

10.1. Teleconference - Results for the Year 2002

Date: February 3, 2003

In Portuguese:

14:30 (São Paulo time)

Brazil: (0xx11) 4613-0500

International: (+5511) 4613-0500

Conference Call ID: 5361

In English:

16:30 (São Paulo time)

Brazil: (0xx11) 4613-0503

USA: (+1 866) 812-0442 (Toll Free)

or (+1 703) 788-1236

Conference call ID: 342

Simultaneous webcast: www.bradesco.com.br

Additional information can be obtained from our Investor Relations Team:

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The information contained in this document may include future considerations that reflect the current perception and perspectives of Banco Bradesco's Board of Executive Officers on developments in the macroeconomic environment, sector conditions, interest rates, performance and the Bank's financial results. Any statements, expectations, capacities, plans and conjectures contained in this document and which do not describe historical facts, such as information regarding the declaration of the payment of dividends, the future direction of operations, implementation of significant operating and financial strategies, the investment program, factors or trends which affect the financial condition, liquidity or results of operations, are future considerations of significance provided for in the "U.S. Private Securities Litigation Reform Act" of 1995 and contemplate various risks and uncertainties. There is no guarantee that such results will occur. The statements are based on various factors and expectations, including economic and market conditions, industry competitiveness and operating factors. Actual results could be materially different from Bradesco's present expectations as a result of possible changes to such expectations and factors.

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PRESS RELEASE

Disclosure of Results for the 4th Quarter of 2002

Banco Bradesco, (BOVESPA: BBDC4 and BBDC3; Latibex: XBBDC; NYSE: BBD), Brazil's largest private group in revenues for the fourth year in a row and Brazil's largest bank in equity, according to the 2002 issue of Exame Magazine's The Best and the Biggest Guide, announced today its results for the fourth quarter of 2002 (4Q02). The Bank reported net income of R\$ 698 million, or R\$ 0.49 per thousand shares, increases of 66.1% and 69.0% as compared to results for the third quarter of 2002 (3Q02) of R\$ 420 million and R\$ 0.29, respectively. Annualized returns on Stockholders' Equity and Total Assets were 28.3% and 2.0%, respectively, compared to 17.0% and 1.2% for 3Q02.

Important events in the Quarter:

Bradesco received the Mauá Award for the third time as the listed company with the best shareholder and market relationship in 2001.

Start-up of Bradesco Consórcio Ltda.

The following financial and operating information, except where otherwise indicated, is presented on a consolidated basis and in reais, in accordance with Brazilian corporate legislation. The full report can be downloaded directly from the Investor Relations page on the Bank's website (www.bradesco.com.br).

1. Highlights of the Fourth Quarter of 2002

Net Income was R\$ 698 million for 4Q02, a 66.1% increase as compared to net income for 3Q02.

- Financial Activity results were R\$ 331 million, 24.0% higher than results for 3Q02.
- The Insurance Group (Insurance, Private Pension Plans and Savings Bond companies) contributed with results of R\$ 272 million, an increment of 63.4% compared to 3Q02.
- The results of other activities totaled R\$ 95 million.

Operating Income was R\$ 659 million, 33.1% higher than 3Q02.

The financial margin was R\$ 3,920 million, a decrease of 9.9% as compared to 3Q02. In relation to average total assets, the annualized financial margin was 11.6% compared with 13.8% in 3Q02. Adjusting the additional provision for market risk fluctuation recorded/reversed for the periods, the annualized financial margin would be 12.9% in 4Q02 and 8.9% in 3Q02.

Income from financial intermediation totaled R\$ 3,341 million, a 3.2% decrease as compared to 3Q02.

Consolidated Assets amounted to R\$ 142,773 million, a 1.9% increase as compared to 3Q02.

The Basel capital adequacy ratio was 17.9% on a consolidated financial basis, and 15.8% on a total consolidated basis, compared to 15.6% and 13.7%, respectively, in 3Q02.

The permanent assets to stockholders' equity ratio was 48.3% on a

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consolidated financial basis and 37.2% on a total consolidated basis, compared to 52.9% and 42.4%, respectively, in 3Q02.

The expanded combined insurance ratio was 94.6%, as compared to the ratio of 93.9% in 3Q02.

2. Analysis of Consolidated Results

2.1 Income from Lending and Trading activities

Income from Credit and Leasing Operations totaled R\$ 1,595 million, a decrease of 78.7% as compared to 3Q02, mainly derived from negative exchange variation of 9.28% in 4Q02 against positive exchange variation of 36.93% in 3Q02, thus impacting income from US dollar-denominated transactions. Income from real-denominated transactions remained practically flat as compared to the prior quarter.

Results of Securities and Derivative Financial Instruments amounted to R\$ 993 million, a 82.0% decrease compared to 3Q02, mainly derived from foreign exchange losses partially offset by the increase in average interest rates in 4Q02.

Results of Foreign Exchange Transactions amounted to R\$ 170 million, a decrease of 93.7% as compared to 3Q02, mainly as a result of foreign exchange losses in 4Q02. This account balance should be analyzed net of foreign funding expenses used to finance import/export operations, the results of which subsequent to these adjustments would be R\$ 74 million in 4Q02 and R\$ 152 million in 3Q02.

2.2 Expenses for Lending and Trading Activities

Market Funding Expenses totaled R\$ (5) million, a 100.1% decrease as compared to the balance for 3Q02, which was R\$6.050 million mainly derived from the decrease in expenses on securities transactions abroad as a result of the appreciation of local currency offset by the increase in average interest rates in 4Q02.

Expenses for Borrowings and Onlendings totaled R\$ (834) million, a 115.4% decrease as compared to the balance for 3Q02, which was R\$ 5.409 million mainly derived from foreign exchange losses on foreign borrowings and onlendings offset by the increase in average interest rates in 4Q02.

Provision for Loan Losses totaled R\$ 579 million, 35.4% lower than in 3Q02. Discounting the effect of the additional provisions of R\$ 135 million and R\$ 81 million, recorded in 3Q02 and 4Q02, respectively, the decrease of R\$ 263 million in these expenses was due to a slight economic improvement in 4Q02 as compared to 3Q02

2.3 Other Operating Income and Expenses

Income on Commissions and Fees totaled R\$ 991 million for 4Q02, a 6.0% growth rate compared to 3Q02. The increase in 4Q02 was due to: (i) Current Accounts - R\$ 18 million, mainly charges for account maintenance; (ii) credit cards - R\$ 17 million; and (iii) other income - R\$19 million, mainly technical assistance in non-financial subsidiaries. Income from Insurance Premiums, Private Pension Plans and Savings Bonds totaled R\$ 3,244 million in 4Q02, an increase of 21.1% compared to 3Q02, mainly derived from the improved performance of insurance and private pension plan product sales in the quarter, especially "VGBL" and savings bonds.

Variations in Technical Reserves for Insurance, Pension Plans and Savings Bonds totaled R\$ 2,463 million for 4Q02, a 76.8% increase as compared to 3Q02, mainly

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due to (i) growth in income on insurance and private pension plan products, such as "VGBL"; and (ii) appropriation of interest and price-level restatement of reserves relating to private pension plans and savings bonds.

Insurance claims totaled R\$ 937 million, a 1.8% growth rate compared to 3Q02, mainly as a result of increased insurance sales, even though the ratio of claims to premium remained flat as compared to the prior quarter.

Personnel Expenses for the quarter decreased by 8.6% to R\$ 1,047 million, as compared to 3Q02. Except for the effect of the third quarter: (i) R\$ 58 million related to the salary increases as a result of the collective labor agreement; and (ii) R\$ 75 million to the single allowance, we note that there was an increase of R\$ 35 million, mainly due to the 7.0% salary increase in September 2002.

Administrative Expenses for the period increased by 4.5% to R\$ 1,111 million, when compared to 3Q02, mainly derived from: (i) Depreciation and Amortization - R\$ 10 million, as a result of new purchases of data processing equipment; (ii) Rents - R\$ 9 million, mainly from rents of branches which had been auctioned; and (iii) Leases - R\$ 9 million.

2.4 Taxes and Contributions

Taxes and contributions paid and accrued, including social security dues, totaled R\$ 606 million for the quarter, corresponding to 0.87 times net income for 4Q02. In 3Q02, taxes and contributions corresponded to 1.21 times net income.

3. Analysis of the Consolidated Balance Sheet

3.1 Securities

Securities totaled R\$ 37,003 million, a decrease of 1.6% compared to 3T02 and are classified as follows: 69.3% are "Trading Securities", 15.7% are "Available for Sale", 14.4% are "Held to Maturity", and 0.6% are Derivative Financial Instruments. The securities portfolio includes restricted securities and technical reserves of the Organization's insurance, private pension plan and savings bond companies. Securities comprised 25.9% of the total consolidated assets in 4Q02, as compared to 26.8% for 3Q02.

As compared to June 30, 2002, NBCs and exchange NTNs were reclassified from securities available for sale to securities held to maturity, the remaining balance of which at December 31, 2002, was R\$ 246 million, decreasing results by R\$ 14 million, net of tax effects.

3.2 Credit Operations

The Credit Portfolio totaled R\$ 50,801 million, a decrease of 5.2% compared to 3Q02.

AA to C rated credit transactions totaled R\$ 46,164 million and represent 90.9% of the Credit Portfolio for the period, compared to 90.7% for 3Q02.

The balance of the Allowance for Loan Losses (PDD) totaled R\$ 3,665 million, a decrease of 4.0% compared to 3Q02, and corresponding to 7.2% of the credit portfolio compared with 7.1% in 3Q02.

Charge-offs for the period amounted to R\$ 732 million, an increase of 20.5% over 3Q02, corresponding to 1.4% of the credit portfolio compared to 1.1% in 3Q02.

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The abnormal course Credit Portfolio comprising D to H ratings (credits past due for more than 60 days, plus respective future installments) totaled R\$ 2,676 million, corresponding to a decrease of 9.1% compared to 3Q02. The total allowance (R\$ 3,665 million) covers 137.0% of this portfolio. In 3Q02, coverage was 129.7%.

3.3 Funds Obtained

Total Deposits amounted to R\$ 56,363 million, a 0.9% increase as compared to 3Q02. Deposits comprise R\$ 13,370 million in demand deposits, R\$ 20,730 million in savings deposits, R\$ 22,239 million in time deposits, and R\$ 24 million in interbank deposits.

Borrowings and Onlendings amounted to R\$ 16,438 million, a decrease of 15.1% compared to 3Q02.

Subordinated Debt totaled R\$ 3,322 million, 69.8% in local currency and 30.2% in foreign currency.

Technical Reserves for Insurance, Savings Bonds and Private Pension Plans amounted to R\$ 19,155 million, an increase of 15.4% compared to 3Q02.

3.4 Stockholders' Equity

Stockholders' Equity totals R\$ 10,846 million, a 3.3% increase compared to 3Q02.

Managed Stockholders' Equity is R\$ 11,117 million, corresponding to 7.8% of Consolidated Assets, compared to 7.7% in 3Q02.

Total Reference Equity (capital base) is R\$ 14,396 million, a 10.1% increase over 3Q02.

Net equity per thousand shares is R\$ 7.60.

4. Funds under Management

Funds under management by Bradesco Asset Management totaled R\$ 64,269 million, R\$ 45,416 million of which in Investment Funds and R\$ 18,853 million in Customer Portfolios, increases of 6.9% and 13.8% , respectively, compared to 3Q02.

5. Customer Service Network

At the end of 2002, the Bradesco Customer Service Network had:

2,954 Branches in Brazil (Bradesco - 2,507, Banco BCN - 227, Banco Mercantil - 219, and Banco Finasa - 1);

6 Branches abroad: one in New York (Bradesco), 4 in Grand Cayman (Bradesco, BCN, Mercantil, and Banco Boavista), and one in Nassau, Bahamas (Boavista);

7 Subsidiaries abroad: Banco Bradesco Argentina S.A., in Buenos Aires, Banco Bradesco Luxembourg S.A., and Banco Mercantil de São Paulo International S.A., both in Luxembourg, Boavista Banking Ltd., in Nassau, Cidade Capital Markets Ltd., in the Grand Cayman, Bradesco Services Co., Ltd., in Tokyo, and Bradesco Securities, Inc., in New York;

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- 2,500 Banco Postal branches;
- 1,849 Banking service posts and outlets in companies (Bradesco - 1,469, BCN - 179, and Mercantil - 201);
- 1,662 Outplaced BDN Network ATM terminals
- 51 Branches of Finasa Promotora de Vendas, present in more than 13,324 vehicle dealerships and 1,306 furniture and decoration, cellphone and computer stores;
- 21,210 BDN Network ATM terminals, 10,406 of which also operate at weekends and on bank holidays;
- 9.292 million transactions carried out daily by our customers and users, on average, 2.190 million by our cashiers and 7.102 million (76.43%) through our convenience channels, particularly, BDN, Internet and Fone Fácil.

Bradesco Internet Banking had more than 4.7 million registered users, who carried out 69 million of transactions in 4Q02, a 5.7% decrease in the number of transactions as compared to 3Q02.

ShopInvest achieved significant results with 594,000 registered users, who carried out 87,000 transactions in 4Q02, a 19.2% increase compared with 3Q02.

ShopCredit, the Bank's Loan and Financing website, computed 137,000 transactions/operations in 4Q02.

The Bradesco Net Empresa corporate website has 56,400 registered businesses, who carried out 300,000 transactions in 4Q02.

6. Human Resources

The Bradesco Organization's headcount totals 74,393 employees, with 53,732 employed by Bradesco and 20,661 by its subsidiary companies.

Among the management instruments of the Human Resources policy, we highlight the benefits directly focused on improving the quality of life, well being and security of the Organization's employees and their dependents, covering 185,150 persons. Among which we cite the following:

- Medical and Hospital Healthcare Plan
- Dental Assistance Plan
- Supplementary retirement and private pension plan
- Group life and group personal accident insurance policies
- Collective automobile insurance policy.

Bradesco was ranked for the fourth time running among the "100 Best Companies in which to Work" published by the Exame magazine's Guia Exame, based on a survey carried out among employees. This distinction confirms, yet again, the motivation of our employees with their workplace, benefits and the possibilities for personal and professional development offered by the Organization.

R\$ 49 million was invested in 2002 in Training Programs, with 316,177 participations.

R\$ 336 million was invested in the Food Program in 2002, which served 85,000 light meals and distributed 71,000 meal vouchers.

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3 million medical and hospital consultations during the year.

700 thousand dental appointments in 2002.

7. The Bradesco Organization Social Activities

The Bradesco Foundation maintains 38 Schools located in 25 of the 26 Brazilian States, and in the Federal District. These schools provide education completely free of charge. This year, over 103,000 students attended these schools, including those enrolled on the youth and adult educational and professional training courses. The Foundation also provides free meals, uniforms, school materials and medical/dental care to more than 48,000 infant, junior, middle and technical school students. For the last six years, the pass rate in our Foundation Schools has remained at an average 96%, which is equivalent to the best international pass rates.

In 2003 the Foundation's 39th school will be opened in Boa Vista, Capital of the State of Roraima, with the capacity to attend 1,200 students. This means that the Bradesco Foundation will now be present in all of Brazil's states.

The Bradesco Foundation investments and activities are funded exclusively by resources from its own income and donations made by the Bradesco Organization Companies.

R\$ 123 million total investments in 2002 and a budget for 2003 of R\$ 129 million, to attend more than 105,000 students.

8. Subsequent Events

- a) Signature of the commitment to transfer to Bradesco the share control of Banco Bilbao Vizcaya Argentaria Brasil S.A. and subsidiary companies, on January 10, 2003.
- b) On January 27, 2003, the Bank entered into an "Agreement for the Assignment of Rights and Obligations, and other Covenants" with Banco J.P. Morgan S.A. to acquire the Securities and Investment Fund Portfolios Administration and Management Activities carried out by JPMorgan Fleming Asset Management.

9. Market Indicators (%)

9. Forthcoming Events

9.1. Teleconference - Results for the Fourth Quarter of 2002

Date: February 3, 2003

In Portuguese:

14:30 (São Paulo time)

Brazil: (0xx11) 4613-0500

International: (+5511) 4613-0500

Conference Call ID: 5361

In English:

16:30 (São Paulo time)

Brazil: (0xx11) 4613-0503

USA: (+1 866) 812-0442 (Toll Free)

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or (+1 703) 788-1236
Conference call ID: 342

Simultaneous webcast: www.bradesco.com.br

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The information contained in this document may include future considerations that reflect the current perception and perspectives of Banco Bradesco's Board of Executive Officers on developments in the macroeconomic environment, sector conditions, interest rates, performance and the Bank's financial results. Any statements, expectations, capacities, plans and conjectures contained in this document and which do not describe historical facts, such as information regarding the declaration of the payment of dividends, the future direction of operations, implementation of significant operating and financial strategies, the investment program, factors or trends which affect the financial condition, liquidity or results of operations, are future considerations of significance provided for in the "U.S. Private Securities Litigation Reform Act" of 1995 and contemplate various risks and uncertainties. There is no guarantee that such results will occur. The statements are based on various factors and expectations, including economic and market conditions, industry competitiveness and operating factors. Actual results could be materially different from Bradesco's present expectations as a result of possible changes to such expectations and factors.

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Analysis of the Statement of Income (in millions of reais)

Equity Analysis (in millions of reais)

