

BANK BRADESCO  
Form 6-K  
May 08, 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 May, 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

---

# Edgar Filing: BANK BRADESCO - Form 6-K

1st Quarter 2003 Results  
May 5, 2003

## PRESS RELEASE

Disclosure of 1st Quarter Results for 2003 compared  
to 1st Quarter Results 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 Best and Biggest Guide, announced today its results for the first three months of 2003 (1Q03). The Bank reported net income of R\$ 508 million, a 19.4% increase over results for the same quarter in 2002 (1Q02) of R\$ 425 million and earnings per thousand shares of R\$ 0.33, an increase of 10.0% as compared to earnings for 1Q02 of R\$ 0.30. Annualized return on stockholders' equity was 18.50% and on Total Assets 1.41%, compared with 18.27% and 1.43%, respectively for 1Q02.

The quarter was marked by the following important events:

On January 10, 2003, the signing of a commitment to transfer the share control of Banco Bilbao Vizcaya Argentaria Brasil S.A. and subsidiaries to Bradesco.

On January 27, 2003, the signing with Banco J.P. Morgan S.A., of an Agreement for the Transfer of Rights and Obligations and Other Accords regarding the acquisition of the activities of Administration and Management of the Securities and Investment Fund Portfolios managed by JPMorgan Fleming Asset Management.

In March, a 20% increase in monthly interest attributed to own capital to be paid as from April 2003

On March 31, 2003, the Stockholders Meeting held to approve the incorporation of the shares of the minority stockholders of Banco Mercantil de São Paulo S.A.

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](http://www.bradesco.com.br)).

### 1. Highlights for the first quarter of 2003

Net Income was R\$ 508 million for 1Q03, a 19.4% increase as compared to net income for 1Q02.

- Financial Activity results were R\$ 332 million, a 39.5% increase over results for 1Q02.
- The Insurance Group (Insurance, Private Pension Plan and Savings Bond

## Edgar Filing: BANK BRADESCO - Form 6-K

companies) contributed with results of R\$ 156 million, a 6.0% decrease in comparison with results for 1Q02.

- The results of other activities totaled R\$ 20 million.

Income from financial intermediation totaled R\$ 2,628 million, corresponding to 51.8% increase compared with 1Q02.

The financial margin was R\$ 3,436 million, a growth of 45.3% as compared to 1Q02.

Operating Income was R\$ 1,140 million, 84.8% higher than in 1Q02.

Consolidated Assets amounted to R\$ 145,000 million, a growth of 21.6% as compared to 1Q02.

The Basel capital adequacy ratio was 19.7% on a consolidated financial basis and 17.1% on a total consolidated basis, compared to 15.2% and 13.6% respectively, in 1Q02.

The permanent assets to stockholders' equity ratio was 42.5% on a consolidated financial basis and 31.3% on a total consolidated basis, compared to 64.2% and 50.8%, respectively in 1Q02.

## 2. Analysis of Consolidated Results

### 2.1 Income from Lending and Trading activities

Income from Credit and Leasing Operations totaled R\$ 3,031 million, an increase of 20.0% as compared to 1Q02. This growth mainly reflects: (i) the increase in average interest rates for 1Q03; and (ii) the increase in the average volume of the credit portfolio for the period, as a result of acquisitions in 1H02, partially offset by negative exchange variation of 5.1% in 1Q03.

Results of Securities and Derivative Financial Instrument Operations amounted to R\$ 3,513 million, an increase of 122.6% compared to 1Q02. The variation was mainly due to: (i) additional resources from increased funding in 1Q03, especially technical reserves; and (ii) increase in average interest rates in 1Q03.

Results of Foreign Exchange Transactions totaled R\$ 99 million, 68.0% lower than in 1Q02. This account should be analyzed net of foreign funding expenses used to finance import/export operations as described in Note 14 to the Financial Statements. Net of these deductions, results would be R\$ 59 million in 1Q02 and R\$ 72 million in 1Q03.

### 2.2 Expenses for Lending and Trading Activities

Market Funding Expenses totaled R\$ 3,424 million, an increase of 92.7% compared to 1Q02. This growth mainly reflects: (i) the increase in average interest rates for 1Q03; and (ii) the increase in the average volume of funds obtained for the period, partially offset by negative exchange variation of 5.1% in 1Q03, particularly impacting securities issued abroad.

Expenses for Borrowings and Onlendings totaled R\$ 141 million, a decrease of 57.3% compared to 1Q02. The variation was mainly due to : (i) negative exchange variation of 5.1% in 1Q03; (ii) increase in average interest rates for the period; and to a lesser extent: (iii) increase in the average volume of borrowings and onlendings.

## Edgar Filing: BANK BRADESCO - Form 6-K

Provision for Loan Losses totaled R\$ 808 million, 27.6% more than in 1Q02. Excluding the additional provisions of R\$ 11 million and R\$ 298 million recorded in 1Q02 and 1Q03, respectively, the decrease of R\$ 112 million in this expense reflects the Bank's selective credit granting strategy and economic scenario improvements.

2.3 Financial Margin totaled R\$ 3,436 million, 45.3% higher than in 1Q02. The increased margin mainly reflects: (i) average interest rate increases for the period, partially offset by: (ii) negative exchange variation in 1Q03, on permanent investments abroad. The annualized financial margin on total average assets increased from 8.8% in 1Q02 to 9.9% in 1Q03. Adjusting the additional provision for market risk fluctuation recorded/reversed for these periods, annualized financial margin would be 8.9% and 10.4%, respectively.

### 2.4 Other Operating Income and Expenses

Income on Commissions and Fees totaled R\$ 998 million in 1Q03, a 15.9% increase compared with 1Q02. The growth rate reflects increased revenue from: (i) cards - R\$ 55 million; (ii) checking accounts - R\$ 39 million, mainly maintenance charges; (iii) credit operations - R\$ 23 million, mainly from contracting and opening of credit; (iv) collection - R\$ 11 million; offset by (v) decreased revenue from managed funds - R\$ 14 million.

Income from Insurance Premiums, Private Pension Plans and Savings Bonds totaled R\$ 2,770 million in 1Q03, a 42.1% increase compared to 1Q02, mainly derived from (i) an increase in revenue from VGBL life insurance premiums introduced in March 2002; and (ii) an increase in premiums from the Auto and Health portfolios.

Variations in Technical Reserves for Insurance, Pension Plans and Savings Bonds totaled R\$ 1,043 million in 1Q03, an increase of 309.0% over 1Q02. This variation was due to growth in technical reserves as a result of increased revenue from VGBL premiums.

Insurance Claims were R\$ 1,019 million, an 18.2% growth rate compared to 1Q02, mainly as a result of: (i) increased insurance sales; and (ii) an increase in Life insurance premium redemptions.

Personnel Expenses for the quarter increased by 18.6% to R\$ 1,053 million, when compared to 1Q02, mainly due to (i) salary increases (7%) pursuant to trade-union agreements (September/02); (ii) increase in the number of employees subsequent to acquisitions in 1H02 - R\$ 54 million; and (iii) increase in expenses for benefits and to a less extent, strengthening of provisions for labor claims - R\$ 13 million.

Administrative Expenses for the quarter were R\$ 1,101 million, corresponding to a growth rate of 30.5% in relation to 1Q02. The increase mainly reflects expansion in the customer service network, in particular: (i) third-party services - R\$ 38 million; (ii) depreciation and amortization - R\$ 38 million; (iii) communications - R\$ 28 million; (iv) rents - R\$ 29 million, mainly relating to branches which were auctioned from June 2002; (v) leasing - R\$ 26 million; and (vi) the effects of acquisitions in 1H02.

### 2.5 Operating Income

Operating Income was R\$ 1,140 million, an increase of 84.8% over 1Q02. The increase mainly reflects: (i) positive variation in financial margin; (ii) increase in income from commissions and fees; (iii) increase in other operating income, net of other operating expenses, offset by: (iv) increase in expense for provision for loan losses, and (v) increases in personnel and administrative

## Edgar Filing: BANK BRADESCO - Form 6-K

expenses

### 2.6 Taxes and Contributions

Taxes and contributions paid and accrued, including social security dues, totaled R\$ 884 million, corresponding to 1.74 times net income for 1Q03. In 1Q02, taxes and contributions corresponded to 1.66 times net income.

### 3. Analysis of the Consolidated Balance Sheet

#### 3.1 Securities

Securities totaled R\$ 34,430 million, a decrease of 11.6% as compared to 1Q02 and are classified as follows: 68.0% are Trading Securities, 16.2% are Available for Sale, 15.0% are Held to Maturity and 0.8% 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 23.7% of the total consolidated assets in 1Q03, as compared to 32.7% in 1Q02.

#### 3.2 Credit Operations

The Credit Portfolio totaled R\$ 49,655 million, an increase of 0.2% compared to 1Q02.

AA to C rated credit transactions totaled R\$ 45,062 million and represent 90.7% of the Credit Portfolio for the period, compared to 90.2% in 1Q02.

The balance of the Allowance for Loan Losses (PDD) totaled R\$ 3,902 million, an increase of 12.1% in relation to 1Q02 and corresponding to 7.9% of the credit portfolio, compared with 7.0% in 1Q02.

Charge-offs for the period amounted to R\$ 572 million, an increase of 35.2% over 1Q02, corresponding to 1.2% of the credit portfolio, compared with 0.9% in 1Q02.

The abnormal course Credit Portfolio comprising D to H ratings (credits past due for more than 60 days, plus respective future installments) totaled R\$ 2,742 million, a decrease of 11.4% compared to 1Q02. The total allowance (R\$ 3,902 million) covers 142.3% of this portfolio. In 1Q02, coverage was 112.4%.

#### 3.3 Funds Obtained

Total deposits amounted to R\$ 54,871 million, a 19.5% increase over 1Q02. Deposits comprise R\$ 10,964 million in demand deposits, R\$ 20,236 million in savings deposits, R\$ 23,631 million in time deposits and R\$ 40 million in interbank deposits.

Borrowings and Onlendings amounted to R\$ 16,229 million, up 10.3% over 1Q02.

Subordinated Debt totaled R\$ 3,391 million, 71.2% in local currency and 28.8% in foreign currency.

Technical Reserves for Insurance, Savings Bonds and Private Pension Plans totaled R\$ 21,050 million, a 44.9% growth rate compared to 1Q02.

#### 3.4 Stockholders Equity

## Edgar Filing: BANK BRADESCO - Form 6-K

Stockholders Equity totals R\$ 11,708 million, an 18.0% increase over 1Q02.

Managed Stockholders Equity is R\$ 11,821 million, or 8.1% of consolidated assets, compared with 8.6% in 1Q02.

Total Reference Equity (capital base) is R\$ 15,143 million, a growth rate of 28.9% compared to 1Q02.

Net equity per thousand shares is R\$ 7.73.

### 4. Funds Under Management

Funds under management by Bradesco Asset Management totaled R\$ 75,931 million, of which R\$ 54,862 million is in Investment Funds and R\$ 21,069 million in Customer Portfolios, increases of 15.8% and 23.3%, respectively, compared to 1Q02.

### 5. Customer Service Network

At the end of March 2003, the Bradesco Customer Service Network had:

2,965	Branches in Brazil (Bradesco - 2,521 Banco BCN - 224, Banco Mercantil - 219 and Banco Finasa - 1).
6	Branches abroad, 1 in New York (Bradesco), 4 in Grand Cayman (Bradesco, BCN, Mercantil and Banco Boavista) and 1 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 Grand Cayman, Bradesco Services Co. Ltd. in Tokyo and Bradesco Securities, Inc. in New York).
2,745	Banco Postal branches.
1,871	Banking service posts and outlets in companies (Bradesco - 1,486 BCN - 186 and Mercantil - 199).
1,755	Outplaced terminals in the BDN- Bradesco Day and Night Network.
51	Branches of Finasa Promotora de Vendas, present in 13,342 vehicle dealerships and 1,182 stores selling furniture and home decor, mobile phones and IT related equipment.
21,285	ATMs in the BDN - Bradesco Day and Night Self-service Network, 11,476 of which also operate at weekends and on bank holidays.

Bradesco Internet Banking had more than 4.9 million registered users, who carried out 79.3 million transactions in 1Q03, a 32% increase in the number of transactions as compared to 1Q02.

ShopCredit, the Bank's Loan and Financing website, computed 131 thousand transactions/operations for 1Q03.

### 6. Human Resources

The Bradesco Organization's headcount totals 74,172 employees, with 62,959

## Edgar Filing: BANK BRADESCO - Form 6-K

employed by Bradesco and 11,213 by its subsidiary companies.

Seeking to enhance the level of its customer service quality, the Bank continued its across-the-board staff training program in the pursuit to offer its employees best possible professional qualifications and career development opportunities. The benefit plans designed to guarantee the well-being, better life quality and security of Bradesco employees and their dependents covered 183,595 people at the end of the quarter.

### 7. Bradesco Organization Activities in the Social Area

In the social area, the Organization continues its important educational work through the Bradesco Foundation (Fundação Bradesco). This year, with the opening of a new unit in Boa Vista, capital of the State of Roraima, the Foundation now has a total of 39 schools, installed as a priority in Brazil's most deprived regions in all 26 states and in the Federal District. More than 105 thousand students receive education, completely free-of-charge, including youth and adult education courses and basic professional training. The Bradesco Foundation also provides free meals, uniforms, school materials and medical/dental care to 49,463 infant, junior, middle/high and technical school pupils.

### 8. Market Indicators (%)

	1Q02	1Q03
USD commercial rate	0.14	(5.10)
CDI	4.20	5.68
IPCA	1.49	5.13
TR - Reference rate	0.55	1.28

### 9. Forthcoming Events

#### 9.1. Teleconference - Results for the First Quarter of 2003

Date: May 5, 2003

In Portuguese:

16h30 (São Paulo time)

Brazil: (0xx11) 4613-0501

International: (+5511) 4613-0501

Conference Call ID: 473 or Bradesco

In English:

14h30 (São Paulo time)

USA: (+1 888) 694-4502 (Toll Free)

Brazil: (0800) 891-5046

International: (+1 973) 935-8511

Conference Call ID: 473 or Bradesco

Simultaneous webcast: [www.bradesco.com.br](http://www.bradesco.com.br)

Additional information can be obtained from our Investor Relations Team:

## Edgar Filing: BANK BRADESCO - Form 6-K

### Contacts:

Jean Philippe Leroy	Bernardo Garcia
Technical Director of Investor Relations	Executive Manager of Investor Relations
Phone: (# 55 11) 3684-9229	Phone: (# 55 11) 3684-9302
e-mail: 4260.jean@bradesco.com.br	e-mail: 4260.bernardo@bradesco.com.br

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 in the event of possible changes to such expectations and factors.



# Edgar Filing: BANK BRADESCO - Form 6-K

1st Quarter 2003 Results

May 5, 2003

## PRESS RELEASE

### Disclosure of 1st Quarter Results for 2003 compared to 4th Quarter Results for 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 Best and Biggest Guide, announced today its first-quarter results for 2003 (1Q03). The Bank reported net income of R\$ 508 million, a 27.3% decrease compared to income reported for the fourth quarter of 2002 (4Q02) of R\$ 698 million, and earnings per thousand shares of R\$ 0.33, a decrease of 32.7% as compared to earnings for 4Q02 of R\$ 0.49. Annualized return on stockholders' equity was 18.50% and on Total Assets 1.41%, compared with 28.34% and 1.97%, respectively for 4Q02.

The quarter was marked by the following important events:

On January 10, 2003, the signing of a commitment to transfer the share control of Banco Bilbao Vizcaya Argentaria Brasil S.A. and subsidiaries to Bradesco.

On January 27, 2003, the signing with Banco J.P. Morgan S.A., of an Agreement for the Transfer of Rights and Obligations and Other Accords regarding the acquisition of the activities of Administration and Management of the Securities and Investment Fund Portfolios managed by JPMorgan Fleming Asset Management.

In March, a 20% increase in monthly interest attributed to own capital to be paid as from April 2003.

On March 31, 2003, the Stockholders Meeting held to approve the incorporation of the shares of the minority stockholders of Banco Mercantil de São Paulo S.A.

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](http://www.bradesco.com.br)).

#### 1. Highlights for the first quarter of 2003

Net Income was R\$ 508 million for 1Q03, a 27.3% decrease as compared to net income for 4Q02.

- Financial Activity results were R\$ 332 million, a 0.30% increase over results for 4Q02.
- The Insurance Group (Insurance, Private Pension Plan and Savings Bond

## Edgar Filing: BANK BRADESCO - Form 6-K

companies) contributed with results of R\$ 156 million, a 42.7% decrease in comparison with results for 4Q02.

- The results of other activities totaled R\$ 20 million.

Income from financial intermediation totaled R\$ 2,628 million, corresponding to 11.3% increase compared with 4Q02.

The financial margin was R\$ 3,436 million, a growth of 16.8% as compared to 4Q02.

Operating Income was R\$ 1,140 million, 73.0% higher than in 4Q02.

Consolidated Assets amounted to R\$ 145,000 million, a growth of 1.6% as compared to 4Q02.

The Basel capital adequacy ratio was 19.7% on a consolidated financial basis and 17.1% on a total consolidated basis, compared to 17.9% and 15.8% respectively, in 4Q02.

The permanent assets to stockholders' equity ratio was 42.5% on a consolidated financial basis and 31.3% on a total consolidated basis, compared to 48.3% and 37.2%, respectively in 4Q02.

## 2. Analysis of Consolidated Results

### 2.1 Income from Lending and Trading activities

Income from Credit and Leasing Operations totaled R\$ 3,031 million, an increase of 90.0% as compared to 4Q02. This growth mainly reflects: (i) the increase in average interest rates for 1Q03; partially offset by: (ii) negative exchange variation of 5.1% in 1Q03. This account should be analyzed in conjunction with expenses for borrowings and onlendings and market funding expenses .

Results of Securities and Derivative Financial Instrument Operations amounted to R\$ 3,513 million, an increase of 340.8% compared to 4Q02. The variation was mainly due to: (i) additional resources from increased funding in 1Q03, especially technical reserves; and (ii) increase in average interest rates in 1Q03. This account should be analyzed in conjunction with expenses for borrowings and onlendings and market funding expenses .

Results of Foreign Exchange Transactions totaled R\$ 99 million, 41.8% higher than in 4Q02. This account should be analyzed net of foreign funding expenses used to finance import/export operations. Net of these deductions, results would be R\$ 74 million in 4Q02 and R\$ 72 million in 1Q03.

### 2.2 Expenses for Lending and Trading Activities

Market Funding Expenses totaled R\$ 3,424 million, an increase of 340.1% compared to 4Q02. This growth mainly reflects: (i) the increase in average interest rates for 1Q03; and (ii) the increase in the average volume of funds obtained for the period, affected mainly by new issuances of securities abroad in 1Q03, partially offset by: (iii) negative exchange variation of 5.1% in 1Q03. This account should be analyzed in conjunction with income on credit and leasing operations and results of securities and derivative financial instrument operations .

Expenses for Borrowings and Onlendings totaled R\$ 141 million, a decrease of 116.9% compared to expenses of R\$ (834) million for 4Q02. The variation mainly reflects: (i) average interest rate increases in 1Q03; partially offset by: (ii) less decrease in negative exchange variation compared to 4Q02. This account

## Edgar Filing: BANK BRADESCO - Form 6-K

should be analyzed in conjunction with income on credit and leasing operations and results of securities and derivative financial instrument operations .

Provision for Loan Losses totaled R\$ 808 million, 39.6% more than in 4Q02. Excluding the additional provisions of R\$ 81 million and R\$ 298 million recorded in 4Q02 and 1Q03, respectively, the slight decrease of R\$ 12 million in this expense reflects typical first-quarter seasonal effects.

### 2.3 Financial Margin

Financial margin totaled R\$ 3,436 million, 16.8% higher than in 4Q02. The oscillation in margin was mainly due to: (i) less decrease in exchange variation as compared to 4Q02, on permanent investments abroad; and (ii) average interest rate increases for 1Q03. The annualized financial margin on total average assets increased from 8.6% in 4Q02 to 9.9% in 1Q03. Adjusting the additional provision for market risk fluctuation recorded/reversed for these periods, annualized financial margin would be 9.9% and 10.4%, respectively.

### 2.4 Other Operating Income and Expenses

Income on Commissions and Fees totaled R\$ 998 million in 1Q03, a 0.7% increase compared with 4Q02. Income on commissions and fees remained practically stable, with a slight increase in the credit card component.

Income from Insurance Premiums, Private Pension Plans and Savings Bonds totaled R\$ 2,770 million in 1Q03, a 14.6% decrease compared to 4Q02, mainly due to greater sales of supplementary pension plan products in 4Q02, following the introduction of rules which permit the deduction by participants of plan contributions for income tax calculation purposes.

Variations in Technical Reserves for Insurance, Pension Plans and Savings Bonds totaled R\$ 1,043 million in 1Q03, a decrease of 29.7% compared with 4Q02. This variation was generated by a decrease in technical reserves following a lower sales volume of supplementary pension plan products in 1Q03 compared with 4Q02.

Insurance Claims were R\$ 1,019 million, an 8.8% growth rate compared to 4Q02. This variation was due to: (i) the increase in claims payments; (ii) insurance premium redemptions in the Life line; and (iii) Auto line claims.

Personnel Expenses for the quarter increased by 0.6% to R\$ 1,053 million, when compared to 4Q02. Personnel expenses, despite the concentration of vacation pay, remained almost stable for the quarter, as a result of the increase in expense for benefits and the strengthening of provisions for labor claims.

Administrative Expenses for the quarter were R\$ 1,101 million, corresponding to a 0.9% decrease when compared to expenses for 4Q02. Administrative expenses remained practically stable for the quarter with a slight reduction decrease following a decrease in expenses for advertising and publicity in 1Q03.

### 2.5 Operating Income

Operating income was R\$ 1,140 million, an increase of 73.0% over 4Q02. The increase mainly reflects: (i) positive variation in financial margin; and (ii) increase in other operating income, net of other operating expenses, offset by : (iv) increase in expense for provision for loan losses

### 2.6 Taxes and Contributions

## Edgar Filing: BANK BRADESCO - Form 6-K

Taxes and contributions paid and accrued, including social security dues, totaled R\$ 884 million, corresponding to 1.74 times net income for 1Q03. In 4Q02, taxes and contributions corresponded to 0.87 times net income.

### 3. Analysis of the Consolidated Balance Sheet

#### 3.1 Securities

Securities totaled R\$ 34,430 million, a decrease of 7.0% as compared to 4Q02 and are classified as follows: 68.0% are Trading Securities, 16.2% are Available for Sale, 15.0% are Held to Maturity and 0.8% 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 23.7% of the total consolidated assets in 1Q03, as compared 25.9% in 4Q02.

#### 3.2 Credit Operations

The Credit Portfolio totaled R\$ 49,655 million, a decrease of 2.3% compared to 4Q02.

AA to C rated credit transactions totaled R\$ 45,062 million and represent 90.7% of the Credit Portfolio for the period, compared to 90.9% in 4Q02.

The balance of the Allowance for Loan Losses (PDD) totaled R\$ 3,902 million, an increase of 6.5% in relation to 4Q02 and corresponding to 7.9% of the credit portfolio, compared with 7.2% in 4Q02.

Charge-offs for the period amounted to R\$ 572 million, 21.9% less than in 4Q02, corresponding to 1.2% of the credit portfolio, compared with 1.4% in 4Q02.

The abnormal course Credit Portfolio comprising D to H ratings (credits past due for more than 60 days, plus respective future installments) totaled R\$ 2,742 million, an increase of 2.5% compared to 4Q02. The total allowance (R\$ 3,902 million) covers 142.3% of this portfolio. In 4Q02, coverage was 137.0%.

#### 3.3 Funds Obtained

Total deposits amounted to R\$ 54,871 million, a decrease of 2.6% compared to 4Q02. Deposits comprise R\$ 10,964 million in demand deposits, R\$ 20,236 million in savings deposits, R\$ 23,631 million in time deposits and R\$ 40 million in interbank deposits.

Borrowings and Onlendings amounted to R\$ 16,229 million, down by 1.3% as compared to 4Q02.

Subordinated Debt totaled R\$ 3,391 million, 71.2% in local currency and 28.8% in foreign currency.

Technical Reserves for Insurance, Savings Bonds and Private Pension Plans totaled R\$ 21,050 million, a 9.9% growth rate over 4Q02.

#### 3.4 Stockholders Equity

Stockholders Equity totals R\$ 11,708 million, a 7.9% increase over 4Q02.

Managed Stockholders Equity is R\$ 11,821 million, or 8.1% of consolidated assets, compared with 7.8% in 4Q02.

## Edgar Filing: BANK BRADESCO - Form 6-K

Total Reference Equity (capital base) is R\$ 15,143 million, a growth rate of 5.2% compared to 4Q02.

Net equity per thousand shares is R\$ 7.73.

### 4. Funds Under Management

Funds under management by Bradesco Asset Management totaled R\$ 75,931 million, of which R\$ 54,862 million is in Investment Funds and R\$21,069 million in Customer Portfolios, increases of 20.8% and 11.8%, respectively, compared to 4Q02.

### 5. Customer Service Network

At the end of March 2003, the Bradesco Customer Service Network had:

2,965	Branches in Brazil (Bradesco - 2,521 Banco BCN - 224, Banco Mercantil - 219 and Banco Finasa - 1).
6	Branches abroad, 1 in New York (Bradesco), 4 in Grand Cayman (Bradesco, BCN, Mercantil and Banco Boavista) and 1 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 Grand Cayman, Bradesco Services Co. Ltd. in Tokyo and Bradesco Securities, Inc. in New York).
2,745	Banco Postal branches.
1,871	Banking service posts and outlets in companies (Bradesco - 1,486 BCN - 186 and Mercantil - 199).
1,755	Outplaced terminals in the BDN- Bradesco Day and Night Network.
51	Branches of Finasa Promotora de Vendas, present in 13,342 vehicle dealerships and 1,182 stores selling furniture and home decor, mobile phones and IT related equipment.
21,285	ATMs in the BDN - Bradesco Day and Night Self-service Network, 11,476 of which also operate at weekends and on bank holidays.

Bradesco Internet Banking had more than 4.9 million registered users, who carried out 79.3 million transactions in 1Q03, a 14.9% increase in the number of transactions as compared to 4Q02.

ShopCredit, the Bank's Loan and Financing website, computed 131 thousand transactions/operations for 1Q03.

### 6. Human Resources

The Bradesco Organization's headcount totals 74,172 employees, with 62,959 employed by Bradesco and 11,213 by its subsidiary companies.

## Edgar Filing: BANK BRADESCO - Form 6-K

Seeking to enhance the level of its customer service quality, the Bank continued its across-the-board staff training program in the pursuit to offer its employees best possible professional qualifications and career development opportunities. The benefit plans designed to guarantee the well-being, better life quality and security of Bradesco employees and their dependents covered 183,595 people at the end of the quarter.

### 7. Bradesco Organization Activities in the Social Area

In the social area, the Organization continues its important educational work through the Bradesco Foundation (Fundação Bradesco). This year, with the opening of a new unit in Boa Vista, capital of the State of Roraima, the Foundation now has a total of 39 schools, installed as a priority in Brazil's most deprived regions in all 26 states and in the Federal District. More than 105 thousand students receive education, completely free-of-charge, including youth and adult education courses and basic professional training. The Bradesco Foundation also provides free meals, uniforms, school materials and medical/dental care to 49,463 infant, junior, middle/high and technical school pupils.

### 8. Market Indicators (%)

	4Q02	1Q03
USD commercial rate	(9.28)	(5.10)
CDI	4.98	5.68
IPCA	6.56	5.13
TR - Reference rate	0.90	1.28

### 9. Forthcoming Events

#### 9.1. Teleconference - Results for the First Quarter of 2003

Date: May 5, 2003

In Portuguese:

16h30 (São Paulo time)

Brazil: (0xx11) 4613-0501

International: (+5511) 4613-0501

Conference Call ID: 473 or Bradesco

In English:

14h30 (São Paulo time)

USA: (+1 888) 694-4502 (Toll Free)

Brazil: (0800) 891-5046

International: (+1 973) 935-8511

Conference Call ID: 473 or Bradesco

Simultaneous webcast: [www.bradesco.com.br](http://www.bradesco.com.br)

Additional information can be obtained from our Investor Relations Team:

Contacts:

## Edgar Filing: BANK BRADESCO - Form 6-K

Jean Philippe Leroy	Bernardo Garcia
Technical Director of Investor Relations	Executive Manager of Investor Relations
Phone: (# 55 11) 3684-9229	Phone: (# 55 11) 3684-9302
e-mail: 4260.jean@bradesco.com.br	e-mail: 4260.bernardo@bradesco.com.br

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 in the event of possible changes to such expectations and factors.

