

BANK BRADESCO
Form 6-K
February 04, 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 February, 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

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Bradesco

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Forward-Looking Statements

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

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

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

Few numbers of this Report were submitted to rounding adjustments.
Therefore, amounts indicated as total in certain charts may not correspond to the arithmetic
sum of figures preceding them.

Highlights

The main figures obtained by Bradesco in 2010 are presented below:

1. Book Net Income⁽¹⁾ in the year was R\$10.022 billion (an increase of 25.1% compared to the R\$8.012 billion in the same period of 2009), corresponding to earnings per share of R\$2.66, and Return on Average Shareholders' Equity⁽²⁾ of 22.7%.

2. Book Net Income was composed of R\$7.104 billion from financial activities, which represented 70.9% of the total, and R\$2.918 billion from insurance, private pension and savings bond operations, which accounted for 29.1% of the total.

3. On December 31, 2010, Bradesco's market capitalization stood at R\$109.759 billion⁽³⁾, while the value of preferred shares rose by 12.1%⁽⁴⁾ in 2010, against the 1.0% appreciation in the Ibovespa index.

4. Total Assets stood at R\$637.485 billion in December 2010, an increase of 25.9% from the balance in the same period in 2009. Return on Average Assets was 1.7%.

5. The Expanded Loan Portfolio⁽⁵⁾ stood at R\$293.555 billion in December 2010, up 23.0% from the same period in 2009. Operations with individuals totaled R\$98.122 billion (up 19.5%), while operations with companies totaled R\$195.433 billion (up 24.9%).

6. Total Assets under Management stood at R\$872.514 billion, an increase of 24.3% from December 2009.

7. Shareholders' Equity was R\$48.043 billion in December 2010, increasing by 15.1% from the balance in the same period a year earlier. The Capital Adequacy Ratio (Basel II) stood at 14.7% in December 2010, 13.1% of which under Tier I Capital.

8. In 2010, Interest on Shareholders' Equity and Dividends were paid and provisioned to shareholders, of which R\$3.369 billion were related to income generated in 2010, of which R\$1.095 billion as interim and monthly dividends paid and R\$2.274 billion provisioned.

9. The Financial Margin reached R\$33,056 million, up 11.1% on 2009.

10. The delinquency ratio over 90 days stood at 3.6%, down for the fifth consecutive quarter.

11. The Efficiency Ratio⁽⁶⁾ stood at 42.7% in December 2010 (40.5% in December 2009) and the "adjusted-to-risk" ratio stood at 52.4% in December 2010 (55.9% in December 2009).

12. Insurance Written Premium, Pension Plan Contributions and Savings Bonds Income totaled R\$31.078 billion⁽⁷⁾ in 2010, up by 18.0% over 2009. Technical provisions stood at R\$87.177 billion, equal to 30.6% of the Brazilian insurance market (base date: November/10).

13. Investments in infrastructure, information technology and telecommunication amounted to R\$3.920 billion in 2010, growth of 13.4% compared to the previous year.

14. Taxes and contributions, including social security, paid or provisioned, amounted to R\$15.782 billion, of which R\$6.793 billion corresponded to taxes withheld and collected from third parties and R\$8.989 billion corresponded to taxes levied on the activities of Bradesco Organization, equal to 89.7% of Book Net Income.

(1) According to what has been disclosed in chapter 6 of this Report on Economic and Financial Analysis; (2) Excludes mark-to-market effects of available-for-sale securities registered under Shareholders' Equity; (3) R\$122.831 billion considering the closing quote for preferred shares (most liquid share) on last day in the year; (4) Considering the 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

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(expanded criteria), which includes debentures and promissory notes; (6) Accumulated over 12 months; (7) Not considering the effect of RN 206/09 (ANS), in the total amount of R\$406 million (Health); and (8) Banco24Horas ATMs + ATM terminals shared among Bradesco, Banco do Brasil and Banco Santander.

Highlights

15. Banco Bradesco has an extensive distribution network in Brazil, with 6,551 Service Points (3,628 Branches, 1,263 PABs and 1,660 PAAs). Customers can also use 1,557 PAEs, 26,104 Bradesco Expresso service points, 6,203 Banco Postal (Postal Bank) branches, 32,015 own ATMs in the Bradesco *Dia&Noite* network and 11,057 ATMs shared with other banks⁽⁸⁾.

16. The employees' payroll plus charges and benefits totaled R\$7.844 billion. Social benefits provided to the 95,248 employees of Bradesco Organization and their dependents amounted to R\$1.856 billion, while investments in training and development programs totaled R\$107.105 million.

17. As resolved at the December 17, 2010 Extraordinary Shareholders' Meeting, Bradesco is increasing its capital stock by R\$1.5 billion, from R\$28.5 billion to R\$30.0 billion.

18. In November 2010, Bradesco became the first national sponsor of the Rio 2016 Olympic Games, as the exclusive financial service and insurance provider.

19. Main Awards and Recognitions in the fourth quarter of 2010:

- Elected the Bank of the Year 2010 in the *Relatório Bancário* (Bank Report) Award, which recognized the Institution's contribution to develop society through its products and services, supported by an innovative and cutting-edge technological platform (*Relatório Bancário Magazine*);
- Best Bank in Personnel Management, placing second among companies with more than 10,000 employees, in 2010 (*Valor Carreira* magazine / *Valor Econômico* newspaper);
- Bradesco was considered the most valuable brand in the financial segment (*Superbrands*);
- For the third consecutive year, it received the *Prêmio Intangíveis Brasil 2010* (2010 Brazil Intangible Award), in the category "Information Technology and Internet" (*Consumidor Moderno* magazine);
- It was one of the 20 model companies in corporate social responsibility in Brazil according to *Guia Exame de Sustentabilidade 2010* (2010 Exame Sustainability Guide)/*Exame Magazine*;

- It is one of the 42 companies to comprise the "Carbon Efficient Index" (ICO2) of the BM&FBovespa;
- For the sixth straight year, Bradesco shares were included in the Corporate Sustainability Index (ISE), of the BM&FBovespa;
- In 2010, Bradesco Corretora topped the main rankings of the Brazilian market's most profitable stock portfolios (*Valor Econômico/InfoMoney/Exame*); and
- Bradesco Asset Management (BRAM) was the best institutional fund manager in a ranking prepared by *Investidor Institucional* magazine.

20. In relation 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 a broad social and educational program that operates 40 schools throughout Brazil, operating in several educational fields. In 2010, it served 646 thousand people, 115 thousand of which through its own schools, in Basic Education, from Kindergarten to High School and Technical Professional Education in 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*, 531 thousand students were served. Basic Education students receive uniforms, school supplies, meals and medical and dental assistance free of charge. In its 54 years of service, Fundação Bradesco has provided formal, free, quality education to over 2 million students, which, combined with the other on-site and distance courses offered, rises to more than 4 million.

Main Information

	4Q10	3Q10	2Q10	1Q10	4Q09	3Q09	2Q09	1Q09	Variation %	
									4Q10 x x 3Q10	4Q10 x x 4Q09
Statement of Income for the Period - R\$ million										
Book Net Income	2,987	2,527	2,405	2,103	2,181	1,811	2,297	1,723	18.2	37.0
Adjusted Net Income	2,684	2,518	2,455	2,147	1,839	1,795	1,996	1,956	6.6	45.9
Total Financial Margin	9,018	8,302	8,047	7,689	7,492	7,587	7,560	7,115	8.6	20.4
Gross Loan Financial Margin	6,143	5,833	5,757	5,630	5,373	5,150	4,979	4,576	5.3	14.3
Net Loan Financial Margin	3,848	3,774	3,596	3,442	2,678	2,242	1,861	1,814	2.0	43.7
Expenses with Allowance for Loan Losses	(2,295)	(2,059)	(2,161)	(2,188)	(2,695)	(2,908)	(3,118)	(2,762)	11.5	(14.8)
Fee and Commission Income	3,568	3,427	3,253	3,124	3,125	2,857	2,911	2,723	4.1	14.2
Administrative and Personnel Expenses	(5,790)	(5,301)	(4,976)	(4,767)	(4,827)	(4,485)	(4,141)	(4,007)	9.2	20.0
Premiums from Insurance, Private Pension Plans Contribution and Income from Savings Bonds	9,022	7,697	7,163	7,196	8,040	6,685	6,094	5,514	17.2	12.2
Balance Sheet - R\$ million										
Total Assets	637,485	611,903	558,100	532,626	506,223	485,686	482,478	482,141	4.2	25.9
Securities	213,518	196,081	156,755	157,309	146,619	147,724	146,110	130,816	8.9	45.6
Loan Operations ⁽¹⁾	274,227	255,618	244,788	235,238	228,078	215,536	212,768	212,993	7.3	20.2
- Individuals	98,122	92,905	89,648	86,012	82,085	75,528	74,288	73,694	5.6	19.5
- Corporate	176,105	162,713	155,141	149,226	145,993	140,008	138,480	139,299	8.2	20.6
Allowance for Loan Losses (PLL)	(16,290)	(16,019)	(15,782)	(15,836)	(16,313)	(14,953)	(13,871)	(11,424)	1.7	(0.1)
Total Deposits	193,201	186,194	178,453	170,722	171,073	167,987	167,512	169,104	3.8	12.9
Technical Provisions	87,177	82,363	79,308	77,685	75,572	71,400	68,828	66,673	5.8	15.4
Shareholders' Equity	48,043	46,114	44,295	43,087	41,754	38,877	37,277	35,306	4.2	15.1
Assets Under Management	872,514	838,455	767,962	739,894	702,065	674,788	647,574	640,876	4.1	24.3
Performance Indicators (%) on Adjusted Net Income (except when indicated otherwise)										
Adjusted Net Income per Share - R\$ ⁽²⁾	2.61	2.38	2.19	2.07	2.02	2.04	2.06	2.07	9.7	29.2
Book Value per Share (Common and Preferred) - R\$	12.77	12.26	11.77	11.45	11.10	10.49	10.04	9.51	4.2	15.0
Annualized Return on Average Shareholders' Equity ⁽³⁾ ₍₄₎	22.2	22.5	22.8	22.2	20.3	21.5	23.3	24.1	(0.3) p.p	1.9 p.p
Annualized Return on Average Assets ⁽⁴⁾	1.7	1.7	1.7	1.7	1.6	1.6	1.7	1.7	-	0.1 p.p
Average Rate - (Adjusted Financial Margin / Total Average										
Assets - Purchase and Sale Commitments - Permanent Assets) Annualized	8.3	7.9	8.2	8.1	8.1	8.3	8.2	7.8	0.4 p.p	0.2 p.p
Fixed Assets Ratio - Total Consolidated	18.1	16.7	20.9	19.8	18.6	15.4	15.1	14.1	1.4 p.p	(0.5) p.p

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Combined Ratio - Insurance ⁽⁵⁾	85.1	85.3	84.7	85.2	85.3	88.9	85.5	86.2	(0.2) p-p	(0.2) p-p
Efficiency Ratio (ER) ⁽²⁾	42.7	42.5	42.0	41.2	40.5	40.9	41.5	42.5	0.2 p-p	2.2 p-p
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) ⁽²⁾	64.2	65.1	64.9	66.0	66.5	66.4	67.3	67.2	(0.9) p-p	(2.3) p-p
Market Capitalization - R\$ million ⁽⁶⁾	109,759	114,510	87,887	100,885	103,192	98,751	81,301	65,154	(4.1)	6.4
Loan Portfolio Quality % ⁽⁷⁾										
PLL / Loan Portfolio	7.1	7.4	7.6	8.0	8.5	8.3	7.7	6.3	(0.3) p-p	(1.4) p-p
Non-Performing Loans (>60 days ⁽⁸⁾ / Credit Portfolio)	4.3	4.6	4.9	5.3	5.7	5.9	5.6	5.2	(0.3) p-p	(1.4) p-p
Delinquency Ratio (> 90 days ⁽⁸⁾ / Loan Portfolio)	3.6	3.8	4.0	4.4	4.9	5.0	4.6	4.2	(0.2) p-p	(1.3) p-p
Coverage Ratio (> 90 days ⁽⁸⁾)	197.6	191.8	188.5	180.8	174.6	166.5	169.1	152.4	5.8 p-p	23.0 p-p
Coverage Ratio (> 60 days ⁽⁸⁾)	163.3	162.0	155.8	151.3	148.6	139.4	137.9	122.3	1.3 p-p	14.7 p-p
Operating Limits %										
Capital Adequacy Ratio - Total Consolidated ⁽⁹⁾	14.7	15.7	15.9	16.8	17.8	17.7	17.0	16.0	(1.0) p-p	(3.1) p-p
- Tier I	13.1	13.5	13.9	14.3	14.8	14.3	14.3	13.2	(0.4) p-p	(1.7) p-p
- Tier II	1.7	2.3	2.1	2.6	3.1	3.5	2.8	2.9	(0.6) p-p	(1.4) p-p
- Deductions	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	-	-

Main Information

	Dec10	Sep10	Jun10	Mar10	Dec09	Sep09	Jun09	Mar09	Variation %	
									Dec10 x Sep10	Dec10 x Dec09
Structural Information - Units										
Service Points	54,884	52,015	49,154	46,570	44,577	42,563	41,003	39,275	5.5	23.1
- Branches	3,628	3,498	3,476	3,455	3,454	3,419	3,406	3,375	3.7	5.0
- Advanced Service Branch (PAAs) ⁽¹⁰⁾	1,660	1,643	1,592	1,451	1,371	1,338	1,260	1,183	1.0	21.1
- Mini-Branches (PABs) ⁽¹⁰⁾	1,263	1,233	1,215	1,200	1,190	1,194	1,192	1,184	2.4	6.1
- Electronic Service Branch (PAEs) ⁽¹⁰⁾	1,557	1,559	1,565	1,564	1,551	1,539	1,528	1,512	(0.1)	0.4
- Outplaced Bradesco ATM Network Terminals ⁽¹¹⁾	3,891	4,104	3,827	3,664	3,577	3,569	3,516	3,389	(5.2)	8.8
- Shared Net work ATM Terminals ⁽¹¹⁾ ⁽¹²⁾	9,765	8,113	7,358	6,912	6,486	5,980	5,558	5,068	20.4	50.6
- Banco Postal (Postal Bank)	6,203	6,194	6,177	6,110	6,067	6,038	6,011	5,959	0.1	2.2
- Bradesco Expresso (Correspondent Banks)	26,104	24,887	23,190	21,501	20,200	18,722	17,699	16,710	4.9	29.2
- Bradesco Promotora de Vendas	801	773	743	702	670	753	822	884	3.6	19.6
- Branches/Subsidiaries Abroad	12	11	11	11	11	11	11	11	9.1	9.1
ATM terminals	43,072	41,007	39,766	38,772	37,957	37,178	36,430	35,443	5.0	13.5
- Own Network	32,015	31,759	31,387	30,909	30,657	30,414	30,191	29,764	0.8	4.4
- ATM terminals shared with other banks ⁽¹²⁾	11,057	9,248	8,379	7,863	7,300	6,764	6,239	5,679	19.6	51.5
Credit and Debit Cards ⁽¹³⁾ - in million	145.2	140.7	137.8	135.6	132.9	88.4	86.3	85.2	3.2	9.3
Employees ⁽¹⁴⁾	95,248	92,003	89,204	88,080	87,674	85,027	85,871	86,650	3.5	8.6
Employees and Interns	9,999									