BANK BRADESCO
Form 6-K
April 30, 2013

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, 2013
Commission File Number 1-15250

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

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

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

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

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

Yes _______ No ___X____

Press Release

Highlights

The main figures of Bradesco in the first quarter of 2013 are presented below:

1. Adjusted Net Income(1) for the first quarter of 2013 stood at R$2.943 billion (a 3.4% increase compared to the R$2.845 billion recorded in the same period of the previous year), corresponding to earnings per share of R$2.77 and Return on Average Adjusted Shareholders' Equity(2) of 19.5%.

2. Adjusted Net Income is composed of R$2.013 billion from financial activities, representing 68.4% of the total, and R$930 million from insurance, pension plan and capitalization bond operations, which accounted for 31.6%.

3. On March 31, 2013, Bradesco's market capitalization stood at R$145.584 billion(3), up 28.8% over the same period in 2012.

4. Total Assets stood at R$894.467 billion in March 2013, a 13.3% increase over the same period in 2012. Return on Total Average Assets was 1.3%.

5. The Expanded Loan Portfolio(4) stood at R$391.682 billion in March 2013, up 11.6% during the same period in 2012. Operations with individuals totaled R$119.231 billion (up 8.7% from March 2012), while operations with companies totaled R$272.451 billion (up 13.0% from March 2012).

6. Assets under Management stood at R$1.278 trillion, varying 17.5% from March 2012.

7. Shareholders' Equity stood at R$69.442 billion in March 2013, up 19.6% from March 2012. Capital Adequacy Ratio stood at 15.6% in March 2013, 11.0% of which fell under Tier I Capital.

8. Interest on Shareholders' Equity were paid and recorded in provision in the amount of R$1.028 billion for the first quarter of 2013, R$226.271 million of which was paid monthly and R$801.431 million was recorded in provision.

9. Financial Margin stood at R$10.509 billion, up 2.8% in comparison with the first quarter of 2012.

10. The Delinquency Ratio over 90 days stood at 4.0% on March 31, 2013 (4.1% on March 31, 2012).

11. The Efficiency Ratio(5) improved by 1.2 p.p. (from 42.7% in March 2012 to 41.5% in March 2013), and the "adjusted-to-risk" efficiency ratio stood at 52.6% (52.6% in March 2012).

12. Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income totaled R$10.953 billion in the first quarter of 2013, up 16.3% over 2012. Technical Reserves stood at R$127.367 billion, up 19.1% from March 2012.

13. Investments in infrastructure, information technology and telecommunications amounted to R$1.078 billion in the first quarter of 2013, up 9.8% over the same period in 2012.

14. Taxes and contributions, including social security, paid or recorded in provision, amounted to R$7.137 billion in the quarter, of which R$1.967 billion referred to taxes withheld and collected from third parties and R$5.170 billion from Bradesco Organization activities, equivalent to 175.7% of Adjusted Net Income (1).

(1) According to non-recurring events described on page 8 of this Report on Economic and Financial Analysis; (2) Excludes mark-to-market effect of available-for-sale securities recorded under Shareholders' Equity; (3) Number of shares (excluding treasury shares) x closing price for common and preferred shares

on the last trading day of the period; (4) Includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and mortgage-backed receivables), co-obligations in rural loan assignments, and operations bearing credit risk – commercial portfolio, which includes debentures and promissory notes; and (5) In the last 12 months.

Highlights

15. Bradesco has an extensive customer service network in Brazil, comprising 8,473 Service Points, with 4,687 branches and 3,786 Service Branches - PAs. Customers can also use 1,457 PAEs – ATMs (Automatic Teller Machines) in companies, 43,598 Bradesco *Expresso* service points, 34,719 Bradesco *Dia & Noite* ATMS and 13,306 *Banco24Horas* ATMs.

16. Payroll, plus charges and benefits, totaled R$2.623 billion. Social benefits provided to the 102,793 employees of the Bradesco Organization and their dependents amounted to R$657.366 million, while investments in training and development programs totaled R$12.989 million.

17. Major Awards and Acknowledgments in the period:

- Bradesco stood out as the most valuable brand in Latin America in the banking sector and ranked 16th in the overall ranking. In the insurance sector, Bradesco was ranked first, according to *The Banker* / *Brand Finance* magazine;

- It is among the world's most valuable brands in all sectors of the economy, ranking 66th, standing out as the best Brazilian brand in the list (consulting firm Brand Finance);

- Bradesco is Brazil's most valuable brand (*IstoÉ Dinheiro* magazine – BrandAnalytics/Millward Brown);

- Bradesco was granted the *Selo Paulista da Diversidade* (São Paulo Diversity Seal), in Full 2012 category, for the third consecutive year (Labor and Employment Relations Officer of São Paulo State Government);

- It was considered the most profitable bank among the major financial institutions in Latin

- The Bank stood out in corporate governance and transparency, according to the *Guia da Transparência Corporativa* (Corporate Transparency Guide) (*Brasil Econômico* newspaper);

- It remains among the companies composing the "Carbon Efficient Index (ICO2)" (BM&FBOVESPA and BNDES –Brazilian Development Bank); and

- Grupo Bradesco Seguros stood out in eight categories of the 10th *Segurador Brasil* Award (*Brasil Notícias* Publisher).

18. With regards to sustainability, Bradesco divides its actions into three pillars: (i) Sustainable Finances, focused on banking inclusion, social and environmental variables for loan approvals and product offerings; (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. In this area, we point out Fundação Bradesco, which has a 56-year history of extensive social and educational work, with 40 schools in Brazil. In 2013, an estimated budget of R$460.961 will benefit 106,843 students in its schools, in Basic Education (from Kindergarten to High School and Vocational Training - High School Level), Education for Youth and Adults; and Preliminary and Continuing Qualification focused on the creation of jobs and generation of income. The nearly 47 thousand students in Basic Education are guaranteed free, quality education, uniforms, school supplies, meals and medical and dental assistance. Fundação Bradesco will also assist another 350,000 students through its distance learning programs, found at its e-learning portal "Virtual School." These students will complete at least one of the many courses offered by the Virtual School. Furthermore, another 68,323 people will benefit from projects and actions in partnerships with CIDs - Digital Inclusion Centers, the Educa+Ação Program and Technology courses

America and the United States (Economatica); (*Educar e Aprender* – Educate and Learn).

Bradesco

Press Release

Main Information

	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11	Variation % 1Q13 x 4Q12	1Q13 x 1Q12
Income Statement for the Period - R$ million										
Book Net Income	2,919	2,893	2,862	2,833	2,793	2,726	2,815	2,785	0.9	4.5
Adjusted Net Income	2,943	2,918	2,893	2,867	2,845	2,771	2,864	2,825	0.9	3.4
Total Financial Margin	10,706	11,109	10,955	11,034	10,695	10,258	10,230	9,471	(3.6)	0.1
Gross Loan Financial Margin	7,414	7,527	7,460	7,362	7,181	7,162	6,928	6,548	(1.5)	3.2
Net Loan Financial Margin	4,305	4,317	4,157	3,955	4,087	4,501	4,149	4,111	(0.3)	5.3
Allowance for Loan Losses (ALL) Expenses	(3,109)	(3,210)	(3,303)	(3,407)	(3,094)	(2,661)	(2,779)	(2,437)	(3.1)	0.5
Fee and Commission Income	4,599	4,675	4,438	4,281	4,118	4,086	3,876	3,751	(1.6)	11.7
Administrative and Personnel Expenses	(6,514)	(6,897)	(6,684)	(6,488)	(6,279)	(6,822)	(6,285)	(5,784)	(5.6)	3.7
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	10,953	13,216	10,104	11,570	9,418	11,138	9,025	9,628	(17.1)	16.3
Balance Sheet - R$ million										
Total Assets	894,467	879,092	856,288	830,520	789,550	761,533	722,289	689,307	1.7	13.3
Securities	300,600	315,487	319,537	322,507	294,959	265,723	244,622	231,425	(4.7)	1.9
Loan Operations (1)	391,682	385,529	371,674	364,963	350,831	345,724	332,335	319,802	1.6	11.6
- Individuals	119,231	117,540	114,536	112,235	109,651	108,671	105,389	102,915	1.4	8.7
- Corporate	272,451	267,989	257,138	252,728	241,181	237,053	226,946	216,887	1.7	13.0
Allowance for Loan Losses (ALL)	(21,359)	(21,299)	(20,915)	(20,682)	(20,117)	(19,540)	(19,091)	(17,365)	0.3	6.2
Total Deposits	205,870	211,858	212,869	217,070	213,877	217,424	224,664	213,561	(2.8)	(3.7)
Technical Reserves	127,367	124,217	117,807	111,789	106,953	103,653	97,099	93,938	2.5	19.1
Shareholders' Equity	69,442	70,047	66,047	63,920	58,060	55,582	53,742	52,843	(0.9)	19.6
Assets under Management	1,277,715	1,225,228	1,172,008	1,130,504	1,087,270	1,019,790	973,194	933,960	4.3	17.5
Performance Indicators (%) on Adjusted Net Income (unless otherwise stated)										
	2.77	2.74	2.71	2.70	2.69	2.67	2.65	2.56	1.1	3.0

Adjusted Net Income per Share - R$ (2) (3)										
Book Value per Common and Preferred Share - R$ (3)	16.54	16.68	15.73	15.22	13.83	13.23	12.80	12.57	(0.8)	19.6
Annualized Return on Average Shareholders' Equity (4) (5)	19.5	19.2	19.9	20.6	21.4	21.3	22.4	23.2	0.3 p.p.	(1.9) p.p.
Annualized Return on Average Assets (5)	1.3	1.4	1.4	1.4	1.5	1.6	1.7	1.7	(0.1) p.p.	(0.2) p.p.
Average Rate - Annualized (Adjusted Financial Margin / Total Average Assets - Purchase and Sale Commitments - Permanent Assets)	7.3	7.6	7.6	7.9	7.9	7.8	8.0	7.8	(0.3) p.p.	(0.6) p.p.
Fixed Assets Ratio - Total Consolidated	16.5	16.9	19.0	18.2	19.9	21.0	16.7	17.3	(0.4) p.p.	(3.4) p.p.
Combined Ratio - Insurance (6)	86.0	86.6	86.5	85.0	85.6	83.6	86.2	85.8	(0.6) p.p.	0.4 p.p.
Efficiency Ratio (ER) (2)	41.5	41.5	42.1	42.4	42.7	43.0	42.7	42.7	-	(1.2) p.p.
Coverage Ratio (Fee and Commission Income/Administrative and Personnel Expenses) (2)	67.7	66.5	64.4	63.2	62.9	62.2	62.7	63.5	1.2 p.p.	4.8 p.p.
Market Capitalization - R$ million (7)	145,584	131,908	113,102	104,869	113,021	106,971	96,682	111,770	10.4	28.8
Loan Portfolio Quality % (8)										
ALL / Loan Portfolio	7.2	7.3	7.4	7.4	7.5	7.3	7.3	6.9	(0.1) p.p.	(0.3) p.p.
Non-Performing Loans (>60 days (9) / Loan Portfolio)	4.9	5.0	5.1	5.1	5.1	4.8	4.6	4.5	(0.1) p.p.	(0.2) p.p.
Delinquency Ratio (> 90 days (9) / Loan Portfolio)	4.0	4.1	4.1	4.2	4.1	3.9	3.8	3.7	(0.1) p.p.	(0.1) p.p.
Coverage Ratio (> 90 days (9))	179.4	178.2	179.0	177.4	181.7	184.4	194.0	189.3	1.2 p.p.	(2.3) p.p.
Coverage Ratio (> 60 days (9))	146.0	147.3	144.8	144.0	146.6	151.8	159.6	154.0	(1.3) p.p.	(0.6) p.p.
Operating Limits %										
Capital Adequacy Ratio - Total Consolidated	15.6	16.1	16.0	17.0	15.0	15.1	14.7	14.7	(0.5) p.p.	0.6 p.p.
- Tier I	11.0	11.0	11.3	11.8	12.0	12.4	12.2	12.9	-	(1.0) p.p.

- Tier II	4.6	5.1	4.7	5.2	3.0	2.7	2.5	1.8	(0.5) p.p.	1.6 p.p.

Main Information

	Mar13	Dec12	Sept12	Jun12	Mar12	Dec11	Sept11	Jun11	Variation % Mar13 x Dec12	Variation % Mar13 x Mar12
Structural Information - Units										
Service Points	69,528	68,917	67,225	65,370	62,759	59,721	55,832	53,256	0.9	10.8
- Branches	4,687	4,686	4,665	4,650	4,636	4,634	3,945	3,676	-	1.1
- PAs (10)	3,786	3,781	3,774	3,243	2,986	2,962	2,990	2,982	0.1	26.8
- PAEs (10)	[redacted]									
- External Bradesco ATMs (11)	3,712	3,809	3,954	3,992	3,974	3,913	3,953	3,962	(2.5)	(6.6)
- Banco24Horas Network ATMs (11)	10,966	10,818	10,464	10,459	10,583	10,753	10,815	10,856	1.4	3.6
- Bradesco Expresso (Correspondent Banks)	43,598	43,053	41,713	40,476	38,065	34,839	31,372	29,263	1.3	14.5
- Bradesco Promotora de Vendas	1,309	1,301	1,186	1,061	1,005	1,131	1,157	919	0.6	30.2
- Branches / Subsidiaries Abroad	13	13	13	13	13	12	11	11	-	-
ATMs	48,025	47,834	47,542	47,484	47,330	46,971	45,596	45,103	0.4	1.5
- Bradesco Network	34,719	34,859	35,128	35,226	35,007	34,516	33,217	32,714	(0.4)	(0.8)
- Banco24Horas Network	13,306	12,975	12,414	12,258	12,323	12,455	12,379	12,389	2.6	8.0
Employees	102,793	103,385	104,100	104,531	105,102	104,684	101,334	98,317	(0.6)	(2.2)
Outsourced Employees and Interns	13,070	12,939	13,013	12,661	12,659	11,699	10,731	10,563	1.0	3.2
Customers - in millions										
Active Checking Account Holders (12) (13)	25.8	25.7	25.6	25.6	25.4	25.1	24.7	24.0	0.4	1.6
Savings Accounts (14)	46.6	48.6	48.3	45.2	41.3	43.4	40.6	39.7	(4.1)	12.8
Insurance Group	42.9	43.1	42.4	41.9	40.8	40.3	39.4	38.0	(0.5)	5.1
- Policyholders	37.1	37.3	36.7	36.3	35.4	35.0	34.3	33.0	(0.5)	4.8
- Pension Plan Participants	2.3	2.3	2.3	2.2	2.2	2.2	2.1	2.1	-	4.5
- Capitalization Bond Customers	3.5	3.5	3.4	3.4	3.2	3.1	3.0	2.9	-	9.4
Bradesco Financiamentos (12)	3.6	3.7	3.7	3.8	3.8	3.8	4.0	4.2	(2.7)	(5.3)

(1) Expanded Loan Portfolio: includes sureties and guarantees, letters of credit, advances of credit card receivables, co-obligations in loan assignments (receivables-backed investment funds and

mortgage-backed receivables), co-obligations in rural loan assignments and operations bearing credit risk – commercial portfolio, covering debentures and promissory notes;

(2) In the last 12 months;

(3) For comparison purposes, the shares were adjusted according to bonuses and stock splits;

(4) Excluding mark-to-market effect of available-for-sale securities recorded under shareholders' equity;

(5) Year-to-date adjusted net income;

(6) Excludes additional reserves;

(7) Number of shares (excluding treasury shares) multiplied by the closing price of common and preferred shares on the period's last trading day;

(8) As defined by the Brazilian Central Bank (Bacen);

(9) Credits overdue;

(10) PA (Service Branch): a result from the consolidation of PAB (Banking Service Branch), PAA (Advanced Service Branch) and Exchange Branches, according to CMN Resolution 4072/12; and PAE: ATM located in the premises of a company;

(11) Including overlapping ATMs within the Bank's own network and the *Banco24Horas* network: 1,914 in March 2013; 1,964 in December 2012; 2,039 in September 2012; 2,059 in June 2012; 2,050 in March 2012; 2,019 in December 2011; 2,040 in September 2011 and 2,045 in June 2011;

(12) Number of single customers (Corporate/ Individual Taxpayer ID (CNPJ/CPF);

(13) Refers to 1st and 2nd holders of checking accounts; and

(14) Number of accounts.

Press Release

Ratings

Main Ratings

Fitch Ratings							
International Scale						Domestic Scale	
Feasibility	Support	Domestic Currency		Foreign Currency		Domestic	
		Long Term	Short Term	Long Term	Short Term	Long Term	Short Term
a -	2	A -	F1	BBB +	F2	AAA (bra)	F1 + (bra)

*

Moody´s Investors Service									R&I Inc.
Financial Strength / Individual Credit Risk Profile	International Scale					Domestic Scale			International Scale
	Foreign Currency Senior Debt	Domestic Currency Deposit		Foreign Currency Deposit		Domestic Currency			Issuer Rating
	Long Term	Long Term	Short Term	Long Term	Short Term	Long Term	Short Term		
C - / baa1	Baa1	A3	P - 2	Baa2	P-2	Aaa.br	BR - 1		BBB

Standard & Poor's						Austin Rating		
International Scale - Issuer's Credit Rating				Domestic Scale		Corporate Governance	Domestic Scale	
Foreign Currency		Domestic Currency		Issuer's Credit Rating			Long Term	Short Term
Long Term	Short Term	Long Term	Short Term	Long Term	Short Term			
BBB	A - 2	BBB	A - 2	brAAA	brA - 1	brAA+	brAAA	brA -1

Book Net Income vs. Adjusted Net Income

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

R$ million

	1Q13	4Q12	1Q12
Book Net Income	**2,919**	**2,893**	**2,793**
Non-Recurring Events	**24**	**25**	**52**
- Earnings from Extended Securities Terms	-	(166)	-
- Recording of Tax Credits - BERJ	-	(1,389)	-
- Gains from Sale of Serasa Shares	-	(793)	-
- Impairment of Assets (1)	-	1,470	-
- Full Goodwill Amortization - BERJ	-	1,156	-
- Other (2)	40	37	86
- Tax Effects	(16)	(290)	(34)
Adjusted Net Income	**2,943**	**2,918**	**2,845**
ROAE % (3)	**19.3**	**19.7**	**21.0**
ADJUSTED ROAE % (3)	**19.5**	**19.9**	**21.4**

(1) Refer mainly to the impairment of: (i) Intangible Assets – Acquisition of Rights to Provide Banking Services, amounting to R$527 million, as a result of the expected return revaluation of said rights; and (ii) Securities – Shares, classified as Available for Sale, amounting to R$890 million, due to the adaptation of past share value to its fair value;

(2) Basically composed of civil provisions; and

(3) Annualized.

Summarized Analysis of Adjusted Income

To provide for better understanding, comparison and analysis of Bradesco's results, we use the Adjusted Income Statement for analysis and comments contained in this Report on Economic and Financial Analysis, obtained from adjustments made to the Book Income Statement, detailed at the end of this Press Release, which includes adjustments to non-recurring events shown on the previous page. Note that the Adjusted Income Statement serves as the basis for the analysis and comments made in Chapters 1 and 2 of this report.

								R$ million
			Adjusted Income Statement					
	1Q13	**4Q12**	**Variation 1Q13 x 4Q12**		**1Q13**	**1Q12**	**Variation 1Q13 x 1Q12**	
			Amount	**%**			**Amount**	**%**
Financial Margin	**10,706**	**11,109**	**(403)**	**(3.6)**	**10,706**	**10,695**	**11**	**0.1**
- Interest	10,509	10,678	(169)	(1.6)	10,509	10,222	287	2.8
- Non-interest	197	431	(234)	(54.3)	197	473	(276)	(58.4)
ALL	(3,109)	(3,210)	101	(3.1)	(3,109)	(3,094)	(15)	0.5
Gross Income from Financial Intermediation	**7,597**	**7,899**	**(302)**	**(3.8)**	**7,597**	**7,601**	**(4)**	**(0.1)**
Income from Insurance, Pension Plans and Capitalization Bonds (1)	1,155	955	200	20.9	1,155	877	278	31.7
Fee and Commission Income	4,599	4,675	(76)	(1.6)	4,599	4,118	481	11.7
Personnel Expenses	(3,059)	(3,142)	83	(2.6)	(3,059)	(2,878)	(181)	6.3
Other Administrative Expenses	(3,455)	(3,755)	300	(8.0)	(3,455)	(3,401)	(54)	1.6
Tax Expenses	(1,123)	(1,098)	(25)	2.3	(1,123)	(1,012)	(111)	11.0
Equity in the Earnings (Losses) of Unconsolidated Companies	3	45	(42)	(93.3)	3	40	(37)	(92.5)
Other Operating Income/ (Expenses)	(1,170)	(1,130)	(40)	3.5	(1,170)	(996)	(174)	17.5
Operating Result	**4,547**	**4,449**	**98**	**2.2**	**4,547**	**4,349**	**198**	**4.6**
Non-Operating Result	(38)	(29)	(9)	31.0	(38)	(18)	(20)	111.1
Income Tax / Social Contribution	(1,538)	(1,488)	(50)	3.4	(1,538)	(1,468)	(70)	4.8
Non-controlling Interest	(28)	(14)	(14)	100.0	(28)	(18)	(10)	55.6
Adjusted Net Income	**2,943**	**2,918**	**25**	**0.9**	**2,943**	**2,845**	**98**	**3.4**

(1) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves of Insurance, Pension Plans and Capitalization Bonds - Retained Claims - Capitalization Bond Draws and Redemptions - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

Press Release

Summarized Analysis of Adjusted Income

Adjusted Net income and Profitability

In the first quarter of 2013, Bradesco posted adjusted net income of R$2,943 million, up 0.9%, or R$25 million, on the previous quarter, mainly driven by: (i) lower operating expenses, thanks to continuous efforts in cost control, pointing out the actions taken by our Efficiency Committee; (ii) higher insurance operating income; (iii) lower allowance for loan loss expenses; (iv) lower financial margin, as a result of reduced interest financial margin, mainly due to the new interest rate policy for the credit card segment, and non-interest financial margin; and (v) lower fee and commission income.

In the year-over-year comparison, adjusted net income increased by R$98 million, or 3.4%, in the first quarter of 2013, for Return on Adjusted Average Shareholders' Equity (ROAE) of 19.5%.

Shareholders' Equity stood at R$69,442 million in March 2013, up 19.6% over the same period of 2012. This increase is partially due to the surplus value of some securities reclassified from Held to Maturity to Available for Sale for adoption of CPCs 38 and 40 by the Insurance Group. The Capital Adequacy Ratio stood at 15.6%, 11.0% of which fell under Tier I Reference Shareholders' Equity.

Total Assets came to R$894,467 million in March 2013, up 13.3% over March 2012, driven by the increase in operations and the expansion of business volume. Return on Average Assets (ROAA) came to 1.3%.

Summarized Analysis of Adjusted Income

Efficiency Ratio (ER)

The "adjusted to risk" ER, which reflects the impact of risk associated with loan operations[2], reached 52.6% in the first quarter of 2013, a 0.1 p.p. increase over the previous quarter, mainly due to the decrease of delinquency costs in the period.

The ER in the last 12 months[1] remained stable at 41.5% over the previous quarter.

Quarterly ER decreased from 42.5% in the fourth quarter of 2012 to 40.9% in the first quarter of 2013, mainly due to: (i) lower personnel expenses, chiefly as a result of more vacation requests in the quarter; and (ii) lower administrative expenses, mainly due to: (a) the seasonality in the previous quarter, which affected mainly marketing and advertising expenses; and (b) the continuous cost control in the quarter.

(1) ER = (Personnel Expenses - Employee Profit Sharing + 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 + Insurance Selling Expenses) and (ii) revenue net of related taxes (not considering Claims and Selling Expenses from the Insurance Group), our ER in the first quarter of 2013 would be 44.6%; and

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

Press Release

Summarized Analysis of Adjusted Income

Financial Margin

The R$403 million decrease between the first quarter of 2013 and the fourth quarter of 2012 was mainly due to lower gains from the: (i) non-interest margin, in the amount of R$234 million, due to lower gains from the market arbitrage; and (ii) interest margin, in the amount of R$169 million, due to lower gains from the "Loan" margin, mainly due to the new interest rate policy for the credit card segment.

Financial margin posted a R$11 million improvement between the first quarter of 2013 and the same period in 2012, driven by: (i) the R$287 million increase in income from interest-earning operations due to an increase in business volume, mainly from "Loan" and "Securities/Other;" and (ii) the lower result from the non-interest margin, in the amount of R$276 million, due to lower gains from the market arbitrage.

Summarized Analysis of Adjusted Income

Interest Financial Margin – Annualized Average Rates

R$ million

	1Q13			4Q12		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	7,414	298,495	10.3%	7,527	294,694	10.6%
Funding	949	326,424	1.2%	997	333,304	1.2%
Insurance	933	125,791	3.0%	912	121,638	3.0%
Securities/Other	1,213	303,865	1.6%	1,242	307,457	1.6%
Financial Margin	**10,509**	**-**	**7.2%**	**10,678**	**-**	**7.3%**

	1Q13			1Q12		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Loans	7,414	298,495	10.3%	7,181	272,481	11.0%
Funding	949	326,424	1.2%	1,168	331,186	1.4%
Insurance	933	125,791	3.0%	851	105,811	3.3%
Securities/Other	1,213	303,865	1.6%	1,022	283,634	1.4%
Financial Margin	**10,509**	**-**	**7.2%**	**10,222**	**-**	**7.6%**

The annualized interest financial margin rate stood at 7.2% in the first quarter of 2013, down 0.1 p.p. on the previous quarter, mainly due to the reduction in the average “Loan” margin rate, which was impacted by the decrease in interest rates in effect, together with the change in the mix of the loan portfolio.

Summarized Analysis of Adjusted Income

Expanded Loan Portfolio[1]

In March 2013, Bradesco's expanded loan portfolio totaled R$391.7 billion, which was up 1.6% in the quarter, due to: (i) a 1.8% growth in Corporations; (ii) a 1.5% growth in Small and Medium-sized Entities (SMEs); and (iii) a 1.4% growth in Individuals.

In the last 12 months, the expanded loan portfolio increased 11.6%, driven by: (i) 15.6% growth in Corporations; (ii) 9.7% growth in SMEs; and (iii) 8.7% growth in Individuals.

To the Individuals segment, the products that posted the strongest growth in the last 12 months were: (i) real estate financing; and (ii) payroll-deductible loans. To the Corporate segment, the main products were: (i) export financing; and (ii) real estate financing – corporate plan.

(1) Includes sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, assignment of receivables-backed investment funds and mortgage-backed receivables and rural loan.

For more information, see Chapter 2 of this Report.

Allowance for Loan Losses

In the first quarter of 2013, ALL expenses came to R$3,109 million, down 3.1% from the previous quarter, even considering the 2.4% growth in the loan portfolio – as defined by Bacen in the period. This result was due to the reduction in delinquency level, despite the typical higher delinquency in the first months of the year.

In the year-over-year comparison, this expense remained practically stable, even considering the

(1) Includes the recognition of exceeding ALL in the total amount of R$1.0 billion.

10.4% increase in loan operations – as defined by Bacen, resulting from the reduced delinquency level in the last 12 months.

Summarized Analysis of Adjusted Income

Delinquency Ratio > 90 days[(1)]

Total delinquency ratio, which is based on transactions due over 90 days, was down 0.1 p.p. both in the quarter and in the last twelve months, maintaining an improvement in a gradual downward trend. This decrease was mainly influenced by the 0.2 p.p. improvement in the Individuals indicator.

(1) As defined by Bacen.

Coverage Ratios[(1)]

The following graph presents the changes in coverage ratio of the Allowance for Loan Losses for loans overdue for more than 60 and 90 days. In March 2013, these ratios stood at 146.0% and 179.4%, respectively, pointing to a comfortable level of provisioning.

The ALL, totaling R$21.4 billion in March 2013, was made up of: (i) R$17.4 billion required by Bacen; and (ii) R$4.0 billion in excess provisions.

(1) As defined by Bacen

Press Release

Summarized Analysis of Adjusted Income

Income from Insurance, Pension Plans and Capitalization Bonds

Net income for the first quarter of 2013 stood at R$930 million (R$964 million in the fourth quarter of 2012) for annualized Return on Adjusted Shareholders' Equity of 26.5%.

In the year-over-year comparison, net income increased by 2.8% in the first quarter of 2013.

(1) Excluding additional provisions.

R$ million (unless otherwise stated)

	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11	Variation % 1Q13 x 4Q12	Variation % 1Q13 x 1Q12
Net Income	930	964	837	881	905	860	780	800	(3.5)	2.8
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	10,953	13,216	10,104	11,570	9,418	11,138	9,025	9,628	(17.1)	16.3
Technical Reserves	127,367	124,217	117,807	111,789	106,953	103,653	97,099	93,938	2.5	19.1
Financial Assets	141,535	141,540	133,738	128,526	122,147	116,774	110,502	106,202	-	15.9
Claims Ratio	69.6	70.5	70.4	71.3	71.9	68.6	71.5	72.2	(0.9) p.p.	(2.3) p.p.
Combined Ratio	86.0	86.6	86.5	85.0	85.6	83.6	86.2	85.8	(0.6) p.p.	0.4 p.p.
Policyholders / Participants and Customers (in thousands)	42,941	43,065	42,363	41,898	40,785	40,304	39,434	37,972	(0.3)	5.3

Employees	7,510	7,554	7,545	7,478	7,574	7,608	7,571	7,594	(0.6)	(0.8)
Market Share of Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income (1)	22.4	24.8	24.3	24.8	23.4	25.6	24.9	25.0	(2.4) p.p.	(1.0) p.p.

(1) The first quarter of 2013 includes the latest data released by Susep (February 2013).

Note: For comparison purposes, it excludes the effects of non-recurring events.

Summarized Analysis of Adjusted Income

Due to the concentration of pension plan contributions, which historically occur in the last quarter of the year, revenue did not have the same performance as that recorded in the fourth quarter of 2012.

Net income for the first quarter of 2013 was down 3.5% over the previous quarter, mainly due to: (i) the 17.1% decrease in revenue, as mentioned above; (ii) the decrease in equity income; and partially impacted by: (iii) the 0.9% decrease in claims ratio; and (iv) the decrease in the general and administrative expenses, already considering the sector's collective bargaining agreement in January 2013.

In the year-over-year comparison, issued premiums, pension plan contributions and capitalization bond income increased by 16.3%, driven by the performance of the "Life and Pension Plan," "Capitalization Bond" and "Health" products, that posted an over two-digit growth in the period.

Net income for the first quarter of 2013 was up 2.8% over that of the previous year, due to: (i) a 16.3% increase in revenue; (ii) a 2.3 p.p. decrease in the claims ratio; and (iii) the increase in the administrative efficiency ratio, already considering the sector's collective bargaining agreement in January 2013.

Grupo Bradesco Seguros complies with the regulatory requirements, also complying with global standards (Solvency II), with a leverage of 2.4 times its Shareholders' Equity in the period.

Summarized Analysis of Adjusted Income

Fee and Commission Income

In the first quarter of 2013, fee and commission income came to R$4,599 million, down R$76 million over the previous quarter, mainly due to the excellent performance of underwriting / financial advisory revenues in the fourth quarter of 2012.

In the year-over-year comparison, the increase of R$481 million, or 11.7%, in the first quarter of 2013 was mainly due to: (i) the performance of the credit card segment, driven by the growth in revenue and transactions; (ii) higher income from checking accounts, which was a result of a better business volume and an increase in the checking account holder base, which posted net growth of 459 thousand active accounts in the period; (iii) greater income from collections; (iv) greater income from fund management, whose volume of assets and portfolios under management increased by 26.2% in the period; (v) greater income from consortium management; and (vi) expansion and modernization of customer service channels, facilitating access and increasing the number of transactions.

Summarized Analysis of Adjusted Income

Personnel Expenses

In the first quarter of 2013, the R$83 million decrease from the previous quarter was mainly composed of the variation in structural expenses, due to the typical concentration of vacations in the first quarter of each year.

In the year-over-year comparison, the R$181 million increase in the first quarter of 2013 was mainly due to:

- the R$139 million increase in structural expenses, resulting from greater expenses with salaries, social charges and benefits, due to raise in salary levels, as per collective bargaining agreements; and

- the R$42 million increase in non-structural expenses, mainly due to greater expenses with: (i) provision for labor claims; and (ii) management and employee profit sharing.

Note: Structural Expenses = Salaries + Social Charges + Benefits + Pension Plans.

Non-Structural Expenses = Employee and Management Profit Sharing + Training + Labor Provision + Costs with Termination of Employment Contracts.

Press Release

Summarized Analysis of Adjusted Income

Administrative Expenses

In the first quarter of 2013, the 8.0% decrease in administrative expenses from the previous quarter was mainly due to: (i) the seasonality in the fourth quarter of 2012, which affected: (a) marketing and advertising expenses; and (b) businesses and services volume; and (ii) continuous efforts in cost control, pointing out the actions taken by our Efficiency Committee.

Despite the greater expenses with (i) the opening of 6,769 service points in the period, mainly the opening of 5,533 *Bradesco Expresso* points, for a total of 69,528 service points on March 31, 2013, and (ii) the increase in businesses and service volume in the period, the administrative expenses increased only 1.6% year over year and quarter over quarter, resulting from the Efficiency Committee efforts to control these expenses.

Other Operating Income and Expenses

Other operating expenses, net of other operating income, totaled R$1,170 million in the first quarter of 2013, up R$40 million over the previous quarter, and R$174 million in comparison with the same period in 2012.

The abovementioned increases were mainly the result of greater expenses with: (i) operating provisions, particularly those for civil contingencies; (ii) amortization of intangible assets; and (iii) sundry losses.

Summarized Analysis of Adjusted Income

Income Tax and Social Contribution

Income tax and social contribution increased 3.4% in comparison with the previous quarter and 4.8% in the year-over-year comparison, mainly due to the increase in taxable result.

Unrealized Gains

Unrealized gains totaled R$20,326 million in the first quarter of 2013, a R$4,554 million decrease from the previous quarter. This was mainly due to the depreciation of fixed-income securities due to mark-to-market accounting.

Press Release

Economic Scenario

The beginning of 2013 was characterized by the significant decrease in financial rupture risks felt throughout the past year. The lower probability of occurring extreme events has a positive influence on the economic agents' expectations, contributing to the world's economic activity recovery for the coming quarters. At the same time, however, structural issues not yet definitively addressed are cause for concerns.

The euro zone remains on the spotlight. The recent difficulties to establish a new government in Italy and the banking crisis in Cyprus fueled the uncertainties about the future. In the United States, the imminent risk of recession was overcome by the partial resolution of the fiscal cliff in the beginning of the year, but the discussions on growth remain under the "budget sequestration" in a moment when the U.S. Congress is in a deep political polarization.

In China, the future performance of the real estate market is still the focus of attention to analysts, despite the calm political transition and the signs that the worst phase of the economic slowdown has passed.

In Brazil, evidence of the economic growth acceleration could be perceived in the first quarter of 2013, thanks to the domestic stimulus arising from the economic policy adopted in the last months. This evidence is even more favorable with the resumption of the productive investments, which strongly dropped in 2012.

The return to normal industrial and retail inventories should permit the resumption of manufacturing production in the coming periods, against a backdrop of strong growth in family consumption, fueled by the expansion of jobs and income. The excellent domestic agricultural and livestock prospects, especially the soybean and corn crops, are also worth emphasizing, as is their positive impact on the economies of small and medium-sized cities. The robust agricultural production tends to bring benefits in terms of balance of trade and inflation.

Brazil continues to make institutional progress, exemplified by the recent adoption of new policies addressing structural issues, such as the infrastructure concession program and production cost reduction. In the coming years, pre-salt exploration and the hosting of major sports events represent a privileged set of opportunities that are only available to a select group of nations, of which Brazil is part.

Given all these favorable prospects, it is vital to maintain the kind of healthy macroeconomic policies whose implementation over the past two decades has resulted in decreased volatility and increased growth, providing for a more equitable income distribution and unprecedented social inclusion. Regarding challenges, quality education is one of Brazil's priorities in an increasingly competitive global environment and labor shortage in several segments.

Despite the challenges faced by the domestic economy in pursue of higher sustainable growth rate, Bradesco is maintaining its positive long-term outlook for the country. With interest rates at an all-time low levels, the volume of credit is growing at rates that are both sustainable and risk-compatible, a factor that has set the national financial system apart from those in several other countries. As a result of the intense and ongoing upward social mobility of the last years, the prospects for the banking and insurance sectors remain highly favorable.

Main Economic Indicators

Main Indicators (%)	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11
Interbank Deposit Certificate (CDI)	1.61	1.70	1.91	2.09	2.45	2.67	3.01	2.80
Ibovespa	(7.55)	3.00	8.87	(15.74)	13.67	8.47	(16.15)	(9.01)
USD – Commercial Rate	(1.45)	0.64	0.46	10.93	(2.86)	1.15	18.79	(4.15)
General Price Index - Market (IGP-M)	0.85	0.68	3.79	2.56	0.62	0.91	0.97	0.70
Extended Consumer Price Index (IPCA) – Brazilian Institute of Geography and Statistics (IBGE)	1.94	1.99	1.42	1.08	1.22	1.46	1.06	1.40
Federal Government Long-Term Interest Rate (TJLP)	1.24	1.36	1.36	1.48	1.48	1.48	1.48	1.48
Reference Interest Rate (TR)	-	-	0.03	0.07	0.19	0.22	0.43	0.31
Savings Account (Old Rule) (1)	1.51	1.51	1.53	1.58	1.70	1.73	1.95	1.82
Savings Account (New Rule) (1)	1.25	1.26	1.40	-	-	-	-	-
Business Days (number)	60	62	64	62	63	62	65	62
Indicators (Closing Rate)	**Mar13**	**Dec12**	**Sept12**	**Jun12**	**Mar12**	**Dec11**	**Sept11**	**Jun11**
USD – Commercial Selling Rate - (R$)	2.0138	2.0435	2.0306	2.0213	1.8221	1.8758	1.8544	1.5611
Euro - (R$)	2.5853	2.6954	2.6109	2.5606	2.4300	2.4342	2.4938	2.2667
Country Risk (points)	189	142	166	208	177	223	275	148
Basic Selic Rate Copom (% p.a.)	7.25	7.25	7.50	8.50	9.75	11.00	12.00	12.25
BM&F Fixed Rate (% p.a.)	7.92	7.14	7.48	7.57	8.96	10.04	10.39	12.65

(1) Regarding the new savings account remuneration rule, it was defined that: (i) the existing deposits up to May 3, 2012 will continue to remunerate at TR + interest of 6.17% p.a.; and (ii) for deposits made as of May 4, 2012, the new rules are:
(a) if the Selic rate is higher than 8.5% p.a., the TR + interest of 6.17% p.a. remuneration will be maintained; and (b) when the Selic rate is equal to or lower than 8.5% p.a., the remuneration will be 70% of Selic rate + TR.

Projections through 2015

%	2013	2014	2015
USD - Commercial Rate (year-end) - R$	2.02	2.08	2.14

Extended Consumer Price Index (IPCA)	5.40	5.20	5.00
General Price Index - Market (IGP-M)	5.00	5.00	4.50
Selic (year-end)	8.25	8.25	8.25
Gross Domestic Product (GDP)	3.00	4.00	3.50

Guidance

Bradesco's Outlook for 2013

This guidance contains forward-looking statements that are subject to risks and uncertainties, as they are based on Management's expectations and assumptions and information available to the market to date.

Loan Portfolio (1)	**13 to 17%**
Individuals	13 to 17%
Companies	13 to 17%
Financial Margin (2)	**7 to 11%**
Fee and Commission Income	**9 to 13%**
Operating Expenses (3)	**4 to 8%**
Insurance Premiums	**12 to 15%**

(1) Expanded Loan Portfolio;

(2) Under current criterion, Guidance for Interest Financial Margin; and

(3) Administrative and Personnel Expenses.

Book Income vs. Managerial Income vs. Adjusted Income Statement

Analytical Breakdown of Book Income vs. Managerial Income vs. Adjusted Income Statement
First Quarter of 2013

R$ million

	Book Income Statement	Reclassifications (1)	(2)	(3)	(4)	(5)	(6)	1Q13 Fiscal Hedge (7)	Managerial Income Statement	Non-recurring Events (8)	Adjusted Income Statement
Financial Margin	**11,928**	**(299)**	**16**	**(41)**	**(644)**	**-**	**-**	**(254)**	**10,706**	**-**	**10,706**
ALL	(3,475)	-	-	-	410	(44)	-	-	(3,109)	-	(3,109)
Gross Income from Financial Intermediation	**8,453**	**(299)**	**16**	**(41)**	**(234)**	**(44)**	**-**	**(254)**	**7,597**	**-**	**7,597**
Income from Insurance, Pension Plans and Capitalization Bonds (9)	1,155	-	-	-	-	-	-	-	1,155	-	1,155
Fee and Commission Income	4,508	-	-	-	-	-	91	-	4,599	-	4,599
Personnel Expenses	(3,059)	-	-	-	-	-	-	-	(3,059)	-	(3,059)
Other Administrative Expenses	(3,368)	-	-	-	-	-	(87)	-	(3,455)	-	(3,455)
Tax Expenses	(1,140)	-	-	-	(11)	-	-	28	(1,123)	-	(1,123)
Equity in the Earnings (Losses) of Unconsolidated Companies	3	-	-	-	-	-	-	-	3	-	3
Other Operating Income/Expenses	(1,799)	299	(16)	41	245	24	(4)	-	(1,210)	40	(1,170)
Operating Result	**4,753**	**-**	**-**	**-**	**-**	**(20)**	**-**	**(226)**	**4,507**	**40**	**4,547**
Non-Operating Result	(58)	-	-	-	-	20	-	-	(38)	-	(38)
Income Tax / Social Contribution and Non-controlling Interest	(1,776)	-	-	-	-	-	-	226	(1,550)	(16)	(1,566)
Net Income	**2,919**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,919**	**24**	**2,943**

(1) Expenses with Commission on the Placement of Loans and Financing were reclassified from the item “Other Operating Expenses” to the item “Financial Margin;”

(2) Interest Income/Expenses from the insurance segment were reclassified from the item “Other Operating Income/Expenses” to the item “Financial Margin;”

(3) Interest Income/Expenses from the financial segment were reclassified from the item “Other Operating Income/Expenses” to the item “Financial Margin;”

(4) Income from Loan Recovery classified under the item “Financial Margin,” Expenses with Discounts Granted classified under the item “Other Operating Income/Expenses,” and Expenses with Write-offs of Leasing Operations classified under the item “Financial Margin” were reclassified to the item “ALL Expenses - Allowance for Loan Losses,” and Tax Expenses, classified as “Other Operating Expenses, were reclassified under the item “Tax Expenses;”

(5) Losses/Gains from the Sale of Foreclosed Assets/Investments classified under the item “Non-Operating Result” were reclassified to items “ALL Expenses - Allowance for Loan Losses” / “Other Operating Income/Expenses;”

(6) Income from Card Fees and Commissions, Insurance Premium Commissions and Insurance Policy Fees classified under the item “Other Operating Income/Expenses” were reclassified to the item “Fee and Commission Income;” and Credit Card Operation Interchange Expenses classified under the item “Other Operating Income/Expenses” were reclassified to the item “Other Administrative Expenses;”

(7) Partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (Income Tax/Social Contribution (IR/CS) and Social Integration Program/Contribution for Social Security Financing (PIS/Cofins)) of this hedge strategy in terms of Net Income;

(8) For more information see page 8 of this chapter; and

(9) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

Book Income vs. Managerial Income vs. Adjusted Income Statement

Fourth Quarter of 2012

R$ million

	Book Income Statement	Reclassifications (1)	(2)	(3)	(4)	(5)	(6)	4Q12 Fiscal Hedge (7)	Managerial Income Statement	Non-recurring Events (8)	Adjusted Income Statement
Financial Margin	**11,769**	**(282)**	**25**	**(63)**	**(817)**	**-**	**-**	**125**	**10,757**	**352**	**11,109**
ALL	(3,432)	-	-	-	313	(92)	-	-	(3,210)	-	(3,210)
Gross Income from Financial Intermediation	**8,337**	**(282)**	**25**	**(63)**	**(504)**	**(92)**	**-**	**125**	**7,546**	**352**	**7,899**
Income from Insurance, Pension Plans and Capitalization Bonds (9)	1,056	-	-	-	-	-	-	-	1,056	(101)	955
Fee and Commission Income	4,569	-	-	-	-	-	107	-	4,675	-	4,675
Personnel Expenses	(3,142)	-	-	-	-	-	-	-	(3,142)	-	(3,142)
Other Administrative Expenses	(3,658)	-	-	-	-	-	(131)	-	(3,789)	34	(3,755)
Tax Expenses	(1,093)	-	-	-	(11)	-	-	(14)	(1,118)	21	(1,098)
Equity in the Earnings (Losses) of Unconsolidated Companies	45	-	-	-	-	-	-	-	45	-	45
Other Operating Income/Expenses	(4,240)	282	(25)	63	515	39	24	-	(3,342)	2,211	(1,130)
Operating Result	**1,874**	**-**	**-**	**-**	**-**	**(53)**	**-**	**111**	**1,932**	**2,517**	**4,449**
Non-Operating Result	711	-	-	-	-	53	-	-	764	(793)	(29)
Income Tax / Social Contribution and Non-controlling Interest	309	-	-	-	-	-	-	(111)	198	(1,699)	(1,502)
Net Income	**2,893**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,893**	**25**	**2,918**

(1) Expenses with Commission on the Placement of Loans and Financing were reclassified from the item "Other Operating Expenses" to the item "Financial Margin;"

(2) Interest Income/Expenses from the insurance segment were reclassified from the item "Other Operating Income/Expenses" to the item "Financial Margin;"

(3) Interest Income/Expenses from the financial segment were reclassified from the item "Other Operating Income/Expenses" to the item "Financial Margin;"

(4) Income from Loan Recovery classified under the item "Financial Margin," Expenses with Discounts Granted classified under the item "Other Operating Income/Expenses," and Expenses with Write-offs of Leasing Operations classified under the item "Financial Margin" were reclassified to the item "ALL Expenses - Allowance for Loan Losses," and Tax Expenses, classified as "Other Operating Expenses, were reclassified under the item "Tax Expenses;"

(5) Losses/Gains from the Sale of Foreclosed Assets/Investments classified under the item "Non-Operating Result" were reclassified to items "ALL Expenses - Allowance for Loan Losses" / "Other Operating Income/Expenses;"

(6) Income from Card Fees and Commissions, Insurance Premium Commissions and Insurance Policy Fees classified under the item "Other Operating Income/Expenses" were reclassified to the item "Fee and Commission Income;" and Credit Card Operation Interchange Expenses classified under the item "Other Operating Income/Expenses" were reclassified to the item "Other Administrative Expenses;"

(7) Partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (Income Tax/Social Contribution (IR/CS) and Social Integration Program/Contribution for Social Security Financing (PIS/Cofins)) of this hedge strategy in terms of Net Income;

(8) For more information see page 8 of this chapter; and

(9) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

Book Income vs. Managerial Income vs. Adjusted Income Statement

First Quarter of 2012

R$ million

		Reclassifications						1Q12			
	Book Income Statement	(1)	(2)	(3)	(4)	(5)	(6)	Fiscal Hedge (7)	Managerial Income Statement	Non-recurring Events (8)	Adjusted Income Statement
Financial Margin	**11,773**	**(186)**	**59**	**(70)**	**(515)**	**29**	-	**(395)**	**10,695**	-	**10,695**
ALL	(3,298)	-	-	-	265	(61)	-		(3,094)	-	(3,094)
Gross Income from Financial Intermediation	**8,475**	**(186)**	**59**	**(70)**	**(250)**	**(32)**	**-**	**(395)**	**7,601**	**-**	**7,601**
Income from Insurance, Pension Plans and Capitalization Bonds (9)	877	-	-	-	-	-	-	-	877	-	877
Fee and Commission Income	3,995	-	-	-	-	-	122	-	4,117	-	4,118
Personnel Expenses	(2,878)	-	-	-	-	-	-	-	(2,878)	-	(2,878)
Other Administrative Expenses	(3,290)	-	-	-	-	-	(110)	-	(3,400)	-	(3,401)
Tax Expenses	(1,122)	-	-	-	68	-	-	43	(1,011)	-	(1,012)
Equity in the Earnings (Losses) of Unconsolidated Companies	40	-	-	-	-	-	-	-	40	-	40
Other Operating Income/Expenses	(1,488)	186	(59)	70	182	38	(12)		(1,083)	86	(996)
Operating Result	**4,609**	**-**	**-**	**-**	**-**	**6**	**-**	**(352)**	**4,263**	**86**	**4,349**
Non-Operating Result	(12)	-	-	-	-	(6)	-	-	(18)	-	(18)
Income Tax / Social Contribution	(1,804)	-	-	-	-	-	-	352	(1,452)	(34)	(1,486)

and Non-controlling Interest										
Net Income	**2,793**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2,793**	**52**	**2,845**

(1) Expenses with Commission on the Placement of Loans and Financing were reclassified from the item “Other Operating Expenses” to the item “Financial Margin;”

(2) Interest Income/Expenses from the insurance segment were reclassified from the item “Other Operating Income/Expenses” to the item “Financial Margin;”

(3) Interest Income/Expenses from the financial segment were reclassified from the item “Other Operating Income/Expenses” to the item “Financial Margin;”

(4) Income from Loan Recovery classified under the item “Financial Margin,” Expenses with Discounts Granted classified under the item “Other Operating Income/Expenses,” and Expenses with Write-offs of Leasing Operations classified under the item “Financial Margin” were reclassified to the item “ALL Expenses - Allowance for Loan Losses;” and Tax Expenses, classified as “Other Operating Expenses, were reclassified under the item “Tax Expenses;”

(5) Losses/Gains from the Sale of Foreclosed Assets/Investments classified under the item “Non-Operating Result” were reclassified to items “ALL Expenses - Allowance for Loan Losses” / “Other Operating Income/Expenses” / “Financial Margin;”

(6) Income from Card Fees and Commissions, Insurance Premium Commissions and Insurance Policy Fees classified under the item “Other Operating Income/Expenses” were reclassified to the item “Fee and Commission Income;” and Credit Card Operation Interchange Expenses classified under the item “Other Operating Income/Expenses” were reclassified to the item “Other Administrative Expenses;”

(7) Partial result of Derivatives used to hedge investments abroad, which simply cancels the tax effects (Income Tax/Social Contribution (IR/CS) and Social Integration Program/Contribution for Social Security Financing (PIS/Cofins)) of this hedge strategy in terms of Net Income;

(8) For more information see page 8 of this chapter; and

(9) Income from Insurance, Pension Plans and Capitalization Bonds = Insurance, Pension Plan and Capitalization Bond Retained Premiums - Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption - Insurance, Pension Plan and Capitalization Bond Selling Expenses.

Consolidated Statement of Financial Position and Adjusted Income Statement

Statement of Financial Position

	Mar13	Dec12	Sept12	Jun12	Mar12	Dec11	Sept11	R$ million Jun11
Assets								
Current and Long-Term Assets	**879,192**	**864,279**	**840,295**	**815,063**	**773,896**	**746,090**	**710,238**	**677,571**
Cash and Cash Equivalents	11,347	12,077	12,944	13,997	25,069	22,574	10,018	7,715
Interbank Investments	171,333	151,813	126,772	92,858	84,690	82,303	85,963	86,147
Securities and Derivative Financial Instruments	300,600	315,487	319,537	322,507	294,959	265,723	244,622	231,425
Interbank and Interdepartmental Accounts	52,769	49,762	56,276	62,510	61,576	72,906	71,951	67,033
Loan and Leasing Operations	276,022	267,940	262,748	258,242	250,201	248,719	241,812	231,862
Allowance for Loan Losses (ALL)	(21,359)	(21,299)	(20,915)	(20,682)	(20,117)	(19,540)	(19,091)	(17,365)
Other Receivables and Assets	88,480	88,499	82,933	85,631	77,518	73,405	74,963	70,754
Permanent Assets	**15,275**	**14,813**	**15,993**	**15,457**	**15,654**	**15,443**	**12,051**	**11,736**
Investments	1,867	1,865	1,907	1,889	2,076	2,052	1,721	1,699
Premises and Leased Assets	4,550	4,678	4,500	4,523	4,551	4,413	3,812	3,658
Intangible Assets	8,858	8,270	9,586	9,045	9,027	8,978	6,518	6,379
Total	**894,467**	**879,092**	**856,288**	**830,520**	**789,550**	**761,533**	**722,289**	**689,307**
Liabilities								
Current and Long-Term Liabilities	**823,788**	**807,799**	**789,036**	**765,398**	**730,214**	**704,664**	**667,312**	**635,360**
Deposits	205,870	211,858	212,869	217,070	213,877	217,424	224,664	213,561
Federal Funds Purchased and Securities Sold under Agreements to Repurchase	281,045	255,591	245,538	225,974	213,930	197,448	171,458	164,204
Funds from Issuance of Securities	47,832	51,359	53,810	51,158	48,482	41,522	32,879	29,044
Interbank and Interdepartmental Accounts	3,815	5,667	3,649	3,618	3,231	4,614	2,974	3,037
Borrowing and Onlending	46,209	44,187	45,399	47,895	47,112	53,247	49,057	45,207
Derivative Financial Instruments	2,590	4,001	4,148	3,568	2,703	735	1,724	1,221
Reserves for Insurance, Pension Plans and Capitalization Bonds	127,367	124,217	117,807	111,789	106,953	103,653	97,099	93,938
Other Liabilities	109,060	110,919	105,816	104,326	93,926	86,021	87,457	85,148
Deferred Income	**632**	**658**	**619**	**615**	**646**	**672**	**622**	**505**
Non-controlling Interest in Subsidiaries	**605**	**588**	**586**	**587**	**630**	**615**	**613**	**599**

Shareholders' Equity	**69,442**	**70,047**	**66,047**	**63,920**	**58,060**	**55,582**	**53,742**	**52,843**
Total	**894,467**	**879,092**	**856,288**	**830,520**	**789,550**	**761,533**	**722,289**	**689,307**

Consolidated Statement of Financial Position and Adjusted Income Statement

Adjusted Income Statement

R$ million

	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11
Financial Margin	**10,706**	**11,109**	**10,955**	**11,034**	**10,695**	**10,258**	**10,230**	**9,471**
- Interest	10,509	10,678	10,603	10,518	10,222	9,985	9,669	9,167
- Non-interest	197	431	352	516	473	273	561	304
ALL	(3,109)	(3,210)	(3,303)	(3,407)	(3,094)	(2,661)	(2,779)	(2,437)
Gross Income from Financial Intermediation	**7,597**	**7,899**	**7,652**	**7,627**	**7,601**	**7,597**	**7,451**	**7,034**
Income from Insurance, Pension Plans and Capitalization Bonds (1)	1,155	955	1,029	953	877	933	864	788
Fee and Commission Income	4,599	4,675	4,438	4,281	4,118	4,086	3,876	3,751
Personnel Expenses	(3,059)	(3,142)	(3,119)	(3,047)	(2,878)	(3,140)	(2,880)	(2,605)
Other Administrative Expenses	(3,455)	(3,755)	(3,565)	(3,441)	(3,401)	(3,682)	(3,405)	(3,179)
Tax Expenses	(1,123)	(1,098)	(1,038)	(991)	(1,012)	(1,005)	(866)	(913)
Equity in the Earnings (Losses) of Unconsolidated Companies	3	45	45	19	40	53	41	16
Other Operating Income/ (Expenses)	(1,170)	(1,130)	(1,054)	(1,035)	(996)	(808)	(907)	(764)
Operating Result	**4,547**	**4,449**	**4,388**	**4,366**	**4,349**	**4,034**	**4,174**	**4,128**
Non-Operating Result	(38)	(29)	(20)	(22)	(18)	4	10	(7)
Income Tax and Social Contribution	(1,538)	(1,488)	(1,455)	(1,461)	(1,468)	(1,241)	(1,304)	(1,271)
Non-controlling Interest	(28)	(14)	(20)	(16)	(18)	(26)	(16)	(25)
Adjusted Net Income	**2,943**	**2,918**	**2,893**	**2,867**	**2,845**	**2,771**	**2,864**	**2,825**

(1) Income from Insurance, Pension Plan and Capitalization Bond Operations = Insurance, Pension Plan and Capitalization Bond Retained Premiums – Variation in Technical Reserves for Insurance, Pension Plans and Capitalization Bonds – Retained Claims – Capitalization Bond Draws and Redemption – Insurance, Pension Plan and Capitalization Bond Selling Expenses.

Financial Margin – Interest and Non-Interest

Financial Margin Breakdown

Economic and Financial Analysis

Financial Margin - Interest and Non-Interest

Average Financial Margin Rate

					R$ million
	Financial Margin				
	1Q13	**4Q12**	**1Q12**	**Variation**	
				Quarter	**12M**
Interest - due to volume				91	861
Interest - due to spread				(260)	(574)
- Financial Margin - Interest	10,509	10,678	10,222	(169)	287
- Financial Margin - Non-Interest	197	431	473	(234)	(276)
Financial Margin	**10,706**	**11,109**	**10,695**	**(403)**	**11**
Average Margin Rate (1)	**7.3%**	**7.6%**	**7.9%**		

(1) Average Margin Rate = (Financial Margin / Average Assets – Purchase and Sale Commitments – Permanent Assets) Annualized

The first quarter of 2013 had a financial margin of R$10,706 million, down 3.6%, or R$403 million, when compared to the fourth quarter of 2012. This variation was due to: (i) lower non-interest margin, totaling R$234 million, mainly due to lower gains from market arbitrage; and (ii) an R$169 million decrease in interest margin, due to lower results from “Loan” margin, arising from the new interest rate policy for the credit card segment.

Year over year, financial margin for the first quarter of 2013 grew by R$11 million, as a result of: (i) a R$287 million increase in interest margin, of which: (a) R$861 million corresponds to the increase in volume of operations, led by “Securities/Other;” partially minimized by: (b) R$574 million in spread; and partially offset by: (ii) a R$276 million decrease in non-interest financial margin, due to lower gains from market arbitrage.

Financial Margin - Interest

Interest Financial Margin - Breakdown

				R$ million
	Interest Financial Margin Breakdown			
	1Q13	**4Q12**	**1Q12**	**Variation**

				Quarter	12M
Loans	7,414	7,527	7,181	(113)	233
Funding	949	997	1,168	(48)	(219)
Insurance	933	912	851	21	82
Securities/Other	1,213	1,242	1,022	(29)	191
Interest Financial Margin	**10,509**	**10,678**	**10,222**	**(169)**	**287**

In the first quarter of 2013, interest financial margin stood at R$10,509 million, down R$169 million over the R$10,678 million in the fourth quarter of 2012. The business lines that most contributed to this result were: (i) Loan; and (ii) Funding.

Between the first quarter of 2013 and the same period in 2012, interest financial margin increased 2.8%, or R$287 million. The business lines that most contributed to this increase were: (i) Loan; (ii) Insurance; and (ii) Securities/Other.

Financial Margin - Interest

Interest Financial Margin - Rates

The annualized interest financial margin rate stood at 7.2% in the first quarter of 2013, posting a slight 0.1 p.p. decrease in relation to the previous quarter, mainly due to the decrease in the average “Loan” margin rate, which was impacted by lower interest rates, combined with the change in the loan portfolio mix.

Interest Financial Margin - Annualized Average Rates

R$ million

	1Q13			4Q12		
	Interest	**Average Balance**	**Average Rate**	**Interest**	**Average Balance**	**Average Rate**
Loans	7,414	298,495	10.3%	7,527	294,694	10.6%
Funding	949	326,424	1.2%	997	333,304	1.2%
Insurance	933	125,791	3.0%	912	121,638	3.0%
Securities/Other	1,213	303,865	1.6%	1,242	307,457	1.6%
Interest Financial Margin	**10,509**	**-**	**7.2%**	**10,678**	**-**	**7.3%**

	1Q13			1Q12		
	Interest	**Average Balance**	**Average Rate**	**Interest**	**Average Balance**	**Average Rate**
Loans	7,414	298,495	10.3%	7,181	272,481	11.0%
Funding	949	326,424	1.2%	1,168	331,186	1.4%
Insurance	933	125,791	3.0%	851	105,811	3.3%
Securities/Other	1,213	303,865	1.6%	1,022	283,634	1.4%
Interest Financial Margin	**10,509**	**-**	**7.2%**	**10,222**	**-**	**7.6%**

Loan Financial Margin - Interest

Loan Financial Margin - Breakdown

R$ million

	Financial Margin - Loan				
	1Q13	**4Q12**	**1Q12**	**Variation**	
				Quarter	**12M**
Interest - due to volume				94	646
Interest - due to spread				(207)	(413)
Interest Financial Margin	**7,414**	**7,527**	**7,181**	**(113)**	**233**
Income	12,462	12,361	12,645	101	(183)
Expenses	(5,048)	(4,834)	(5,464)	(214)	416

In the first quarter of 2013, financial margin with loan operations reached R$7,414 million, down 1.5% or R$113 million over the fourth quarter of 2012. The variation is the result of: (i) the decrease in average spread, in the amount of R$207 million, impacted by the new interest rate policy for the credit card segment; and partially offset by: (ii) the increase in average business volume, in the amount of R$94 million.

Year over year, the financial margin for the first quarter of 2013 grew 3.2%, or R$233 million, resulting from: (i) a R$646 million increase in the volume of operations; and offset by (ii) the decrease in average spread, amounting to R$413 million, mainly affected by: (a) the drop in interest rates used; and (b) the change in the loan portfolio mix.

Loan Financial Margin - Interest

Loan Financial Margin - Net Margin

The graph above presents a summary of loan activity. The Gross Margin line refers to interest income from loans, net of opportunity cost (a specific rate by type of operation and term).

The ALL curve shows delinquency costs, which are represented by Allowance for Loan Losses (ALL) expenses, plus discounts granted in transactions net of loan recoveries, arising from the sale of foreclosed assets, among other.

In the first quarter of 2013, the net margin curve, which refers to loan interest income net of ALL, remained virtually stable over the previous quarter. In the year-over-year comparison, the curve was up 5.3%, mainly impacted by: (i) the reduction in delinquency costs; and (ii) the increase in business volume.

Loan Financial Margin - Interest

Expanded Loan Portfolio [(1)]

The expanded loan portfolio amounted to R$391.7 billion in March 2013, up 1.6% in the quarter and 11.6% over the last twelve months, mainly led by Corporations, which grew by 1.8% and 15.6%, respectively.

(1) Including sureties, guarantees, letters of credit, advances of credit card receivables, debentures, promissory notes, receivables-backed investment funds - FIDC, mortgage-backed receivables - CRI and rural loans.

For further information, refer to page 42 herein.

Expanded Loan Portfolio Breakdown by Product and Type of Customer (Individual and Corporate)

A breakdown of loan risk products for individuals is presented below:

Individuals	R$ million			Variation %	
	Mar13	Dec12	Mar12	Quarter	12M
CDC / Vehicle Leasing	30,112	31,099	32,585	(3.2)	(7.6)
Payroll-Deductible Loans [(1)]	22,448	20,757	18,398	8.1	22.0
Credit Card	20,263	20,921	17,903	(3.1)	13.2
Personal Loans	15,408	15,041	13,771	2.4	11.9
Real Estate Financing [(2)]	10,642	10,060	7,994	5.8	33.1
Rural Loans	6,806	6,927	6,599	(1.7)	3.1
BNDES/Finame Onlending	6,187	5,775	5,494	7.1	12.6
Overdraft Facilities	3,424	2,989	3,217	14.6	6.4
Sureties and Guarantees	580	683	598	(15.1)	(3.0)
Other [(3)]	3,360	3,289	3,091	2.2	8.7
Total	**119,231**	**117,540**	**109,651**	**1.4**	**8.7**

Including:

(1) Loan assignment (FIDC): R$145 million in March 2013, R$202 million in December 2012 and R$420 million in March 2012;

(2) Loan assignment (CRI): R$141 million in March 2013, R$149 million in December 2012 and R$198 million in March 2012; and

(3) Loan assignment (FIDC) for the acquisition of assets: R$1 million in March 2013, R$1 million in December 2012 and R$2 million in March 2012; and rural loan assignment: R$102 million in March 2013, R$101 million in December 2012 and R$112 million in March 2012.

Operations bearing credit risks for Individuals grew by 1.4% in the quarter and 8.7% in the last 12 months, a result of better performance in: (i) real estate financing; and (ii) payroll-deductible loans.

Loan Financial Margin - Interest

A breakdown of loan risk products in the corporate segment is presented below:

Corporate	R$ million			Variation %	
	Mar13	**Dec12**	**Mar12**	**Quarter**	**12M**
Working Capital	44,992	44,811	41,551	0.4	8.3
BNDES/Finame Onlending	31,639	29,929	29,812	5.7	6.1
Operations Abroad	24,542	25,243	21,670	(2.8)	13.3
Export Financing	14,841	12,023	10,479	23.4	41.6
Credit Card	13,558	13,942	13,916	(2.8)	(2.6)
Real Estate Financing - Corporate Plan (1)	13,305	12,674	10,068	5.0	32.1
Overdraft Account	10,558	9,793	10,631	7.8	(0.7)
Vehicles - CDC	7,281	7,088	5,965	2.7	22.0
Leasing	5,836	6,190	7,008	(5.7)	(16.7)
Rural Loans	4,842	4,653	4,358	4.1	11.1
Sureties and Guarantees (2)	59,148	59,228	50,334	(0.1)	17.5
Operations bearing Credit Risk - Commercial Portfolio (3)	30,833	30,874	25,403	(0.1)	21.4
Other (4)	11,076	11,542	9,983	(4.0)	10.9
Total	**272,451**	**267,989**	**241,181**	**1.7**	**13.0**

Including:

(1) Loan assignment (CRI): R$226 million in March 2013, R$230 million in December 2012 and R$280 million in March 2012;

(2) A total of 91.2% of sureties and guarantees from corporate customers were contracted by corporations;

(3) Operations with debentures and promissory notes; and

(4) Letters of credit: R$1,401 million in March 2013, R$1,629 million in December 2012 and R$1,556 million in March 2012.

Operations bearing credit risk for corporate customers grew by 1.7% in the quarter and 13.0% in the last 12 months. The main highlights in the quarter were: (i) export financing and (ii) overdraft account. In the last 12 months, the growth was led by: (i) export financing; and (ii) real estate financing – corporate plan.

Expanded Loan Portfolio - Consumer Financing

The graph below shows the types of credit related to Consumer Financing of individual customers (CDC/vehicle leasing, personal loans, financing of goods, revolving credit card and cash and installment purchases at merchants).

Consumer financing totaled R$88.6 billion, up 0.4% in the quarter and 6.7% in the last 12 months. Growth was led by: (i) vehicle financing (CDC/Leasing) (R$30.1 billion); and (ii) payroll-deductible loans (R$22.5 billion), which together totaled R$52.6 billion, accounting for 59.3% of the consumer financing balance. Given their guarantees and characteristics, these products provide a rather lower level of credit risk to this group of operations.

Economic and Financial Analysis

Loan Financial Margin - Interest

Breakdown of the Vehicle Portfolio

	R$ million			Variation %	
	Mar13	Dec12	Mar12	Quarter	12M
CDC Portfolio	**35,943**	**36,336**	**35,040**	**(1.1)**	**2.6**
Individuals	28,662	29,248	29,075	(2.0)	(1.4)
Corporate	7,281	7,088	5,965	2.7	22.1
Leasing Portfolio	**4,078**	**4,774**	**7,222**	**(14.6)**	**(43.5)**
Individuals	1,450	1,851	3,510	(21.7)	(58.7)
Corporate	2,628	2,923	3,712	(10.1)	(29.2)
Finame Portfolio	**10,690**	**10,417**	**9,970**	**2.6**	**7.2**
Individuals	888	938	931	(5.3)	(4.6)
Corporate	9,802	9,479	9,039	3.4	8.4
Total	**50,711**	**51,527**	**52,232**	**(1.6)**	**(2.9)**
Individuals	31,000	32,037	33,516	(3.2)	(7.5)
Corporate	19,711	19,490	18,716	1.1	5.3

Vehicle financing operations (individual and corporate customers) totaled R$50.7 billion in March 2013, presenting a decrease in quarter-over-quarter and year-over-year comparisons. Of the total vehicle portfolio, 70.9% corresponds to CDC, 21.1% to Finame and 8.0% to Leasing. Individuals represented 61.1% of the portfolio, while corporate customers accounted for the remaining 38.9%.

Expanded Loan Portfolio Concentration - by Sector

The share of each economic sector composing the loan portfolio had a slight variation. Industry had the greatest growth, both in the quarter and in the last twelve-month period.

Activity Sector						R$ million
	Mar13	%	Dec12	%	Mar12	%
Public Sector	**619**	**0.2**	**1,179**	**0.3**	**1,844**	**0.5**
Private Sector	**391,063**	**99.8**	**384,350**	**99.7**	**348,987**	**99.5**
Corporate	**271,832**	**69.4**	**266,810**	**69.2**	**239,336**	**68.2**
Industry	88,745	22.7	83,880	21.8	75,436	21.5
Commerce	57,928	14.8	57,531	14.9	54,144	15.4

Financial Intermediaries	7,483	1.9	7,138	1.9	4,871	1.4
Services	113,773	29.0	114,383	29.7	101,243	28.9
Agriculture, Cattle Raising, Fishing, Forestry and Forest Exploration	3,903	1.0	3,879	1.0	3,642	1.0
Individuals	**119,231**	**30.4**	**117,540**	**30.5**	**109,651**	**31.3**
Total	**391,682**	**100.0**	**385,529**	**100.0**	**350,831**	**100.0**

Loan Financial Margin - Interest

Changes in the Expanded Loan Portfolio

Of the R$40.9 billion growth in the loan portfolio over the last 12 months, new borrowers accounted for R$30.5 billion, or 74.5%, representing 7.8% of the portfolio in March 2013.

(1) Including loans settled and subsequently renewed in the last 12 months.

Loan Financial Margin - Interest

Changes in the Expanded Loan Portfolio - By Rating

The chart below shows that new borrowers and remaining debtors as of March 2012 (customers that remained in the loan portfolio for at least 12 months) presented a good level of credit quality (AA-C ratings), demonstrating the adequacy and consistency of the loan assignment policy and processes, as well as the quality of guarantees and the credit rating instruments used by Bradesco.

Changes in the Extended Loan Portfolio by Rating from March 2012 to 2013

Rating	Total Loan as of March 2013		New Customers from April 2012 to March 2013		Remaining Debtors as of March 2012	
	R$ million	%	R$ million	%	R$ million	%
AA - C	366,329	93.5	29,145	95.7	337,184	93.3
D	7,807	2.0	377	1.2	7,429	2.1
E - H	17,546	4.5	930	3.1	16,617	4.6
Total	**391,682**	**100.0**	**30,452**	**100.0**	**361,230**	**100.0**

Expanded Loan Portfolio - By Customer Profile

The table below presents the changes in the loan portfolio by customer profile:

Customer Profile	R$ million			Variation %	
	Mar13	Dec12	Mar12	Quarter	12M
Corporations	155,409	152,728	134,451	1.8	15.6
SMEs	117,043	115,261	106,730	1.5	9.7
Individuals	119,231	117,540	109,651	1.4	8.7
Total Loan Operations	**391,682**	**385,529**	**350,831**	**1.6**	**11.6**

Expanded Loan Portfolio - By Customer Profile and Rating (%)

AA-C rated loans remained stable in comparison with the previous quarter and slightly increased in the year-over-year comparison.

Customer Profile	By Rating		
	Mar13	Dec12	Mar12

	AA-C	D	E-H	AA-C	D	E-H	AA-C	D	E-H
Corporations	98.5	1.0	0.5	98.7	0.9	0.4	98.5	1.0	0.5
SMEs	91.3	3.1	5.6	91.3	3.1	5.6	91.6	2.8	5.6
Individuals	89.2	2.2	8.6	88.9	2.3	8.8	89.0	2.3	8.7
Total	**93.5**	**2.0**	**4.5**	**93.5**	**2.0**	**4.5**	**93.3**	**2.1**	**4.6**

Loan Financial Margin - Interest

Expanded Loan Portfolio - By Business Segment

Below is the quarterly and yearly growth in the loan portfolio by business segment, which was led by the Prime and Retail segments.

Business Segments	R$ million						Variation %	
	Mar13	%	Dec12	%	Mar12	%	Quarter	12M
Retail	112,034	28.6	108,631	28.2	96,914	27.6	3.1	15.6
Corporate (1)	160,232	40.9	158,474	41.1	143,751	41.0	1.1	11.5
Middle Market	50,200	12.8	49,271	12.8	44,686	12.7	1.9	12.3
Prime	16,170	4.1	15,603	4.0	12,935	3.7	3.6	25.0
Other / Non-account holders (2)	53,046	13.6	53,551	13.9	52,546	15.0	(0.9)	1.0
Total	**391,682**	**100.0**	**385,529**	**100.0**	**350,831**	**100.0**	**1.6**	**11.6**

(1) Including loans taken out with co-obligation. In the table on page 40, Loan Portfolio - by Customer Profile, these amounts are allocated to individuals; and

(2) Mostly, non-account holders using vehicle financing, credit cards and payroll-deductible loans.

Expanded Loan Portfolio - By Currency

The balance of foreign currency-indexed and/or denominated loan and onlending operations (excluding ACCs - Advances on Foreign Exchange Contracts) totaled US$14.9 billion in March 2013 (US$15.1 billion in December 2012 and US$13.4 billion in March 2012), a 1.3% decrease in the quarter and 11.2% increase in the last 12 months, in dollars. In reais, these same foreign currency operations totaled R$29.9 billion in March 2013 (R$30.9 billion in December 2012 and R$24.4 billion in March 2012), a 3.2% decrease in the quarter and 22.5% growth in the last 12 months.

In March 2013, total loan operations, in reais, stood at R$361.7 billion (R$354.6 billion in December 2012 and R$326.4 billion in March 2012), up 2.0% on the previous quarter and 10.8% over the last 12 months.

Loan Financial Margin - Interest

Expanded Loan Portfolio - by Debtor

Credit exposure level among the 100 largest debtors was slightly higher from that in the previous year and the last quarter. The quality of the 100 largest debtors, rated as AA to A, improved in the quarter and in the last 12 months.

Loan Portfolio[1] - By Type

All operations bearing credit risk stood at R$413.3 billion, up 1.0% in the quarter and 11.4% in the last 12 months.

	R$ million			**Variation %**	
	Mar13	**Dec12**	**Mar12**	**Quarter**	**12M**
Loans and Discounted Securities	144,724	141,861	130,587	2.0	10.8
Financing	106,780	101,361	93,491	5.3	14.2
Rural and Agribusiness Financing	17,238	16,683	15,609	3.3	10.4
Leasing Operations	7,280	8,035	10,514	(9.4)	(30.8)
Advances on Exchange Contracts	6,023	6,348	6,671	(5.1)	(9.7)
Other Loans	15,838	16,672	12,876	(5.0)	23.0
Subtotal Loan Operations [2]	**297,883**	**290,960**	**269,749**	**2.4**	**10.4**
Sureties and Guarantees Granted (Memorandum Accounts)	59,728	59,911	50,932	(0.3)	17.3
Operations bearing Credit Risk - Commercial Portfolio [3]	30,833	30,874	25,403	(0.1)	21.4
Letters of Credit (Memorandum Accounts)	1,401	1,629	1,556	(14.0)	(10.0)
Advances from Credit Card Receivables	1,206	1,454	2,161	(17.1)	(44.2)
Co-obligation in Loan Assignment FIDC/CRI (Memorandum Accounts)	512	582	899	(12.0)	(43.0)
Co-obligation in Rural Loan Assignment (Memorandum Accounts)	119	119	131	0.4	(8.8)
Subtotal of Operations bearing Credit Risk - Expanded Portfolio	**391,682**	**385,529**	**350,831**	**1.6**	**11.6**
Other Operations Bearing Credit Risk [4]	21,590	23,851	20,142	(9.5)	7.2
Total Operations bearing Credit Risk	**413,273**	**409,380**	**370,974**	**1.0**	**11.4**

(1) In addition to the Expanded Portfolio, it includes other operations bearing credit risk;

(2) As defined by Bacen;

(3) Including debenture and promissory note operations; and

(4) Including CDI operations, international treasury, swaps, forward currency contracts and investments in FIDC and CRI.

Loan Financial Margin - Interest

The charts below refer to the Loan Portfolio, as defined by Bacen.

Loan Portfolio[1] - By Flow of Maturities

The maturities of performing loans were slightly longer in March 2013, mainly due to the higher volume of BNDES onlending and real estate financing. Note that, due to their guarantees and characteristics, these operations are exposed to lower risk, in addition to providing favorable conditions to gain customer loyalty.

(1) As defined by Bacen.

Loan Financial Margin - Interest

Loan Portfolio[(1)] - Delinquency over 90 days

Total delinquency ratio over 90 days had a slight reduction in the quarter and in the last 12 months, maintaining an improvement in a gradual downward trend, mainly due to the 0.2 p.p. decrease in Individuals.

As shown in the graph below, the total delinquency ratio for operations overdue from 61 to 90 days remained stable in the quarter and had a slight decrease over the last 12 months.

(1) As defined by Bacen.

Loan Financial Margin - Interest

Allowance for Loan Losses (ALL) x Delinquency x Losses[1]

The ALL of R$21.4 billion, representing 7.2% of the total portfolio, comprises the generic provision (customer and/or operation rating), the specific provision (non-performing loans) and the excess provision (internal criteria).

Bradesco has appropriate provisioning levels that are also sufficient to support possible changes in scenarios, such as higher delinquency levels and/or changes in the loan portfolio profile.

It is worth mentioning the assertiveness of adopted provisioning criteria, which is proven by: (i) analyzing historical data on recorded allowances for loan losses; and (ii) effective losses in the subsequent twelve-month period, i.e., for an existing provision of 7.5% of the portfolio[1], in March 2012, the effective gross loss in the subsequent twelve-month period was 4.8%, meaning the existing provision exceeded the loss over the subsequent twelve-month period by more than 56%, as shown in the graph below.

(1) As defined by Bacen.

Loan Financial Margin - Interest

Analysis in terms of loss, net of recovery, shows a significant increase in the coverage margin. In March 2012, for an existing provision of 7.5% of the portfolio(1), the net loss in the subsequent twelve-month period was 3.6%, meaning that the existing provision exceeded over twice the loss in the subsequent 12 months.

(1) As defined by Bacen.

Loan Financial Margin - Interest

Allowance for Loan Losses[1]

The Non-performing Loan ratio (operations overdue for over 60 days) posted a slight decrease in the quarter-over-quarter comparison. Coverage ratios for the allowance for loans overdue from 60 to 90 days stood at very comfortable levels.

(1) As defined by Bacen; and

(2) Loan operations overdue for over 60 days and that do not generate revenue appropriation on an accrual basis.

Loan Financial Margin - Interest

Loan Portfolio(1) - Portfolio Indicators

To facilitate the monitoring of the quantitative and qualitative performance of Bradesco's loan portfolio, a comparative summary of the main figures and indicators is presented below:

			R$ million (except %)
	Mar13	**Dec12**	**Mar12**
Total Loan Operations (1)	**297,883**	**290,960**	**269,749**
- Individuals	118,263	116,404	108,321
- Corporate	179,620	174,556	161,427
Existing Provision	**21,359**	**21,299**	**20,117**
- Specific	11,268	11,182	10,576
- Generic	6,080	6,106	5,530
- Excess	4,010	4,010	4,012
Specific Provision / Existing Provision (%)	52.8	52.5	52.6
Existing Provision / Loan Operations (%)	7.2	7.3	7.5
AA - C Rated Loan Operations / Loan Operations (%)	91.6	91.5	91.5
D Rated Operations under Risk Management / Loan Operations (%)	2.6	2.5	2.5
E - H Rated Loan Operations / Loan Operations (%)	5.9	6.0	6.0
D Rated Loan Operations	7,608	7,427	6,807
Existing Provision for D Rated Loan Operations	2,079	2,039	1,871
D Rated Provision / Loan Operations (%)	27.3	27.5	27.5
D - H Rated Non-Performing Loans	16,616	16,414	15,400
Existing Provision/D - H Rated Non-Performing Loans (%)	128.5	129.8	130.6
E - H Rated Loan Operations	17,456	17,382	16,188
Existing Provision for E - H Rated Loan Operations	15,305	15,296	14,305
E - H Rated Provision / Loan Operations (%)	87.7	88.0	88.4
E - H Rated Non-Performing Loans	13,436	13,404	12,572
Existing Provision/E - H Rated Non-Performing Loan (%)	159.0	158.9	160.0
Non-Performing Loans (2)	14,628	14,455	13,718
Non-Performing Loans (2) / Loan Operations (%)	4.9	5.0	5.1
Existing Provision / Non-Performing Loans (2) (%)	146.0	147.3	146.6
Loan Operations Overdue for over 90 days	11,904	11,955	11,070
Loan Operations Overdue for over 90 days / Loan Operations (%)	4.0	4.1	4.1
Existing Provision/Operations Overdue for over 90 days (%)	179.4	178.2	181.7

(1) As defined by Bacen; and

(2) Loan operations overdue for over 60 days and that do not generate revenue appropriation on an accrual basis.

Funding Financial Margin- Interest

Funding Financial Margin - Breakdown

R$ million

Financial Margin - Funding	1Q13	4Q12	1Q12	Variation Quarter	Variation 12M
Interest - due to volume				(20)	(14)
Interest - due to spread				(28)	(205)
Interest Financial Margin	**949**	**997**	**1,168**	**(48)**	**(219)**

Quarter over quarter, interest funding financial margin decreased 4.8%, or R$48 million, as a result of: (i) the lower volume of funds raised that negatively affected this margin by R$20 million; and (ii) the R$28 million decrease in average spread, due to the interest rate decrease in the period (Selic).

In the first quarter of 2013, interest funding financial margin was R$949 million against the R$1,168 million in the same period of 2012, down by 18.8% or R$219 million, mainly driven by: (i) the lower average volume of funds raised, totaling R$14 million; and (ii) the R$205 million decrease in average spread, due to the interest rate decrease in the period (Selic).

Funding Financial Margin - Interest

Loans vs. Funding

To analyze Loan Operations in relation to Funding, it is necessary to deduct from total customer funding (i) the amount committed to reserve requirements at Bacen, (ii) the amount of available funds held at customer service network, as well as (iii) add funds from domestic and foreign lines of credit that finance loan needs.

Bradesco depends little on interbank deposits and foreign lines of credit, given its capacity to effectively obtain funding from customers.

This is a result of: (i) the outstanding position of its service points; (ii) the extensive diversity of products offered; and (iii) the market's confidence in the Bradesco brand.

Note that the use of funds provides a comfortable margin, which proves that Bradesco is capable of meeting demand for funds for loans using its own funding.

Funding vs. Investments	R$ million			Variation %	
	Mar13	Dec12	Mar12	Quarter	12M
Demand Deposits	35,714	38,412	31,955	(7.0)	11.8
Sundry Floating	4,541	3,428	6,948	32.5	(34.6)
Savings Deposits	70,163	69,042	59,924	1.6	17.1
Time Deposits + Debentures (1)	157,708	163,832	176,927	(3.7)	(10.9)
Financial Bills	25,417	28,221	32,405	(9.9)	(21.6)
Other	22,929	23,799	18,283	(3.7)	25.4
Customer Funds	**316,472**	**326,733**	**326,442**	**(3.1)**	**(3.1)**
(-) Reserve Requirements/Available Funds (2)	(56,500)	(58,291)	(79,159)	(3.1)	(28.6)
Customer Funds Net of Compulsory Deposits	**259,972**	**268,442**	**247,283**	**(3.2)**	**5.1**
Onlending	34,922	32,744	32,490	6.7	7.5
Foreign Lines of Credit	8,716	11,161	11,423	(21.9)	(23.7)
Funding Abroad	42,936	51,411	42,648	(16.5)	0.7
Total Funding (A)	**346,546**	**363,759**	**333,844**	**(4.7)**	**3.8**
Loan Portfolio/Leasing/Cards (Other Receivables)/Acquired CDI (B) (3)	**341,640**	**335,917**	**308,251**	**1.7**	**10.8**
B/A (%)	**98.6**	**92.3**	**92.3**	**6.3**	**6.3**

(1) Debentures mainly used to back purchase and sale commitments;

(2) Excluding government securities tied to savings accounts; and

(3) Comprising amounts relative to card operations (cash and installment purchases at merchants), amounts related to CDI to rebate from reserve requirements and debentures.

Funding Financial Margin - Interest

Main Funding Sources

The following table presents changes in main funding sources:

	R$ million			Variation %	
	Mar13	**Dec12**	**Mar12**	**Quarter**	**12M**
Demand Deposits	35,714	38,412	31,955	(7.0)	11.8
Savings Deposits	70,163	69,042	59,924	1.6	17.1
Time Deposits	99,505	104,022	121,485	(4.3)	(18.1)
Debentures (1)	58,203	59,810	55,442	(2.7)	5.0
Borrowing and Onlending	46,209	44,186	47,112	4.6	(1.9)
Funds from Issuance of Securities (2)	47,833	51,359	48,482	(6.9)	(1.3)
Subordinated Debts	35,057	34,852	30,122	0.6	16.4
Total	**392,684**	**401,683**	**394,522**	**(2.2)**	**(0.5)**

(1) Considering only debentures used to back purchase and sale commitments; and

(2) Including: Financial Bills, on March 31, 2013, amounting to R$25,417 million (R$28,221 million on December 31, 2012 and R$32,405 million on March 31, 2012).

Demand Deposits

The R$2,698 million, or 7.0%, decrease in the first quarter of 2013, when compared to the previous quarter, was basically driven by: (i) the use of funds by our customers to pay one-time expenses at the beginning of the year (e.g., IPVA and IPTU taxes), as well as: (ii) the seasonality in the fourth quarter, which contributed to greater amount of funds, with the payment of the Christmas bonus in the period.

The R$3,759 million, or 11.8%, increase in comparison with the first quarter of 2012 was mainly due to the improved funding and the increased account holder base.

(1) Additional installment is not included.

Savings Deposits

Savings deposits increased 1.6% in the quarter-over-quarter comparison and 17.1% in the last 12 months, mainly as a result of: (i) greater funding volume; and (ii) the remuneration of savings account reserve.

The new savings remuneration rule determines that: (i) the existing account savings up to May 3, 2012 will continue to remunerate at TR + 0.5% p.m.; and (ii) for deposits made as of May 4, 2012, the new rules are: (a) if the Selic rate is higher than 8.5% p.a., the TR + 0.5% p.m. remuneration will be maintained; and (b) when the Selic rate is equal to or lower than 8.5% p.a., the remuneration will be 70% of Selic rate + TR.

Bradesco is always increasing its savings accounts base and posted net growth of 5.3 million new savings accounts over the last 12 months.

Loan Financial Margin - Interest

Time Deposits

In the first quarter of 2013, time deposits totaled R$99,505 million, decreasing by 4.3% quarter over quarter and 18.1% on the same period of the previous year.

Such performance is basically due to the new business opportunities offered to customers.

Debentures

On March 31, 2013, Bradesco's debentures amounted to R$58,203 million, a 2.7% decrease in the quarter-over-quarter comparison and a 5.0% increase over the last 12 months.

These variations are mainly due to the placement and maturity of the securities, which are also used to back purchase and sale commitments that are, in turn, impacted by the levels of economic activity.

Borrowing and Onlending

The quarter-over-quarter R$2,023 million increase, or 4.6%, was mainly due to the R$1,978 million increase in the volume of funds raised through loans and onlending in Brazil, especially through Finame and BNDES operations.

Year over year, the balance fell R$903 million in the first quarter of 2013, mainly due to:
(i) the R$3,227 million decrease in foreign-currency-denominated and/or indexed borrowing and onlending, from R$11,441 million in March 2012 to R$8,214 million in March 2013, mainly due to: (a) the settlement of operations; partially offset by: (b) the exchange

million increase in volume of funds raised through loans and onlending in Brazil, especially through Finame and BNDES operations.

gain of 10.5% in the period; and partially offset
by: (ii) the R$2,324

Funding Financial Margin - Interest

Funds for the Issuance of Securities

Funds from issuance of securities totaled R$47,833 million, a 6.9% or R$3,526 million decrease in the quarter, mainly due to: (i) the decreased inventory of Financial Bills, from R$28,221 million in December 2012 to R$25,417 million in March 2013, mainly due to the redemptions and maturities of these securities; and (ii) the lower volume of securities issued abroad, in the amount of R$968 million.

Between the first quarter of 2012 and 2013, there was a reduction of R$649 million, mainly driven by: (i) the decreased inventory of Financial Bills, amounting to R$6,988 million, mainly due to the redemptions and maturities of these securities; partially offset by: (ii) the increase in volume of securities issued abroad, in the amount of R$3,739 million, a result of new issuances carried out in the period and exchange gains of 10.5%; (iii) the higher volume of Mortgage Bonds, in the amount of R$1,582 million; and (iv) the higher volume of Letters of Credit for Agribusiness, in the amount of R$1,565 million.

Subordinated Debt

Subordinated Debt totaled R$35,057 million in March 2013 (R$8,597 million abroad and R$26,460 million in Brazil). In the last 12 months, Bradesco issued R$8,948 million in Brazil.

Additionally, note that, in the first quarter of 2013, Bacen authorized the use of Subordinated Financial Bills amounting to R$1,234 million (R$2,206 million in the fourth quarter of 2012) to compose Tier II of the Capital Adequacy Ratio, of which only R$27,009 million of total subordinated debt is used to calculate the Capital Adequacy Ratio, given their maturity terms.

Securities/Other Financial Margin - Interest

Securities/Other Financial Margin - Breakdown

R$ million

Financial Margin - Securities/Other					
	1Q13	4Q12	1Q12	Variation Quarter	Variation 12M
Interest - due to volume				(14)	81
Interest - due to spread				(15)	110
Interest Financial Margin	**1,213**	**1,242**	**1,022**	**(29)**	**191**
Income	5,863	6,862	8,599	(999)	(2,736)
Expenses	(4,650)	(5,620)	(7,577)	970	2,927

Quarter over quarter, interest financial margin from Securities/Other was down by R$29 million, mainly due to: (i) the decrease in average spread of operations, amounting to R$15 million; and (ii) decrease in volume of operations, amounting to R$14 million.

Year over year, interest financial margin from “Securities/Other” stood at R$1,213 million, versus R$1,022 million recorded in the same period in 2012, up R$191 million or 18.7%. This result was due to: (i) an increase in the volume of operations which affected the result in R$81 million; and (ii) a R$110 million increase in the average spread.

Insurance Financial Margin - Interest

Insurance Financial Margin - Breakdown

R$ million

Financial Margin - Insurance					
	1Q13	4Q12	1Q12	Variation Quarter	Variation 12M
Interest - due to volume				31	148
Interest - due to spread				(10)	(66)
Interest Financial Margin	**933**	**912**	**851**	**21**	**82**
Income	2,055	2,329	3,075	(274)	(1,020)
Expenses	(1,122)	(1,417)	(2,224)	295	1,102

In the quarter-over-quarter comparison, interest financial margin from insurance operations increased R$21 million, or 2.3%, due to: (i) the higher volume of operations, totaling R$31 million; and offset by: (ii) the R$10 million decrease in average spread.

In the year-over-year comparison, interest financial margin from insurance operations was up 9.6%, or R$82 million, due to: (i) the higher volume of operations, in the amount of R$148 million; and offset by (ii) the R$66 million decrease in average spread.

Financial Margin - Non-Interest

Non-Interest Financial Margin - Breakdown

R$ million

	Non-Interest Financial Margin				
	1Q13	4Q12	1Q12	Variation Quarter	Variation 12M
Funding	(73)	(73)	(73)	-	-
Insurance	75	102	163	(27)	(88)
Securities/Other	195	402	383	(207)	(188)
Total	**197**	**431**	**473**	**(234)**	**(276)**

The non-interest financial margin in the first quarter of 2013 stood at R$197 million, down R$234 million over the previous quarter. Year over year, non-interest margin decreased R$276 million. The variations in non-interest financial margin were a result of:

- "Insurance," which is represented by gains/loss from equity securities. The variations in the periods are associated with market conditions, which enabled greater/lower gain opportunity; and

- "Securities/Other," which had a decrease of R$207 million and R$188 million quarter over quarter and year over year, respectively, due to lower gains from market arbitrage.

Insurance, Pension Plans and Capitalization Bonds

Below is the analysis of the Statement of Financial Position and Income Statement of Grupo Bradesco Seguros e Previdência:

Consolidated Statement of Financial Position

			R$ million
	Mar13	**Dec12**	**Mar12**
Assets			
Current and Long-Term Assets	**151,335**	**150,710**	**129,800**
Securities	141,535	141,540	122,147
Insurance Premiums Receivable (1)	2,464	1,979	1,759
Other Loans	7,336	7,191	5,894
Permanent Assets	**3,777**	**3,661**	**3,235**
Total	**155,112**	**154,371**	**133,035**
Liabilities			
Current and Long-Term Liabilities	**136,025**	**133,935**	**114,752**
Tax, Civil and Labor Contingencies	2,746	2,523	2,134
Payables on Insurance, Pension Plan and Capitalization Bond Operations	369	367	318
Other Liabilities	5,543	6,828	5,347
Insurance Technical Reserves (1)	11,217	10,397	8,429
Life and Pension Plan Technical Reserves	110,527	108,371	93,861
Capitalization Bond Technical Reserves	5,623	5,449	4,663
Non-controlling Interest	**663**	**637**	**663**
Shareholders' Equity	**18,424**	**19,799**	**17,620**
Total	**155,112**	**154,371**	**133,035**

(1) In the first quarter of 2013, in compliance with ANS Normative Resolution 314, of November 23, 2012, Bradesco Saúde reclassified R$597.3 million, corresponding to the early recording of premiums, which was deducted from premiums receivable, to “Technical Reserves – Unearned Premium Reserve,” under liabilities.

Consolidated Income Statement (2)

			R$ million
	1Q13	**4Q12**	**1Q12**
Insurance Written Premiums, Pension Plan Contributions and Capitalization Bond Income	10,953	13,216	9,418
Premiums Earned from Insurance, Pension Plan Contribution and Capitalization Bond	6,212	6,126	5,212
Financial Result from the Operation	979	991	973
Sundry Operating Income	135	232	256
Retained Claims	(3,547)	(3,472)	(3,080)
Capitalization Bond Draws and Redemptions	(872)	(982)	(709)

Selling Expenses	(636)	(636)	(546)
General and Administrative Expenses	(475)	(584)	(473)
Other Operating Income/Expenses	(191)	(142)	(100)
Tax Expenses	(147)	(136)	(115)
Operating Result	**1,458**	**1,397**	**1,418**
Equity Result	101	162	96
Non-Operating Result	(13)	(12)	(9)
Income before Taxes and Profit Sharing	**1,546**	**1,547**	**1,505**
Income Tax and Contributions	(570)	(547)	(561)
Profit Sharing	(16)	(17)	(20)
Non-controlling Interest	(30)	(19)	(19)
Net Income	**930**	**964**	**905**

(2) For comparison purposes, non-recurring events are not considered.

Insurance, Pension Plans and Capitalization Bonds

Income Distribution of Grupo Bradesco Seguros

R$ million

	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11
Life and Pension Plans	542	570	493	494	493	535	486	470
Health	167	167	133	148	151	181	132	200
Capitalization Bonds	131	103	86	91	104	87	86	79
Basic Lines and Other	90	124	125	148	157	57	76	51
Total	**930**	**964**	**837**	**881**	**905**	**860**	**780**	**800**

Performance Ratios

%

	1Q13	4Q12	3Q12	2Q12	1Q12	4Q11	3Q11	2Q11
Claims Ratio (1)	69.6	70.5	70.4	71.3	71.9	68.6	71.5	72.2
Expense Ratio (2)	11.0	11.6	11.3	11.1	11.1	11.1	10.5	10.8
Administrative Expenses Ratio (3)	4.3	4.2	5.0	4.3	5.0	4.5	5.8	5.4
Combined Ratio (4) (5)	86.0	86.6	86.5	85.0	85.6	83.6	86.2	85.8

(1) Retained Claims/Earned Premiums;

(2) Selling Expenses/Earned Premiums;

(3) Administrative Expenses/Net Written Premiums;

(4) (Retained Claims + Selling Expenses + Other Operating Income and Expenses) / Earned Premiums + (Administrative Expenses + Taxes) / Net Written Premiums; and

(5) Excluding additional reserves.

Note: For comparison purposes, the non-recurring events' effects are not considered.

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

In the quarter-over-quarter and year-over-year comparisons, total revenue did not have the same performance, due to the concentration of pension plan contributions, which are historically paid in the last quarter of every year.

In the first quarter of 2013, written premiums, pension plan contributions and capitalization bond income increased by 16.3% in comparison with the same period of the previous year. Leading growth in the year were the "Life and Pension Plan," "Capitalization Bond" and "Health" products, which had more than a two-digit growth.

Insurance, Pension Plans and Capitalization Bonds

Written Premiums, Pension Plan Contributions and Capitalization Bond Income

Insurance, Pension Plan and Capitalization Bonds

Retained Claims by Insurance Line

Insurance, Pension Plan and Capitalization Bonds

Insurance Expense Ratio by Insurance Line

Insurance, Pension Plans and Capitalization Bonds

Efficiency Ratio

General and Administrative Expenses/Revenue

The improved administrative efficiency ratio when compared to the first quarter of 2012 was due to: (i) the benefits from cost rationalization; and (ii) the 16.3% increase in revenue in the period.